



ASX Release

30 April 2014

## Quarterly Report – Period to 31 March 2014

### HIGHLIGHTS

- New Madagascar Prime Minister, Mr Roger Kolo.
- Submission process of the ESIA started. Environmental Social Impact Assessment (ESIA) for Ranobe mineral sands project now underway.
- Proposed 50 kilometre (km) haul road connecting Ranobe mine site to Fiherenana River near the Tulear port now mapped and pegged.
- Cash balance at 31 March 2014: A\$3.478 million.

### NEW PRIME MINISTER FOR MADAGASCAR

Following the democratic election of Mr Hery Rajaonarimampianina on 20 December 2013 and his recognition by the international community during the last quarter, the appointment of the Prime Minister and a new Cabinet was announced on 11 April.

On 11 April, Madagascar's President Hery Rajaonarimampianina named Roger Kolo as the new Prime Minister in a step that may help normalize international relations affected by the military coup in 2009. Mr Hery Rajaonarimampianina's success on 20 December 2013 led the African Union to lift its suspension on Madagascar's membership. The World Bank, European Union and United States have indicated the formation of a recognised Madagascar government would result in a commitment to restoring full ties.

Roger Kolo is a physician and businessman whose bid to run in the 2013 presidential election was rejected because he failed to meet residency requirements. Mr Kolo is from the Murundava area on the west coast of Madagascar and some 300 km north of the Ranobe project.

The International Community and new potential investors have again welcomed the positive progress of the Madagascar Government for the establishment of a new Cabinet.

## **RANOBE MINE PROJECT**

### **Environmental and Social Impact Assessment (ESIA)**

Coastal and Environmental Services, a South African environmental consultancy with extensive experience in mineral sands and other mining projects in Africa completed the French version of the ESIA and in a format suitable to be submitted to the Office National pour L'Environnement (ONE) in the capital, Antananarivo. During the March quarter, we commenced the submission process entailing firstly approval from the Minister of Mines for the value of the capital equipment to calculate your company's payment to the Government and secondly the signature of the ESIA Agreement by the Director of ONE. The ESIA Agreement including the terms of payment has been drafted and is awaiting approval by the Authorities. Our submission will request approval for an overall construction permit encompassing the mine site, haul road and port facilities. Once submitted the final approval process will commence and is expected to take a minimum of 6 months to complete.

### **Proposed Haul Road**

Parcel identification of haulage road was completed in the March quarter. The 50 km haul road was mapped and pegged for a buffer zone of 100 metres either side of the proposed haul road. Our team has identified 29 individuals/family and 8 community/clan owners along the proposed haul road.

### **Water requirements**

Extensive research and modelling of the hydrology of the area has been carried out since 2003.

In late 2013, your company received permit approval to pump water from the underground water table for use in mining and mineral processing.

Between 2003-2006 water test drill holes were used for pump tests to determine the capacities available and the hydraulic characteristics of the limestone and gravel aquifers at the mine site. Results of the study demonstrated;

- Recharge rate of the limestone is 1500-5000 m<sup>3</sup> per hour, and
- Safe yield per borehole is 36 to 54 m<sup>3</sup> per hour.

In 2006 SRK supervised the drilling of 12 boreholes and the groundwater was monitored at monthly intervals for 12 months. SRK concluded that sustainable pumping of some 180 m<sup>3</sup> per hour is achievable from the limestone aquifer. Mineral extraction and processing will require only 3 boreholes each yielding 180 m<sup>3</sup> per hour to supply the needs for treating 8 million tonnes of sand per year.

Groundwater samples were collected for chemistry analysis. Water quality was good but hard due to calcium secretions from the limestone. There will be no health issues from the elevated calcium and is very suitable for mining operations.

### **Other Developments**

Your team is now identifying engineering and mine contractors to provide alternative methods to develop the project at Ranobe. Particular interest has been afforded to logistics referring mostly to the road and port construction. We are hopeful of reducing the current capital expenditure for the project to well below US\$200m.

### **CORPORATE**

#### **Current cash balance is A\$3.478m and A\$0.96m expected to be spent in June quarter**

Cash used during the March quarter amounted to A\$0.9m, representing mainly payments for engineering, geotechnical and environmental studies and administration costs. The cash balance as at 31<sup>ST</sup> March 2014 stood at A\$3.478. Ongoing expenses from the studies on engineering, ESIA, marine and trial rehabilitation nurseries will continue to be incurred and is expected to amount approximately A\$1m.

#### **Discussion with possible Pigment partners**

Your company is still in negotiation with different interested Chinese parties and will continue to pursue opportunities with possible Joint Venture options.

Jeff Williams

**Chief Executive Officer**

**World Titanium Resources**

All enquiries to be directed to:

[support@worldtitaniumresources.com](mailto:support@worldtitaniumresources.com) or Jeff Williams at [jwilliams@worldtitaniumresources.com](mailto:jwilliams@worldtitaniumresources.com)

#### **About World Titanium Resources**

World Titanium Resources (ASX:WTR) is an Australian listed mineral sands company that owns 100% of the Tier 1 Toliara Sands Project in Madagascar, which includes a Mineral Resource of 959Mt grading 6.10% total heavy mineral (THM) at Ranobe including a 161Mt Mineral Reserve at an average grade of 8.20% THM.

The Toliara Sands Exploration permits at Ranobe, Ankililoaka, Basibasy and Morombe contain a total exploration target in excess of 4,700Mt of mineralisation<sup>1</sup>.

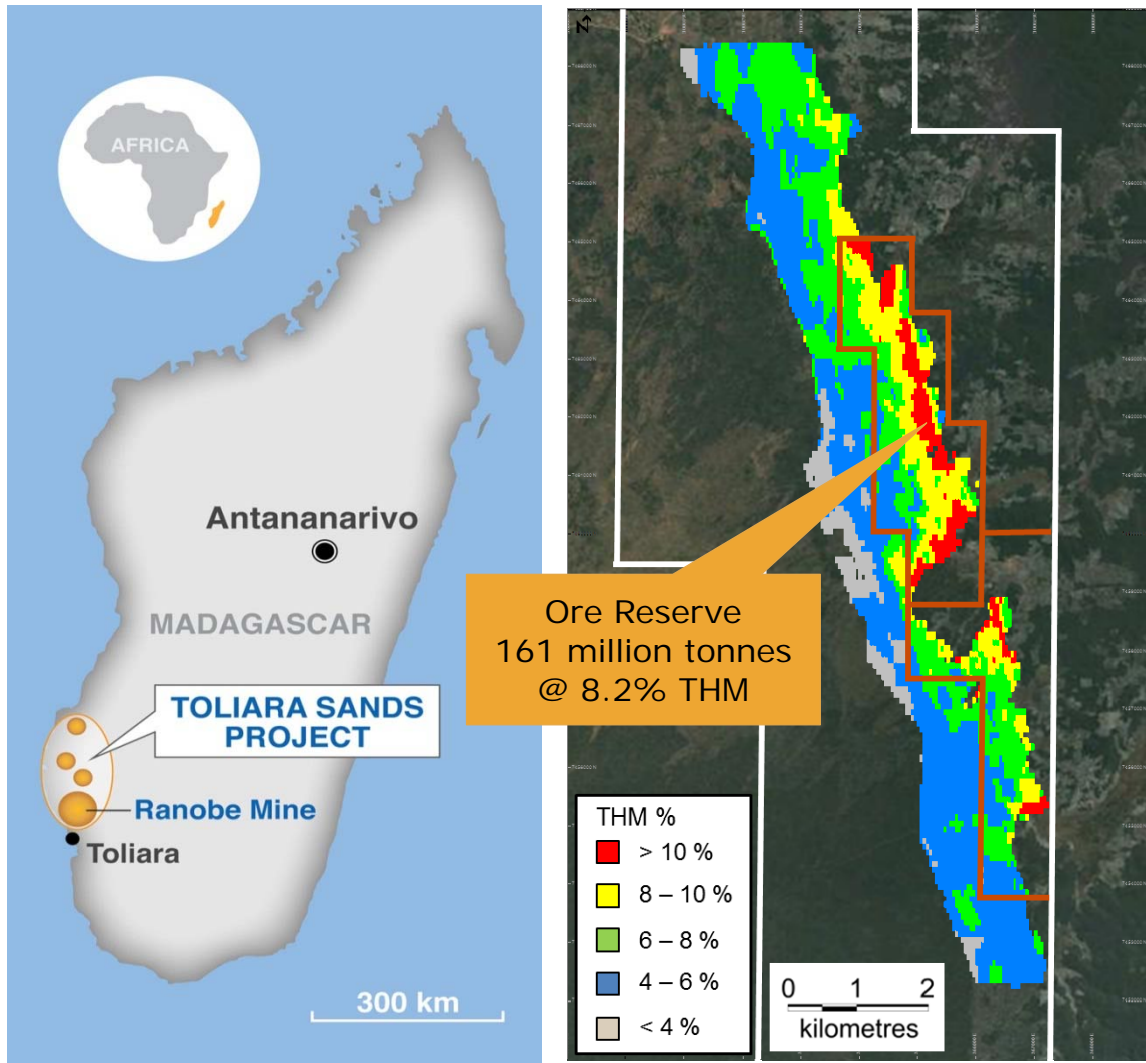
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<sup>1</sup>*These Exploration Targets are at an early stage of evaluation, and the potential quantity and grade remain conceptual in nature. At this stage there has been insufficient exploration to define Mineral Resources and it is uncertain if further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

### Competent Person Statement

Ian Ransome, B.Sc. (Hons) Geology, Pr.Sci.Nat., a Director of the Company, who is a registered geological scientist with the South African Council for Natural Scientific Professions (SACNASP), and has sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration, and is thus a Qualified Person in terms of the JORC Code, has reviewed and consented to the inclusion of the scientific and technical information contained in this ASX Release.

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# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 1/6/2010.

Name of entity

|                                     |
|-------------------------------------|
| <b>WORLD TITANIUM RESOURCES LTD</b> |
|-------------------------------------|

ABN

|                       |
|-----------------------|
| <b>21 120 723 426</b> |
|                       |

Quarter ended ("current quarter")

|                                    |
|------------------------------------|
| <b>31<sup>st</sup> March, 2014</b> |
|                                    |

### Consolidated statement of cash flows

| Cash flows related to operating activities                      | Current quarter<br>\$A'000 | Year to date(9mths)<br>\$A'000 |
|---|----------------------------|--------------------------------|
| 1.1 Receipts from product sales and related debtors             | -                          | -                              |
| 1.2 Payments for: (a) exploration & evaluation                  | (279)                      | (2,300)                        |
| (b) development   | -                          | -                              |
| (c) production  | -                          | -                              |
| (d) administration  | (688)                      | (2,187)                        |
| 1.3 Dividends received  | -                          | -                              |
| 1.4 Interest and other items of a similar nature received       | 20                         | 47                             |
| 1.5 Interest and other costs of finance paid                    | (2)                        | (9)                            |
| 1.6 Income taxes paid, GST/taxes paid                           | 31                         | (8)                            |
| 1.7 Other   |                            |                                |
| <b>Net Operating Cash Flows</b>                                 | <b>(918)</b>               | <b>(4,442)</b>                 |
| <b>Cash flows related to investing activities</b>               |                            |                                |
| 1.8 Payment for purchases of:                                   |                            |                                |
| (a) prospects   | -                          | -                              |
| (b) equity investments  | -                          | -                              |
| (c) other fixed assets  | -                          | (7)                            |
| 1.9 Proceeds from sale of:                                      |                            |                                |
| (a) prospects   | -                          | -                              |
| (b) equity investments  | 14                         | 27                             |
| (c) other fixed assets  | -                          | -                              |
| 1.10 Loans to other entities                                    | -                          | -                              |
| 1.11 Loans repaid by other entities                             | -                          | -                              |
| 1.12 Other  | -                          | -                              |
| <b>Net investing cash flows</b>                                 | <b>14</b>                  | <b>20</b>                      |
| 1.13 Total operating and investing cash flows (carried forward) | <b>(904)</b>               | <b>(4,422)</b>                 |

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

|   |  |       |         |
|---|--|-------|---------|
| 1.13  | Total operating and investing cash flows (brought forward) | (904) | (4,422) |
| <b>Cash flows related to financing activities</b> |  |       |         |
| 1.14  | Proceeds from issues of shares, options, etc.              | -     | 5,635   |
| 1.15  | Proceeds from sale of forfeited shares                     | -     | -       |
| 1.16  | Proceeds from borrowings                                   | -     | -       |
| 1.17  | Repayment of borrowings                                    | -     | -       |
| 1.18  | Dividends paid   | -     | -       |
| 1.19  | Other - Costs associated with capital raising              | -     | -       |
|   | <b>Net financing cash flows</b>                            | -     | 5,635   |
|   | <b>Net increase (decrease) in cash held</b>                | (904) | 1,213   |
| 1.20  | Cash at beginning of quarter/year to date                  | 4,377 | 2,210   |
| 1.21  | Exchange rate adjustments to item 1.20                     | 5     | 55      |
| 1.22  | <b>Cash at end of quarter</b>                              | 3,478 | 3,478   |

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

|      |  | Current quarter<br>\$A'000 |
|------|--|----------------------------|
| 1.23 | Aggregate amount of payments to the parties included in item 1.2 | 72                         |
| 1.24 | Aggregate amount of loans to the parties included in item 1.10   | -                          |

1.25 Explanation necessary for an understanding of the transactions

All payments to Directors and Associates are on normal commercial terms.

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

**Financing facilities available**

Add notes as necessary for an understanding of the position.

N/A

|     | Amount available<br>\$A'000 | Amount used<br>\$A'000 |
|-----|-----------------------------|------------------------|
| 3.1 | Loan facilities             | -                      |
| 3.2 | Credit standby arrangements | -                      |

**Estimated cash outflows for next quarter \* (See Note Below)**

|     |                            | \$A'000    |
|-----|----------------------------|------------|
| 4.1 | Exploration and evaluation | 405        |
| 4.2 | Development                | -          |
| 4.3 | Production                 | -          |
| 4.4 | Administration             | 560        |
|     | <b>Total*</b>              | <b>965</b> |

\* WTR is considering reducing costs and options for a capital raise to meet the forecast expenditure.

+ See chapter 19 for defined terms.

### Reconciliation of cash

| Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows. |                          | Current quarter<br>\$A'000 | Previous quarter<br>\$A'000 |
|---|--------------------------|----------------------------|-----------------------------|
| 5.1   | Cash on hand and at bank | 928                        | 892                         |
| 5.2   | Deposits at call         | 2,550                      | 3,485                       |
| 5.3   | Bank overdraft           | -                          | -                           |
| 5.4   | Other (provide details)  | -                          | -                           |
| <b>Total: cash at end of quarter</b> (item 1.22)  |                          | 3,478                      | 4,377                       |

### Changes in interests in mining tenements

|     | Tenement reference  | Nature of interest (note (2)) | Interest at beginning of quarter | Interest at end of quarter |
|-----|---|-------------------------------|----------------------------------|----------------------------|
| 6.1 | Interests in mining tenements relinquished, reduced or lapsed | -                             | -                                | -                          |
| 6.2 | Interests in mining tenements acquired or increased           | -                             | -                                | -                          |

### Issued and quoted securities at end of current quarter

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

|  | Total number | Number quoted | Issue price per security (see note 3) (cents) | Amount paid upper security (see note 3) (cents) |
|--|--------------|---------------|---|---|
| 7.1  | -            | -             | -   | -   |
| <b>Preference securities (description)</b>   |              |               |   |   |
| 7.2  | -            | -             | -   | -   |
| Changes during quarter<br>(a) Increases through issues<br>(b) Decreases through returns of capital, buy-backs, redemptions   |              |               |   |   |
| 7.3  | 362,006,589  | 362,006,589   | Fully Paid                                    | Fully Paid                                      |
| <b>+Ordinary securities Total Issued and Quoted</b><br><br>Issued, but not quoted (subject to ASX escrow)  |              |               |   |   |
| 7.4  | -            | -             | -   | -   |
| Changes during quarter<br>(a) Increases through issues/exercised options<br>- Cash Issue<br>- Merger Consideration<br>(b) Decreases through returns of capital, buy-backs<br>- Consolidation |              |               |   |   |

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

|      |   |                |                       |                       |                    |
|------|---|----------------|-----------------------|-----------------------|--------------------|
| 7.5  | <b>+Convertible debt securities</b><br><i>(description)</i>   | -              | -                     | -                     | -                  |
| 7.6  | Changes during quarter<br>(a) Increases through issues<br>(b) Decreases through securities matured, converted | -              | -                     | -                     | -                  |
| 7.7  | <b>Options</b>  | <i>Options</i> | <i>Listed Options</i> | <i>Exercise Price</i> | <i>Expiry Date</i> |
|      |   | 475,000        | -                     | \$0.80                | 08/05/2015         |
|      |   | 22,750,000     | -                     | \$0.285               | 31/03/2015         |
|      |   | 1,500,000      | -                     | \$0.13                | 12/08/2015         |
|      |   | 1,500,000      | -                     | \$0.285               | 31/12/2015         |
| 7.8  | Issued during quarter   | -              | -                     | -                     | -                  |
| 7.9  | Exercised during quarter  | -              | -                     | -                     | -                  |
| 7.10 | Expired during quarter  | -              | -                     | -                     | -                  |
| 7.11 | <b>Debentures</b><br><i>(totals only)</i>   | -              | -                     | -                     | -                  |
| 7.12 | <b>Unsecured notes</b> <i>(totals only)</i>   | -              | -                     | -                     | -                  |

**Compliance statement**

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: ..... Date: 28<sup>th</sup> April, 2014  
 CFO

Print name: Gooroodeo Sookun

**Notes**

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent

+ See chapter 19 for defined terms.



which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

- 3 **Issued and quoted securities.** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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