

## WORLD TITANIUM RESOURCES LTD ACN 120 723 426

### Options issued as Bondi Mining (post consolidation)

A total of 933,750 options are on issue post consolidation, having been issued by Bondi Mining prior to the merger.

1. Each Option entitles the holder to one ordinary share in the Company.
2. 850,000 Options have an exercise price of \$0.80 and 83,750 Options have an exercise price ranging between \$0.48 and \$1.20.
3. Each Option is exercisable at any time during the period commencing on the date of grant and expiring on the Expiry Date (**Exercise Period**). Options not exercised before the expiry of the Exercise Period will lapse. 30,000 Options expire 26 November 2012, 375,000 expire on 8 May 2013, 16,250 expire on 28 February 2015, 475,000 expire on 8 May 2015 and 37,500 expire on 22 May 2015.
4. Options are exercisable by notice in writing to the Board delivered to the registered office of the Company and payment of the exercise price per Option in cleared funds.
5. The Company will not apply to ASX for official quotation of the Options.
6. The Company will make application for official quotation on ASX of new shares allotted on exercise of the Options. Those shares will participate equally in all respects with existing issued ordinary shares, and in particular new shares allotted on exercise of the Options will qualify for dividends declared after the date of their allotment.
7. Options may be transferred in the form commonly used for the transfer of Options at any time until the expiry of the Exercise Period, subject to any restrictions that may be imposed by ASX.
8. A option holder may only participate in new issues of securities to holders of ordinary shares in the Company if the Option has been exercised and shares allotted in respect of the Option before the record date for determining entitlements to the issue. The Company must give prior notice to the Optionholder of any new issue before the record date for determining entitlements to the issue in accordance with the ASX Listing Rules.
9. If there is a bonus issue to the holders of ordinary shares in the capital of the Company, the number of ordinary shares over which the Option is exercisable will be increased by the number of ordinary shares which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue.
10. If the Company makes a rights issue (other than a bonus issue), the exercise price of Options on issue will be reduced according to the following formula:

$$A = O - \frac{E [P - (S + D)]}{(N + 1)}$$

Where:

- A = the new exercise price of the Option;
  - O = the old exercise price of the Option;
  - E = the number of underlying ordinary shares into which one Option is exercisable;
  - P = the average closing sale price per ordinary share (weighted by reference to volume) recorded on the stockmarket of ASX during the five trading days immediately preceding the ex rights date or ex entitlements date (excluding special crossings and overnight sales and exchange traded Option exercises);
  - S = the subscription price for a security under the pro rata issue;
  - D = the dividend due but not yet paid on existing underlying securities (except those to be issued under the pro rata issue); and
  - N = the number of securities with rights or entitlements that must be held to receive a right to one new security.
11. If, during the currency of the Options the issued capital of the Company is reorganised, those Options will be reorganised to the extent necessary to comply with ASX Listing Rules.

## Options issued in merger

In the merger, the Company granted 16,275,000 Options on the following terms and conditions:

1. Subject to paragraph 8 each Option gives the option holder the right to subscribe for one fully paid ordinary share in the capital of the Company (**Share**).
2. The Options held by the option holder are exercisable in whole or in part at any time during the period from the Vesting Date until 31 March 2015 (**Exercise Period**). Options not exercised before the expiry of the Exercise Period will lapse.  
  
4,550,000 Options have vesting conditions as follows:
  - 1,516,667 Options will vest on 31 October 2012;
  - 1,516,667 Options will vest on 31 October 2013;
  - 1,516,666 Options will vest on 31 October 2014.  
11,725,000 Options have vesting conditions as follows:
  - 62.50% of this total number of Options vested on the date of grant;
  - 18.75% of this total number of Options will vest upon completion of the merger, or 28 February 2012, whichever is the earlier; and
  - 18.75% of this total number of Options will vest on the completion of a capital raising for a minimum of \$50 million, or 31 July 2012, whichever is the earlier.
3. Subject to paragraphs 9 and 10 the amount payable upon exercise of each Option will be \$0.285 (**Exercise Price**).
4. Options are exercisable by notice in writing to the Board delivered to the registered office of the Company and payment of the Exercise Price in cleared funds, following which the Company will, within 10 Business Days, allot the number of Shares in respect of the number of options specified in the notice.
5. The Company will not apply for official quotation on ASX of the options. The Company will make application for official quotation on ASX of new shares allotted on exercise of the options. Those shares will participate equally in all respects with existing issued ordinary shares, and in particular new shares allotted on exercise of the options will qualify for dividends declared after the date of their allotment.
6. Options can only be transferred with Board approval, except that if at any time before expiry of the Exercise Period the option holder dies, the legal personal representative of the deceased option holder may:
  - (a) elect to be registered as the new holder of the options;
  - (b) whether or not he becomes so registered, exercise those options in accordance with the terms and conditions on which they were granted; and
  - (c) if the deceased has already exercised options, pay the Exercise Price in respect of those options.
7. An option holder may only participate in new issues of securities to holders of ordinary shares in the Company if the option has been exercised and shares allotted in respect of the option before the record date for determining entitlements to the issue. The Company must give prior notice to the optionholder of any new issue before the record date for determining entitlements to the issue in accordance with the ASX Listing Rules.
8. If there is a bonus issue to the holders of ordinary shares in the capital of the Company, the number of ordinary shares over which the option is exercisable will be increased by the number of ordinary shares which the holder of the option would have received if the option had been exercised before the record date for the bonus issue.
9. In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to Shareholders after the date of issue of the Options, the Exercise Price of the Options may be reduced in accordance with the formula set out in Listing Rule 6.22.2.
10. If, during the currency of the options the issued capital of the Company is reorganised, those options will be reorganised to the extent necessary to comply with ASX Listing Rules.

## Warrants issued in merger

In the merger 1,492,050 warrants were granted on the following terms and conditions:

1. Subject to paragraph 8 each warrant gives the warrant holder the right to subscribe for one fully paid ordinary share in the capital of the Company (**Share**).
2. The warrants held by the warrant holder are exercisable in whole or in part at any time during the period from the date of issue until 21 June 2013 (**Exercise Period**). Warrants not exercised before the expiry of the Exercise Period will lapse.
3. Subject to paragraphs 9 and 10 the amount payable upon exercise of each Warrant will be US\$0.285 (**Exercise Price**).
4. Warrants are exercisable by notice in writing to the Board delivered to the registered office of the Company and payment of the Exercise Price in cleared funds, following which the Company will, within 10 Business Days, allot the number of Shares in respect of the number of warrants specified in the notice.
5. The Company will not apply for official quotation on ASX of the warrants. The Company will make application for official quotation on ASX of new shares allotted on exercise of the warrants. Those shares will participate equally in all respects with existing issued ordinary shares, and in particular new shares allotted on exercise of the warrants will qualify for dividends declared after the date of their allotment.
6. Warrants can only be transferred with Board approval, except that if at any time before expiry of the Exercise Period the warrant holder dies, the legal personal representative of the deceased warrant holder may:
  - (a) elect to be registered as the new holder of the warrants;
  - (b) whether or not he becomes so registered, exercise those warrants in accordance with the terms and conditions on which they were granted; and
  - (c) if the deceased has already exercised warrants, pay the Exercise Price in respect of those warrants.
7. A warrant holder may only participate in new issues of securities to holders of ordinary shares in the Company if the warrant has been exercised and shares allotted in respect of the warrant before the record date for determining entitlements to the issue. The Company must give prior notice to the warrant holder of any new issue before the record date for determining entitlements to the issue in accordance with the ASX Listing Rules.
8. If there is a bonus issue to the holders of ordinary shares in the capital of the Company, the number of ordinary shares over which the warrant is exercisable will be increased by the number of ordinary shares which the holder of the warrant would have received if the warrant had been exercised before the record date for the bonus issue.
9. In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to Shareholders after the date of issue of the Warrants, the Exercise Price of the Warrants may be reduced in accordance with the formula set out in Listing Rule 6.22.2.
10. If, during the currency of the warrants the issued capital of the Company is reorganised, those warrants will be reorganised to the extent necessary to comply with ASX Listing Rules.