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# WORLD TITANIUM RESOURCES LIMITED

ACN 120 723 426

## NOTICE OF GENERAL MEETING

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**TIME:** 9:30am (WST)

**DATE:** Friday, 1 June 2012

**PLACE:** The Celtic Club  
48 Ord Street  
WEST PERTH WA

*This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.*

*Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary, Graeme Boden, on (+61 8) 9286 1219.*

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**CONTENTS PAGE**

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Notice of General Meeting (setting out the proposed resolutions)	4
Explanatory Statement (explaining the proposed resolutions)	8
Annexure A – Terms of the Options	14
Glossary	16
Proxy Form for General Meeting	18

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**TIME AND PLACE OF MEETING AND HOW TO VOTE**

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**VENUE**

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The meeting of the Shareholders to which this Notice of Meeting relates will be held on Friday, 1 June 2012 at:

The Celtic Club  
48 Ord Street  
WEST PERTH WA

The General Meeting will commence at 9:30 am.

**YOUR VOTE IS IMPORTANT**

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The business of the Meeting affects your shareholding and your vote is important.

**VOTING IN PERSON**

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To vote in person, attend the General Meeting on the date and at the place set out above.

**VOTING BY PROXY**

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To vote by proxy, please complete and sign the enclosed Proxy Form as relevant and return by the time and in accordance with the instructions set out on the Proxy Form.

Sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this General Meeting. Broadly, the changes mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes is set out below.

**Proxy vote if appointment specifies way to vote**

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

### **Transfer of non-chair proxy to chair in certain circumstances**

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
  - the proxy is not recorded as attending the meeting;
  - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

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## NOTICE OF GENERAL MEETING

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Notice is given that a General Meeting of Shareholders will be held at 9:30am (WST) on 1 June 2012 at The Celtic Club, 48 Ord Street, West Perth, Western Australia.

The Explanatory Statement provides additional information on matters to be considered at the General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders at 5.00pm WST on 30 May 2012.

Terms and abbreviations used in this Notice of Meeting are defined in the Glossary.

### AGENDA – ORDINARY BUSINESS

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#### Resolution 1 – APPROVAL OF OPTIONS GRANT TO RELATED PARTY – D MORCOMBE

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That for the purposes of Section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is hereby given for the grant of 2,000,000 Options to Mr Darren Morcombe, a director of the Company (or his nominee), in accordance with the terms described in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Mr Darren Morcombe, his nominee and any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled or to vote in accordance with the directions on the Proxy Form, or, if it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Voting Prohibition Statement:** A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair of the Meeting; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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#### Resolution 2 – APPROVAL OF OPTIONS GRANT TO RELATED PARTY – R VALENTA

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That for the purposes of Section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is hereby given for the grant of 875,000 Options to Dr Richard Valenta, a director of the Company (or his nominee), in accordance with the terms described in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Dr Richard Valenta, his nominee and any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled or to vote in accordance with

the directions on the Proxy Form, or, if it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Voting Prohibition Statement:** A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair of the Meeting; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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### **Resolution 3 – APPROVAL OF OPTIONS GRANT TO RELATED PARTY – J WILLIAMS**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That for the purposes of Section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is hereby given for the grant of 875,000 Options to Mr Jeffrey Williams, a director of the Company (or his nominee), in accordance with the terms described in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Mr Jeffrey Williams, his nominee and any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled or to vote in accordance with the directions on the Proxy Form, or, if it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Voting Prohibition Statement:** A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair of the Meeting; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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### **Resolution 4 – APPROVAL OF OPTIONS GRANT TO RELATED PARTY – R BAKER**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That for the purposes of Section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is hereby given for the grant of 875,000 Options to Mr Rod Baker, a director of the Company (or his nominee), in accordance with the terms described in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Mr Rod Baker, his nominee and any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled or to vote in accordance with the directions on the Proxy Form, or, if it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Voting Prohibition Statement:** A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair of the Meeting; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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## **Resolution 5 – APPROVAL OF OPTIONS GRANT TO RELATED PARTY – I RANSOME**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That for the purposes of Section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is hereby given for the grant of 350,000 Options to Dr Ian Ransome, a director of the Company (or his nominee), in accordance with the terms described in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Mr Ian Ransome, his nominee and any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled or to vote in accordance with the directions on the Proxy Form, or, if it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Voting Prohibition Statement:** A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair of the Meeting; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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## **Resolution 6 – APPROVAL OF OPTIONS GRANT TO RELATED PARTY – T DAVENPORT**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That for the purposes of Section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is hereby given for the grant of 175,000 Options to Mr Tristan Davenport, a director of the Company (or his nominee), in accordance with the terms described in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Mr Tristan Davenport, his nominee and any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled or to vote in accordance with the directions on the Proxy Form, or, if it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Voting Prohibition Statement:** A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:

- (i) a member of the Key Management Personnel; or
- (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair of the Meeting; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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#### **Resolution 7 – APPROVAL OF OPTIONS GRANT TO RELATED PARTY – G SOOKUN**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That for the purposes of Section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is hereby given for the grant of 325,000 Options to Mr Goroodeo Sookun, a director of the Company (or his nominee), in accordance with the terms described in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Mr Goroodeo Sookun, his nominee and any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled or to vote in accordance with the directions on the Proxy Form, or, if it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Voting Prohibition Statement:** A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair of the Meeting; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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**DATED: 18 APRIL 2012**

**BY ORDER OF THE BOARD**



**GRAEME BODEN  
COMPANY SECRETARY**

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the General Meeting to be held at 9:30 am (WST) on 1 June 2012 at The Celtic Club, 48 Ord Street, West Perth, Western Australia.

This purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

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### Resolutions 1 to 7 – APPROVAL OF GRANT OF OPTIONS TO RELATED PARTIES

Resolutions 1 - 7 seek shareholder approval to grant Options to each of the following non-executive directors, Messrs Darren Morcombe (2,000,000 Options), Richard Valenta (875,000 Options), Jeffrey Williams (875,000 Options), Rod Baker (875,000 Options), Ian Ransome (350,000 Options), Tristan Davenport (175,000 Options) and Gooroodeo Sookun (325,000 Options) (**Related Parties**) exercisable on or before 31<sup>st</sup> March 2015 at an exercise price of \$0.285 per Share and otherwise on the terms and conditions set out in Annexure A to this Explanatory Statement.

#### 1. Related Party Transactions – Corporations Act

Section 208 of the Corporations Act provides a public company cannot give a financial benefit to a related party of the public company unless:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the prohibition set out in Sections 210 to 216 of the Corporations Act; or
- (b) prior to the giving of the financial benefit shareholder approval is obtained in the manner set out in Section 217 to 227 of the Corporations Act and the benefit is given within 15 months of obtaining the shareholder approval.

The grant of the Options constitutes giving a financial benefit and Messrs Darren Morcombe, Richard Valenta, Jeffrey Williams, Rod Baker, Ian Ransome, Tristan Davenport and Gooroodeo Sookun are related parties of the Company by virtue of all being Directors.

Shareholder approval is sought for the grant of Options to the Related Parties.

#### Shareholder Approval (Chapter 2E of the Corporations Act)

Pursuant to and in accordance with the requirements of Sections 217 to 227 of the Corporations Act, the following information is provided in relation to the proposed grant of Options:

- (a) **The related parties to whom Resolutions 1 to 7 would permit the financial benefit to be given**

The Related Parties to whom a financial benefit will be given are as follows:

- (i) Mr Darren Morcombe pursuant to Resolution 1;
- (ii) Dr Richard Valenta pursuant to Resolution 2;
- (iii) Mr Jeffrey Williams pursuant to Resolution 3;
- (iv) Mr Rod Baker pursuant to Resolution 4;
- (v) Dr Ian Ransome pursuant to Resolution 5;

- (vi) Mr Tristan Davenport pursuant to Resolution 6; and
- (vii) Mr Gooroodeo Sookun pursuant to resolution 7.

Each of the above named parties are each a related party to the Company by virtue of their respective Directorships with the Company.

**(b) The nature of the financial benefit**

If Resolutions 1 to 7 are passed, the Related Parties noted above will be granted a total of 5,475,000 Options in the manner noted below.

The Options will be granted on the terms and conditions set out in Annexure A to this Explanatory Statement, at an exercise price of \$0.285 per Share and an expiry date of 31<sup>st</sup> March 2015.

The Related Parties will be granted the Options as follows:

- (i) Mr Darren Morcombe will be granted 2,000,000 Options upon approval of Resolution 1;
- (ii) Dr Richard Valenta will be granted 875,000 Options upon approval of Resolution 2;
- (iii) Mr Jeffrey Williams will be granted 875,000 Options upon approval of Resolution 3;
- (iv) Mr Rod Baker will be granted 875,000 Options upon approval of Resolution 4;
- (v) Dr Ian Ransome will be granted 350,000 Options upon approval of Resolution 5;
- (vi) Mr Tristan Davenport will be granted 175,000 Options upon approval of Resolution 6; and
- (vii) Mr Gooroodeo Sookun will be granted 325,000 Options upon approval of Resolution 7.

**(c) Consideration**

The Options will be granted for nil cash consideration, accordingly no funds will be raised from the issue of the Options to any of the Related Parties.

**(d) Directors' Recommendation**

Mr Darren Morcombe declines to make a recommendation to Shareholders in relation to Resolution 1 due to his material personal interest in the outcome of the Resolution as set out above.

Mr Darren Morcombe, who does not have a material interest in the outcome of Resolutions 2 to 7, recommends that Shareholders vote in favour of Resolutions 2 to 7 for the reasons set out in sub-section (e) immediately below as applicable to Resolutions 2 to 7. Mr Morcombe is not aware of any other information other than as set out in this Notice of Meeting that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 2 to 7.

Dr Richard Valenta declines to make a recommendation to Shareholders in relation to Resolution 2 due to his material personal interest in the outcome of the Resolution as set out above.

Dr Richard Valenta, who does not have a material interest in the outcome of Resolutions 1 and 3 to 7, recommends that Shareholders vote in favour of Resolutions 1 and 3 to 7 for the reasons set out in sub-section (e) immediately below as applicable to Resolutions 1 and 3 to 7. Dr Valenta is not aware of any other information other than as set out in this Notice of Meeting that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 1 and 3 to 7.

Mr Jeffrey Williams declines to make a recommendation to Shareholders in relation to Resolution 3 due to his material personal interest in the outcome of the Resolution as set out above.

Mr Jeffrey Williams, who does not have a material interest in the outcome of Resolutions 1, 2 and 4 to 7, recommends that Shareholders vote in favour of Resolutions 1, 2 and 4 to 7 for the reasons set out in sub-section (e) immediately below as applicable to Resolutions 1, 2 and 4 to 7. Mr Williams is not aware of any other information other than as set out in this Notice of Meeting that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 1, 2 and 4 to 7.

Mr Rod Baker declines to make a recommendation to Shareholders in relation to Resolution 4 due to his material personal interest in the outcome of the Resolution as set out above.

Mr Rod Baker, who does not have a material interest in the outcome of Resolutions 1 to 3 and 5 to 7, recommends that Shareholders vote in favour of Resolutions 1 to 3 and 5 to 7 for the reasons set out in sub-section (e) immediately below as applicable to Resolutions 1 to 3 and 5 to 7. Mr Baker is not aware of any other information other than as set out in this Notice of Meeting that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 1 to 3 and 5 to 7.

Dr Ian Ransome declines to make a recommendation to Shareholders in relation to Resolution 5 due to his material personal interest in the outcome of the Resolution as set out above.

Dr Ian Ransome, who does not have a material interest in the outcome of Resolutions 1 to 4, 6 and 7, recommends that Shareholders vote in favour of Resolutions 1 to 4, 6 and 7 for the reasons set out in sub-section (e) immediately below as applicable to Resolutions 1 to 4, 6 and 7. Dr Ransome is not aware of any other information other than as set out in this Notice of Meeting that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 1 to 4, 6 and 7.

Mr Tristan Davenport declines to make a recommendation to Shareholders in relation to Resolution 6 due to his material personal interest in the outcome of the Resolution as set out above.

Mr Tristan Davenport, who does not have a material interest in the outcome of Resolutions 1 to 5 and 7, recommends that Shareholders vote in favour of Resolutions 1 to 5 and 7 for the reasons set out in sub-section (e) immediately below as applicable to Resolutions 1 to 5 and 7. Mr Davenport is not aware of any other information other than as set out in this Notice of Meeting that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 1 to 5 and 7.

Mr Goroodeo Sookun declines to make a recommendation to Shareholders in relation to Resolution 7 due to his material personal interest in the outcome of the Resolution as set out above.

Mr Goroodeo Sookun, who does not have a material interest in the outcome of Resolutions 1 to 6, recommends that Shareholders vote in favour of Resolutions 1 to 6 for the reasons set out in sub-section (e) immediately below as applicable to Resolutions 1 to 6. Mr Sookun is not aware of any other information other than as set out in this Notice of Meeting that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 1 to 6.

Mr Wayne Malouf, who does not have a material interest in the outcome of Resolutions 1 to 7, recommends that Shareholders vote in favour of Resolutions 1 to 7 for the reasons set out in sub-section (e) immediately below as applicable to Resolutions 1 to 7. Mr Malouf is not aware of any other information other than as set out in this Notice of Meeting that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 1 to 7.

Mr Bruce Griffin, who does not have a material interest in the outcome of Resolutions 1 to 7, recommends that Shareholders vote in favour of Resolutions 1 to 7 for the reasons set out in sub-section (e) immediately below as applicable to Resolutions 1 to 7. Mr Griffin is not aware of any other information other than as set out in this Notice of Meeting that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 1 to 7.

**(e) Any other information that is reasonably required by a member to make a decision and that is known to the Company and any of its Directors.**

The primary purposes of the grant of Options to each Related Party are:

- (a) to provide the Related Parties consideration for past services rendered to the Company in their respective positions as Directors;
- (b) to provide a performance linked incentive to drive the Company's assets forward; and
- (c) as a reward for their ongoing commitment and efforts in the future.

The Board has determined that the number of Options to be issued to each Related Party, and the exercise price of the Options, is reasonable taking into account the Directors' fees payable to, and the role undertaken as a Director by, each Related Party.

The Board acknowledges that the exercise price of the Options is below the current trading price of Shares. The Options are being issued in part consideration for past services rendered by each Party to the Company and the Board considers the difference between the exercise price and the current price of Shares to be reasonable in the circumstances.

The Options do not vest until 12 January 2014 in accordance with their terms set out in Annexure A.

If the Options granted to the Related Parties are exercised, a total of 5,475,000 Shares would be allotted and issued. This would increase the number of Shares on issue from 298,358,866 to 303,833,866 (assuming that no other Options are exercised and no other Shares issued) with the effect that the shareholding of existing Shareholders would be diluted as follows:

Resolution	Related Party	Issued Shares as at the date of this Notice of Meeting	Options to be granted	Issued Shares upon exercise of all Options*	Dilutionary effect upon exercise of Options
1	D Morcombe	298,358,866	2,000,000	300,358,866	0.67%
2	R Valenta	298,358,866	875,000	299,233,866	0.29%
3	J Williams	298,358,866	875,000	299,233,866	0.29%
4	R Baker	298,358,866	875,000	299,233,866	0.29%
5	I Ransome	298,358,866	350,000	298,708,866	0.12%
6	T Davenport	298,358,866	175,000	298,533,866	0.06%
7	G Sookun	298,358,866	325,000	298,683,866	0.11%
<b>TOTAL</b>		<b>298,358,866</b>	<b>5,475,000</b>	<b>303,833,866</b>	<b>1.80%</b>

**Note**

\* all Options subject to Resolutions 1 to 7.

The market price for Shares during the term of the Options would normally determine whether or not the Options are exercised. If, at any time any of the Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Options, there may be a perceived cost to the Company.

The existing Security holdings of the Related Parties at the date of this Notice of Meeting are as follows:

Related Party	Shares	Options
D Morcombe	4,555,996	75,000
R Valenta	339,602	250,000
J Williams	Nil	Nil
R Baker	Nil	Nil
I Ransome	Nil	525,000
T Davenport	972,223	700,000
G Sookun	Nil	875,000
<b>Total</b>	<b>5,867,821</b>	<b>2,425,000</b>

The remuneration and emoluments from the Company to the Related Parties for both the current financial year and previous financial year are set out below:

Related Party	2012 Financial Year	2011 Financial Year
D Morcombe	\$66,075	\$50,704
R Valenta	\$71,831	\$205,540
J Williams	\$12,000	-
R Baker	\$12,000	-
I Ransome	\$53,880	-
T Davenport	\$67,840	-
G Sookun	\$81,800	-

Director's fees for the half year ending 30 June 2012 have been set at \$12,000 each. Additional amounts shown for D Morcombe and R Valenta relate to payments made by Bondi Mining pre-merger. Additional amounts shown for I

Ransome, T Davenport and G Sookun relate to the value imputed to options in WTR Holdings Pty Ltd, issued pre-merger.

The Board acknowledges the grant of Options to each Related Party is contrary to the second guideline of Guidelines for non-executive remuneration in the ASX Corporate Governance Principles and Recommendations. However, the Board considers the grant of Options to each Related Party reasonable taking into account the Directors' fees payable to the Related Parties.

The Options to be granted to the Related Parties pursuant to Resolutions 1 to 7 have been valued by internal management using the theoretical Black and Scholes option model and based on the assumptions set out below.

<b>Assumptions:</b>	
Valuation date	17 <sup>th</sup> April 2012
Price of Shares	33 cents
Exercise price	28.5 cents
Expiry date	31 <sup>st</sup> March 2015
Risk free interest rate	3.2%
Volatility rate	50%
Discount for non-negotiability	20%
<b>Indicative value per Option</b>	11 cents

On this theoretical basis, the total value of Options proposed to be granted to each of the Related Parties is therefore as follows:

<b>Related Party</b>	<b>Number of Options</b>	<b>Value of Options (\$)</b>
D Morcombe	2,000,000	\$220,000
R Valenta	875,000	\$96,250
J Williams	875,000	\$96,250
R Baker	875,000	\$96,250
I Ransome	350,000	\$38,500
T Davenport	175,000	\$19,250
G Sookun	325,000	\$35,750
<b>Total</b>	<b>5,475,000</b>	<b>\$602,250</b>

The trading history of Shares on ASX since re-quotation on 12 January 2012 is set out below:

	<b>Price</b>	<b>Date</b>
Highest	39 cents	16 January 2012
Lowest	31 cents	17 January 2012 ,and 11 April 2012
Last	33 cents	17 April 2012

Neither the Directors nor the Company are aware of any other information that would reasonably be required by members to make a decision in relation to the financial benefits contemplated by Resolutions 1 to 7, other than as set out in this Explanatory Statement.

## 2. Related Party Transactions – ASX Listing Rules

ASX Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies. In relation to the proposed issue of Options to Directors under Resolutions 1 to 7, it is the view of the Board that the exceptions set out in ASX Listing Rule 10.12 do not apply in the circumstances. Accordingly, the grant of Options to Directors pursuant to each of Resolutions 1 to 7 requires shareholder approval under Listing Rule 10.11.

Information required to be given to shareholders under Listing Rule 10.13 for approval being sought in relation to Listing Rule 10.11 are as follows:

- (a) the persons to whom Options will be granted are non-executive Directors of the Company, namely Messrs Darren Morcombe (Resolution 1), Richard Valenta (Resolution 2), Jeffrey Williams (Resolution 3), Rod Baker (Resolution 4), Ian Ransome (Resolution 5), Tristan Davenport (Resolution 6) and Gooroodeo Sookun (Resolution 7));
- (b) Options will, be granted to each Director under each of Resolutions 1 to 7, as follows: D Morcombe (2,000,000 Options), R Valenta (875,000 Options), J Williams (875,000 Options), R Baker (875,000 Options), I Ransome (350,000 Options), T Davenport (175,000 Options) and G Sookun (325,000 Options), which, if all Resolutions are passed, will result in the grant of a total of 5,475,000 Options;
- (c) the Options under each of Resolutions 1 to 7 will be granted on the same day within one month of the date of the Meeting;
- (d) the Options will be granted upon the terms and conditions set out in Annexure A; and
- (e) the Options will be granted for nil cash consideration. Accordingly, no funds will be raised from the issue.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Options to the Related Parties as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of the Options to the Related Parties will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

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### ENQUIRIES

Shareholders are requested to contact the Company Secretary, Mr Graeme Boden, on (+61 8) 9286 1219, if they have any queries in respect of the matters set out in these documents.

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## ANNEXURE A – TERMS OF OPTIONS

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### WORLD TITANIUM RESOURCES LIMITED ACN 120 723 426 (Company) Unlisted Options Expiring 31 March 2015 - Terms and Conditions

1. Subject to paragraph 8 each option gives the optionholder the right to subscribe for one fully paid ordinary share in the capital of the Company (**Share**).
2. The options held by the option holder are exercisable in whole or in part at any time during the period from the Vesting Date (in accordance with (a) to (c) below) until 31 March 2015 (**Exercise Period**). Options not exercised before the expiry of the Exercise Period will lapse.

The Options shall vest on 12<sup>th</sup> January 2014 (**Vesting Date**).

3. Subject to paragraphs 9 and 10 the amount payable upon exercise of each Option will be \$0.285 (**Exercise Price**).
4. Options are exercisable by notice in writing to the Board delivered to the registered office of the Company and payment of the Exercise Price in cleared funds, following which the Company will, within 10 Business Days, allot the number of Shares in respect of the number of options specified in the notice.
5. The Company will not apply for official quotation on ASX of the options. The Company will make application for official quotation on ASX of new shares allotted on exercise of the options. Those shares will participate equally in all respects with existing issued ordinary shares, and in particular new shares allotted on exercise of the options will qualify for dividends declared after the date of their allotment.
6. Options can only be transferred with Board approval, except that if at any time before expiry of the Exercise Period the option holder dies, the legal personal representative of the deceased option holder may:
  - (a) elect to be registered as the new holder of the options;
  - (b) whether or not he becomes so registered, exercise those options in accordance with the terms and conditions on which they were granted; and
  - (c) if the deceased has already exercised options, pay the Exercise Price in respect of those options.
7. An option holder may only participate in new issues of securities to holders of ordinary shares in the Company if the option has been exercised and shares allotted in respect of the option before the record date for determining entitlements to the issue. The Company must give prior notice to the option holder of any new issue before the record date for determining entitlements to the issue in accordance with the ASX Listing Rules.
8. If there is a bonus issue to the holders of ordinary shares in the capital of the Company, the number of ordinary shares over which the option is exercisable will be increased by the number of ordinary shares which the holder of the option would have received if the option had been exercised before the record date for the bonus issue.
9. In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to Shareholders after the date of issue of the Options, the Exercise Price of the Options may be reduced in accordance with the formula set out in Listing Rule 6.22.2..
10. If, during the currency of the options the issued capital of the Company is reorganised, those options will be reorganised to the extent necessary to comply with ASX Listing Rules.

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## GLOSSARY

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**\$** means Australian dollars.

**ASX** means ASX Limited, or the Australian Securities Exchange, as the context required.

**ASX Listing Rules** means the Listing Rules of ASX.

**ASIC** means the Australian Securities and Investments Commission.

**Board** means the current board of directors of the Company.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Closely Related Party** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001 (Cth)*.

**Company** means World Titanium Resources Limited (ACN 120 723 426).

**Constitution** means the Company's constitution.

**Corporations Act** means the *Corporations Act 2001 (Cth)*.

**Directors** means the current directors of the Company.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**General Meeting** or **Meeting** means the meeting convened by the Notice.

**Key Management Personnel** has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

**Notice** or **Notice of Meeting** means this notice of general meeting including the Explanatory Statement and the Proxy Form.

**Option** means an option to acquire a Share.

**Proxy Form** means the proxy form accompanying the Notice.

**Resolutions** means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

**Security** means an Option or Share as the context requires.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of a Share.

**WST** means Western Standard Time as observed in Perth, Western Australia.

**PROXY FORM**

**APPOINTMENT OF PROXY  
WORLD TITANIUM RESOURCES LIMITED – GENERAL MEETING  
ACN 120 723 426**

I/We

of

being a member of World Titanium Resources Limited entitled to attend and vote at the General Meeting, hereby

Appoint

Name of proxy

OR  the Chair of the General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the General Meeting, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, as the proxy sees fit, at the General Meeting to be held at 9:30 am (WST) on 1 June 2012 at The Celtic Club, 48 Ord Street, West Perth Western Australia and at any adjournment thereof.

If no directions are given, the Chair will vote in favour of all the Resolutions.

If the Chair of the General Meeting is appointed as your proxy, or may be appointed by default, and you do **not** wish to direct your proxy how to vote as your proxy in respect of the Resolutions please place a mark in this box.

By marking this box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the Resolutions 2 or 3 and votes cast by him other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman will not cast your votes on the Resolutions 2 or 3 and your votes will not be counted in calculating the required majority if a poll is called on the Resolutions 2 or 3.

**Voting on Business of the General Meeting**

	<b>FOR</b>	<b>AGAINST</b>	<b>ABSTAIN</b>	<b>EXCLUDED</b>
Resolution 1 – Approval of Option Grant – D Morcombe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Approval of Option Grant – R Valenta	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – Approval of Option Grant – J Williams	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 – Approval of Option Grant – R Baker	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 – Approval of Option Grant – I Ransome	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 – Approval of Option Grant – T Davenport	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 – Approval of Option Grant – G Sookun	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Please note:** If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is \_\_\_\_\_%

**Signature of Member(s):**

**Date:** \_\_\_\_\_

**Individual or Member 1**

**Member 2**

**Member 3**

Sole Director/Company Secretary

Director

Director/Company Secretary

Contact Name: \_\_\_\_\_ Contact Ph (daytime): \_\_\_\_\_

### Instructions for Completing 'Appointment of Proxy' Form

1. **(Appointing a Proxy):** A member entitled to attend and vote at the General Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a member of the Company.
2. **(Direction to Vote):** A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing Instructions):**
  - **(Individual):** Where the holding is in one name, the member must sign.
  - **(Joint Holding):** Where the holding is in more than one name, all of the members should sign.
  - **(Power of Attorney):** If you have not already provided the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
  - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual members from attending the General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the General Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
  - post to World Titanium Resources Limited, 15 Lovegrove Close, Mount Claremont WA 6010; or
  - facsimile to the Company on facsimile number +61 (0)8 9284 3801; or
  - email to the Company at [natashaforde@bigpond.com](mailto:natashaforde@bigpond.com)so that it is received not less than 48 hours prior to commencement of the Meeting.

**Proxy forms received later than this time will be invalid.**