



ASX Release

31st January 2013

Quarterly Report – Period to 31 December 2013

HIGHLIGHTS

- New democratically-elected Madagascar President.
- Final AML test work on Ranobe mineral sands project produced primary and secondary ilmenite product and an acceptable rutile/zircon concentrate to target specifications.
- Environmental Social Impact Assessment (ESIA) almost completed to be ready for submission to Government next quarter
- A\$2.6m placement closed on 1 November 2013.
- Cash balance at 31 December 2013: A\$4.377 million.
- Board reduction from eight to four Directors; Nicholas Limb Non-Executive Chairman, Jeff Williams new CEO, Michael Cuthbert and Ian Ransome Non-Executive Directors .

NEW PRESIDENT FOR MADAGASCAR

Mr Hery Rajaonarimampianina is the new president of the Republic of Madagascar after gaining 53.5% of the vote in the second round presidential election on 20 December 2013, the Independent National Electoral Commission for the Transition (Commission Electorale Nationale Indépendante pour la Transition: CENI-T) announced on 3 January. Rival candidate Jean Louis Robinson, who had won the largest share of the vote in first round elections on 25 October 2013, gained 46.5%.

Mr Hery Rajaonarimampianina is the first elected president since the 2009 military-backed coup that brought Andry Rajoelina to power. The democratically elected Government is recognised by the International Community and is welcomed by new potential investors to Madagascar.

RANOBE MINE PROJECT

Australian Mineral Laboratories (AML) test work

A 6 tonne sample of HMC from the trial mining completed in the December 2012 underwent further trials at AML in Perth using the selected flow sheet design to optimize the recovery of the products during mining operations and the data incorporated into an updated lab and operations procedure.

The flow sheet design was based on the production of 407,000 tpa of ilmenite (80% primary and 20% secondary ilmenite) with an additional 43,000 tpa of non-magnetic concentrate, containing 90% combined rutile and zircon throughout the mine life. Within the non-magnetic concentrate, zircon product ranged between 75-80% of the final product. One primary concentrator at a throughput rate of 1,050 tonnes per hour (tph) will achieve the required output of 8.2 million tpa, based on 90% availability. The average grade of the slimes in the ore over the mine life is estimated to be 4.4%, therefore a de-sliming circuit has not been allowed for. A mineral separation plant, designed to meet the target product tonnages, will process HMC at a rate of 76 tph based on 92% availability.

In 2013, two sampling pits were excavated to about 10 and 16 metres deep respectively, to produce bulk samples for metallurgical test work. The objective was to assess if the proposed flow sheet design would be appropriate for material sourced from different areas of the ore body. The initial gravity separation (rougher and scavenger) were completed in Madagascar using an onsite spiral concentrator rig. The combined rougher and scavenger concentrate was shipped to AML in Perth for further processing.

The AML 2012 and 2013 test work showed the production of customer-accepted quality ilmenite and the ratio of primary to secondary ilmenite, 79:21 was similar to that observed in earlier test work performed by Exarro in 2006 and AML in 2007 and 2009. Primary ilmenite product was produced consistently from all domains tested, with the average TiO₂ grade in primary ilmenite reported as 49.4%. The average secondary ilmenite product grade was 57.2%.

The overall recovery from ore to product reported primary ilmenite (94%), secondary ilmenite (72%), zircon (87%) and rutile (65%).

The non-magnetic concentrates had an average rutile grade of 16.3% and a zircon mineral grade of 78.7%. The combined grade of the non-magnetic concentrate was 95%.

The variability test work program confirmed that all three products (primary ilmenite, secondary ilmenite and rutile/zircon concentrate) could be produced at target grades from all the domains tested. Average process yields were similar to previously reported test work by Exarro and AML and supported the current process design.

Ongoing work towards a Definitive Feasibility Study

Work continued on pre-development engineering, following the completion of the Definitive Engineering Study (DES) in 2012. The DES confirmed that using low technical risk, a simple mineral sands operation could be built using proven technology. The pre-development engineering continues to be primarily focussed on finalising the logistics for the haul road, causeway and jetty to progress a Definitive Feasibility Study – for a 407,000tpa ilmenite operation.

The management team is currently re-assessing the final engineering and logistic components in order to reduce the capital costs below the current DES estimate of some US\$200m plus working capital (US\$24m).

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 continued to advance the environmental approval process for Ranobe. During the last quarter a draft of the Environmental & Social Impact Assessment (ESIA) and Social & Environmental Management Plan (SEMP) were submitted to the Office National pour L'Environnement (ONE) and the public consultation process for the ESIA was completed. ONE has provided comment and based upon feedback from the public consultation and from ONE the final ESIA and ESMP is nearly completed. During the forthcoming quarter, it is expected to complete the ESIA and ESMP and submit same in the format approved by ONE. Once submitted the final approval process will commence and is expected to take approximately 6 months to complete. Parcel identification of haulage road continued and is expected to complete in the quarter ending March 14.

CORPORATE

Capital raising

On 1 November 2013, A\$2.6m was raised by the placement of 20,000,000 ordinary shares in the capital of the Company at a price of A\$0.13 per Share. The funds raised pursuant to the Placement will be used for general corporate purposes.

Current cash balance is A\$4.377m and A\$1.1m expected to be spent in March quarter

Cash used during the quarter amounted to A\$1.25m, representing mainly payments for engineering, geotechnical and environmental studies and administration costs. The cash balance as at 31ST December 2013 stood at A\$4.377. Forecast expenditure for the next quarter is to the tune of A\$1.1m. Ongoing expenses from the studies on engineering, ESIA, jetty, marine and haul road will conclude in the March quarter.

Board changes

On 9 December 2013, WTR announced that as part of a Board plan to meet the challenges of the next stage of its Ranobe mineral sands project, the Company changed the size and makeup of the Board. Effective December 8, 2013 Wayne Malouf, Tristan Davenport and Rick Valenta resigned as Directors and Nic Limb was appointed to succeed Mr. Malouf as Chairman. The result of these changes was a reduced four-member Board consisting of Mr. Jeff Williams (CEO) and Mssr. Ian Ransome, Michael Cuthbert and Nic Limb (non executive Directors) whose skills and experience will be of particular benefit to the Company for the next stage of development. The company acknowledged the invaluable contributions from the departing Directors.

Discussion with possible Joint Venture partners

Your company is still in negotiation with different interested 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 or Jeff Williams at 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 mineralisation¹.

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.

www.worldtitaniumresources.com

¹*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.*

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

WORLD TITANIUM RESOURCES LTD

ABN

21 120 723 426

Quarter ended ("current quarter")

31st December, 2013

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date(6mths) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for: (a) exploration & evaluation	(631)	(2,021)
(b) development	-	-
(c) production	-	-
(d) administration	(599)	(1,484)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	19	27
1.5 Interest and other costs of finance paid	(3)	(7)
1.6 Income taxes paid, GST/taxes paid	(34)	(39)
1.7 Other		
Net Operating Cash Flows	(1,248)	(3,524)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(4)	(7)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	13
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other	-	-
Net investing cash flows	(4)	6
1.13 Total operating and investing cash flows (carried forward)	(1,252)	(3,518)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(1,252)	(3,518)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	2,591	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	-	-
	Net financing cash flows	2,591	5,635
	Net increase (decrease) in cash held	1,339	2,117
1.20	Cash at beginning of quarter/year to date	2,932	2,210
1.21	Exchange rate adjustments to item 1.20	106	(50)
1.22	Cash at end of quarter	4,377	4,377

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 \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	205
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 \$A'000	Amount used \$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	440
4.2	Development	-
4.3	Production	-
4.4	Administration	660
	Total	1,100

+ 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 \$A'000	Previous quarter \$A'000
5.1	Cash on hand and at bank	892	748
5.2	Deposits at call	3,485	2,184
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)		4,377	2,932

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 Preference +securities (<i>description</i>)	-	-	-	-
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 +Ordinary securities Total Issued and Quoted	362,006,589	295,801,379	Fully Paid	Fully Paid
Issued, but not quoted (subject to ASX escrow)	66,205,210			
7.4 Changes during quarter (a) Increases through issues/exercised options - Cash Issue - Merger Consideration (b) Decreases through returns of capital, buy-backs - Consolidation	20 000 000	20 000 000	13	13

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

7.5	+Convertible debt securities <i>(description)</i>	-	-	-	-
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-	-	-	-
7.7	Options	<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	Debentures <i>(totals only)</i>	-	-	-	-
7.12	Unsecured notes <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: 31st January, 2014
 CFO

Print name: Goroodeo 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 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.

+ See chapter 19 for defined terms.

- 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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LISTING RULE 5.3.3 – TENEMENTS HELD IN MADAGASCAR AT 31st DECEMBER 2013

Project Title	Permit Number	REGISTERED Holder/Applicant	PERMIT TYPE	GRANT DATE (Application Date)	EXPIRY DATE	TERM (Years)	TOTAL AREA km**2	SUBSTANCES UNDER TITLE	NOTES
Ranobe	3315	TSSARL	R	21/03/2012	20/03/2015	3	106.25	Ilmenite, Zircon, Leucoxene, Rutile, Basalte, Calcate, Guano	(1) (3) (4)
	12026	TSSARL	R	15/09/2004	14/09/2014	10	6.25	Ilmenite	(2)
	17388	TSSARL	R	28/07/2005	27/07/2015	10	18.75	Ilmenite	(2) (4)
	37242	TSSARL	E	21/03/2012	30/03/2052	40	9.38	Ilmenite, Zircon, Leucoxene, Rutile, Basalte, Calcate, Guano	(8)
	39130	TSSARL	E	21/03/2012	20/03/2052	40	9.38	Ilmenite, Zircon, Leucoxene, Rutile, Basalte, Calcate, Guano	(8)
Ankililoaka	3314	MRSARL	R	12/01/2001	11/01/2011	10	75	Ilmenite, Zircon, Leucoxene, Rutile, Basalte, Calcate, Guano	(2) (3) (5)
	36876	MRSARL	R	22/11/2004	21/11/2014	10	12.5	Ilmenite	(2) (5)
Basibasy	35822	MRSARL	R	12/01/2001	11/01/2011	10	81.25	Ilmenite, Zircon, Leucoxene, Rutile, Basalte, Calcate, Guano	(2) (3) (5)
Morombe	30250	MRSARL	R	12/01/2001	11/01/2011	10	206.25	Ilmenite, Zircon, Leucoxene, Rutile, Basalte, Calcate, Guano	(2) (3) (5)
Other	36182	MRSARL	R	22/10/2009				Ilmenite, Rutile, Zircon, Magnetite	(9)
	36183	MRSARL	R	22/10/2009				Ilmenite, Rutile, Zircon, Magnetite	(9)
	36648	MRSARL	R	16/11/2009			3.13	Calcaire	(7)(9)
	39650	MRSARL	R	16/11/2009			3.13	Calcate	(7)(9)
	38091	MRSARL	R	23/09/2010			30.47	Ilmenite, Grenate, Zircon	(9)

DEFINITIONS:

"TSSARL": Toliara Sands SARL

"MRSARL": Madagascar Resources SARL

"R": Research (Exploration Permit)

"E": Exploitation (Mining Permit)

NOTES:

1. Renewable once for a three-year period per renewal.
2. Renewable twice for a three-year period per renewal.
3. Renewable application introduced on 17th September 2010 for a three-year period.
4. A PE application is pending processing at the BCMM on part of Permit 3315 since 17th September 2010.
5. Permits presently registered in the name of Exploitation Madagascar (TSSARL) and for which a transfer to MRSARL is pending at the BCMM.
6. Permit presently registered in the name of MadaAust and for which a transfer to TSSARL is pending at the BCMM .
7. We have been informed that Permit 36648 has been split into two Permits (36648 and 36650) but to date the Company has not received confirmation of grant.
8. Renewable once for a forty year period per renewal.
9. New applications pending at the BCMM.

LISTING RULE 5.3.3 – OTHER INFORMATION

1. No tenements acquired or disposed of during quarter
2. No beneficial interests held in farm-in or farm-out agreements at the end of the quarter
3. No beneficial interests in farm-in or farm-out agreement acquired or disposed of during the quarter