



ASX RELEASE

30th January 2026

TITANIUM SANDS LIMITED
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ASX: TSL

QUARTERLY OPERATIONS REPORT

TO 31st DECEMBER 2025

HIGHLIGHTS

- **Application for Industrial Mining License (IML) lodged for a future heavy minerals mine project in Sri Lanka**
- **A comprehensive technical de-risking work program is currently in progress including detailed environmental studies whose key outcomes are expected to be finalized in Q1 CY26**
- **Government Departments continue to assist in the regulatory processes**

APPLICATIONS FOR FURTHER INDUSTRIAL MINING LICENCE

Titanium Sands Limited (“TSL” or “the Company”) has received written acknowledgment from the Geological Survey and Mines Bureau (GSMB) to confirm lodgment of the Company’s Industrial Mining License (IML) applications for the future development of its Mannar Heavy Minerals project in Northwest Sri Lanka.

The IML applications now cover an area of 69sqkm incorporating the existing project mineral resource estimate (MRE) of 318mt @ 4.17% HMS previously reported in full in **ASX announcement 15/3/2023¹** (Figures 1 and 2). The initial IML application covered the Stage 1 project development based on a high-grade zone made up of 82mt @ 6.03% THM and formed the basis of a scoping study previously reported in **ASX Announcement 15/3/2023²**. The subsequent IML application covers the rest of the mineral resource and will be evaluated as Stages 2 and 3 of the Project 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 in Q1 CY26.

The project tenure table (Table 1) now indicates the Project’s five main licenses 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 with an opportunity to complete the pending environmental studies concurrently.

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

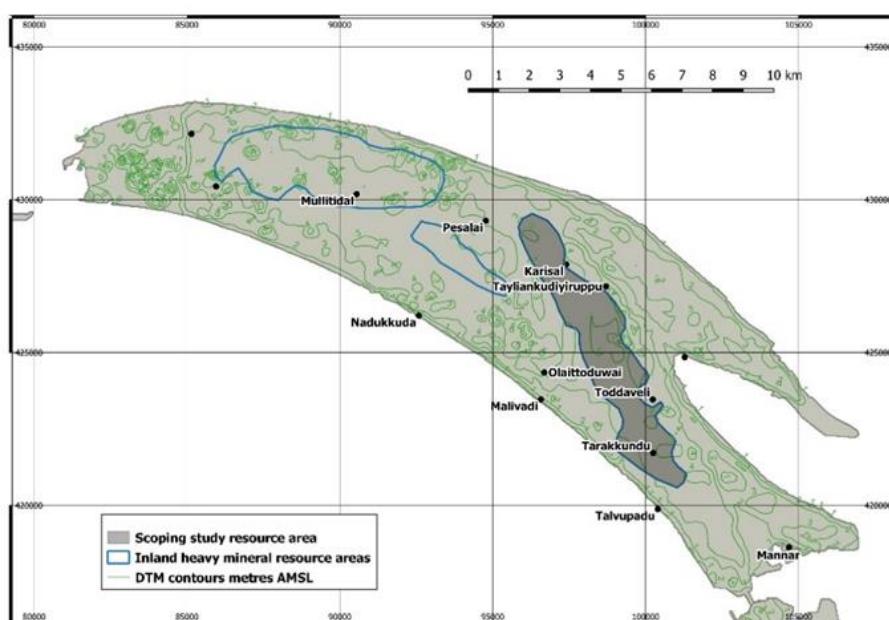


Figure 1: Inland mineral resource areas including scoping study mineral resource area

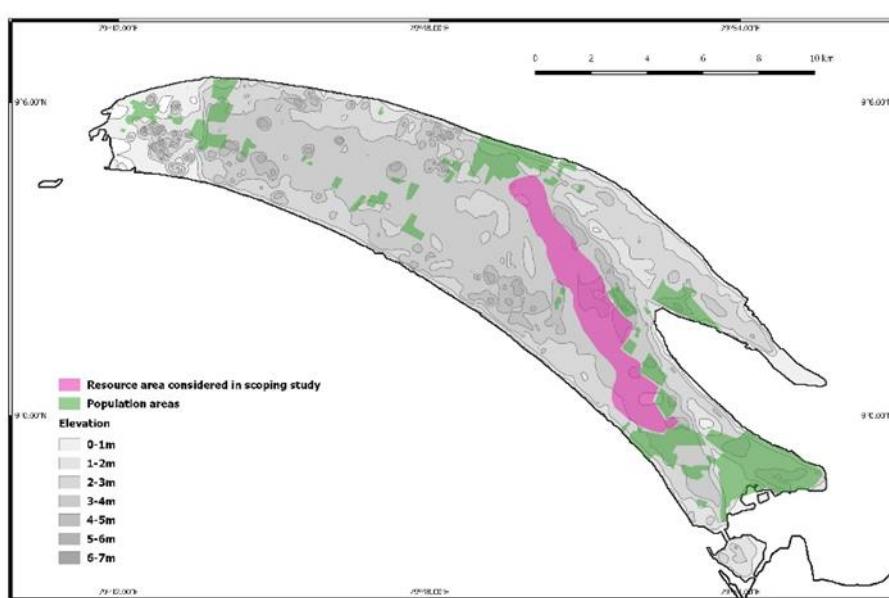


Figure 2: Portion of resource considered in the Stage 1 scoping study base case

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. TSL 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 utilisation 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 TSL advises that 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.

EIA PROGRESS

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.

The Environmental Impact Assessment (EIA) being undertaken by the company consultants is in accord with the Terms of Reference (TOR) issued for the Project by the Central Environment Agency (CEA). Accordingly a number of specific studies are underway or completed including ([ASX:TSL 12/6/2025³](#)):

1. Hydrology and avoidance of impacts on the water table and water resources generally
2. Impacts on migratory birds
3. Natural vegetation and horticulture
4. Community economic and social impacts both positive and negative

All specified items in the TOR are being addressed along with broader studies addressing environmental management, rehabilitation of land to an enhanced state of productivity, and development of community social, health and educational benefits.

CORPORATE

Funding for completion of the EIA and the next stages of the regulatory process has been secured and 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). The terms of this funding were previously announced to the ASX ([ASX:TS](#)
[L 14/10/2025⁴](#)).

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 \$92k and \$50k 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 \$132k focussed 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.

Ends-

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

Previously Reported Mineral Resources

This report includes information refers to a Mineral Resources prepared and first disclosed under JORC Code 2012. The information was extracted from the Company's previous ASX announcements as follows: Released to the **ASX (ASX Announcement 15th March 2023 : Updated Resource Estimate- Mannar Heavy Mineral Project)**. This announcements is available to view on the Company's website www.titaniumsands.com.au. The Company confirms that it is not aware of any new information or data that materially affect the information included in the relevant market announcement and, in the case of estimates of the Company's Mineral Resources that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply with respect to the resource block model and total heavy mineral content and have not materially changed. The Company confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the relevant original market announcements.

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:

[ASX Announcement: 15/3/2023¹ Updated Resource Estimate- Mannar Heavy Mineral Project](#)

[ASX Announcement: 12/5/2023² :Project : Scoping Study Mannar Heavy Minerals Project](#)

[ASX Announcement: 12/6/2025³ Environmental Progress](#)

[ASX Announcement: 14/10/2025⁴ Stage 2 Funding Arrangement Confirmed](#)

Appendix 5B

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

Name of entity

Titanium Sands Limited

ABN

65 009 131 533

Quarter ended (“current quarter”)

31 December 2025

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 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	(162)	(240)
(e) administration and corporate costs	(200)	(361)
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	(362)	(601)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	(132)	(239)
(e) investments	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 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	(132)	(239)
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	(72)	(112)
3.5 Proceeds from borrowings	755	980
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	-	-
3.10 Net cash from / (used in) financing activities	683	868
4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	62	223
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(362)	(601)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(132)	(239)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	683	868

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	251	251
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	251	62
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)	251	62
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		92
6.2	Aggregate amount of payments to related parties and their associates included in item 2		50
<i>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.</i>			

7. Financing facilities		Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
	<i>Note: the term 'facility' includes all forms of financing arrangements available to the entity.</i>		
	<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1	Loan facilities	1,400	1,355
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	1,400	1,355
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 3 rd June 2025 and 14 October 2025.		

8. Estimated cash available for future operating activities		\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(362)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(132)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(494)
8.4	Cash and cash equivalents at quarter end (item 4.6)	251
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	251
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	0.51
	<i>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.</i>	
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, The Company is in discussions with CPS now to extend the facility for a further tranche of \$400,000 or to 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: 30 January 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.