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# TITANIUM SANDS LIMITED

ACN 009 131 533

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## ADDENDUM TO NOTICE OF ANNUAL GENERAL MEETING

Notice is given to Shareholders that, in relation to the notice of annual general meeting dated 27 October 2023 (**Notice of Meeting**) concerning the annual general meeting of Shareholders to be held at Level 8, 216 St Georges Terrace, Perth WA 6000 on 28 November 2023 at 11.30 am (WST), the Directors have determined to issue this addendum to the Notice of Meeting (**Addendum**) for the purposes set out below.

Capitalised terms and abbreviations used in this Addendum have the same meaning as set out in the Notice of Meeting, unless otherwise defined.

**This Addendum is supplemental to the Notice of Meeting and should be read in conjunction with the Notice of Meeting.** Save for the changes set out below, all other Resolutions proposed and information in the Notice of Meeting, including the Explanatory Memorandum, remain unchanged.

The Company confirms that in issuing this Addendum, **there is no change to the time, date or location of the Meeting.**

### Additional Resolutions

By this Addendum, four additional resolutions are added to the Notice of Meeting as follows:

- Resolution 4 – Approval to issue securities;
- Resolution 5 – Approval to issue Conversion Securities to Willis Holdings;
- Resolution 6 – Approval to grant Fee Options to Willis Holdings; and
- Resolution 7 – Approval to issue securities to Doug Martens.

### Explanatory Memorandum – Supplementary Information

By this Addendum, four additional sections are added to the Explanatory Memorandum to the Notice of Meeting as follows which contains further details on the resolutions added by this Addendum:

- Resolution 4 – Approval to issue securities;
- Resolution 5 – Approval to issue Conversion Securities to Willis Holdings;
- Resolution 6 – Approval to grant Fee Options to Willis Holdings; and
- Resolution 7 – Approval to issue securities to Doug Martens.

### Replacement Proxy Form and Voting Instructions

Enclosed with this Addendum is a replacement Proxy Form.

If Shareholders wish to have their votes counted by proxy in respect of the above Resolutions, Shareholders **must** use the replacement Proxy Form to vote on all the Resolutions. If a party provides a replacement Proxy Form, any Proxy Form dispatched with the original Notice of Meeting which has been completed by that party will be disregarded.

The Company reserves the right to accept a Proxy Form dispatched with the original Notice of Meeting if a new replacement Form is not provided by the relevant Shareholder.

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

*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 accountant, solicitor or other professional adviser prior to voting.*

***Should you wish to discuss any matter please do not hesitate to contact the Company Secretary on +61 8 9481 0389.***

# TITANIUM SANDS LIMITED

ACN 009 131 533

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## AGENDA

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### 1. RESOLUTION 4 – APPROVAL TO ISSUE SECURITIES

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

*"That, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve and authorise the issue of 122,885,200 Shares and 122,885,200 Placement Options to the Applicants on the terms and conditions set out in the Explanatory Memorandum."*

#### Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of the Applicants and their nominees and any other person who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a Shareholder), or any associates of those persons.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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### 2. RESOLUTION 5 – APPROVAL TO ISSUE CONVERSION SECURITIES TO WILLIS HOLDINGS

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

*"That, for the purposes of Listing Rule 10.11, and for all other purposes, Shareholders approve the issue of 40,000,000 Shares and 40,000,000 Placement Options to Willis Holdings (or its nominees) on the terms and conditions in the Explanatory Memorandum."*

#### Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Willis Holdings and its nominees and any other person who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a Shareholder), or any associates of those persons.

However, the Company will not disregard a vote cast in favour of this Resolution by:

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- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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### 3. RESOLUTION 6 – APPROVAL TO GRANT FEE OPTIONS TO WILLIS HOLDINGS

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

*"That, for the purposes of Listing Rule 10.11, and for all other purposes, Shareholders approve the grant of 10,000,000 Placement Options to Willis Holdings (or its nominees) on the terms and conditions in the Explanatory Memorandum."*

#### **Voting Exclusion**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Willis Holdings and its nominees and any other person who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a Shareholder), or any associates of those persons.

However, the Company will not disregard a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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### 4. RESOLUTION 7 – APPROVAL TO ISSUE SECURITIES TO DOUG MARTENS

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

*"That, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve and authorise the issue of 10,000,000 Shares and 10,000,000 Placement Options to Doug Martens (or his nominees) on the terms and conditions set out in the Explanatory Memorandum."*

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### **Voting Exclusion**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Doug Martens or his nominees or a person who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a Shareholder) or any associates of those persons.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**Dated: 16 November 2023**

**By order of the Board**

**James Searle  
Managing Director  
Titanium Sands Limited**

# TITANIUM SANDS LIMITED

ACN 009 131 533

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## EXPLANATORY MEMORANDUM

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### 1. INTRODUCTION

The Explanatory Memorandum outlined in the Notice of Meeting is supplemented by including the sections set out below in this Addendum.

The purpose of this Explanatory Memorandum is to provide Shareholders with all the information known to the Company which is material to a decision on how to vote on the Resolutions accompanying this Addendum.

Capitalised terms and abbreviations used in this Explanatory Memorandum have the same meaning set out in the Notice of Meeting unless otherwise defined otherwise.

The Directors recommend that Shareholders read this Explanatory Memorandum in full before making any decision in relation to the Resolutions.

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### 2. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders should read this Addendum, including the Explanatory Memorandum, carefully before deciding on how to vote on the Resolutions.

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on 26 November 2023 at 5pm (WST).

#### 2.1 Voting in person

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

#### 2.2 Voting by proxy

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

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 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.

***Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9481 0389.***

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### 3. BACKGROUND

#### 3.1 Issue of securities to the Applicants

On 13 July 2023, the Company announced its intention to undertake a capital raise of up to approximately \$2,506,398 through a placement to sophisticated and professional investors (**Placement**) and a 1:5 non-renounceable rights issue to eligible shareholders, both priced at \$0.005 per Share and including a 1:1 free attaching Placement Option (exercisable at \$0.023 and expiring 16 February 2026). The Placement and rights issue were completed raising a total of \$1,809,736, with the shortfall securities to be placed within three months of the rights issue closing (being 1 November 2023).

CPS Capital Group Pty Ltd (**Lead Manager**) acted as lead manager to the Placement and rights issue and facilitated placement of the rights issue shortfall. The Lead Manager is entitled to a placement fee of 6% (plus GST) for any shortfall taken up by their clients.

Applications for shortfall securities under the rights issue were received following the closing date due to unforeseen delays. To facilitate such applications being accepted the Company has agreed to issue securities to applicants on the same terms as under the placement and rights issue using its placement capacity under Listing Rule 7.1.

Applications for a total of 122,885,200 Shares and 122,885,200 free attaching Placement Options have been received from existing Shareholders, clients of the Lead Manager and new investors (**Applicants**) to raise a total of \$614,426 (before costs).

The funds raised will be aggregated with funds raised from the Placement and rights issue and used to fund completion of the acquisition of James Global (Pvt) Ltd, exploration drilling on the ground held by James Global (Pvt) Ltd, progression of the IML application on the Mannar Island Project and associated activities (including GSMB approvals, completion of the Environmental Impact Assessment (EIA) report on the Mannar Island Project and obtaining initial land access agreements and approvals) and for general working capital purposes. Refer to the Company's Prospectus dated 13 July 2023 for further details on next phase activities and use of funds.

Resolution 4 seeks Shareholder approval for the issue of 122,885,200 Shares and 122,885,200 Placement Options to the Applicants under and for the purposes of Listing Rule 7.1.

#### 3.2 Issue of securities to Willis Holdings

On 28 September 2023, the Company held a General Meeting of Shareholders (**September General Meeting**) seeking various Shareholder approvals including for the issue of securities to Willis Holdings Ltd (**Willis Holdings**) (an entity related to Robert Nelson) on conversion of a convertible facility under and pursuant to Listing Rule 10.11 (refer to Notice of General Meeting dated 24 August 2023 – Resolutions 7 and 8).

The resolutions seeking approval for the issue of securities to Willis Holdings were approved by Shareholders on 28 September 2023 (refer to ASX Announcement – Results of Meeting dated 28 September 2023). In accordance with Listing Rule 10.11, the Company had one month from the date of the September General Meeting to issue the securities to Willis Holdings. Due to delays in confirming the Willis Holdings nominee details and oversight by the Company, the securities were not issued during this period. Accordingly, the Company seeks to refresh such Shareholder approvals for the issue of securities to Willis Holdings (or its nominees).

The Company provides the below information to Shareholders to provide Shareholders with all the information known to the Company which is material to a decision on how to vote on Resolutions 5 and 6.

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As announced on 26 April 2023, the Company entered into a convertible facility with Willis Holdings. The convertible facility provided up to \$350,000 in funding available for draw-down by the Company for the Company's working capital purposes (**Convertible Facility**). The Company has drawn down a total of \$200,000 under the Convertible Facility to date.

A summary of all the material terms of the Convertible Facility is set out below:

- **Lender:** Willis Holdings.
- **Facility:** The facility allows the Company to borrow up to \$350,000 from Willis Holdings which can be drawn down at any time.
- **Repayment Date:** 8 September 2023.
- **Repayment:** Repayment of the Convertible Facility is to be by shares or cash at the election of the lender as follows:
  - (i) issue of Shares as repayment will be subject to Shareholder approval (such Shares to be issued at \$0.023 per Share); and
  - (ii) facility repayment in cash will attract an interest rate of 10% per annum on advanced funds.
- **Lender Options:** Willis Holdings will be issued 10,000,000 Placement Options subject to Shareholder approval as part of the fees payable for providing the facility.

As set out in the ASX announcement dated 13 July 2023, the Company subsequently agreed with Willis Holdings to vary the terms of the Convertible Facility so that amounts drawn down under the Convertible Facility converts into securities on the same terms as under the Placement (being at an issue price of \$0.005 per Share with one free attaching Placement Option for each Share issued). At the September General Meeting, noting that \$200,000 had been drawn down under the Convertible Facility, the Company proposed that a total of 40,000,000 Shares and 40,000,000 Placement Options were issued to Willis Holdings on conversion of the Convertible Facility subject to Shareholder approval.

As set out above, Willis Holdings is also entitled to 10,000,000 Placement Options as part of the fees payable for providing the facility.

The number of Securities to be issued to Willis Holdings on conversion of the Convertible Facility is 40,000,000 Shares and 40,000,000 Placement Options, subject to Shareholder approval under Resolution 5. It is proposed that a further 10,000,000 Placement Options be issued to Willis Holdings as part of the fees payable for providing the facility, subject to Shareholder approval under Resolution 6.

Willis Holdings is an associate of Robert Nelson. As Mr Nelson and his related entities have been a substantial (30%+) holder of the Company within the previous 6 months, the proposed issue of the Securities to Willis Holdings falls within Listing Rule 10.11.4 and therefore requires the approval of Shareholders under Listing Rule 10.11. Accordingly, the Company is seeking Shareholder approval for the issue of Securities to Willis Holdings under Resolutions 5 and 6 under and for the purposes of Listing Rule 10.11.

The Company has obtained legal advice from a suitably qualified and experienced lawyer that the terms of the Convertible Facility (as varied) are market-standard and that none of the features noted in section 5.9 of Guidance Note 21 are present.

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### **3.3 Issue of Shares to Doug Martens**

The Company appointed Doug Martens as Chief Operating Officer effective from 13 November 2023. Pursuant to the agreement reached with Mr Martens, the Company has agreed to pay Mr Martens \$180,000 per annum with an upfront payment of \$50,000 to be paid in securities issued on the same terms as the securities issued under the Placement (being Shares at an issue price of \$0.005 per Share and including a 1:1 free attaching Placement Option (exercisable at \$0.023 and expiring 16 February 2026)). The balance of Mr Martens' salary is to be paid in equal monthly instalments of \$10,000. Accordingly, Resolution 7 seeks Shareholder approval to issue 10,000,000 Shares to Mr Martens or his nominated entity under and for the purposes of Listing Rule 7.1.

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## **4. RESOLUTION 4 – APPROVAL TO ISSUE SECURITIES**

### **4.1 General**

As detailed in Section 3.1, the Company has agreed to issue 122,885,200 Shares and 122,885,200 Placement Options to the Applicants.

### **4.2 Listing Rule 7.1**

Listing Rule 7.1 provides that a company must not (subject to specified exceptions), without the approval of shareholders, issue or agree to issue during any 12-month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of ordinary securities on issue at the commencement of that 12 month period.

The issue of securities to the Applicants does not fall within any of the exceptions to Listing Rule 7.1. While the issue of the securities does not exceed the 15% limit in Listing Rule 7.1 and can therefore be made without breaching the rule, the Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain shareholder approval under Listing Rule 7.1. To do this, the Company is seeking Shareholder approval of the issue of securities to the Applicants under Listing Rule 7.1 so that it does not use up any of the 15% limit on issuing equity securities without Shareholder approval set out in Listing Rule 7.1.

To this end, Resolution 4 seeks Shareholder approval for the issue of a total of 122,885,200 Shares and 122,885,200 Placement Options to the Applicants under and for the purposes of Listing Rule 7.1.

### **4.3 Information required by Listing Rule 14.1A**

If Resolution 4 is passed, the issue of the securities to the Applicants can proceed without using up any of the Company's 15% limit on issuing equity securities without Shareholder approval under Listing Rule 7.1.

If Resolution 4 is not passed, the issue of the securities to the Applicants can still proceed but it will reduce, to that extent, the Company's capacity to issue equity securities without Shareholder approval under Listing Rule 7.1 for 12 months following the issue.

Resolution 4 is an ordinary resolution.

### **4.4 Information required by Listing Rule 7.3**

The following information is provided for the purposes of Listing Rule 7.3:

- (a) The maximum number of securities to be issued under Resolution 4 is 122,885,200 Shares and 122,885,200 Placement Options.



- (b) The securities will be issued to the Applicants (comprised of existing Shareholders, clients of the Lead Manager and new investors), none of whom are a related party of the Company or a material investor, with the exception of 24,885,200 Shares and 24,885,200 Placement Options (which constitutes more than 1% of the Company's current issued capital) which are proposed to be issued to entities associated with Timothy Paul Neesham (being Richsham Nominees Pty Ltd, Southern Forest Wines Pty Ltd, Wow It's a Log Pty Ltd <Olloch Family A/C>, Alitime Nominees Pty Ltd <Honeyham Family A/C>, North American Gold Corporation Pty Ltd, Angkhor Imperial Resources Pty Ltd, Honeybee Anhm Pty Ltd, Hunterland HJDN Pty Ltd, Freyabear FHMN Pty Ltd, Quattro Stagione Pty Ltd and The 5<sup>th</sup> Element MCTN Pty Ltd). Timothy Paul Neesham is considered a material investor by virtue of being a substantial shareholder of the Company (holding a relevant interest in 8.82% of the Company's shares as at the date of this Addendum).
- (c) The Shares will be issued at \$0.005 each. Accordingly, the Company will raise a total of \$614,426 (before costs) from the issue of the securities to the Applicants. Detail on the proposed use of funds is set out in Section 4.1.
- (d) The Shares to be issued are fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue.
- (e) The Placement Options are each exercisable at \$0.023 and expire on 16 February 2023. Full terms and conditions of the Placement Options are set out in Schedule 1. Shares issued on exercise of the Placement Options will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue.
- (f) The securities may be issued no later than three months after the date of the Meeting (or such later date to the extent permitted by an ASX waiver or modification of the Listing Rules).
- (g) The securities were not issued pursuant to an agreement.
- (h) A voting exclusion statement is included in the Notice.

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## **5. RESOLUTIONS 5 AND 6 – APPROVAL TO ISSUE SECURITIES TO WILLIS HOLDINGS**

As set out in Section 3.2, the Company has agreed to issue Willis Holdings 40,000,000 Shares (at an issue price of \$0.005 per Share) and 40,000,000 Placement Options on conversion of the Convertible Facility and a further 10,000,000 Placement Options as part of the fees payable for providing the Convertible Facility, subject to Shareholder approval under Resolutions 5 and 6.

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, the Company must not issue or agree to issue equity securities to:

- a related party (Listing Rule 10.11.1);
  - a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the Company (Listing Rule 10.11.2); or
  - a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the Company and who has nominated a Director to the Board pursuant to a relevant agreement which gives them a right or expectation to do so (Listing Rule 10.11.3);
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- an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3 (Listing Rule 10.11.4); or
- a person whose relationship with the Company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by Shareholders (Listing Rule 10.11.5),

unless it obtains the approval of its Shareholders.

Willis Holdings is an entity related to Robert Nelson. As at the date of this Notice, Robert Nelson and his related entities hold approximately 26.15% of the Company's issued Shares. Prior to the placement conducted on 20 July 2023, Robert Nelson and his related entities held approximately 30.81% of the Company's issued Shares. The proposed issue of securities to Willis Holdings therefore falls within Listing Rule 10.11.4 and does not fall within any of the exceptions in Listing Rule 10.12.

Resolutions 5 and 6 seeks the required Shareholder approval to grant the Securities to Willis Holdings under and for the purposes of Listing Rule 10.11. If Resolutions 5 and 6 are passed, the Company will issue the Securities to Willis Holdings (or its nominees). If Resolutions 5 and 6 are not passed, the Company will not issue the securities to Willis Holdings and repay the amount drawn down on the Convertible Facility in cash and will need to negotiate an alternative fee arrangement with Willis Holdings in lieu of the fee options.

Resolutions 5 and 6 are ordinary resolutions.

## 5.1 Section 606 and 611 of the Corporations Act

Section 606 of the Corporations Act expressly prohibits a person from acquiring a relevant interest in issued voting shares in a listed company if the acquisition would result in that person's voting power in the company increasing:

- from 20% or below to more than 20%; or
- from a starting point that is above 20% and below 90%,

### (Takeover Prohibition).

Section 611 of the Corporations Act provides exceptions to the Takeover Prohibition and Item 9 of the table in section 611 of the Corporations Act permits an acquisition if:

- throughout the six months before the acquisition, the shareholder has had voting rights in the company of at least 19%; and
- as a result of the acquisition, the shareholder would not increase their voting power in the company by more than 3% than they had in the 6 months before the acquisition,

### (3% Creep Exemption).

Item 10 of the table in section 611 of the Corporations Act also permits an acquisition that results from the issue of securities pursuant to a rights issue which satisfies the criteria in paragraphs (a) to (e) of Item 10.

As at the date of this Notice, Robert Nelson and his related entities hold approximately 26.15% of the Company's issued Shares on an undiluted basis. Assuming that Shareholders approve the issue of Shares to Mr Nelson under Resolution 5, Mr Nelson and his related entities will hold approximately 27.78% of the issued Shares in the Company on an undiluted basis which represents a maximum increase in voting power of 1.63%. Accordingly the proposed acquisition

of Shares by Mr Nelson and his related entities falls within the 3% Creep Exemption and accordingly does not require Shareholder approval under Chapter 6 of the Corporations Act.

## **5.2 Chapter 2E of the Corporations Act**

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

Shareholder approval under Chapter 2E of the Corporations Act is not required because the issue of securities to Willis Holdings is on reasonable arm's length terms with all securities being offered on the same terms which Shareholders were offered securities in the Placement which is an exception to the requirement for shareholder approval under section 210 of the Corporations Act.

## **5.3 Technical Information required by Listing Rule 14.1A**

If Resolutions 5 and 6 are passed, the Company will be able to proceed with the issue of the securities to Willis Holdings within one month after the date of the Meeting. As approval pursuant to Listing Rule 7.1 is not required for the issue of the securities to Willis Holdings because approval is being sought under Listing Rule 10.11, the issue of securities will not use up any of the Company's 15% annual placement capacity.

If Resolutions 5 and 6 are not passed, the Company will not issue securities to Willis Holdings and will need to determinate an alternative form of payment.

## **5.4 Information required by Compliance Update No 05/20**

Listing Rule 6.1 requires that any convertible securities issued by a company are issued on terms that are considered appropriate and equitable. In determining whether the convertible securities are appropriate and equitable, the terms and conditions of the convertible securities must be fair to both new and existing shareholders of the company. If the convertible securities appear to be favourable to the holder of the convertible securities, the company is required to explain the circumstances underpinning the issue of the convertible securities.

The Company provides the following information for the purposes of section 4 of ASX Compliance Update No 05/20:

- (a) The Company secured the Convertible Facility from Willis Holdings in April 2023. This was shortly after the Company had received final results from its 2022 resource infill and extension drilling campaign at the Mannar Island Project and published its Mannar Project updated resource (refer to ASX announcements on 15/03/23 and 17/01/23).
  - (b) The above activities took longer than initially anticipated, which meant at the time the Company was closely monitoring its use of funds and considering fundraising options as its working capital had been reduced. Out of the fundraising options considered, the Convertible Facility was the least dilutionary to Shareholders whilst also offering the highest level of funding certainty to the Company.
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- (c) The Company considers that the terms of the Convertible Facility secured in April 2023 was an appropriate and commercial solution to provide working capital to the Company to advance its Mannar Island Project activities.
- (d) After securing the Convertible Facility, the Company published its Mannar Island Project scoping study in May 2023 and successfully progressed various key approvals for the project, including the retention of project licences (eg, see ASX announcement on 23/05/23). While the Company believed it had continued to identify a pathway to creating value for Shareholder via its project development activities, financing conditions remained difficult for the Company and the market generally.
- (e) In July 2023 the Company was considering options to raise further capital to continue its Mannar Island Project activities. Significant expenditure is required for next phase of activities needed to progress the mining licence application process, including securing initial land access agreements and approvals, completion of the environmental impact assessment process and securing the regulatory approvals. The Company decided to raise funds pursuant via the Placement and the non-renounceable rights issue and appointed the Lead Manager for the capital raising.
- (f) The terms of the Convertible Facility originally provided for repayment in Shares (at \$0.023 per Share) or cash at the election of the lender. The Company's share price had remained below \$0.01 since the Convertible Facility was agreed in April 2023 and had fallen to \$0.007 when the Placement and the non-renounceable rights issue were being considered. Accordingly, it was likely the lender would require repayment of the facility in cash at the maturity date in September 2023.
- (g) In an effort to strengthen the Company's cash position in light of the expenditure required for the next phase of Mannar Island Project activities, the Company engaged with Willis Holdings and sought its agreement to convert the Convertible Facility on the same terms as proposed under the Placement and the non-renounceable rights issue.
- (h) The Company considers that the terms of the Convertible Facility as varied are an appropriate and commercial solution to provide the working capital to the Company in its present circumstances. As the Convertible Facility is proposed to be converted into securities on the same terms as offered to new sophisticated and professional investors under the Placement and to Shareholders under the non-renounceable rights issue, the Company considers that the varied terms are reasonable and reflect arms-length terms.
- (i) Further, the Company considers that the additional 10,000,000 Placement Options to be issued to Willis Holdings represents reasonable and appropriate fees for providing the Convertible Facility, which remain unchanged from when the facility was secured in April 2023.

The Company confirms that the Convertible Facility are not a deed or charge or a form of security agreement to issue 'collateral shares'.

## 5.5 Information required by Listing Rule 10.13

The following information is provided for the purposes of Listing Rule 10.13:

- (a) The securities will be issued to Willis Holdings (or its nominees).
  - (b) Approval is required to grant the securities to Willis Holdings as it falls within Listing Rule 10.11.4 by virtue of being an associate of a person referred to in Listing Rule 10.11.2, namely Robert Nelson who together with his related entities has been a substantial (30%+) holder in the Shares of the Company within the past 6 months.
  - (c) The maximum number of securities the Company may issue:
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- (i) under Resolution 5 is:
  - (A) 40,000,000 Shares (at an issue price of \$0.005 per Share); and
  - (B) 40,000,000 Placement Options; and
- (ii) under Resolution 6 is 10,000,000 Placement Options.
- (d) The Shares will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue.
- (e) The Placement Options are each exercisable at \$0.023 on or before 16 February 2023. Full terms and conditions of the Placement Options are set out in Schedule 1. Shares issued on exercise of the Placement Options will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue.
- (f) The Securities may be granted no later than one month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
- (g) 40,000,000 Shares and 40,000,000 Placement Options to be issued to Willis Holdings pursuant to Resolution 5 will be granted for nil consideration as they are being granted upon conversion of the debt drawn down on the Convertible Facility. 10,000,000 Placement Options are to be issued to Willis Holdings pursuant to Resolution 6 as part of the fees payable for providing the Convertible Facility. Accordingly, no funds will be raised from issue of securities to Willis Holdings.
- (h) The material terms of the Convertible Facility are set out in Section 3.2.
- (i) A voting exclusion statement is included in the Notice.

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## **6. RESOLUTION 7 – APPROVAL TO ISSUE SHARES TO DOUG MARTENS**

### **6.1 General**

As detailed in Section 3.3, the Company has agreed to issue 10,000,000 Shares and 10,000,000 Placement Options to Doug Martens.

### **6.2 Listing Rule 7.1**

A summary of Listing Rule 7.1 is set out in Section 3.3.

The issue of securities to Mr Martens does not fall within any of the exceptions to Listing Rule 7.1. While the issue of the securities does not exceed the 15% limit in Listing Rule 7.1 and can therefore be made without breaching the rule, the Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain shareholder approval under Listing Rule 7.1. To do this, the Company is seeking Shareholder approval of the issue of securities to Mr Martens under Listing Rule 7.1 so that it does not use up any of the 15% limit on issuing equity securities without Shareholder approval set out in Listing Rule 7.1.

Resolution 7 seeks Shareholder approval for the issue of 10,000,000 Shares and 10,000,000 Placement Options to Mr Martens under and for the purposes of Listing Rule 7.1.

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### **6.3 Information required by Listing Rule 14.1A**

If Resolution 7 is passed, the issue of securities to Mr Martens can proceed without using up any of the Company's 15% limit on issuing equity securities without Shareholder approval under Listing Rule 7.1.

If Resolution 7 is not passed, the issue of securities to Mr Martens can still proceed but it will reduce, to that extent, the Company's capacity to issue equity securities without Shareholder approval under Listing Rule 7.1 for 12 months following the issue.

Resolution 7 is an ordinary resolution.

### **6.4 Information required by Listing Rule 7.3**

The following information is provided for the purposes of Listing Rule 7.3:

- (a) The securities will be issued to Mr Martens who is not a related party of the Company.
  - (b) The maximum number of securities the Company may issue pursuant to Resolution 7 is 10,000,000 Shares and 10,000,000 Placement Options.
  - (c) The securities to be issued to Mr Martens will be issued on the same terms as the securities issued under the Placement (being Shares at an issue price of \$0.005 per Share and including a 1:1 free attaching Placement Option). The Company will not receive any consideration from the issue of securities to Mr Martens as they are being issued as remuneration in connection with Mr Martens' role as Chief Operating Officer. Accordingly, no funds will be raised from the issue of securities to Mr Martens.
  - (d) The Shares to be issued are fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue.
  - (i) The Placement Options are each exercisable at \$0.023 and expire on 16 February 2023. Full terms and conditions of the Placement Options are set out in Schedule 1. Shares issued on exercise of the Placement Options will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue.
  - (e) The securities may be issued no later than three months after the date of the Meeting (or such later date to the extent permitted by an ASX waiver or modification of the Listing Rules).
  - (f) The material terms of the agreement reached with Mr Martens are set out in Section 3.3.
  - (g) A voting exclusion statement is included in the Notice.
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## SCHEDULE 1 – TERMS AND CONDITIONS OF PLACEMENT OPTIONS

The Placement Options have the same terms and conditions (and in this Schedule 1 are referred to as **Options**).

**1. Entitlement**

Each Option entitles the holder to subscribe for one fully paid ordinary Share in the Company upon exercise of the Option.

**2. Exercise Price**

Subject to paragraph 9, the amount payable upon exercise of each Option will be \$0.023 (**Exercise Price**).

**3. Expiry Date**

Each Option will expire at 5:00 pm (WST) on 16 February 2026 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

**4. Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

**5. Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

**6. Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

**7. Timing of issue of Shares on exercise**

Within 5 Business Days after the Exercise Date, the Company will:

- (a) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (b) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (c) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (a) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20

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Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

**8. Shares issue on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

**9. Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.

**10. Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

**11. Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

**12. Transferability**

The Options are transferable any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

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**titanium**sands

LTD

TITANIUM SANDS LIMITED  
ABN 65 009 131 533

TSLRM

MR RETURN SAMPLE  
123 SAMPLE STREET  
SAMPLE SUBURB  
SAMPLETOWN VIC 3030

## Need assistance?



**Phone:**

1300 850 505 (within Australia)  
+61 3 9415 4000 (outside Australia)



**Online:**

[www.investorcentre.com/contact](http://www.investorcentre.com/contact)



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **11:30am (WST) on Sunday, 26 November 2023.**

# Proxy Form

## How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

### APPOINTMENT OF PROXY

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

## SIGNING INSTRUCTIONS FOR POSTAL FORMS

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged 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, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

## PARTICIPATING IN THE MEETING

### Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at [www.investorcentre.com/au](http://www.investorcentre.com/au) and select "Printable Forms".

## Lodge your Proxy Form:

**XX**

### Online:

Lodge your vote online at [www.investorvote.com.au](http://www.investorvote.com.au) using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



**Control Number: 999999**

**PIN: 99999**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242  
Melbourne VIC 3001  
Australia

### By Fax:

1800 783 447 within Australia or  
+61 3 9473 2555 outside Australia



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

☐ **Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



IND

# Proxy Form

Please mark ☒ to indicate your directions

## Step 1 Appoint a Proxy to Vote on Your Behalf XX

I/We being a member/s of Titanium Sands Limited hereby appoint

☐ the Chairman of the Meeting **OR**

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Titanium Sands Limited to be held at Level 8, 216 St Georges Terrace, Perth, WA 6000 on Tuesday, 28 November 2023 at 11:30am (WST) and at any adjournment or postponement of that meeting. **Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention in step 2) even though Resolution 1 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman. **Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolution 1 by marking the appropriate box in step 2.

## Step 2 Items of Business PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
Resolution 1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Re-election of Director – Mr Jason Ferris	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Approval to issue securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Approval to issue Conversion Securities to Willis Holdings	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 Approval to grant Fee Options to Willis Holdings	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 Approval to issue securities to Doug Martens	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

## Step 3 Signature of Securityholder(s) This section must be completed.

Individual or Securityholder 1	Securityholder 2	Securityholder 3	/ /
<input type="text"/>	<input type="text"/>	<input type="text"/>	
Sole Director & Sole Company Secretary	Director	Director/Company Secretary	Date
<b>Update your communication details</b> (Optional)			
Mobile Number	Email Address	By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically	
<input type="text"/>	<input type="text"/>		