

**Titanium Sands Limited**  
**ACN 009 131 533**

**Notice of Annual General Meeting**

**Annual General Meeting to be held at  
Level 11, 216 St Georges Terrace  
Perth, Western Australia on 26 November 2019  
commencing at 10.00 am (WST).**

**Important**

This Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their professional adviser prior to voting.



## NOTICE OF ANNUAL GENERAL MEETING

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Notice is given that an annual general meeting of the shareholders of Titanium Sands Limited ACN 009 131 533 (**Company**) will be held at Level 11, 216 St Georges Terrace, Perth Western Australia on 26 November 2019, commencing at 10.00am (WST).

The Explanatory Statement that accompanies and forms part of this Notice of Meeting describes in more detail the matters to be considered.

### Ordinary Business

#### Item 1 - Annual Report

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To receive and consider the Annual Report of the Company for the year ended 30 June 2019, which includes the Financial Report, the Directors' Report, the Remuneration Report and the Auditor's Report.

#### Resolution 1 – Approval of Remuneration Report

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

To consider and, if thought fit, pass the following **advisory only resolution**:

*“That, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report for the year ended 30 June 2019 be adopted.”*

**Note:** The vote on this resolution is advisory only and does not bind the Directors or the Company.

##### Voting exclusion

The Company will disregard any votes cast on this Resolution:

- (a) by or on behalf of a member of Key Management Personnel as disclosed in the Remuneration Report;
- (b) by or on behalf of a Closely Related Party of a member of Key Management Personnel; and
- (c) as a proxy by a member of Key Management Personnel or a Closely Related Party

unless the vote is cast as proxy for a person entitled to vote in accordance with a direction on the Proxy Form or by the Chair pursuant to an express authorisation to exercise the proxy

#### Resolution 2 – Re-election of Mr Jason Ferris

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

*“That, in accordance with the Company's Constitution and for all other purposes, Mr Jason Ferris, who retires by rotation under Rule 9.3 of the Company's Constitution and, being eligible, offers himself for re-election, be re-elected as a Director of the Company.”*

#### Resolution 3 – Approval of 10% Placement Capacity

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To consider and, if thought fit, to pass, with or without amendment, the following Resolution as a **special resolution**:

*“That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Statement.”*

##### Voting exclusion

The Company will disregard any votes cast in favour of the Resolution by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder); or any associate of that person (or those persons). However, the Company need not disregard any vote if:



- |     |  |
|-----|--|
| (a) | it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or                        |
| (b) | it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides |

## Resolution 4 – Issue of Shares to CPS Capital Group

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

*“That, for the purposes of Listing Rule 7.1, and for all other purposes, approval is given for the Company to issue 10,000,000 Shares to CPS Capital Group Pty Ltd (and/or its nominees) for ongoing corporate advisory services, on the terms and conditions set out in the Explanatory Statement.”*

### Voting exclusion statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf of CPS Capital Group or any associate of CPS Capital Group and any person who might obtain a benefit (except a benefit solely in the capacity of a Shareholder) if the Resolution is passed, and any associate of those persons.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form; or
- it is cast by the Chair as proxy for a person who is entitled to vote in accordance with a direction on the Proxy Form to vote as the proxy decides.

## Resolution 5 – Amendment to Constitution

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To consider and, if thought fit, to pass, with or without amendment, the following Resolution as a **special resolution**:

*“That, for the purposes of section 136(2) of the Corporations Act, and for all other purposes, the Constitution of the Company be amended in the manner set out in the Explanatory Statement.”*

## Other Business

In accordance with section 250S(1) of the Corporations Act, Shareholders are invited to ask questions about or make comments on the management of the Company and to raise any other business which may lawfully be brought before the Annual General Meeting.

### By Order of the Board of Directors

**James Searle**  
Managing Director  
Titanium Sands Limited

18 October 2019



# EXPLANATORY STATEMENT

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## Important information

This Explanatory Statement has been prepared for the information of the shareholders of Titanium Sands Limited ACN 009 131 533 (**Company**) in connection with the Resolutions to be considered at the Annual General Meeting to be held at Level 11, 216 St Georges Terrace, Perth Western Australia on 26 November 2019, commencing at 10.00am (WST).

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company, which is material to a decision on how to vote on the Resolutions in the accompanying Notice of Meeting.

This Notice and Explanatory Statement should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their professional adviser prior to voting.

## Interpretation

Capitalised terms which are not otherwise defined in this Notice and Explanatory Statement have the meanings given to those terms in Section 8.

References to “\$” and “in this Notice and Explanatory Statement are references to Australian currency unless otherwise stated.

References to time in this Notice and Explanatory Statement relate to the time in Perth, Western Australia.

## Voting exclusion statements

Certain voting restrictions apply to the Resolutions as detailed beneath the Resolutions in the Notice.

## Proxies

Please note that:

- a Shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy;
- a proxy need not be a Shareholder;
- a Shareholder may appoint a body corporate or an individual as its proxy;
- a body corporate appointed as a Shareholder's proxy may appoint an individual as its representative to exercise any of the powers that the body may exercise as the Shareholder's proxy; and
- Shareholders entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms. If a Shareholder appoints a body corporate as its proxy and the body corporate wishes to appoint an individual as its representative, the body corporate should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company or its share registry in advance of the Annual General Meeting or handed in at the Annual General Meeting when registering as a corporate representative.

Members of Key Management Personnel and their Closely Related Parties will not be able to vote as proxy on Resolution 1 unless the Shareholder directs them how to vote or, in the case of the Chair, unless the Shareholder expressly authorises him to do so. If a Shareholder intends to appoint a member of Key



Management Personnel or their Closely Related Parties (other than the Chair) as its proxy, the Shareholder should ensure that it directs the proxy how to vote on Resolution 1.

If a Shareholder intends to appoint the Chair as its proxy on Resolution 1, the Shareholder can direct the Chair how to vote by marking one of the boxes for the Resolutions (for example, if the Shareholder wishes to vote 'for', 'against' or to 'abstain' from voting). If a Shareholder does not direct the Chair how to vote, the Shareholder can expressly authorise the Chair to vote as the Chair thinks fit on Resolution 1 by marking the appropriate box on the Proxy Form even though the Resolution is connected to the remuneration of members of Key Management Personnel and even if the Chair has an interest in the outcome of the Resolution.

To vote by proxy, please complete and sign the enclosed Proxy Form and send by:

- post to the Company at Level 11, London House, 216 St Georges Terrace, Perth WA 6000;
- facsimile to the Company on +61 (08) 9463 6103; or
- email to the Company Secretary at davidm@miningcorporate.com.au,

so that it is received by no later than 10.00 am (WST) on 24 November 2019. Proxy Forms received later than this time will be invalid.

## **Voting entitlements**

In accordance with Regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth), the Board has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the register of Shareholders as at 10.00am (WST) on 24 November 2019. Accordingly, transactions registered after that time will be disregarded in determining a Shareholder's entitlement to attend and vote at the Annual General Meeting.



## 1. ITEM 1 – ANNUAL REPORT

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The Annual Report, comprising the Financial Report, the Directors' Report, the Remuneration Report and the Auditor's Report for the year ended 30 June 2019, will be laid before the Annual General Meeting.

There is no requirement for Shareholders to approve these Reports. However, the Chair will allow a reasonable opportunity for Shareholders to ask questions or make comments about these Reports and the management of the Company. Shareholders will also be given an opportunity to ask the auditor questions about the:

- (a) conduct of the audits;
- (b) preparation and content of the Auditor's Report;
- (c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) independence of the auditor in relation to the conduct of the audits.

In addition to taking questions at the Annual General Meeting, written questions to the Chair about the management of the Company, or to the Company's auditor about the content of the Auditor's Report or the conduct of the audit, may be submitted no later than 5 business days before the date of the Annual General Meeting to the Company Secretary at [davidm@miningcorporate.com.au](mailto:davidm@miningcorporate.com.au).

The Company's Annual Report is available on the Company's website at [www.titaniumsands.com.au](http://www.titaniumsands.com.au).

## 2. RESOLUTION 1 – APPROVAL OF REMUNERATION REPORT

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The Remuneration Report of the Company for the financial year ended 30 June 2019 is included in the Directors' Report in the Annual Report. The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company.

Section 249L(2) of the Corporations Act requires a company to inform Shareholders that a resolution on the Remuneration Report will be put at the Annual General Meeting. Section 250R(2) of the Corporations Act requires a resolution that the Remuneration Report adopted be put to the vote. Resolution 1 seeks this approval.

In accordance with section 250R(3) of the Corporations Act, Shareholders should note that Resolution 1 is "advisory only" resolutions which does not bind the Directors. Under section 250SA of the Corporations Act, the Chair will provide a reasonable opportunity for discussion of the Remuneration Report at the Annual General Meeting.

If at least 25% of the votes on Resolution 1 are voted against the adoption of the Remuneration Report at the Annual General Meeting, and then again at the Company's 2020 annual general meeting, the Company will be required to put to Shareholders a resolution proposing the calling of an extraordinary general meeting (**Spill Meeting**) to consider the appointment of the Directors (**Spill Resolution**).

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the Spill Meeting within 90 days of the Company's 2020 annual general meeting. All of the Directors who are in office when the Company's 2020 Directors' Report is approved, other than the Managing Director of the Company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting. Following the Spill Meeting those persons whose election or re-election as Directors is approved will be the directors of the Company.



### **3. RESOLUTION 2 – RE-ELECTION OF MR JASON FERRIS**

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Rule 9.3 of the Company's Constitution requires that one third of the Company's directors must retire at each annual general meeting. Accordingly, Mr Ferris retires by rotation and, being eligible, offers himself for re-election.

Resolution 2 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders entitled to vote.

Mr Ferris has worked in financial services, property and corporate finance industries for more than 25 years. Mr Ferris is an experienced company director having served on the board of numerous public and private companies in Australia, South Africa and United Kingdom. He is a Fellow of the Australian Institute of Management (FAIM) and is a Member of the Australian Institute of Company Directors (MAICD). He has also facilitated many joint venture opportunities in both property, tech and mining sectors.

The Directors (excluding Mr Ferris) recommend that Shareholders vote in favour of Resolution 2.

### **4. RESOLUTION 3 – APPROVAL OF 10% PLACEMENT CAPACITY**

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#### **4.1 General**

Listing Rule 7.1A enables eligible entities to issue Equity Securities totaling up to 10% of its issued share capital through placements over a 12 month period after the entity's annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity. The Company currently has a market capitalisation of \$12,706,323 based on a share price of \$0.02, being the closing price of Shares on the ASX on 11 October 2019.

The Company is now seeking shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility. As Resolution 3 is a special resolution, at least 75% of the votes cast must be cast in favour of the Resolution in order for it to be passed.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2.

The Board believes that Resolution 3 is in the best interests of the Company and unanimously recommends that Shareholders vote in favour of this Resolution.

#### **4.2 Description of Listing Rule 7.1A**

##### **Shareholder approval**

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting.

##### **Equity Securities**

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

As at the date of this Notice of Annual General Meeting, the only quoted Equity Securities that the Company has on issue are fully paid ordinary shares.

##### **Formula for calculating 10% Placement Facility**

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the



annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

**(A x D) – E**

**A** is the number of shares on issue 12 months before the date of issue or agreement:

(A) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;

(B) plus the number of partly paid shares that became fully paid in the 12 months;

(C) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;

(D) less the number of fully paid shares cancelled in the 12 months. 10

Note that "A" has the same meaning as in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

**D** is 10%.

**E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

**Listing Rule 7.1 and Listing Rule 7.1A**

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to "Formula for calculating 10% Placement Facility" Section above).

**Minimum Issue Price**

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

**10% Placement Period**

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; and
- (ii) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),  
or such longer period if allowed by ASX (**10% Placement Period**).



### 4.3 Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:
  - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
  - (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 3 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. There is a risk that:
  - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and
  - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice.

The table also shows:

- (i) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the current market price.

Variable A in Listing Rule 7.1A.2		Dilution		
		\$0.01 50% decrease in Market Price	\$0.02 Current Market Price	\$0.04 100% increase in Market Price
<b>Current Variable A</b> 635,316,138	<b>10% Voting Dilution</b>	63,531,614 Shares	63,531,614 Shares	63,531,614 Shares
	<b>Funds raised</b>	\$635,316	\$1,270,632	\$2,541,265
<b>50% increase in current Variable A</b> 952,974,207	<b>10% Voting Dilution</b>	95,297,421 Shares	95,297,421 Shares	95,297,421 Shares
	<b>Funds raised</b>	\$952,974	\$1,905,948	\$3,811,897



<b>100% increase in current Variable A</b> 1,270,632,276	<b>10% Voting Dilution</b>	127,063,228 Shares	127,063,228 Shares	127,063,228 Shares
	<b>Funds raised</b>	\$1,270,632	\$2,541,265	\$5,082,529

The table has been prepared on the following assumptions:

- 1 The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- 2 The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- 3 The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Annual General Meeting.
- 4 The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- 5 The issue of Equity Securities under the 10% Placement Facility consists only of Shares.
- 6 The issue price is \$0.02, being the closing price of Shares on the ASX on 11 October 2019.

- (c) The Company will only issue the Equity Securities during the 10% Placement Period. The approval under Resolution 3 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).
- (d) The Company may seek to issue the Equity Securities for the following purposes:
- (i) non-cash consideration for the acquisition of new assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
  - (ii) cash consideration. In such circumstances, the Company may use the funds raised towards its existing projects and/or for acquisition of new assets or investments (including expenses associated with such acquisitions) and general working capital. The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities.
- (e) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the persons to whom the Equity Securities will be issued will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
- (i) the purpose of the issue;
  - (ii) the methods of raising funds that are available to the Company including, but not limited to, rights issue or other issue in which existing security holders can participate;
  - (iii) the effect of the issue of the Equity Securities on the control of the Company;
  - (iv) the financial situation and solvency of the Company;
  - (v) prevailing market conditions; and
  - (vi) advice from corporate, financial and broking advisers (if applicable).

The persons issued securities under the 10% Placement Facility have not been determined as at the date of this Notice of Annual General Meeting but are likely to be investors which are sophisticated and/or professional investors for the purposes of section 708 of the Corporations Act. No Equity Securities will be issued under Listing Rule 7.1A to related parties of the Company.



If the Company is successful in acquiring new assets or investments, it is likely that the persons issued securities under the 10% Placement Facility will be the vendors of the new assets or investments.

- (f) The Company did not seek Shareholder approval under Listing Rule 7.1A at its last annual general meeting. The Company last obtained Shareholder approval under Listing Rule 7.1A at its 2015 annual general meeting held on 26 November 2015.
- (g) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.
- (h) During the 12 months preceding the date of the Annual General Meeting the Company has or will have issued a total of 659,400,022 Equity Securities, representing 353% of the total number of Equity Securities on issue at the commencement of that 12 month period. Each issue of Equity Securities is below:

Date of issue	12 December 2018
Number issued	300,000,000
Class of Equity Security	Ordinary shares
Person who received Equity Securities	Issued to participants in the Company's prospectus dated 29 March 2018 as varied by the supplementary prospectus dated 21 June 2018 and second supplementary prospectus dated 19 September 2018
Issue price of Equity Securities	\$0.02
Discount to Market	Nil
Non-cash consideration	Nil
Current value of non-cash consideration	N/a
Total cash consideration	<p>\$6,000,000.</p> <p>Funds spent to date: \$3,351,224</p> <p>Use of Funds:</p> <ul style="list-style-type: none"> <li>• Administration and corporate costs: \$2,089,368</li> <li>• Project acquisition costs: \$182,571</li> <li>• Exploration expenditure: \$808,302</li> <li>• Costs of the offer: \$270,983</li> </ul> <p>The remaining funds will be used to continue exploration and scoping study activities of the Company's current and proposed acquisition tenure and for general working capital.</p>



Date of issue	12 December 2018
Number issued	58,095,239
Class of Equity Security	Ordinary shares
Person who received Equity Securities	Cuprum Holdings Limited
Issue price of Equity Securities	\$0.02
Discount to Market	Nil
Non-cash consideration	Issued to the vendor of Srinel Holdings Limited ("Srinel") as consideration for the acquisition of 100% of the equity interest in Srinel which own the exploration licenses that form the Mannar Island Project.
Current value of non-cash consideration	\$1,161,905
Total cash consideration	N/a

Date of issue	12 December 2018
Number issued	13,371,450
Class of Equity Security	Ordinary shares
Person who received Equity Securities	Cuprum Holdings Limited
Issue price of Equity Securities	\$0.02
Discount to Market	Nil
Non-cash consideration	Issued to the vendor of Srinel Holdings Limited in lieu of cash consideration
Current value of non-cash consideration	\$267,429
Total cash consideration	N/a

Date of issue	12 December 2018
Number issued	4,600,000
Class of Equity Security	Ordinary shares
Person who received Equity Securities	Creditors of the Company



Issue price of Equity Securities	\$0.02
Discount to Market	Nil
Non-cash consideration	Issued to the Company's creditors to convert outstanding loans
Current value of non-cash consideration	\$92,000
Total cash consideration	N/a

Date of issue	12 December 2018
Number issued	20,000,000
Class of Equity Security	Ordinary shares
Person who received Equity Securities	Nominees of Trident Capital
Issue price of Equity Securities	\$0.02
Discount to Market	Nil
Non-cash consideration	Issued to nominees of Trident Capital as partial consideration for services provided to the Company in connection with the acquisition of Srinel Holdings Limited
Current value of non-cash consideration	\$400,000
Total cash consideration	N/a

Date of issue	12 December 2018
Number issued	30,000,000
Class of Equity Security	Unlisted options exercisable at \$0.05 on or before 18 January 2021
Person who received Equity Securities	James Searle – 10,875,000 options Jason Ferris – 10,875,000 options Lee Christensen – 8,250,000 options
Issue price of Equity Securities	Nil issue price. \$0.05 exercise price
Discount to Market	N/a
Non-cash consideration	Issued to directors as approved by shareholders at the 2017 Annual General Meeting



Current value of non-cash consideration	\$129,023
Total cash consideration	N/a

Date of issue	12 December 2018
Number issued	233,333,333
Class of Equity Security	<p>Class A Performance Shares – 66,666,667</p> <p>Class B Performance Shares – 33,333,333</p> <p>Class C Performance Shares – 133,333,333</p> <p>Note: The Class A Performance Shares were converted to ordinary shares on 18 February 2019 on satisfaction of the performance milestone.</p>
Person who received Equity Securities	Cuprum Holdings Limited
Issue price of Equity Securities	Nil issue price
Discount to Market	N/a
Non-cash consideration	Issued to the vendor as partial consideration for the acquisition of Srinel Holdings Limited. Refer to the prospectus dated 29 March 2018 for the performance milestones attached to each class of performance share.
Current value of non-cash consideration	\$4,666,667
Total cash consideration	N/a

## 5. RESOLUTION 4 – ISSUE OF SHARES TO CPS CAPITAL GROUP

Resolution 4 is an ordinary resolution and seeks Shareholder approval under Listing Rule 7.1, for the issue of 10,000,000 Shares to CPS Capital Group for ongoing corporate advisory services.

### Listing Rule 7.1

Listing Rule 7.1 provides that, subject to certain exceptions, prior approval of shareholders is required for an issue of securities by a company if those securities, when aggregated with the securities issued by the company without approval and which were not subject to an exception during the previous 12 months, exceed 15% of the number of shares on issue at the commencement of that 12 month period.

Listing Rule 7.1 provides that where a company approves an issue of securities, the company's 15% capacity will be replenished and the company will be able to issue further securities up to that limit.

Resolution 4 seeks approval for the issue of 10,000,000 Shares for the purpose of satisfying the requirements of Listing Rule 7.1. If Resolution 4 is approved, the Shares issued will not affect the capacity of the Company to issue securities in the next 12 months under Listing Rule 7.1 as those securities, once issued, will be excluded from the calculations under Listing Rule 7.1.



For the purposes of Listing Rule 7.3, the following information is provided to Shareholders in relation to Resolution 4:

(a) **Maximum number of securities the entity is to issue**

10,000,000 Shares.

(b) **Date by which the entity will issue the securities**

The Shares will be issued to CPS Capital Group upon receiving shareholder approval at the Meeting. In any event, however, no Shares will be issued later than 3 months after the Meeting (other than to the extent permitted by any waiver or modification of the Listing Rules).

(c) **Issue price of the securities**

No cash consideration is payable for the Shares as they are being issued in consideration of ongoing corporate advisory services provided to the Company,

The Shares will have a deemed issue price of \$0.02, based on the closing value on 11 October 2019, being a total value of \$200,000.

(d) **Names of the persons to whom the entity will issue the securities (if known) or basis upon which those persons will be identified or selected**

CPS Capital Group (and/or its nominees).

(e) **Terms of the securities**

The Shares will rank equally in all respects with existing Shares on issue.

(f) **Intended use of the funds raised**

No funds will be raised from the issue of the Shares as they are being issued in consideration of services provided by CPS Capital Group for ongoing corporate advisory services.

**Directors' recommendations**

The Directors recommend that Shareholders vote in favour of Resolution 4.

## **6. RESOLUTION 5 – AMENDMENT TO CONSTITUTION**

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### **6.1 General and reasons for amending the Company's Constitution**

Under section 136(2) of the Corporations Act, a company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders.

Resolution 5 seeks the approval of Shareholders to amend the Constitution. Resolution 5 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Company is seeking an amendment to the Constitution as a result of ASX's proposed introduction of a number of changes to the escrow regime in the Listing Rules effective 1 December 2019 to make aspects of the listing process and ongoing compliance with the Listing Rules more efficient for issuers and for ASX.

Amongst these changes, ASX is proposing to introduce a two-tier escrow regime where ASX can and will require certain more significant holders of Restricted Securities and their controllers to execute a



formal escrow agreement in the form of Appendix 9A, as is currently the case. However, for less significant holdings, ASX will instead permit entities to rely on a provision in their constitution imposing appropriate escrow restrictions on the holder of Restricted Securities and to simply give a notice to the holder of Restricted Securities in the form of a new Appendix 9C advising them of those restrictions.

Under the proposed amended rule 2.11 of the Constitution (see below), holders of Restricted Securities will be taken to have agreed in writing that Restricted Securities are to be kept on the Company's issuer sponsored sub-register and are to have a holding lock applied for the duration of the applicable escrow period. Holders of Restricted Securities will also not be entitled to participate in any return of capital on those Securities during the applicable escrow period, except as permitted by the Listing Rules or ASX.

## 6.2 Specific amendments to the Company's Constitution

The proposed amendments to rule 2.11 of the Constitution are as follows (amendments are shown as ~~deleted~~ or underlined):

### 2.11 Restricted Securities

- (a) *the Company must comply with the Listing Rules in respect of Restricted Securities.*
- (b) ~~Notwithstanding the generality of rule 2.11(a):~~
  - (1) ~~Restricted Securities cannot be disposed of during the relevant escrow period except as permitted by the Listing Rules or ASX; and~~
  - (2) ~~the Company must refuse to acknowledge an assignment or disposal (including registering a transfer) of Restricted Securities during the relevant escrow period except as permitted by the Listing Rules or ASX; and~~
  - (3) ~~during a breach of the Listing Rules relating to Restricted Securities or a breach of any escrow agreement, the holder of the Restricted Securities is not entitled to any dividend, distribution or voting rights in respect of the Restricted Securities.~~
- (b) a holder of restricted securities must not dispose of, or agree or offer to dispose of, the securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX;
- (c) if the securities are in the same class as quoted securities, the holder will be taken to have agreed in writing that the restricted securities are to be kept on the Company's issuer sponsored subregister and are to have a holding lock applied for the duration of the escrow period applicable to those securities;
- (d) the Company will refuse to acknowledge any disposal (including, without limitation, to register any transfer) of restricted securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX;
- (e) a holder of restricted securities will not be entitled to participate in any return of capital on those securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX; and
- (f) if a holder of restricted securities breaches a restriction deed or a provision of the Company's constitution restricting a disposal of those securities, the holder will not be entitled to any dividend or distribution, or to exercise any voting rights, in respect of those securities for so long as the breach continues.

A copy of the proposed amended Constitution is available for review by Shareholders at the office of the Company. A copy of the proposed amended Constitution can also be sent to Shareholders upon



request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

## **7. OTHER INFORMATION**

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### **7.1 Scope of disclosure**

The law requires that this Explanatory Statement sets out all other information that is reasonably required by Shareholders in order to decide whether or not it is in the Company's interests to pass the Resolutions and which is known to the Company.

The Company is not aware of any relevant information that is material to the decision on how to vote on the Resolutions other than as is disclosed in this Explanatory Statement or previously disclosed to Shareholders by the Company by notification to the ASX.

### **7.2 Directors' recommendations**

The Directors unanimously recommend that Shareholders vote in favour of all Resolutions, other than to the extent that a Director abstains from expressing an opinion or making a recommendation due to having a material personal interest in the relevant Resolution, as disclosed in this Notice.

### **7.3 Voting intentions of the Chair**

The Chair intends to vote all available proxies in favour of all Resolutions.



## 8. DEFINITIONS

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**Annexure** means an annexure to this Explanatory Statement.

**Annual General Meeting** or **Meeting** means the annual general meeting convened by this Notice of Annual General Meeting.

**Annual Report** means the Company's annual report for the year ended 30 June 2019 comprising the Financial Report, the Directors' Report, the Remuneration Report and the Auditor's report.

**ASIC** means Australian Securities and Investments Commission.

**ASX** means ASX Limited ABN 98 008 624 691 or the Australian Securities Exchange, as the context requires.

**Board** means the board of Directors.

**Business Day** means a day that is not a Saturday, Sunday, public holiday or bank holiday in Perth, Western Australia.

**Chair** means the chairperson of the Meeting.

**Class B Performance Share** means an existing performance share convertible into an ordinary share on the Company obtaining a grant of one or more mining licences in respect of all or part of the land the subject of the Sri Lankan Project.

**Class C Performance Share** means an existing performance share convertible into an ordinary share on:

- a) the Company commencing commercial scale heavy mineral sand concentrate production or treatment of 250,000 tonnes of heavy mineral content of not less than 5% discovered in respect of any part of the Sri Lankan Project; or
- b) the Company achieving a Mineral Resource of 70 million tonnes of heavy mineral content of not less than 5% discovered (or equivalent tonnage to heavy mineral content discovered ratio. For example, 35 million tonnes of heavy mineral content of not less than 10% discovered)

**Closely Related Party** means a closely related party to Key Management Personnel as defined in Section 9 of the Corporations Act.

**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.

**Equity Security** has the meaning given that term in the Listing Rules.

**Explanatory Statement** means this explanatory statement including any schedules or annexures to the explanatory statement.

**Key Management Personnel** means the key management personnel of the Company as defined in section 9 of the Corporations Act and Australian Accounting Standards Board accounting standard 124, being those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise).

**Listing Rules** means the official listing rules of the ASX.

**Notice of Annual General Meeting** or **Notice of Meeting** means the notice of annual general meeting attached to this Explanatory Statement.



**Performance Shares** means the Class B Performance Shares and/or the Class C Performance Shares, as the context requires.

**Proxy Form** means the proxy form annexed to this Explanatory Statement and the Notice of Annual General Meeting.

**Remuneration Report** means the section of the Director's Report in the Annual Report of the Company entitled "Remuneration Report".

**Resolution** means a resolution to be put to the Shareholders as set out in the Notice.

**Restricted Securities** has the meaning given that term in the Listing Rules.

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

**Shareholder** means a holder of one or more Shares.

**Sri Lankan Project** means the existing exploration licenses held by the Company and its subsidiaries in various coastal districts of Sri Lanka that are prospective for mineral sands.

**WST** means Western Standard Time in Australia.



## PROXY FORM

### Titanium Sands Limited ACN 009 131 533

I/We

Of

being a member of Titanium Sands Limited ACN 009 131 533 entitled to attend and vote at the Annual General Meeting, hereby

Appoint

**Name of Proxy**

OR

☐

Chair of the Annual General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the Annual General Meeting, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Annual General Meeting to be held at 10.00am (WST) on 26 November 2019 at Level 11, 216 St Georges Terrace, Perth, Western Australia, and at any adjournment thereof.

**Important for Resolution 1, 3, 4 and 5:** The Company will disregard any votes cast on Resolutions 1, 3, 4 and 5 by an excluded person as proxy on your behalf unless you are not an excluded person and you mark the appropriate box opposite Resolutions 1, 3, 4 and 5 in the panel below (directing the person to vote for, against or to abstain from voting).

**Important for Resolution 1 :** If the Chair of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chair of the Meeting to exercise the proxy in respect of Resolutions 1, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel.

**The Chair intends to vote all available proxies in favour of all Resolutions.** If you have appointed the Chair as your proxy (or the Chair becomes your proxy by default), and you wish to give the Chair specific voting directions on a Resolution, you should mark the appropriate box(es) opposite those Resolutions in the panel below (directing the Chair to vote for, against or to abstain from voting).

OR

#### Voting on business of the Annual General Meeting

	For	Against	Abstain
Resolution 1 - Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 - Re-election of Mr Jason Ferris	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 - Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 - Issue of Shares to CPS Capital Group	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 - Amendment to Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Note:** If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority.

If two proxies are being appointed, the proportion of voting rights this proxy represents is \_\_\_\_\_%

**Signature of Member(s):**

**Date:** \_\_\_\_\_

**Individual or Member 1**

Sole Director/Company Secretary

**Member 2**

Director

**Member 3**

Director/Company Secretary

**Contact Name:** \_\_\_\_\_ **Contact Ph (daytime):** \_\_\_\_\_



# Instructions for Proxy Form

## 1. Your name and address

Please print your name and address as it appears on your holding statement and the Company's share register. If Shares are jointly held, please ensure the name and address of each joint shareholder is indicated. Shareholders should advise the Company of any changes. Shareholders sponsored by a broker should advise their broker of any changes. Please note you cannot change ownership of your securities using this form.

## 2. Appointment of a proxy

You are entitled to appoint no more than two proxies to attend and vote on a poll on your behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of your voting rights. If you appoint two proxies and the appointment does not specify this proportion, each proxy may exercise half of your votes.

If you wish to appoint the Chair of the Annual General Meeting as your proxy, please mark the box. If you leave this section blank or your named proxy does not attend the Annual General Meeting, the Chair will be your proxy. A proxy need not be a Shareholder.

## 3. Voting on Resolutions

You may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item your vote will be invalid on that item.

## 4. Signing instructions

You must sign this form as follows in the spaces provided:

- **(Individual)** Where the holding is in one name, the holder must sign.
- **(Joint holding)** Where the holding is in more than one name, all of the shareholders should sign.
- **(Power of attorney)** If you have not already lodged the power of attorney with the Company's share registry, please attach a certified photocopy of the power of attorney to this form when you return it.
- **(Companies)** Where the company has a sole director who is also the sole company secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act) does not have a company secretary, as sole director can also sign alone. Otherwise this form must be signed by a director jointly with either another director or a company secretary. Please indicate the office held by signing in the appropriate place.

If a representative of the corporation is to attend the meeting a "Certificate of Appointment of Corporate Representative" should be produced prior to admission.

## 5. Return of a Proxy Form

To vote by proxy, please complete and sign the enclosed Proxy Form (and any power of attorney and/or second Proxy Form) and return by:

- post to the Company at Level 11 London House, 216 St Georges Terrace, Perth, WA 6000;
- facsimile to the Company on +61 (8) 9463 6103; or
- email to the Company Secretary at davidm@miningcorporate.com.au,

so that it is received by no later than 10.00am (WST) 24 November 2019.

**Proxy Forms received later than this time will be invalid.**