titaniumsands LTD

**ASX RELEASE**

31st July 2026


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ASX: TSL


# QUARTERLY OPERATIONS REPORT TO 30th JUNE 2026

## HIGHLIGHTS

- **Hydrology Report for the Environmental Impact Assessment completed**
- **Environmental Impact Assessment field investigations, technical assessments and data collection are now complete and the independent environmental consultant's report is expected to be received shortly**
- **Offtake and financing discussions initiated**

## ENVIRONMENTAL IMPACT ASSESSMENT (EIA)

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.

As previously announced (***ASX 23rd June 2026***[1]) the Mannar Hydrology investigation and modelling program has been completed and the final report received for inclusion in the EIA.

The Hydrology Report has been completed by Eng. (Prof.) R. L. H. Lalith Rajapakse (*BSc Eng. Hons., MSc, PhD, CEng, ECSL, MIESL*), a specialist hydrological and environmental consultant from Colombo, Sri Lanka and confirms development of an HMS dredging operation in Mannar will have no environmental impact to the water table and is environmentally supported.

The initial program dredge facility will be 2ha to a depth of 12m when its initial stage commences, once approvals have been granted.

The Hydrology Report concluded that the proposed mining operation can be undertaken without significant adverse impacts on groundwater levels, groundwater quality, freshwater lens stability, salinity distribution or natural groundwater movement, provided that groundwater-neutral operating conditions, closed-loop water recycling, brine containment, comprehensive monitoring and progressive rehabilitation commitments are maintained throughout the Project life cycle. The impacts of the Project will be localised within the dredge facility and will not extend to existing station bores or wells.

## OFFTAKE AND INVESTMENT DISCUSSIONS

As previously announced **(*ASX 16th June 2026*[2]), Titanium Sands Limited ("TSL" or "the Company")** has commenced discussions with offtake and investment partners for its Sri Lankan heavy mineral project.

As part of this process, a non-exclusive consulting agreement has been signed with UK based Global Mining Synergies ("GMS") to forge strategic relationships and alliances with parties from China, in particular with respect to mine development and product offtake.

It is the intention of these discussions to deliver a Memorandum of Understanding ("MOU") or Term Sheet ("TS") for the Company to consider. The objectives of GMS are to structure the opportunity and develop funding, investment strategy and offtake contracts to meet the Company's objectives for the Project.

## SRI LANKAN MINERAL SANDS CONFERENCE

The Company was a Gold sponsor of the Mineral Technologies Heavy Mineral Sands Technical Conference, held in Colombo on 17 June 2026 (***ASX 17th June 2026***[3]).

The Heavy Mineral Sands Technical Conference was Sri Lanka's first dedicated technical forum for the mineral sands sector. The conference brought together industry participants, senior government decision-makers, industry leaders, international technical experts, investors, mineral sands companies and service providers.

As outlined in the sponsorship prospectus prepared by Mineral Technologies and The Ceylon Chamber of Commerce "Sri Lanka holds substantial mineral sands deposits with strong potential for export growth, industrial development, and foreign direct investment. The conference was designed to accelerate that potential by presenting international best practice across the full project lifecycle – from exploration and resource definition through to processing, ESG compliance, rehabilitation, and market positioning".

The conference was presented with the support of the Australian High Commission in Colombo. Speakers are drawn from Australia, South Africa, India, the Netherlands, the United States, Canada, and Sri Lanka.

The conference brought together, for the first time in one room, every stakeholder with the power to advance Sri Lanka's mineral sands industry: the government officials who issue licenses and set policy, the project developers seeking approvals, the service providers and OEM suppliers building the supply chain and the investors evaluating the opportunity.

For Titanium Sands Ltd the conference was a rare opportunity to be seen not merely as a commercial participant, but as a foundational partner in the sector's development, which TSL has been for many years now.

## FINANCE

As previously announced ( **ASX, 17th April 2026**[4] ) 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 summarized 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**).

Subsequently a prospectus was issued (***ASX 19th of May 2026***[5]) and General Meeting of shareholders was held on the 18th of June at which the issue of options related to the above were approved (***ASX 18th May 2026***[6]).

| Exploration Licence | Holder | EL | Validity | Area | Status |
|---|---|---|---|---|---|
| EL 351 | Orion Minerals (PVT) LTD | 13/12/2024 | 12/12/2025 | 15km$^2$ | IML Lodged |
| EL 425 | Orion Minerals (PVT) LTD | 19/11/2024 | 18/11/2025 | 10km$^2$ | IML Lodged |
| EL 423 | Orion Minerals (PVT) LTD | 15/11/2024 | 14/11/2025 | 5km$^2$ | IML Lodged |
| EL 424 | Orion Minerals (PVT) LTD | 15/11/2024 | 14/11/2025 | 8km$^2$ | IML Lodged |
| EL 370 | Orion Minerals (PVT) LTD | 18/05/2024 | 17/05/2025 | 31km$^2$ | IML Lodged |
| 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 1 Project Tenure**

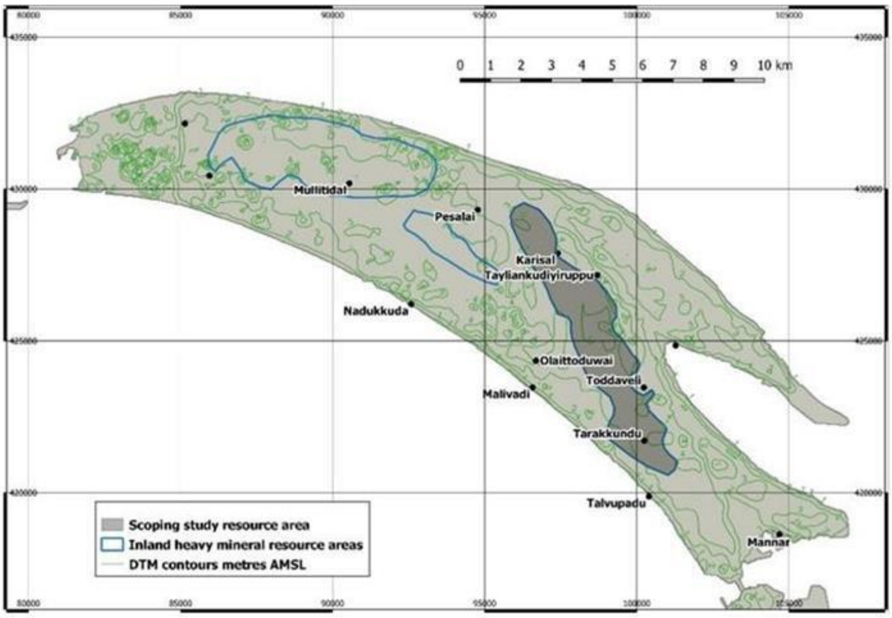


**Figure 1: Inland mineral resource areas including scoping study mineral resource area**

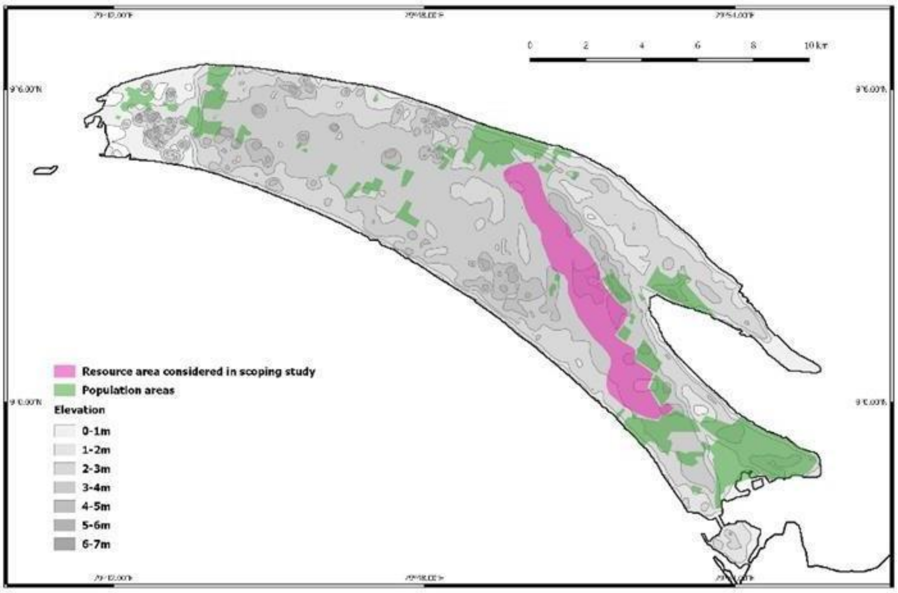


**Figure 2: Portion of resources considered in the Stage 1 scoping study base case**

## 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 $38k and $7k 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 $107k focused on environmental studies and updated scoping study expenditure.

ASX Listing Rule 5.3.2: There were no mining production and development activities during the Quarter.

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*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 40 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 23rd June 2026 : Mannar Hydrology Program Completed Successfully
2 ASX 16th June 2026 : Offtake and investment discussions commence
3 ASX 17th June 2026 : Sri Lankan Mineral Sands Conference
4 ASX 17th April 2026 : Proposed issue of securities
5 ASX 19th May 2026 : Letter to Shareholders – Notice of General Meeting-
6 ASX 18th May 2026 : Results of Meeting

# Appendix 5B

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

**Name of entity**

| |
|---|
| Titanium Sands Limited |

| ABN | Quarter ended ("current quarter") |
|---|---|
| 65 009 131 533 | 30 June 2026 |

| 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 | (47) | (407) |
| | (e) | administration and corporate costs | (82) | (597) |
| 1.3 | Dividends received (see note 3) | | - | - |
| 1.4 | Interest received | | - | - |
| 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** | | **(129)** | **(1,004)** |

| | | | | |
|---|---|---|---|---|
| **2.** | **Cash flows from investing activities** | | | |
| 2.1 | Payments to acquire or for: | | | |
| | (a) | entities | - | - |
| | (b) | tenements | - | - |
| | (c) | property, plant and equipment | - | (3) |
| | (d) | exploration & evaluation | (107) | (440) |
| | (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** | **(107)** | **(443)** |

| | | | |
|---|---|---|---|
| **3.** | **Cash flows from financing activities** | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | - | - |
| 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 | - | (139) |
| 3.5 | Proceeds from borrowings | (55) | 1,425 |
| 3.6 | Repayment of borrowings | - | - |
| 3.7 | Transaction costs related to loans and borrowings | - | - |
| 3.8 | Dividends paid | - | - |
| 3.9 | Other - loan funds received in advance | 55 | 55 |
| **3.10** | **Net cash from / (used in) financing activities** | **-** | **1,341** |

| | | | |
|---|---|---|---|
| **4.** | **Net increase / (decrease) in cash and cash equivalents for the period** | | |
| 4.1 | Cash and cash equivalents at beginning of period | 346 | 223 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (129) | (1,004) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (107) | (443) |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | - | 1,341 |

| **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 | - | (7) |
| **4.6** | **Cash and cash equivalents at end of period** | **110** | **110** |

| **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 | 110 | 346 |
| 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)** | **110** | **346** |

| **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 | 38 |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | 7 |

*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**<br>*Note: the term "facility' includes all forms of financing arrangements available to the entity.*<br>*Add notes as necessary for an understanding of the sources of finance available to the entity.* | **Total facility amount at quarter end $A'000** | **Amount drawn at quarter end $A'000** |
|---|---|---|---|
| 7.1 | Loan facilities | 1,800 | 1,800 |
| 7.2 | Credit standby arrangements | - | - |
| 7.3 | Other (please specify) | - | - |
| 7.4 | **Total financing facilities** | **1,800** | **1,800** |

| | | |
|---|---|---|
| 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. | |
| | Refers to the Loan Agreement as announced to the ASX on 3rd June 2025, 14 October 2025 and 17 April 2026. | |

| 8. | **Estimated cash available for future operating activities** | **$A'000** |
|---|---|---|
| 8.1 | Net cash from / (used in) operating activities (item 1.9) | (129) |
| 8.2 | (Payments for exploration & evaluation classified as investing activities) (item 2.1(d)) | (107) |
| 8.3 | Total relevant outgoings (item 8.1 + item 8.2) | (236) |
| 8.4 | Cash and cash equivalents at quarter end (item 4.6) | 110 |
| 8.5 | Unused finance facilities available at quarter end (item 7.5) | - |
| 8.6 | Total available funding (item 8.4 + item 8.5) | 110 |
| 8.7 | **Estimated quarters of funding available (item 8.6 divided by item 8.3)** | 0.47 |

*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.*

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, the Company expects operating cash flows to be similar in the coming quarters.

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 approved by shareholders on 18 June 2026, the Company has conducted an underwritten option offer to raise $240k before expenses. The Company is also in discussions and may consider other funding options until the IML is granted and the Company proceeds towards large scale project finance. Further announcements will be made once these have been finalised and funding received.

| | |
|---|---|
| 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 8.8.1 & 8.8.2 above. |
| | *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.* |

## Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 31 July 2026

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

**Notes**

1. 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 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.