

23 January 2018

Company Announcements Office  
Australian Securities Exchange  
10<sup>th</sup> Floor, 20 Bond Street  
SYDNEY NSW 2000

## GRANT OF EXPLORATION LICENSE, MANNAR ISLAND PROJECT

Titanium Sands Ltd is pleased to announce that the Sri Lankan Geological and Mines Bureau has granted a 40 square kilometre exploration license EL/370\* that is part of the Mannar Island heavy mineral sand project (Figures 1 and 2) to Kilsythe Exploration Ltd. Kilsythe is a wholly owned subsidiary of Srinel Holdings Ltd. The tenure is for an initial period of two years and is renewable subject to demonstration of satisfactory progress.

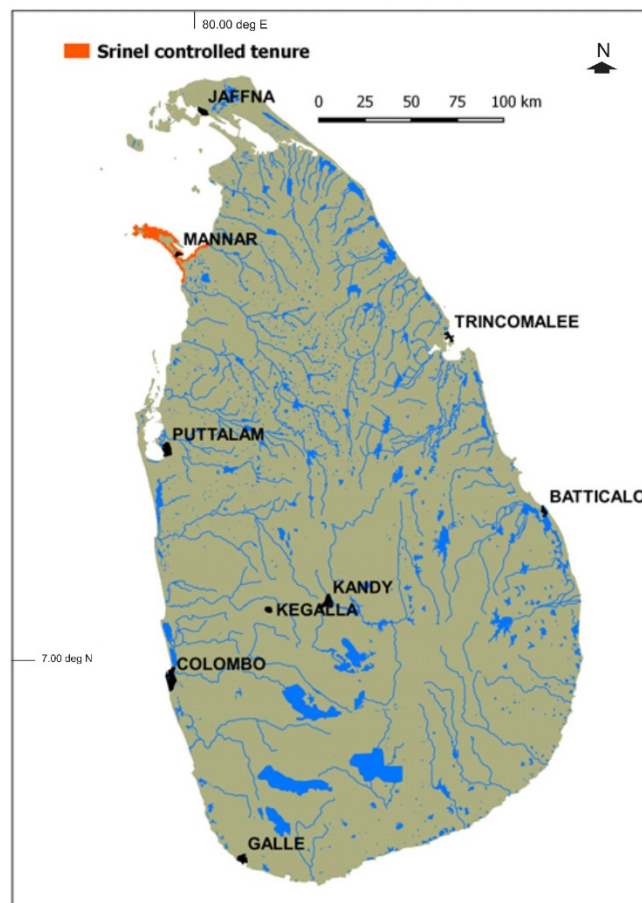
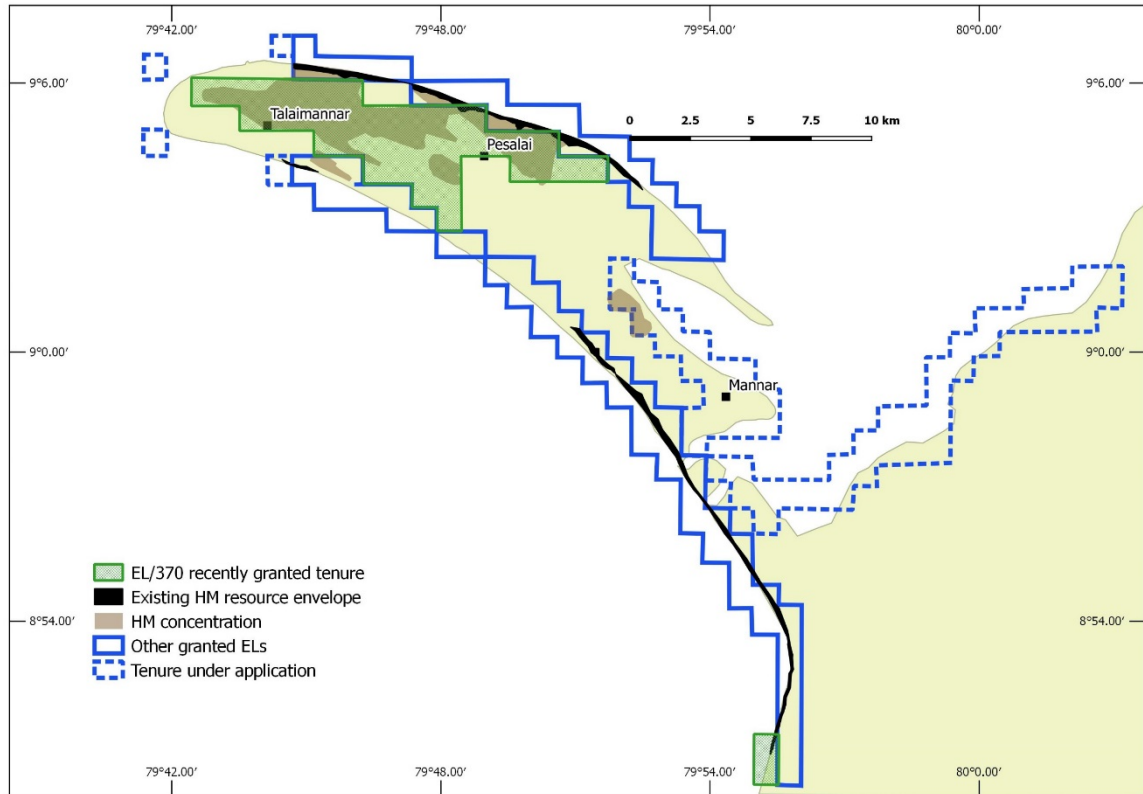


Figure 1 Location of the Mannar Island Project in Sri Lanka



**Figure 2 Granted exploration license EL/370 and other Srinel Holdings tenure and tenure applications. The existing resource envelope refers to the previously reported JORC standard heavy mineral sand resource #. The HM concentration area is based on drilling and is expected to be modelled as part of an updated resource statement to be prepared in due course.**

Titanium Sands Ltd is seeking to complete the acquisition of the Mannar Island Heavy Mineral Sands Project in Sri Lanka having previously exercised its option on the project. The transaction will see the acquisition of Srinel Holdings Ltd which now holds three exploration licences covering 111km<sup>2</sup> and two exploration license applications covering another 55km<sup>2</sup>. Completion of the transaction requires approval by shareholders at a general meeting of the Company to be held on 24 January 2018.

The Company looks forward to completing the acquisition of the Mannar Island Project so it can complete the work necessary for an updated mineral resource statement and then to progress with evaluating the major exploration potential of the project both adjacent to the known mineralisation and immediately underlying beneath the water table.

*\*The area applied for was 42.5km, the area granted as EL/370 was 40km2.*

*#An initial JORC inferred mineral resource of 10.3 Mt with total heavy mineral (THM) of 11.7% compiled by independent consultants was reported in full to the Australian Securities Exchange on the 22 April 2015. This resource was based on a historical drill hole data base of 785 auger drill holes and from the 115 holes drilled in early 2015. The drilling and the defined resource envelope was largely confined to within 150m of the Mannar Island shoreline. The Company confirms that this resource statement remains current in regards to the areas covered by the drilling used in the resource model.*

*Except where indicated, exploration results above have been reviewed and compiled by James Searle BSc (hons), PhD, a Member of the Australian Institute of Mining and Metallurgy, with over 34 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.*