



ASX RELEASE

13<sup>th</sup> July 2023

**TITANIUM SANDS LIMITED**

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**Directors**

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ASX: TSL

## PLACEMENT AND RIGHTS ISSUE

### HIGHLIGHTS:

- TSL receives firm commitments from sophisticated and professional investors for a placement of shares at \$0.005 to raise \$1.1 million (before costs)
- TSL will also conduct a non-renounceable rights issue of shares at \$0.005 on the basis of 1 share for every 5 shares held by eligible shareholders to raise an additional \$1.4 million (before costs)
- 1 free attaching option (ex. \$0.023, exp 16/02/26) to be issued for every share subscribed for and issued to applicants under the placement and entitlement issue, subject to shareholder approval
- Major shareholder lenders under TSL facilities to convert \$400K on same terms as placement
- TSL appoints additional in-country consultant, Global Projects Connect (Private) Limited, to assist with securing the requisite approvals and land access agreements over the Mannar Island Project high-grade zone to facilitate completion of the EIA process

Titanium Sands Limited (“TSL” or the “Company”) is pleased to announce that it is conducting a capital raising of up to approximately \$2,506,397.85 (before costs) through a placement to sophisticated and professional investors and a non-renounceable entitlement issue to eligible shareholders.

### Placement

The Company has received firm commitments from sophisticated and professional investors to raise \$1,100,000 (before costs) through the issue of 220,000,000 Shares (**Placement Shares**) at an issue price of \$0.005 per share (**Placement**). The terms of the Placement include one free attaching new option (exercisable at \$0.023 and expiring 16 February 2026) for each share issued under the Placement (**Placement Options**).

The Placement Shares will be issued in two tranches. It is anticipated that the first tranche of the Placement Shares (comprising

210,959,676 shares) will be issued on 18 July 2023 pursuant to the Company's available placement capacity under Listing Rule 7.1. The balance of the Placement Shares (9,040,324 Shares) will be issued subject to Shareholder approval, which the Company intends to seek at its next general meeting. The issue of the Placement Options is subject to Shareholder approval. The Company will seek Shareholder approval for the issue of the Placement Options at its next general meeting.

## **Rights Issue**

In conjunction with the Placement, the Company is undertaking a pro-rata entitlement issue of one (1) share for every five (5) shares held by eligible shareholders at the record date at a price of \$0.005 per share (**New Shares**), together with 1 new option (exercisable at \$0.023 and expiring 16 February 2026) (**New Options**) for each share issued under the entitlement issue, to raise up to \$1,406,397.85 (before costs) (**Rights Issue**).

The Rights Issue is being made to all shareholders of the Company named on its register of members at 5:00pm (WST) pm on 18 July 2023 (**Record Date**), whose registered address is in Australia or New Zealand. A total of 281,279,569 New Shares and 281,279,569 New Options will be issued pursuant to the Rights Issue (assuming no shares are issued prior to the Record Date).

All New Shares issued will rank equally with existing shares on issue. The Company intends to apply to the ASX for the quotation of the New Options and the Placement Options after all such Options are issued (being following shareholder approval to be sought at the Company's next general meeting for the issue of the Placement Options). There is no guarantee that the ASX will grant quotation of the New Options or Placement Options.

The Company has engaged CPS Capital Group Pty Ltd (**CPS Capital**) to act as lead manager to the Placement and the Rights Issue. CPS will receive fees of 6% of funds raised under the Placement and for any shortfall placed by CPS Capital under the rights issue or taken up by CPS Capital customers. CPS will also receive a minimum of 65,000,000 and up to 105,000,000 New Options, at an issue price of \$0.0001 per option, subject to shareholder approval, for acting in these roles and dependant on whether any shortfall under the Rights Issue is placed.

## **Convertible Facilities**

On 26 April 2023, the Company announced that it had secured funding facilities from two major shareholders (Willis Holdings Ltd and G.J Johnson & Co. Pty Ltd, entities related to TSL shareholders, Garry Johnson and Robert Nelson) which provided for up to \$700,000 in funding available for draw down by the Company for working capital purposes. Refer to TSL ASX Announcement dated 26 April 2023 and titled "*TSL Secures Funding Facility*" for further details in relation to the facilities.

The Company has drawn down a total of \$300,000 under the facilities to date and will draw down a further \$100,000 prior to completion of the Placement. The Company has agreed with the lenders that \$400,000 under the facilities will be converted on the same terms as the Placement, subject to shareholder approval. Accordingly, it is proposed that an additional 80,000,000 shares and 80,000,000 New Options will be issued to the lenders at the same time as completion of tranche 2 of the Placement.

## Use of funds

An indicative use of funds raised from the Placement and the Rights is set out below.

Item	Amount
Existing cash reserves	\$28,000
Placement and Rights Issue <sup>1, 2</sup>	\$2,506,398
<b>Total funds available</b>	<b>\$2,534,398</b>
Settlement payment and exploration drilling on James Global (Pvt) Ltd ground <sup>3</sup>	\$400,000
Mannar Island Project EIA process, including initial land access	\$1,600,000
Mannar Island Project mining licence expenditure	\$175,000
Expenses of the Entitlement Offer and the Placement	\$134,877
Working capital	\$224,521
<b>Total</b>	<b>\$2,534,398</b>
<b>Notes:</b>	
1. Proceeds of \$2,906,398 net of conversion of \$400,000 under the major shareholder facilities on the same terms as the Placement.	
2. Assumes the Rights Issue is fully subscribed and tranche 2 of the Placement together with the facility conversions (totalling 89,040,324 Shares) is approved by shareholders.	
3. Refer to TSL ASX release dated 2 May 2023 and titled "Acquisition of James Global, Partnership with JAT Holdings" for further details).	

## Timetable

Full details of the Rights Issue are set out in the Company's prospectus dated 13<sup>th</sup> July 2023, which will be despatched to eligible shareholders on 21<sup>st</sup> July 2023.

The timetable for the Placement and the Rights Issue is as follows:

Event	Date
Announcement of Entitlement Offer Lodgement of Prospectus with ASIC and ASX Lodgement of Appendix 3B with ASX Opening date of the Cleansing Offer	Thursday, 13 July 2023
Ex date	Monday, 17 July 2023
Record Date for the Entitlement Offer	Tuesday, 18 July 2023 at 5:00pm AWST
Settlement of Tranche 1 of the Placement	Tuesday, 18 July 2023
Closing date for the Cleansing Offer <sup>1</sup>	Wednesday, 19 July 2023
Prospectus despatched to Shareholders Company announces the despatch has been completed Opening date of the Entitlement Offer	Friday, 21 July 2023
Last day to extend the Closing Date for the Entitlement Offer	Thursday, 27 July 2023

Closing date for the Entitlement Offer <sup>2</sup>	Tuesday, 1 August 2023 at 5:00pm AWST
Shares under the Entitlement Offer quoted on a deferred settlement basis	Wednesday, 2 August 2023
Announcement of the results of the Entitlement Offer	Friday, 4 August 2023
Issue date of lodgement of Appendix 2A with ASX applying for quotation of Shares issued under the Entitlement Offer	Tuesday, 8 August 2023
Last date for Shortfall Offer close <sup>4</sup>	No later than 3 months after the Entitlement Offer Closing Date
<b>Notes:</b> <ol style="list-style-type: none"> <li>1. The Directors reserve the right to extend or reduce the closing date of the Cleansing Offer at any time without notice.</li> <li>2. The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. Accordingly, the date the Securities are expected to commence trading on ASX may vary.</li> <li>3. The Directors may vary the closing date of the Shortfall Offer without notice.</li> </ol>	

### Land Access Consultant Appointed

Further to the Company's announcement on 23 May 2023 regarding Geological Survey & Mines Bureau (GSMB) approval for the retention of EL370 granted for a further 1-year term, the Company is proceeding with the next stages of the mining licence application process for its Mannar Island Project, commencing with completion of an environmental impact assessment (EIA) report. The Company is required to obtain land access agreements and approvals over the high-grade zone at the Mannar Island Project to facilitate completion of the EIA process.

The Company is pleased to announce the appointment of Global Projects Connect (Private) Limited as an in-country consultant to assist with securing the requisite approvals and land access agreements over the Mannar Island Project high grade zone. Global Projects Connect (Private) Limited is a Sri Lankan company led by Navein Perera, who is a member and previous Chairperson of the Chamber of Young Sri Lankan Entrepreneurs (COYLE) and a successful Sri Lankan businessman. COYLE strives to make an impact on the nation's growth through involvement and promotion of commerce and developing opportunities within Sri Lanka. Dushyanta Basnayake, president of the Sri Lanka Thailand Business Council and member of the Sri Lanka Institute of Marketing, is also a director Global Projects Connect (Private) Limited. Global Projects Connect (Private) Limited is experienced in consulting for major projects in Sri Lanka, has good knowledge of the requirements and processes to conduct successful EIA studies in the Mannar District and has strong connections within the GSMB and the Mannar District community.

The Company has agreed to pay Global Projects Connect (Private) Limited the following success based fees:

- USD250,000 on delivery of confirmation from the GSMB to the Sri Lankan Central Environment Authority (CEA) of satisfactory completion of the Company's exploration program on the high-grade zone at the Mannar Island Project;

- USD250,000 within 14 days of delivery of writing and binding land access agreements (LAAs) from affected landowners covering a minimum of 500 acres in the priority mining area at the Mannar Island Project; and
- USD500,000 within 14 days of completion of the favourable EIA study and delivery to the Company of confirmation from the CEA that the EIA has been approved.

The above fees are included in the Company's use of funds table above. However, given the significant work required to complete the EIA study and the difficulty in predicting how long it will take for such activities to be completed, payment due on approval of the Company's EIA is conditional on the Company having sufficient working capital at the time for its proposed activities. Should the Company not have sufficient working capital at the time the payment is due, interest of 10% will apply until payment is made and the Company has a best endeavours obligation to secure additional funding in a timely manner.

The Company will provide updates to shareholders in due course as it progresses its EIA study and the other activities required to progress its mining licence application at the Mannar Island Project.

**Ends-**

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

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