

**BONDI MINING**

**WORLD TITANIUM RESOURCES**

# Creating a Tier One Mineral Sands Company

**30 August 2011**



# Disclaimer



This presentation has been prepared by Bondi Mining Ltd (Bondi). The information contained in this presentation is a professional opinion only and is given in good faith.

Certain information in this document has been derived from third parties and though Bondi has no reason to believe that it is not accurate, reliable or complete, it has not been independently audited or verified by Bondi. Any forward-looking statements included in this document involve subjective judgement and analysis and are subject to uncertainties, risks and contingencies, many of which are outside the control of, and maybe unknown to, Bondi. In particular, they speak only as of the date of this document, they assume the success of Bondi's strategies, and they are subject to significant regulatory, business, competitive and economic uncertainties and risks. Actual future events may vary materially from the forward looking statements and the assumptions on which the forward looking statements are based. Recipients of this document ("Recipients") are cautioned to not place undue reliance on such forward-looking statements.

Bondi makes no representation or warranty as to the accuracy, reliability or completeness of information in this document and does not take responsibility for updating any information or correcting any error or omission which may become apparent after this document has been issued. To the extent permitted by law, Bondi and its officers, employees, related bodies corporate and agents ("Agents") disclaim all liability, direct, indirect or consequential (and whether or not arising out of the negligence, default or lack of care of Bondi and/or any of its Agents) for any loss or damage suffered by a Recipient or other persons arising out of, or in connection with, any use or reliance on this presentation or information.

All amounts in A\$ unless stated otherwise.

The exploration data and results contained in this presentation are based on information reviewed by Dr Rick Valenta, a fellow of the Australian Institute of Mining and Metallurgy. He is Managing Director of the Company and has sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the December 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Dr Valenta has consented to the inclusion in this presentation of the matters based on his information in the form and context in which it appears.

The information in this announcement that relates to JORC resources and Exploration Targets has been compiled by GEOCraft Pty Ltd. Mr. Andrew Milne (B. Sc. (Hons) M. Sc.) is an employee of GEOCraft Pty Ltd. Mr. Milne is a member of a Geological Society of Australia ("GSA") and the Australasian Institute of Mining and Metallurgy ("AusIMM") and has the appropriate relevant qualifications, experience, competence and independence to be considered an "Expert" under the definitions provided in the Valmin Code and a "Competent Person" as defined in the JORC Code. Mr. Milne has consented to the inclusion in this release of the matters based on his information and in the form and context in which they appear.

The information in this release that relates to Financial and Mining analysis is based on information compiled by Mr Steve Gilman who is a Fellow of the Australasian Institute of Mining and Metallurgy and a full time employee of TZ Minerals International. Mr Gilman has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Gilman consents to the inclusion in the release of the matters based on his information in the form and context in which it appears.

# Transaction Overview

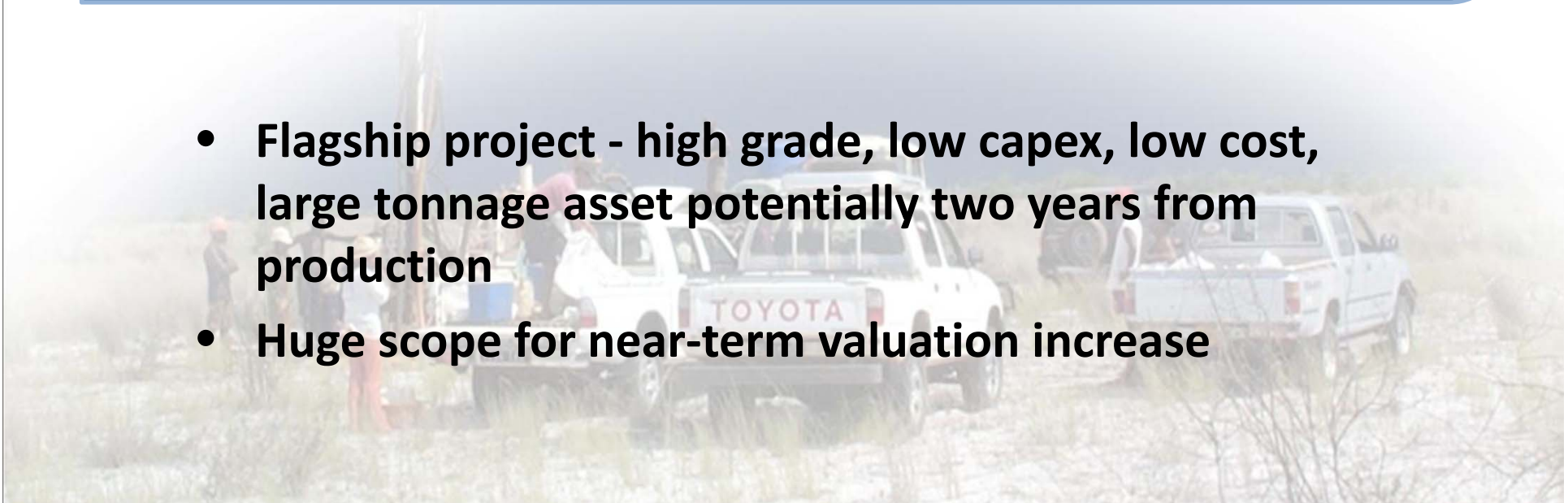
---



A merger with **World Titanium Resources**  
will transform **Bondi Mining** into:

*A mineral sands company with a world-class  
development-stage asset, on the path to  
become a major mineral sands producer*

- **Flagship project - high grade, low capex, low cost, large tonnage asset potentially two years from production**
- **Huge scope for near-term valuation increase**



World class mineral  
sands asset



Significant upside



Synergies

- **Large, high-grade JORC resource** (710Mt at 6.3% THM), relatively rich in high-value zircon, in Madagascar
- Scoping Study completed by TZ Minerals International indicates a **world class asset by industry standards**:
  - Value per tonne of ore well above industry average
  - Heavy mineral grade well above industry average
  - Capital Intensity (ratio of capital expenditure to annual revenue) well below industry average
  - Revenue to cost ratio in second quartile of overall industry
  - Cash cost per tonne product well below industry average
- **Easily mined resource with little/no overburden and low slimes.**
- Overall portfolio defined an exploration target<sup>1</sup> of **4.3 to 4.7 billion tonnes at 2.5% to 4.1% THM**
- Highly skilled exploration and development teams
- Complemented by Bondi's Namibian exploration assets
- Support of WTR Board and major shareholders

<sup>1</sup>These Exploration Targets are at an early stage of evaluation, and the potential quantity and grade remain conceptual in nature. At this stage there has been insufficient exploration to define Mineral Resources and it is uncertain if further exploration will result in the determination of Mineral Resources greater than that already defined. .

# Toliara Sands is a Tier One asset

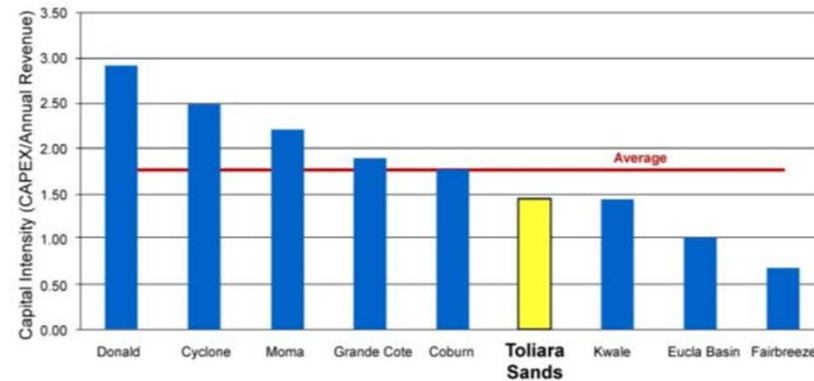


## Robust revenue/cost ratio

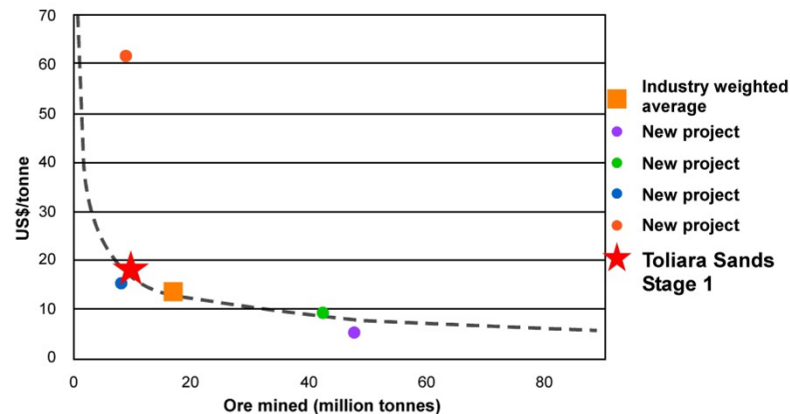
- 2.61 ratio life of mine
- Well above industry average



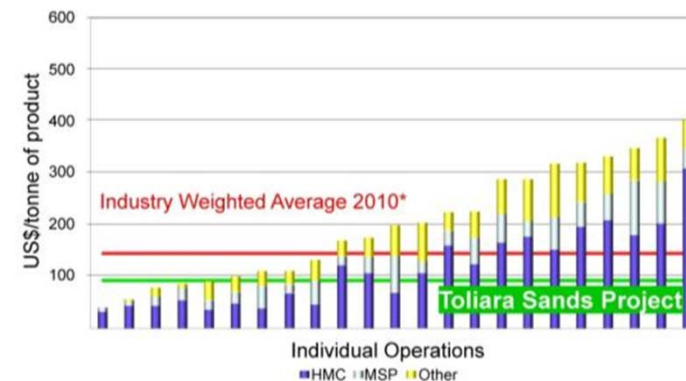
## Equal third capex per annual revenue



## Second highest in situ contained ore value



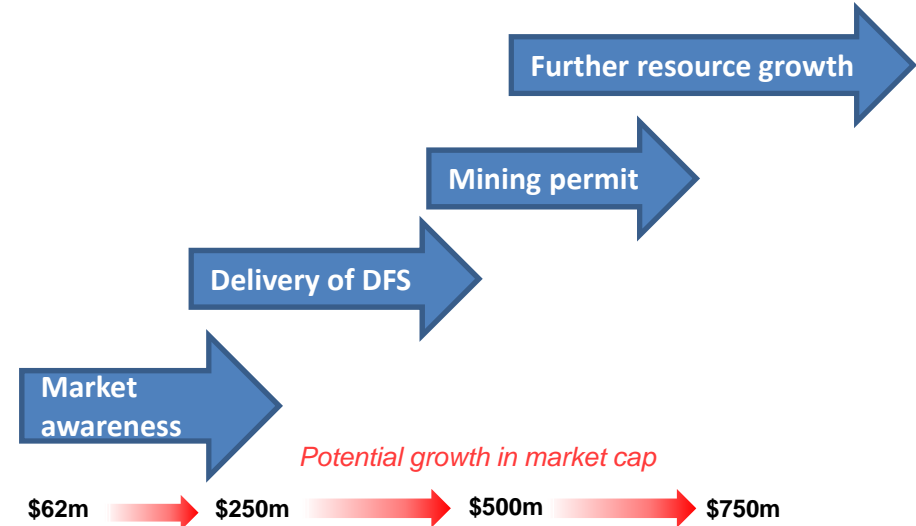
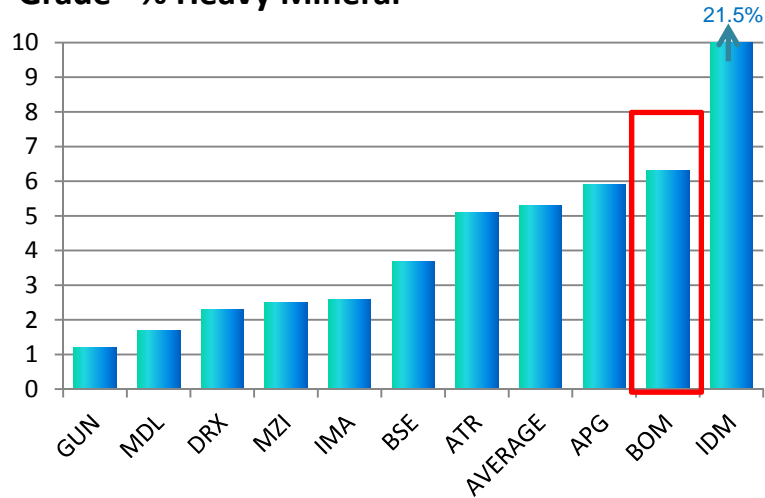
## Fifth lowest cash cost per tonne mineral product



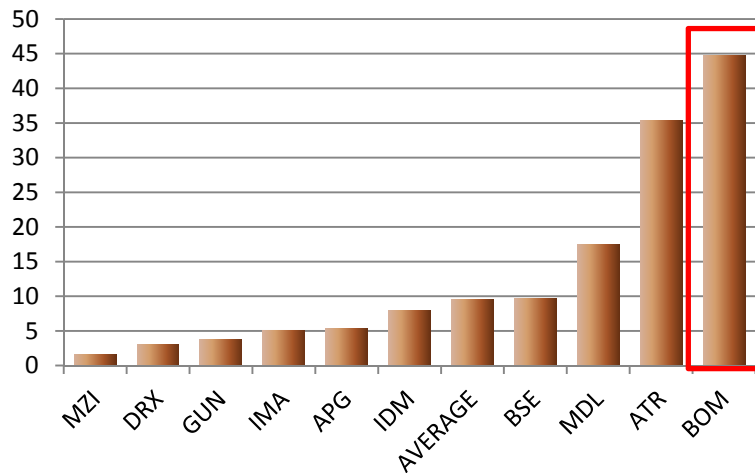
"...(The Toliara Sands Project) has excellent investment criteria and considerable scope for expansion. The re-scaled Ranobe project will satisfy the local and national interest, generate high returns for investors and produce long term reliable ilmenite supply to growing markets, especially China" – TZ Minerals Scoping Study

# Significant Scope for re-rating

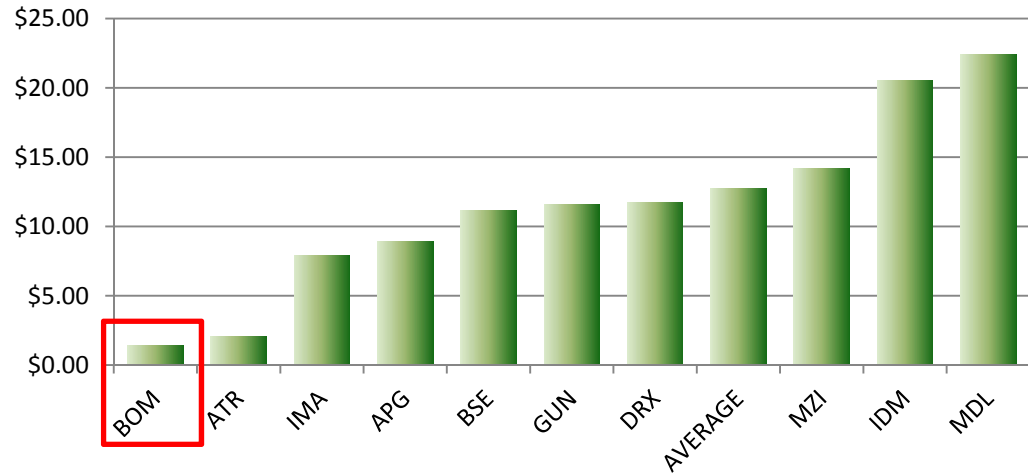
Grade - % Heavy Mineral



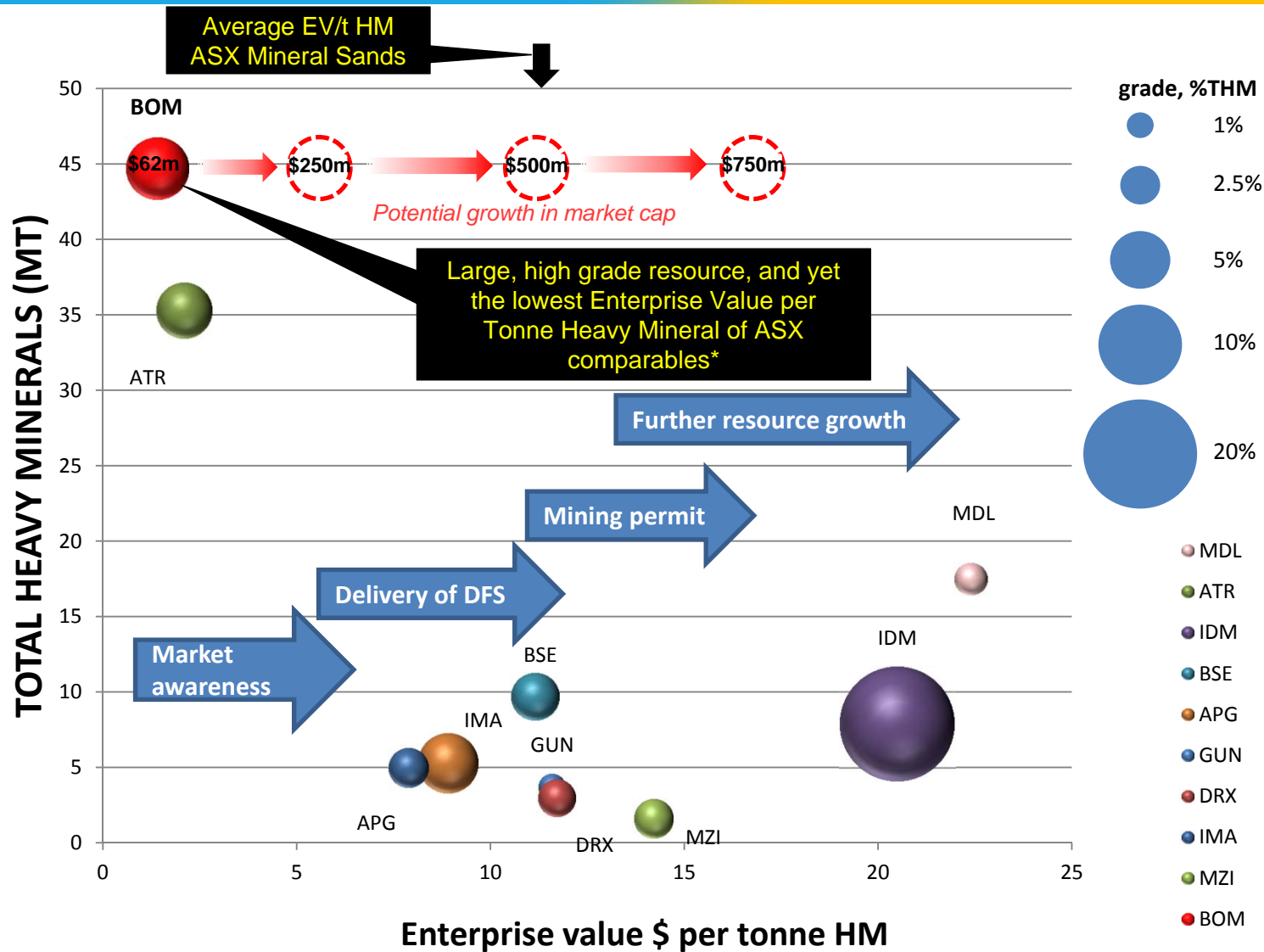
Contained Heavy Minerals (mt)



EV \$ per tonne



# Significant Scope for re-rating



\* Based on the implied valuation of the BOM-WTR deal



# Transaction Summary

<b>Transaction</b>	<ul style="list-style-type: none"><li>• Bondi to complete 4 for 1 share consolidation</li><li>• 3.5 consolidated Bondi shares for each WTR share</li><li>• Unanimously recommended by both boards, with support of major shareholders</li><li>• Implemented via a WTR scheme of arrangement</li><li>• Bondi to re-list under Chapters 1 and 2 of ASX listing rules</li><li>• Prospectus to raise at least A\$3m</li><li>• Name change to World Titanium Resources</li></ul>
<b>Key Terms</b>	<ul style="list-style-type: none"><li>• Non-solicitation clauses</li><li>• Break fee in case of non-completion</li></ul>
<b>Conditions</b>	<ul style="list-style-type: none"><li>• Regulatory and court approvals</li><li>• Bondi and WTR shareholder approval of transaction</li></ul>
<b>Board/Management</b>	<ul style="list-style-type: none"><li>• After the Transaction, Bondi to hire an experienced CEO with a strong track record in mineral sands.</li><li>• Mix of existing Bondi and WTR directors, with WTR directors comprising the majority</li></ul>
<b>Indicative Timetable</b>	<ul style="list-style-type: none"><li>• Notice of Meeting to shareholders in late September.</li><li>• Meeting in late October</li><li>• Scheme implementation mid November</li></ul>

# Taking the combined entity forward

---



- **Complete transaction**
- **Established team in Madagascar, active since 1994**
- **TZMI scoping study is economically positive, and estimates 18 months from Decision to Commence until first production**
- **Stage one resource is already Measured and Indicated**
- **Mining license being finalised with Madagascar government**
- **Steps to Decision to Commence**
  - Finalise mining license
  - Update estimates of capital and operating costs
  - Upgrade scoping study to DFS level
  - Develop funding strategy

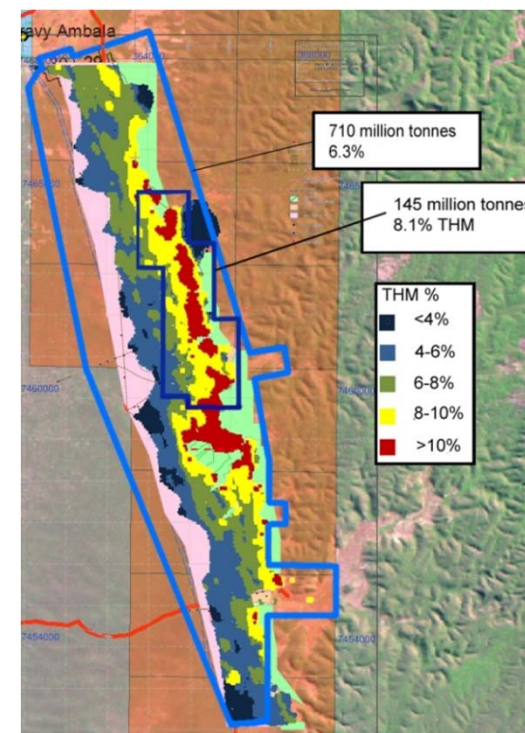
# About the Toliara Sands Project

---



# Ranobe: A large, high grade orebody

- JORC resource is 710 million tonnes at 6.3% THM
- containing around
  - 30 million tonnes of ilmenite,
  - 2.5 million tonnes of zircon, and
  - 0.85 million tonnes of rutile.
- High Grade starter within larger resource:
  - 145 million tonnes at 8.1% THM, containing in turn:
    - 75 million tonnes at 9.5% THM.

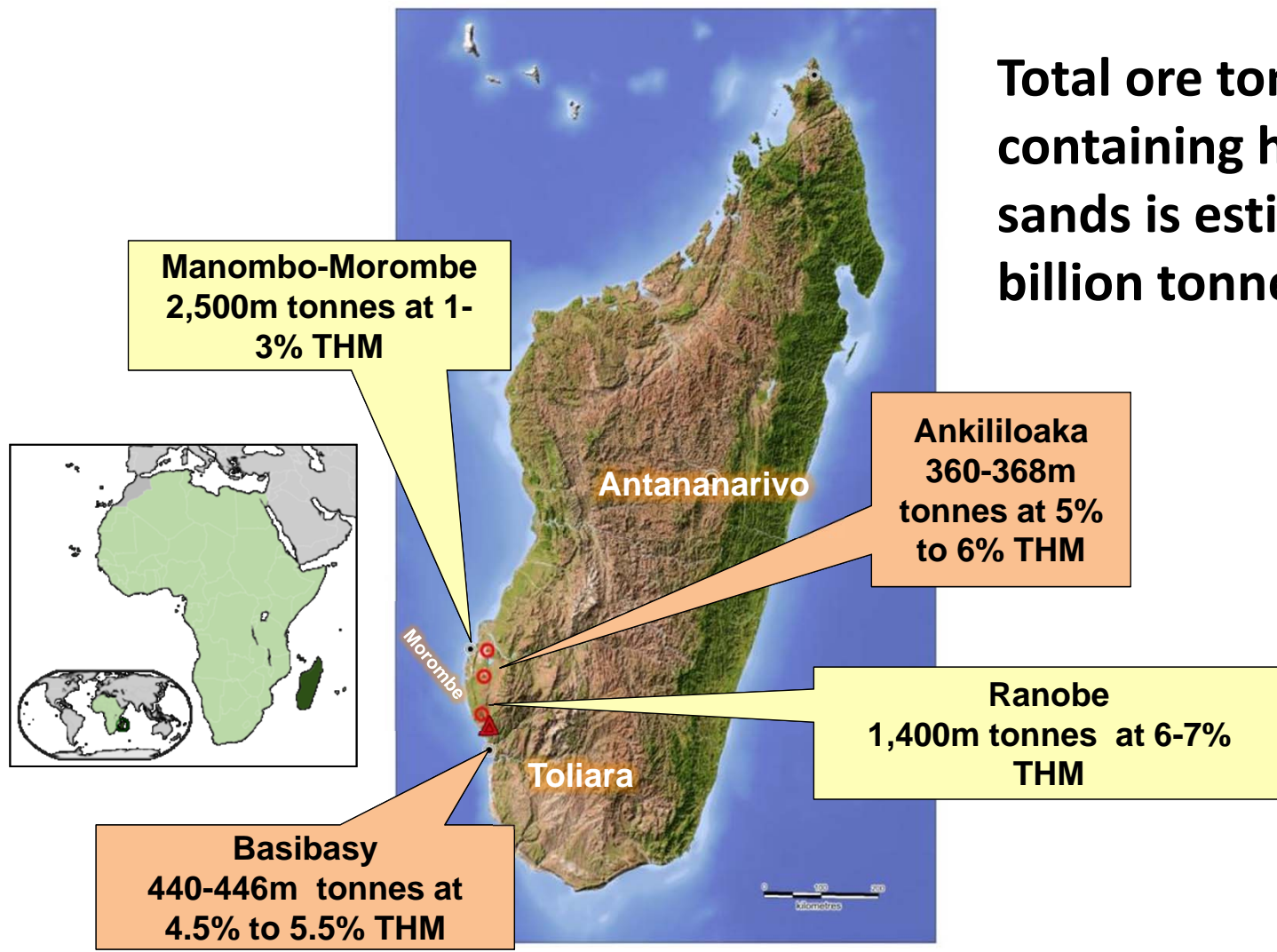


## PROJECT ADVANTAGES

- Unconsolidated sand;
- Low slimes content (less than 5%);
- Absence of barren overburden;
- Consistent heavy mineral assemblage;
- Presence of significant high-value zircon and rutile; and
- Very low capital cost

Classification	Mass t (millions)	THM %	Slime %	Ilmenite %	Rutile %	Zircon %
Measured	208.8	7.44	4.08	4.81	0.14	0.42
Indicated	320.4	6.09	4.02	4.00	0.12	0.34
Inferred	181.3	5.32	4.76	3.50	0.10	0.30
<b>Grand Total</b>	<b>710.5</b>	<b>6.29</b>	<b>4.23</b>	<b>4.07</b>	<b>0.12</b>	<b>0.35</b>

# ...and there is plenty of upside



**Total ore tonnage target<sup>1</sup> containing heavy mineral sands is estimated at 4.7 billion tonnes.**

<sup>1</sup>These Exploration Targets are at an early stage of evaluation, and the potential quantity and grade remain conceptual in nature. At his stage there has been insufficient exploration to define Mineral Resources and it is uncertain if further exploration will result in the determination of Mineral Resources greater than that already defined. .

# Mine Development

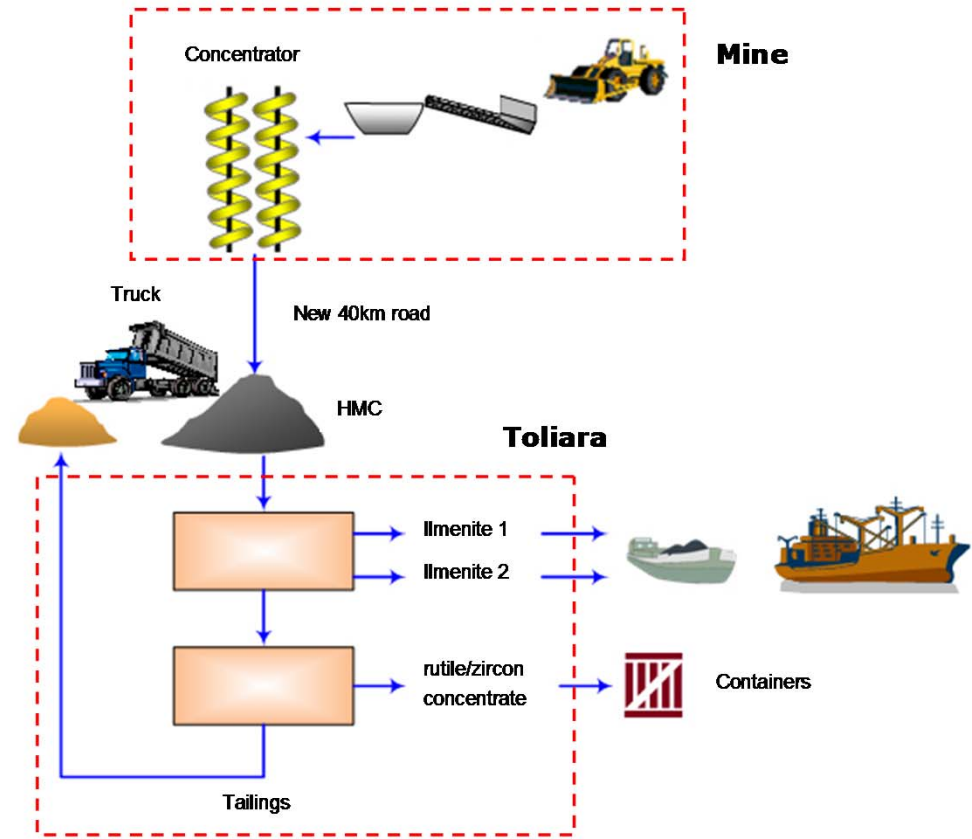
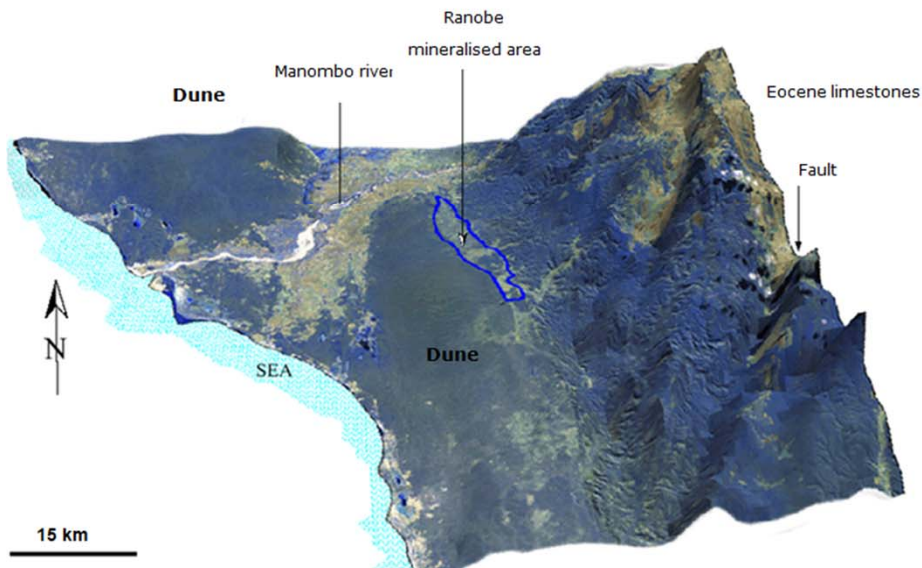
Green fields mine site

Capital requirements:

- Mine and process development
- Transport Infrastructure

Mining and processing:

- Truck and shovel
- Conventional processing



# Proposed Development

Stage 1 Resource 145 million tonnes (8.1% grade)	Mine Plan
<b>Ore mined</b>	145 million tonnes
<b>Average grade</b>	8.1%
<b>Tonnes per annum</b>	7.0 mtpa Yrs 1-10 9.4 mtpa Yrs 13-19
<b>Mine life</b>	19 years
<b>Annual production rate</b>	
ilmenite	400,000 tpa
rutile/zircon concentrate	43,000 tpa
Projected project financials	
<b>Capital investment</b>	<b>Initial US \$131 m</b> <b>Yr 10 US \$24.0 m</b>
<b>IRR (after tax)</b>	45%
<b>NPV (after tax. 10% Real)</b>	US \$323 million
<b>Payback</b>	2 years
<b>Annual after tax cash flow</b>	Approximately US\$ 51 million



Typical HMC  
"road train"



Typical loader and  
hopper dry mining  
operation

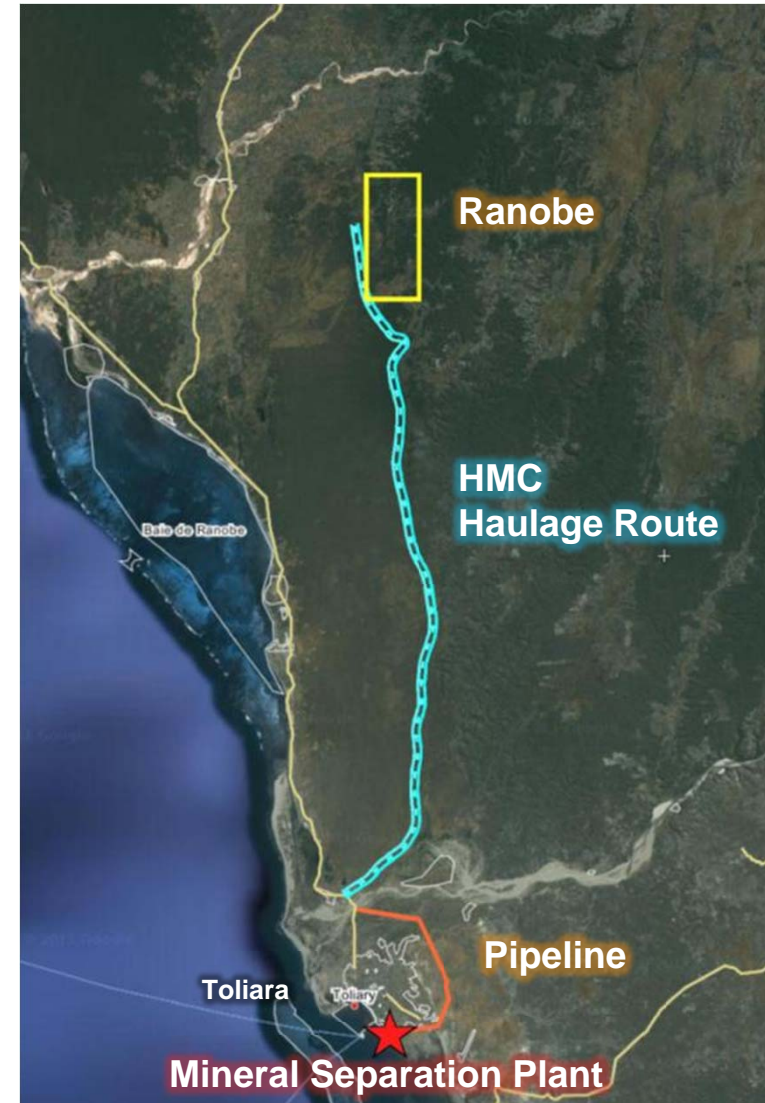


Toliara  
port



# Infrastructure

- 40k road to transport concentrate from project to slurry pipeline
- 14km slurry pipeline to Mineral Separation Plant
- Existing port facility at Toliara
  - 15,000 tonne wharf capacity
  - deep-water channel with capacity for 35,000 tonne ships for barge transfer
- Supportive community – project positive for local economy
- Extensive study has confirmed project's environmental sustainability



# Products produced

Product	Yearly production years 1 and 2	Yearly production years 3 to 20	Application
<b>Rutile/Zircon concentrate (16% Rutile; 74% Zircon; 10% Other)</b>	21Kt	43Kt	<ul style="list-style-type: none"> <li>• Shipment to overseas processors for further treatment</li> <li>• Current high appetite for semi-finished concentrate</li> </ul>
<b>Sulfate ilmenite</b>	118.4Kt	236.8Kt	<ul style="list-style-type: none"> <li>• TiO2 sulfate pigment process</li> <li>• Ilmenite smelters for chloride-grade slag</li> </ul>
<b>Chloride ilmenite</b>	27Kt	54Kt	<ul style="list-style-type: none"> <li>• Higher TiO2</li> <li>• Suitable for direct chlorination</li> <li>• Blend feed to synthetic rutile processors</li> </ul>

# About Madagascar

---



# Madagascar

- 1200 Kilometers off the coast of Africa, separated by the Mozambique Channel
- Madagascar is the fourth largest island in the world with a total area of approximately 587,000 km<sup>2</sup>
- The official languages are: French and Malagasy
- Mining Law modernised in 2000
- 2% Royalty; 25% Tax – reducible for large investments
- Mining is becoming a significant player in Madagascar, with various international mining companies investing over \$4bn currently.
  - Rio Tinto (QIT Madagascar Minerals) - Ilmenite
  - Sherrit International (Ambatovy) - Nickel
  - Cline Mining (Bekisopa) – Iron Ore



**WTR in Madagascar**

- WTR has been operating in Madagascar continuously since 1994
- Local country manager
- Strong government relationship
- Excellent relationship with local communities

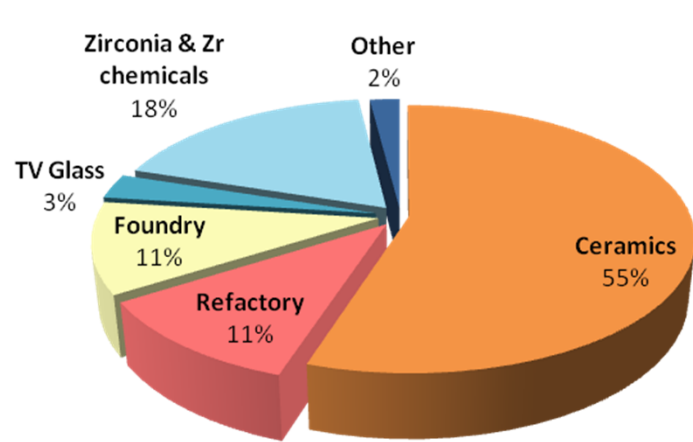
# About Mineral Sands

---

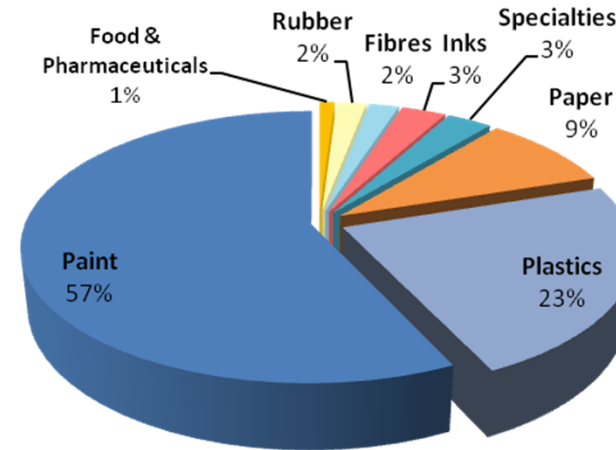


# Mineral Sands

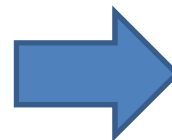
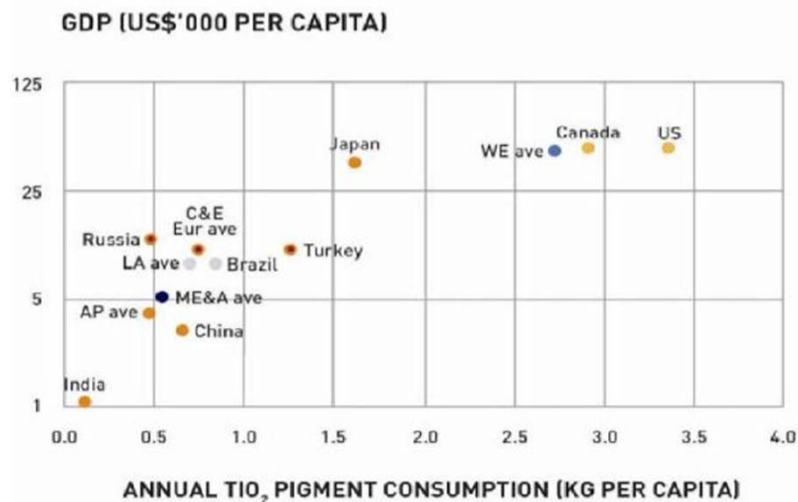
We are entering into a period of excellent market conditions for ilmenite, rutile and zircon.



*Zircon Consumption*



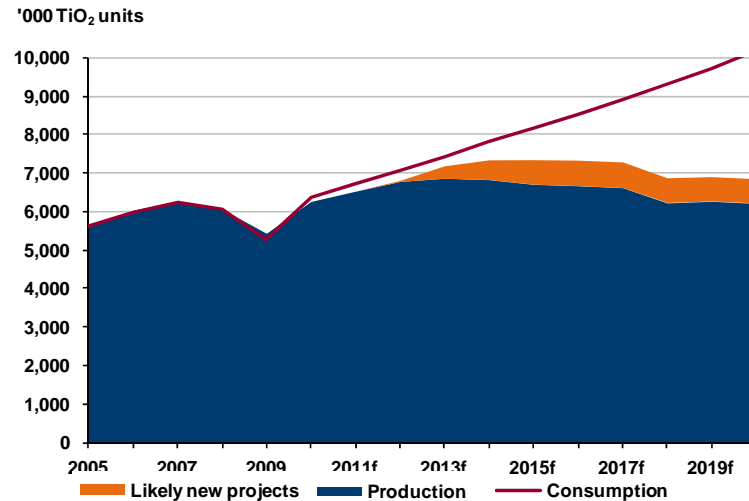
*TiO<sub>2</sub> Pigment Consumption*



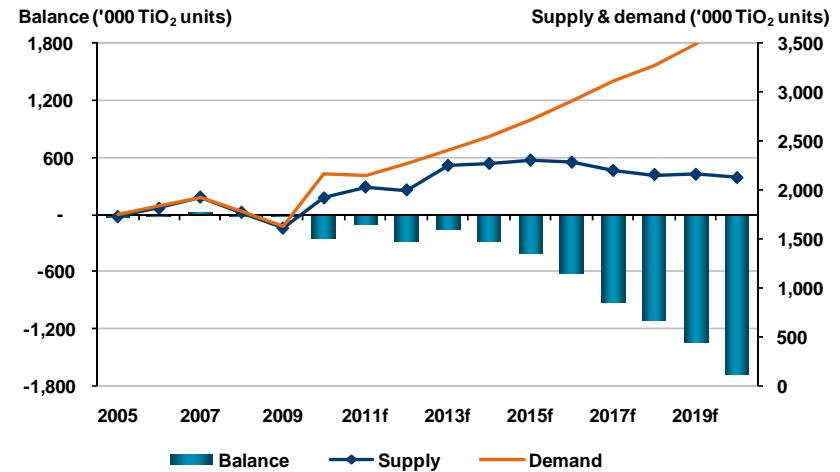
- Growth in GDP per capita in large developing country can drive consumption
- China key driver in projected growth

# Significant Supply Shortfall

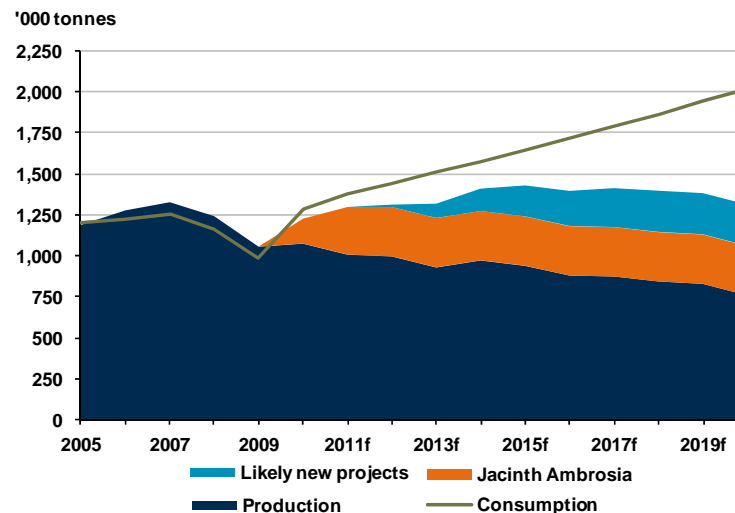
**Total titanium feedstock supply/demand balance**



**Forecast supply/demand for sulfate ilmenite**



**Base case global zircon supply/demand**



- Global market for titanium feedstocks in deficit for foreseeable future
  - Positive supply/demand outlook
  - Chinese sulfate pigment production key driver in projected growth
- Market dynamics similar for zircon
- Predicted zircon production from new projects insufficient to meet demand curve
- ***Supply/demand outlook will continue to drive strong prices for these commodities***

World class mineral  
sands asset



Significant upside



Synergies

- **Large, high-grade JORC resource** (710Mt at 6.3% THM), relatively rich in high-value zircon, in Madagascar
- Scoping Study completed by TZ Minerals International indicates a **world class asset by industry standards**:
  - Value per tonne of ore well above industry average
  - Heavy mineral grade well above industry average
  - Capital Intensity (ratio of capital expenditure to annual revenue) well below industry average
  - Revenue to cost ratio in second quartile of overall industry
  - Cash cost per tonne product well below industry average
- **Easily mined resource with little/no overburden and low slimes.**
- Overall portfolio defined an exploration target<sup>1</sup> of **4.3 to 4.7 billion tonnes at 2.5% to 4.1% THM**
- Highly skilled exploration and development teams
- Complemented by Bondi's Namibian exploration assets
- Support of WTR Board and major shareholders

<sup>1</sup>These Exploration Targets are at an early stage of evaluation, and the potential quantity and grade remain conceptual in nature. At this stage there has been insufficient exploration to define Mineral Resources and it is uncertain if further exploration will result in the determination of Mineral Resources greater than that already defined. .



# Key Contacts



## Bondi Directors

- Simon O’Loughlin (Chairman)
- Rick Valenta (Managing Director)
- Creagh O’Connor (non-exec)
- Darren Morcombe (non-exec)

## WTR Directors

- Peter Woods (Chairman)
- Wayne Malouf (CEO)
- Guy Leclezio (non-exec)
- Tristan Davenport (non-exec)

## Brisbane Office

96 Stephens Rd  
South Brisbane QLD 4101  
PO Box 8012  
Woolloongabba QLD 4102  
Tel: +61 (0)7 3844 0982  
Fax: +61 (0)7 3844 0154  
Website: [www.bondimining.com.au](http://www.bondimining.com.au)  
Email: [info@bondimining.com.au](mailto:info@bondimining.com.au)

## WTR Office

Suite 2, 47 Ord Street  
West Perth  
Western Australia 6005  
Phone: + 61 (0)8 9321 1616  
Fax: + 61 (0)8 9226 1040  
Email: [pjw@iinet.net.au](mailto:pjw@iinet.net.au)