



ASX Release

30 April 2012

## **Quarterly Report – Period to 31 March 2012**

### **HIGHLIGHTS**

#### **TOLIARA SANDS PROJECT**

- Ranobe Mining Licences and Exploration Licence extension granted on 27 April
- Definitive Engineering Study well advanced
- Environmental and Social Impact Assessment (ESIA) scoping document completed

#### **CORPORATE**

- Sale of Malagasy Minerals (ASX: MGY) shareholding completed in early April raising A\$500,000
- Cash balance at the end of the quarter \$10.6 million

#### **OUTLOOK FOR JUNE QUARTER 2012**

- Substantially complete the Definitive Engineering Study;
- Complete public consultation for draft ESIA scoping report;
- Undertake specialist studies for ESIA;
- Finalise preparations for drilling and pitting;
- Continue surface rights acquisition activities; and
- Continue community engagement

## **TOLIARA SANDS PROJECT**

### **Mining Licence (Exploitation Permit)**

The Company engaged extensively with the Government under Prime Minister Jean Omer Beriziky and in particular the new Mines Minister, Mrs Rajo Daniella Randriafeno, to progress the conversion of the Ranobe Exploration Licence to Mining Licences and the secure renewal of the Exploration Permit. The Minister established a process within the Ministry of Mines to prepare all outstanding Exploration Licence, Mining Licence conversion and Licence transfer applications for approval by the Government.

On 27 April 2012, the Company received a Mining Licence for Phase 1 of its flagship Ranobe mine. The Company also received a Mining Licence for the area immediately south of the initial mining area as well as the renewal of the remainder of the Ranobe Exploration Licence.

The Ranobe Phase 1 Mining Licence (Permis D'Exploitation 37242), contains 145Mt at an average grade of 8.1% Total Heavy Mineral (THM). Phase 1 is estimated to produce 400,000 tonnes of ilmenite and 43,000 tonnes of rutile/zircon concentrate per annum, over the initial 20-year mine life. Phase 1 represents only 20% of the JORC Resource at Ranobe, which is estimated at 707 Mt, 6.5% average grade THM.

The second Mining Licence (Permis D'Exploitation 39130) contains an additional 140mt, 7.1% average grade THM and the Exploration Licence (Permis De Recherche 3315) contains the remainder of the 707 Mt JORC Resource at Ranobe. These resources form part of the 100% owned Toliara Sands Project, in southwest Madagascar.

Each of the Mining Licences has a term of 40 years and is renewable. The Exploration Licence has been renewed for 3 years.

The project is on track for raising the development capital in the second half of 2012, followed by engineering, construction, commissioning before first production in 2014.

## Definitive Engineering Study

Engineering work for the mine, processing equipment and infrastructure to finalise the design and update the capital and operating cost estimates commenced during the quarter. The engineering study will also identify long lead time items, develop the optimum mine plan, and prepare the tender documentation for project engineering, procurement, construction and management.

TZ Minerals International (TZMI), with Engineering & Project Management Services engaged as the lead engineering contractor, is managing the study. Specialist sub-contractors have also been engaged for various aspects of the Project, including the mine and mining method, port, haul road and slurry pipeline. The overall basis for design and process design for the mineral separation plant have been finalised and requests for quotation have been submitted to major equipment suppliers. The study is on track for completion in mid-2012.

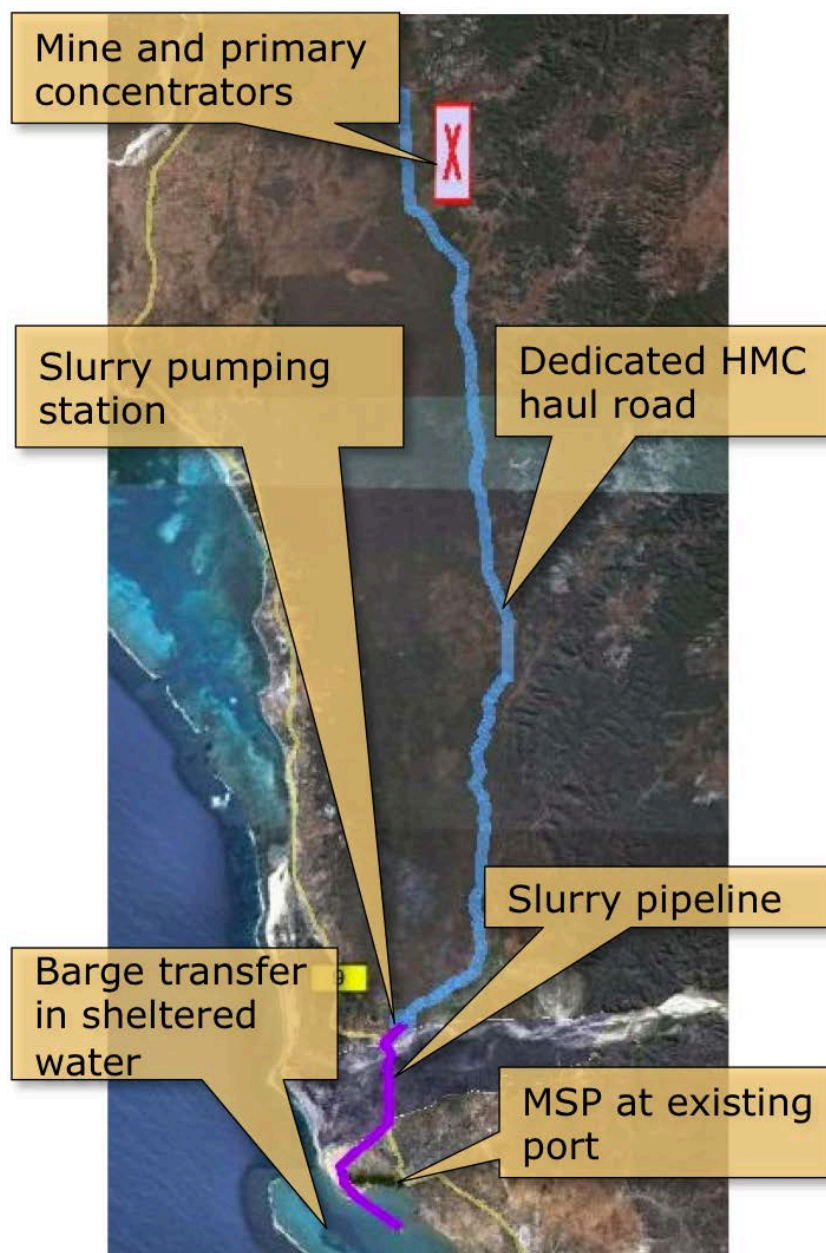


Figure 1 – Google-Image showing major items subject to the on-going Definitive Engineering Study.

### **Drilling and Pitting Program**

Preparations for the drilling and pitting programs planned for the second half of 2012 are well advanced. The camp at Ranobe has been refurbished and trial mining equipment (front end loaders) was successfully sourced from within Madagascar. Applications for the environmental permit for the program and for the import permits for the pilot plant and drilling rigs have been submitted.

The pitting program will focus on the mining area at Ranobe and will be used primarily for a confirmatory trial of the mining method selected in the engineering study. A bulk sample will also be collected and processed to confirm the selected flow sheet and to provide additional product samples for customer testing.

The drilling program will incorporate in-fill drilling at Ranobe, if this is shown to be required as a result of the optimised mine planning in the engineering study.

### **Environmental and Social Impact Assessment**



*Figure 2 – Public consultation ESIA meeting that was recently held in Toliara, Madagascar.*

Coastal and Environmental Services, a South African environmental consultancy with extensive experience in mineral sands and other mining projects in Africa, has completed the Environmental and Social Impact Assessment scoping document. The scoping document has been translated into French and the public consultation process commenced in Antananarivo on 16 April and continued in Toliara.

### **Surface Rights**

The process of identifying the owners and users of the land which will be required for the proposed mine site and associated infrastructure continued. Once all owners and users have been identified, the Company expects to enter into long-term leases to secure access to the land for the Project.



## Exploration

An exploration program is also planned for Morombe deposit later in the year, which will follow-up on earlier reconnaissance hand auger sampling results. The aim is to clarify the stratigraphy of the area, collect samples of heavy minerals (HM) for further analysis and determine the potential for economic mineralisation.

## Community

The Company enjoys strong support at all levels of the local community; from the Toliara regional government down to the individual villagers. The Company provides support to local communities and recently refurbished three water wells and installed foot pumps in villages close to the proposed mine site.



*Figure 3 – A refurbished village water well with foot pump.*

## Plantation Trials

A six-hectare site was fenced for a trial of fast growing plants, identified as being of value by the local community. The objective is to identify plants for the mine rehabilitation that can grow quickly and provide ongoing benefits to the communities around the mine. Seeds have been collected and raised in local nurseries and around 15,000 plants have been planted in the trial site.



*Figure 4 – The plantation trial site after the planting.*

## Corporate and Other

On 1st February 2012, the directors resolved to seek shareholder approval for the issue of 5,475,000 options, exercisable at \$0.285 per share on or before 31st March 2015, to be granted to six of the non-executive directors.

WTR had A\$10.6 million cash at the end of the period, sufficient to fund all pre-development decision activities, corporate and administration costs through to the end of 2013.

Following a review of the Company assets, the Board elected to dispose of its non-core holding in Malagasy Minerals (ASX: MGY). In early April, the Company sold 10,000,000 MGY shares, realising net cash proceeds of A\$500,000.



Bruce Griffin  
**Chief Executive Officer**  
**World Titanium Resources**

All enquiries to be directed to

Bruce Griffin (CEO) or Wayne Malouf (Executive Chairman)  
Tel: +61 8 9286 1219

or

David Sasson (Investor Relations – FIRSt)  
Tel: +61 411 468 966

or

Email: [support@worldtitaniumresources.com](mailto:support@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 current JORC Resource of 707Mt grading 6.5% total heavy mineral (THM) at Ranobe.

Phase 1 will focus on mining 145Mt grading 8.1% THM. Phase I is estimated to produce 400,000 tonnes of ilmenite and 43,000 tonnes of rutile/zircon concentrate per annum over an initial 20 year mine life.

The current JORC Resource at Ranobe could potentially sustain a ~75 year mine life at the initial planned production rates. 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>.

[www.worldtitaniumresources.com](http://www.worldtitaniumresources.com)

### **Competent Person**

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 Quarterly Report.

---

<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.

# 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")

**31<sup>st</sup> March, 2012**

### Consolidated statement of cash flows

#### Cash flows related to operating activities

1.1	Receipts from product sales and related debtors
1.2	Payments for: (a) exploration & evaluation (b) development (c) production (d) administration
1.3	Dividends received
1.4	Interest and other items of a similar nature received
1.5	Interest and other costs of finance paid
1.6	Income taxes paid, GST receivable
1.7	Other (JV and other income)

Current quarter \$A'000	Year to date (9 mths) \$A'000
-	-
(272)	(801)
-	-
-	-
(1,148)	(1,941)
-	-
68	185
-	-
54	54
92	350

#### Net Operating Cash Flows

(1,206)                      (2,153)

#### Cash flows related to investing activities

1.8	Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets
1.9	Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets
1.10	Loans to other entities
1.11	Loans repaid by other entities
1.12	Other – Cash acquired on acquisition of subsidiary

-	-
-	-
(9)	(12)
-	-
46	46
41	41
-	-
-	-
-	5,795

#### Net investing cash flows

78                                      5,870

1.13	Total operating and investing cash flows (carried forward)
------	--

(1,128)                      3,717



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

1.13	Total operating and investing cash flows (brought forward)	(1,128)	3,717
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	-	3,000
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>	-	3,000
	<b>Net increase (decrease) in cash held</b>	(1,128)	6,717
1.20	Cash at beginning of quarter/year to date	11,745	3,900
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	10,617	10,617

**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	195
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**

	\$A'000
4.1	Exploration and evaluation
4.2	Development
4.3	Production
4.4	Administration
<b>Total</b>	<b>2,625</b>

+ 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	1,121	8,872
5.2	Deposits at call	9,496	-
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	2,873
<b>Total: cash at end of quarter</b> (item 1.22)		10,617	11,745

### 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 up per security (see note 3) (cents)
7.1	<b>Preference</b> <sup>+</sup> <b>securities</b> (description)	-	-	-	-
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3	<b><sup>+</sup>Ordinary securities</b> <b>Total Issued and Quoted</b>  Issued, but not quoted (subject to ASX escrow)	<b>298,358,866</b>	<b>213,294,549</b>	Fully Paid	Fully Paid

+ See chapter 19 for defined terms.

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

7.4	Changes during quarter (a) Increases through issues/exercised options - Cash Issue - Merger Consideration (b) Decreases through returns of capital, buy-backs - Consolidation				
7.5	<b>+Convertible debt securities</b> (description)				
7.6	Changes during quarter (a) Increases through issues (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>
		30,000	-	\$1.20	26/11/2012
		375,000	-	\$0.80	08/05/2013
		12,500	-	\$0.60	22/05/2015
		12,500	-	\$0.84	22/05/2015
		12,500	-	\$1.12	22/05/2015
		475,000	-	\$0.80	08/05/2015
		16,275,000	-	\$0.285	31/03/2015
		1,492,050	-	US\$0.285	21/06/2013
7.8	Issued during quarter	1,000,000	-	\$0.285	31/03/2015
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	-	-	-	-
7.11	<b>Debentures</b> (totals only)	-	-	-	-
7.12	<b>Unsecured notes</b> (totals only)	-	-	-	-

**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: 30 April, 2012  
Company Secretary

Print name: Graeme Boden

+ See chapter 19 for defined terms.

## 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.
- 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.

== == == == ==