World Titanium Resources Limited

ABN 21 120 723 426

(formerly Bondi Mining Limited)

Half-Year Financial Report

31 December 2011

World Titanium Resources Limited ACN 120 723 426
Contents

This interim financial report does not include all of the notes and other disclosure information of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual reports of Bondi Mining Limited and WTR Holdings Ltd (formerly World Titanium Resources Ltd) (released to ASX on 11th January 2012) for the financial year ended 30 June 2011 and any public announcements made by these entities during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

World Titanium Resources Limited ACN 120 723 426
Directors' Report

The directors present their report on the consolidated entity consisting of World Titanium Resources Limited (formerly Bondi Mining Limited) and the entities it controlled at the end of, or during, the half-year ended 31 December 2011.

Directors

The following persons were directors of World Titanium Resources Limited ("WTR") during the whole of the half-year under review and up to the date of this report, unless otherwise stated:

Mr Edward Wayne Malouf	(Executive Chairman)	Appointed 30 December 2011
Mr Bruce Griffin	(Chief Executive Officer)	Appointed 30 December 2011
Mr Roderic Baker	(Non-executive Director)	Appointed 30 December 2011
Mr Tristan Davenport	(Non-executive Director)	Appointed 30 December 2011
Mr Darren Morcombe [1]	(Non-executive Director)	
Dr Ian Ransome	(Non-executive Director)	Appointed 30 December 2011
Mr Gooroodeo Sookun	(Non-executive Director)	Appointed 30 December 2011
Dr Rick Valenta [1]	(Non-executive Director)	
Mr Jeffrey W Williams	(Non-executive Director)	Appointed 30 December 2011
Mr Simon O'Loughlin	(Non-executive Director)	Resigned 30 December 2011
Mr Creagh O'Connor	(Non-executive Director)	Resigned 30 December 2011

[1] Existing Directors of Bondi Mining Limited.

Mr Wayne Malouf – Executive Chairman
Wayne Malouf served as CEO of Titanium Resources Group (TRG) from 2002 to 2005 and TRG's Executive Vice-Chairman from 2005 to early 2008 where he oversaw the company's IPO listing on the AIM Exchange and the successful restart of the Sierra Rutile titanium mine and Sierra Minerals bauxite mine. From 2008 to 2010 Mr Malouf served as CEO of Diamond Fields Resources (DFI) and continues to serve as DFI's non-executive Chairman. He returned to TRG as Executive Chairman from August 2010 to February 2011 to assist in organizational and operational matters. Mr Malouf has a BA and JD from St Mary's University of San Antonio, Texas and an MA in social sciences (economics and international relations) from the University of Chicago. In addition to his mineral sands experience, Mr Malouf has been a practicing attorney since 1987. His current directorships include Diamond Fields International Ltd and certain of its subsidiaries.

Mr Bruce Griffin – Chief executive Officer
Bruce Griffin is an experienced executive and brings relevant international mineral sands experience to WTR. His 7 years at BHP Billiton included 4 years as Vice President Titanium where he had responsibility for BHP Billiton's titanium business, including the Richards Bay Minerals joint venture with Rio Tinto and the Corridor Sands and Tigen projects in Mozambique.

Prior to joining WTR, Bruce was Managing Director of MIL Resources an ASX listed Papua New Guinea focussed exploration company. His prior roles included Group General Manager Storage and Logistics at GrainCorp, seven years at BHP Billiton, nine years in a variety of operational and commercial positions with Shell, and as a management consultant with Bain & Company.

Bruce holds a Bachelor of Engineering Degree in Chemical and Process Engineering from Canterbury University, a Bachelor of Arts Degree in Economics from Massey University and an MBA from the Melbourne Business School.

Mr Norman Roderick (Rod) Baker – Non-Executive Director
Rod Baker has worked for forty years as a mineral exploration geologist, in many countries in five continents. Educated in England, he started his professional career in North Sea Gas before joining the Anglo American Corporation to work in southern Africa. He then joined a South African consulting group, and carried out work for clients such as Rio Tinto, Selection Trust, U.S. Steel, Falconbridge and Billiton on a number of commodities. He subsequently became an independent consultant, working largely for the United Nations and other clients in Africa, India and the Americas. For the last twenty years he has been mostly engaged in pursuit of his own diamond and gold interests in South America.

Until recently, he was a non-executive director of Titanium Resources Group, and was a founding director of Diamond Field Resources Inc.

Mr Tristan Davenport – Non-Executive Director
Tristan Davenport was educated at Millfield School and subsequently studied Anthropology and Archaeology at the University of London (SOAS). He later trained at De Beers' London office as a diamond sorter and studied diamond gemology at the Gemological Association of Great Britain. In 1995 he joined America Mineral Fields and worked on various mining projects in the Democratic Republic of Congo. He has established and managed heavy mineral processing laboratories in support of exploration programmes in Finland and Norway and has designed and managed exploration projects for companies in Zambia, Sierra Leone and Madagascar.

Mr Darren Morcombe – Non-Executive Director
Darren Morcombe has more than 20 years of professional experience in a variety of natural resource roles in Australia, United States and Switzerland commencing with over 10 years in senior roles with Normandy Mining Limited and Newmont Mining Corp. in the areas of financing, treasury, mergers and acquisitions. He is the founder of Springtide Capital Pty Ltd, which is a private investment company specialising in investments in microcap listed companies, venture capital and resource orientated companies. He was Chairman and major shareholder of a refining and gold financing company European Gold Refineries SA, Europe's largest gold refinery, and Director of AGR Matthey Ltd, one of the largest gold refineries in the world. He retired from this position in 2008 and these businesses are now owned by Newmont Mining Corporation. Darren is a major shareholder of several public companies and also the Chairman of Foran Mining Corporation listed in Canada.

Dr Ian Ransome MSc – Non-Executive Director
Ian Ransome is a geologist, whose academic qualifications include an MSc in geochemistry and a PhD in geology. He has more than 20 years' experience as an exploration geologist, using a multidisciplinary approach to generating and evaluating exploration targets in diamonds, gold, nickel, base and rare metals. Most of his experience has been in a broad range of African countries, including a nickel laterite project in Madagascar. Dr Ransome is presently a director and CEO of Diamond Fields International Ltd.

Mr Gooroodeo (Mahen) Sookun – Non-Executive Director
Mahen Sookun is a fellow of the Association of Chartered Certified Accountants (UK) and holds an MBA (Finance) from the University of Leicester (UK). He has served in private and public companies during the last twenty years as Corporate Finance Executive in Mauritius and Africa in diverse sectors such public utilities, agriculture and textiles, real estate development and mining. Before joining WTR, he was the Group Finance and Administrative Manager of Titanium Resources Limited, a company involved in mineral resources and mining and listed on the AIM market of the London Stock Exchange. He is also currently the Director, CFO and Secretary of Diamond Fields International, a public company listed in Toronto. In Mauritius, Mr Sookun is the Head of Finance of the largest Real Estate Development in the Anahita Integrated Resort Scheme Development promoted by the CIEL Group.

Dr Richard Valenta – Non-Executive Director
Richard Valenta has 30 years of exploration experience in Australia, Canada, Turkey, Mexico, Brazil, Argentina and other parts of Latin America. Prior to his current role, Dr Valenta was Managing Director of Bondi Mining, Chief Operating Officer of TSX-listed Fronteer Development Ltd, Chief Geoscientist of TSX-listed Aurora Energy Resources Ltd, and Central American Exploration Manager for Mount Isa Mines Exploration Ltd. Dr Valenta has a proven track record for discovery of high-grade gold, copper-gold and uranium resources and has been directly involved in the greenfield exploration, discovery and development of multi-million ounce gold and world-class uranium resources in the Americas and Asia. He is also Managing Director of Chesser Resources Limited.

Mr Jeffrey W Williams – Non-Executive Director
Jeffrey Williams was the former Managing Director of Mineral Deposits Limited (MDL). He established Nimbus Resources (now MDL) in 1997, and acquired mineral sands assets from BHP-Billiton near Hawks Nest on the New South Wales coast in 1998. He then secured the Sabodala gold and Grande Cote zircon projects in Senegal in West Africa. Mr Williams was Managing Director of MDL until 2011.

Prior to MDL Mr Williams acquired 16 years' of experience as a professional mining engineer in Australia and seven years in the stockbroking industry, and is a Fellow of the Australasian Institute of Mining and Metallurgy. His mining experience ranges from mine planning, underground management and feasibility studies through to mine development. From 1972 to 1984, he held various positions with CRA Limited at Broken Hill in New South Wales. Following completion of his Masters of Business Administration (MBA) programme in 1987, he played a major role as a Senior Project Engineer with North Limited. From 1989 to 1996, he specialised in gold mining research in the stock broking industry. Prior to establishing Nimbus Resources in 1997, he was the Head of Resources Research at James Capel Australia. Mr Williams is currently a Non-Executive Director of Archean Star Resources and MacPhersons Resources Limited.

Review and Results of Operations

The consolidated entity realised a comprehensive loss after tax for the half-year of $2,491,330.

Merger Transaction

The company was formerly named Bondi Mining Limited ("the Company") and changed its name to World Titanium Resources Limited upon completion of a merger by scheme of arrangement between the company and the unlisted company WTR Holdings Ltd (formerly World Titanium Resources Ltd and, before that, Madagascar Resources NL).

The steps involved in the transaction were:

- The Company consolidated its existing issued capital on the basis of 1 share for 4 existing shares;
- The Company divested its Australian exploration assets, retaining only tenement applications in a Namibian subsidiary;
- The Company raised $3 million at a price of $0.27 per share on a post consolidation basis;
- The Company acquired all of the issued capital of WTR Holdings Ltd by the issue of 257,144,552 shares, which resulted in existing WTR shareholders owning 86.2% of the merged entity; and
- The Company also issued 16,275,000 options, exercisable at $0.285 on or before 31 March 2015 and 1,492,050 warrants exercisable at $US0.285 on or before 21 June 2012.

The nature of the merger is such that it is classified as a reverse acquisition under the accounting standards (see note 1 (b)) and it is the WTR Holdings Ltd entity which continues in the consolidated financial statements. Note 3 sets out the equity position of the company.

Toliara Sands Project

WTR is developing the Tier 1 Toliara Sands Project north of the port of Toliara in south-west Madagascar. The Ranobe Mine is projected to produce 400,000tpa of ilmenite and 43,000tpa of rutile/zircon concentrate per annum over an initial 20 year mine life. This first phase of development utilises around 20% of the 707 million tonnes of JORC Resource defined at Ranobe.

The average total heavy mineral (THM) grade of 6.54% at Ranobe is high by minerals sands industry standards and the initial Ranobe mine plan focuses on a higher grade area of 145 million tonne averaging 8.1% THM, resulting in one of the highest in-situ ore values in the sector. With no overburden and very low slimes (<5%) simple dry mining can be utilised. The ilmenite and rutile/zircon concentrate can be easily separated utilising standard equipment and existing infrastructure can be leveraged to minimise the initial development capital.

The Ranobe Mine is projected to be a robust project with low operating costs, high revenue to cost ratio and low capital intensity. The forecast low operating cash cost estimate of $95/t of product combined with the high in-situ ore value is projected to result in the Ranobe Mine being one of the highest revenue to cash cost operations in the mineral sands industry. When combined with the expected low capital intensity and absolute capital required for the initial development, currently estimated as $150 million including working capital, the project is forecast to deliver an IRR of around 45% and an NPV_{10} of more than $320 million over a 19 year life.

WTR Holdings Ltd submitted its application for a Mining Licence for the Ranobe Mine (PE 37242) in March 2010, together with a provisional Environmental Impact Assessment as required by the Madagascan Mining Code. The application is currently being considered by the Ministry of Mines and the Company anticipates that the Mining Licence will be granted during the first half of 2012.

During the December 2011 quarter the scope was defined for the Definitive Engineering Study, the next phase of engineering that should be completed in the first half of 2012. The study will involve further detailed engineering building on the current preliminary scoping study. Sufficient engineering work for the mine, processing equipment and infrastructure will be undertaken to ensure the capital and operating cost estimates are robust, identify any long lead items, develop the optimised mine plan, and prepare for the tender for project engineering design, procurement and construction management.

Work is continuing on the ground in Madagascar to prepare for the update of the Environmental Impact Assessment update, due to commence early in 2012, preparing the pilot plant for a mid-2012 drilling and testing campaign, ongoing environmental and community work, and securing access agreements for roads, loading facilities, surface infrastructure and the mining area.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 6.

This report is made in accordance with a resolution of directors.

Dr Richard Valenta
Non-executive Director

Perth, Western Australia
14 March 2012

HLB Mann Judd

Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of World Titanium Resources Limited (formerly Bondi Mining Limited) for the half-year ended 31 December 2011, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b) any applicable code of professional conduct in relation to the review.

Norman Glover

Perth, Western Australia
14 March 2012

N G NEILL
Partner, HLB Mann Judd

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World Titanium Resources Limited ACN 120 723 426
Condensed Consolidated Statement of Comprehensive Income
For the Half-Year Ended 31 December 2011

	Notes	Half-Year Ended 31 December 2011 $	2010 $
Revenue and other income from continuing operations		75,103	249,216
Employee benefits expense		(136,083)	(18,275)
Share-based payments expense		(1,152,881)	-
Exploration and evaluation expense		(164,926)	(60,526)
Professional services expense		(483,636)	(359,990)
Administration expense		(661,446)	(145,871)
Depreciation		(6,750)	(5,738)
Travel expense		(178,062)	(66,154)
Foreign currency translation gain /(loss)		(101,565)	32,904
Loss before income tax		(2,810,246)	(374,434)
Income tax expense	4	(9,313)	-
Loss for the half-year		**(2,819,559)**	**(374,434)**
Other comprehensive income			
Net change in fair value of available for sale financial assets		(70,000)	280,000
Exchange difference on translation of foreign operations		398,229	(26,932)
Total other comprehensive income for the half year		**328,229**	**253,068**
Total comprehensive loss for the half year attributable to the members of World Titanium Resources Limited		**(2,491,330)**	**(121,366)**
Basic loss per share (cents per share)	5	(3.79)	(0.23)

The above condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

World Titanium Resources Limited ACN 120 723 426
Condensed Consolidated Statement of Financial Position
As at 31 December 2011

	Notes	31 December 2011 $	30 June 2011 $
ASSETS			
Current assets			
Cash and cash equivalents		11,732,774	6,950,729
Trade and other receivables		531,931	303,347
Other current assets		42,569	-
Total current assets		12,307,274	7,254,076
Non-current assets			
Trade and other receivables		479,702	528,151
Property, plant and equipment		157,527	39,186
Other investments		320,000	390,000
Total non-current assets		957,229	957,337
TOTAL ASSETS		13,264,503	8,211,413
LIABILITIES			
Current liabilities			
Trade and other payables		425,798	289,524
Provisions		8,494	-
Total current liabilities		434,292	289,524
TOTAL LIABILITIES		434,292	289,524
NET ASSETS		12,830,211	7,921,889
EQUITY			
Issued capital	3	18,290,240	12,018,469
Reserves	3	1,929,181	473,071
Accumulated losses		(7,389,210)	(4,569,651)
TOTAL EQUITY		12,830,211	7,921,889

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

World Titanium Resources Limited ACN 120 723 426
Condensed Consolidated Statement of Changes in Equity
For the Half-Year Ended 31 December 2011

2011	Issued Capital $	Reserves $	Accumulated Losses $	Total $
Balance at 1 July 2011	**12,018,469**	**473,071**	**(4,569,651)**	**7,921,889**
Loss for the half-year	**-**	**-**	**(2,819,559)**	**(2,819,559)**
Other comprehensive income	**-**	**328,229**	**-**	**328,229**
Total comprehensive income for the half-year	**-**	**328,229**	**(2,819,559)**	**(2,491,330)**
Shares issued during the half-year	**25,000**	**-**	**-**	**25,000**
Reverse acquisition of parent	**6,246,771**	**-**	**-**	**6,246,771**
Share-based payments	**-**	**1,127,881**	**-**	**1,127,881**
Balance at 31 December 2011	**18,290,240**	**1,929,181**	**(7,389,210)**	**12,830,211**
2010				
Balance at 1 July 2010	3,916,580	550,585	(2,802,191)	1,664,974
Loss for the half-year	-	-	(374,434)	(374,434)
Other comprehensive income	-	253,068	-	253,068
Total comprehensive income for the half-year	-	253,068	(374,434)	(121,366)
Shares issued during the half-year	200,000	-	-	200,000
Balance at 31 December 2010	4,116,580	803,653	(3,176,625)	1,743,608

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

World Titanium Resources Limited ACN 120 723 426
Condensed Consolidated Statement of Cash Flows
For the Half-Year Ended 31 December 2011

	Notes	Half-year Ended 31 December 2011 $	2010 $
Cash flows from operating activities			
Receipts from third parties		-	241,128
Interest received		27,172	2,651
Payments to suppliers and employees		(1,185,711)	(643,949)
Net cash outflows used in operating activities		(1,158,539)	(400,170)
Cash flows from investing activities			
Movement in receivable – subsidiary sale instalments		59,943	164,153
Payments for property, plant and equipment		(68,174)	(8,331)
Net cash outflows (used in)/provided by investing activities		(8,231)	155,822
Cash flows from financing activities			
Proceeds from issue of shares		-	200,000
Cash acquired in merger	11	5,948,815	-
Net cash inflows provided by financing activities		5,948,815	200,000
Net increase / (decrease) in cash and cash equivalents		4,782,045	(44,348)
Cash and cash equivalents at the beginning of the half-year		6,950,729	353,938
Cash and cash equivalents at the end of the half-year		11,732,774	309,590

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

1 Significant Accounting Policies

(a) Statement of compliance

These general purpose financial statements for the interim reporting period ended 31 December 2011 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB134 Interim Financial Reporting. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS34 Interim Financial Reporting.

This interim financial report is intended to provide users with an update of the latest annual financial statements of World Titanium Resources Limited and its controlled entities (the Group). The Company, formerly named Bondi Mining Limited merged with unlisted WTR Holdings Ltd (formerly World Titanium Resources Ltd) in a reverse merger, completed on 30th December 2011. At the balance date the Group comprises the parent, and wholly owned subsidiaries, WTR Holdings Ltd (Australia), Madagascar Mineral Fields Ltd (Mauritius), Malagasy Sands No2 Limited (Mauritius), Toliara Sands SARL (Madagascar) and Madagascar Resources SARL (Madagascar). As such, it does not include all the notes of the type normally included in an annual financial report. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of Bondi Mining Limited and WTR Holdings Ltd (formerly World Titanium Resources Ltd) for the year ended 30 June 2011, together with any public announcements made during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

(b) Reverse acquisition accounting

The transaction involving World Titanium Resources Limited (formerly Bondi Mining Limited) acquiring all shares of WTR Holdings Ltd (formerly World Titanium Resources Ltd and previously Madagascar Resources NL) has been accounted for under the principles of Reverse Acquisition included in the Australian Accounting Standard AASB 3 'Business Combinations'. As a result of the acquisition of WTR Holdings Ltd (formerly World Titanium Resources Ltd and previously Madagascar Resources NL) being considered a reverse acquisition, the financial statements presented in this report represent a continuation of the financial statements of WTR Holdings Ltd and comprise the following:

- Statement of financial position:
  - Comparative Statement of Financial Position – WTR Holdings Ltd (and its subsidiaries) as at 30 June 2011, being the immediately preceding annual reporting period.
  - Current Statement of Financial Position – World Titanium Resources Limited (formerly Bondi Mining Limited) and its controlled entities as at 31 December 2011, including the reverse acquisition of WTR Holdings Ltd which comprises:
    - The historical Statement of Financial Position of the WTR Holdings Ltd group.
    - The Statement of Financial Position of World Titanium Resources Limited based on fair value at acquisition date (30 December 2011) and transactions since that date at historical cost.

- Statement of Comprehensive Income, Statement of Cash Flows and Statement of Changes in Equity:
  - Comparative financial information – WTR Holdings Ltd Group for the half year ended 31 December 2010.
  - Current period financial information – WTR Holdings Ltd Group for the half year ended 31 December 2011 and World Titanium Resources Limited for 31 December 2011.

The legal structure of World Titanium Resources Limited subsequent to acquisition of WTR Holdings Ltd will be that World Titanium Resources Limited will remain as the parent entity. However, the principles of reverse acquisition accounting apply where the owner of the acquired entity (in this case, WTR Holdings Ltd) obtains control of the acquiring entity (in this case, World Titanium Resources Limited) as a result of the combination of the businesses. Under reverse acquisition accounting, the consolidated financial statements are issued under the name of the legal parent (World Titanium Resources Limited) but are a continuation of the consolidated financial statements of the legal subsidiary (WTR Holdings Ltd, with the assets and liabilities and the legal subsidiary being recognised and measured at the pre-combination carrying amounts rather than their fair values.

(c) Basis of preparation

The interim report has been prepared on a historical cost basis. Cost is based on fair value of the consideration given in exchange for assets. The company is domiciled in Australian and all amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the interim report, the half-year has been treated as a discreet reporting period.

(d) Significant accounting judgements and key estimates

The preparation of interim financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2011.

(e) Adoption of new and revised accounting standards

In the half-year ended 31 December 2011, the Group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2011.

It has been determined by the Group that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore no change is necessary to Group accounting policies.

The Group has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2011. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Group accounting policies.

(f) Significant accounting polices

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements of the unlisted World Titanium Resources Ltd Group, which are set out below as Note 1(g) through 1(u).

(g) Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Company. Control exits when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Investments in subsidiaries are carried at their cost of acquisition in the Company's financial statements, less provision for diminution in circumstances where it is considered that the investment may not recover its book value.

Transactions eliminated on consolidation

Intragroup balances and any unrealised gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment. Unrealised gains arising from transactions with equity accounted investee are eliminated against the investment to the extent of the Group's interest in investee.

(h) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the financial currency of the Group at foreign exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Australian dollars at the foreign exchange rate ruling at that date. Foreign currency differences arising on translation are recognised in the statement of comprehensive income. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Australian dollars at exchange rates ruling at the dates the fair value was determined.

(ii) Financial statements of foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to Australian dollars at foreign exchange rates ruling at the reporting date. The revenues and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated to Australian dollars at rates approximating to the foreign exchange rates ruling at the dates of the transactions. The revenues and expenses of foreign operations in hyperinflationary economies are translated to Australian dollars at the foreign exchange rates ruling at the balance date. Foreign exchange differences arising on retranslation are recognised in a separate component of equity.

Prior to translating the financial statements of foreign operations in hyperinflationary economies, the financial statements, including comparatives, are restated to account for changes in the general purchasing power of the local currency. The restatement is based on relevant price indices at the balance date.

(iii) Net investment in foreign operations

Exchange differences arising from the translation of the net investment in foreign operations are taken to translation reserve. They are released into the profit or loss upon disposal.

(i) Property, plant and equipment

(i) Owned assets

Items of property, plant and equipment are measured at cost or deemed cost less accumulated depreciation (see below) and impairment losses (see Note 1(m)).

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

(ii) Subsequent costs

The Group recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the Group and its cost can be measured reliably. All other costs are recognised in the statement of comprehensive income as an expense as incurred.

(iii) Depreciation

Depreciation is recognised in the statement of comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives in the current and comparative periods are as follows:

Leasehold improvements	10 years
Motor vehicles	4-5 years
Office equipment	4-10 years
Office furnishings	4-5 years
Tools and equipment	4 years
Plant and installations	5 years

(j) Exploration and evaluation expenditure
Expenditure incurred during exploration and the early stages of evaluation of new areas of interest is written off as incurred.

Where the Directors decide to progress to development in an area of interest all further expenditure incurred relating to the area will be capitalised.

Projects are advanced to development status when it is expected that future expenditure can be recouped through sale or successful development and exploitation of the area of interest.

(k) Trade and other receivables
Trade and other receivables are stated at their cost less impairment losses (see Note 1(m)).

(l) Cash and cash equivalents
Cash and cash equivalents comprise cash balances.

(m) Impairment
The carrying amounts of the consolidated assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of comprehensive income, unless an asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through profit or loss.

(n) Calculation of recoverable amount
The recoverable amount of the Group's receivables is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e., the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted.

Impairment of receivables is not recognised until objective evidence is available that a loss event has occurred. Significant receivables are individually assessed for impairment. Impairment testing of significant receivables that are not assessed as impaired individually is performed by placing them into portfolios of significant receivables with similar risk profiles and undertaking a collective assessment of impairment. Non-significant receivables are not individually assessed. Instead, impairment testing is performed by placing non-significant receivables in portfolios of similar risk profiles, based on objective evidence from historical experience adjusted for any effects of conditions existing at each balance date.

The recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

(o) Share capital
Dividends
Dividends are recognised as a liability in the period in which they are declared.

Transaction costs
Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit.

(p) Wages, salaries, annual leave, sick leave and non-monetary benefits

Liabilities for employee benefits for wages, salaries, annual leave and sick leave that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to reporting date, are calculated at undiscounted amounts based on remuneration wage and salary rates that the consolidated entity expects to pay as at reporting date.

Non-accumulating non-monetary benefits, such as medical care, housing, cars and free or subsidised goods and services, are expensed based on the net marginal cost to the consolidated entity as the benefits are taken by the employees.

(q) Share-based payment transactions

The share option program allows the Group's directors and key management personnel to acquire shares of the Company. The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using a binominal option-pricing model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest.

(r) Trade and other payables

Trade and other payables are stated at cost.

(s) Revenue

Revenues are measured at fair value of the consideration received net of the amount of goods and services tax (GST in Australia, TVA in Madagascar) payable to the taxation authorities. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible returns of goods can be estimated reliably and there is no continuing management involvement with the goods.

Interest income

Interest income is recognised in the statement of comprehensive income as it accrues.

Logistical support services

Revenue received by a subsidiary for support services provided to the Toliara Sands Project is recognised once the service is performed and an invoice raised.

(t) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for the following temporary differences: The initial recognition of goodwill, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, nor differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax recognised is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(u) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST in Australia, TVA in Madagascar), except where the amount of GST/TVA incurred is not recoverable from the Australian Tax Office (ATO) or Centre Fiscal Mandrosoa (Fisc). In these circumstances, the GST/TVA is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST/TVA included. The net amount of GST/TVA recoverable from, or payable to, the ATO/Fisc is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST/TVA components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO/Fisc are classified as operating cash flows.

2 Operating Segments

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Group is managed primarily on the basis of minerals sands projects in Madagascar and other exploration activity.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and meet the other aggregation criteria of AASB 8 Operating Segments.

Activity by segment

Mineral Sands

The mineral sands segment comprises the Group's projects in Madagascar, including the Toliara Sands Project, based upon the Ranobe resource and other projects at a less advanced stage at Ankililoaka, Basibasy and Morombe.

Other exploration

Exploration applications have been submitted to the relevant statutory authority covering a series of high quality, sediment-hosted, stratiform copper targets that have been identified in Namibia. The copper targets are similar in age and style to Discovery Metals' Boseto copper project, in Botswana.

(i) Segment performance	**Mineral Sands $**	**Other Exploration $**	**Unallocated $**	**Total $**
Half-Year Ending 31 December 2011				
Total segment revenue	15,035	-	60,068	75,103
Segment result	(1,007,474)	-	(1,812,085)	(2,819,559)
Half-Year Ending 31 December 2010				
Total segment revenue	12,186	-	237,030	249,216
Segment result	(272,050)	-	(102,384)	(374,434)

	Mineral Sands $	Other Exploration $	Unallocated $	Total $
(ii) Segment assets				
31 December 2011				
Segment assets	437,936	-	12,826,567	13,264,503
30 June 2011				
Segment assets	394,212	-	7,817,201	8,211,413

3 Issued Capital and Reserves

(i) Issued Capital	31 December 2011 Number	30 June 2011 Number
Ordinary shares – fully paid	298,358,866	73,219,870

	Half-Year Ended 31 December 2011		Half-Year Ended 31 December 2010	
	No. of Shares	$	No. of Shares	$
Balance at the start of the half-year	73,219,870	12,018,469	51,364,870	3,916,580
Option exercise $0.10	250,000	25,000	-	-
Scheme of arrangement	183,674,682	-	-	-
Sub-Total	257,144,552	14,043,469	51,364,870	3,916,580
Bondi Mining Limited shares at merger	41,214,314	6,246,771	-	-
Option exercise $0.05	-	-	3,500,000	175,000
Option exercise $0.10	-	-	250,000	25,000
Balance at the end of the half-year	298,358,866	18,290,240	55,114,870	4,116,580

(ii) Reserves	31 December 2011 $	30 June 2011 $
Foreign currency translation reserve	320,649	(77,580)
Share-based payments reserve	1,388,532	260,651
Asset valuation reserve	220,000	290,000
	1,929,181	473,071

(iii) Movements in reserves	Half-Year Ended 31 December 2011 $	Half-Year Ended 31 December 2010 $
(a) Foreign currency translation reserve		
Balance at the start of the half-year	(77,580)	73,135
Currency translation differences arising during the half-year	398,229	(26,932)
Balance at the end of the half-year	320,649	46,203
(b) Share-based payments reserve		
Balance at the start of the half-year	260,651	121,550
Options issued to directors and consultants	1,127,881	15,900
Balance at the end of the half-year	1,388,532	137,450
(c) Asset valuation reserve		
Balance at the start of the half-year	290,000	340,000
Revaluation	(70,000)	280,000
Balance at the end of the half-year	220,000	620,000

	Half-Year Ended 31 December	
	2011 Number	**2010 number**
(iv) Share Options on Issue		
Balance at the start of the half-year	250,000	8,750,000
Options issued to directors and consultants	4,650,000	-
Options exercised during the half-year	(250,000)	(3,750,000)
Scheme of arrangement (net)	11,625,000	-
Bondi Mining merger (existing options on issue in Bondi Mining)	933,750	-
Balance at the end of the half-year	17,208,750	5,000,000
(v) Share Warrants on issue		
Balance at the start of the half-year	426,300	-
Scheme of arrangement (net)	1,065,750	-
Balance at the end of the half-year	1,492,050	-

4 Income Tax Expense / Benefit

The amount included as income tax expense relates to minimum tax levied in Madagascar on subsidiary companies.

Deferred tax assets have not been recognised at 31 December 2011 because, at this stage of the Group's development it cannot be considered as "probable" that future taxable profit will be available against which the Group can utilise the benefits.

5 Loss Per Share

	Half-Year Ended 31 December	
(i) Loss attributable to ordinary shareholders	**2011**	**2010**
Loss for the period:	**$**	**$**
Basic earnings	(2,819,559)	(374,434)
Diluted earnings*	(2,819,559)	(374,434)

	Half-Year Ended 31 December	
(ii) Weighted average number of ordinary shares	**2011 Number**	**2010 number**
Weighted average number of shares used for basic earnings per share	74,550,789	52,247,062

*As the Group incurred a loss for the half-year ended 31 December 2011, the options on issue have an antidilutive effect, therefore the diluted earnings per share is equal to the basic earnings per share.

6 Contingent Liabilities and Contingent Assets

There are no known significant liabilities or contingent assets as at the date of these statements.

7 Key Management Personnel Expense

Key management personnel receive compensation in the form of short-term employee benefits, post-employment benefits and equity compensation benefits. Key management personnel received total compensation of $531,602 for the six months ended 31 December 2011 (six months ended 31 December 2010: $201,945).

8 Related Parties

A summary of these arrangements in the half-year is set out below.

(i) Wayne Malouf, previously a Non-Executive Director was appointed as Executive Chairman of WTR Holdings Ltd on 20th October 2011. Mr Malouf receives a consultant's fee of USD$20,000 per month.

(ii) Bruce Griffin was appointed as Chief Executive Officer of WTR Holdings Ltd on 1st November 2011. Mr Griffin receives and annual salary of A$325,000. Mr Griffin is entitled to a bonus payment of A$500,000 providing the Toliara Sands Project development is completed on time and within budget.

(iii) Dr Peter Woods was a director until 22nd December 2011 and shareholder of Quantum Holdings Pty Ltd ("Quantum"). During the half-year Quantum provided geological and administrative consultancy services to WTR Holdings Ltd and certain of its controlled entities. Amounts were billed based on normal market rates for such services and were due and payable under normal payment terms.

(iv) Guy Leclezio was a director until 22nd December 2011. During the half-year Mr Leclezio provided strategic consultancy services to WTR Holdings Ltd. Amounts were billed based upon normal market rates for such services and were due and payable under normal payment terms. Mr Leclezio is a director and shareholder of Canon Point Pty Ltd and Running Water Ltd.

9 Consolidated entities

Name of entity	Country of incorporation	Class of shares	Equity holding (%)		Cost of the Company's investment ($)	
			2011	2010	2011	2010
WTR Holdings Ltd	Australia	Ordinary	100	-	70,850,510	-
Malagasy Sands No 2	Mauritius	Ordinary	100	100	1,000	1,000
Madagascar Mineral Fields Ltd	Mauritius	Ordinary	100	100	1,660	1,660
Toliara Sands SARL	Madagascar	Ordinary	100	100	1,552,671	1,552,671
Madagascar Resources SARL	Madagascar	Ordinary	100	100	450,176	450,176

The above Malagasy incorporated companies are owned by Madagascar Mineral Fields Ltd (100% of Toliara Sands SARL) and Malagasy Sands No.2 Ltd (100% of Madagascar Resources SARL). The Malagasy companies are therefore indirectly 100% owned by World Titanium Resources Ltd. The Malagasy incorporated companies carry on business in Madagascar. Malagasy Sands No.2 and Madagascar Mineral Fields Ltd carry on business in Mauritius. The two Mauritian companies are owned by WTR Holdings Ltd.

10 Parent Entity Disclosures

As set out in Note 1(b) the consolidated half year financial statements in this report have been prepared on the basis of reverse acquisition accounting, where the surviving balance sheet is that of the company called WTR Holdings Ltd, which is now a subsidiary of the company World Titanium Resources Limited (formerly Bondi Mining Limited).

The comparative statement of financial position of the parent company World Titanium Resources Limited, together with comparative for 30 June 2011, is set out below; together with loss for the December half year 2011 and 2010.

(i) Financial position	31 December 2011 $	30 June 2011 $
Assets		
Current assets	6,268,624	4,024,343
Non-current assets	70,922,799	14,115,465
Total assets	77,191,423	18,139,808
Liabilities		
Current liabilities	94,142	86,083
Non-current liabilities	-	110,650
Total liabilities	94,142	196,733

Equity	**31 December 2011 $**	**30 June 2011 $**
Issued capital	82,981,763	22,021,614
Accumulated losses	(7,874,911)	(5,439,987)
Reserves:		
-Share-based payments	568,948	1,098,948
-Option Premium	1,421,481	262,500
Total equity	77,097,281	17,943,075

	Half-Year Ended 31 December	
(ii) Financial performance	**2011 $**	**2010 $**
(Loss) for the year	(2,437,401)	(260,004)
Other comprehensive income	-	-
Total comprehensive loss	(2,437,401)	(260,004)

11 Business Combination

Reverse acquisition of Parent Company

On 30th December 2011, World Titanium Resources Limited (formerly Bondi Mining Limited acquired all of the voting shares of WTR Holdings Ltd (formerly World Titanium Resources Ltd and previously Madagascar Resources NL).

Due to the nature of the acquisition, the acquisition of WTR Holdings Ltd was considered a reverse acquisition for accounting purposes (see Note 1(b)). The following represents the net assets and consideration paid by WTR Holdings Ltd for the acquisition of World Titanium Resources Limited.

Net assets acquired:	**Acquiree's carrying amount before business combination**	**Fair value adjustments**	**Fair value**
Cash and cash equivalents	5,948,815	-	5,948,815
Trade and other receivables	336,948	-	336,948
Property, plant and equipment	55,150	-	55,150
Trade and other payables	(94,142)	-	(94,142)
	6,246,771	-	6,246,771
Goodwill on consolidation			-
Total consideration			6,246,771

The cash outflow on acquisition is as follows:	
Net cash acquired with parent company	5,948,815
Cash paid	-
Net cash inflow	5,948,815

The consideration paid was:

- 183,674,682 additional shares pursuant to the scheme of arrangement.
- 16,275,000 options in consideration for 4,650,000 existing options.
- 1,492,050 warrants in consideration for 426,300 existing warrants.
- 933,750 options (post consolidation) acquired as existing Bondi options.

12 Subsequent Events

Other than the matters discussed in this report, there has not arisen in the interval between the end of the half-year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect significantly the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in subsequent financial periods, except for the following:

- 1,000,000 options exercisable at $0.285 per share on or before 31st March 2015 were granted to an unrelated party on 1st March 2012 in part consideration for the provision of corporate financial services.
- On 9th February 2012, 2,439,630 shares were released from escrow.
- On 2nd February 2012, 3,314,630 shares were released from escrow.
- On 1st February 2012, the directors resolved to seek shareholder approval for the issue of 5,100,000 options, exercisable at $0.285 per share on or before 31st March 2015, to be granted to six of the non-executive directors.

World Titanium Resources Limited ACN 120 723 426
Directors' Declaration

In the opinion of the directors of World Titanium Resources Limited:

a) the attached financial statements and notes are in accordance with the Corporations Act 2001, including:
   (i) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
   (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and

b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of directors.

Dr Richard Valenta
Non-Executive Director

Perth, Western Australia
14 March 2012

HLB Mann Judd

Accountants | Business and Financial Advisers

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of World Titanium Resources Limited (formerly Bondi Mining Limited)

Report on the Condensed Half-Year Financial Report

We have reviewed the accompanying half-year financial report of World Titanium Resources Limited ("the company") which comprises the condensed statement of financial position as at 31 December 2011, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such controls as the directors determine is necessary to enable the preparation of the half year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

HLB Mann Judd

Accountants | Business and Financial Advisers

Matters relating to the electronic presentation of the reviewed half-year financial report

This review report relates to the half-year financial report of the consolidated entity for the half-year ended 31 December 2011 included on the company's website. The company's directors are responsible for the integrity of the company's website. We have not been engaged to report on the integrity of this website. The review report refers only to the half-year financial report identified above. It does not provide an opinion on any other information which may have been hyperlinked to/from the half-year financial report. If users of the half-year financial report are concerned with the inherent risks arising from publication on a website they are advised to refer to the hard copy of the reviewed half-year financial report to confirm the information contained in this website version of the half-year financial report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of World Titanium Resources Limited is not in accordance with the *Corporations Act 2001* including:

a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and

b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

HLB Mann Judd

HLB MANN JUDD
Chartered Accountants

Norman Glase

Perth, Western Australia
14 March 2012

N G NEILL
Partner