



ASX RELEASE

14th October 2025

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Directors

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Ticket

ASX: TSL

STAGE TWO FUNDING ARRANGEMENT CONFIRMED

Highlights

- Environmental Studies advancing and nearing completion
- A recent meeting with the Finance Ministry outlined steps to complete the approval of the Industrial Mining Licence (IML) for the Project
- Government departments are assisting with the IML process
- Stage 2 corporate funding has been finalised with the Company's largest shareholders

Titanium Sands Limited ("TSL" or "the Company") is pleased to announce the Company was recently invited to attend a meeting at the Ministry of Finance to discuss the progress of the Mannar Island Project and specifically the timing to the issue of an Industrial Mining Licence (IML) for the Project. The meeting was also attended by the Board of Investment (BOI), the Geological Survey and Mines Bureau (GSMB) and the Central Environment Authority (CEA) who all confirmed their support in progressing the IML.

TSL's Managing Director, Dr James Searle said "The support shown by the various Government departments at our recent meeting in Colombo is a positive development as the environmental studies near completion and the IML is close to being issued. The Government is in support of near-term projects in Sri Lanka to build revenue and create industry to assist with the country's economic rebuild. The Mannar Island Project is a robust and financially beneficial project to the Government and the people of Sri Lanka and we welcome the ongoing positive relationship that has now been developed".

Environmental studies on the Project have advanced and are nearing completion with only a few outstanding reports to be included. The Environmental Impact Assessment consultants have confirmed they are on track and believe this process will be finalised shortly, to align with the requirements of the Government.

Funding for the next stage of this process is being managed by CPS Capital Group Pty Ltd (CPS Capital), who have been engaged to facilitate a loan agreement from the major sophisticated and

professional shareholder investors for a loan up to \$800,000 (before costs) to be made available in two tranches each of \$400,000.

The Loan Agreement terms are summarised below:

- **Advance:** up to \$800,000 (before costs) will be made available as follows:
 - \$400,000 by 13 October 2025;
 - \$400,000 by 13 December 2025.
- **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 40,000,000 unlisted options (exercisable at \$0.023 and expiring 30 June 2029) (**Lead Manager Options**) and 40,000,000 unlisted Options, subject to conversion of tranche 1 of the Loan amount, (**Broker Options**) at an issue price of \$0.00001 per Option (**Broker Options**).

The Company will seek Shareholder approval under ASX Listing Rules 7.1 for the issue of the Broker Options.

Use of funds

The funds raised from the Loan Note 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.

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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.

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