



ASX RELEASE

29<sup>th</sup> April 2024

**TITANIUM SANDS LIMITED**

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Directors

Lee Christensen  
Dr James Searle  
Jason Ferris

Ticket

ASX: TSL

## QUARTERLY OPERATIONS REPORT TO 31<sup>st</sup> March 2024

- The Company continues to engage directly with government ministers and departmental heads of the ministries and regulatory bodies and has received every encouragement for the Project and the much needed inbound investment and economic stimulus that it will bring to Sri Lanka and the underdeveloped northwest of the country
- As part of the Environmental Impact Assessment, Titanium Sands' EIA Team have been engaging extensively with local government and communities
- TSL has re-commenced discussions with potential offtake and strategic partners regarding offtake and the required project capital requirements

### BOARD OF INVESTMENT APPLICATION

The Board of Investment (BOI) of Sri Lanka, is a government agency tasked to be the central facilitation point for investors. It is also responsible for permitting imports and exports for projects under section 17 of the BOI law, as well as providing other investor related services. Titanium Sands Ltd on behalf of its Sri Lankan subsidiaries has been invited by the BOI to make applications designed to initiate regulatory approvals for use of land for its project treatment plant and local corporate structuring for the inbound investment. These applications are now in progress.

### ENVIRONMENTAL IMPACT ASSESSMENT (EIA)

TSL's Environmental Assessment Team has been working closely with the Central Environment Authority (CEA) addressing local community issues and concerns as well as the technical aspects of the Project. Community consultation in the immediate location of the Stage 1 area of the Project (Figure 1) has been ongoing and will now expand to include the wider community and local leaders.

TSL's EIA Team of highly qualified Sri Lankan experts has been further enhanced by the appointment of an experienced EIA consultant previously employed by the CEA who is also a Mannar local.

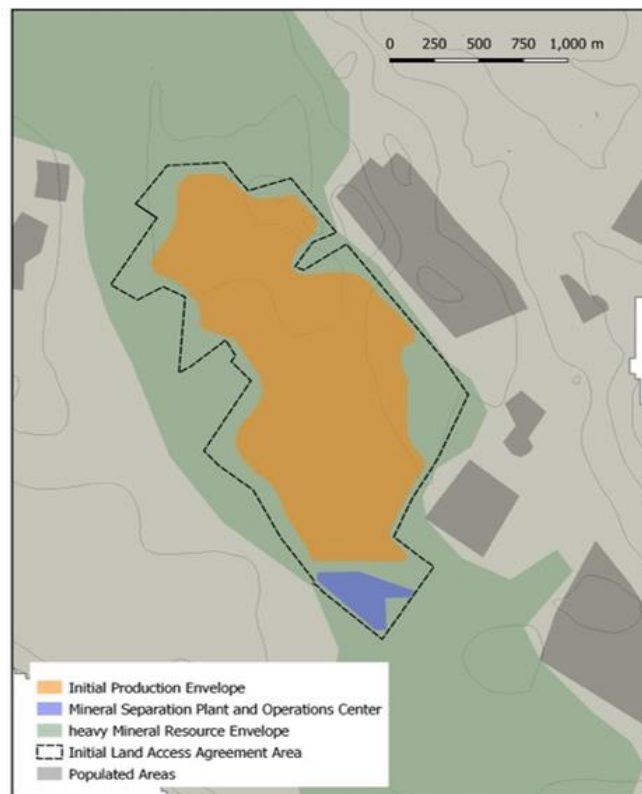
As part of the EIA process and ongoing community relations for the Project, TSL intends to promote the formation of a Community Consultation Committee (CCC) that will enable company

representatives to engage with local leaders and representatives to exchange views and information on an ongoing basis.

Other EIA initiatives currently being planned are water monitoring programs and development of a plant nursery to trial rehabilitation plantation crop seedling generation.



**Figure 1: Priority Stage 1 Land Access Agreement area at Mannar Island**



**Figure 2: Mannar Island initial production envelope, Mineral separation plant and operations centre**



**Figure 3: Identifying locations for environmental clearance review**

## STRATEGIC INVESTMENT AND OFFTAKE

TSL has re-commenced discussions with offtake and strategic partners around the required Project capex of \$122m and these are expected to develop further as the mining license process develops. Capital Metals (another HMS project in Sri Lanka) recently agreed terms with Lomon Billions (LB) in China, to guarantee 100% offtake and fund 100% of capex of \$80m for a 40% stake in Capital Metals.

## TENURE

The Geological Survey and Mines Bureau (GSMB) has approved the Company's applications for the change of status for a further 4 exploration licenses into retention status, pending the completion of the mining lease application process. TSL's five most important exploration licences covering the core resources of the Project will now be held as retention licences (Table 1).

**Table 1 Mannar Island Project tenure**

Exploration Licence	Holder	EL	Validity	Area	Status
EL 370	Kilsythe Exploration (PVT) LTD	18/05/2023	17/05/2024	31km <sup>2</sup>	Current - retention
EL 351	Sanur Minerals (PVT) LTD	13/12/2023	12/12/2024	15km <sup>2</sup>	Current
EL 425	Sanur Minerals (PVT) LTD	19/11/2023	18/11/2024	10km <sup>2</sup>	Current
EL 423	Orion Minerals (PVT) LTD	15/11/2023	14/11/2024	5km <sup>2</sup>	Current
EL 424	Orion Minerals (PVT) LTD	15/11/2023	14/11/2024	8km <sup>2</sup>	Current
EL 180/R/3	Applex Ceylon (PVT) LTD	5/03/2019	4/03/2021	45km <sup>2</sup>	Renewal Pending
EL 182/R/3	Applex Ceylon (PVT) LTD	5/03/2019	4/03/2021	26km <sup>2</sup>	Renewal Pending
EL 371	Hammersmith Ceylon (PVT) LTD	26/02/2018	25/02/2020	4km <sup>2</sup>	Renewal Pending
EL 372	Hammersmith Ceylon (PVT) LTD	26/02/2018	25/02/2020	51km <sup>2</sup>	Renewal Pending
			Total	195km <sup>2</sup>	

## CAPITAL RAISE

As announced to the ASX ([ASX :TSL 16/4/2024](#))<sup>1</sup> the Company conducted a capital raising through a placement to sophisticated and professional investors.

## PAYMENTS TO RELATED PARTIES

The total amount paid to related parties of the Company and their associates, as per item 6.1 and 6.2 of the attached Appendix 5B was \$91k and \$5k respectively. These payments are for Directors fees, salaries and superannuation during the quarter.

## OTHER ASX REQUIREMENTS

ASX Listing Rule 5.3.1: Exploration and Evaluation expenditure during the Quarter was \$71k.

ASX Listing Rule 5.3.2: There were no mining production and development activities during the Quarter.

**Ends-**

The Board of Directors of Titanium Sands Ltd authorised this announcement to be given to ASX.

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## COMPLIANCE STATEMENTS

### *Forward-Looking Statements*

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning the Company's planned exploration program and other statements that are not historical facts. When used in this document, the words such as "could," "plan," "expect," "intend," "may", "potential," "should," "further" and similar expressions are forward-looking statements. Although the Company believes that its expectations reflected in these forward- looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that further exploration will result in additional Mineral Resources.

### *Competent Persons*

Except where indicated, exploration and technical information above have been reviewed and compiled by James Searle BSc (hons), PhD, a Competent Person who is a Member of the Australian Institute of Mining and Metallurgy, with over 37 years of experience in metallic and energy minerals exploration and development, and as such has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr Searle is the Managing Director of Titanium Sands Limited and consents to the inclusion of this technical information in the format and context in which it appears.

***Previously Reported information foot notes for reference***

This report includes information that relates to announcements previously made to the ASX. The information was extracted from the Company's previous ASX announcements as follows:

***Note 1 ASX Announcement : 16<sup>th</sup> of April 2024, Titanium Sands Ltd Placement.***

## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

**Name of entity**

Titanium Sands Limited

**ABN**

65 009 131 533

**Quarter ended ("current quarter")**

31 March 2024

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(135)	(412)
	(e) administration and corporate costs	(115)	(595)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	2
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(249)</b>	<b>(1,005)</b>

<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities	-	(352)
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	(71)	(938)
	(e) investments	-	-
	(f) other non-current assets	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(71)</b>	<b>(1,290)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	2,575
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	9	(179)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
	Proceeds from shares yet to be issued	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>9</b>	<b>2,396</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	482	70
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(249)	(1,005)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(71)	(1,290)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	9	2,396

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	<b>Cash and cash equivalents at end of period</b>	<b>171</b>	<b>171</b>

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	171	482
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>171</b>	<b>482</b>

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	91
6.2	Aggregate amount of payments to related parties and their associates included in item 2	5
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	<b>-</b>	<b>-</b>
7.5	<b>Unused financing facilities available at quarter end</b>		<b>-</b>
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
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<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(249)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(71)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(320)
8.4 Cash and cash equivalents at quarter end (item 4.6)	171
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	171
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	0.53
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: Yes	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: Yes, as announced on 16 <sup>th</sup> April 2024, the Company has received firm commitments from sophisticated and professional investors to raise \$1.5m (before costs), with potential further commitments to be finalised.	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: Yes, for the reasons noted in 8.8.2 above.	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 29 April 2024

Authorised by: By the Board  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An

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**Mining exploration entity or oil and gas exploration entity quarterly cash flow report**

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entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, 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. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.