



ASX Release

31 January 2012

## Quarterly Report – Period to 31 December 2011

### Summary

- World Titanium Resources' merger with Bondi Mining completed on 30 December 2011
- Bruce Griffin appointed Chief Executive Officer
- Scope defined for Ranobe Mine Definitive Engineering Study and Environmental and Social Impact Assessment
- Contractors secured to carry out the above studies and assessments
- Surface rights acquisition process for the Ranobe Mine commenced
- Mineral Deposits Limited acquired 14.9% and becomes second cornerstone investor
- Cash balance at the end of the quarter \$11.7 million

### Merger with Bondi Mining

During the quarter the acquisition of the unlisted World Titanium Resources Ltd by Bondi Mining Ltd (ASX:BOM) by a Scheme of Arrangement was completed. The Scheme of Arrangement was approved by the shareholders of the two companies and was subsequently approved by the Federal Court in December 2011. After suspension from quotation on the 5<sup>th</sup> of December, Bondi Mining made an in-specie distribution of its non-African assets to its existing shareholders and completed a 4:1 consolidation of its shares. The Prospectus Offer of 11,111,112 ordinary shares at 27c each to raise A\$3 million closed on the 14<sup>th</sup> of December and was fully subscribed.

The Scheme was implemented on the 30<sup>th</sup> of December and the company was renamed World Titanium Resources Ltd. The Board was restructured with Mr Simon O'Loughlin and Mr Creagh O'Conner resigning and Mr Wayne Malouf, Mr Bruce Griffin, Mr Rod Baker, Mr Tristan Davenport, Mr Mahen Sookun and Mr Ian Ransome joining Mr Daren Morcombe and Mr Rick Valenta as directors. After the end of the quarter Mr Jeff Williams, the former Managing Director of Mineral Deposits Limited, joined the Board, which now comprises:

Mr Edward Wayne Malouf	Executive Chairman
Mr Bruce Griffin	Chief Executive Officer
Mr Norman Roderick (Rod) Baker	Non-Executive Director
Mr Tristan Davenport	Non-Executive Director
Mr Darren Morcombe	Non-Executive Director
Dr Ian Ransome	Non-Executive Director
Mr Gooroodeo (Mahen) Sookun	Non-Executive Director
Dr Rick Valenta	Non-Executive Director
Mr Jeffery Williams	Non-Executive Director

The final steps to allow relisting on the ASX were completed in early January and the company relisted as World Titanium Resources (ASX:WTR) on 12 January 2012.

## Toliara Sands Project

World Titanium Resources 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.



*Figure 1 – Map showing location of the Toliara Sands Project and the proposed Ranobe Mine*

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<sub>10</sub> of more than \$320 million over a 19 year life.

### **Ranobe Mine - Preliminary Scoping Study & Comprehensive Project Review**

World Titanium Resources 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 Madagascar 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 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, and ongoing environmental and community work.

The process of securing access agreements for roads, loading facilities, surface infrastructure and the mining area commenced during the quarter. The company has developed good relationships with the government and local communities and enjoys the support of the local community.

### **Mineral Deposits Limited Investment**

Mineral Deposits Ltd (MDL) (ASX:MDL & TSX:MDM) acquired 14.9% of WTR's ordinary shares at a cost of approximately A\$12.21 million in late December 2011.

MDL's involvement will complement WTR's existing development, operational and marketing experience in Mineral Sands. They also provide exposure to strong downstream, technical, and processing skills through the MDL-Eramet joint venture. MDL acquired its stake through off-market transactions with a number of WTR shareholders, including Boule Titanium, the company's major shareholder, resulting in Boule Titanium's holding reducing to 20.7% of WTR's ordinary shares.

### **Appointment of Chief Executive Officer**

Bruce Griffin was appointed Chief Executive Officer of World Titanium Resources on the 7<sup>th</sup> of November 2011 and became the Chief Executive Officer of the company effective from 30 December 2011.

Bruce is an experienced executive and brings relevant international mineral sands experience to World Titanium Resources. His seven years at BHP Billiton included four 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 World Titanium Resources 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 (Honours) in Chemical and Process Engineering

from Canterbury University, a Bachelor of Arts in Economics from Massey University and an MBA from the Melbourne Business School.

### **Next Steps**

The main focus of the Company is to rapidly advance the development plans for the Ranobe Mine. All studies and approvals required for a development decision should be secured by the second half of 2012, followed by construction, commissioning and first production in 2014.

Key work programs for 2012 include completion of the Definitive Engineering Study, ongoing liaison with the Madagascar government to secure the mining Licence, finalisation and submission of the updated Environmental and Social Impact Assessment, securing access agreements for road transportation, loading facilities, surface infrastructure and the mining area, and commencement of the application for certification as a large scale investment in the Malagasy mining sector.

WTR had A\$11.7 million cash at the end of the period, sufficient for all pre-development decision work and to fund corporate and administration costs through to the end of 2013.

### **Competent Person**

The exploration data and results contained in this report are based on information reviewed by Dr Rick Valenta, a fellow of the Australian Institute of Mining and Metallurgy. He is a Director of the Company and has sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the December 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Dr Valenta has consented to the inclusion in this release of the matters based on his information in the form and context in which they appear.



Bruce Griffin

### **Chief Executive Officer World Titanium Resources**

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### **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 including 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)

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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.*