

World Titanium Resources Limited

ABN 21 120 723 426

Target's Statement

This Target's Statement has been issued in response to the on-market cash takeover bid made by African Minerals Exploration & Development Fund II SICAR SCA (**AMED Fund II**) to acquire all of the fully paid ordinary shares in World Titanium Resources Limited (ABN 21 120 723 426) (**World Titanium** or the **Company**) for \$0.05 (5 cents) cash per World Titanium fully paid ordinary share.

Your Directors' recommendation is set out in section 1 of this Target's Statement. Shareholders should read this Target's Statement in full before deciding whether to accept or reject AMED Fund II's Offer.



BAKER & MCKENZIE

Legal Adviser to World Titanium

IMPORTANT INFORMATION

This is an important document that should be read in its entirety. If you do not understand it you should consult your professional advisers without delay.

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KEY DATES

Date of Announcement of AMED Fund II's Offer	18 January 2016
Date of this Target's Statement	28 January 2016
Date of AMED Fund II's Offer	2 February 2016
Close of Offer Period (unless extended)	4:00pm (AEST) on 3 March 2016

ENQUIRIES

Shareholders may call World Titanium on +61 (0)8 9286 1219 between 8:00am and 4:00pm (Perth time) Monday to Friday, if they have any queries in relation to the Offer.

Further information relating to the Offer can be obtained from the ASX website (ASX Code: WTR) at www.asx.com.au or from World Titanium's website at www.worldtitaniumresources.com.

IMPORTANT NOTICES

Nature of this document

This is a Target's Statement issued by World Titanium under Part 6.5 Division 3 of the Corporations Act in response to the on-market takeover offer made by AMED Fund II for all of the fully paid ordinary shares in World Titanium.

ASIC lodgement

This Target's Statement is dated 28 January 2016 and was lodged with the ASIC and given to ASX on that date. Neither ASIC, nor ASX, nor any of their respective officers take any responsibility for the contents of this Target's Statement.

Defined terms

A number of defined terms are used in this Target's Statement. These terms are explained in section 8 of this Target's Statement. In addition, unless the contrary intention appears or the context requires otherwise, words and phrases used in this Target's Statement and defined in the Corporations Act have the same meaning and interpretation as in the Corporations Act.

No account of personal circumstances

This Target's Statement does not take into account your individual objectives, financial situation or, particular needs. It does not contain personal advice. Your Directors encourage you to seek independent financial and taxation advice before making a decision as to whether or not to accept the Offer.

Disclaimer as to forward looking statements

Some of the statements appearing in this Target's Statement may be in the nature of forward looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include, without limitation, factors and risks specific to the industry in which World Titanium operates as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement.

None of World Titanium, World Titanium's officers, employees and advisers, any persons named in this Target's Statement with their consent, or any person involved in the preparation of this Target's Statement, makes any representation or warranty (express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement, except to the extent required by law. You are cautioned not to place undue reliance on any forward looking statement. The forward looking statements in this Target's Statement reflect views held only as at the date of this Target's Statement. World Titanium does not undertake to update any forward-looking information or statements, except in accordance with applicable securities laws.

Disclaimer as to information

The information on AMED Fund II contained in this Target's Statement has been prepared by World Titanium using publicly available information. The information in this Target's Statement concerning AMED Fund II, has not been independently verified by World Titanium. Accordingly, World Titanium does not, subject to the Corporations Act, make any representation or warranty (express or implied) as to the accuracy or completeness of such information.

Foreign jurisdictions

The release, publication or distribution of this Target's Statement in jurisdictions other than Australia may be restricted by law or regulation in such other jurisdictions and persons who come into possession of it should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations.

This Target's Statement has been prepared in accordance with Australian law and the information contained in this Target's Statement may not be the same as that which would have been disclosed if this Target's Statement had been prepared in accordance with the laws and regulations outside of Australia.

Maps and diagrams

Any diagrams, charts, maps, graphs and tables appearing in this Target's Statement are illustrative only and may not be drawn to scale. Unless stated otherwise, all data contained in diagrams, charts, maps, graphs and tables is based on information available at the date of this Target's Statement.

Privacy

World Titanium has collected your information from its register of members for the purpose of providing you with this Target's Statement. The type of information World Titanium has collected about you includes your name, contact details and information on your shareholding in World Titanium. Without this information, World Titanium would be hindered in its ability to issue this Target's Statement. The Corporations Act requires the name and address of Shareholders to be held in a public register. Your information may be disclosed on a confidential basis to World Titanium's Related Bodies Corporate and external service providers (such as the share registry of World Titanium and print and mail service providers) and may be required to be disclosed to regulators such as ASIC and the ASX. If you would like details of information about you held by World Titanium, please contact World Titanium.

CHAIRMAN'S LETTER

28 January 2016

Dear Shareholder

OFFER BY AMED FUND II

On 18 January 2016, African Minerals Exploration & Development Fund II SICAR SCA (**AMED Fund II**), a Luxembourg investment company, announced an unsolicited on-market takeover bid to acquire all of the Shares in World Titanium that it does not already own for the Offer Price of \$0.05 (5 cents) cash per Share (**Offer**).

AMED Fund II has prepared a Bidder's Statement which sets out the full terms of the Offer. The Bidder's Statement will be sent to you shortly. A copy of the Bidder's Statement is also available from ASX at asx.com.au.

This Target's Statement sets out your Directors' response to the Offer and contains their recommendation, the reasons for that recommendation and other important information you should consider when deciding whether to accept or reject the Offer.

Directors' recommendation

The Directors have given careful consideration to the Offer. The Directors' unanimous recommendation is:

Reject the Offer by doing nothing if you wish to retain your exposure to World Titanium's wholly owned Ranobe Project with a view to potentially achieving greater value in the longer term and are prepared to accept the risks and uncertainties that may be associated with retaining a shareholding in World Titanium. The Directors consider that rejecting the Offer is a higher risk option for shareholders.

Accept the Offer if you are likely to want to sell your Shares in the foreseeable future. The Offer provides an attractive premium to recent trading prices and the Directors cannot be confident that the opportunity to realise a higher price in the foreseeable future will be available. The Directors consider that accepting the Offer represents a lower risk option for shareholders.

In forming its recommendation, the Directors took into account the key considerations set out in section 1 of this Target's Statement. The Directors are mindful that the Offer presents shareholders with competing objectives – the uncertain potential to realise greater value in the longer term versus taking advantage of the Offer in the short term. Consequently, in determining whether to accept or reject the Offer, you will need to consider your individual circumstances and investment objectives in light of the various benefits and disadvantages of the Offer.

The Directors' recommendation, and the reasons why you may wish to accept or reject the Offer, are set out in full in section 1 of this Target's Statement.

The Offer is unconditional and will remain open for acceptance until the close of trading on 3 March 2016 (unless extended). Accordingly, you do not need to make a decision in relation to the Offer immediately and may wish to first have regard to the level of acceptances obtained by AMED Fund II during the Offer Period. In particular, you may wish to consider whether World Titanium's other major Shareholders, Boule Titanium Ltd (currently 21.35% Shareholder) and Mineral Deposits Limited (currently 20.02% Shareholder) have decided to accept the Offer, which will likely impact on whether control of World Titanium passes to AMED Fund II. Details of AMED Fund II's interest in World Titanium can be found by reviewing the latest notice of change of interests of substantial holder lodged by AMED Fund II on www.asx.com.au (ASX:WTR).

You should also note that, although the Offer is currently scheduled to close on 3 March 2016, if AMED Fund II's interest in World Titanium increases to more than 50% within the last 7 days of the Offer Period, under the Corporations Act, the Offer Period will be automatically extended so that it ends 14 days after AMED Fund II's interest in World Titanium first increases to more than 50%. If this occurs, and you have not yet accepted the Offer by that time, you will be notified accordingly. Any extension to the Offer Period will also be announced to ASX.

You should be aware that, if you accept the Offer, you will not benefit if the price offered for your Shares is subsequently increased. However, you should be aware that AMED Fund II is under no obligation to increase the Offer Price.

Instructions on how to accept the Offer are set out in section 2 of the Bidder's Statement.

Further information

The Directors will be closely monitoring the progress of the Offer and will keep you informed of any material developments in relation to the Offer through releases to the ASX, which will also be published on World Titanium's website.

I encourage you to read this document carefully. If you need any more information, I recommend that you seek independent advice or call World Titanium between 8:00am and 4:00pm (Perth time) Monday to Friday on + 61 (0)8 9286 1219.

Yours sincerely



**Nic Limb
Chairman
For and on behalf of
World Titanium Resources Limited**

1. DIRECTORS' RECOMMENDATION AND REASONS

1.1 Directors' recommendation and key reasons

After taking into account the matters in this Target's Statement and in the Bidder's Statement, your Directors recommend that you:

REJECT the Offer by doing nothing if you wish to retain your exposure to World Titanium's wholly owned Ranobe Project with a view to potentially achieving greater value in the longer term and are prepared to accept the risks and uncertainties that may be associated with retaining a shareholding in World Titanium. The Directors consider that rejecting the Offer is a higher risk option for shareholders.

ACCEPT the Offer if you are likely to want to sell your Shares in the foreseeable future. The Offer provides an attractive premium to recent trading prices and the Directors cannot be confident that the opportunity to realise a higher price in the foreseeable future will be available. The Directors consider that accepting the Offer represents a lower risk option for shareholders.

In making its recommendation, the Directors have taken into account the following key considerations for Shareholders:

Reasons why Shareholders may wish to REJECT THE OFFER	Reasons why Shareholders may wish to ACCEPT THE OFFER
The Offer fails to recognise the full underlying potential of the Ranobe Project	Certainty of price and liquidity of 5 cents per Share
Shareholders will lose exposure to any potential upside in World Titanium	There will be a number of disadvantages for Shareholders if World Titanium is delisted in the future
Shareholders will not have the benefit of any subsequent higher offer from any third party	The Share price may fall following completion of the Offer
It is possible that AMED Fund II could return with a subsequent higher offer	There is currently no competing proposal and little prospect of a competing proposal
The timing of the Offer is opportunistic	No guarantee of the future performance of World Titanium

The Offer is unconditional and will remain open for acceptance until the close of trading on 3 March 2016 (unless extended). Accordingly, you do not need to make a decision in relation to the Offer immediately and may wish to first have regard to the level of acceptances obtained by AMED Fund II during the Offer Period. In particular, you may wish to consider whether World Titanium's other major Shareholders, Boule Titanium Ltd (currently 21.35% Shareholder) and Mineral Deposits Limited (currently 20.02% Shareholder) have decided to accept the Offer, which will likely impact on whether control of World Titanium passes to AMED Fund II. Details of AMED Fund II's interest in World Titanium can be found by reviewing the latest notice of change of interests of substantial holder lodged by AMED Fund II on www.asx.com.au (ASX:WTR).

You should also note that, although the Offer is currently scheduled to close on 3 March 2016, if AMED Fund II's interest in World Titanium increases to more than 50% within the last 7 days of the Offer Period, under the Corporations Act, the Offer Period will be automatically extended so that it ends 14 days after AMED Fund II's interest in World Titanium first increases to more than 50%. If this occurs, and you have not yet accepted the Offer by that time, you will be notified accordingly. Any extension to the Offer Period will also be announced to ASX.

You should be aware that, if you accept the Offer, you will not benefit if the price offered for your Shares is subsequently increased. However, you should be aware that AMED Fund II is under no obligation to increase the Offer Price.

In considering whether to accept the Offer, your Directors encourage you to:

- (a) read the whole of this Target's Statement and the Bidder's Statement;
- (b) have regard to your individual risk profile, portfolio strategy, tax position and financial circumstances;
- (c) consider the choices available to you as outlined in this Target's Statement;
- (d) carefully consider sections 1.2 (Reasons why Shareholders may wish to reject the Offer), 1.3 (Reasons why Shareholders may wish to accept the Offer) and 3 (Important Matters for Shareholders to consider) of this Target's Statement; and
- (e) obtain independent financial, legal, taxation or other professional advice before making a decision as to whether or not to accept the Offer.

The Offer has a number of advantages, disadvantages and risks which are discussed in sections 1.2 (Reasons why Shareholders may wish to reject the Offer), 1.3 (Reasons why Shareholders may wish to accept the Offer) and 3 (Important Matters for Shareholders to consider) of this Target's Statement and may affect Shareholders in different ways depending on their individual circumstances. You should seek professional advice regarding the impact of the Offer on your individual circumstances.

1.2 Reasons why Shareholders may wish to reject the Offer

(a) The Offer fails to recognise the full underlying potential of the Ranobe Project

The Directors consider that the Offer Price fails to recognise the full underlying potential of World Titanium's wholly owned Ranobe Project in the long term. In particular, the Directors note the following recent developments:

- On 18 January 2016 World Titanium announced a 39% increase in the Mineral Resource estimate on the Mineral Licences. This increase in the Mineral Resource combined with the scoping study processing rate of 12 million tonnes per year implies that the project is capable of sustaining a 17 year mine life.
- On 20 January 2016, World Titanium announced that it is in the early stages of developing an alternative mine development plan for the Ranobe Project that may significantly reduce the capital costs.
- World Titanium is currently in the process of obtaining test work to produce a zircon/rutile concentrate by April 2016 to be tested by World Titanium's future customer base. If the concentrate is saleable, World Titanium may have the opportunity to execute offtake agreements essential to securing future project finance. If the test work proves successful, World Titanium expects to commence a pre-feasibility study based on the new Ranobe Project mine plan and, depending on the results, may potentially be in a position to announce Mineable Reserves to add further potential growth to World Titanium in 2016.

- World Titanium is in the process of obtaining approval for the Ranobe Project from the Government of Madagascar under the Large Mining Investment Act (**LGIM**), for which a decision is not expected to be received until later in the first half of 2016. The LGIM defines the framework for developing and operating large-scale mining projects in Madagascar and will provide additional tax benefits for the Ranobe Project. If approval is granted, it is expected to provide confidence for future funding requirements in the form of debt and equity.

(b) Shareholders will lose exposure to any potential upside in World Titanium

Shareholders who accept the Offer will not be able to participate in any potential increase in the Share price in the future. If you accept the Offer and cease to be a Shareholder, AMED Fund II will own your Shares and any future benefits will accrue to AMED Fund II.

(c) Shareholders will not have the benefit of any subsequent higher offer from any third party

Shareholders who accept the Offer will not be able to accept a potential higher offer from a third party in the future. The Board is not aware of any competing proposal or superior proposal to the Offer. The Board will keep Shareholders informed of any material developments.

(d) It is possible that AMED Fund II could return with a subsequent higher offer

If once the Offer closes, AMED Fund II does not become entitled to compulsory acquire all Shares, AMED Fund II may decide at a later stage that it would prefer 100% control and may return with a subsequent higher offer. Shareholders who accept the Offer will forgo the potential of any higher offer by AMED Fund II in the future. However, Shareholders should be aware that AMED Fund II is under no obligation to make a subsequent offer to remaining shareholders.

(e) The timing of the Offer is opportunistic

The Offer was announced shortly prior to World Titanium announcing a significant upgrade in the mineral resource estimates for the Ranobe Project, as well as the results of a high level scoping study which confirmed that a low capital option is possible for the Ranobe mine development.

1.3 Reasons why Shareholders may wish to accept the Offer

(a) Certainty of price and liquidity of 5 cents per Share

AMED Fund II's Offer is unconditional. Therefore Shareholders who accept the Offer will have certainty of receiving the Offer Price of 5 cents per Share. This price significantly exceeds prices at which Shares have recently traded on ASX prior to the date of the Offer.

World Titanium has historically been a relatively illiquid stock with low volumes of Shares being traded. Limited trading liquidity can have a negative impact on the trading price of Shares, making it difficult for Shareholders to realise a reasonable value for their Shares by selling them on-market.

The illiquidity of Shares may increase if AMED Fund II acquires additional Shares under the Offer, thereby providing Shareholders with little certainty that they will be able to sell their Shares at a price greater than or equal to the Offer Price in the future. By contrast, the Offer provides Shareholders with the opportunity to sell their Shares for the Offer Price of 5 cents per Share if they choose to do so.

(b) There will be a number of disadvantages for Shareholders if World Titanium is delisted in the future

There is a real possibility of World Titanium being delisted following the Offer. AMED Fund II has stated in its Bidder's Statement that, following close the Offer, if it acquires a Relevant Interest in more than 50% of Shares, then it may seek approval from Shareholders and ASX to delist World Titanium. The Bidder's Statement states that AMED Fund II believes that a delisting of the World Titanium is in the best interests of World Titanium and its Shareholders.

Your Directors do not currently consider that the perceived benefits of delisting outweigh the advantages for Shareholders. If World Titanium was to be delisted in the future, any remaining Shareholders would be holders of unlisted shares. A delisting would result in a number of disadvantages for Shareholders including:

- listing provides Shareholders with an orderly, transparent and timely mechanism for share trading. While there is generally low liquidity in the Shares, a listing still provides a benefit for Shareholders in having a capacity to dispose of their Shares;
- World Titanium would not be subject to the listed company continuous disclosure requirements of the ASX Listing Rules. Although World Titanium would still have the obligation to disclose material information to ASIC if it remained a public company after delisting and had at least 100 members, the level of shareholder reporting in these circumstances could be diminished; and
- various requirements and protections for minority shareholders under the ASX Listing Rules would cease to apply. These include the restrictions on the issue of new securities, related party provisions and requirements to seek Shareholder approval for significant changes to the nature or scale of activities.

(c) The Share price may fall following completion of the Offer

Since the announcement of the Offer on 18 January 2016 to 26 January 2016, the Shares have traded at prices between 5 cents and 5.2 cents per Share. Following completion of the Offer, the Directors consider that the trading price of Shares may fall for the following reasons:

- following completion of the Offer there will be no takeover offer underpinning the Share trading price and Shares will be exposed to ASX market volatility;
- there will be a reduction in the free float of Shares if AMED Fund II increases its shareholding in World Titanium during the Offer Period; and
- the possibility of World Titanium delisting following the Offer may potentially cause selling pressure on the Shares.

(d) There is currently no competing proposal and little prospect of a competing proposal

No competing proposal has emerged since the announcement of the Offer on 18 January 2016 and up to the date of this Target's Statement. As at 26 January 2016, AMED Fund II has announced on ASX that it holds a Relevant Interest in 27.73% of the Shares and any person proposing a competing proposal would need to gain AMED Fund II's support in order to acquire 100% of World Titanium.

The Directors consider it is unlikely that a competing proposal will emerge during the Offer Period. In the event that a competing proposal does emerge during the Offer Period, the Directors will give careful consideration to the proposal and will advise Shareholders accordingly.

(e) No guarantee of the future performance of World Titanium

While the Directors remain confident in the long term potential for the Ranobe Project, there are a number of risks, general and specific, associated with being a Shareholder in World Titanium. A summary of these risks are set out in section 3.6 of this Target's Statement.

1.4 Intentions of the Directors in relation to the Offer

Mr Jeffrey Williams (Executive Director and CEO) holds a Relevant Interest in 202,296 Shares, as described in section 6.1(a) of this Target's Statement. Mr Williams currently intends to reject the Offer in respect of these Shares.

None of the other Directors hold a Relevant Interest in World Titanium Shares nor Voting Power in World Titanium.

Mr Jeffrey Williams also holds a Relevant Interest in 2,000,000 Options, as described in section 6.1(a) of this Target's Statement, which he does not currently intend to convert during the Offer Period. None of the other Directors hold a Relevant Interest in any Options.

2. FREQUENTLY ASKED QUESTIONS

This section answers some commonly asked questions about the Offer. It is not intended to address all relevant issues for Shareholders. This section should be read together with all other parts of this Target's Statement.

Question	Answer
What is the Target's Statement?	The Target's Statement has been prepared by World Titanium and provides World Titanium's response to the Offer, including the recommendation of your Directors.
What is the Bidder's Statement?	The Bidder's Statement is the document setting out the terms of the Offer, a copy of which was lodged with ASIC and announced to the ASX on 18 January 2016.
What is AMED Fund II's Offer for my Shares?	AMED Fund II is offering \$0.05 (5 cents) cash for every Share that you hold. The Offer is unconditional.
What choices do I have as a World Titanium Shareholder?	<p>As a Shareholder, you have the following choices in respect of your Shares:</p> <ol style="list-style-type: none">1. REJECT the Offer by doing nothing; or2. ACCEPT the Offer by selling some or all of your Shares on-market to AMED Fund II. You should be aware that, if you accept the Offer, you will not benefit if the price offered for your Shares is subsequently increased. <p>You should note that brokerage or other fees may be payable upon acceptance of the Offer. See the frequently asked question below for more information.</p> <p>There are several implications in relation to each of the above choices. You should read this Target's Statement and the Bidder's Statement in full to obtain a summary of these implications.</p> <p>If you are in any doubt as to what to do, your Directors recommend that you consult with your investment, financial, taxation or other professional adviser.</p>
Will I need to pay brokerage if I accept the Offer?	As the Offer is an on-market takeover offer, Shareholders may only accept the Offer through Brokers or Controlling Participants who are members of ASX. You should ask your Broker or Controlling Participant if any fees or charges will apply. Any fees or other charges of such Brokers or Controlling Participants will be your responsibility, as the accepting Shareholder.
How do I REJECT the Offer?	To REJECT the Offer, simply do nothing.

Question	Answer
How do I ACCEPT the Offer?	To ACCEPT the Offer, you should follow the instructions set out in section 2 of the Bidder's Statement.
Can I sell my Shares on ASX during the Offer Period?	Yes. During the period of the Offer, you may sell your Shares on ASX to third parties other than AMED Fund II, provided that you have not accepted the Offer.
What are your Directors recommending?	The Directors' recommendation and the reasons for the Directors' recommendation is set out in section 1. If there is a change in your Directors' recommendation or there are any material developments in relation to the Offer, your Directors will advise the market accordingly.
Who is offering to purchase Shares?	The Offer is being made by African Minerals Exploration & Development Fund II SICAR SCA (AMED Fund II). AMED Fund II is a Luxembourg investment company in risk capital in the form of a corporate partnership limited by shares. Refer to the Bidder's Statement for further information about AMED Fund II.
How many Shares does AMED Fund II already have an interest in?	As at 26 January 2015, AMED Fund II has announced on ASX that it has a Relevant Interest in 127,679,158 Shares, representing 27.73% of the Voting Power in World Titanium.
What happens if I accept the Offer now and the Offer price is increased?	If you accept the Offer now, you will not benefit if the Offer Price is subsequently increased.
If I accept the Offer, can I withdraw my acceptance?	If you accept the Offer you will be legally bound to sell those Shares and you cannot later withdraw your acceptance.
When does the Offer close?	The Offer is scheduled to close at 4:00 pm (AEST) on 3 March 2016 (unless extended). If you wish to accept the Offer you need to do so before its scheduled closing date.
What are the conditions to the Offer?	There are no conditions attaching to the Offer.
Can AMED Fund II vary the Offer?	AMED Fund II can only vary the Offer in certain circumstances. These are described in section 4.4 of this Target's Statement. AMED Fund II may not vary the Offer to the extent you have already accepted it.

Question	Answer
<p>What if there is a competing offer?</p>	<p>If a competing offer for World Titanium emerges, Shareholders will be informed through an announcement to ASX.</p> <p>If you have already accepted AMED Fund II's Offer and are no longer a Shareholder at the time a competing offer emerges, you will be unable to accept the competing offer.</p>
<p>Can I be forced to sell my Shares?</p>	<p>You cannot be forced to sell your Shares unless AMED Fund II and its Associates acquire a Relevant Interest in at least 90% of all Shares, in which case it is entitled to compulsorily acquire the remaining Shares under the Corporations Act (see section 4.8 of this Target's Statement and section 5.2 of the Bidder's Statement for more information).</p> <p>If AMED Fund II proceeds to compulsory acquisition of Shares from Shareholders who did not accept the Offer, those Shareholders will receive the Offer Price for their Shares.</p> <p>AMED Fund II's intentions with respect to compulsory acquisition are set out in section 5.2 of the Bidder's Statement. In summary, AMED Fund II has indicated that if it becomes entitled to do so, it intends to compulsorily acquire any outstanding Shares in accordance with the Corporations Act.</p>
<p>Can I buy Shares during the Offer Period?</p>	<p>Yes. Notwithstanding the Offer, you can still continue to buy Shares as you normally would through the ASX during the Offer Period.</p>
<p>What do the Directors intend to do with their Shares?</p>	<p>Mr Jeffrey Williams (Executive Director and CEO) holds a Relevant Interest in 202,296 Shares, as described in section 6.1(a) of this Target's Statement. Mr Williams currently intends to reject the Offer in respect of these Shares.</p> <p>None of the other Directors hold a Relevant Interest in World Titanium Shares nor Voting Power in World Titanium.</p>
<p>What are AMED Fund II's intentions?</p>	<p>AMED Fund II's intentions are set out in section 5 of the Bidder's Statement.</p>
<p>Is there a number that I can call if I have further queries in relation to the Offer?</p>	<p>If you have any further queries in relation to the Offer, you can call World Titanium on + 61 (0)8 9286 1219.</p>

3. IMPORTANT MATTERS FOR SHAREHOLDERS TO CONSIDER

3.1 The Offer

On 18 January 2016 AMED Fund II, a Luxembourg investment company, announced an unsolicited cash on-market takeover bid to acquire all of the Shares in World Titanium that it does not already own for the Offer Price of \$0.05 (5 cents) cash per Share. Further details about the Offer are contained in section 4 of this Target's Statement.

At the date the Offer was announced, AMED Fund II had a Relevant Interest in 20.45% of the Shares. At 26 January 2016, AMED Fund II has announced that it has a Relevant Interest in 127,679,158 Shares, representing 27.73% of the Shares.

AMED Fund II's intentions (as at the date of the Bidder's Statement) in relation to the continuation of the business of World Titanium, any major changes to the business of World Titanium and any redeployment of the fixed assets of World Titanium and the future employment of the present employees of World Titanium are set out in section 5 of the Bidder's Statement. These are described as statements of AMED Fund II's intentions at the date of the Bidder's Statement only, which may change as new information becomes available or circumstances change.

The Offer is open for acceptance until **4:00 pm (AEST) on 3 March 2016**, unless it is extended (see section 4.4 of this Target's Statement which describes the circumstances in which the Offer may be extended).

3.2 Sources of consideration

As set out in section 7 of the Bidder's Statement, AMED Fund II has stated that it has existing cash reserves and committed funds available for draw down from its limited partners sufficient to fund the maximum amount of consideration payable under the Offer and all associated transaction costs.

3.3 Minority ownership consequences

If control of World Titanium passes to AMED Fund II, Shareholders who do not accept the Offer will become minority shareholders in World Titanium with respect to AMED Fund II's position as controlling shareholder. If this occurs, there may be additional factors that need to be considered, alongside the Directors' recommendation. These factors may include:

- (a) the number of Shares traded on ASX could be significantly reduced. Shares not accepted into the Offer could become an illiquid and infrequently traded share and, as such, the ASX market price may no longer be a reliable indicator of value;
- (b) AMED Fund II may be in a position to control the composition of senior management and the strategic direction of World Titanium and its subsidiaries. This would be effected through control of the Board. AMED Fund II has stated, in section 5 of the Bidder's Statement, that it intends to seek to re-constitute the Board to reflect AMED Fund II's ownership interests of World Titanium;
- (c) AMED Fund II may be in a position to pass special resolutions at meetings of Shareholders. This will enable AMED Fund II to, among other things, change World Titanium's Constitution; and
- (d) AMED Fund II may be in a position to arrange for World Titanium to be removed from the official list of ASX. If this occurs, any remaining Shareholders will not be able to sell their Shares on market.

You should also read section 5 of the Bidder's Statement which describes AMED Fund II's intentions in the event that it acquires control (including varying levels of control) of

World Titanium and Section 1 of this Target's Statement which describes your Directors' recommendation and reasons in relation to the Offer.

3.4 Taxation consequences

The taxation consequences of accepting the Offer depend on a number of factors and will vary depending on your particular circumstances. World Titanium and its advisers do not accept any liability or responsibility for any taxation implications of accepting or rejecting the Offer. Shareholders should seek their own specific independent professional, financial and taxation advice as to the taxation implications applicable to their circumstances before making a decision as to whether or not to accept the Offer for your Shares.

3.5 Holders of Options

If you are a holder of Options, the Offer does not apply to your Options. However, the Offer extends to any Shares that are issued during the Offer Period as a result of the exercise of Options.

3.6 Risk factors associated with World Titanium

In considering this Target's Statement, Shareholders should be aware that there are a number of risks, general and specific, which may affect the future operating and financial performance of World Titanium and the value of Shares. Many of these risks are relevant to Shareholders today and will be relevant to Shareholders who remain as Shareholders following the completion of the Offer.

Many of these risks are outside the control of World Titanium and its Board. There can be no certainty that World Titanium will achieve its stated objectives or that any forward looking statements will eventuate.

Additional risks and uncertainties not currently known to World Titanium may have a material adverse effect on World Titanium's business and the information set out below does not purport to be, nor should it be construed as representing, an exhaustive list of the risks that may affect World Titanium or the Shareholders.

Shareholders should read this Target's Statement in its entirety and carefully consider the following risk factors (which also generally apply with respect to World Titanium's Related Bodies Corporate described at section 5.2) in deciding whether to accept the Offer.

Specific Risks

(a) Additional requirements for capital

World Titanium's capital requirements depend on numerous factors. World Titanium would need to fund the development of the Ranobe Project and currently has insufficient funds available to do so. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities.

Failure to obtain sufficient financing for World Titanium's activities and projects may result in delay and indefinite postponement of exploration, development or production on World Titanium's properties or even loss of a property interest. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to World Titanium and might involve substantial dilution to Shareholders.

(b) Exploration risks

The mineral tenements of World Titanium are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings. There can be no assurance that

exploration of these tenements, or any other tenements that may be acquired in the future, will result in the discovery of an economic deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

The future exploration activities of World Titanium may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, changing government regulations and many other factors beyond the control of World Titanium.

The success of World Titanium will also depend upon it having access to sufficient development capital, being able to maintain title to its tenements and obtaining all required approvals for its activities. In the event that exploration programs prove to be unsuccessful this could lead to a diminution in the value of World Titanium's tenements.

(c) **Mine development**

Possible future development of a mining operation at any of World Titanium's projects is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, labour, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.

If World Titanium commences minerals production, which may never occur, its operations may be disrupted by a variety of risks and hazards which are beyond its control, including, without limitation, environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement of hazardous weather conditions and fires, explosions or accidents. No assurance can be given that World Titanium will achieve commercial viability through the development or mining of its projects and treatment of mineralisation.

(d) **Operating risks**

World Titanium has no operating mines. The operations of World Titanium may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades and tonnages in exploration and mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

Even if World Titanium develops a project and commences production (which may never occur) it may not achieve production or sales of minerals sufficient to produce profits or a return for Shareholders. Any failure by World Titanium to achieve adequate production or sales of commodities could have a material adverse effect on its future cashflow, profitability, results of operations and financial condition.

The realisation of commercial production and sales is dependent on, amongst other things, the extent of mineralisation at the production project, the accuracy of assumptions regarding tonnages and grades of mineralisation and recovery rates, ground conditions, physical and metallurgical characteristics of

mineralisation, the rates and costs of mining, haulage and processing, the fluctuation of modifying factors over time (such as mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors), as well as whether sales of minerals eventuate to the extent and at the prices necessary to produce profits.

Specifically, the World Titanium Board acknowledges that World Titanium does not presently have the financial capacity to sole fund the start-up mining costs at its Ranobe Project and potential for a joint venture or similar arrangement is being considered to minimise the risk and the capital required by World Titanium. No assurances can be given that the Ranobe Project will be commercially feasible or will be developed on commercially acceptable terms or at all.

In respect of World Titanium's other exploration tenement interests, no assurances can be given that World Titanium will achieve commercial viability through the successful exploration and/or mining of its tenement interests.

Unless World Titanium is able to realise value from its projects, it is likely to incur ongoing operating losses.

(e) **Political risks and other sovereign risks**

World Titanium's assets in the country of Madagascar may be exposed to adverse political developments that could affect the development of those assets and the economics of projects. Between early 2009 and late 2013, the country of Madagascar experienced a period of political unrest following a coup. An interim solution was found with the installation of a transitional authority, preparatory to holding national elections in late 2013. The elected President and parliament were installed and a government established in early 2014. Subsequently, the political situation has continued to be confused, with the President coming under strong criticism for lack of economic achievement, hence there can be no assurance that further political developments will not negatively impact World Titanium.

Additional possible sovereign risks associated with operating in Madagascar include, without limitation, changes in the terms of mining legislation, changes to royalty arrangements, changes to taxation rates and concessions and changes in the ability to enforce legal rights. Any of these factors may, in the future, adversely affect the financial performance of World Titanium and the market price of Shares.

No assurance can be given regarding future stability in Madagascar or any other country in which World Titanium may, in the future, have an interest.

(f) **Securing offtake for produced commodities**

If World Titanium develops its assets through to production phase, the operational success of World Titanium will depend upon its ability to secure arrangements on suitable terms with third parties for the offtake of produced commodities. World Titanium may never secure such arrangements.

(g) **Mineral Resource and Ore Reserve estimates**

Mineral Resource and Ore Reserve estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, Mineral Resource and Ore Reserve estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect World Titanium's operations.

(h) **Commodity price volatility and exchange rate risks**

If World Titanium achieves success leading to mineral production (which may never occur), the revenue it may derive through the sale of commodities exposes the potential income of World Titanium to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of World Titanium. Such factors include fluctuations in supply and demand for commodities (such as mineral sands), technological advancements, production cost levels, forward selling activities and other macro-economic factors. These factors may have an adverse effect on World Titanium's activities, its financial performance and financial position.

Furthermore, international prices of various commodities are denominated in United States dollars, so that any income of World Titanium will be received in United States currency (although no forecast is made as to whether any income will be received by World Titanium), whereas expenditures are and will be incurred principally in Malagasy Ariary, Euro and United States dollars, exposing World Titanium to the fluctuations and volatility of the rate of exchange between these currencies and the Australian dollar, as determined in international markets.

(i) **Environmental risks**

The operations and proposed activities of World Titanium are subject to laws and regulations concerning the environment. As with most exploration projects and mining operations, World Titanium's activities are expected to have an impact on the environment, particularly if advanced mine development proceeds. It is World Titanium's practice to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

(j) **Title risks**

The grant of a tenement or the renewal of the term of a tenement of World Titanium is at the discretion of various authorities in the country of Madagascar and the government of Madagascar. If a tenement is not granted or renewed, World Titanium may suffer significant damage through the loss of opportunity to develop and discover mineral deposits on that tenement.

(k) **Equipment and availability**

World Titanium's ability to undertake mining and exploration activities is dependent, among other things, upon its ability to source and acquire appropriate mining equipment. Equipment is not always available and the market for mining equipment experiences fluctuations in supply and demand. If World Titanium is unable to source appropriate equipment economically or at all then this would have a material adverse effect on World Titanium's financial or trading position.

General Risks

(l) **Risk of international operations generally**

International activities and operations are subject to a number of risks, including, without limitation:

- (i) potential difficulties in enforcing agreements (including joint venture agreements) and collecting receivables through foreign local systems;
- (ii) potential difficulties in protecting intellectual property;
- (iii) costs for transportation and shipping; and

- (iv) restrictive governmental actions, such as imposition of trade quotas, tariffs and other taxes.

Any of these factors could materially and adversely affect World Titanium's business, results of operations and financial condition.

(m) **Joint venture, acquisitions or other strategic investments**

World Titanium may make strategic investments in complementary businesses, or enter into strategic partnerships or alliances with third parties in order to seek to enhance its business. Such arrangements may expose the company to additional risks, which may adversely affect World Titanium's financial position and financial performance.

(n) **Litigation risks**

World Titanium is exposed to possible litigation risks including, without limitation, title claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims. Further, World Titanium may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on World Titanium's operations, financial performance and financial position. World Titanium and its subsidiaries are not currently engaged in any litigation.

(o) **Competition risk**

The industry in which World Titanium is involved is subject to domestic and global competition. World Titanium has no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of World Titanium's projects and business.

(p) **Economic**

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on World Titanium's activities, as well as on its ability to fund those activities.

(q) **Market conditions**

Share market conditions may affect the value of World Titanium's quoted securities regardless of World Titanium's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general. Neither World Titanium nor the Directors warrant the future performance of World Titanium or any return on an investment in World Titanium.

(r) **Regulation**

Government legislation and policy, within Australia, Madagascar and in other jurisdictions, including changes to relevant taxation systems, may have an adverse effect on World Titanium's activities, financial position and financial performance.

(s) **Force majeure**

World Titanium's projects now or in the future may be adversely affected by risks outside the control of World Titanium including, without limitation, labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

(t) **Dividends**

Any future determination as to the payment of dividends by World Titanium will be at the discretion of the Directors and will depend on the availability of distributable earnings and the operating results and financial condition of World Titanium, future capital requirements and general business and other factors considered relevant by the Directors. World Titanium is not currently in a position to pay dividends and has no current proposal to pay dividends. No assurance in relation to the future payment of dividends or franking credits attaching to dividends can be given by World Titanium.

(u) **Taxation**

The holding or disposal of Shares will have tax consequences which may differ depending on the individual financial affairs of each World Titanium Shareholder. All Shareholders are urged to obtain independent financial advice about the consequences of holding or disposing of Shares from a taxation viewpoint and generally.

(v) **Reliance on key personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of World Titanium depends substantially on its key personnel. There can be no assurance given that there will be no detrimental impact on World Titanium if one or more of these personnel cease their involvement with World Titanium.

(w) **Insurance risks**

World Titanium carries insurance policies relevant to its current level of operation and in accordance with industry practice. However, in certain circumstances, World Titanium's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of World Titanium.

Insurance against all risks associated with mining exploration and production is not always available and where available the costs can be prohibitive.

4. KEY FEATURES OF THE OFFER

4.1 Offer price payable to Shareholders who accept the Offer

Under the Offer, AMED Fund II is offering Shareholders \$0.05 (5 cents) cash per Share.

4.2 Offer Unconditional

There are no conditions attached to AMED Fund II's Offer.

4.3 Offer Period

Unless AMED Fund II's Offer is extended, it is open for acceptance until 4:00 pm (AEST) on 3 March 2016.

4.4 Variation of the Offer

Pursuant to the Corporations Act, AMED Fund II may announce an extension to the Offer Period, or an increase in the Offer Price, at any time before the last five trading days on ASX before the end of the Offer Period.

If you accept the Offer or sell your Shares prior to any increase in the Offer Price, you will not receive any benefit if the Offer Price is subsequently increased.

An extension to the Offer Period may only be announced during those last five trading days of the Offer Period in limited circumstances prescribed by the Corporations Act, including if another person makes a rival takeover offer for your Shares.

In addition, there will be an automatic extension of the Offer Period if AMED Fund II's voting power in World Titanium increases to more than 50% within the last 7 days of the Offer Period. In that event, the Offer Period is automatically extended so that it ends 14 days after AMED Fund II's voting power first increases to more than 50%.

4.5 Withdrawal of Offer

AMED Fund II may not withdraw the Offer to the extent you have already accepted it. However, pursuant to the Corporations Act, AMED Fund II may withdraw the Offer in respect of any unaccepted Offers in certain limited circumstances as prescribed by the Corporations Act. Further details are set out in section 1.11 of the Bidder's Statement.

4.6 Your ability to withdraw your acceptance

Once you have accepted the Offer you will be legally bound to sell those Shares and you cannot later withdraw your acceptance.

4.7 When you will receive payment of the Offer Price if you accept the Offer

The usual rules for settlement of transactions which occur on-market on ASX will apply in respect of AMED Fund II's purchase of Shares on-market. Refer to section 1.7 of the Bidder's Statement for further details regarding timing for payment on acceptance.

4.8 Compulsory acquisition

Refer to the Bidder's Statement for information concerning AMED Fund II's intentions in relation to compulsory acquisitions of Shares.

(a) **Compulsory acquisition within one month after the end of the Offer Period**

AMED Fund II would be entitled to compulsorily acquire any Shares in respect of which it has not received an acceptance of its Offer on the same terms as the Offer if, during or at the end of the Offer Period:

- (i) AMED Fund II and its Associates acquire Relevant Interests in at least 90% (by number) of the Shares; and
- (ii) AMED Fund II and its Associates have acquired at least 75% (by number) of the Shares that AMED Fund II offered to acquire (excluding Shares in which AMED Fund II or its Associates had a Relevant Interest at the date of the Offer and also excluding Shares issued to an Associate of AMED Fund II during the Offer Period).

If these thresholds are met and AMED Fund II wishes to exercise its right to compulsorily acquire any outstanding Shares, AMED Fund II will have one month after the end of the Offer Period within which to give compulsory acquisition notices to Shareholders who have not accepted the Offer. Shareholders have certain rights under the Corporations Act to challenge a compulsory acquisition pursuant to the procedure outlined in the Corporations Act, but a successful challenge will require the relevant Shareholder to establish to the satisfaction of a court that the terms of the Offer do not represent 'fair value' for their Shares. If compulsory acquisition occurs, Shareholders who have their Shares compulsorily acquired are likely to be sent their consideration approximately five to six weeks after the compulsory acquisition notices are dispatched to them.

(b) **Alternative compulsory acquisition regime**

It is also possible that AMED Fund II will, at some time during or after the end of the Offer Period, either alone or with its Related Bodies Corporate, hold full beneficial interests in at least 90% (by number) of all the Shares. AMED Fund II would then have rights to compulsorily acquire all of the Shares that it does not own within six months of becoming the holder, either alone or with its Related Bodies Corporate, of full beneficial interests in 90% (by number) of all the Shares. The price which AMED Fund II would have to pay to compulsorily acquire all of the remaining Shares under this alternative compulsory acquisition regime would have to be considered in a report of an independent expert.

Shareholders would have certain rights under the Corporations Act to challenge a compulsory acquisition pursuant to the procedures outlined in the Corporations Act, but a challenge would require people who hold at least 10% of the Shares that are proposed to be the subject of the compulsory acquisition to object to the compulsory acquisition. If people holding such number of Shares object to the compulsory acquisition, and AMED Fund II still wishes to proceed with the compulsory acquisition, AMED Fund II would be required to establish to the satisfaction of a court that the terms of the compulsory acquisition represent 'fair value' for the Shares. In the absence of a challenge by people holding the requisite number of Shares, Shareholders who have their Shares compulsorily acquired under this procedure are likely to be sent their consideration approximately five to six weeks after the compulsory acquisition notices are dispatched to them.

5. INFORMATION REGARDING WORLD TITANIUM

5.1 Background information on World Titanium

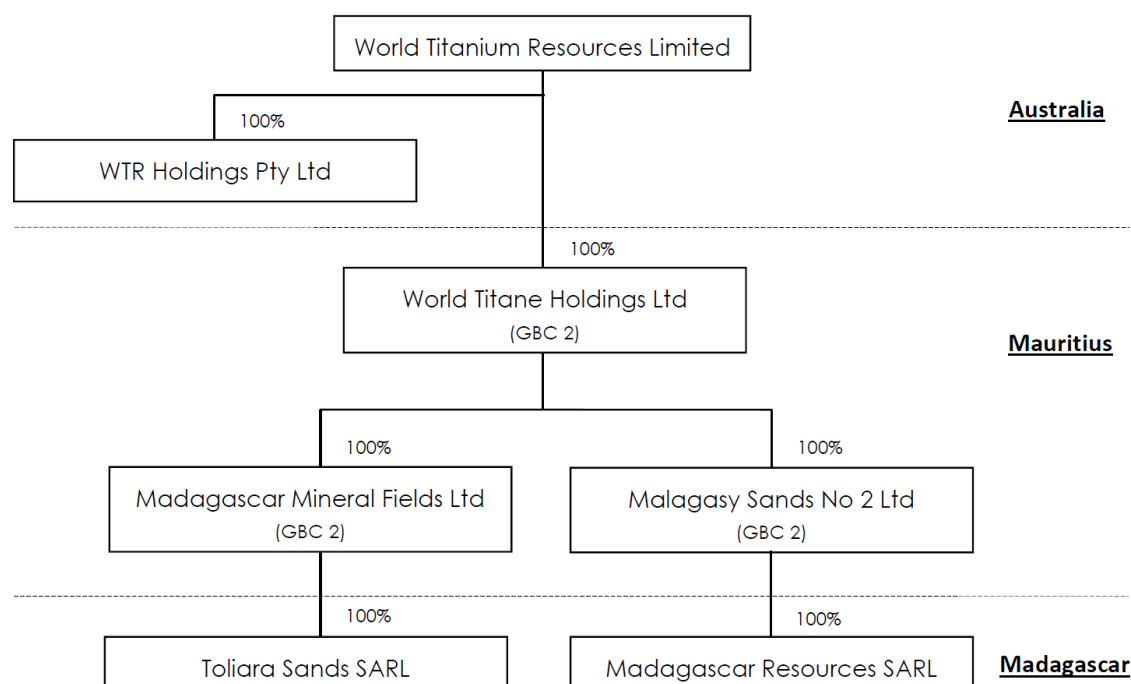
World Titanium was incorporated in Victoria in 2006 as Bondi Mining Limited and was listed on ASX in December 2006 as a mineral exploration company. It changed its name to World Titanium Resources Limited after a merger through which it acquired the company now named WTR Holdings Pty Ltd and its Mauritian and Madagascar subsidiaries. As at 26 January 2016, there were approximately 525 World Titanium Shareholders.

The Toliara Project is located in southwest Madagascar and north of the regional port of Toliara which is approximately 640 km southwest of Antananarivo, the capital of Madagascar. The island of Madagascar is separated from Africa by the Mozambique Channel with the town of Toliara located approximately 840 km from the Mozambique coast.

A wholly owned subsidiary of World Titanium, Toliara Sands SARL received the two exploitation permits for the Ranobe Project during 2012. Each of these exploitation permits has a term of 40 years and is renewable for a further 40 years.

5.2 Corporate structure of World Titanium's group

World Titanium's corporate group structure is as follows as at the date of this Target's statement.



5.3 Toliara Sands Project

The only material asset of World Titanium is the wholly owned Toliara Sands Project in Madagascar (**Toliara Project**), which comprises:

(a) **Ranobe Project**

The Ranobe Project, being World Titanium's key mineral sands project which forms part of the Toliara Project (**Ranobe Project**), comprised of three exploration permits and two exploitation permits with a total area of 150.01 km², containing the following Mineral Resources at a cut-off of 3% Total Heavy Mineral (which Mineral Resources are inclusive of the Ore Resources estimated at the Ranobe Project described below). This information was prepared and first

disclosed in August 2012 under the JORC Code 2004. It has now been updated to comply with the JORC Code 2012 and was disclosed in January 2016.

Mineral Resource Category	Tonnes (Mt)	HM (%)	Slimes (%)	Mineral Assemblage (% in HM)		
				Ilmenite	Rutile	Zircon
Measured	360.2	7.23	3.96	71.64	2.33	5.58
Indicated	171.2	5.94	3.90	72.30	2.33	5.60
Inferred	352.8	5.25	4.98	72.30	2.33	5.59
Total	884.1	6.19	58.5	72.03	2.33	5.59

The two exploitation permits (mining permits) within the Ranobe Project are each of 9.38 km² and have been excised from one of the exploration permits at the Ranobe Project. The exploitation permits contain the following Mineral Resource estimate:

Mineral Resource Category	Tonnes (Mt)	HM (%)	Slimes (%)	Mineral Assemblage (% in HM)		
				Ilmenite	Rutile	Zircon
Measured	210.5	8.21	4.07	71.27	2.35	5.55
Indicated	34.1	6.84	3.81	72.35	2.34	5.60
Total	244.7	8.02	4.04	71.42	2.35	5.56

All tonnage and grade information in the tables above have been rounded, hence small differences may be present in the totals.

(b) **Ankililoaka**

The Ankililoaka property, comprising two exploration blocks covering an area of 87.5 km². The Ankililoaka property is prospective for heavy mineral sands deposits primarily containing ilmenite with subordinate zircon and rutile. The current Exploration Target¹ estimate for the Ankililoaka licences ranges between 435 – 437 Mt grading between 4.43% – 5.15% HM.

Ankililoaka		Tonnage (10 ⁶)	+1mm Wt%	-63µm Wt%	HM Wt%
Exploration Target ¹ Estimates	Length Weighted	437.75	0.51	7.79	5.15
	Area Weighted	435.86	0.50	7.60	4.43

Notes

1. See footnote 1.
2. Specific Gravity estimated by $sg=1.61+(HM\%/100)$.
3. Estimate based on 3% HM cut-off.

(c) **Basibasy**

The Basibasy property, comprising a single exploration block covering an area of 81.25 km². It is prospective for heavy mineral sands deposits primarily

¹ The JORC (2012) code on reporting standards defines an Exploration Target as a statement or estimate of the exploration potential of a mineral deposit in a defined geological setting where the statement or estimate, quoted as a range of tonnes and a range of grade (or quality), relates to mineralization for which there has been insufficient exploration to estimate a Mineral Resource. The potential quantity and grade is conceptual in nature, that there has been insufficient exploration to estimate a Mineral Resource and that it is uncertain if further exploration will result in the estimation of a Mineral Resource.

containing ilmenite with subordinate zircon and rutile. The current Exploration Target¹ estimate for the property ranges between 404 – 406 Mt grading between 4.8% - 5.3% HM.

Basibasy		Tonnage (10 ⁶)	+1mm Wt%	-63µm Wt%	HM Wt%
Exploration Target ¹ Estimates	Length Weighted	406.06	0.48	7.74	5.33
	Area Weighted	404.79	0.42	7.21	4.80

Notes

1. See footnote 1
2. Specific Gravity estimated by $sg=1.61+(HM\%/100)$.
3. Estimate based on 3% HM cut-off.

(d) **Morombe**

The Morombe property, which constitutes the largest of the exploration properties, constituted by a single exploration block PR30250 which covers an area of 206.25 km². The property is also prospective for heavy mineral sands deposits primarily containing ilmenite with subordinate zircon and rutile. Exploration of the Morombe property has indicated some zircon potential, but has yet to define an Exploration Target.

5.4 Competent Person Statement

The information in this Target's Statement that relates to Exploration Results, Mineral Resources or Exploration Targets is based on information compiled and reviewed by Dr Ian Ransome BSc(Hons) Geology Pr.Sci.Nat, a competent person who is a Director of World Titanium and a registered geological scientist with the South African Council for Natural Scientific Professions (which is a 'Recognised Professional Organisation' (RPO) included in a list that is promulgated by the ASX). Dr Ransome has sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the JORC Code 2012. Dr Ian Ransome consents to the inclusion in this Target's Statement of the Exploration Results, Mineral Resources and Ore Reserves and scientific and technical and supporting information in the form and context in which it appears.

The information in this Target's Statement which relates to Exploration Results and estimates of Mineral Resources and the applicable parameters are included in World Titanium's ASX releases, as follows:

- (a) 13 February 2015 – Toliara Sands Project, Exploration Review; and
- (b) 18 January 2016 – 39% INCREASE in Measured and Indicated Resources within the Mining Leases.

Ian Ransome is not aware of any new information or data that materially affects the information included in this Target's Statement and, in the case of Mineral Resources, he confirms that all the material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

5.5 Definitive Engineering Study 2012 and subsequent review

An initial Definitive Engineering Study was announced on 28 August 2012 for the pit proposed to be developed on the then Ore Reserve estimate of 161 million tonnes grading 8.2% HM at the Ranobe Project (**DES**).

As background, the DES announced in August 2012 showed based on a dry mining open pit operation treating some 8 million tonnes of sand per year, the site would be anticipated to sustain a 21 year mine life within the first exploitation permit planned to be developed. Much higher commodity prices prevailed at the time in 2012 with average prices for Ilmenite of US\$169 per tonne and US\$1206 per tonne for zircon/rutile

concentrate. The Ranobe Project was estimated to produce approximately 400,000 tonnes of ilmenite and 43,000 tonnes of zircon/rutile concentrate per year as a production target based solely on the Ore Reserves estimated at the Ranobe Project as tabulated above. At the time, and based on the preferred option to build a causeway across the Fiherenana River, the DES estimated a capital cost of near US\$192 million plus working capital. World Titanium emphasises that there was no certainty that the production target would be realised or that any production will occur at the Ranobe Project.

Given the difficulty subsequently envisaged in securing consumer ilmenite contracts at adequate pricing to support the projected DES development plan, the Company examined a number of different alternative processing methods in mid-2015. The concept was that a simpler processing plant could enable the Company to commence production on a smaller scale, focusing on higher margin products of zircon and rutile, at reduced upfront capital costs.

5.6 Revised Development proposal for the Ranobe Project²

A revised Ranobe Project development plan according to a new Scoping Study to produce zircon/rutile concentrate and stockpile ilmenite was released to the ASX on 20 January 2016. The Scoping Study was compiled by ADP Marine and Modular (ADP) in Cape Town, South Africa with assistance from their corporate association with Mineral Technologies in Queensland, Australia.

The Scoping study is summarised as below, but it is important to note that all of the following proposals remain incomplete and conceptual and there is a risk they will not eventuate, given the currently unsatisfied need for financing, regulatory approvals, offtake arrangements, commodity price forecasts and various other incomplete factors.

(a) Key Scoping Study Outcomes

- (i) Phase ONE Capital cost estimate of some US\$48m plus VAT (up to 20%), working capital and other owner's cost.
- (ii) Study incorporated the current mineral resource estimate of 244.7 million tonnes grading 8.02% Heavy Mineral (HM) on the Ranobe approved mine leases.
- (iii) Study assumed treatment of 12 million tonnes of mineralised sand grading around 8% HM per year.
- (iv) Average output projected of some 66,000 tonnes of zircon/rutile concentrate per annum in first five years.
- (v) Concentrate shipped via 20 foot containers from the existing Toliara port.
- (vi) Stockpile ilmenite averaging 670,000 tonnes per year near the proposed wet plant.
- (vii) Modular equipment build using ADP's capabilities and Mineral Technologies experience in spiral design.
- (viii) Phase TWO capital in Year 3 comprises of an additional US\$6m for the installation of a conveyor transport system.

² The stated production targets are based upon the Company's current expectations of future results or events and should not be solely relied upon by investors when making investment decisions. Further evaluation work and appropriate studies are required to establish sufficient confidence that these targets will be met.

World Titanium will consider starting a Feasibility Study once the zircon/rutile concentrate is acceptable as a saleable product to the customer base.

(b) **Summary of the Scoping Study**

The Scoping Study highlighted that capital can be significantly reduced if World Titanium were to focus on selling zircon/rutile concentrates and stockpile ilmenite adjacent to the proposed wet plant. The study included changes to the mining fleet when compared with the World Titanium original DES reported on 22 August 2012. In regard to processing, Mineral Technologies included the new Spiral 12 design to assist in reducing spiral numbers, resulting in less pumps which also assisted to reduce the capital estimate.

(c) **Mining**

- (i) As per the DES of 2012 and the Environmental Social and Impact Assessment approved on 23 June 2015, use open pit dry mining techniques to excavate run-of-mine mineralised sand to some 17.5 metres depth.
- (ii) Use excavators (instead of front-end-loaders) to load 40 tonne articulated trucks and haul short distances of about 100 metres to an Apron Feeder.
- (iii) From Apron Feeder, convey onto a grizzly screen to remove debris and unwanted material within the open pit, and finer mineralised sand is collected in a bin.
- (iv) Initially in Phase ONE use articulated trucks to haul less than 500 metres from the in-pit bin to the adjacent wet processing facility. In Phase TWO, spend an additional US\$6m on a conveyor system to haul longer distances from Year 3 onwards.

(d) **Wet Processing Plant**

- (i) Run-of-mine heavy mineral sand again screened through a 4mm grid to remove any remaining trash or oversize.
- (ii) Undersize mineralised sand collected in a bin and water added prior to distribution (pumping) to the spiral plant.
- (iii) The valuable heavy mineral from spirals is collected in a surge bin.
- (iv) The surge bin ensures a constant flow and density for distribution to the Wet High Intensity Magnetic Separators (WHIMS). Associated with WHIMS will be a cleaner spiral plant (gravity circuit for final clean-up of concentrate).
- (v) Final concentrate placed under a verandah or into bags or directly into 25 tonne containers pending on customer needs. Some 66,000 tonnes of concentrate per year is planned to be hauled in container to the Toliara port.
- (vi) Transport to the Toliara port will be via existing roads as there is a significant reduction in shipments when compared with the DES which entailed shipping some 450,000 tonnes of product per year.

5.7 Environmental Social and Impact Assessment (ESIA)

The ESIA represents an important progression for the approval process to commence mining activities at the Ranobe Project. The ESIA assists all parties to identify and be made aware of future mining activity near the city of Toliara, nearby communities and

other public infrastructure. World Titanium has a strong presence in the local community with a permanent office and workforce in Toliara and an active consultation process to support local initiatives such as a nursery to promote reforestation, medical undertakings with doctors from Australia to assist local needs, and provide employment.

The ESIA was submitted in mid-2014 to the Madagascar government body, the Office of National Environment (ONE), and approved on 23 June 2015.

5.8 Mineral Processing test work in 2016

Fresh test work by Mineral Technologies (MT), Queensland, Australia, has demonstrated that World Titanium can further simplify the mineral sand processing and reduce capital within the conceptual wet separation facilities proposed.

Mineral Technologies finalised the first stage of test work on a 55 kilogram Ranobe concentrate sample in October 2015 and demonstrated that the use of Wet High Intensity Magnetic Separation (WHIMS) will enable WTR to produce a saleable HM product suitable for customers.

A second test is underway in Queensland with a 5 tonne Ranobe sample of about 8% HM to:

- (a) produce a clean zircon/rutile concentrate for testing by future customers in Asia; and
- (b) Test if the new MG12 spirals will maintain product recoveries whilst providing a capital reduction, and use fewer pumps.

World Titanium anticipates that a concentrate may be available by the end of March and will be tested in April 2016. If the concentrate is a saleable product, it is intended to approach financiers to commence a Pre-Feasibility Study by mid-2016.

5.9 Directors of World Titanium

As at the date of this Target's Statement, the directors of World Titanium are:

Name	Position within World Titanium
Mr Nicholas James Limb	Non-Executive Chairman
Mr Jeffrey Wayne Williams	Executive Director and CEO
Dr Ian Gordon Dalrymple Ransome	Non-Executive Director
Mr Michael William Cuthbert	Non-Executive Director

5.10 Publicly available information about World Titanium

World Titanium is a listed disclosing entity for the purposes of the Corporations Act and as such is subject to regular reporting and disclosure obligations. Specifically, as a listed company, World Titanium is subject to the ASX Listing Rules which require continuous disclosure of any information World Titanium has that a reasonable person would expect to have a material effect on the price or value of its securities.

Copies of ASX announcements made by World Titanium are available on the ASX's website at www.asx.com.au (ASX Code: WTR) or on the company's website at www.worldtitaniumresources.com.

5.11 Financial information and related matters

World Titanium's last published audited financial statements are for the financial year ended 30 June 2015 and were dated 25 September 2015 lodged with ASX on 28 September 2015. Copies of World Titanium's Annual Report may be obtained from ASX's website at www.asx.com.au (ASX Code: WTR) or from the Company's website at www.worldtitaniumresources.com.

Shareholders will be notified through ASX upon the World Titanium's half-year report for the financial period ended 31 December 2015.

To the Directors' knowledge, there has not been any matter or circumstance, other than as announced to the ASX since the release of the Annual Report for the financial year ended 30 June 2015 or referred to in this Target's Statement, that has significantly affected, or may significantly affect, the operations or the financial position of World Titanium, the results of operations of World Titanium, or the state of affairs of World Titanium in future financial years.

5.12 Forecast financial information for World Titanium

World Titanium has given careful consideration as to whether a reasonable basis exists to produce reliable and meaningful forecast financial information. The World Titanium Directors have concluded that, as at the date of this Target's Statement, it would be misleading to provide forecast financial information concerning the future financial performance World Titanium, as a reasonable basis does not exist for providing forecasts that would be sufficiently meaningful and reliable as required by applicable law, policy and market practice.

The financial performance of World Titanium in any period will be influenced by various factors that are outside the control of the World Titanium Directors and that cannot, at this time, be predicted with a high level of confidence.

5.13 AMED Fund II's current interests in World Titanium

As at 26 January 2016, AMED Fund II has disclosed Voting Power in 127,679,158 Shares, representing approximately 27.73% of the World Titanium Shares on issue.

Further details regarding AMED Fund II's interests in World Titanium can be found in section 3.3 of the Bidder's Statement and at www.asx.com.au.

6. INFORMATION RELATING TO THE DIRECTORS

6.1 Interests and dealings in World Titanium securities

(a) Interests in World Titanium securities

As at the date of this Target's Statement, the Directors had the following Relevant Interests in Shares and Options:

Director	Shares	Voting Power in World Titanium	World Titanium Options
Nic Limb ⁽¹⁾	Nil	0%	Nil
Jeffrey Williams	202,296 ⁽²⁾	0.04%	2,000,000 ⁽³⁾
Michael Cuthbert	Nil	0%	Nil
Ian Ransome	Nil	0%	Nil

Notes

1. World Titanium has previously announced Nic Limb's position as the Chairman of Mineral Deposits Limited and his minority shareholding interest in that company. Notwithstanding such disclosures, as at the date of this Target's Statement Nic Limb holds no Voting Power in World Titanium.
2. 202,296 Shares were acquired on market on 28 July 2015 held by Parkview Super Nominees Pty Ltd, as trustee for Park View Super Fund, in which Jeffrey Williams and his wife, Rosalyn Williams, are beneficiaries.
3. 2,000,000 unlisted World Titanium Options, each exercisable at \$0.046 on or before 15 October 2019 held by Parkview Super Nominees Pty Ltd, as trustee for the Park View Super Fund, in which Jeffrey Williams and his wife, Rosalyn Williams, are beneficiaries.

Mr Nic Limb (a World Titanium Director) is the Chairman of ASX listed company Mineral Deposits Limited and holds a Relevant Interest in 993,553 fully paid ordinary shares in Mineral Deposits Limited being approximately 0.96% of all shares in Mineral Deposits Limited but he does not control that company and is not an Associate of it with respect to World Titanium. Mr Jeffrey Williams has previously been the managing director, an employee and consultant to Mineral Deposits Limited (but not since his appointment as World Titanium's Chief Executive Officer), but is not an Associate of Mineral Deposits Limited with respect to World Titanium and holds no Relevant Interest in the securities of Mineral Deposits Limited.

Mr Michael Cuthbert and Dr Ian Ransome (both Directors) are occasional consultants to the controller of Boule Titanium Ltd (not in relation to World Titanium since their confirmation by Shareholders as Directors) but do not hold any shares in Boule Titanium Ltd, are not Associates of that company or its controller with respect to World Titanium and do not participate at all in the management of Boule Titanium Ltd.

(b) Dealings in World Titanium Securities

No Director has acquired or disposed of a Relevant Interest in World Titanium securities in the 4 month period ending on the date immediately before the date of this Target's Statement.

6.2 Interests and dealings in AMED Fund II securities

(a) Interests in AMED Fund II securities

As at the date immediately before the date of this Target's Statement, no Director had a Relevant Interest in the securities of AMED Fund II.

(b) Dealings in AMED Fund II securities

No Director has acquired or disposed of a Relevant Interest in AMED Fund II in the 4 month period ending on the date immediately before the date of this Target's Statement.

6.3 Benefits and agreements

(a) Benefits in connection with retirement from office

As a result of the Offer, no person has been or will be given any benefit which cannot be given without member approval under the Corporations Act in connection with the retirement of that person, or someone else, from a board or managerial office of World Titanium or related body corporate of World Titanium.

(b) Agreements connected with or conditional on the Offer

There are no agreements made between any Director and any other person in connection with, or conditional upon, the outcome of the Offer other than in their capacity as a holder of interests in Options.

(c) Benefits from AMED Fund II

None of the Directors have agreed to receive, or are entitled to receive, any benefit from AMED Fund II which is conditional on, or is related to, the Offer, other than in their capacity as a holder of interests in Options.

(d) Interests of directors in contracts with AMED Fund II

None of the Directors have any interest in any contract entered into by AMED Fund II.

7. ADDITIONAL INFORMATION

7.1 Effect of the takeover on World Titanium's financing and material agreements

To the best of each Director's knowledge, there are no material contracts or financing arrangements to which World Titanium is a party which contain any change of control provisions which may be triggered as a result of, or as a result of acceptances of, the Offer.

7.2 Effect of the takeover on World Titanium's senior employee and Director arrangements

To the best of each Director's knowledge, none of the contractual arrangements between World Titanium and its senior employees or between World Titanium and the Directors are materially affected by a change in control of the Shares, if that occurs pursuant to the Offer, other than for World Titanium's Chief Financial Officer, Mr Mahen Sookun.

In the event that any one person or entity acquires more than fifty percent of the outstanding Shares, Mr Sookun is entitled to terminate his agreement with World Titanium regarding his engagement as World Titanium's Chief Financial Officer upon 90 days' prior written notice to World Titanium. World Titanium has not received any such notice from Mr Mahen as at the date of this Target's Statement.

7.3 Material litigation

As far as the Directors are aware, World Titanium is not involved in any ongoing litigation which is material in the context of World Titanium and its Related Bodies Corporate taken as a whole.

7.4 World Titanium's issued securities

As at the date of this Target's Statement, World Titanium's issued equity securities consisted of:

- (a) 460,404,808 Shares on issue.
- (b) 3,000,000 Options on issue, all unquoted and exercisable at \$0.046 each, on or before 15 October 2019.

There are no other shares or other securities or options or performance rights or other instruments which are convertible into securities in World Titanium. There are no current offers or current agreements entered into by World Titanium to issue any other shares, securities, options or performance rights or other instruments.

7.5 Substantial holders

As at 26 January 2016, the Board is aware from notices filed with the ASX that the following persons have substantial holdings in World Titanium.

	Name of substantial holder	Number of Shares comprising substantial holding	% of total Shares
1.	Boulle Titanium Ltd	98,300,080	21.35%
2.	Mineral Deposits Limited (through its nominee ZTF Investments Pty Ltd)	92,184,166	20.02%
3.	AMED Fund II (through its nominee JPMorgan Nominees Australia Pty Ltd)	127,679,158	27.73%

7.6 Continuous disclosure

World Titanium is a disclosing entity under the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules. These obligations require World Titanium to notify ASX of information about specified matters and events as they occur for the purpose of making that information available to the market. In particular, World Titanium has an obligation (subject to limited exceptions) to notify ASX immediately on becoming aware of any information which a reasonable person would expect to have a material effect on the price or value of the Shares.

Copies of the documents filed with ASX may be obtained from the ASX website at www.asx.com.au (ASX Code: WTR) or from World Titanium website at www.worldtitaniumresources.com. In addition, World Titanium will make copies of the following documents available for inspection at World Titanium's offices which are located at 15 Lovegrove Close, Mount Claremont, Western Australia (between 8:00am and 4:00pm on Business Days):

- (a) Annual Report for the financial year ended 30 June 2015, lodged with ASX on 25 September 2015; and
- (b) any continuous disclosure document lodged by World Titanium with ASX between the lodgement of its Annual Report for the financial year ended 30 June 2015 and the date of this Target's Statement.

Copies of documents lodged with ASIC in relation to World Titanium may be obtained from, or inspected at, an ASIC office.

7.7 Consents

Baker & McKenzie has given, and has not withdrawn before the lodgement of this Target's Statement with ASIC, its written consent to be named in this Target's Statement as Australian legal adviser to World Titanium in the form and context in which it is named. Baker & McKenzie has not advised on the laws of any jurisdiction outside Australia, and has not provided tax advice in relation to any jurisdiction. Baker & McKenzie has not caused or authorised the issue of this Target's Statement, does not make or purport to make any statement in this Target's Statement or any statement on which a statement in this Target's Statement is based and takes no responsibility for any part of this Target's Statement, other than a reference to its name.

Dr Ian Ransome has given and has not, before the lodgement of this Target's Statement with ASIC, withdrawn his written consent to be named in the Target's Statement as competent person for the purpose of the JORC Code 2012 in the form and context in which he is so named.

As permitted by ASIC Class Order 13/521 this Target's Statement contains statements which are made in, or based on statements made in, documents lodged with ASIC or given to the ASX. Pursuant to the Class Order, the parties making those statements are not required to consent to, and have not consented to, the inclusion of those statements in this Target's Statement. If you would like to receive a copy of any of these documents, or the relevant parts of the documents containing the statements (free of charge), during the Offer Period, please contact World Titanium.

As permitted by ASIC Class Order 13/523, this Target's Statement may include or be accompanied by certain statements:

- (a) fairly representing a statement by an official person; or
- (b) from a public official document or a published book, journal or comparable publication.

7.8 Regulatory and other approval, consent or waiver requirements

World Titanium has not been granted any modifications or exemptions by ASIC from the Corporations Act in connection with the Offer, nor has World Titanium been granted any waivers from ASX in relation to the Offer.

7.9 No other material information

This Target's Statement is required to include all the information that Shareholders and their professional advisers would reasonably require to make an informed assessment whether to accept the Offer, but:

- (a) only to the extent to which it is reasonable for investors and their professional advisers to expect to find this information in this Target's Statement; and
- (b) only if the information is known to any director of World Titanium.

The Directors are of the opinion that the information that Shareholders and their professional advisers would reasonably require to make an informed assessment whether to accept the Offer is:

- (a) the information contained in the Bidder's Statement (to the extent that the information is not inconsistent or superseded by information in this Target's Statement);
- (b) the information contained in World Titanium's releases to the ASX, and in the documents lodged by World Titanium with ASIC before the date of this Target's Statement; and
- (c) the information contained in this Target's Statement.

The Directors have assumed, for the purposes of preparing this Target's Statement, that the information in the Bidder's Statement is accurate (unless they have expressly indicated otherwise in this Target's Statement). However, the Directors do not take any responsibility for the contents of the Bidder's Statement and are not to be taken as endorsing, in any way, any or all statements contained in the Bidder's Statement.

In deciding what information should be included in this Target's Statement, the Directors have had regard to:

- (a) the nature of the Shares;
- (b) the matters that shareholders may reasonably be expected to know;
- (c) the fact that certain matters may reasonably be expected to be known to shareholders' professional advisers; and
- (d) the time available to World Titanium to prepare this Target's Statement.

8. GLOSSARY AND INTERPRETATION

8.1 Glossary

Where the following terms are used in this Target's Statement they have the following meanings:

AMED Fund II means African Minerals Exploration & Development Fund II SICAR SCA.

Announcement Date means 18 January 2016, being the day on which the Offer was announced by AMED Fund II with the ASX.

ASIC means Australian Securities & Investments Commission.

Associate has the meaning given to that term in the Corporations Act.

ASX means ASX Limited (ABN 98 008 624 691) or the financial market operated by it, as the context requires.

ASX Listing Rules or **Listing Rules** means the official listing rules of ASX.

Bidder's Statement means the bidder's statement issued by AMED Fund II under Part 6.5 Division 2 of the Corporations Act relating to the Offer, as released to ASX on 18 January 2016.

Board means the board of directors of World Titanium.

Broker means a person who is a share broker and a participant of CHES.

CHES means the Clearing House Electronic Subregister System, which provides for electronic security transfer in Australia.

CHES Holding means a holding of shares on the CHES sub register of World Titanium.

Controlling Participant means, in relation to shares in a CHES Holding, the participant with whom the holder has a sponsorship agreement, as defined in the ASX Settlement Operating Rules, being the operating rules of ASX Settlement Pty Ltd (usually your broker).

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of World Titanium, and **Directors** means all of them.

HM means heavy minerals.

JORC Code 2004 means the 2004 edition of the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia.

JORC Code 2012 means the 2012 edition of the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia.

Mineral Resource has the meaning given in the JORC Code 2012.

Mt means millions of tonnes.

Offer or **AMED Fund II's Offer** means the offer made by AMED Fund II to acquire all of the Shares it does not already own for \$0.05 (5 cents) cash per Share, as set out in the Bidder's Statement, as varied in accordance with the Corporations Act.

Offer Period means the period during which the Offer will remain open for acceptance.

Offer Price means \$0.05 (5 cents) cash per Share under the Offer.

Option means an option to acquire a Share.

Ore Reserve has the meaning given in the JORC Code 2012.

Ranobe Project means the mineral sands project of the same name which forms part of the Toliara Project, as described in section 5.3(a).

Related Bodies Corporate has the meaning given in the Corporations Act.

Relevant Interest has the meaning given in section 608 and section 609 of the Corporations Act.

Share means a fully paid ordinary share in the capital of World Titanium.

Shareholder means a person who is recorded in World Titanium's register of members as the holder of one or more Shares.

Target's Statement means this document, being the statement under Part 6.5 Division 3 of the Corporations Act issued by World Titanium in relation to the Offer.

Toliara Project means a mineral sands project in Madagascar ultimately owned by World Titanium, as summarised in section 5.3 of this Target's Statement.

World Titanium or the **Company** means World Titanium Resources Limited (ABN 21 120 723 426).

8.2 Interpretation

In this Target's Statement:

- (a) other words and phrases have the same meaning (if any) given to them in the Corporations Act except to the extent otherwise specified;
- (b) words of any gender include all genders;
- (c) words indicating the singular include the plural and vice versa;
- (d) an expression indicating a person includes any company, partnership, joint venture, association, corporation or other body corporate and vice versa;
- (e) a reference to a section, clause, annexure, attachment and schedule is a reference to a section of, clause of annexure of and an attachment and schedule to this Target's Statement except to the extent otherwise specified;
- (f) a reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or re-enactments of any of them;
- (g) headings and bold type are for convenience only and do not affect the interpretation of this Target's Statement;
- (h) a reference to time is a reference to Perth time unless otherwise indicated; and
- (i) a reference to dollars, \$, A\$, AUD, cents and ¢ is a reference to the lawful currency of the Commonwealth of Australia unless otherwise stated.

9. AUTHORISATION

This Target's Statement has been approved by a unanimous resolution passed by the directors of World Titanium.

Signed for and on behalf of World Titanium Resources Limited

A handwritten signature in black ink, appearing to read 'Nic Limb', written in a cursive style.

**Nic Limb
Chairman**