

ASX RELEASE

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ASX: TSL

INDUSTRIAL MINING LICENSE APPLICATION LODGED FOR SRI LANKAN HEAVY MINERAL PROJECT

HIGHLIGHTS

- Application for Industrial Mining License (IML) lodged for a future heavy mineral mine project in Sri Lanka
- The Project is strategically located in the North West of Sri Lanka with direct existing infrastructure to the major ports of Colombo and Trincomalee
- The Project currently has a Mineral Resource Estimate (MRE) of 318mt @ 4.17% THM with stage 1 high grade zone of 82mt @ 6.03% THM making it one of Sri Lanka's most significant deposits¹
- A comprehensive technical de-risking work program is currently in progress including detailed environmental studies whose key outcomes are expected to be finalised in Q1 CY26

Titanium Sands Limited ("TSL" or "the Company") is pleased to announce written acknowledgment has been received from the Geological Survey and Mines Bureau (GSMB) to confirm lodgement of the Company's Industrial Mining Licence (IML) applications for the future development of its Mannar Heavy Minerals Project in Northwest Sri Lanka.

TSL's Managing Director, Dr James Searle said "The submission of the IML applications is a significant step in progressing the Project toward production and marks an important milestone for the Company. The IML applications provide positive momentum towards creating supportive and environmentally friendly mining activities that will benefit all stakeholders through the creation of new jobs, attracting investment to the region, and providing economic assistance to the local community."

ENVIRONMENTAL STUDIES

Environmental studies on the project have advanced, and are nearing completion with the outstanding reports expected to be finalised by the Environmental Impact Assessment (EIA) consultants

in Q1 CY26. The completion of the EIA had been delayed due to Cyclone Ditwah in late 2025 which caused widespread damage throughout the country. TSL offers heartfelt support to the families and communities affected by this terrible natural disaster.

INDUSTRIAL MINING LICENCE APPLICATIONS

The IML applications cover an area of 69km² incorporating the existing project MRE of 318mt @ 4.17% THM. The proposed Stage 1 project development in the high-grade zone is made up 82mt @ 6.03% THM. Stages 2 & 3 will be evaluated and potentially developed in parallel.

The Project is an ilmenite feedstock project with minor credits from other mineral components. The high-quality ilmenite product is expected to find a ready market with titanium slag and sulphate route pigment producers in the Middle East, Korea, India, China and elsewhere. Mined HMS is expected to be exported via Colombo or Trincomalee ports to markets overseas with discussions with offtake partners expected to advance immediately. Environmental studies, community consultation and land access agreements are also expected to be finalised Q1 CY26.

The Project Tenure Table (Table 1) now indicates the projects five main licences have the status "IML Lodged". As part of the GSMB acknowledgment letter received, the GSMB have advised a new mineral policy is being finalised and is yet to be approved at the Ministry, providing the Company an opportunity to complete the pending environmental studies concurrently. As previously outlined ([^ASX Announcement 22/1/2025](#)), the Company has not prioritised the progression of the peripheral exploration licence renewals and as such they remain with the status of "Renewal Pending".

Table 1: Project Tenure Table

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	

NEW MINERAL POLICY

A national mineral policy is currently being developed with multiple agencies to strengthen Sri Lanka's mineral economy.

Recently, the Board of Investment (BOI) announced that 14 foreign investors had expressed interest in mineral exploration, for which investors were awaiting the policy framework. The Company is one of these foreign investors. These proposed investments are valued at around \$1 billion, and the majority is focused on mineral sand exploration and processing.

Industry stakeholders have highlighted the need for the policy framework to coherently address procedural delays along with strong governance mechanisms.

Sri Lanka's 2023–2025 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.

Key aspects of the new mineral policy seek to maximize the economic potential of mineral resources while adhering to sustainable development and environmental management practices. It specifically aims to move away from raw material exports towards domestic value addition.

Key targets & sectors include graphite and quartz, the 2025–29 roadmap targets doubling foreign-exchange earnings from these minerals, and heavy mineral sands particularly focusing on processing in areas like Mannar.

The GSMB letter received by the Company advises the IML applications will only be assessed once the new mineral policy has been completed and approved and therefore evaluation and comments will follow once the policy procedure is finalised.

MINERAL RESOURCE ESTIMATE

A mineral resource estimate (MRE) was completed in (Table 2) March 2023 ([³ASX Announcement 15/3/2023](#)). Based on a 2% THM (Total Heavy Mineral) lower cut-off grade the MRE stands at 318 Mt at 4.17% THM.

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 2: Mineral Resource Estimate based on a 2% THM lower cut off. A complete JORC2012 compliant statement of this MRE is contained in [³ASX Announcement 15/3/2023](#).

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 3: Mineral Resource Estimate based on a 3% THM lower cut off. A complete JORC2012 compliant statement of this MRE is contained in [³ASX Announcement 15/3/2023](#).

A continuous higher-grade zone measuring 10km by up to 2km and down to depth of 8-12m (the zone remains largely open at depth) was identified within the above mineral resource (Figure 2). Using the 2% lower cut off the higher-grade resource contains 145.6Mt at 4.48% THM (Table 3) or

for a 3% lower cut off (Table 3) 82.0Mt at 6.03% THM. This higher-grade zone was used as the basis for the scoping study previously reported to the ASX in [3ASX Announcement 15/3/2023](#).

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 4: Mineral resource estimate for a higher-grade zone contained within the resources Tabulated above for a 2% lower cut off* in [3ASX Announcement 15/3/2023](#).

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 5: Mineral resource estimate for a higher-grade zone contained within the resources Tabulated above for a 3% lower cut off* in [3ASX Announcement 15/3/2023](#).

*Notes to tables 2 3 4 and 5 above:

- Mineral assemblage is reported as *in situ* weight percentage of the resource.
- Appropriate rounding of the numbers has been applied.

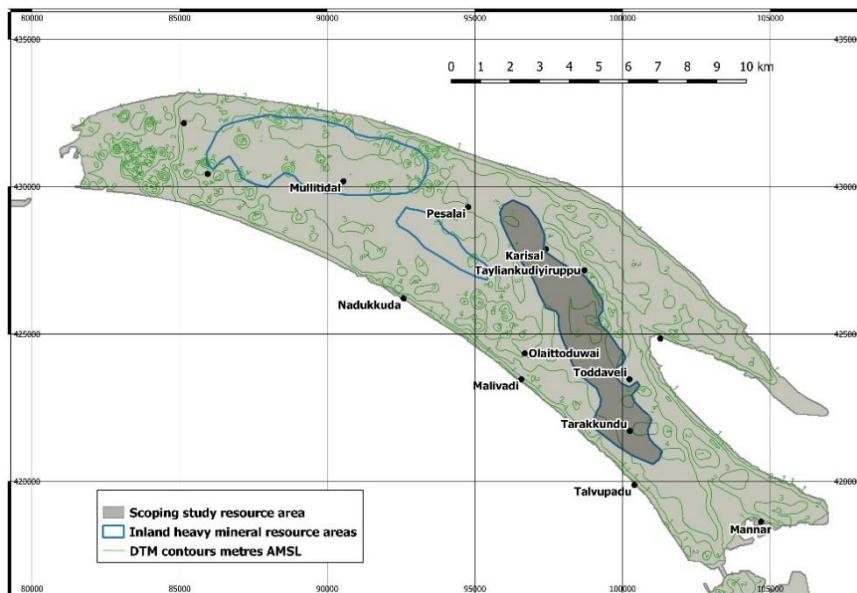


Figure 2: Inland mineral resource areas including scoping study mineral resource area

SCOPING STUDY

The scoping study ([1ASX Announcement 12/5/2023](#)) scenario was selected on a project format with a modest capital hurdle but of sufficient scale and project life that its products would be attractive to potential offtake partners. Consequently, the study was based on a single dredge continuously mining the higher-grade zone identified in the resource modelling and measuring 10km by up to 2 km wide zone at rate of 4 million tonnes per annum over a period of 20 years (Figure 3).

This zone contains 82 million tonnes at 6.03% THM on a lower grade cut-off grade of 3% (Table 5) out of the total current mineral resource estimate of 187 million tonnes at 5.36%THM on a 3% THM lower cut off (Table 3). The mineral resources subject to this scoping study scenario therefore represent 44% of the total mineral resource estimates for the project at lower cut off of 3%.

The scoping study indicated that this project scenario is economically robust and consequently more definitive studies are underway to examine the feasibility of second or even third dredges and expanded processing capacities to potentially exploit capital and operational efficiencies.

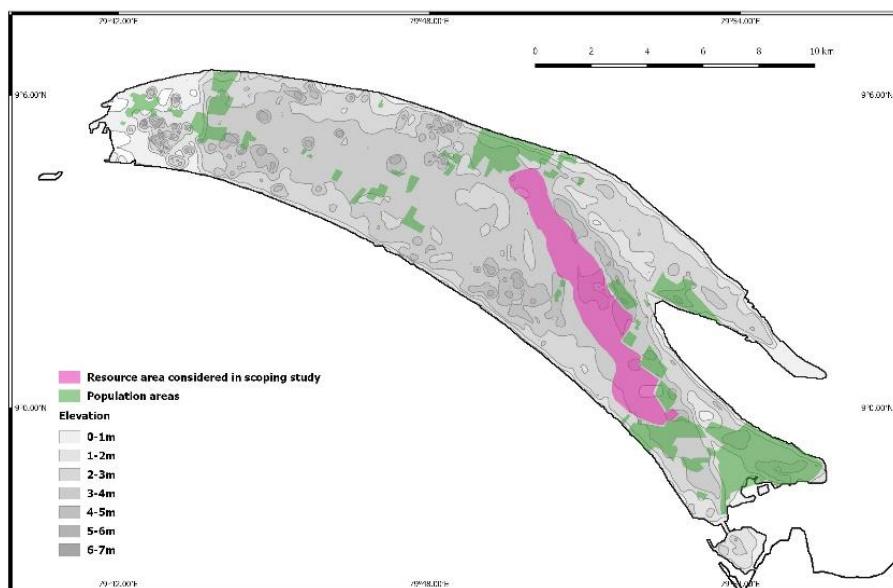


Figure 3 Portion of resource considered in the scoping study base case.

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.

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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 Announcement 12th of May 2023 Scoping Study - Mannar Heavy Mineral Project.

² ASX Announcement 25th March 2025 Terms of Reference for EIS provided for Mannar Project

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

⁴ ASX Announcement 21st of October 2024 CEA Key Stakeholder Presentation Completed

⁵ ASX Announcement 31st of October 2024 Sri Lankan Government Approves Consolidation of Licenses

⁶ ASX Announcement 22nd of January 2025 Response to ASX Query Letter.

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.

In accordance with ASX Listing Rule 5.19.2, TSL confirms that all the material assumptions underpinning the forecast financial information contained in the Scoping Study as reported to the ASX on 12th May 2023, continue to apply and have not materially changed.