



ABN 65 009 131 533

**Interim Financial Report for the Half Year Ended
31 December 2024**

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Corporate Information

Directors	Mr James Searle Mr Jason Ferris Mr Lee Christensen
Company Secretary	Mr Alan Armstrong
Registered Office	Level 8, 216 St Georges Terrace PERTH WA 6000 Telephone: (08) 9481 0389 Facsimile: (08) 9463 6103
Share Registry	Computershare Investor Services Pty Limited Reserve Bank Building Level 2, 45 St Georges Terrace PERTH WA 6000
Place of Incorporation	Western Australia
Principal Place of Business	Level 8, 216 St Georges Terrace PERTH WA 6000 Telephone: (08) 9481 0389 Facsimile: (08) 9463 6103
Auditors	BDO Audit Pty Ltd Level 9, Mia Yellagonga Tower 2 Perth WA 6000
Bankers	National Australia Bank 100 St Georges Terrace PERTH WA 6000
Stock Exchange	ASX Limited Central Park 152 - 158 St Georges Terrace PERTH WA 6000
ASX Code	TSL

Titanium Sands Limited

Directors' Report For the half year ended 31 December 2024

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The directors of Titanium Sands Limited (“the Company”) and its wholly owned subsidiaries (together referred hereafter as “the Group” or “the Consolidated Entity”) submit herewith the interim financial report for the half year ended 31 December 2024. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Directors

The directors of the Company at any time during or since the end of the half year are:

Mr James Searle

Mr Jason Ferris

Mr Lee Christensen

Company Secretary

Mr Alan Armstrong

Principal Activities

The current principal activity and key focus for the Group during the period is mineral exploration.

Operating Results

The net loss of the Company for the half year ended 31 December 2024 was \$583,682 (2023: net loss \$1,447,708).

Review of Operations during the Period

OVERVIEW

The Mannar Island Heavy Mineral Sands Project in Northwest Sri Lanka is 100% controlled by Titanium Sands Ltd (Figure 1). The project is an ilmenite feedstock project with minor credits from other mineral components. The high-quality ilmenite product is expected to find a ready market with titanium slag and sulphate route pigment producers in the Middle East, Korea, India, China and elsewhere. Following the completion of a positive scoping study in May 2023 the operational priority (¹ [ASX Announcement of the 12th of May 2023](#)) for Titanium Sands Ltd to the 30th of June 2024 has been the processes necessary for securing an Industrial Mining License (IML) and other regulatory approvals for the project.

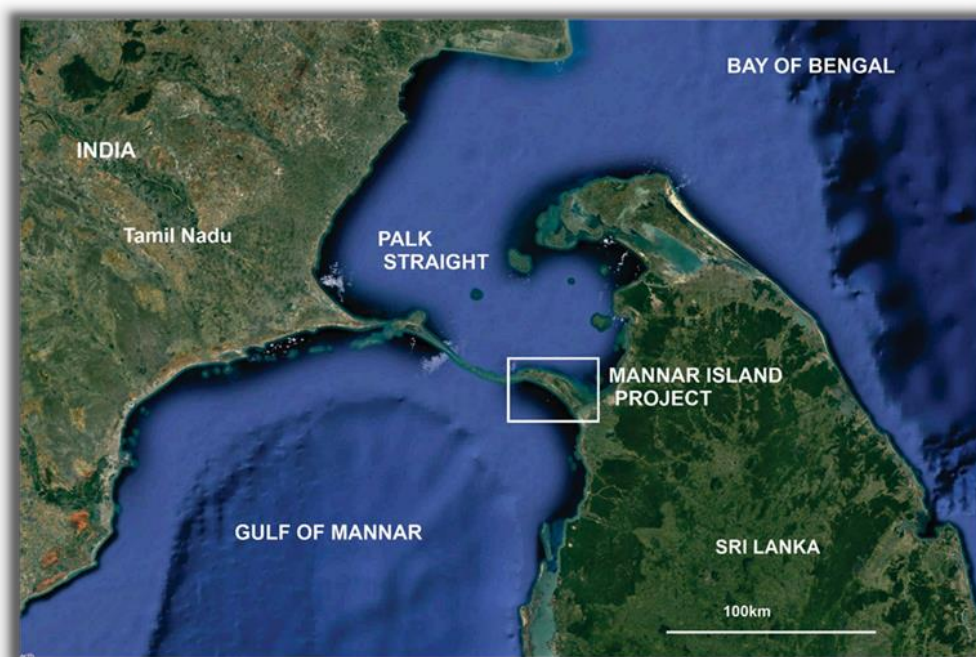


Figure 1 Location of the Mannar Island Heavy Mineral Sand Project, northwest Sri Lanka.

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MINERAL RESOURCES

A mineral resource estimate (MRE) was completed in (Table 1) March 2023 (²[ASX Announcement 15/3/2023](#)). Based on a 2% THM (Total Heavy Mineral) lower cut-off grade the MRE stands at 318 Mt at 4.17% THM.

Resource Category	Volume (Mm ³)	Tonnes (M)	Thm %	Silt %	Ovz %	Ilm %	Leu %	Rut %	Zir %	Gar %
Indicated	83.3	145.7	4.28	1.76	18.41	1.90	0.35	0.08	0.09	0.44
Inferred	98.5	172.3	4.07	1.31	16.37	1.87	0.31	0.08	0.10	0.30
Total	181.7	318.0	4.17	1.52	17.30	1.88	0.33	0.08	0.10	0.37

Table 1 Mineral Resource Estimate based on a 2% THM lower cut off. A complete JORC2012 compliant statement of this MRE is contained in ²[ASX Announcement 15/3/2023](#).

Resource Category	Volume (Mm ³)	Tonnes (M)	Thm %	Silt %	Ovz %	Ilm %	Leu %	Rut %	Zir %	Gar %
Indicated	50.7	88.7	5.45	1.39	15.54	2.48	0.44	0.10	0.11	0.58
Inferred	56.2	98.4	5.27	1.26	15.50	2.48	0.40	0.11	0.13	0.41
Total	106.9	187.0	5.36	1.32	15.52	2.48	0.42	0.10	0.12	0.49

Table 2 Mineral Resource Estimate based on a 3% THM lower cut off. A complete JORC2012 compliant statement of this MRE is contained in ²[ASX Announcement 15/3/2023](#).

A continuous higher-grade zone measuring 10km by up to 2km and down to depth of 8-12m (the zone remains largely open at depth) was identified within the above mineral resource (Figure 2). Using the 2% lower cut off the higher-grade resource contains 145.6Mt at 4.48% THM (Table 2) or for a 3% lower cut off (Table 3) 82.0Mt at 6.03% THM. This higher-grade zone was used as the basis for the scoping study previously reported to the ASX in ²[ASX Announcement 15/3/2023](#).

Resource Category	Volume (Mm ³)	Tonnes (M)	Thm %	Silt %	Ovz %	Ilm %	Leu %	Rut %	Zir %	Gar %
Indicated	62.4	109.1	4.32	2.04	23.05	1.92	0.36	0.07	0.09	0.53
Inferred	20.9	36.5	4.93	2.13	24.97	2.31	0.39	0.08	0.11	0.58
Total	83.3	145.6	4.48	2.07	23.53	2.02	0.36	0.07	0.10	0.54

Table 3 Mineral resource estimate for a higher-grade zone contained within the resources Tabulated above for a 2% lower cut off* in ²[ASX Announcement 15/3/2023](#).

Resource Category	Volume (Mm ³)	Tonnes (M)	Thm %	Silt %	Ovz %	Ilm %	Leu %	Rut %	Zir %	Gar %
Indicated	35.0	61.1	5.78	1.62	20.70	2.64	0.48	0.09	0.12	0.73
Inferred	12.0	21.0	6.78	1.71	22.59	3.27	0.53	0.10	0.14	0.82
Total	47.0	82.0	6.03	1.64	21.18	2.80	0.49	0.09	0.13	0.75

Table 4 Mineral resource estimate for a higher-grade zone contained within the resources Tabulated above for a 3% lower cut off* in ²[ASX Announcement 15/3/2023](#).

**Notes to tables 1, 2, 3 and 4 above:*

- Mineral assemblage is reported as in situ weight percentage of the resource.
- Appropriate rounding of the numbers has been applied.

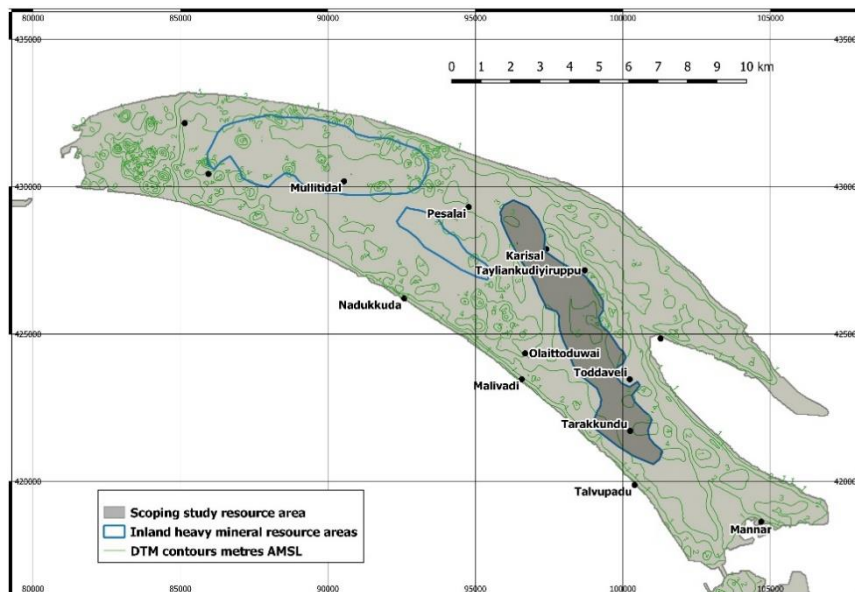


Figure 2 Inland mineral resource areas including scoping study mineral resource area.

SCOPING STUDY

The scoping study ([ASX Announcement 12/5/2023](#)) scenario was selected on a project format with a modest capital hurdle but of sufficient scale and project life that its products would be attractive to potential offtake partners. Consequently the study was based on a single dredge continuously mining the higher-grade zone identified in the resource modelling and measuring 10km by up to 2 km wide zone at rate of 4 million tonnes per annum over a period of 20 years (Figure 3). This zone contains 82million tonnes at 6.03% THM on a lower grade cut-off grade of 3% (Table 4) out of the total current mineral resource estimate of 187 million tonnes at 5.36%THM on a 3% THM lower cut off (Table 2). The mineral resources subject to this scoping study scenario therefore represent 44% of the total mineral resource estimates for the project at lower cut off of 3%.

The scoping study indicated that this project scenario is economically robust and consequently more definitive studies are underway to examine the feasibility of second or even third dredges and expanded processing capacities to potentially exploit capital and operational efficiencies.

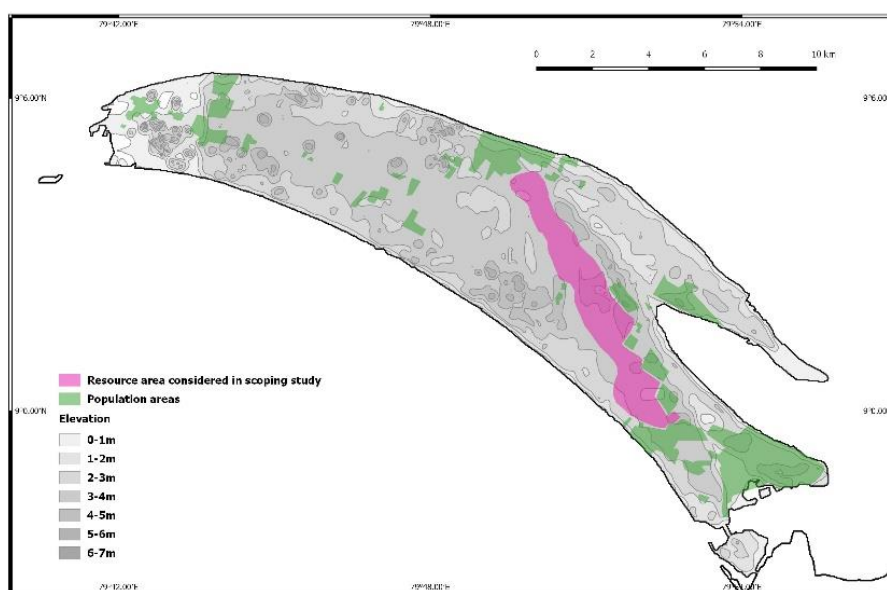


Figure 3 Portion of resource considered in the scoping study base case.

Titanium Sands Limited

Directors' Report For the half year ended 31 December 2024

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REGULATORY PROGRESS

Sri Lankan Elections

Following on from the Sri Lankan presidential elections on the 21st of September 2024, which produced a clear winner with His Excellency Anura Dissanayake of the National Peoples Party (NPP) elected in a second round run off with 56% of the vote against Sajith Premadasa of the Samaji Jana Balawegaya (SJB). President Dissanayake then used his presidential powers to call a parliamentary election to be held on the 21st of November.

The Dissanayake led NPP won a 2/3 majority in the parliamentary elections. This strong result has enabled the government to make major changes with new appointments across many Ministries and Departments. This is expected to ensure that the Government's stated objectives for better and more efficient governance will impact positively on regulatory processes related to in-bound investment and delivery of services to the people of Sri Lanka.

Central Environment Authority Key Stakeholder Presentations

As previously announced (³ *ASX Announcement 21st of October 2024*) Titanium Sands Limited has completed its presentation to the Central Environment Authority (CEA), with 34 key stakeholders from various governmental departments at a formal meeting held recently at the CEA head office in Colombo (*Image 1,2*).

The objectives of this meeting were to hear from all stakeholders and for the Company to have the opportunity to present its project scoping plan, outlining the next steps for the Project.

The Director General of CEA, Hemantha Jayasinghe, supported by the Board of Investment (BOI) facilitated the meeting and directed all parties to provide comments in writing to be included in the proposed upcoming Terms of Reference (TOR). The next steps are for a combined site visit by all the interested stakeholders followed by the TOR being issued to the Company.

Subsequent to the end of the December Quarter, a further meeting was held between the TSL Managing Director Dr James Searle, the CEA Chairman, Director General and the CEA Management on the 16th of January 2025. The CEA advised they were trying to complete the drafting of the TOR as soon as possible and appreciated that there was urgency involved after protracted delays in the process.

The Environmental Impact Assessment (EIA) is significantly completed with individual project specifics to be focused upon once the TOR is received, such as the hydrology of the project area and once completed, the EIA can be signed off and lodged with the CEA for approval and then an IML recommendation.

The IML process is continuing, with each of the above actions delivering forward momentum and allowing the Company's team to focus on the required deliverables to enable the CEA to issue the IML for the Project.

GSMB Approves Consolidation of tenure

As previously announced (⁴ *ASX Announcement 31st of October 2024*) the Geological Survey and Mines Bureau (GSMB) has approved and amended the tenure held by the Company (Table 1), to assist the regulatory process of obtaining an Industrial Mining License (IML). All five (5) licences held in the project high grade zone are now held in the name of Orion Minerals (Pvt) Ltd. The consolidation of licenses was a requirement of the Board of Investment (BOI) to allow them to be able to assess the application to provide the Company approval for the significant foreign investment required for the project once the IML is issued.

In addition, the Company has submitted retention applications on 4 Orion licenses to the GSMB.

At a meeting between the TSL Managing Director and the GSMB Chairman and Director General of the GSMB on the 16th of January 2025, the GSMB said the retention licences had been approved, and they would be issued shortly.

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Figure 5: Priority zone 1 Land Access Agreement area at Mannar Island.

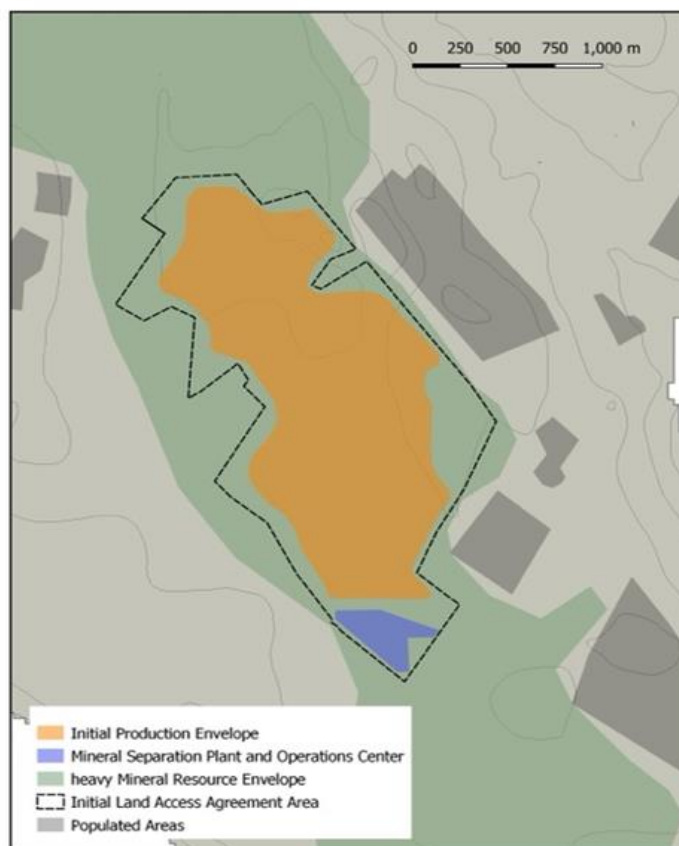


Figure 6: Mannar Island initial production envelope, Mineral separation plant and operations centre.

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Directors' Report

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Figure 7: Identifying locations for environmental clearance review

Tenure

As outlined by the Company ([ASX Announcement 22/01/25 Response to ASX Query Letter](#)), TSL submitted retention applications on time for each of the expiring Orion Exploration Licences. The GSMB have confirmed these applications are being processed.

Most recently, TSL's Managing Director, Dr James Searle, met with the GSMB in Colombo on 16 January 2025. In that meeting the GSMB again verbally confirmed that TSL's retention applications in respect of the Orion Exploration Licences have been approved and the retention licences will be issued. The GSMB also advised that there were delays to the processing of all licence renewals and retentions in Sri Lanka caused by internal matters unrelated to TSL or TSL's tenure. Subsequent to the meeting on 17 January 2025, TSL received a letter from the GSMB confirming the representations at that meeting. Formal grant of the retention licences remains pending.

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Exploration Licence	Holder	EL	Validity	Area	Status
EL 370	Orion Minerals (PVT) LTD	18/05/2024	17/05/2025	31km ²	Current - retention
EL 351	Orion Minerals (PVT) LTD	13/12/2024	12/12/2025	15km ²	Retention - pending
EL 425	Orion Minerals (PVT) LTD	19/11/2024	18/11/2025	10km ²	Retention - pending
EL 423	Orion Minerals (PVT) LTD	15/11/2024	14/11/2025	5km ²	Retention - pending
EL 424	Orion Minerals (PVT) LTD	15/11/2024	14/11/2025	8km ²	Retention - pending
EL 180/R/3	Applex Ceylon (PVT) LTD	5/03/2019	4/03/2021	45km ²	Renewal Pending
EL 182/R/3	Applex Ceylon (PVT) LTD	5/03/2019	4/03/2021	26km ²	Renewal Pending
EL 371	Hammersmith Ceylon (PVT) LTD	26/02/2018	25/02/2020	4km ²	Renewal Pending
EL 372	Hammersmith Ceylon (PVT) LTD	26/02/2018	25/02/2020	51km ²	Renewal Pending
			Total	195km ²	

Table 5 Mannar Island Project Current tenure

OPERATIONAL OUTLOOK

The operational outlook for the next 6 months will remain focussed on the regulatory approval processes for the Mannar Heavy Mineral Project. Completion of the Environmental Impact Assessment is a major step in the application process for an Industrial Mining License.

Previously Reported Information Footnotes

This report includes information that relates to Exploration Results and Mineral Resources prepared and first disclosed under JORC Code 2012 and references to other ASX announcements. The information was extracted from the Company's previous ASX announcements as follows:

¹ ASX Announcement 12th of May 2023 Scoping Study- Mannar Heavy Mineral Project.

² ASX Announcement 15th of March 2023 Updated Resource Estimate -Mannar Heavy Mineral Project.

³ ASX Announcement 21st of October 2024 CEA Key Stakeholder Presentation Completed

⁴ ASX Announcement 31st of October 2024 Sri Lankan Government Approves Consolidation of Licenses

⁵ ASX Announcement 22nd of January Response to ASX Query Letter.

These announcements are available to view on the Company's website www.titaniumsands.com.au

COMPLIANCE STATEMENTS

Previously Reported Exploration Results and Mineral Resources

This report includes information (Tables 1, 2,3 and 4) that relates to Mineral Resources prepared and first disclosed under JORC Code 2012. The information was extracted from the Company's previous ASX announcements as follows: Released to the [ASX \(ASX Announcement 15th March 2023 : Updated Resource Estimate- Mannar Heavy Mineral Project\)](#). This announcements is available to view on the Company's website www.titaniumsands.com.au. The Company confirms that it is not aware of any new information or data that materially affect the information included in the relevant market announcement and, in the case of estimates of the Company's Mineral Resources that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply with respect to the resource block model and total heavy mineral content and have not materially changed. The Company confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the relevant original market announcements.

Forward-Looking Statements

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

Titanium Sands Limited

Directors' Report For the half year ended 31 December 2024

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Competent Persons

Except where indicated, exploration and technical information above have been reviewed and compiled by James Searle BSc (hons), PhD, a Competent Person who is a Member of the Australian Institute of Mining and Metallurgy, with over 40 years of experience in metallic and energy minerals exploration and development, and as such has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr Searle is the Managing Director of Titanium Sands Limited and consents to the inclusion of this technical information in the format and context in which it appears.

Events Subsequent to the Reporting Date

On 18 February 2025, the Company issued 125,000,000 fully paid Placement shares at deemed issue price of \$0.004 per share, raising up to \$500,000 before costs, and issued 62,500,000 free attaching unlisted options exercisable at \$0.023, expiring on 17 February 2027.

There has been no other events subsequent to the end of the period that would have had a material effect on the Group's financial statements as at 31 December 2024.

Dividends

No dividends have been paid or declared by the Company to members during the half year ended 31 December 2024.

Auditor's Independence Declaration

The auditor's independence declaration is included within this financial report and forms part of the directors' report for the half year ended 31 December 2024.

Dated at Perth on 13th March 2025.

Signed in accordance with a resolution of the directors.



James Searle
Director

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 31 December 2024

	Note	31 Dec 2024	31 Dec 2023
		\$	\$
		-	-
Other income			
Administrative expenses		(132,000)	(335,168)
Audit expenses		(21,027)	(16,991)
Director fees		(252,564)	(247,141)
Corporate advisory fees		(36,000)	(24,000)
Share based payment expense		(137,369)	(62,500)
Depreciation		(901)	-
Results from operating activities		(579,861)	(685,800)
Finance income	4	3,679	4,186
Finance expenses	4	(7,500)	(766,094)
Net finance (expenses)		(3,821)	(761,908)
(Loss) before income tax		(583,682)	(1,447,708)
Income tax expense		-	-
(Loss) for the period		(583,682)	(1,447,708)
Other comprehensive income			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		2,745,936	(1,711,322)
Other comprehensive income for the period		2,745,936	(1,711,322)
Total comprehensive income /(loss) for the period		2,162,254	(3,159,030)
(Loss) per share			
Basic and diluted (loss) per share (cents)		(0.026)	(0.08)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the notes to the financial statements.

Consolidated Statement of Financial Position

As at 31 December 2024

	Note	31 Dec 2024 \$	30 Jun 2024 \$
Current Assets			
Cash and cash equivalents		234,098	1,172,085
Trade and other receivables		221,472	608,439
Total current assets		455,570	1,780,524
Non-current assets			
Exploration and evaluation expenditure	5	24,736,161	21,555,114
Property, plant and equipment		8,478	9,367
Other receivables		452,420	-
Total non-current assets		25,197,059	21,564,481
Total assets		25,652,629	23,345,005
Current Liabilities			
Trade and other payables		159,507	134,175
Total current liabilities		159,507	134,175
Total liabilities		159,507	134,175
Net assets		25,493,122	23,210,829
Equity			
Issued capital	6	41,593,247	41,611,354
Reserves	7	(2,929,353)	(5,813,435)
Accumulated losses		(13,170,772)	(12,587,090)
Total equity		25,493,122	23,210,829

The above Consolidated Statement of Financial Position is to be read in conjunction with the notes to the financial statements.

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Consolidated Statement of Changes in Equity

For the six months ended 31 December 2024

	Issued Capital	Options Reserve	Foreign Exchange Translation Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$	\$
Balance as at 1 July 2023	37,011,951	6,649,465	(12,976,776)	(10,432,035)	20,252,605
Loss for the period	-	-	-	(1,447,708)	(1,447,708)
Foreign currency translation	-	-	(1,711,322)	-	(1,711,322)
Total comprehensive loss for the period	-	-	(1,711,322)	(1,447,708)	(3,159,030)
Shares issued	3,386,661	-	-	-	3,386,661
Share issue costs	(310,140)	-	-	-	(310,140)
Share based payment	-	449,783	-	-	449,783
Balance as at 31 December 2023	40,088,472	7,099,248	(14,688,098)	(11,879,743)	20,619,879
Balance as at 1 July 2024	41,611,354	7,099,248	(12,912,683)	(12,587,090)	23,210,830
Loss for the period	-	-	-	(583,682)	(583,682)
Foreign currency translation	-	-	2,745,936	-	2,745,936
Total comprehensive loss for the period	-	-	2,745,936	(583,682)	2,162,254
Shares issued	-	-	-	-	-
Share issue costs	(18,107)	-	-	-	(18,107)
Option premium reserve	-	777	-	-	777
Share based payment	-	137,369	-	-	137,369
Balance as at 31 December 2024	41,593,247	7,237,394	(10,166,747)	(13,170,772)	25,493,122

The above Consolidated Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements.

Consolidated Statement of Cash Flows
For the six months ended 31 December 2024

	Note	31 Dec 2024 \$	31 Dec 2023 \$
Cash flows from operating activities			
Cash paid to suppliers and employees		(514,868)	(753,233)
Interest received		3,679	1,063
Net cash used in operating activities		(511,189)	(752,170)
Cash flows from investing activities			
Payments for exploration assets		(427,575)	(865,827)
Payments to vendor for entity to be acquired		-	(352,420)
Net cash used in investing activities		(427,575)	(1,218,247)
Cash flows from financing activities			
Proceeds from issue of options (net of costs)		777	-
Proceeds from issue of shares (net of costs)		-	2,383,739
Net cash received from financing activities		777	2,383,739
Net (decrease) / increase in cash and cash equivalents		(937,987)	413,322
Cash and cash equivalents at 1 July		1,172,085	68,530
Cash and cash equivalents at 31 December		234,098	481,852

The above Consolidated Statement of Cash Flows is to be read in conjunction with the notes to the financial statements.

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Notes to the consolidated financial statements For the half year ended 31 December 2024

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1. Reporting Entity

Titanium Sands Limited is a company domiciled in Australia. The interim financial report of the Group is as at and for the half year ended 31 December 2024.

2. Statement of compliance

The interim financial report is a general purpose financial report which has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the Corporations Act 2001. Selected explanatory notes are included to explain events and transactions that are significant to gain an understanding of the changes in the financial position and performance of the Group since the last annual financial report as at and for the year ended 30 June 2024.

The interim financial report does not include all of the information required for a full annual financial report, and should be read in conjunction with the annual financial report of the Company as at and for the year ended 30 June 2024. The interim financial report is approved by the Board of Directors on 13 March 2025.

Estimates

Preparing interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements as at and for the year ended 30 June 2024.

Going Concern

For the period ended 31 December 2024 the Group has incurred a net loss of \$583,682 (2023: net loss \$1,447,708), experienced net cash outflows from operations of \$511,189 (2023: outflow \$752,170) and net cash outflows from investing activities of \$427,575 (2023: outflow \$1,218,247). As at 31 December 2024 the cash balance is \$234,098 (30 June 2024: \$1,172,085).

The Directors have reviewed the cash flow requirements for the next 12 months and recognise that the ability of the Group to continue as a going concern is dependent on securing additional funding through equity to continue to fund its exploration activities.

These conditions indicate a material uncertainty that may cast a significant doubt about the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The financial statements have been prepared on the basis that the Group is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business for the following reasons:

- On 18 February 2025, the Company issued 125,000,000 fully paid Placement shares at deemed issue price of \$0.004 per share, raising up to \$500,000 before costs. The Directors are confident the Group will be successful in sourcing further capital from the issue of additional equity securities to fund the ongoing operations of the Group if required, having previously been successful when raising funds through equity issues; and
- The ability of the Group to further scale back certain parts of their activities that are non-essential so as to conserve cash.

Should the Group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements and that the financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the company not continue as a going concern.

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Notes to the consolidated financial statements For the half year ended 31 December 2024

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3. Material accounting policies

The accounting policies applied by the Group in this interim financial report are the same as those applied by the Company in its annual financial report as at and for the year ended 30 June 2024.

New or amended standards adopted by the entity

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Segment reporting

The Group operates in one reportable segment, being mineral exploration in Sri Lanka. The Board of Directors review internal management reports on a regular basis that are consistent with the information provided in the statement of profit or loss and other comprehensive income, statement of financial position and statement of cash flows. As a result no reconciliation is required because the information as presented is what is used by the Board to make strategic decisions.

4. Finance income / expense

	31 December 2024 \$	31 December 2023 \$
Finance Income		
Interest income	3,679	4,186
Finance Expenses		
Extinguishment of financial liability	-	766,094
Interest expense	7,500	-
	7,500	766,094

5. Exploration and evaluation expenditure

	31 December 2024 \$	30 June 2024 \$
Exploration and evaluation assets		
Balance at the beginning of period	21,555,114	20,572,535
Exploration costs capitalised	447,122	1,370,905
James Global acquisition cost reallocation	-	(452,420)
Foreign currency translation	2,733,925	64,094
Balance at the end of reporting period	24,736,161	21,555,114

The ultimate recoupment of balances carried forward in relation to areas of interest still in the exploration or valuation phase is dependent on successful development, and commercial exploitation, or alternatively sale of the respective areas. The Group conducts impairment testing on an annual basis when indicators of impairment are present at the reporting date.

6. Issued capital

a) Share capital

Fully paid ordinary shares

	Number	\$
On issue at 1 July 2024	2,211,747,190	41,611,354
Share issue costs	-	(18,107)
On issue at 31 December 2024	2,211,747,190	41,593,247

Titanium Sands Limited

Notes to the consolidated financial statements For the half year ended 31 December 2024

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7. Reserves

	31 December 2024 \$	30 June 2024 \$
Reserves		
Option and equity settled reserve ¹	7,237,394	7,099,248
Foreign currency translation reserve ²	(10,166,747)	(12,912,683)
	<u>(2,929,353)</u>	<u>(5,813,435)</u>

¹ The Option and Equity Settled Reserve is used to record the fair value of equity incentives issued.

² The Foreign Currency Translation Reserve is used to record exchange rate differences arising on translation of foreign subsidiaries.

a) Outstanding share options

As at 31 December 2024 the Company had the following share based payments outstanding:

Details	Type	Number
Options exercisable at \$0.023 expiring 16 February 2026	Unlisted options	1,213,568,146
Options exercisable at \$0.006 expiring 13 November 2028	Unlisted options	28,000,000

<i>Movement in option and equity settled reserve</i>	Number	\$
Opening balance at 1 July 2024	1,014,559,664	7,099,248
Broker options ¹	90,000,000	41,986
Director options ²	28,000,000	95,383
Cash received from the listed options issued to broker	-	777
Free attaching Placement options	109,008,482	-
Closing balance	<u>1,241,568,146</u>	<u>7,237,394</u>

¹ 90,000,000 options were issued to the Broker for services provided during the Placement. The Company could not value the services provided and therefore used a Black & Scholes option pricing model to value the options. The options vest immediately and the following table lists the inputs to the model used in their valuation:

Grant Date	13/11/2024
Expected Volatility	100%
Expected Life	2 years
Fair Value	\$0.00047
Number Issued	90,000,000
Dividend Yield	Nil
Exercise Price (\$)	\$0.023
Share Price at Grant Date (\$)	\$0.005

Titanium Sands Limited

Notes to the consolidated financial statements For the half year ended 31 December 2024

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² 28,000,000 shares and attaching options were issued to Directors upon the shareholder's approval at the AGM of 2024. The options vest immediately and the following table lists the inputs to the model used in their valuation:

Grant Date	13/11/2024
Expected Volatility	100%
Expected Life	4 years
Fair Value	\$0.00341
Number Issued	28,000,000
Dividend Yield	Nil
Exercise Price (\$)	\$0.006
Share Price at Grant Date (\$)	\$0.005

8. Commitments and contingent liabilities

In the opinion of the directors, there were no significant changes in commitments or contingent liabilities during the period ended 31 December 2024.

9. Related party transactions

During the period, the Company issued 28,000,000 options to Directors upon the shareholder's approval at the AGM of 2024. The options vest immediately, exercisable at \$0.006 and expiring on 13 November 2028. Refer to note 7 for further details.

In the opinion of the directors, there were no other significant changes in related party transactions during the period ended 31 December 2024.

10. Events Subsequent to the Reporting Date

On 18 February 2025, the Company issued 125,000,000 fully paid Placement shares at deemed issue price of \$0.004 per share, raising up to \$500,000 before costs, and issued 62,500,000 free attaching unlisted options exercisable at \$0.023, expiring on 17 February 2027.

There are no other events subsequent to the end of the period that would have had a material effect on the Group's financial statements as at 31 December 2024.

Titanium Sands Limited

Directors' Declaration

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The Directors of Titanium Sands Limited declare that:

- a) the interim financial statements and notes thereto are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of the Group as at 31 December 2024 and of its performance for the six month period ended on that date; and
 - (ii) comply with Accounting Standards AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
- b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Dated at Perth on 13th March 2025.

Signed in accordance with a resolution of the directors:

A handwritten signature in dark ink, consisting of a series of loops and a long horizontal stroke extending to the right.

James Searle
Director

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Titanium Sands Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Titanium Sands Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, material accounting policy information and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- i. Giving a true and fair view of the Group's financial position as at 31 December 2024 and of its financial performance for the half-year ended on that date; and
- ii. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Material uncertainty relating to going concern

We draw attention to Note 2 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.



Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is true and fair and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit Pty Ltd

A handwritten signature in black ink, appearing to read 'Dean Just', is written over a faint, light grey BDO logo.

Dean Just

Director

Perth, 13 March 2025

DECLARATION OF INDEPENDENCE BY DEAN JUST TO THE DIRECTORS OF TITANIUM SANDS LIMITED

As lead auditor for the review of Titanium Sands Limited for the half-year ended 31 December 2024, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Titanium Sands Limited and the entities it controlled during the period.



Dean Just

Director

BDO Audit Pty Ltd

Perth

13 March 2025