

Titanium Sands Limited

(ACN 009 131 533)

Prospectus

For the offer of 10,000 Shares at an issue price of \$0.005 per Share together with one (1) free attaching New Option for every one (1) Share subscribed for to raise up to \$50 (before expenses) for the purpose of Section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of Shares or New Options issued by the Company prior to the Closing Date (**Offer**)

IMPORTANT NOTICE

This is an important document that should be read in its entirety. Please read the instructions in this document and on the Application Form regarding acceptance of the Offer. If you do not understand this document you should consult your professional adviser without delay.

The securities offered by this Prospectus should be considered highly speculative.

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IMPORTANT INFORMATION

General

The Prospectus is dated 29 November 2023 and a copy of this Prospectus was lodged with ASIC on that date. ASIC and ASX do not take any responsibility for the contents of this Prospectus or the merits of the investment to which the Prospectus relates.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act.

No Securities will be issued pursuant to this Prospectus later than 13 months after the date of this Prospectus (being the expiry date of this Prospectus).

The Offer is only available to those who are personally invited to accept the Offer.

Electronic Prospectus

In addition to issuing the Prospectus in printed form, a read-only version of the Prospectus is also available on the Company's website at www.titaniumsands.com.au. Applications cannot be made online. Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access the Prospectus from within Australia. The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered electronic version of this Prospectus.

Risk factors

Before deciding to invest in the Company, potential investors should read the entire Prospectus. In considering the prospects for the Company, potential investors should consider the assumptions underlying the prospective financial information and the risk factors that could affect the performance of the Company. Potential investors should carefully consider these factors in light of personal circumstances (including financial and taxation issues) and seek professional advice from a stockbroker, accountant or other independent financial adviser before deciding to invest.

Forward-looking statements

This Prospectus may contain forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, Directors and management.

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements. We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements, including the risk factors set summarised in this Prospectus.

Publicly available information

Information about the Company is publicly available and can be obtained from ASIC and ASX (including ASX's website www.asx.com.au). The contents of any website or ASIC or ASX filing by the Company are not incorporated into this Prospectus and do not constitute part of the Offer. This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest in Shares or the Company.

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

Offer restrictions

The offer of Securities made pursuant to this Prospectus is not made to persons or in places to which, or in which, it would not be lawful to make such an offer of Securities. No action has been taken to register the Offer under this Prospectus or otherwise permit the Offer to be made in any jurisdiction outside Australia. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law in those jurisdictions and therefore persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws.

Interpretation

A number of terms and abbreviations used in this Prospectus have defined meanings which are set out in Section 4.

All references in this Prospectus to \$, AUD or dollars are references to Australian currency, unless otherwise stated.

All references to time in this Prospectus relate to the time in Perth, Western Australia.

CORPORATE DIRECTORY

Directors

Mr Lee Christensen – Non-Executive Chairman
Mr James Searle – Managing Director
Mr Jason Ferris – Non-Executive Director

Company Secretary

Mr Alan Armstrong

Registered Office

Level 8, 216 St Georges Terrace
Perth WA 6000

Telephone: + 61 8 9481 0389
Facsimile: + 61 8 9463 6103

Email: james.searle@titaniumsands.com.au

Website

www.titaniumsands.com.au

ASX Code

TSL

Share Registry*

Computershare Investor Services Pty Limited
Level 17, 221 St Georges Terrace
Perth WA 6000

Telephone: (08) 6188 0800

Auditor*

BDO Audit (WA) Pty Ltd
Level 9, Mia Yellagonga Tower 2
Perth WA 6000

Telephone: + 61 8 6382 4600

Legal Adviser

Larri Legal Pty Ltd
Suite 6 / 152 High Street
Fremantle WA 6160

*This entity has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus. Its name is included for information purposes only.

1. DETAILS OF THE OFFER

1.1 Summary of the Offer

The Company is making an offer of 10,000 Shares at an issue price of \$0.005 per Share together with one (1) free attaching New Option for every one (1) Share subscribed for to raise up to \$50 (before expenses) for the purpose of Section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of Shares or New Options issued by the Company prior to the Closing Date.

The Offer is open to persons by invitation from the Company only.

The Offer is not underwritten.

1.2 Timetable

The timetable for the Offer is as follows:

Event	Date
Lodgment of this Prospectus with ASIC and ASX	29 November 2023
Opening Date	29 November 2023
Closing Date	31 November 2023

The above dates are indicative only and may be subject to change. The Directors reserve the right to vary these dates, including the Closing Date, without prior notice but subject to any applicable requirements of the Corporations Act or the Listing Rules.

1.3 Rights and liabilities attaching to Securities

The Share to be issued pursuant to this Offer is of the same class and will rank equally in all respects with the existing Shares on issue. The rights and liabilities attaching to Shares are further described in Section 4.2.

The New Options will be exercisable at \$0.023 on or before 16 February 2026 and are otherwise on the terms and conditions set out in Section 4.3.

1.4 Purpose of the Offer

As noted in Sections 2.1 and 2.2, the primary purpose of the Offer is to remove any trading restrictions that may have attached to Securities issued by the Company without disclosure under Chapter 6D of the Corporations Act prior to the closing date of the Offer (including prior to the date of this Prospectus).

If the Directors decide to issue Securities under the Offer, the issue of Securities will take place as soon as practicable after the closing date of the Offer. The Directors do not expect to issue any Securities under the Offer.

1.5 Minimum subscription

There is no minimum subscription for the Offer.

1.6 Applications

An Application under the Offer may only be made by persons on invitation from the Company.

Application Forms must be delivered or mailed together with a cheque on or before the Closing Date to Level 8, 216 St Georges Terrace, Perth WA 6000.

All Application Monies received for the Securities will be held in trust in a bank account maintained solely for the purpose of depositing Application Monies received pursuant to this Prospectus until the Securities are issued. All Application Monies will be returned (without interest) if the Securities are not issued.

1.7 Issue and dispatch

The Company may issue the Securities progressively as Applications are received. Securityholder statements will be dispatched as soon as possible after the issue of the Securities.

It is the responsibility of Applicants to determine their allocation prior to trading in the Securities. Applicants who sell Securities before they receive their holding statements will do so at their own risk.

1.8 Risk factors

An investment in Securities should be regarded as highly speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company which are set out in Section 3.

1.9 Overseas investors

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or to extend such an invitation. No action has been taken to register this Prospectus or otherwise to permit an offering of Securities in any jurisdiction outside Australia. It is the responsibility of non-Australian resident investors to obtain all necessary approvals and comply with all relevant regulations for the issue to them of Securities offered pursuant to this Prospectus. Return of a duly completed Application Form will constitute a representation and warranty that there has been no breach of such regulations.

1.10 CHESS and issuer sponsorship

The Company operates an electronic CHESS sub-register and an electronic issue sponsored sub-register. These two sub-registers will make up the Company's register of shares.

The Company will not issue certificates to security holders. Rather, holding statements (similar to bank statements) will be dispatched to security holders as soon as practicable after allotment. Holding statements will be sent either by CHESS (for security holders who elect to hold Securities on the CHESS sub-register) or by the Company's Share Registry (for security holders who elect to hold their Securities on the issuer sponsored sub-register). The statements will set out the number of Securities allotted under this Prospectus and the Holder Identification Number (for security holders who elect to hold Securities on the CHESS sub register) or Shareholder Reference Number (for security holders who elect to hold their shares on the issuer sponsored sub-register). Updated holding statements will also be sent to each security holder following the month in which the balance of their security holding changes, and also as required by the Listing Rules and the Corporations Act.

1.11 ASX quotation of Shares

Application will be made to ASX no later than 7 days after the date of this Prospectus for the Official Quotation of the Shares under the Offer. If permission is not granted by ASX for the Official Quotation of the Shares offered by this Prospectus within 3 months after the date of this Prospectus (or such period as varied by ASIC), the Company will not issue any Shares and will repay any application monies for Shares received within the time prescribed under the Corporations Act (without interest).

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Securities now offered.

1.12 Electronic Prospectus

This Prospectus is available in electronic format via the ASX website, www.asx.com.au and via the Company's website at www.titaniumsands.com.au. Persons having received this Prospectus in electronic form may, during the offer period, obtain a paper copy of this Prospectus free of charge by contacting the Company.

Applications for new Securities may only be made on the personalised Application Form which will be provided to invitees, and which will be accompanied by the complete and unaltered electronic version of this Prospectus.

The Corporations Act prohibits any person from passing on to another person a personalised Application Form unless it is attached to or accompanied by a hard copy of this Prospectus or by the complete and unaltered electronic version of this Prospectus. The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

1.13 Privacy

Persons who apply for Securities pursuant to this Prospectus are asked to provide personal information to the Company, either directly or through the Share Registry. The Company and the Share Registry collect, hold and use that personal information to assess applications for Securities, to provide facilities and services to Shareholders, and to carry out various administrative functions.

Access to the information collected may be provided to the Company's agents and service providers and to ASX, ASIC and other regulatory bodies on the basis that they deal with such information in accordance with the relevant privacy laws. If the information requested is not supplied, applications for Securities will not be processed. In accordance with privacy laws, information collected in relation to specific Shareholders can be obtained by that Shareholder through contacting the Company or the Share Registry.

1.14 Taxation

It is the responsibility of all investors to satisfy themselves of the particular taxation treatment that applies to them in relation to the Offer, by consulting their own professional tax advisors. The Company and the Directors do not accept any liability or responsibility in respect of the taxation consequences of the matters referred to in this Prospectus.

1.15 Enquiries

This document is important and should be read in its entirety. Persons who are in any doubt as to the course of action to be followed should consult their stockbroker, solicitor, accountant or other professional advisor without delay. Questions relating to the Offer can be directed to the Company on +61 9481 0389.

2. PURPOSE AND EFFECT OF THE OFFER

2.1 Purpose of the Offer

The Offer is an offer of 10,000 Shares at an issue price of \$0.005 per Share together with one (1) free attaching New Option for every one (1) Share subscribed for to raise up to \$50 (before expenses). The Offer will only be extended to parties invited to apply by the Directors. Application Forms will only be provided by the Company to these parties.

The Shares offered under this Prospectus will rank equally with the existing Shares on issue. Please refer to Section 4.2 for further information regarding the rights and liabilities attaching to Shares.

The New Options will be exercisable at \$0.023 on or before 16 February 2026 and are otherwise on the terms and conditions set out in Section 4.3.

The primary purpose of this Prospectus and the Offer is to remove any trading restrictions that may have attached to Securities issued by the Company without disclosure under Chapter 6D of the Corporations Act prior to the closing date of the Offer (including prior to the date of this Prospectus). In particular, the Offer is intended to remove any on-sale restrictions that may affect the Securities which are intended to be issued prior to the closing date of the Offer (refer to Section 2.2 for further information of such issues).

Section 708A(11) of the Corporations Act requires that this Prospectus include an offer of securities in the same class as the Securities. Relevantly, section 708A(11) provides that a sale offer does not need disclosure to investors if:

- (a) the relevant securities are in a class of securities of the company that are already quoted on the ASX;
- (b) a prospectus is lodged with ASIC either:
 - (i) on or after the day on which the relevant securities were issued (section 708A(11)(b)(i)); or
 - (ii) before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued (section 708A(11)(b)(ii)); and
- (c) the prospectus is for an offer of securities issued by the company that are in the same class of securities as the relevant securities.

The Company is seeking to raise only a nominal amount of \$50 under the Offer as the purpose of the Offer is not to raise capital.

2.2 Background to the Offer

As set out in the Explanatory Statement to the September 2023 Notice of General Meeting (**EGM**) and the Explanatory Statement to the Addendum to November 2023 Notice of Annual General Meeting (**AGM**), the Company sought, and subsequently obtained shareholder approval at the EGM held on 28 September 2023 and AGM held on 28 November 2023 to:

- (a) issue 9,040,325 Shares to institutional, professional and sophisticated investors who participated in tranche two of the placement announced by the Company on 13 July 2023 (**Placement**), together with 220,000,000 free attaching New Options to all participants in

the Placement on the basis of 1 New Option for every 1 Share subscribed for (**First Placement Issue**);

- (b) issue 105,000,000 New Options to CPS Capital Group Pty Ltd (**Lead Manager**) as part of the fees for lead manager and broker services provided to the Company with respect to the Placement and facilitation of the placement of shortfall from a rights issue conducted by the Company pursuant to a prospectus dated 13 July 2023 (**Lead Manager Issue**);
- (c) issue 40,000,000 Shares and 50,000,000 New Options to G.J Johnson & Co Pty Ltd (**G.J Johnson & Co**) pursuant to the terms of a convertible facility between the Company (as borrower) and G.J Johnson & Co (as lender) as announced by the Company on 26 April 2023 (**G.J Johnson Issue**);
- (d) issue 40,000,000 Shares and 50,000,000 New Options to Willis Holdings Ltd (**Willis Holdings**) pursuant to the terms of a convertible facility between the Company (as borrower) and Willis Holdings (as lender) as announced by the Company on 26 April 2023 (**Willis Holdings Issue**);
- (e) issue 122,885,200 Shares and 122,885,200 free attaching New Options to existing Shareholders, clients of the Lead Manager and new investors who participated in a further placement announced by the Company on 16 November 2023 (**Second Placement Issue**); and
- (f) issue 10,000,000 Shares and 10,000,000 free attaching New Options to Doug Martens as remuneration in connection with his role as Chief Operating Officer of the Company (**Martens Issue**).

It is the Company's intention that on or about the date of this Prospectus the Company will complete the abovementioned issues of Shares and New Options.

2.3 Effect of the Offer on Capital Structure

The capital structure of the Company on completion of the Offer is set out below.

Shares

	Number
Shares currently on issue	1,771,804,701
Shares to be issued under First Placement Issue	9,040,325
Shares to be issued under G.J Johnson Issue	40,000,000
Shares to be issued under Willis Holdings Issue	40,000,000
Shares to be issued under Second Placement Issue	122,885,200
Shares to be issued under Martens Issue	10,000,000
Total Shares on issue after completion of the Offer¹	1,993,730,226
Notes:	
1. Assumes no Shares are issued under the Offer.	

Options

	Number
Options currently on issue ¹	314,727,284

New Options to be issued under First Placement Issue	220,000,000
New Options to be issued under the Lead Manager Issue	105,000,000
New Options to be issued under G.J Johnson Issue	50,000,000
New Options to be issued under Willis Holdings Issue	50,000,000
New Options to be issued under Second Placement Issue	122,885,200
New Options to be issued under Martens Issue	10,000,000
Total Options on issue after completion of the Offer²	872,612,484
Notes:	
1. Unlisted Options exercisable at \$0.023 expiring 16 February 2026.	
2. Assumes no Options are issued under the Offer.	

Performance Shares

	Number
Performance shares currently on issue ¹	33,333,333
Performance shares to be issued under the Offer	0
Total Performance Shares on issue after Offer	33,333,333
Notes:	
1. Class B unlisted performance shares which convert into Shares on a 1:1 basis subject to the applicable performance milestone being achieved by the expiry date.	

2.4 Effect on the control of the Company

The Offer will not have any control effect on the Company.

2.5 Financial Effect of the Offer

After paying the expenses of the Offer of approximately \$5,206 (exclusive of GST), there will be no net proceeds from the Offer (even if the Offer is fully subscribed to raise \$50). The expenses of the Offer will be met from the Company's existing cash reserves. Accordingly, effect of the Offer on the Company's financial position will be a net decrease in cash held of approximately \$5,156 (exclusive of GST).

3. RISK FACTORS

3.1 Introduction

The securities offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for securities pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this Section or other risk factors, may have a material impact on the financial performance of the Company and the market price of the securities.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

3.2 Specific Risks

(a) Exploration and development

Mineral exploration and development is a speculative and high-risk undertaking that may be impeded by circumstances and factors beyond the control of the Company. Success in this process involves (amongst other things):

- (i) discovery and proving-up, or acquiring, an economically recoverable resource or reserve;
- (ii) access to adequate capital throughout the acquisition/discovery and project development phases;
- (iii) securing and maintaining title to mineral exploration projects;
- (iv) obtaining required development consents and approvals necessary for the acquisition, mineral exploration, development and production phases; and
- (v) accessing the necessary experienced operational staff, the applicable financial management and recruiting skilled contractors, consultants and employees.

There can be no assurance that exploration of the Mannar Island Project or any other exploration properties that may be acquired in the future will result in the discovery of an economic mineral resource. Even if an apparently viable mineral resource is identified, there is no guarantee that it can be economically exploited.

The exploration activities of the Company may be adversely affected by a range of factors including geological conditions, operational risks and changing government laws and regulations. Further, whether positive income flows result from projects on which the Company will expend exploration and development capital is dependent on many factors including successful exploration, establishment of production facilities, cost control, commodity price movements, successful contract negotiations for production and stability in the local political environment.

In addition, significant expenditure may be required to establish necessary metallurgical and mining processes to develop and exploit any mineral reserves identified on the Mannar Island Project. There is no assurance that the Company will have sufficient working capital or resources available to do this.

In the event that exploration programmes prove to be unsuccessful, the Mannar Island Project may diminish in value, there will be a reduction in the cash reserves of the Company and relinquishment of part or all of the Mannar Island Project may occur.

(b) Future profitability

The Company's profitability will be impacted by, among other things, the success of its exploration and mining activities, economic conditions in the markets in which it operates, competition factors and any regulatory developments. Accordingly, the extent of future profits (if any) and the time required to achieve sustained profitability are uncertain and cannot be reliably predicted.

(c) Sri Lankan Country risk

The Mannar Island Project is located in Sri Lanka and the Company will be subject to the risks associated with operating in that country, including various levels of political,

economic and other risks and uncertainties. Sri Lanka had previously been subject to a 26 year civil war which concluded in May 2009. Since the end of this conflict the government has enacted an ambitious program of economic development projects. In addition to efforts to reconstruct the economy, the government has resettled more than 95% of those civilians displaced during the final phase of the conflict and released the vast majority of the Liberation Tigers of Tamil Eelam combatants captured by the Government Security Forces.

Company operations have already been interrupted several times by issues related to political related protests that have resulted in the entire Sri Lankan Ministry recently resigning and being replaced. Further, the state of emergency previously declared in Sri Lanka in an attempt to contain widespread protesting, including at the Presidential Palace, and the resignation of the Sri Lankan Prime Minister, evidences the continuing political unrest in the country. There is a risk that ongoing political unrest in Sri Lanka will continue to interrupt the Company's operations.

More general risks include economic, social or political instability or change, hyperinflation, currency non-convertibility or instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export duties, repatriation of income or return of capital, environmental protection, mine safety, labour relations as well as government control over mineral properties or government regulations that require the employment of local staff or contractors or require other benefits to be provided to local residents.

Failure to comply strictly with applicable laws, regulations and local practices relating to mineral rights applications and tenure, could result in loss, reduction or expropriation of entitlements, inability to secure the required land access agreements or approvals, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests. Outcomes in courts in Sri Lanka may be less predictable than in Australia, which could affect the enforceability of contracts entered into by the Company or its subsidiaries in Sri Lanka. The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the operations or profitability of the Company.

(d) Exploration, development, mining and processing risks

The right of the holder of an exploration license to enter onto the license to explore for minerals is subject to the consent of the occupier of the land and, where the land is proximate to certain specified locations, the ministry responsible for the protection of such locations.

Under Sri Lankan legislation, the Company may be required to enter into an agreement with the relevant landowner or occupier for the purpose of securing this consent prior to commencing any exploration activities on the affected areas within the Mannar Island Project.

(e) Restricted areas within the Mannar Island Project

Under the conditions of the Mannar Island Project, the holder is not permitted to conduct exploration activities within forest boundaries (for certain licenses), nor any area specifically designated as ancient or protected monuments, archaeological reserves, national heritage wilderness areas, strict natural reserves, national parks, nature reserves, jungle corridors or botanical gardens.

Whilst the Company is not aware of the existence of any such restricted areas within the Mannar Island Project, there is a risk that the Company's proposed exploration activities

on the Mannar Island Project may be affected if any areas within them fall within the above restricted categories.

(f) Tenure risk

The Mannar Island Project tenements are granted under and governed by the laws of Sri Lanka and are granted subject to conditions, including minimum annual expenditure commitments and reporting commitments. Similar conditions may be applied to future mining permits acquired by the Company or its subsidiaries. Failure to comply with these conditions may result in forfeiture of the Mannar Island Project.

Further, the Mannar Island Project (and any additional future mining permits held by the Company) are subject to periodic renewal. Whilst there is no reason to believe that such renewals will not be granted, the Company cannot guarantee that this will occur. New conditions may also be imposed on the Mannar Island Project (and any additional future mining permits held by the Company) under the renewal process which may adversely affect the Company.

(g) Government and regulatory risk

Operations by the Company may require approvals, consents or permits from government or regulatory authorities, including renewals of existing mining permits or title transfer to newly acquired mining permits, which may not be forthcoming or which may not be able to be obtained on terms acceptable to the Company.

Whilst there is no reason to believe that necessary government and regulatory approvals will not be forthcoming (other than as outlined above in respect of the Company's Sri Lankan operations), the Company cannot guarantee that those required approvals will be obtained. Failure to obtain any such approvals could mean the ability of the Company to prove-up, develop or operate any project or to acquire any project, may be inhibited or negated.

(h) Global Credit and Investment Markets

Global credit, commodity and investment markets often exhibit a high degree of uncertainty and volatility. The factors which contribute to these situations are outside the control of the Company and may occur from time to time resulting in uncertainty in world stock markets (including ASX). This may impact the price at which the Company's securities trade regardless of operating performance and affect the Company's ability to raise additional equity and/or debt to achieve its objectives.

(i) Operational risks

The operations of the Company may be affected by various factors, including:

- (i) failure to locate or identify mineral deposits;
- (ii) failure to achieve predicted grades in exploration and mining;
- (iii) operational and technical difficulties encountered in mining;
- (iv) insufficient or unreliable infrastructure, such as power, water and transport;
- (v) political or civil unrest, including outbreaks of violence or other hostilities;
- (vi) difficulties in commissioning and operating plant and equipment;

- (vii) mechanical failure or plant breakdown;
- (viii) unanticipated metallurgical problems which may affect extraction costs;
- (ix) adverse weather conditions;
- (x) industrial and environmental accidents;
- (xi) industrial disputes; and
- (xii) unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

In particular, Sri Lanka does not have well developed and reliable infrastructure and services. This may impede and delay the Company's operations which are likely to result in increased costs of exploration and development of the Mannar Island Project. This increase in cost may have an adverse effect on the Company's operations.

(j) Taxation and government regulations

Changes in taxation and government legislation in a range of areas (for example, Corporations Act, accounting standards, and taxation law, or similar legislation in overseas jurisdictions) can have a significant influence on the outlook for all companies and the returns to investors.

The recoupment of taxation losses accrued by the Company from any future revenues is subject to the satisfaction of tests outlined in taxation legislation or regulations in the jurisdictions in which the Company operates. There is no guarantee that the Company will satisfy all of these requirements at the time it seeks to recoup its tax losses which may impact on the financial performance and cashflows of the Company.

(k) Commodity price and currency exchange risk

As the Company's potential earnings will be largely derived from the sale of heavy mineral sands, the Company's future revenues and cash flows will be impacted by changes in the prices and available market of this commodity. Any substantial decline in the price of heavy mineral sands or in transport or distribution costs may have a material adverse effect on the Company and the value of its Shares.

Commodity prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include current and expected future supply and demand, forward selling by producers, production cost levels in major mineral producing centres as well as macroeconomic conditions such as inflation and interest rates.

Furthermore, the international prices of most commodities are denominated in United States dollars while the Company cost base will be in Australian dollars. Consequently, changes in the Australian dollar exchange rate will impact on the earnings of the Company. The exchange rate is affected by numerous factors beyond the control of the Company, including international markets, interest rates, inflation and the general economic outlook.

(l) Resource and Reserve estimates

Even though a JORC Code compliant mineral resource has been discovered at the Mannar Island Project, estimates in respect of that resource are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally made may change appreciably when further information becomes

available. Such resource estimates are by nature imprecise, depending on interpretations which may, with further exploration, prove to be inaccurate. Moreover, should the Company encounter ore bodies or formations which differ from those suggested by past sampling and analysis, resource estimates may have to be adjusted and any production plans altered accordingly which may adversely impact the Company's plans.

(m) Results of studies

Subject to the results of exploration and testing programs to be undertaken, the Company may progressively undertake a number of studies in respect to the Mannar Island Project. These studies may include scoping, pre-feasibility, definitive feasibility and bankable feasibility studies.

These studies will be completed within parameters designed to determine the economic feasibility of the Mannar Island Project within certain limits. There can be no guarantee that any of the studies will confirm the economic viability of the Mannar Island Project or the results of other studies undertaken by the Company (e.g. the results of a feasibility study may materially differ to the results of a scoping study).

Even if a study confirms the economic viability of the Mannar Island Project, there can be no guarantee that the Mannar Island Project will be successfully brought into production as assumed or within the estimated parameters in the feasibility study (e.g. operational costs and commodity prices) once production commences. Further, the ability of the Company to complete a study may be dependent on the Company's ability to raise further funds to complete the study if required.

(n) Agents and contractors

The Directors are unable to predict the risk of financial failure or default or the insolvency of any of the contractors which will be used by the Company in any of its activities or other managerial failure by any of the other service providers used by the Company for any activity. Any default or insolvency is outside the Company's control and may have an adverse effect on the Company's operations.

(o) Environmental risks

The Company's activities are subject to the environmental laws inherent in the mining industry and those specific to Sri Lanka. The Company intends to conduct its activities in an environmentally responsible manner and in compliance with all applicable laws. However, the Company may be the subject of accidents or unforeseen circumstances that could subject the Company to extensive liability.

In addition, environmental approvals may be required from relevant government or regulatory authorities before activities may be undertaken which are likely to impact the environment. Failure or delay in obtaining such approvals will prevent the Company from undertaking its planned activities. Further, the Company is unable to predict the impact of additional environmental laws and regulations that may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

(p) Rehabilitation of tenements

In relation to the Company's proposed operations, issues could arise from time to time with respect to abandonment costs, consequential clean-up costs, environmental concerns and other liabilities. In these instances, the Company could become subject to

liability if, for example, there is environmental pollution or damage from the Company's exploration activities and there are consequential clean-up costs at a later point in time.

(q) Climate change regulation

Mining of mineral resources is relatively energy intensive and is dependent on the consumption of fossil fuels. Increase regulation and government policy designed to mitigate climate change may adversely affect the Company's cost of operations and adversely impact the financial performance of the Company.

(r) Contract risk

The operations of the Company will require the involvement of a number of third parties, including suppliers, contractors and customers. With respect to these third parties, and despite applying best practice in terms of pre-contracting due diligence, the Directors are unable to completely avoid the risk of:

- (i) financial failure or default by a participant in any joint venture to which the Company or its subsidiaries may become a party;
- (ii) insolvency, default on performance or delivery, or any managerial failure by any of the operators and contractors used by the Company or its subsidiaries in its exploration activities; or
- (iii) insolvency, default on performance or delivery, or any managerial failure by any other service providers used by the Company or its subsidiaries or operators for any activity.

Financial failure, insolvency, default on performance or delivery, or any managerial failure by such third parties may have a material impact on the Company's operations and performance. Whilst best practice pre-contracting due diligence is undertaken for all third parties engaged by the Company, it is not possible for the Company to predict or protect itself completely against all such contract risks.

(s) Future funding needs

Further funding may be required by the Company in the event costs exceed estimates or revenues do not meet estimates, to support its ongoing operations and implement its strategies. For example, funding may be needed undertake further exploration activities, or acquire complementary assets.

Accordingly, the Company may need to engage in equity or debt financings to secure additional funds. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the Company's existing Share price or may involve restrictive covenants that limit the Company's operations be business strategy.

There can be no assurance that such funding will be available on satisfactory terms or at all at the relevant time. Any inability to obtain sufficient financing for the Company's activities and future projects may result in the delay or cancellation of certain activities or projects, which would likely adversely affect the potential growth of the Company.

(t) International operations

The Company initially intends to operate in Sri Lanka. The Company may also consider expanding into other markets internationally in the future. Therefore, the Company will be

exposed to risks relating to operating in those countries. Many of these risks are inherent in doing business internationally, and will include, but are not limited to:

- (i) changes in the regulatory environment;
- (ii) trade barriers or the imposition of taxes;
- (iii) difficulties with staffing or managing any foreign operations;
- (iv) issues or restrictions on the free transfer of funds;
- (v) technology export or import restrictions; and
- (vi) delays in dealing across borders caused by customers or regulatory authorities.

(u) **Mine development**

Possible future development of a mining operation at the Company's Mannar Island Project is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services. If the Company commences production, its operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement of hazardous weather conditions and fires, explosions or accidents. No assurance can be given that the Company will achieve commercial viability through the development or mining of its projects.

3.3 General Risks

(a) **Economic**

General economic conditions, movements in interest and inflation rates and currency exchange rates, including the recent increases in interest rates within Australia and inflation rates within Australia and globally, may have an adverse effect on the general economic outlook and Company's exploration, development and production activities, as well as on its ability to fund those activities.

(b) **Acquisitions**

The Company may make acquisitions of, or significant investments in, companies or assets that are complementary to its business. Any such future transactions are accompanied by the risks commonly encountered in making acquisitions of companies or assets, such as integrating cultures and systems of operation, relocation of operations, short term strain on working capital requirements, achieving mineral exploration success and retaining key staff.

(c) **Safety**

Safety is a fundamental risk for any exploration and production company in regards to personal injury, damage to property and equipment and other losses. The occurrence of

any of these risks could result in legal proceedings against the Company and substantial losses to the Company due to injury or loss of life, damage or destruction of property, regulatory investigation, and penalties or suspension of operations. Damage occurring to third parties as a result of such risks may give rise to claims against the Company.

(d) **Dividends**

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

(e) **Litigation**

The Company may in the ordinary course of business become involved in litigation and disputes, for example with service providers, customers or third parties infringing the Company's intellectual property rights. Any such litigation or dispute could involve significant economic costs and damage to relationships with contractors, customers or other stakeholders. Such outcomes may have an adverse impact on the Company's business, reputation and financial performance.

(f) **Insurance coverage**

The Company intends to take insurance over its operations within the ranges that the Company believes to be consistent with industry practice and having regard to the nature of activities being conducted. However, the Company may not be insured against all risks either because appropriate cover is not available or because the Directors consider the required premiums to be excessive having regard to the benefits that would accrue.

(g) **Key Management**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. The Company may be detrimentally affected if one or more of the key management or other personnel cease their engagement with the Company.

(h) **Liquidity risk**

Liquidity risk is the risk that the Company may encounter difficulties raising funds to meet commitments and financial obligations as and when they fall due. It is the Company's aim in managing its liquidity to ensure that there are sufficient funds to meet its liabilities as and when they fall due. The Company manages liquidity risk by continuously monitoring its actual cash flows and forecast cash flows.

There is no guarantee that there will be an ongoing liquid market for Securities. Accordingly, there is a risk that, should the market for Securities become illiquid, Shareholders will be unable to realise their investment in the Company.

(i) **Credit risk**

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation, resulting in the Company incurring a financial loss. Credit risk arises from cash and cash equivalents (e.g. deposits and investments held with banks and financial institutions), favourable derivative contracts (derivative assets), loans and receivables,

guarantees given on behalf of others and loans and commitments granted but not drawn down at the end of the reporting period.

(j) **Commercial risk**

The mining industry is competitive and there is no assurance that, even if commercial quantities are discovered by the Company, a profitable market will exist for sales of such commodities. There can be no assurance that the quality of the commodity will be such that the properties in which the Company holds an interest can be mined at a profit.

(k) **Competition risks**

The industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

(l) **Changes to legislation or regulations**

The Company may be affected by changes to laws and regulations (in Australia, Sri Lanka and other countries in which the Company may operate) concerning property, the environment, superannuation, taxation trade practices and competition, government grants, incentive schemes, accounting standards and other matters. Such changes could have adverse impacts on the Company from a financial and operational perspective.

(m) **Share market**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. The market price of the Securities may be subject to fluctuation and may be affected by many factors including but not limited to the following:

- (i) the general economic outlook;
- (ii) interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital;
- (vi) terrorism and other hostilities; and
- (vii) other factors beyond the control of the Company.

(n) **Force majeure risk**

Events may occur within or outside the markets in which the Company operates that could impact upon the global, Australian and Sri Lankan economies and the operations of the Company. These events include acts of terrorism, outbreaks of international hostilities, fires, pandemics, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease, and other man-made or natural events or occurrences that can have an adverse effect on the demand for the Company's services and its ability

to conduct business. Given the Company has only a limited ability to insure against some of these risks, its business, financial performance and operations may be materially adversely affected if any of the events described above occurs.

The outbreak of the coronavirus disease (COVID-19) impacted global economic markets. Company activities in Sri Lanka were significantly curtailed due to COVID-19 with Sri Lankan Government imposed restrictions on movement and working and the need to maintain a safe working environment for Company field teams and other local employees. An additional consequence of COVID-19 related regulatory restrictions in Sri Lanka has been the substantial disruption to the normal operations of government departments including the Geological Survey and Mines Bureau resulting in significantly disrupted routine regulatory functions including exploration licence renewals and the issuance of new exploration licences.

The Company's Share price may continue to be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any further governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company. Future outbreaks of COVID-19 or other impacts of COVID-19 have the ability to negatively affect the Company's business, operations and financial performance.

(o) **Taxation**

The acquisition and disposal of Securities may have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors of the Company are urged to obtain independent financial advice about the consequences of acquiring Securities from a taxation point of view and generally.

3.4 Speculative investment

The above list of risk factors ought not be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Offer under this Prospectus.

Therefore, the Securities being issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or their respective market value. Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

4. ADDITIONAL INFORMATION

4.1 Continuous disclosure obligations

As the Company is admitted to the official list of ASX, the Company is a "disclosing entity" for the purposes of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose to the market any information it has which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

Price sensitive information is publicly released through ASX before it is disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants is also managed through disclosure to ASX. In addition, the Company posts information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

By virtue of section 713 of the Corporations Act, the Company is entitled to issue a “transaction-specific” prospectus in respect of the Offer. ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing the Securities under this Prospectus.

In general terms, a “transaction-specific prospectus” is only required to contain information in relation to the effect of the issue of securities on the Company and the rights and liabilities attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position and performance, profits and losses or prospects of the issuing company.

As a disclosing entity under the Corporations Act, the Company states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an office of ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report of the Company for the financial year ended 30 June 2021;
 - (ii) any half-year financial report of the Company lodged with ASIC after the lodgment of the annual financial report referred to in paragraph (i) above and before the lodgment of this Prospectus with ASIC; and
 - (iii) all continuous disclosure notices given by the Company after the lodgment of the annual financial report referred to in paragraph (i) above and before the lodgment of this Prospectus with ASIC (see below).

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules that investors or their professional advisers:

- (a) would reasonably require for the purpose of making an informed assessment of:
 - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
 - (ii) the rights and liabilities attaching to the securities the subject of this Prospectus.
- (b) would reasonably expect to find in this Prospectus.

This Prospectus contains information specific to the Offer. If investors require further information in relation to the Company, they are recommended to take advantage of the opportunity to inspect or obtain copies of the documents referred to above.

The following announcements have been lodged with the ASX in respect of the Company since the lodgment of the annual financial report for the year ended 30 June 2023:

Date Lodged	Description of Announcement
28 November 2023	Results of Meeting

17 November 2023	TZMI Heavy Mineral Sands Congress Investor Presentation
16 November 2023	Letter to Shareholders – Addendum to AGM Notice
16 November 2023	Addendum to Notice of Annual General Meeting/Proxy Form
16 November 2023	Proposed issue of securities – TSL
16 November 2023	Capital Raise Update
15 November 2023	Response to ASX Price Query
6 November 2023	Land Access Agreements signed for Mannar Priority 1 Zone
27 October 2023	Letter to Shareholders – Notice of Annual General Meeting
27 October 2023	Notice of Annual General Meeting/Proxy Form
27 October 2023	Change of Date of Annual General Meeting
27 October 2023	Quarterly Activities Report and Appendix 5B
24 October 2023	CEA Presentation and Site Visit Completed
3 October 2023	AGM Details & Closing Date for Nominations
28 September 2023	Results of Meeting
27 September 2023	Appendix 4G and Corporate Governance Statement

4.2 Rights and liabilities attaching to the Shares

The following is a general description of the more significant rights and liabilities attaching to the Shares. This summary is not exhaustive. Full details of provisions relating to rights attaching to the Shares are contained in the Corporations Act, Listing Rules and the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company. Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) **Dividend rights**

Subject to the Corporations Act, the Listing Rules and any rights or restrictions attached to a class of shares, the Company may pay dividends (whether an interim or final dividend) as the Directors resolve but only out of profits of the Company.

Subject to any rights or restrictions attached to a class of shares, any dividends that may be declared by the company are payable on all Shares in proportion to the amount paid up.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders the whole or any part of the property of the Company, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

Subject to Corporations Act, the Listing Rules and any rights or restrictions attached to a class of shares, any surplus assets on a winding up are to be distributed to Shareholders in proportion to the number of Shares held by them irrespective of the amounts paid or credited as paid.

(e) **Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the Listing Rules.

(g) **Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of securities contained in the Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

The rights attaching to the Shares may only be varied by the consent in writing of the holders of 75% of the Shares, or with the sanction of a special resolution passed at a general meeting.

(i) **Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

4.3 Terms and Conditions of New Options

(a) **Entitlement**

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

(b) **Exercise Price**

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

(c) **Expiry Date**

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

(d) **Exercise Period**

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

(e) **Notice of Exercise**

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

(f) **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 New Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of New Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) 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
- (iii) 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 (i) 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 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.

(h) **Shares issue on exercise**

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

(i) **Reconstruction of capital**

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

(j) **Participation in new issues**

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

(k) **Change in exercise price**

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

(l) **Transferability**

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

4.4 Interests of Directors, experts and advisors

(a) Other than as set out below or elsewhere in this Prospectus, no:

- (i) Director or proposed Director;
- (ii) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (iii) promoter of the Company; or
- (iv) financial services licensee named in this Prospectus as a financial services licensee involved the Offer,

holds, or has held within 2 years before the date of this Prospectus, any interest in the Offer or in the formation or promotion of, or in any property acquired or proposed to be acquired by, the Company in connection with its formation or promotion or the Offer.

(b) Other than as set out in Section 4.4 or elsewhere in the Prospectus, no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given:

- (i) to a Director or proposed Director to induce him to become, or to qualify him as, a director of the Company; or

- (ii) for services provided in connection with the formation or promotion of the Company or the Offer by any Director or proposed Director, any person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, any promoter of the Company, or any underwriter or financial services licensee named in this Prospectus as an underwriter or financial services licensee involved in the Offer.

Larri Legal will be paid fees of approximately \$2,000 (plus GST) in relation to the preparation of this Prospectus.

4.5 Details of interests

(a) Directors' security holdings

Directors' interests in Shares and Options as at the date of this Prospectus are as follows:

Director	Shares	Options
Lee Christensen ¹	21,672,000	-
James Searle ²	600,000	-
Jason Ferris ³	2,940,000	-
Notes: <ol style="list-style-type: none"> Indirectly held by Pooky Corporation Pty Ltd <Garfield Family A/C> and Pooky Corporation Pty Ltd <KL Christensen Super A/C>. Indirectly held by Earthsciences Pty Ltd <The Searle Super Fund>. Indirectly held by J2J Investments Pty Ltd and Marathon Assets Pty Ltd <Marathon Super Fund A/C>. 		

(b) Director's remuneration

The remuneration paid or payable to Directors for the 2 years prior to the date of this Prospectus is as follows:

Director	30 June 2022	30 June 2023
Lee Christensen ¹	\$90,000	\$90,000
James Searle ²	\$151,200	\$120,300
Jason Ferris ³	\$314,055	\$284,700
Notes: <ol style="list-style-type: none"> Lee Christensen's director fees are paid to Pooky Corporation Pty Ltd, of which Mr Christensen is a Director. James Searle's director fees are paid to Earthsciences Pty Ltd, of which Dr Searle is a Director. Due to operational delays, minimum work commitments were not required to fulfil technical consulting and operational management requirements and as such Dr Searle was paid a reduced rate. Jason Ferris' director and consulting fees of \$180,000 (excluding superannuation) are paid as a salary. Out of scope fees of \$85,800 are paid to J2J Investments Pty Ltd, of which Mr Ferris is a director. 		

Remuneration payable from 1 July 2023 is as follows:

- (i) Lee Christensen will be paid a fee of \$90,000 per annum for his services as Non-Executive Chairman;
- (ii) James Searle will be paid a fee of \$60,000 per annum for his services as Non-Executive Director plus \$1,200 per day for a minimum of 8 days per month (totalling a minimum of \$115,200 per annum) for his services as Managing Director; and
- (iii) Jason Ferris will be paid a fee of \$60,000 per annum for his services as Non-Executive Director plus a salary of \$120,000 per year for a minimum of 10 days per month for his services as Chief Operating Officer.

The Directors will also be paid \$1,200 per day for out of scope consulting services provided to the Company.

All of the above fees for services are exclusive of superannuation.

4.6 Substantial Holders

Based on publicly available information as at the date of this Prospectus, the following Shareholders are substantial shareholders of the Company.

Shareholder Name	Number of Shares	Percentage
Robert Nelson (Vuna Nominees LLC, Willis Holdings Ltd, King George V Nominees Ltd & Cuprum Holdings Limited)	463,310,261	26.15%
Garry Johnson Super Management Pty Ltd <Gary Johnson S/F No 2 A/C>, Redaso Pty Ltd <Redason Family A/C> and GJJ Group Pty Ltd	245,304,866	13.84%
Timothy Paul Neesham (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, The 5th Element MCTN Pty Ltd and Highline Capital Pty Ltd)	163,227,914	9.21%

There will be no change to the substantial holders on completion of the Offer.

As set out in Section 2.2, 40,000,000 Shares and 50,000,000 New Options will be issued to G.J Johnson & Co pursuant to the G.J Johnson Issue and 40,000,000 Shares and 50,000,000 New Options will be issued to Willis Holdings pursuant to the Willis Holdings Issue.

Further, 24,885,200 Shares and 38,735,000 New Options will 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, The 5th Element MCTN Pty Ltd and Highline Capital Pty Ltd) pursuant to the Lead Manager Issue and the Second Placement Issue.

Accordingly, the shareholdings of the above substantial shareholders of the Company post completion of all the Security issues contemplated under this Prospectus is expected to be as follows:

Shareholder Name	Number of Shares	Percentage
Robert Nelson (Vuna Nominees LLC, Willis Holdings Ltd, King George V Nominees Ltd & Cuprum Holdings Limited)	503,310,261	25.24%
Garry Johnson Super Management Pty Ltd <Gary Johnson S/F No 2 A/C>, Redaso Pty Ltd <Redason Family A/C> and GJJ Group Pty Ltd	285,304,866	14.31%
Timothy Paul Neesham (Richsham Nominees Pty Ltd, Southern Forest Wines Pty Ltd, Wow It's a Log Pty Ltd <Olooch 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, The 5th Element MCTN Pty Ltd and Highline Capital Pty Ltd)	188,113,114	9.44%

4.7 Market Prices

The highest and lowest market sale prices of the Company's Shares during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Highest: \$0.019 per Share on 15 November 2023.

Lowest: \$0.005 per Share on 28 September 2023 and 4 October 2023.

The last available market sale price of Shares on ASX prior to the date of this Prospectus was \$0.014 per Share on 28 November 2023.

4.8 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Securities), the Directors, the persons named in the Prospectus with their consent as proposed directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) did not authorise or cause the issue of this Prospectus;
- (b) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (c) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its

name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Larri Legal has given its written consent to being named as the solicitors to the Company in this Prospectus. Larri Legal has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

4.9 Expenses of the Offer

The estimated expenses of the Offer (exclusive of GST) are as follows:

Expense	Amount
Legal fees	\$2,000
ASIC fees	\$3,206
Total	\$5,206

4.10 Litigation

As at the date of this Prospectus, the Company is not involved in any material legal proceedings and the Directors are not aware of any material legal proceedings pending or threatened against the Company with the exception of potential action in relation to ASIC's investigations.

5. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.



Lee Christensen
Executive Chairman
For and on behalf of
Titanium Sands Limited

6. DEFINITIONS

Definitions used in this Prospectus are as follows:

AGM has the meaning given to that term in Section 2.2.

Application Form means an application form attached to or accompanying this Prospectus.

Application Monies means the amount of money in dollars and cents payable for Shares at \$0.005 per Share pursuant to the Offer.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 or the Australian Securities Exchange, as the context requires.

Board means the board of Directors of the Company from time to time.

Business Day means a day on which banks are open for business in Perth, Western Australia excluding a Saturday, Sunday or public holiday.

CHESS means ASX Clearing House Electronic Sub-register System.

Closing Date means the date that the Offer closes which is 5.00pm (WST) on 31 November 2023 or such other time and date as the Directors determine.

Company means Titanium Sands Limited (ACN 009 131 533).

Constitution means the constitution of the Company.

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

Director means a director of the Company.

EGM has the meaning given to that term in Section 2.2.

First Placement Issue has the meaning given to that term in Section 2.2.

G.J Johnson & Co has the meaning given to that term in Section 2.2.

G.J Johnson Issue has the meaning given to that term in Section 2.2.

Lead Manager has the meaning given to that term in Section 2.2.

Lead Manager Issue has the meaning given to that term in Section 2.2.

Listing Rules means the official listing rules of the ASX from time to time.

Mannar Island Project means the Company's Mannar Island Project in Sri Lanka.

New Options means an Option issued on the terms and conditions set out in Section 4.3.

Offer means the offer of 10,000 Shares at an issue price of \$0.005 pursuant to this Prospectus to raise \$50.

Offer Period means the period commencing on the Opening Date and ending on the Closing Date.

Official List means the official list of the ASX.

Official Quotation means quotation of Shares on the Official List.

Opening Date means the first date for receipt of completed Application Forms which is 4:00pm (WST) on 29 November 2023 or such other time and date as the Directors determine.

Option means an option to acquire a Share.

Placement has the meaning given to that term in Section 2.2.

Prospectus means this prospectus dated 29 November 2023.

Second Placement Issue has the meaning given to that term in Section 2.2.

Section means a section of this Prospectus.

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

Shareholder means a holder of Shares.

Share Registry means Computershare Investor Services Pty Limited ACN 078 279 277.

Willis Holdings has the meaning given to that term in Section 2.2.

Willis Holdings Issue has the meaning given to that term in Section 2.2.

WST means Western Standard Time in Australia.