



ASX RELEASE

28th April 2023

TITANIUM SANDS LIMITED
ACN 009 131 533

Level 11, London House
216 St. Georges Terrace
Perth Western Australia 6000
Tel: +61 (08) 9481 0389
Facsimile: +61 (08) 9463 6103
Website
<http://titaniumsands.com.au>

Contact:

Dr James Searle
Managing Director
james.searle@titaniumsands.com.au

Directors

Lee Christensen
Dr James Searle
Jason Ferris

Ticket

ASX: TSL

QUARTERLY OPERATIONS REPORT TO 31st March 2023

- TSL proceeding with mining lease application process
- Consultants engaged for Environmental Impact Assessment
- Updated Mineral Resource Estimate released

TSL to Proceed with a Mining Lease Application

The Company completed its required regulatory presentations on the Mannar Heavy Mineral Project to the Geological Survey and Mines Bureau (GSMB) (¹ASX 23 January 2023). There were no objections to the technical compliance and status of the project. The Titanium Sands board has now decided to proceed towards a mining lease application. The first stage of the mining license application process will include commencement of the Environmental Impact Assessment (EIA) report.

TSL and its Sri Lankan team will be working closely with the Government of Sri Lanka and all other relevant parties to ensure this significant project is developed in a timely manner.

Engineering and Environmental Consultants Engaged for EIA

TSL confirmed the engagement of EPCS (Pvt) Ltd (²ASX 10th of February 2023), a Colombo based engineering and environmental consultants. EPCS will manage and coordinate a team of leading specialist consultants in undertaking the Environmental Impact Assessment ("EIA") on its Sri Lankan heavy mineral project.

The EPCS team has experience in all aspects of the Sri Lankan environmental and regulatory regime and also operates internationally providing geological, environmental, GIS and engineering consultancy services. EPCS also has close working relationship with Sri Lanka's leading Universities. During the March Quarter the team commenced on site survey work and base line data collation.

Updated Mineral Resource Estimate – Mannar Heavy Mineral Project

As previously reported (³ASX 15th of March 2023) an updated mineral resource estimate was completed for the Mannar Heavy Mineral Project. The updated MRE incorporated RC drilling results from the program completed in 2022 (⁴ASX :TSL 25th of August 2022) in the Domain 2-8 area contained within the inset map area A in Figure 1 below.

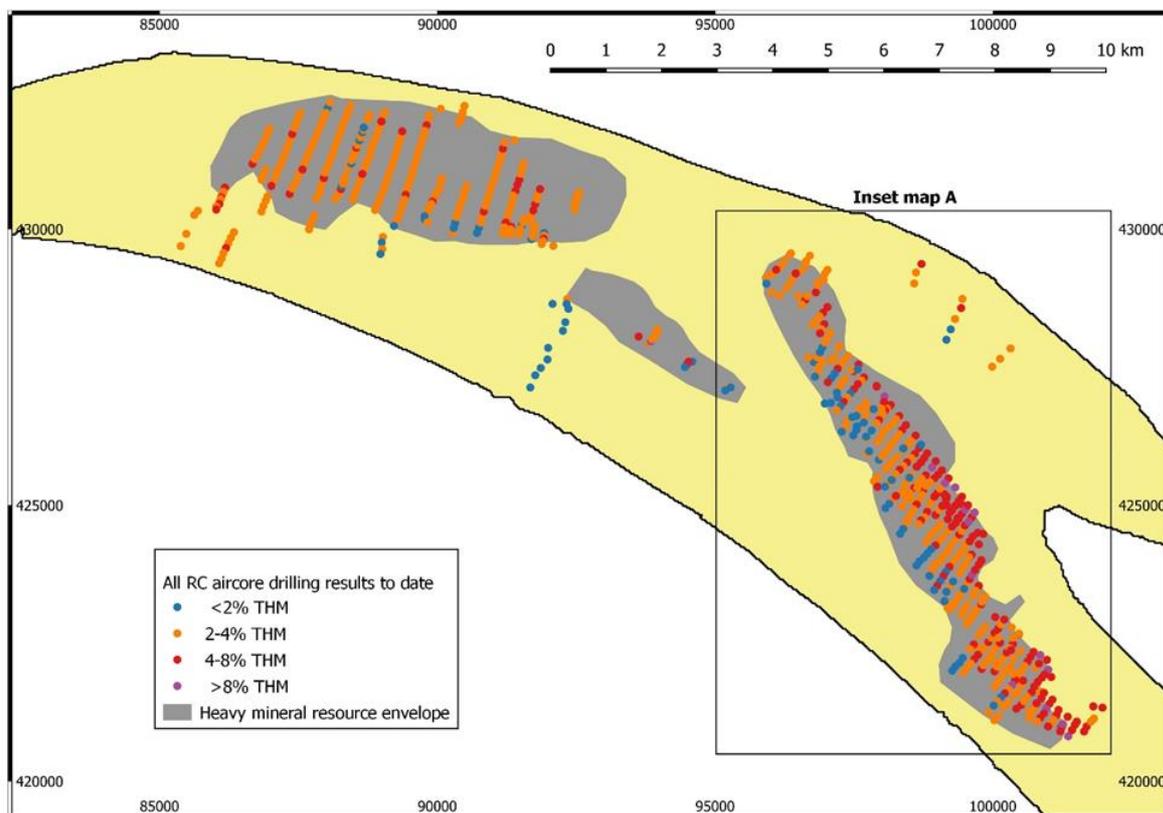


Figure 1 All RC aircore drilling results for the Mannar Heavy Minerals Project.

The update mineral resource estimate for the Domain 2-8 are based on lower cut off grades of 2% (Table 1) and 3% (Table 2) are shown below :

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	0.35	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 1 Domain 2 and 8 new mineral resource estimate at 2% THM lower cut off extracted from the full report contained in ³ASX 15th of March 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 2 Domain 2 and 8 new mineral resource estimate at 3% THM lower cut off extracted from the full report contained in ³ASX 15th of March 2023 .

Incorporating the new mineral resource estimate for Domain 2 and 8 into the overall project mineral resource estimate on the same cut off are shown in Tables 3 and 4 below.

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 3 Project all domain mineral resource estimate at 2% THM lower cut off with updated Domain 2 and 8 MRE extracted from the full report contained in ³ASX 15th of March 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 4 Project all domain mineral resource estimate at 3% THM lower cut off with updated Domain 2 and 8 MRE extracted from the full report contained in ³ASX 15th of March 2023.

The resource block modelling (Figures 2 and 3) demonstrated excellent grade continuity along the 8km long mineralisation zone with higher grades in Domain 2 being underlain by the higher grades in Domain 8. The areas of indicated resources in both Domain 2 and 8 are also now defined as continuous zones along the mineralisation trend (Figures 4 and 5).

The updated MRE and the increased resource definition in Domains 2 and 8 are being incorporated into an updated Mannar Island Heavy Mineral Project Scoping Study.

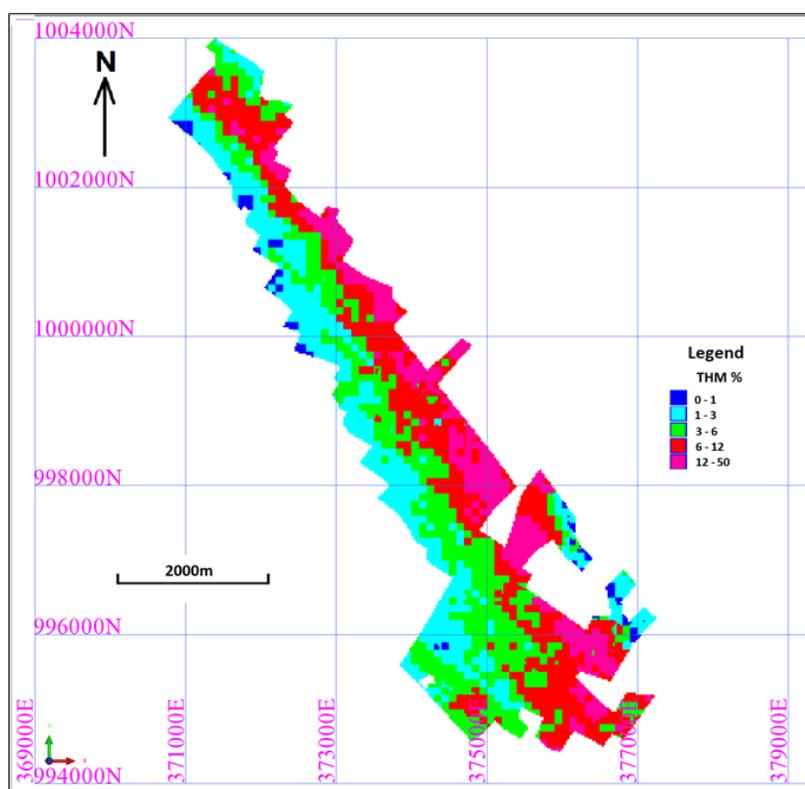


Figure 2 Domain 2 grade blocks showing excellent continuity trends along the mineralisation zone.

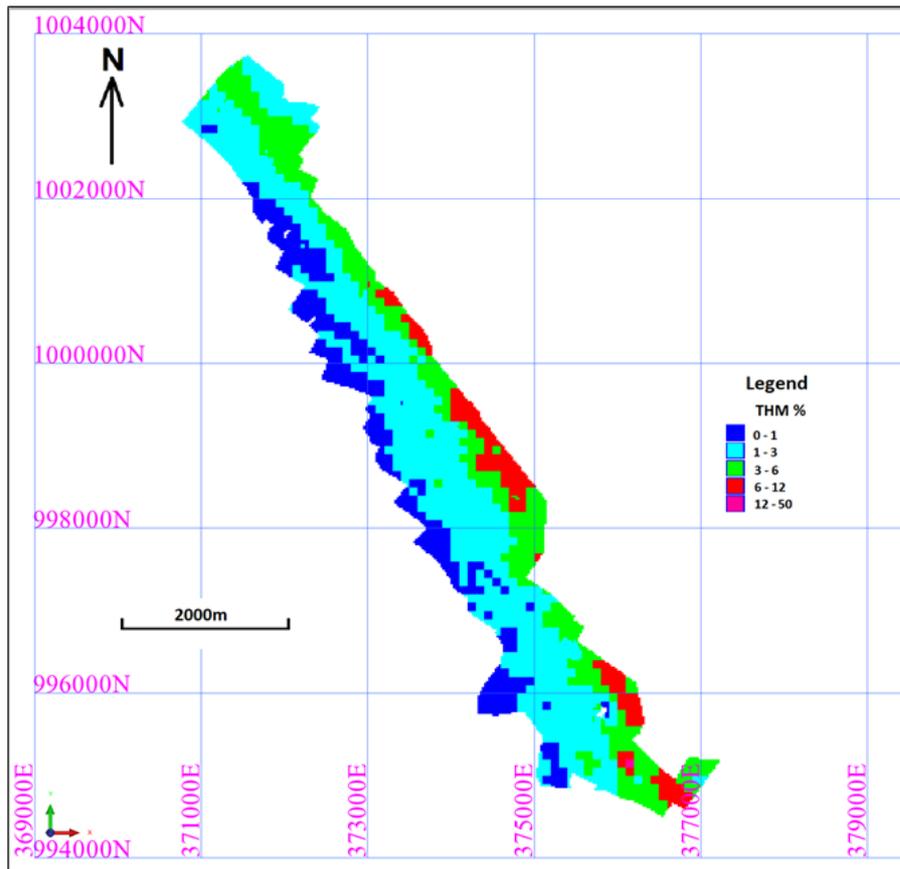


Figure 3 Similarly Domain 8 grade blocks also showing excellent continuity trends along the mineralisation zone.

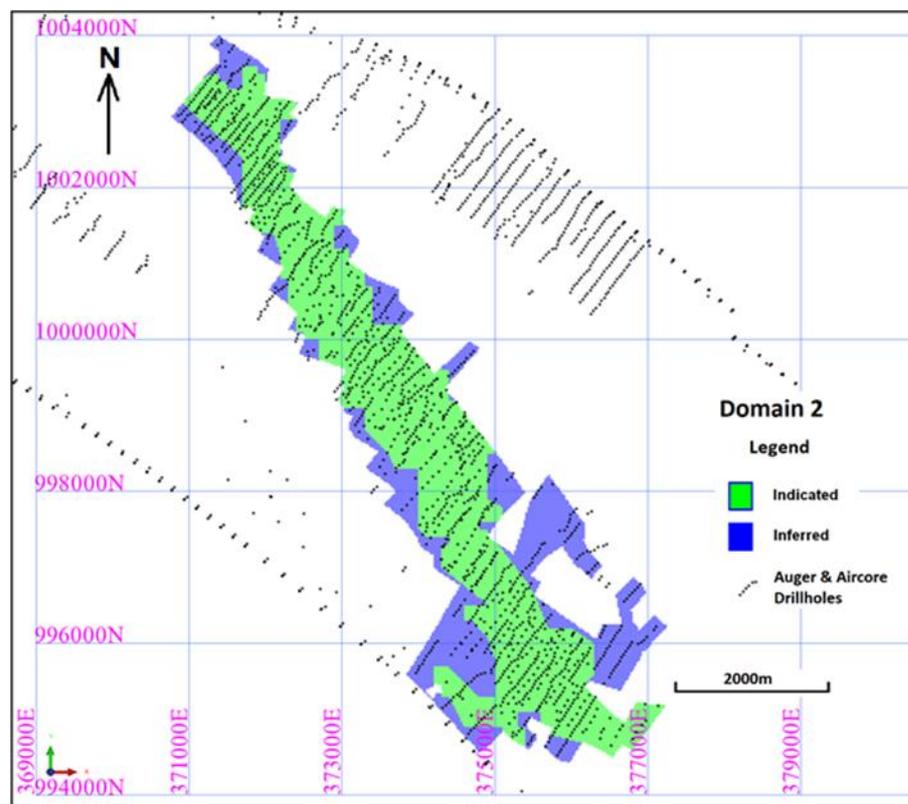


Figure 4 Domain 2 continuity of indicated mineralisation along the mineralization zone.

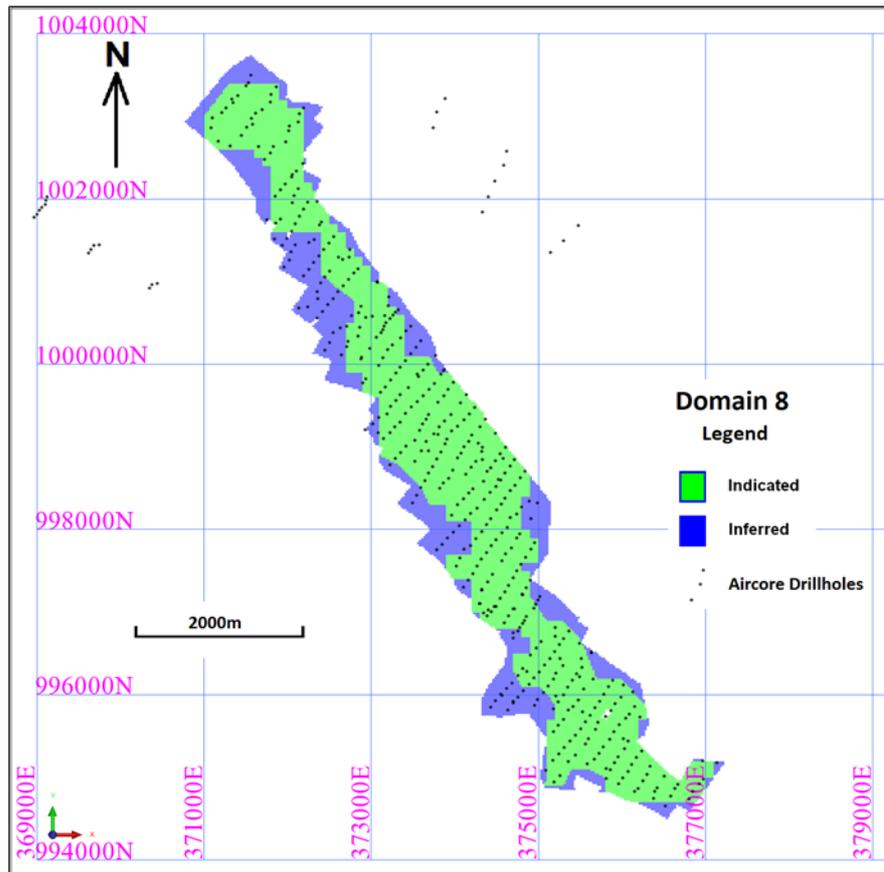


Figure 5 Domain 8 continuity of indicated mineralisation along the mineralization zone.

TENURE

During the December quarter, the tenure holdings remained unchanged. TSL's 5 most important exploration licences are compliant and current until at least mid-2023 (Table 6).

Exploration Licence	Holder	EL	Validity	Area	Status
EL 370	Kilsythe Exploration (PVT) LTD	4/05/2021	3/05/2023	31km ²	Current
EL 351	Sanur Minerals (PVT) LTD	13/12/2021	12/12/2023	15km ²	Current
EL 425	Sanur Minerals (PVT) LTD	19/11/2021	18/11/2023	10km ²	Current
EL 423	Orion Minerals (PVT) LTD	15/11/2021	14/11/2023	5km ²	Current
EL 424	Orion Minerals (PVT) LTD	15/11/2021	14/11/2023	8km ²	Current
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 6 Mannar Island Project tenure.

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 \$110k and \$21k 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 \$146k focussed on preparation and commencement of the resource infill and extension drilling program. 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:

James Searle

Managing Director

T: +61 8 9481 0389

E: james.searle@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 Exploration Results and Mineral Resources prepared and first disclosed under JORC Code 2012. The information was extracted from the Company's previous ASX announcements as indicated in the text and numbered footnotes below. These announcements are 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.

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 37 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.

Previously Reported information foot notes for reference

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

1 ASX Announcement : 23th January 2023 Titanium Sands Ltd to Proceed with Mining Lease Application.

2 ASX Announcement : 10th February 2023 Consultants Engaged for EIA on Sri Lankan Asset.

3 ASX Announcement : 15th March 2023 Updated Resource Estimate- Mannar Heavy Mineral Project.

4 ASX Announcement : 25th August 2022 Mannar Island Drilling Program Completed.

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 2023

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	(120)	(365)
(e) administration and corporate costs	(108)	(339)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	3
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	(227)	(701)

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	(146)	(494)
(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	(146)	(494)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	1,511
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	-	(128)
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) Termination of institutional investment	-	(535)
3.10 Net cash from / (used in) financing activities	-	848

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	560	534
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(227)	(701)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(146)	(494)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	848

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	187	187

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	187	560
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)	187	560

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	110
6.2	Aggregate amount of payments to related parties and their associates included in item 2	21

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.

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.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(227)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(146)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(373)
8.4 Cash and cash equivalents at quarter end (item 4.6)	187
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	187
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	0.5
<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>	
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?	
Answer: Yes	
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?	
Answer: Yes, as announced on 26 th April 2023, the Company has secured a funding facility for up to \$0.7m provided by two major shareholders.	
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?	
Answer: Yes, for the reasons noted in 8.8.2 above.	
<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>	

Compliance statement

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

Date: 28 April 2023

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

Notes

- 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

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

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.