



ASX Release

16th January 2015

Quarterly Report – Period Ending 31 December 2014

HIGHLIGHTS

- The Madagascar Government continues to receive additional international recognition.
- Completed geotechnical and marine studies for the jetty and received Expressions of Interest for the jetty construction contract.
- Completed additional process testing on the Ranobe project.
- Updating the August 2012 Definitive Engineering Study to a Definitive Feasibility Study.
- Cash balance at 31 December 2014: A\$1.33 million.

GOVERNMENT

On 20 January 2014, Mr Hery Rajaonarimampianina became the new democratically-elected President of the Republic of Madagascar. The new Government was well received by the International Community and welcomed by new potential investors to Madagascar.

After imposing sanctions and suspending foreign aid for five years following the military-backed ousting of former president Marc Ravalomanana in March 2009, the African Union (AU), European Union (EU), United Nations (UN), and United States restored relations with the new government in 2014. The EU allocated US\$570 million to Madagascar under the 11th European Development Fund for 2014-2020, with an initial disbursement of US\$120 million in late 2014. The UN has pledged US\$523 million, the World Bank US\$200 million, and the African Development Bank up to US\$85 million over the next few years. Meanwhile, in June 2014, the US announced Madagascar's reinstatement of eligibility for Africa Growth and Opportunity Act (AGOA) free trade benefits and lifted all restrictions on financial aid to the country.

RANOBE MINE PROJECT

Environmental Social and Impact Assessment

The Environmental Social Impact Assessment (ESIA) submitted in mid-2014 to the Government body, Office of National Environment ("ONE") was recently debated in a series of Public and Government meetings in Tulear.

From 20 October to early November 2014, there were a series of daily meetings with ONE and the community in Tulear to sort out any queries on the Environmental Impact from the Ranobe Mining Process. The management team attended the Public Participation Meeting on Wednesday 29 October in Tulear.

All participants at the Public participation Meeting were also requested to submit in writing any objections or suggestions to the Regional Community office up to Monday 10 November. There were no indications to the Company of anything other than support.

The result of the ESIA evaluation should be known by end of January 2015. We are still hopeful of a resolution and approval of the current ESIA by March 2015.

Mineral Processing

Fresh test work at Allied Mineral Laboratories in Perth, Western Australia has demonstrated that WTR can further simplify the mineral sand processing and reduce capital within the dry separation facilities known as the Mineral Separation Plant (MSP). The circuit changes within the MSP include elimination of an additional drying process, less magnetic rolls equipment and use of two air tables to separate silica sand from the rutile/zircon concentrate.

Engineering and Project Management Services (EPMS) in Perth have completed some modifications to the MSP and the Wet Separation Plant (WSP) drawings. EPMS have been asked to source new capital estimates for both the MSP and WSP.

Port Studies

The Definitive Engineering Study (DES) announced in August 2012 basically showed that the port infrastructure including jetty, loading facilities and some associated infrastructure will cost around US\$76.8m and the jetty was designed to be extended into the ocean to a depth of up to 24 metres (24 metre contour). The jetty was designed to load up to 70,000 tonne shipments of ilmenite or six ship loads per year. Stage One for the Ranobe Project as summarised by the DES is expected to produce some 400,000 tonnes of ilmenite per year. However, most customers would prefer 20,000 tonne bulk shipments as product needs storage at the destination. At this new reduced loading rate, activity is only 2 loads per month requiring two to three days of loading per month. The new jetty design reflects the desire to load smaller ships known as Handysize and also includes further refinements to the pylon design.

As an example of the new design, we needed to consider the geotechnical characteristics of the soil formation to more accurately assess pylon depth penetration, plus cyclonic events and impact of wave action in the area of the proposed port. The wave monitoring project based on our 8 months of monitoring showed that cyclonic events are infrequent and considering the expectation is to have a vessel on the berth for around 2 to 3 days a month the likelihood of there being a ship on the berth when one of these events occur is quite remote. Should a cyclonic event occur, there would be no loading anyway. Such major events in more recent times have occurred in 1978, 1989, 1996, 1999 and 2012. Therefore we decided the 11.5 metre contour (11.5 metre depth at low tide) would provide a sensible alternative to the 24 metre contour and reduce the capital cost.

We used BMT JFA of Perth whom originally completed the design work to modify the port facilities.

Based on the new design, BMT JFA advised WTR to send Expressions of Interest (EOI) to international companies with the capabilities to build the jetty and loading facilities and in our time frame. We received all responses to the EOI by late December 2014. We now need to assess the responses during the March quarter 2015.

CORPORATE

Cash balance as at 31 December 2014 was A\$1.33m and A\$1.0m expected to be spent in March 2015 quarter

Cash used during the quarter amounted to A\$0.98m, representing mainly payments for engineering, geotechnical and environmental studies and administration costs. The cash balance as at 31st December 2014 stood at A\$1.3m. Forecast expenditure for the next quarter is to the tune of A\$1.0m. In addition to administration costs, there will be ongoing expenses for studies on engineering, ESIA, jetty and marine.

In addition to the Company's Directors' determination to aim to progress the Ranobe project, the Board anticipates that the Company will require additional interim equity funding in due course for the purpose of meeting commercial imperatives such as working capital costs and project related expenditure, most likely in the March 2015 quarter. No decision has been reached as to the amount, structure, pricing or timing of this issue, however the Directors propose that any such issue will be modest in size and be a pro-rata offer to the Company's shareholders, to seek to treat all shareholders equitably. Investors are cautioned that the Company has not yet agreed to issue any such securities as it remains an incomplete

proposal and any potential equity raising is subject to compliance by the Company with applicable laws (including as relevant to the ongoing takeover bid from Base Resources Limited) and the ASX Listing Rules. The Company will announce further information in relation to such equity raise in the event it is determined by the Board.

Samples to possible Pigment partners

In December 2014 we dispatched two 5 kilogram valuable heavy mineral sand samples from Ranobe to potential customers. We believe the current test work will provide more certainty that the ilmenite within the sample is a suitable for production of an acceptable white pigment.

Tenement Status

No Tenement changes were made during this quarter. Appendix 1 details current tenement holdings. No tenements are subject to farm in or farm out agreements.

Jeffrey Williams

Chief Executive Officer

World Titanium Resources

Perth, Western Australia

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.

As background the Company received the two Mining Licenses for the Ranobe Project on 27 April 2012. Each of the License's has a term of 40 years and is renewable. Current resources and reserves for the deposit prepared by McDonald Speijers and Associates (see release dated 9th August 2012; Ranobe Mine – Significant Resource Increase) are stated below.

Resources for the Ranobe Deposit at a 3% THM cutoff:

Mineral Resource Category	Tonnes (Mt)	Heavy Minerals		Slimes (%)	Mineral Assemblage (% in HM)		
		(%)	(Mt)		Ilmenite	Rutile	Zircon
Measured	209	7.59	15.9	4.01	72.2	2.4	5.6
Indicated	226	6.12	13.8	4.00	71.8	2.2	5.6
Inferred	524	5.50	28.8	4.40	72.3	2.3	5.6
Total	959	6.10	58.5	4.22	72.2	2.3	5.6

Reserve at Ranobe based on current starter pit design:

Ore Reserve Category	Tonnes (Mt)	Heavy Minerals		Slimes (%)	Mineral Assemblage (% in HM)		
		(%)	(Mt)		Ilmenite	Rutile	Zircon
Proved	148	8.12	12.0	4.02	72.3	2.4	5.5
Probable	13	9.18	1.20	3.65	72.1	2.3	5.4
Total	161	8.20	13.2	3.99	72.3	2.4	5.5

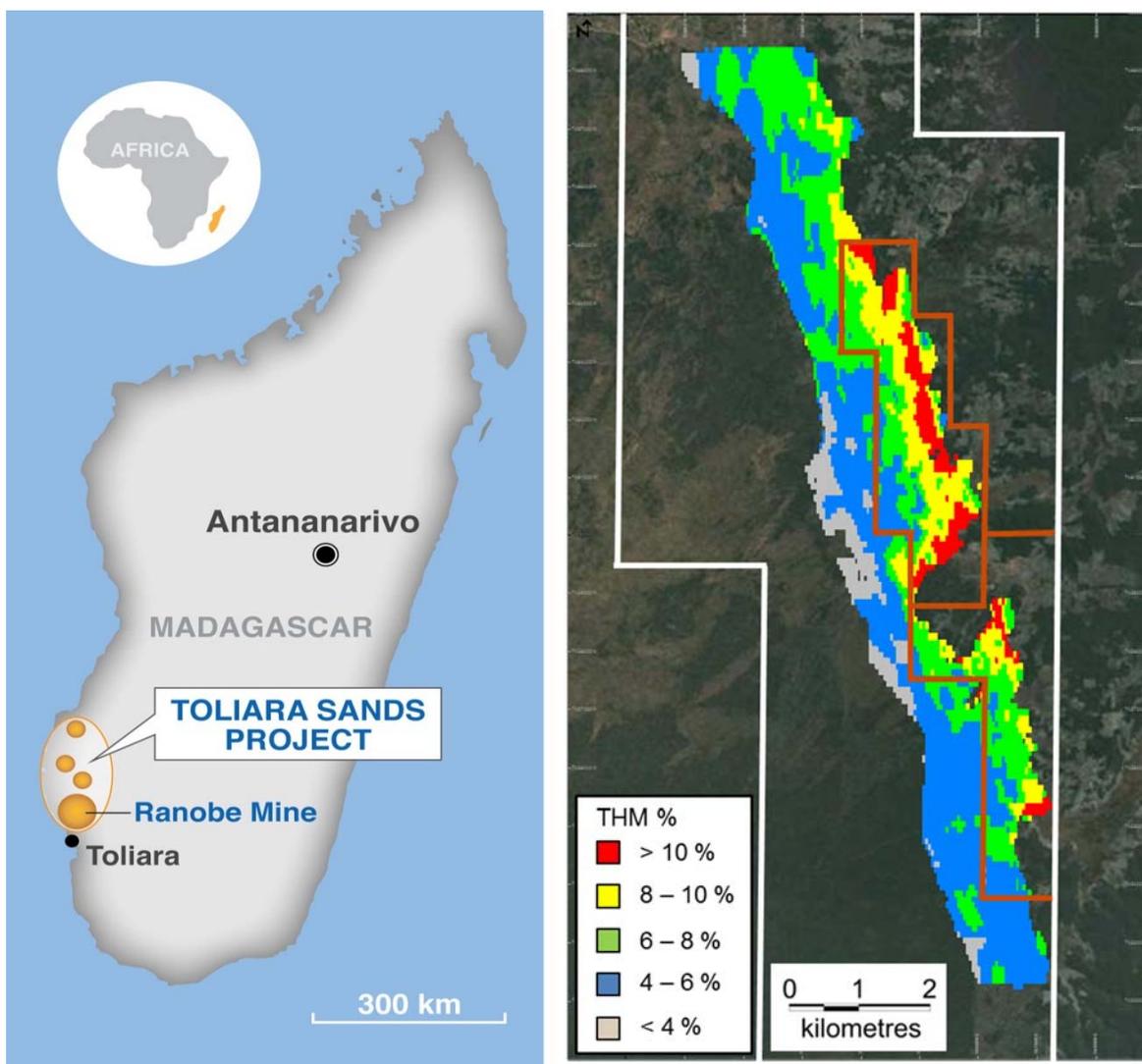
Investors are cautioned that the information prepared for both releases dated 28 August 2012; Results of Completed Definitive Engineer Study for the Ranobe Mine, and the see release dated 9th August 2012; Ranobe Mine – Significant Resource Increase were prepared and first disclosed under the JORC Code 2004. They have not been updated since to comply with the JORC Code 2012 on the basis that the information

has not materially changed since it was last reported. Similarly the material assumptions underpinning the production target have not changed, and remain valid since it was last reported.

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



Appendix 1: Tenement Holdings of World Titanium Resources Ltd.

Toliara Sands SARL and Madagascar Resources SARL are 100% owned subsidiaries of World Titanium Resources Ltd. No tenements are subject to farm in or farm out agreements.

PROJECT	PERMIT NUMBER	REGISTERED Holder/Applicant	PERMIT TYPE	GRANT DATE (Application Date)	EXPIRY DATE	TERM (Years)	TOTAL AREA (km ²)	SMALL SQUARE	SUBSTANCES UNDER TITLE	NOTES
Ranobe	3315	TSSARL	R	21/03/2012	20/03/2015	3	106.25	272	Ilmenite, Zircon, Leucoxene, Rutile, Basalte, Calcate, Guano	(1)
	12026	TSSARL	R	15/09/2004	14/09/2014	10	6.25	16	Ilmenite	(2) (3)
	17388	TSSARL	R	28/07/2005	27/07/2015	10	18.75	48	Ilmenite	(2)
	37242	TSSARL	E	21/03/2012	20/03/2052	40	9.38	24	Ilmenite, Zircon, Leucoxene, Rutile, Basalte, Calcate, Guano	(4)
	39130	TSSARL	E	21/03/2012	20/03/2052	40	9.38	24	Ilmenite, Zircon, Leucoxene, Rutile, Basalte, Calcate, Guano	(4)
Ankililoaka	3314	MRSARL	R	12/01/2001	11/01/2011	10	75	192	Ilmenite, Zircon, Leucoxene, Rutile, Basalte, Calcate, Guano	(2) (5) (6)
	36876	MRSARL	R	22/11/2004	21/11/2014	10	12.5	32	Ilmenite	(2) (7)
Basibasy	35822	MRSARL	R	12/01/2001	11/01/2011	10	81.25	208	Ilmenite, Zircon, Leucoxene, Rutile, Basalte, Calcate, Guano	(2) (5) (6)
Morombe	30250	MRSARL	R	12/01/2001	11/01/2011	10	206.25	528	Ilmenite, Zircon, Leucoxene, Rutile, Basalte, Calcate, Guano	(2) (5) (6)
Other	36182	MRSARL	R	22/10/2009			62.50		Ilmenite, Rutile, Zircon, Magnetite	(8)
	36183	MRSARL	R	22/10/2009			8.59		Ilmenite, Rutile, Zircon, Magnetite	(8)
	36648	MRSARL	R	16/11/2009			3.13		Calcaire	(8) (9)
	39650	MRSARL	R	16/11/2009			3.13		Calcaire	(8) (9)
	38091	MRSARL	R	23/09/2010			30.47		Ilmenite, Grenate, Zircon	(8)

DEFINITIONS: "R": Research (Exploration) "E": Exploitation (Mining Permit)
 "TSSARL": Toliara Sands SARL "MRSARL": Madagascar Resources SARL
 "BCMM": Bureau Du Cadastre Minier De Madagascar

NOTES:

- Renewable once for three year period. Application lodged on 15 December 2014 and pending at BCMM.
- Renewable twice for a three year period per renewal.
- Renewal application lodged on 23 May 2014 and pending at BCMM.
- Renewable once for 40 year period.
- Renewal application lodged 17 September 2010 for a three-year period and pending at BCMM.
- Permits presently registered in the name of Toliara Sands SARL (TSSARL) and for which a transfer to Madagascar Resources SARL (MRSARL) is pending at the BCMM.
- Renewal application lodged 1 September 2014 and pending at BCMM.
- New application pending at BCMM.
- Permit 36648 has been split into two Permits (36648 and 39650) but to date the Company has not received confirmation of grant.

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96. Origin: Appendix 8. Amended 01/07/97, 01/07/98, 30/09/2001, 01/06/2010.

Name of entity

WORLD TITANIUM RESOURCES LTD

ABN

21 120 723 426

Quarter ended ("current quarter")

31st December, 2014

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 *	(533)	(717)
(b) development	-	-
(c) production	-	-
(d) administration	(477)	(905)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	15	34
1.5 Interest and other costs of finance paid	(2)	(5)
1.6 Income taxes paid, GST/taxes paid	12	4
1.7 Other	-	-
Net Operating Cash Flows	(985)	(1,589)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(1)	(2)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	10	25
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other	-	-
Net investing cash flows	9	23
1.13 Total operating and investing cash flows (carried forward)	(976)	(1566)

*Activities for the quarter were evaluation of the Ranobe Project. There was no expenditure on exploration, development or production activities.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(976)	(1566)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	-
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 – (Provide details if material)	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(976)	(1566)
1.20	Cash at beginning of quarter/year to date	2,297	2,848
1.21	Exchange rate adjustments to item 1.20	12	51
1.22	Cash at end of quarter	1,333	1,333

Payments to directors of the entity and associates of the directors, 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	115
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	-	-
3.2	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1	400
4.2	-
4.3	-
4.4	600
Total	1,000

+ 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	633	747
5.2	Deposits at call	700	1,550
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)		1,333	2,297

Changes in interests in mining tenements

No Tenement changes were made during this quarter. Appendix 1 in the quarterly activities report details current tenement holdings. No tenements are subject to farm in or farm out agreements.

	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 (description)				
7.2	-	-	-	-
Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	362,006,589	362,006,589	Fully Paid	Fully Paid
+Ordinary securities Total Issued and Quoted				
Issued, but not quoted (subject to ASX escrow)				
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	-	-	-	-
+Convertible debt securities (description)				

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

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	-	\$0.795	08/05/2015
		22,750,000	-	\$0.28	31/03/2015
		1,500,000	-	\$0.28	31/12/2015
		1,500,000	-	\$0.13	12/08/2015
		2,000,000	-	\$0.051	15/10/2019
7.8	Issued during quarter	2,000,000	-	\$0.051	15/10/2019
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	-	-	-	-
7.11	Debentures (totals only)	-	-	-	-
7.12	Unsecured notes (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 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: Date: 16th January, 2015
 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.
- 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 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: 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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+ See chapter 19 for defined terms.