



ASX RELEASE

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ASX: TSL

PROJECT STATUS UPDATE

Titanium Sands Limited ("TSL" or "the Company") is pleased to provide an update on its operations and project status in Sri Lanka.

IML Application

As previously announced¹, the Project's Industrial Mining Licence application has been submitted to the Geological Survey and Mines Bureau (GSMB) in Colombo and is awaiting processing. Processing will commence once the national mineral policy currently being developed is finalised and accepted in parliament, which is currently pending.

The draft National Mineral Policy focuses on sustainable, optimal utilization of non-renewable resources, aiming to boost foreign exchange by 2029, through investment in value-added processing for graphite, quartz, and heavy mineral sands. Key initiatives include strengthening regulations, improving governance, and enhancing transparency in licensing.

The GSMB previously confirmed "the IML applications will only be assessed once the new mineral policy has been completed and approved in parliament, and therefore evaluation and comments on the IML application will follow once the policy procedure is finalised".

Environmental Study Status

The Project's environmental consultants in Sri Lanka have completed the required field investigations, technical assessments and data collection at the Mannar Project site and are in the final stages of completing the Environmental Impact Assessment (EIA) for the Project, and anticipate completion and presentation of the report to the Company in the coming weeks.

Titanium Sands Managing Director Dr James Searle said:

"Lodgement of the IML application was a key step in moving this project forward. Completion of the Environmental Impact Assessment will be another. The Project is now really taking shape and with continued support of the government of Sri Lanka, we remain focused on delivering one of Sri Lanka's most significant HMS projects".

Finance

As previously announced², funding of \$800,000 was arranged in October 2025 through the Company's corporate adviser, CPS Capital Group Pty Ltd (CPS), with the terms of this funding facility included in that announcement.

In addition to this facility, CPS has further arranged an extension of the facility for an additional \$400,000 to be used as working capital and project funding, under the same terms previously offered.

The Loan Agreement terms are summarised below:

- **Advance:** up to \$400,000 (before costs);
- **Repayment Date:** any amounts owing to the lender (including accrued interest) must be repaid and fully discharged by 30 December 2026 (**Repayment Date**). No repayments are due until this date. The Company may elect to repay amounts owing in whole or part in cash at any time prior to the Repayment Date.
- **Interest:** interest accrues on amounts owing at 10% per annum.
- **Conversion:** the lender may elect to convert any amounts owing (including accrued interest) into fully paid ordinary shares in the Company at an issue price of \$0.005 per share (**Loan Shares**). On conversion, the lender will be entitled to receive 1 unlisted option (exercisable at \$0.023 and expiring 30 June 2029) for every two (2) shares issued on conversion (**Loan Options**).
- **Shareholder Approval:** the issue of any Loan Shares and Loan Options will be subject to the Company obtaining any required Shareholder approvals under the *Corporations Act 2001* (Cth) or ASX Listing Rules prior to the issue.
- **Loan Terms:** The convertible notes are on market standard terms and do not contain one or more of the features noted in section 5.9 of Guidance Note 21

Under the CPS Capital mandate, CPS Capital will receive fees of 6% of funds raised under the Loan. CPS Capital will also receive 20,000,000 unlisted options (exercisable at \$0.023 and expiring 30 June 2029) (**Lead Manager Options**) and a further 20,000,000 unlisted Options, subject to conversion of tranche 1 of the Loan amount, at an issue price of \$0.00001 per Option (**Broker Options**).

Any Loan Shares, Loan Options and Broker Options to be issued in connection with the Loan will be issued subject to the Company obtaining any required Shareholder approvals under the Corporations Act and ASX Listing Rules (including ASX Listing Rules 7.1 or 10.11, where applicable). The Company intends to hold a General Meeting in late May or early June 2026 for this purpose.

Use of funds

The funds raised from the loan will be used primarily to finalise the environmental studies, progress the IML, general operating expenses and working capital.

The Company will provide further updates as available.

Ends-

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

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. The information was extracted from the Company's previous ASX announcements as follows:

¹ ASX:TSL – 6th January 2026, Industrial mining license application lodged for Sri Lankan heavy mineral project

² ASX:TSL – 13th October 2025, Stage two funding arrangement confirmed