titaniumsands LTD

ASX RELEASE

29th July 2024

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QUARTERLY OPERATIONS REPORT TO 30th JUNE 2024

- Titanium Sands Ltd's Australian directors and local management team were pleased to be invited to a meeting at the Presidential Secretariat in Colombo to discuss the co-ordination of government departments involved in the project regulatory approval processes

- Board of Investment (BOI) has assumed the role of co-ordinating the Governmental departments and agencies responsible for the regulatory processes concerning the Mannar Heavy Mineral Project

- As part of the Environmental Impact Assessment process, Titanium Sands' local and Australian management have been engaging extensively with local government and communities

- A meeting of landowners covering the area of the project EIA held at the TSL site office, have expressed their strong support for the Project and the need for it to progress through the regulatory processes as soon as possible

- Retention renewal approval granted by the Geological Survey and Mines Bureau for EL370

CO-ORDINATION MEETING AT THE PRESIDENTIAL SECRETARIAT IN COLOMBO

On the 25th of April 2024, Titanium Sands Ltd's Australian directors and local management team were invited to a meeting at the Presidential Secretariat in Colombo to discuss the co-ordination of government departments involved in the project regulatory approval processes. The meeting was Chaired by the Secretary to the President of Sri Lanka Mr E.M.S.B. Ekanayake. Present at the meeting were heads of a number of government departments and agencies responsible for the regulatory processes for the Mannar Heavy Mineral Project. Present also was His Excellency Mr Paul Stephens, the Australian High Commissioner to Sri Lanka.

Titanium Sands Ltd was grateful for this meeting opportunity and sees it as a strong endorsement of the Sri Lankan Government's stated intentions to attract foreign investment. The Company is also thankful for the continued assistance of the Australian High Commission to Sri Lanka in interactions with the Government of Sri Lanka.

BOARD OF INVESTMENT CO-ORDINATION ROLE

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. Following from the meeting at the Presidential Secretariat, the BOI has now assumed a co-ordinating role with respect to the governmental departments and agencies responsible for the regulatory processes concerning the Mannar Heavy Mineral Project.

MEETINGS WITH LOCAL GOVERNMENT AND COMMUNITY LEADERS

Titanium Sands Ltd's local and Australia management continue to take every opportunity to engage with local communities and local government in the Mannar District to discuss the Project and local issues. On a recent visit, the Managing Director Dr James Searle was thankful to have the opportunity to meet with the Catholic Bishop of Mannar, His Grace Bishop Fernando. Catholics constitute the largest religious group in the Mannar District (over 57%). It was an opportunity to hear how the long running civil strife in Sri Lanka from 1983 to 2009 caused much trauma in the northern populations that will likely be multigenerational and has left a distrust of outside influences.

The Managing Director also met with the District Secretary Mr K. Kanakeshwaran to discuss the co-ordination of visits to Mannar of the regulatory agencies from Colombo and elsewhere.

LANDOWNER MEETING

A meeting was held at the Titanium Sands Ltd site office with approximately 50 landowners in the Mannar Heavy Mineral Project EIA area, a large proportion of landowners attended. They had all previously entered into access agreements with respect to the EIA and options for going forward. All were vociferous in their support for the project and expressed frustration at the pace of the regulatory approval processes.

The meeting also discussed the Company's initiative of setting up of a trial nursery for plant strains potentially suitable for the planned continuous rehabilitation of the land with commercial plantation development.

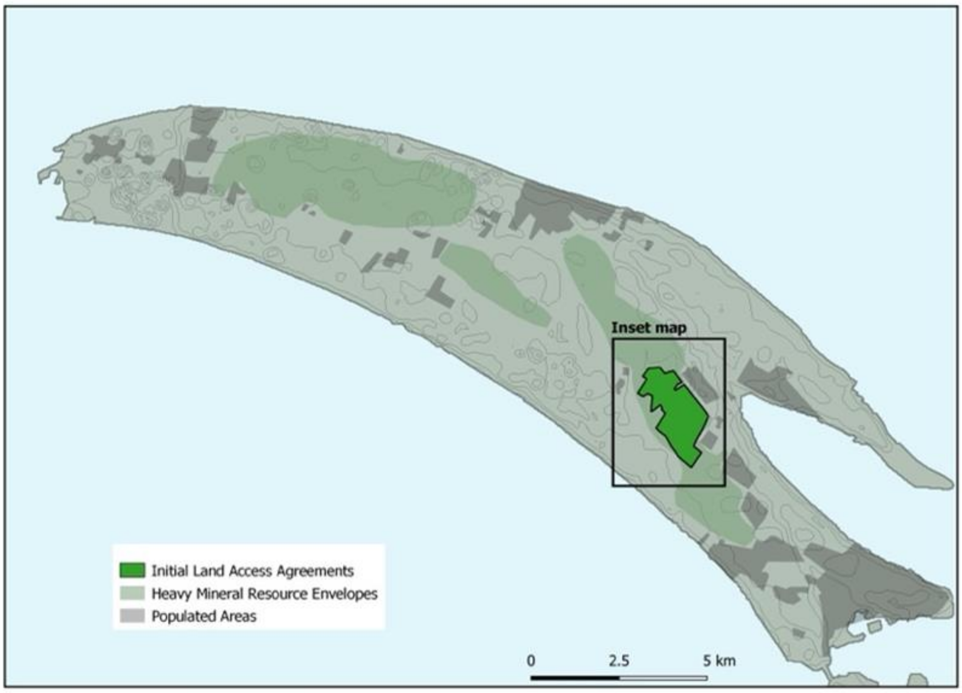

Figure 1: Priority Stage 1 Land Access Agreement area at Mannar Island.

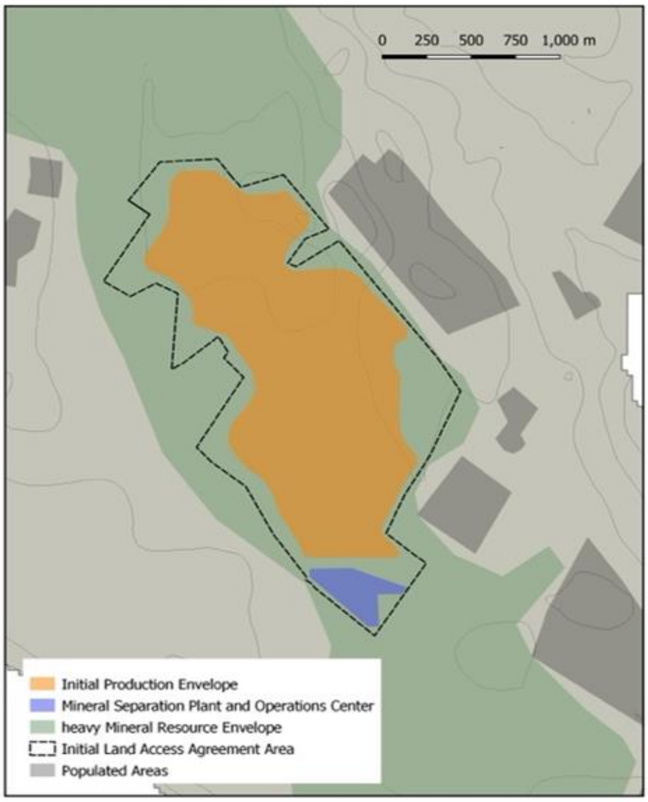

Figure 2: Mannar Island initial production envelope, Mineral separation plant and operations centre

Figure 3: Identifying locations for environmental clearance review.

TENURE

The Geological Survey and Mines Bureau (GSMB) has approved the Company's applications for the renewal of retention status for EL370 pending the completion of the mining lease application process (***ASX Announcement: 11th of June 2024)***[1]. TSL's five most important exploration licences covering the core resources of the Project are now held as retention licences (Table 1).

Table 1 Mannar Island Project tenure.

Exploration License	Holder	EL	Validity	Area	Status
EL 370	Kilsythe Exploration (PVT) LTD	4/05/2021	3/05/2023	31km^2	Current retention
EL 351	Sanur Minerals (PVT) LTD	13/12/2019	12/12/2021	15km^2	Current retention
EL 345	Sanur Minerals (PVT) LTD	29/10/2021	28/10/2023	10km^2	Current retention
EL 343	Orion Minerals (PVT) LTD	29/10/2021	28/10/2023	5km^2	Current retention
EL 344	Orion Minerals (PVT) LTD	29/10/2021	28/10/2023	8km^2	Current retention
EL 180/R/3	Applex Ceylon (PVT) LTD	5/03/2019	4/03/2021	45km^2	Renewal Pending
EL 182/R/3	Applex Ceylon (PVT) LTD	5/03/2019	4/03/2021	26km^2	Renewal Pending
EL 371	Hammersmith Ceylon (PVT) LTD	26/02/2018	25/02/2020	4km^2	Renewal Pending
EL 372	Hammersmith Ceylon (PVT) LTD	26/02/2018	25/02/2020	51km^2	Renewal Pending
			Total	195km^2	

CAPITAL RAISE

As announced ***(ASX: ASX Announcement 16th April 2024)***[2] 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 $88k and $16k 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 $90k.
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 : 11th of June 2024, Retention approval of major license at Sri Lankan Project.

Note 2 ASX Announcement : 16th April 2024, Placement.

Appendix 5B

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

Name of entity

Titanium Sands Limited

ABN	**Quarter ended ("current quarter")**
65 009 131 533	30 June 2024

Consolidated statement of cash flows			**Current quarter $A'000**	**Year to date (12 months) $A'000**
1.	**Cash flows from operating activities**			
1.1	Receipts from customers			
1.2	Payments for			
	(a)	exploration & evaluation	-	-
	(b)	development	-	-
	(c)	production	-	-
	(d)	staff costs	(149)	(561)
	(e)	administration and corporate costs	(287)	(882)
1.3	Dividends received (see note 3)		-	-
1.4	Interest received		2	4
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)		-	-
1.9	**Net cash from / (used in) operating activities**		**(434)**	**(1,439)**

2.	**Cash flows from investing activities**			
2.1	Payments to acquire or for:			
	(a)	entities	-	(352)
	(b)	tenements	-	-
	(c)	property, plant and equipment	-	-
	(d)	exploration & evaluation	(90)	(1,028)
	(e)	investments	-	-
	(f)	other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
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)	-	-
2.6	**Net cash from / (used in) investing activities**	**(90)**	**(1,380)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,635	4,210
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	(110)	(289)
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	-	-
3.10	**Net cash from / (used in) financing activities**	**1,525**	**3,921**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	171	70
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(434)	(1,439)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(90)	(1,380)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,525	3,921

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (12 months) $A'000**
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**1,172**	**1,172**

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	1,172	171
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**1,172**	**171**

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	88
6.2	Aggregate amount of payments to related parties and their associates included in item 2	16

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.

7.	**Financing facilities** *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.*	**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	**Total financing facilities**	**-**	**-**

7.5	**Unused financing facilities available at quarter end**	-

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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8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(434)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(90)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(524)
8.4	Cash and cash equivalents at quarter end (item 4.6)	1,172
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	1,172
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	2.24

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.

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: N/A

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: N/A

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: N/A

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.

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 July 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

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.