



ASX RELEASE

23rd June 2026

TITANIUM SANDS LIMITED
ACN 009 131 533

Level 8, London House
216 St. Georges Terrace
Perth Western Australia 6000
Tel: +61 (08) 9481 0389
Facsimile: +61 (08) 9463 6103
email
<http://titaniumsands.com.au>

Contact:

Dr James Searle
Managing Director
Tel: +61 419 949 636
james.searle@titaniumsands.com.au

Directors

Lee Christensen
Dr James Searle
Jason Ferris

Ticket

ASX: TSL

MANNAR HYDROLOGY PROGRAM COMPLETED SUCCESSFULLY

Titanium Sands Limited (“TSL” or “the Company”) is pleased to report completion of the hydrology program at Mannar Island and hereby provide an update of the findings.

Hydrology Report

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 a 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.

TSL Managing Director Dr James Searle says “the Hydrology Report confirmed what we were expecting, that no known groundwater dependent ecosystems will be impacted. This is very positive for the Project, the Mannar community and the greater environmental benefits”.

Purpose of the Study

The objective of the study was to strengthen the technical evidence base underpinning the proposed heavy mineral sands development on Mannar Island, Sri Lanka. The proposed Project focuses on the extraction of economically valuable heavy mineral deposits within a geomorphologically sensitive coastal barrier system characterised by shallow unconfined aquifers, lagoonal interfaces, and highly constrained freshwater storage in Mannar Island, Sri Lanka. The Project is supported by strategic investment documentation submitted by the Company and its partners in Sri Lanka to national agencies, including the Board of Investment (BOI), and is subject to regulatory oversight by relevant authorities such as the Central Environmental Authority (CEA), acting as the Project Approving Agency (PAA) with the agreed scope for hydrological and groundwater investigations. This study was undertaken in the capacity of an Independent Expert/Consultant to provide a focused, technically robust evaluation of hydrological and hydrogeological conditions relevant to the proposed Mannar Project.

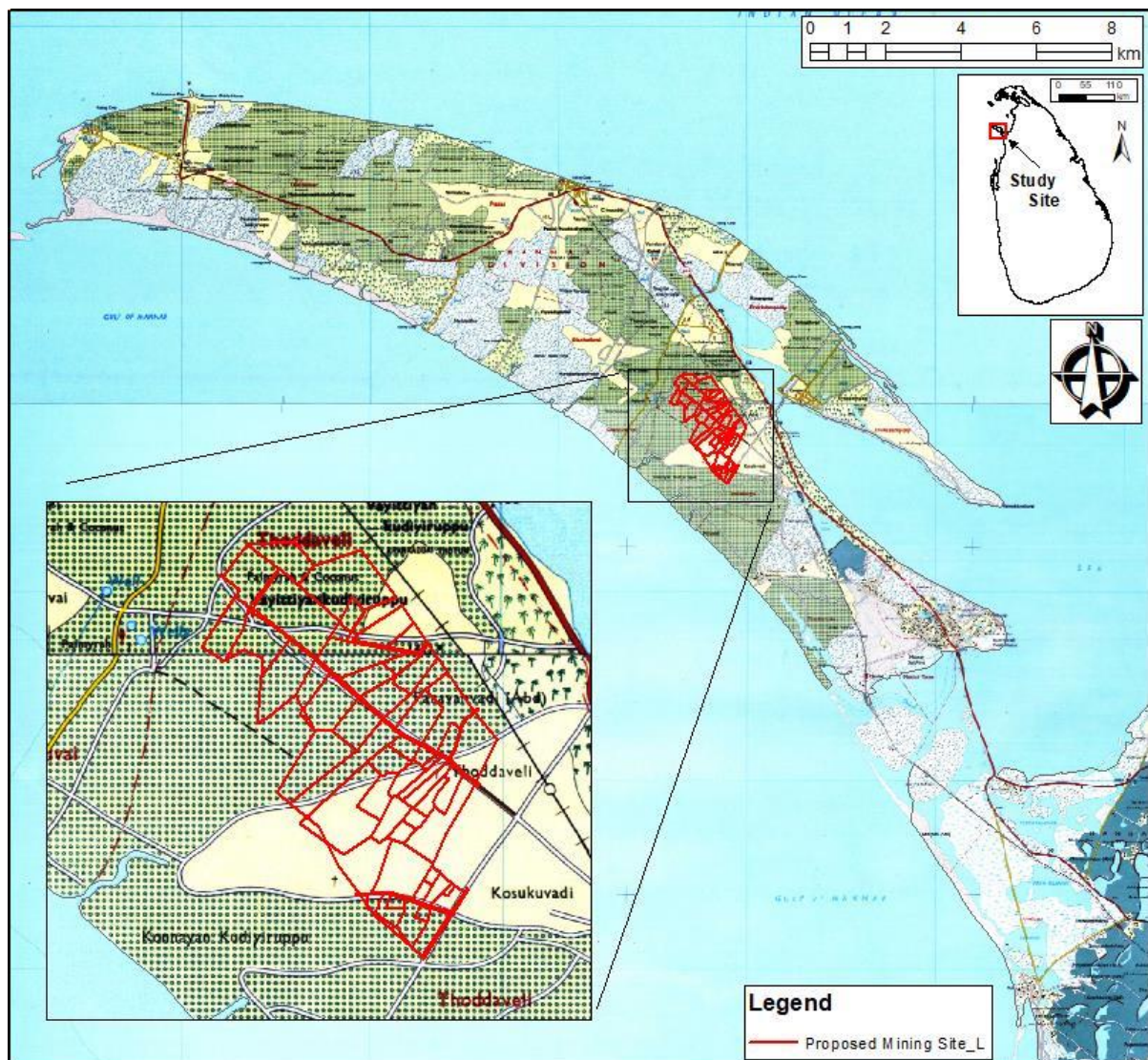


Image 1: Project Area Map

Findings of the Study

This hydrological and groundwater assessment demonstrates that the hydrogeological characteristics of Mannar Island are compatible with the proposed heavy mineral sands extraction methodology when implemented under the groundwater-neutral operating conditions described in the project design. The study confirms the presence of a shallow, laterally continuous freshwater lens maintained by seasonal rainfall recharge and supported by positive hydraulic heads throughout the Project area. While the freshwater lens remains environmentally sensitive due to its limited thickness and proximity to surrounding marine environments, the proposed mining methodology substantially reduces the principal groundwater risks commonly associated with conventional mining operations.

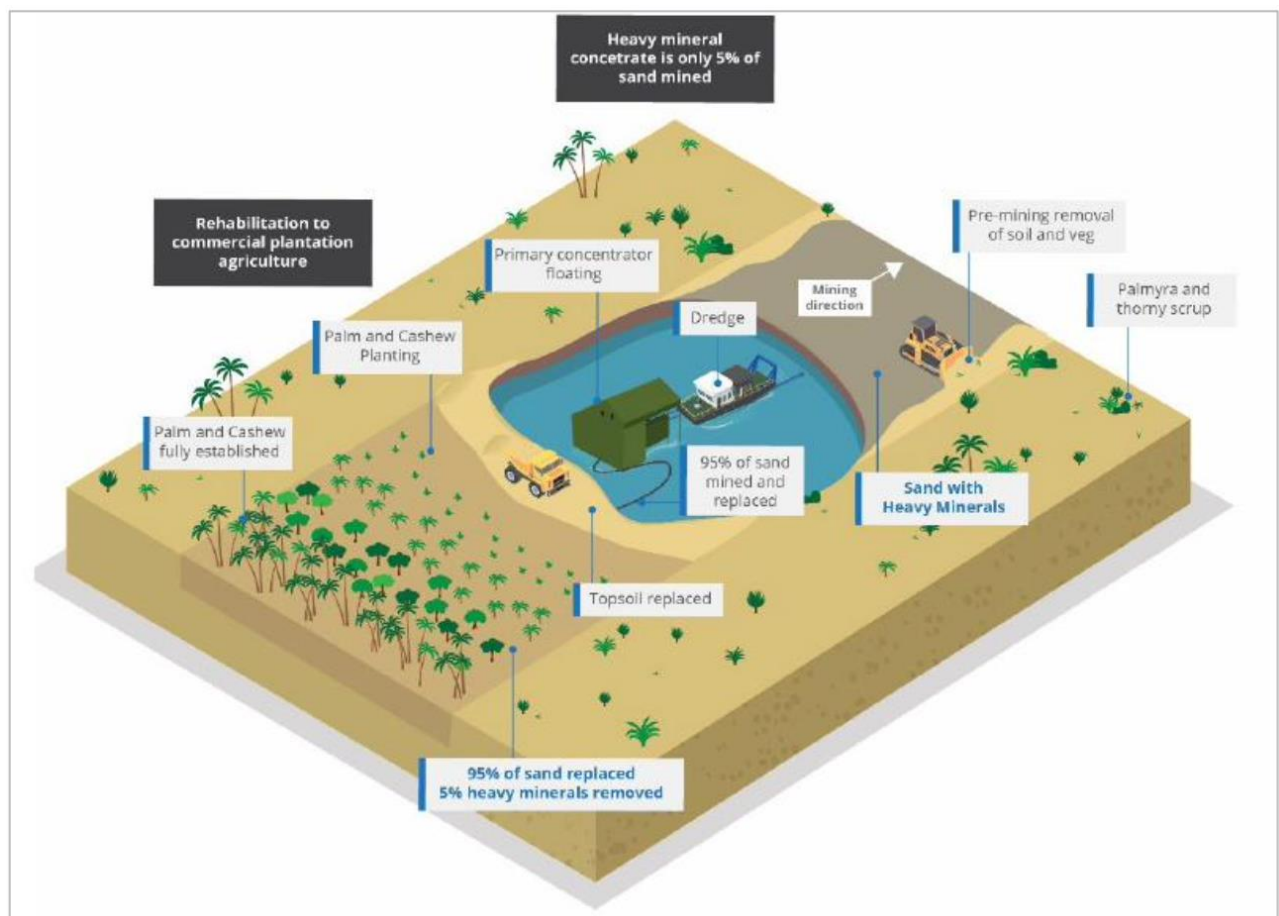


Image 2: Operational concept of migrating heavy mineral production, rehabilitation and commercial plantation development

The most significant conclusion arising from the study is that the proposed dredge mining system does not rely on sustained dewatering or groundwater abstraction to facilitate mineral extraction. The active dredge pond occupies approximately 2 hectares and functions as a self-contained water management system in which only the economically valuable heavy mineral fraction, representing approximately 5% of the mined material, is permanently removed from the site. The remaining 95%

of the sand together with essentially all process water is continuously returned to the dredge pond and mined-out areas through the operational recycling circuit.

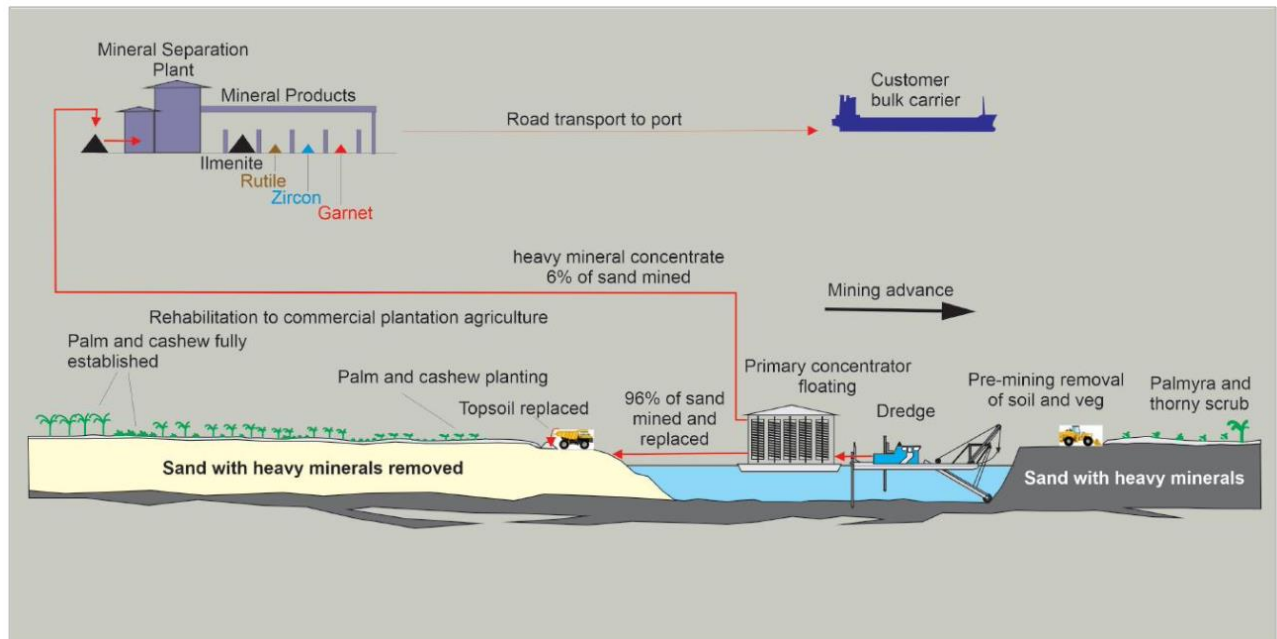


Image 3: Conceptual Layout of Mining and Rehabilitation Sequence

As a result, groundwater levels within the dredge pond remain hydraulically balanced with surrounding groundwater conditions and no measurable mining-induced hydraulic gradients are created. The absence of hydraulic gradients means that there is no mechanism for inducing regional groundwater flow, freshwater lens drawdown, salinity migration, or aquifer-scale groundwater redistribution. Similarly, the operation does not create barriers to natural groundwater movement and therefore does not interfere with the seasonal recharge and discharge processes that sustain the freshwater lens across Mannar Island.

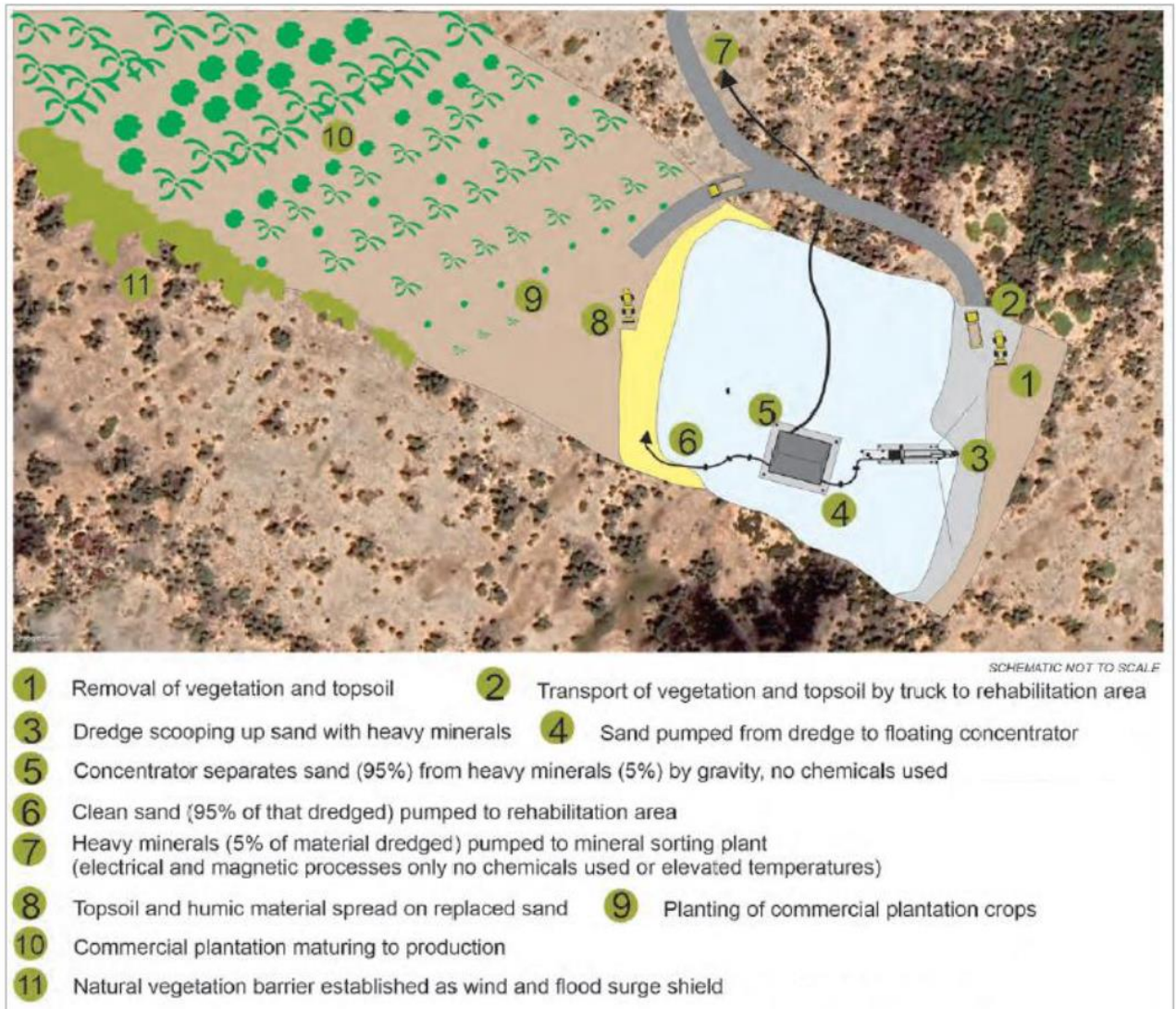


Image 4: Progressive mining and backfilling sequence illustrating extraction zones, processing locations, and rehabilitation areas

The study also concludes that concerns regarding suspended solids and groundwater quality impacts are limited by the geological characteristics of the host formation. The Mannar deposit consists of unconsolidated Holocene coastal sands containing only approximately 1% material finer than 40 microns. Importantly, these fines are predominantly carbonate particles rather than clay minerals and are naturally present throughout the surrounding undisturbed sediments. Since all fines, sands, and return water are continuously recycled back to the dredge basin during operations, no net export of sediment occurs and no new fine-grained material is introduced into the groundwater system. Consequently, significant long-term groundwater quality deterioration resulting from sediment mobilisation is not anticipated.

The proposed operational concept therefore represents a fundamentally different groundwater interaction model compared with open-pit, dry mining, or dewatering intensive extraction methods. International experience demonstrates that dredge mining has been successfully applied

in numerous heavy mineral sand operations worldwide specifically because it enables mineral extraction below the water table while maintaining hydraulic equilibrium within the surrounding aquifer system.

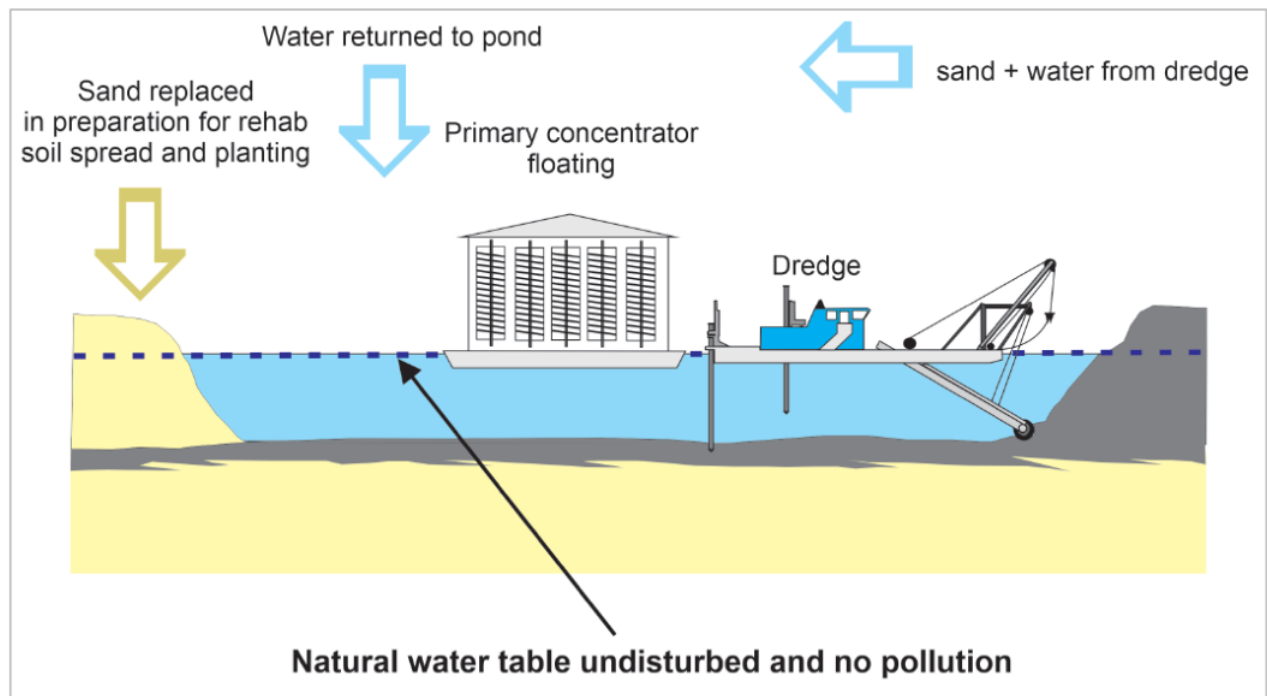


Image 5: Project Water Balance Schematic

Rehabilitation

Beyond the hydrological considerations, the Project incorporates a long-term land rehabilitation and socio-economic development strategy that extends well beyond the operational mining footprint. The proposed progressive rehabilitation programme would establish approximately 12 hectares of plantation agriculture and natural vegetation corridors annually, converting mined areas into productive landscapes owned and managed by local communities and private landowners. Over the anticipated project life, this would create a substantial area of sustainable agricultural land, ecological corridors, and improved vegetation cover while maintaining a very small active mining footprint at any given time. The programme also has the potential to provide direct and indirect employment opportunities for hundreds of local residents, stimulate local service industries, enhance regional economic activity, and contribute to long-term community development outcomes.

Conclusion and Outcomes

Based on the available hydrogeological evidence, groundwater dataset interpretations, conceptual modelling results, and operational design information, the proposed Mannar Island Heavy Mineral Sands Project is not expected to induce significant adverse impacts on groundwater levels, groundwater quality, salinity distribution, freshwater lens stability, or natural groundwater movement patterns. The principal environmental safeguards required remain the maintenance of groundwater-neutral operating conditions, implementation of a closed-loop water management system, containment of saline streams and RO brine, progressive rehabilitation, and comprehensive long-term groundwater monitoring.

Accordingly, from a hydrological and hydrogeological perspective, the Project may be considered technically feasible and environmentally manageable, subject to implementation of the recommended monitoring, auditing, adaptive management measures, and regulatory approval conditions. The available evidence indicates that the proposed dredge operation can co-exist with the natural freshwater lens system of Mannar Island while preserving the long-term integrity of regional groundwater resources and associated ecological functions. Furthermore, through progressive rehabilitation and sustainable land-use transformation, the Project has the potential to deliver lasting environmental, social, and economic benefits that extend beyond the operational life of the mine and contribute positively to the sustainable development of Mannar Island.

Discussions will continue with the environmental consultants now this report has been received and an update on timing of the Environmental Impact Assessment (EIA) will be provided as available.

Ends-

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

Further information contact:

James Searle

Managing Director

T: +61 8 9481 0389

E: info@titaniumsands.com.au

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.