ASX RELEASE

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ASX: TSL

ACQUISITION OF JAMES GLOBAL AND PARTNERSHIP WITH JAT HOLDINGS

HIGHLIGHTS:

- **TSL has signed a binding term sheet to acquire James Global (Pvt) Ltd, which is an associate company of JAT Holdings PLC, subject to various conditions being satisfied**
- **JAT Holdings PLC is a Colombo Stock Exchange listed company, which has various businesses including supplying finishing and furnishing solutions including coatings and paints and accessories to local and international markets and the direct sourcing of titanium dioxide based pigments used its products**
- **James Global (Pvt) Ltd, holds heavy mineral sand exploration tenure on the NE Coast of Sri Lanka**
- **TSL intends to engage JAT Holdings PLC as its in-country partner to assist with TSL's Sri Lankan activities**
- **JAT Holdings PLC Managing Director Aelian Gunawardene will be appointed to the board of TSL as Non-Executive Director**
- **JAT Holdings PLC is a significant importer of TiO_2 based pigment for coatings manufacture and the proposed transaction represents a synergistic fit with TSL**

Titanium Sands Limited ("**TSL**" or the "**Company**") is pleased to announce it has executed a Binding Term Sheet to acquire James Global (Pvt) Ltd (**James Global**), which is an associate company of JAT Holdings PLC, and to appoint JAT Holdings PLC as its in-country partner to assist with TSL's Sri Lankan activities.

Background
JAT Holdings PLC is a Colombo Stock Exchange (CSE) listed company recognised as a leader in the finishing and furnishing sectors across South Asia, Sri Lanka, Bangladesh, India, Maldives, Seychelles, Mauritius, Kenya and Ghana. JAT Holdings PLC was incorporated in 1993 and has been recognised in the Top 100 Most Respected Sri Lankan Companies for four consecutive years and was ranked 21 among the most awarded companies in Sri Lanka in 2022 and ranked 1 in the diversified sector. JAT Holdings PLC has a team of over 400 employees across its business range, deployed in various business units including supplying finishing and furnishing solutions including

coatings and paints and accessories to local and international markets, and the direct sourcing of titanium dioxide pigments used its products. Potential synergies created by the acquisition and proposed in-country partnership could be of benefit to both parties.

Both TSL and JAT Holdings PLC believe the long term outlook for ilmenite feedstock is positive with widespread use of titanium dioxide pigments in industrial and consumer goods. Demand for titanium heavy mineral derived pigment is strongly linked to global GDP growth.

Exploration Tenure held by James Global

Overview

James Global's geological team has identified exploration tenure along the NE coast of Sri Lanka with widespread occurrences of heavy mineral sands in Pleistocene to modern sedimentary sequences. James Global is in possession of Exploration Licence No. EL/391 which comprises of 19 square kilometer grid units along the coastal stretch between Nilaweli and Thevikallu in North- East Sri Lanka (refer to Figure 1 below).

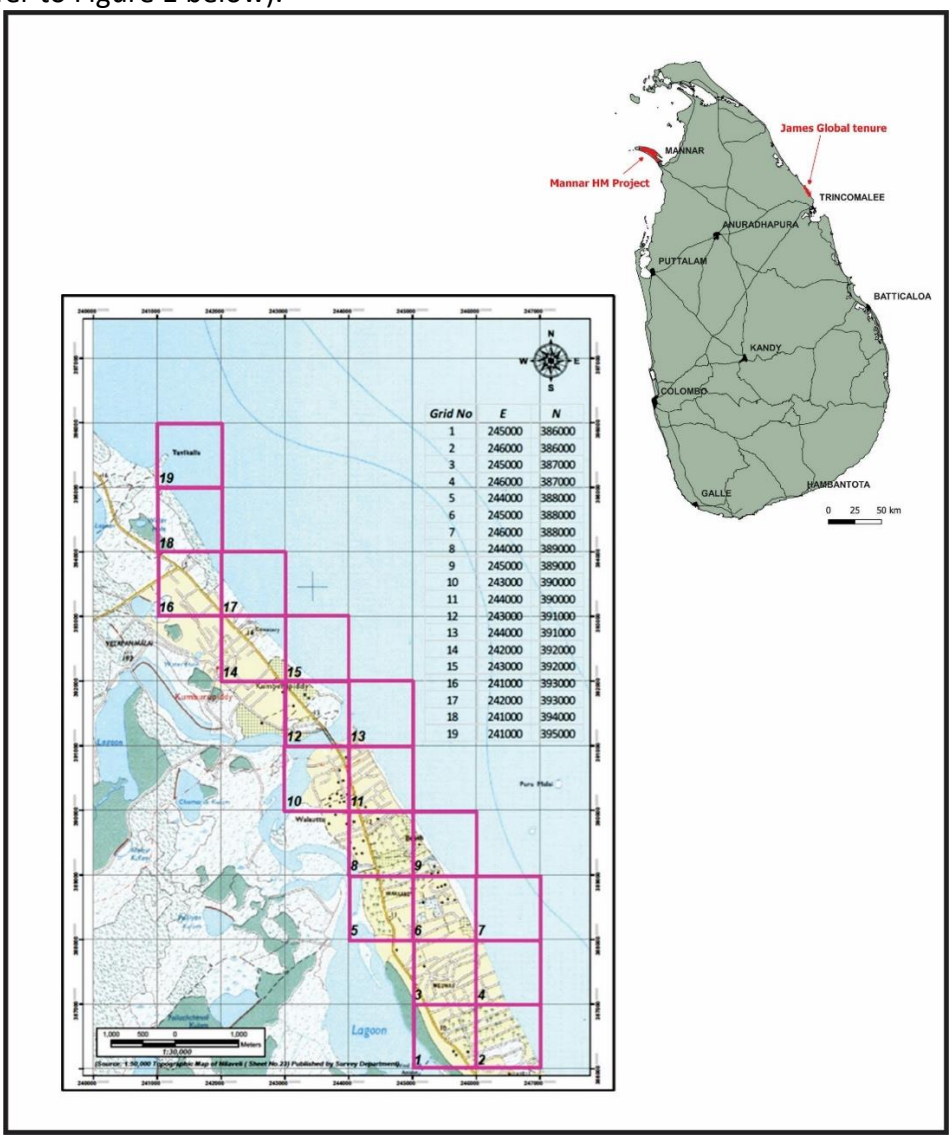

Fig. 1: Location Map of the Selected Grid Units along the Coastal Stretch between North of Nilaweli and Thevikallu in Trincomalee District

Historical exploration

During 2019 James Global's exploitation team conducted reconnaissance geological exploration along the northeast coast of Sri Lanka in the Trincomalee District and identified heavy mineral bearing Pleistocene to modern dune, paleobeach and modern beach sequences. An exploration licence covering 19 square kilometer grids was secured (Figure 1). The geological environment was shown to be analogous to the heavy mineral deposits at Pulmuddai located 40 kilometers to north where heavy mineral sands have been mined for over 50 years by the Sri Lankan Government owned Lanka Mineral Sands Mine.

Samples taken by James Global were analysed for heavy mineral content by the Department of Earth Resources Engineering at the University of Moratuwa, Colombo. The heavy mineral results are shown in Table 1 and Figure 2.

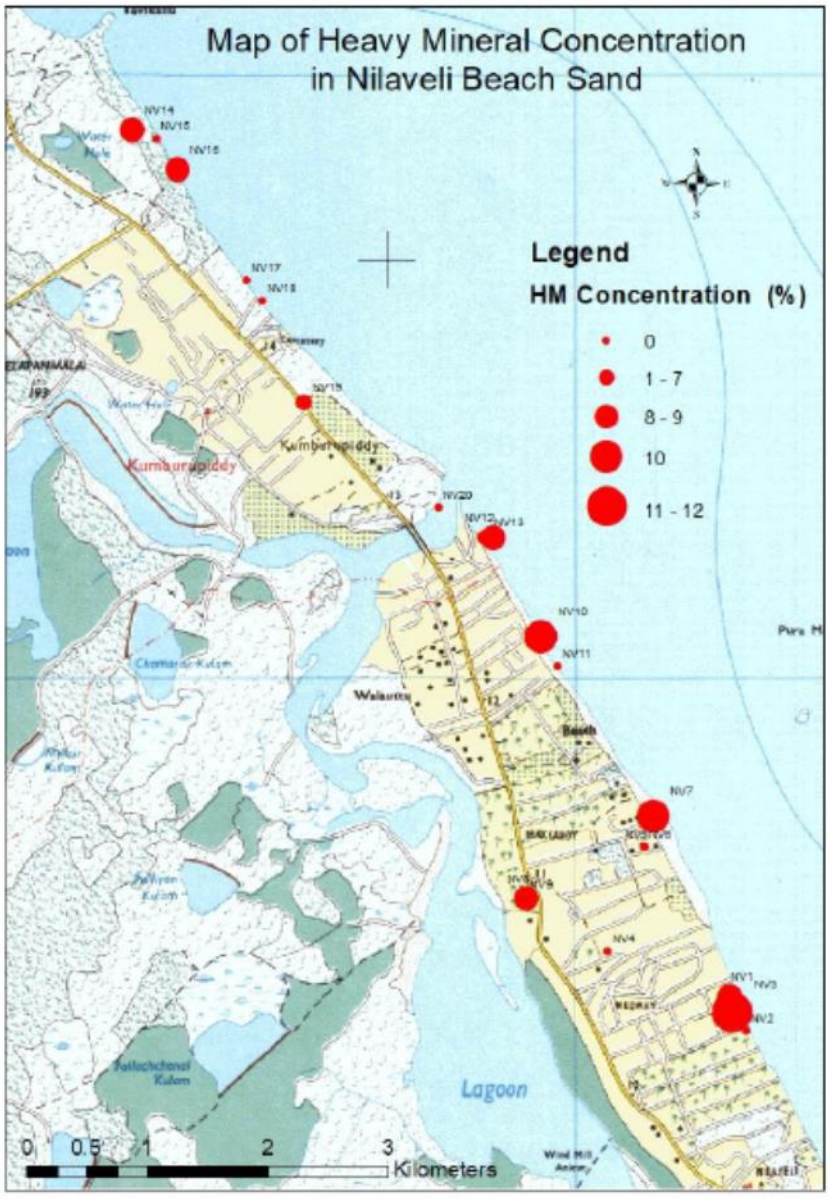

Figure 2 James Global sediment sampling heavy mineral results.

Sample	Heavy Mineral %
NV1	10
NV3A	7
NV3B	9
NV7	9
NV8	7
NV10	9
NV12	9
NV13	8
NV14	8
NV16	9
NV19	10
Ave.	9

Table 1 Heavy Mineral results Nilaveli

Cautionary statement: the exploration results on Exploration Licence No. EL/391 reported in this announcement are foreign and historical exploration results for the purposes of the ASX Listing Rules. Accordingly:

- These exploration results are not reported in accordance with JORC Code (2012).
- A competent person has not done sufficient work to investigate the foreign and historical exploration results in accordance with the JORC Code (2012).
- TSL has not independently validated these exploration results and therefore is not to be regarded as reporting, adopting or endorsing those results.
- It is possible that following further evaluation and/or exploration work that the confidence in these exploration results may be reduced when reported under the JORC Code (2012).
- Nothing has come to the attention of the acquirer that causes it to question the accuracy or reliability of these exploration results.

It is uncertain that, following evaluation and/or further exploration work, that the above foreign and historical exploration results will be able to be reported in accordance with the JORC Code (2012).

Full disclosure required to comply with ASX "Mining Reporting Rules for Mining Entities: Frequently Asked Questions" FAQ 36 are contained in Appendix 1 and the JORC Table 1 in Appendix 2 of this announcement.

Exploration plan

It is proposed that an initial 50 or more hole due diligence exploration drilling program (RC aircore) be conducted on the ground held by James Global within 3 months of settlement. Subject to the results of this initial exploration, TSL will look to undertake further work to define a JORC 2012 complaint heavy mineral resource.

The existing ground held by James Global compliments TSL's existing Mannar Island project and future growth plans. TSL remains focused on delivering a high-grade HMS project in Sri Lanka and

the proposed acquisition and partnership with JAT Holdings PLC secures a very strong in-country partner to assist in meeting these objectives.

Proposed transaction key terms

TSL, via its Sri Lankan subsidiary, will acquire 100% of the issued share capital of James Global in consideration for TSL share and cash payments outlined below. As a condition to the acquisition, TSL will appoint JAT Holdings PLC as its in-country partner to assist with Sri Lankan management and operational matters, including dealings on with the Sri Lankan Government and government bodies, private land owner arrangements and mining approvals, together with administrative functions including office hosting facilities, on terms to be mutually agreed between the parties.

As part of the proposed transaction, JAT Holdings Plc's Managing Director, Aelian Gunawardene, will be appointed to the board of TSL as a Non-Executive Director. Aelian is the founder of JAT Holdings Plc and is a marketing professional locally in Sri Lanka and internationally. Aelian has successfully led JAT Holdings PLC to the recognition of being the only private company in Sri Lanka to be awarded a Moody's ICRA rating of 'A+ (Stable)' outlook for five consecutive years and Fitch Ratings has assigned JAT Holdings PLC a National Long-Term Rating of 'AA (lka)'. Aelian is one of Sri Lanka's most respected corporate leaders, contributing more than 28 years of experience and strategic expertise, and was awarded the honour of Sri Lanka's Entrepreneur of the Year in 2017.

The terms of the acquisition of 100% of James Global will consist of the payment of up to US$1,200,000 in cash and the issue of up to 140,000,000 fully paid ordinary shares in the capital of TSL, equating to ten percent (10%) of TSL's total shares on issue, which shall be payable as follows:

- US$300,000 in cash on settlement;

- US$400,000 in cash and 50,000,000 TSL shares on completion of an initial 50 or more hole due diligence exploration drilling program on the exploration permits held by James Global (Pvt) Ltd, laboratory analysis of drilling samples and announcement by TSL of JORC 2012 compliant drilling results confirming intersections on the exploration permits held by James Global (Pvt) Ltd of total heavy minerals at a grade of at least 5% over at least 2 meters in at least 20 holes, as verified by an independent competent person, within 3 months from settlement;

- US$500,000 in cash and 90,000,000 ordinary fully paid shares in TSL on receipt of a JORC 2012 compliant resource of at least 10Mt of at a minimum grade of 5% total heavy minerals on the exploration permits held by James Global, as verified by an independent competent person, within 9 months of settlement.

TSL has agreed to spend a minimum of $60K on exploration and development on the ground held by James Global within 3 months from settlement.

The transaction is subject to a number of conditions precedent, including:

- completion of further due diligence by the parties within 4 weeks;

- execution of formal agreements for the transaction, including a formal consulting arrangement for the proposed in-country partnership between TSL and JAT Holdings PLC on terms to be mutually agreed;

- the parties obtaining all required or desirable regulatory approvals (including Sri Lankan regulatory approvals and approvals from the Minister of Mines, the Mines Department of Sri Lanka or otherwise) and all approvals required under the Corporations Act and the ASX Listing Rules, including TSL shareholder approval; and

- TSL raising funds to fulfil its payment obligations under the acquisition and provide sufficient working capital for its proposed activities.

The parties have 6 months, or such time mutually agreed, to satisfy the conditions to the transaction and proceed to settlement.

Proposed capital raising

As at 31 March 2023, TSL held cash and cash equivalents of ~$187K. TSL recently secured $700K in debt facilities from major shareholders (refer to ASX Announcement on 26 April 2023), providing TSL with funding to meet its short term working capital requirements. Given the cash payments and minimum expenditure required for the proposed transaction exceed TSL's current available funding, TSL will need to raise at least a further $2 million to provide it with sufficient working capital to fund the proposed transaction and carry out its proposed exploration and development activities should the proposed transaction proceed. Such funds are expected to be raised via further debt facilities, a private placement and/or a pro-rata offer of new shares by TSL to shareholders. TSL intends to use the funds raised from any such capital raising together with its existing reserves, as follows:

- up to US$1.2 million (~AU$1.82 million) on cash payments due under the proposed acquisition;

- approximately $460K on continued operational spend at its Mannar Island Project, including an environmental impact assessment, regulatory applications, post-scoping study feasibility work and associated activities;

- approximately $110K on exploration on the ground held by James Global, including initial due diligence drilling, sample analysis and resource modelling; and

- the balance used for general working capital purposes.

Indicative timetable

An indicative timetable for the proposed transaction is as follows:

Completion of due diligence	25 May 2023
Finalisation of formal documentation	30 June 2023
Holding of TSL shareholder meeting seeking required approvals	31 August 2023
Completion of fundraising required for the transaction	1 September 2023
Settlement of the transaction	8 September 2023

Further updates will be provided to shareholders in due course.

Cautionary statement: Whilst TSL is optimistic about successfully concluding the proposed transaction, as at the date of this announcement there cannot be any assurance that the conditions precedent with respect to the transaction will be satisfied and that the proposed transaction will proceed. Further, the capital raising required to proceed with the proposed transaction (as outlined above) is also a condition to the proposed transaction. Accordingly, investors are cautioned against making investment decisions on the assumption that TSL will successfully complete any of the transactions proposed in this ASX announcement.

Ends-

The Board of Directors of Titanium Sands Ltd authorised this announcement to be given to the ASX.
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Competent person statement

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.

APPENDIX 1 – HISTORICAL EXPLORATION RESULTS

In compliance with Question 26 of the ASX "Mining Reporting Rules for Mining Entities: Frequently Asked Questions" the following table is provided in relation to the exploration results included in this ASX announcement on Exploration Licence No. EL/391 held by James Global (Pvt) Ltd. The points below address the discussion of historical exploration results.

Question	Answer
That the Exploration Results have been reported by the former owner rather than the acquirer	The results discussed by TSL in this announcement are reported by the former owners of the area from which the tenure is applied/granted for.
The source and date of Exploration Results – the announcement must attach a copy of the original report of the Exploration Results by the former owner or state the location where the report can be viewed by interested readers	2019. No publication of results known to the CP.
Which edition of the JORC Code they were reported under and the fact that the reporting of those Exploration Results may not conform to the requirements in the JORC Code 2012	Not reported under the JORC code.
The acquirer's view on the reliability of the Exploration Results, including by reference to any of the criteria in Table 1 the JORC Code 2012 which are relevant to understanding the reliability of the Exploration Results	It is of the CP's opinion that the data is reliable given the noted mineralised intersections are appropriately logged and explain the stated mineralisation.
To the extent known, a summary of the work programs on which the Exploration Results were based	Details of the programs are not known as the CP is in possession of collated data, however, the collated data appears to be valid and will require confirmation through compliant and methodical exploration practices via field work within the next 12 months.
Any more recent Exploration Results or data relevant to understanding the Exploration Results	None are known to the CP.
The evaluation and/or exploration work that needs to be completed to report the Exploration Results in accordance with the JORC Code 2012	Please refer to the "Exploration Plan" section of this announcement.
The proposed timing of any evaluation and/or exploration work that the acquirer intends to undertake and a comment on how the acquirer intends to fund that work	Please refer to the "Exploration Plan" section of this announcement.
A statement by a named Competent Person(s) that the information in the market announcement is an accurate representation of the available data and studies for the material mining project	The CP, as signed in this announcement, believes that the information contained within this announcement and in possession of TSL is an accurate representation of the available data and studies for all proposed projects detailed in this announcement.

A cautionary statement proximate to, and with equal prominence as, the reported Exploration Results stating that: • The Exploration Results have not been reported in accordance with the JORC Code 2012; • A Competent Person has not done sufficient work to disclose the Exploration Results in accordance with the JORC Code 2012; • It is possible that following further evaluation and/or exploration work that the confidence in the prior reported Exploration Results may be reduced when reported under the JORC Code 2012; • That nothing has come to the attention of the acquirer that causes it to question the accuracy or reliability of the former owner's Exploration Results; but • The acquirer has not independently validated the former owner's Exploration Results and therefore is not to be regarded as reporting, adopting or endorsing those results.	Please refer to the Cautionary Statements inserted within the announcement.

APPENDIX 2 – JORC CODE 2012 EDITION – TABLE 1 INFORMATION

The purpose of Table 1 below is to comply with Question 36 of the ASX "Mining Reporting Rules for Mining Entities: Frequently Asked Questions". The information provided below is not to report the results under JORC 2012.

Section 1: Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	● *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* ● *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* ● *Aspects of the determination of mineralisation that are Material to the Public Report.* ● *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	● The CP is unable to verify the actual sampling technique employed during the exploration programs other than it was stated that samples were collected from unconsolidated materials from surface to a depth of 20cm
Drilling techniques	● *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	● No historical drilling

Drill sample recovery	● *Method of recording and assessing core and chip sample recoveries and results assessed.* ● *Measures taken to maximise sample recovery and ensure representative nature of the samples.* ● *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	● Not applicable, surface samples only.
Logging	● *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* ● *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* ● *The total length and percentage of the relevant intersections logged.*	● Not applicable, surface samples only.
Sub-sampling techniques and sample preparation	● *If core, whether cut or sawn and whether quarter, half or all core taken.* ● *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* ● *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* ● *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* ● *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* ● *Whether sample sizes are appropriate to the grain size of the material being sampled.*	● Not applicable , surface samples only no subsampling.

Quality of assay data and laboratory tests	● *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* ● *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* ● *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	● The CP is unable to verify any QAQC measures.
Verification of sampling and assaying	● *The verification of significant intersections by either independent or alternative company personnel.* ● *The use of twinned holes.* ● *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* ● *Discuss any adjustment to assay data.*	● The CP has been unable to verify sampling or laboratory techniques.
Location of data points	● *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* ● *Specification of the grid system used.* ● *Quality and adequacy of topographic control.*	● The CP understand that sample locations were GPS determined in WGS 84

Data spacing and distribution	● *Data spacing for reporting of Exploration Results.* ● *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* ● *Whether sample compositing has been applied.*	Not applicable , no drilling, no pattern sampling, locations shown in body of announcement.
Orientation of data in relation to geological structure	● *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* ● *If the relationship between the drilling orientation and the orientation of key mineralized structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	● Surface sampling of unconsolidated material.
Sample security	● *The measures taken to ensure sample security.*	● The CP is unable to verify this aspect.
Audits or reviews	● *The results of any audits or reviews of sampling techniques and data.*	● No external audit of the results.

Section 2: Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	● *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* ● *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	● Exploration tenure described in body of announcement, which is currently expired but is to be renewed or re-issued in favour of James Global (Pvt) Ltd as a condition to the acquisition proceeding.
Exploration done by other parties	● *Acknowledgment and appraisal of exploration by other parties.*	● Historical exploration by James Global (Pvt) Ltd.
Geology	● *Deposit type, geological setting and style of mineralisation.*	● Heavy mineral sands hosted by unconsolidated Pleitocene and Holocene dune, beach ridge and beach sequences.
Drill hole Information	● *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.* ● *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	● Not applicable, surface samples only.
Data aggregation methods	● *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* ● *Where aggregate intercepts incorporate short lengths of high grade results and longer*	● Not applicable, no data aggregation.

	lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. ● *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	
Relationship between mineralisation widths and intercept lengths	● *These relationships are particularly important in the reporting of Exploration Results.* ● *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* ● *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	● Unknown.
Diagrams	● *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	● Please see main body of the announcement for the relevant figures.
Balanced reporting	● *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	● All results have been presented.
Other substantive exploration data	● *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	● No further information is in the CP's possession.
Further work	● *The nature and scale of planned further work (eg tests for lateral extensions or depth*	● Please see main body of the announcement.

	extensions or large-scale step-out drilling). ● *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	