



ASX RELEASE

30th April 2025

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Directors

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Ticket

ASX: TSL

QUARTERLY OPERATIONS REPORT TO 31st MARCH 2025

- **Central Environment Authority (CEA) has provided the Terms of Reference (ToR) for the environmental assessment of the Mannar Heavy Mineral Project following site visits and input from 35 regulatory bodies and government departments**

REGULATORY APPROVAL PROCESSES

As previously announced (*ASX Announcement 26th of March 2025¹*) Titanium Sands Ltd received the Terms of Reference (ToR) for the Mannar Heavy Minerals Project from the Sri Lankan Central Environment Agency (CEA). The ToR contains the requirements for the environmental studies for an Environmental Impact Assessment (EIA). On completion of the EIA, the Geological Survey and Mines Bureau (GSMB) will then be in a position to issue an Industrial Mining License (IML) for the Project.

The release of the ToR on 20 March 2025 followed a series of CEA meetings and presentations, culminating in the Scoping Presentation on 22 August 2024 and the Scoping Site Visit on 19 February 2025 by stakeholders in the Project. Submissions made by stakeholders at both the scoping meetings have been included in the ToR which forms the basis of the requirements of the EIA.

The ToR has been prepared on input from 35 departments and regulatory bodies within Sri Lanka's Government. TSL's EIA consultants will be required to address the following as outlined in the ToR:

- Overview of the proposed project and reasonable alternatives
- Report on existing environment and surrounds
- Report on anticipated environmental impacts
- Prepare an Environmental Management Plan (EMP) and monitoring program
- Assess all aspects of nature and wildlife restrictions
- Host community consultation and engagement.

The ToR also requires a report on any areas beyond the project site where there is potential for environmental impacts.

Commenting on the release of the ToR TSL’s Managing Director, Dr James Searle said:

“the release of the ToR is a significant step forward in the regulatory approvals process for this Project. The Project will deliver a high-grade mineral sands operation that will create significant employment opportunities and become a source of wealth for local communities, as well as a significant boost in revenues to the Government of Sri Lanka. TSL is focused on delivering a low impact environmentally friendly project, with the highest levels of social awareness and inclusion. As heavy minerals have been mined for decades on the Sri Lankan mainland, TSL looks forward to building on the size and quality of the industry making a significant impact to the economic benefits of Sri Lanka”.

Next Steps



TENURE

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 1 Mannar Island Project Current tenure

As outlined by the Company ([ASX:TSL 22/01/25 Response to ASX Query Letter²](#)), 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.

PAYMENTS TO RELATED PARTIES

The total amount paid to related parties of the Company and their associates, as per item 6.1 and 6.2 of the attached Appendix 5B was \$108k and \$15k respectively. These payments are for Directors fees, salaries and superannuation during the quarter.

OTHER ASX REQUIREMENTS

ASX Listing Rule 5.3.1: Exploration and Evaluation expenditure during the Quarter was \$162k focussed on environmental studies and updated scoping study expenditure.

ASX Listing Rule 5.3.2: There were no mining production and development activities during the Quarter.

Ends-

The Board of Directors of Titanium Sands Ltd authorised this announcement to be given to ASX.

Further information contact:

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COMPLIANCE STATEMENTS

Forward-Looking Statements

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

Previously Reported information foot notes for reference

This report includes information that relates to announcements previously made to the ASX. The information was extracted from the Company's previous ASX announcements as follows:

Note 1 - ASX Announcement 26th of March 2025: Terms of Reference for EIA provided for the Mannar Project

Note 2 - ASX Announcement 22nd of January 2025: Response to ASX Query Letter

Appendix 5B

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

Name of entity

Titanium Sands Limited

ABN

65 009 131 533

Quarter ended ("current quarter")

31 March 2025

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(108)	(331)
(e) administration and corporate costs	(124)	(416)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	4
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(232)	(743)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	(162)	(589)
(e) investments	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
2.2 Proceeds from the disposal of:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	(162)	(589)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	500	500
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	(53)	(53)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material) Proceeds from shares yet to be issued	-	-
3.10 Net cash from / (used in) financing activities	447	447

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	234	1,172
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(232)	(743)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(162)	(589)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	447	447

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	287	287

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	287	234
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	287	234

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	108
6.2	Aggregate amount of payments to related parties and their associates included in item 2	15
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	-		

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

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(232)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(162)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(394)
8.4	Cash and cash equivalents at quarter end (item 4.6)	287
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	287
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	0.73
<p><i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i></p>		
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	<p>Answer: No, the Company expects expenditure to be lower in the coming period, until such time as the formal issue of retention licences on 4 outstanding licences (EL 351, EL 423, EL 424 & EL 425) are received.</p>	
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	<p>Answer: Yes, the Company will be required to raise further cash in order to fund its operations. TSL has recently completed a placement to shareholders and has the ongoing full support of the major shareholders and TSL's corporate advisor and the Company believes on this basis it will be successful in future capital raisings.</p>	
8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	<p>Answer: Yes, for the reasons noted in 8.8.1 & 8.8.2 above.</p>	
<p><i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i></p>		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 April 2025

Authorised by: By the Board
(Name of body or officer authorising release – see note 4)

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

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.