Titanium Sands Limited

(ACN 009 131 533)

Prospectus

For the offer of up to 242,713,629 New Options (each exercisable at $0.023 and expiring on 16 February 2029) to all holders of the Company's TSLOA Options on the basis of one (1) New Option for every five (5) TSLOA Options held on the Expiry Date, at an issue price of $0.001 (**Options Offer**).

The Options Offer is fully underwritten by CPS Capital. Refer to Section 5.2 for the terms of the underwriting.

This Prospectus also contains:

(a) a bonus offer of up to 970,854,517 New Options to all successful applicants under the Options Offer on the basis of four (4) New Options for every one (1) New Option issued under the Options Offer, for no additional consideration (**Bonus Offer**); and

(b) an offer of 60,000,000 New Options to CPS Capital as part of the fees due for managing the Loan, at an issue price of $0.00001 per New Option (**Lead Manager Offer**).

IMPORTANT NOTICE

This is an important document that should be read in its entirety. Please read the instructions in this document and on the Application Form regarding acceptance of the Offers. If you do not understand this document you should consult your professional adviser without delay.

The securities offered by this Prospectus should be considered highly speculative.

TABLE OF CONTENTS

IMPORTANT INFORMATION

General

The Prospectus is dated 9 July 2026 and a copy of this Prospectus was lodged with ASIC on that date. ASIC and ASX do not take any responsibility for the contents of this Prospectus or the merits of the investment to which the Prospectus relates.

No securities will be issued pursuant to this Prospectus later than 13 months after the date of this Prospectus (being the expiry date of this Prospectus). No exposure period applies to this Prospectus.

The Offers are only available to those who are personally invited to accept the Offers.

This Prospectus is a transaction specific prospectus for an offer of New Options to acquire continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus and is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

Electronic Prospectus

In addition to issuing the Prospectus in printed form, a read-only version of the Prospectus is also available on the Company's website at www.titaniumsands.com.au. Applications cannot be made online. Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access the Prospectus from within Australia. The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered electronic version of this Prospectus.

Risk factors

Before deciding to invest in the Company, potential investors should read the entire Prospectus. In considering the prospects for the Company, potential investors should consider the assumptions underlying the prospective financial information and the risk factors that could affect the performance of the Company. Potential investors should carefully consider these factors in light of personal circumstances (including financial and taxation issues) and seek professional advice from a stockbroker, accountant or other independent financial adviser before deciding to invest.

Forward-looking statements

This Prospectus may contain forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, Directors and management.

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements. We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements, including the risk factors summarised in this Prospectus.

Publicly available information

Information about the Company is publicly available and can be obtained from ASIC and ASX (including ASX's website www.asx.com.au). The contents of any website or ASIC or ASX filing by the Company are not incorporated into this Prospectus and do not constitute part of the Offers. This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest in New Options or the Company.

No person is authorised to give any information or to make any representation in connection with the Offers which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offers.

Offer restrictions

The offer of Securities made pursuant to this Prospectus is not made to persons or in places to which, or in which, it would not be lawful to make such an offer of Securities. No action has been taken to register the Offers under this Prospectus or otherwise permit the Offers to be made in any jurisdiction outside Australia. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law in those jurisdictions and therefore persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws.

Target Market Determination

In accordance with the design and distribution obligations under the Corporations Act, the Company has determined the target market for the offer of securities issued under this Prospectus. The Company will only distribute this Prospectus to those investors who fall within the target market determination (TMD) as set out on the Company's website www.titaniumsands.com.au. By making an application under the Offer, you warrant that you have read and understood the TMD and that you fall within the target market set out in the TMD.

Interpretation

A number of terms and abbreviations used in this Prospectus have defined meanings which are set out in Section 7.

All references in this Prospectus to **$**, **AUD** or **dollars** are references to Australian currency, unless otherwise stated.

All references to time in this Prospectus relate to the time in Perth, Western Australia.

CORPORATE DIRECTORY

Directors

Mr Lee Christensen – Non-Executive Chairman
Mr James Searle – Managing Director
Mr Jason Ferris – Non-Executive Director

Company Secretary

Mr Alan Armstrong

Registered Office

Level 8, 216 St Georges Terrace
Perth WA 6000

Telephone: + 61 8 9481 0389
Facsimile: + 61 8 9463 6103

Email: james.searle@titaniumsands.com.au

Website

www.titaniumsands.com.au

ASX Code

TSL

Share Registry*

Computershare Investor Services Pty Limited
Level 17, 221 St Georges Terrace
Perth WA 6000

Telephone:
1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)

Auditor*

Moore Australia Audit (WA)
Level 15, Exchange Plaza
2 The Esplanade
Perth WA 6000

Legal Adviser

Larri Legal Pty Ltd
Suite 5/31 Station Street
Margaret River WA 6285

Underwriter and Lead Manager

CPS Capital Group Pty Ltd
Level 45 108 St Georges Terrace
Perth WA 6000

*This entity has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus. Its name is included for information purposes only.

1. KEY OFFER INFORMATION

1.1 Summary of the Offers

The Company is making the offers of:

(a) up to 242,713,629 New Options at an issue price of $0.001 per New Option to Eligible Participants on the basis of one (1) New Option for every five (5) TSLOA Options held on the Expiry Date (**Options Offer**);

(b) up to 970,854,517 New Options on the basis of four (4) New Options for every one (1) New Option issued to successful applicants under the Options Offer, for no additional consideration (**Bonus Offer**); and

(c) 60,000,000 New Options to CPS Capital as part of the consideration for managing the Loan at an issue price of $0.00001 per New Option (**Lead Manager Offer**).

Details of the Offers are set out in Sections 2.1 and 2.2.

1.2 Underwriting and Lead Manager

The Company has entered into the Underwriting Agreement with CPS Capital (**Underwriter**), pursuant to which the Underwriter has agreed to fully underwrite the Options Offer. Pursuant to the Underwriting Agreement, the Underwriter will receive an underwriting fee equivalent to 6% of the gross amount raised under the Options Offer. Further terms of the underwriting are set out in Section 5.2.

The Company has also entered into a Lead Manager, Broker and Corporate Adviser mandate with CPS Capital to provide capital raising and corporate advisory services in relation to the Options Offer. No additional fees are payable to CPS Capital for acting in these roles. Refer to Section 5.3 for further details.

1.3 Timetable

The timetable for the Offers is as follows:

Event	**Date[1]**
Record Date for Options Offer	5pm (WST) on 16 February 2026
Lodgement of this Prospectus with ASIC and ASX and lodgement of Appendix 3B with ASX in relation to the Offers	9 July 2026
Opening Date for Options Offer	9 July 2026
Closing Date for Options Offer	5pm (WST) on 13 July 2026
Record Date for Bonus Offer	5pm (WST) on 15 July 2026
Issue of New Options under Offers and lodgement of Appendix 2A with ASX applying for quotation of New Options	17 July 2026
Expected date for Official Quotation of New Options under Offers[2]	21 July 2026

Notes:

1. The above dates are indicative only and may be subject to change. The Directors reserve the right to vary these dates, including the Closing Date, without prior notice but subject to any applicable requirements of the Corporations Act or the Listing Rules.
2. Quotation of the New Options is subject to the Company being able to satisfy ASX of the quotation requirements set out in Chapter 2 of the Listing Rules.

1.4 Rights and liabilities attaching to Securities

The New Options offered under the Offers will be issued on the terms and conditions set out in Section 3.1. Shares issued on exercise of the New Options will rank equally in all respects with the existing Shares on issue. The rights and liabilities attaching to Shares are further described in Section 3.2.

1.5 Purpose of the Offers and this Prospectus

As outlined in Sections 2.1 and 2.2, the primary purpose of the Options Offer and Bonus Offer is to enable the holders of TSLOA Options to continue to participate in the ongoing development of the Company. The Lead Manager Offer provides CPS Capital with the opportunity to subscribe for New Options as part of the consideration for managing the Loan.

The issue of New Options under this Prospectus will also enable persons who are issued New Options to on-sell the New Options (or any Shares issued on exercise of the New Options) without the need for any further disclosure under a prospectus or otherwise due to the operation of ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2026/94 which provides relief from the on-sale restrictions set out in section 707(3) of the Corporations Act.

1.6 Risk factors

An investment in Securities should be regarded as highly speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company which are set out in Section 4.

1.7 Minimum subscription

There is no minimum subscription for the Offers.

1.8 Issue and dispatch

The New Options issued pursuant to the Offers will be issued in accordance with the ASX Listing Rules and the timetable set out in Section 1.3. Holding statements for the New Options issued under the Offers will be mailed out as soon as practicable after the issue of New Options. It is the responsibility of Applicants to determine their allocation prior to trading in the Securities. Applicants who sell Securities before they receive their holding statements will do so at their own risk.

1.9 Applications

Applications for New Options under the Offers may only be made by persons on invitation from the Company. If you wish to apply for New Options under the Option Offer, you must follow the instructions provided on the personalised Application Form, which can be accessed online via www.investorcentre.com/au. You can make payment to value of the Options that you are entitled to under the Options Offer via BPAY, using the biller code and unique Customer Reference Number (**CRN**) provided.

If you are Eligible Participant with a registered address outside Australia, a separate instructions letter with Electronic Funds Transfer (**EFT**) details will be available with your Application Form in the event you are unable to make payment for your application via BPAY. Please refer to the details provided in the instructions letter if you are considering making payment for your application via EFT.

Your Application Monies must be received by no later than 5.00pm (WST) on Monday, 13 July 2026. It is your responsibility to ensure that Application Monies submitted through BPAY or EFT are received by the date and time stated. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment. Application Forms do not need to be returned when making payment via BPAY or EFT.

Payment by cash, cheque, bank draft and money order will not be accepted.

All Application Monies received for the New Options will be held in trust in a bank account maintained solely for the purpose of depositing Application Monies received pursuant to this Prospectus until the New Options are issued. Application Monies will be returned to all holders that have applied (without interest) if the New Options are not issued or only to those holders that have paid more than the value required for their Options entitlement under the Options Offer, if the New Options are issued.

1.10 Overseas investors

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or to extend such an invitation. No action has been taken to register this Prospectus or otherwise to permit an offering of Securities in any jurisdiction outside Australia. It is the responsibility of non-Australian resident investors to obtain all necessary approvals and comply with all relevant regulations for the issue to them of Securities offered pursuant to this Prospectus. Return of a duly completed Application Form will constitute a representation and warranty that there has been no breach of such regulations.

1.11 CHESS and issuer sponsorship

The Company operates an electronic CHESS sub-register and an electronic issue sponsored sub-register. These two sub-registers will make up the Company's register of shares.

The Company will not issue certificates to security holders. Rather, holding statements (similar to bank statements) will be dispatched to security holders as soon as practicable after allotment. Holding statements will be sent either by CHESS (for security holders who elect to hold Securities on the CHESS sub-register) or by the Company's Share Registry (for security holders who elect to hold their Securities on the issuer sponsored sub-register). The statements will set out the number of Securities allotted under this Prospectus and the Holder Identification Number (for security holders who elect to hold Securities on the CHESS sub register) or Shareholder Reference Number (for security holders who elect to hold their shares on the issuer sponsored sub-register). Updated holding statements will also be sent to each security holder following the month in which the balance of their security holding changes, and also as required by the Listing Rules and the Corporations Act.

1.12 ASX quotation of Shares

The Company will apply for Official Quotation of the New Options offered pursuant to the Prospectus in accordance with the timetable set out in Section 1.3.

If permission is not granted by ASX for the Official Quotation of the New Options offered by this Prospectus within 3 months after the date of this Prospectus (or such period as varied by ASIC), the Company will not issue any New Options under the Offers and will repay any application monies for New Options received within the time prescribed under the Corporations Act (without interest).

The fact that ASX may grant Official Quotation to the New Options is not to be taken in any way as an indication of the merits of the Company or the Securities now offered.

1.13 Electronic Prospectus

This Prospectus is available in electronic format via the ASX website, www.asx.com.au and via the Company's website at www.titaniumsands.com.au. Persons having received this Prospectus in electronic form may, during the offer period, obtain a paper copy of this Prospectus free of charge by contacting the Company.

Applications for new Securities may only be made on the personalised Application Form which will be provided to invitees, and which will be accompanied by the complete and unaltered electronic version of this Prospectus.

The Corporations Act prohibits any person from passing on to another person a personalised Application Form unless it is attached to or accompanied by a hard copy of this Prospectus or by the complete and unaltered electronic version of this Prospectus. The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

1.14 Privacy

Persons who apply for Securities pursuant to this Prospectus are asked to provide personal information to the Company, either directly or through the Share Registry. The Company and the Share Registry collect, hold and use that personal information to assess applications for Securities, to provide facilities and services to Shareholders, and to carry out various administrative functions.

Access to the information collected may be provided to the Company's agents and service providers and to ASX, ASIC and other regulatory bodies on the basis that they deal with such information in accordance with the relevant privacy laws. If the information requested is not supplied, applications for Securities will not be processed. In accordance with privacy laws, information collected in relation to specific Shareholders can be obtained by that Shareholder through contacting the Company or the Share Registry.

1.15 Taxation

It is the responsibility of all investors to satisfy themselves of the particular taxation treatment that applies to them in relation to the Offer, by consulting their own professional tax advisors. The Company and the Directors do not accept any liability or responsibility in respect of the taxation consequences of the matters referred to in this Prospectus.

1.16 Enquiries

This document is important and should be read in its entirety. Persons who are in any doubt as to the course of action to be followed should consult their stockbroker, solicitor, accountant or other professional advisor without delay. Questions relating to the Offers can be directed to the Company on +61 9481 0389.

2. PURPOSE AND EFFECT OF THE OFFERS

2.1 Options Offer and Bonus Offer

1,213,568,146 of the TSLOA class of quoted options (**TSLOA Options**) expired on 16 February 2026 (**Expiry Date**).

The Company is proposing to issue up to 242,713,629 New Options, each exercisable at $0.023 and expiring on 16 February 2029, to all holders of the Company's TSLOA Options on the basis of one (1) New Option for every five (5) TSLOA Options held on the Expiry Date at an issue price of $0.001 per New Option (**Options Offer**).

Successful applicants in the Options Offer will also receive a bonus offer of four (4) additional New Options for every New Option issued under the Options Offer, for no additional consideration (**Bonus Offer**). Accordingly, up to a further 970,854,517 New Options may be issued under the Bonus Offer.

The primary purpose of the Options Offer and Bonus Offer is to enable the holders of TSLOA Options to continue to participate in the ongoing development of the Company. Although the Options Offer and Bonus Offer are not a capital raising exercise, the Company will raise approximately $242,713 (before expenses) under these Offers (refer to Section 2.5 for further details).

As the Options Offer is fully underwritten, any New Options offered under the Options Offer which are not taken up be Eligible Participants will be taken up by the Underwriter and any sub-underwriters appointed in relation to the Options Offer (refer to Section 5.2 for further details).

Shareholder approval for the issue of New Options pursuant to the Options Offer and Bonus Offer was obtained on 18 June 2026.

Application Forms will only be provided by the Company to Eligible Participants.

New Options issued under the Options Offer and Bonus Offer will be issued on the terms and conditions in Section 3.1. Any Shares issued on exercise of the New Options will rank equally with the existing Shares on issue. Please refer to Section 3.2 for further information regarding the rights and liabilities attaching to Shares.

In addition to the primary purposes of the Options Offer and Bonus Offer set out above, the Options Offer and Bonus Offer are being made such that the relief provided under ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2026/94 with respect to the on-sale provisions of section 707 of the Corporations Act is available. Specifically, if the New Options are issued with disclosure under this Prospectus, then the New Options (and any Shares issued upon the exercise of any New Options) can be on-sold within 12 months of their issue, without a disclosure document for the on-sale offer.

2.2 Lead Manager Offer

On 14 October 2025, the Company announced that it had secured a loan from major sophisticated and professional shareholder investors for up to $800,000 (before costs) (**Loan**). The Company announced on 17 April 2026 that the Loan had been extended and increased to a total of $1.2 million (before costs). Amounts owing under the Loan accrue interest at 10% per annum, must be repaid by 30 December 2026, and may be converted by the lender into Shares at an issue price of $0.005 per Share.

The Company engaged CPS Capital to manage the Loan. CPS Capital is entitled to fees of 6% of funds raised under the Loan, together with 60,000,000 New Options and, subject to shareholder approval, a further 60,000,000 New Options subject to conversion of tranche one of the Loan, at an issue price of $0.00001 per New Option.

The Company is proposing to issue 60,000,000 New Options to CPS Capital as part of the fees due for managing the Loan, at an issue price of $0.00001 per New Option.

Shareholder approval for the issue of New Options pursuant to the Lead Manager Offer was obtained on 18 June 2026.

The Lead Manager Offer provides CPS Capital with the opportunity to subscribe for New Options as part of the consideration for managing the Loan.

New Options issued under the Lead Manager Offer will be issued on the terms and conditions in Section 3.1. Any Shares issued on exercise of the New Options will rank equally with the existing Shares on issue. Please refer to Section 3.2 for further information regarding the rights and liabilities attaching to Shares.

2.3 Effect of the Offers on Capital Structure

The capital structure of the Company on completion of the Offers is set out below.

Shares

	Number
Shares currently on issue	2,344,747,190
Shares offered pursuant to the Offers	Nil
Total Shares on issue after completion of the Offer[1]	2,344,747,190

Notes:

1. No Shares will be issued under the Offers. Shares will only be issued on exercise of New Options issued under the Offers.

Options

	Number
Options currently on issue[1]	110,500,000
New Options to be issued under the Options Offer and Bonus Offer[2]	1,213,568,146
New Options to be issued under the Lead Manager Offer[2,3]	60,000,000
Total Options on issue after completion of the Offer	1,384,068,146

Notes:

1. Comprising 28,000,000 unlisted Options exercisable at $0.006 and expiring on 13 November 2028 and 82,500,000 unlisted Options exercisable at $0.023 and expiring on 17 February 2027.
2. Refer to Section 3.1 for terms and conditions of the New Options.
3. The Company has also agreed to issue CPS Capital up to a further 90,000,000 options, comprising 15,000,000 options exercisable at $0.023 and expiring on 30 June 2028, 15,000,000 options exercisable at $0.023 and expiring on 30 June 2027 and 60,000,000 options exercisable at $0.023 and expiring on 30 June 2029, pursuant to the terms of mandates between the Company and CPS Capital in relation to loan funding announced by the Company on 3 June 2025, 14 October 2025 and 17 April 2026, subject to Shareholder approval and/or conversion of such loans into Shares.

2.4 Effect on the control of the Company

The Offers will not have any control effect on the Company, as the Offers involve the issue of New Options only. However, if any New Options issued under the Offers are subsequently exercised and new Shares are issued, then at the time those new Shares would dilute the holding of all Shareholders.

The likelihood of New Options being exercised is dependent on the price of Shares from time to time until the New Options expire. As the New Options to be issued under the Offers are intended to be quoted on the ASX and able to be traded, the Company is not presently able to further speculate whether the exercise of the New Options could impact on the control of the Company.

2.5 Financial Effect of the Offer

The Company will raise up to approximately $242,713 (before expenses) under the Options Offer. After paying the estimated expenses of the Offers of approximately $42,768 (exclusive of GST), the net proceeds of the Offer will be approximately $199,945. The net proceeds will be applied towards the costs of the Offers and for general working capital purposes.

No funds will be raised from the Bonus Offer and only nominal funds will be received from the Lead Manager Offer.

The Company will receive further funds on exercise of the New Options (if exercised) issued pursuant to the Offers.

3. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

3.1 Terms and Conditions of New Options

(a) **Entitlement**

Each New Option entitles the holder to subscribe for one fully paid ordinary Share in the Company upon exercise of the New Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each New Option will be $0.023 (**Exercise Price**).

(c) **Expiry Date**

Each New Option will expire at 5:00 pm (WST) on 16 February 2029 (**Expiry Date**). A New Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The New Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The New Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the New Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each New Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each New Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 5 Business Days after the Exercise Date, the Company will:

(i) issue the number of Shares required under these terms and conditions in respect of the number of New Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;

(ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

(iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (i) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the New Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of a New Option holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the New Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the New Options without exercising the New Options.

(k) **Change in exercise price**

A New Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the New Option can be exercised.

(l) **Transferability**

The New Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

3.2 Rights and liabilities attaching to Shares

The following is a general description of the more significant rights and liabilities attaching to the Shares. This summary is not exhaustive. Full details of provisions relating to rights attaching to the Shares are contained in the Corporations Act, Listing Rules and the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) **General meetings**

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company. Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

(b) **Voting rights**

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

(i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;

(ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and

(iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) **Dividend rights**

Subject to the Corporations Act, the Listing Rules and any rights or restrictions attached to a class of shares, the Company may pay dividends (whether an interim or final dividend) as the Directors resolve but only out of profits of the Company.

Subject to any rights or restrictions attached to a class of shares, any dividends that may be declared by the Company are payable on all Shares in proportion to the amount paid up.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders the whole or any part of the property of the Company, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

Subject to the Corporations Act, the Listing Rules and any rights or restrictions attached to a class of shares, any surplus assets on a winding up are to be distributed to Shareholders in proportion to the number of Shares held by them irrespective of the amounts paid or credited as paid.

(e) **Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the Listing Rules.

(g) **Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of securities contained in the Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

The rights attaching to the Shares may only be varied by the consent in writing of the holders of 75% of the Shares, or with the sanction of a special resolution passed at a general meeting.

(i) **Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

4. RISK FACTORS

4.1 Introduction

The securities offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for securities pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this Section or other risk factors, may have a material impact on the financial performance of the Company and the market price of the securities.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

4.2 Specific Risks

(a) **Exploration and development**

Mineral exploration and development is a speculative and high-risk undertaking that may be impeded by circumstances and factors beyond the control of the Company. Success in this process involves (amongst other things):

(i) discovery and proving-up, or acquiring, an economically recoverable resource or reserve;

(ii) access to adequate capital throughout the acquisition/discovery and project development phases;

(iii) securing and maintaining title to mineral exploration projects;

(iv) obtaining required development consents and approvals necessary for the acquisition, mineral exploration, development and production phases; and

(v) accessing the necessary experienced operational staff, the applicable financial management and recruiting skilled contractors, consultants and employees.

There can be no assurance that exploration of the Mannar Island Project or any other exploration properties that may be acquired in the future will result in the discovery of an economic mineral resource. Even if an apparently viable mineral resource is identified, there is no guarantee that it can be economically exploited.

The exploration activities of the Company may be adversely affected by a range of factors including geological conditions, operational risks and changing government laws and regulations. Further, whether positive income flows result from projects on which the Company will expend exploration and development capital is dependent on many factors including successful exploration, establishment of production facilities, cost control, commodity price movements, successful contract negotiations for production and stability in the local political environment.

In addition, significant expenditure may be required to establish necessary metallurgical and mining processes to develop and exploit any mineral reserves identified on the Mannar Island Project. There is no assurance that the Company will have sufficient working capital or resources available to do this.

In the event that exploration programmes prove to be unsuccessful, the Mannar Island Project may diminish in value, there will be a reduction in the cash reserves of the Company and relinquishment of part or all of the Mannar Island Project may occur.

(b) **Future profitability**

The Company's profitability will be impacted by, among other things, the success of its exploration and mining activities, economic conditions in the markets in which it operates, competition factors and any regulatory developments. Accordingly, the extent of future profits (if any) and the time required to achieve sustained profitability are uncertain and cannot be reliably predicted.

(c) **Sri Lankan Country risk**

The Mannar Island Project is located in Sri Lanka and the Company will be subject to the risks associated with operating in that country, including various levels of political, economic and other risks and uncertainties. Sri Lanka had previously been subject to a 26 year civil war which concluded in May 2009. Since the end of this conflict the government has enacted an ambitious program of economic development projects. In addition to efforts to reconstruct the economy, the government has resettled more than 95% of those civilians displaced during the final phase of the conflict and released the vast majority of the Liberation Tigers of Tamil Eelam combatants captured by the Government Security Forces.

Company operations have already been interrupted several times by issues related to political related protests that have resulted in the entire Sri Lankan Ministry recently resigning and being replaced. Further, the state of emergency previously declared in Sri Lanka in an attempt to contain widespread protesting, including at the Presidential Palace, and the resignation of the Sri Lankan Prime Minister, evidences the continuing political unrest in the country. There is a risk that ongoing political unrest in Sri Lanka will continue to interrupt the Company's operations.

More general risks include economic, social or political instability or change, hyperinflation, currency non-convertibility or instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export duties, repatriation of income or return of capital, environmental protection, mine safety, labour relations as well as government control over mineral properties or government regulations that require the employment of local staff or contractors or require other benefits to be provided to local residents.

Failure to comply strictly with applicable laws, regulations and local practices relating to mineral rights applications and tenure, could result in loss, reduction or expropriation of entitlements, inability to secure the required land access agreements or approvals, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests. Outcomes in courts in Sri Lanka may be less predictable than in Australia, which could affect the enforceability of contracts entered into by the Company or its subsidiaries in Sri Lanka. The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the operations or profitability of the Company.

(d) **Exploration, development, mining and processing risks**

The right of the holder of an exploration license to enter onto the license to explore for minerals is subject to the consent of the occupier of the land and, where the land is proximate to certain specified locations, the ministry responsible for the protection of such locations.

Under Sri Lankan legislation, the Company may be required to enter into an agreement with the relevant landowner or occupier for the purpose of securing this consent prior to commencing any exploration activities on the affected areas within the Mannar Island Project.

(e) **Restricted areas within the Mannar Island Project**

Under the conditions of the Mannar Island Project, the holder is not permitted to conduct exploration activities within forest boundaries (for certain licenses), nor any area specifically designated as ancient or protected monuments, archaeological reserves, national heritage wilderness areas, strict natural reserves, national parks, nature reserves, jungle corridors or botanical gardens.

Whilst the Company is not aware of the existence of any such restricted areas within the Mannar Island Project, there is a risk that the Company's proposed exploration activities on the Mannar Island Project may be affected if any areas within them fall within the above restricted categories.

(f) **Tenure risk**

The Mannar Island Project tenements are granted under and governed by the laws of Sri Lanka and are granted subject to conditions, including minimum annual expenditure commitments and reporting commitments. Similar conditions may be applied to future mining permits acquired by the Company or its subsidiaries. Failure to comply with these conditions may result in forfeiture of the Mannar Island Project.

Further, the Mannar Island Project (and any additional future mining permits held by the Company) are subject to periodic renewal. Whist there is no reason to believe that such renewals will not be granted, the Company cannot guarantee that this will occur. New conditions may also be imposed on the Mannar Island Project (and any additional future mining permits held by the Company) under the renewal process which may adversely affect the Company.

(g) **Government and regulatory risk**

Operations by the Company may require approvals, consents or permits from government or regulatory authorities, including renewals of existing mining permits or title transfer to newly acquired mining permits, which may not be forthcoming or which may not be able to be obtained on terms acceptable to the Company.

Whilst there is no reason to believe that necessary government and regulatory approvals will not be forthcoming (other than as outlined above in respect of the Company's Sri Lankan operations), the Company cannot guarantee that those required approvals will be obtained. Failure to obtain any such approvals could mean the ability of the Company to prove-up, develop or operate any project or to acquire any project, may be inhibited or negated.

(h) **Global Credit and Investment Markets**

Global credit, commodity and investment markets often exhibit a high degree of uncertainty and volatility. The factors which contribute to these situations are outside the control of the Company and may occur from time to time resulting in uncertainty in world stock markets (including ASX). This may impact the price at which the Company's securities trade regardless of operating performance and affect the Company's ability to raise additional equity and/or debt to achieve its objectives.

(i) **Operational risks**

The operations of the Company may be affected by various factors, including:

(i) failure to locate or identify mineral deposits;

(ii) failure to achieve predicted grades in exploration and mining;

(iii) operational and technical difficulties encountered in mining;

(iv) insufficient or unreliable infrastructure, such as power, water and transport;

(v) political or civil unrest, including outbreaks of violence or other hostilities;

(vi) difficulties in commissioning and operating plant and equipment;

(vii) mechanical failure or plant breakdown;

(viii) unanticipated metallurgical problems which may affect extraction costs;

(ix) adverse weather conditions;

(x) industrial and environmental accidents;

(xi) industrial disputes; and

(xii) unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

In particular, Sri Lanka does not have well developed and reliable infrastructure and services. This may impede and delay the Company's operations which are likely to result in increased costs of exploration and development of the Mannar Island Project. This increase in cost may have an adverse effect on the Company's operations.

(j) **Taxation and government regulations**

Changes in taxation and government legislation in a range of areas (for example, Corporations Act, accounting standards, and taxation law, or similar legislation in overseas jurisdictions) can have a significant influence on the outlook for all companies and the returns to investors.

The recoupment of taxation losses accrued by the Company from any future revenues is subject to the satisfaction of tests outlined in taxation legislation or regulations in the jurisdictions in which the Company operates. There is no guarantee that the Company will satisfy all of these requirements at the time it seeks to recoup its tax losses which may impact on the financial performance and cashflows of the Company.

(k) **Commodity price and currency exchange risk**

As the Company's potential earnings will be largely derived from the sale of heavy mineral sands, the Company's future revenues and cash flows will be impacted by changes in the prices and available market of this commodity. Any substantial decline in the price of heavy mineral sands or in transport or distribution costs may have a material adverse effect on the Company and the value of its Shares.

Commodity prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include current and expected future supply and demand, forward selling by producers, production cost levels in major mineral producing centres as well as macroeconomic conditions such as inflation and interest rates.

Furthermore, the international prices of most commodities are denominated in United States dollars while the Company cost base will be in Australian dollars. Consequently, changes in the Australian dollar exchange rate will impact on the earnings of the Company. The exchange rate is affected by numerous factors beyond the control of the Company, including international markets, interest rates, inflation and the general economic outlook.

(l) **Resource and Reserve estimates**

Even though a JORC Code compliant mineral resource has been discovered at the Mannar Island Project, estimates in respect of that resource are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally made may change appreciably when further information becomes available. Such resource estimates are by nature imprecise, depending on interpretations which may, with further exploration, prove to be inaccurate. Moreover, should the Company encounter ore bodies or formations which differ from those suggested by past sampling and analysis, resource estimates may have to be adjusted and any production plans altered accordingly which may adversely impact the Company's plans.

(m) **Results of studies**

Subject to the results of exploration and testing programs to be undertaken, the Company may progressively undertake a number of studies in respect to the Mannar Island Project. These studies may include scoping, pre-feasibility, definitive feasibility and bankable feasibility studies.

These studies will be completed within parameters designed to determine the economic feasibility of the Mannar Island Project within certain limits. There can be no guarantee that any of the studies will confirm the economic viability of the Mannar Island Project or the results of other studies undertaken by the Company (e.g. the results of a feasibility study may materially differ to the results of a scoping study).

Even if a study confirms the economic viability of the Mannar Island Project, there can be no guarantee that the Mannar Island Project will be successfully brought into production as assumed or within the estimated parameters in the feasibility study (e.g. operational costs and commodity prices) once production commences. Further, the ability of the Company to complete a study may be dependent on the Company's ability to raise further funds to complete the study if required.

(n) **Agents and contractors**

The Directors are unable to predict the risk of financial failure or default or the insolvency of any of the contractors which will be used by the Company in any of its activities or other managerial failure by any of the other service providers used by the Company for any activity. Any default or insolvency is outside the Company's control and may have an adverse effect on the Company's operations.

(o) **Environmental risks**

The Company's activities are subject to the environmental laws inherent in the mining industry and those specific to Sri Lanka. The Company intends to conduct its activities in an environmentally responsible manner and in compliance with all applicable laws.

However, the Company may be the subject of accidents or unforeseen circumstances that could subject the Company to extensive liability.

In addition, environmental approvals may be required from relevant government or regulatory authorities before activities may be undertaken which are likely to impact the environment. Failure or delay in obtaining such approvals will prevent the Company from undertaking its planned activities. Further, the Company is unable to predict the impact of additional environmental laws and regulations that may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

(p) **Rehabilitation of tenements**

In relation to the Company's proposed operations, issues could arise from time to time with respect to abandonment costs, consequential clean-up costs, environmental concerns and other liabilities. In these instances, the Company could become subject to liability if, for example, there is environmental pollution or damage from the Company's exploration activities and there are consequential clean-up costs at a later point in time.

(q) **Climate change regulation**

Mining of mineral resources is relatively energy intensive and is dependent on the consumption of fossil fuels. Increased regulation and government policy designed to mitigate climate change may adversely affect the Company's cost of operations and adversely impact the financial performance of the Company.

(r) **Contract risk**

The operations of the Company will require the involvement of a number of third parties, including suppliers, contractors and customers. With respect to these third parties, and despite applying best practice in terms of pre-contracting due diligence, the Directors are unable to completely avoid the risk of:

(i) financial failure or default by a participant in any joint venture to which the Company or its subsidiaries may become a party;

(ii) insolvency, default on performance or delivery, or any managerial failure by any of the operators and contractors used by the Company or its subsidiaries in its exploration activities; or

(iii) insolvency, default on performance or delivery, or any managerial failure by any other service providers used by the Company or its subsidiaries or operators for any activity.

Financial failure, insolvency, default on performance or delivery, or any managerial failure by such third parties may have a material impact on the Company's operations and performance. Whilst best practice pre-contracting due diligence is undertaken for all third parties engaged by the Company, it is not possible for the Company to predict or protect itself completely against all such contract risks.

(s) **Future funding needs**

Further funding may be required by the Company in the event costs exceed estimates or revenues do not meet estimates, to support its ongoing operations and implement its strategies. For example, funding may be needed to undertake further exploration activities, or acquire complementary assets.

Accordingly, the Company may need to engage in equity or debt financings to secure additional funds. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the Company's existing Share price or may involve restrictive covenants that limit the Company's operations or business strategy.

There can be no assurance that such funding will be available on satisfactory terms or at all at the relevant time. Any inability to obtain sufficient financing for the Company's activities and future projects may result in the delay or cancellation of certain activities or projects, which would likely adversely affect the potential growth of the Company.

(t) **International operations**

The Company initially intends to operate in Sri Lanka. The Company may also consider expanding into other markets internationally in the future. Therefore, the Company will be exposed to risks relating to operating in those countries. Many of these risks are inherent in doing business internationally, and will include, but are not limited to:

(i) changes in the regulatory environment;

(ii) trade barriers or the imposition of taxes;

(iii) difficulties with staffing or managing any foreign operations;

(iv) issues or restrictions on the free transfer of funds;

(v) technology export or import restrictions; and

(vi) delays in dealing across borders caused by customers or regulatory authorities.

(u) **Mine development**

Possible future development of a mining operation at the Company's Mannar Island Project is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services. If the Company commences production, its operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement or hazardous weather conditions and fires, explosions or accidents. No assurance can be given that the Company will achieve commercial viability through the development or mining of its projects.

4.3 General Risks

(a) **Economic**

General economic conditions, movements in interest and inflation rates and currency exchange rates, including the recent increases in interest rates within Australia and inflation rates within Australia and globally, may have an adverse effect on the general economic outlook and Company's exploration, development and production activities, as well as on its ability to fund those activities.

(b) **Acquisitions**

The Company may make acquisitions of, or significant investments in, companies or assets that are complementary to its business. Any such future transactions are accompanied by the risks commonly encountered in making acquisitions of companies or assets, such as integrating cultures and systems of operation, relocation of operations, short term strain on working capital requirements, achieving mineral exploration success and retaining key staff.

(c) **Safety**

Safety is a fundamental risk for any exploration and production company in regards to personal injury, damage to property and equipment and other losses. The occurrence of any of these risks could result in legal proceedings against the Company and substantial losses to the Company due to injury or loss of life, damage or destruction of property, regulatory investigation, and penalties or suspension of operations. Damage occurring to third parties as a result of such risks may give rise to claims against the Company.

(d) **Dividends**

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

(e) **Litigation**

The Company may in the ordinary course of business become involved in litigation and disputes, for example with service providers, customers or third parties infringing the Company's intellectual property rights. Any such litigation or dispute could involve significant economic costs and damage to relationships with contractors, customers or other stakeholders. Such outcomes may have an adverse impact on the Company's business, reputation and financial performance.

(f) **Insurance coverage**

The Company intends to take insurance over its operations within the ranges that the Company believes to be consistent with industry practice and having regard to the nature of activities being conducted. However, the Company may not be insured against all risks either because appropriate cover is not available or because the Directors consider the required premiums to be excessive having regard to the benefits that would accrue.

(g) **Key Management**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. The Company may be detrimentally affected if one or more of the key management or other personnel cease their engagement with the Company.

(h) **Liquidity risk**

Liquidity risk is the risk that the Company may encounter difficulties raising funds to meet commitments and financial obligations as and when they fall due. It is the Company's aim in managing its liquidity to ensure that there are sufficient funds to meet its liabilities as and when they fall due. The Company manages liquidity risk by continuously monitoring its actual cash flows and forecast cash flows.

There is no guarantee that there will be an ongoing liquid market for Securities. Accordingly, there is a risk that, should the market for Securities become illiquid, Shareholders will be unable to realise their investment in the Company.

(i) **Credit risk**

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation, resulting in the Company incurring a financial loss. Credit risk arises from cash and cash equivalents (e.g. deposits and investments held with banks and financial institutions), favourable derivative contracts (derivative assets), loans and receivables, guarantees given on behalf of others and loans and commitments granted but not drawn down at the end of the reporting period.

(j) **Commercial risk**

The mining industry is competitive and there is no assurance that, even if commercial quantities are discovered by the Company, a profitable market will exist for sales of such commodities. There can be no assurance that the quality of the commodity will be such that the properties in which the Company holds an interest can be mined at a profit.

(k) **Competition risks**

The industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

(l) **Changes to legislation or regulations**

The Company may be affected by changes to laws and regulations (in Australia, Sri Lanka and other countries in which the Company may operate) concerning property, the environment, superannuation, taxation trade practices and competition, government grants, incentive schemes, accounting standards and other matters. Such changes could have adverse impacts on the Company from a financial and operational perspective.

(m) **Share market**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. The market price of the Securities may be subject to fluctuation and may be affected by many factors including but not limited to the following:

(i) the general economic outlook;

(ii) interest rates and inflation rates;

(iii) currency fluctuations;

(iv) changes in investor sentiment toward particular market sectors;

(v) the demand for, and supply of, capital;

(vi) terrorism and other hostilities; and

(vii) other factors beyond the control of the Company.

(n) **Force majeure risk**

Events may occur within or outside the markets in which the Company operates that could impact upon the global, Australian and Sri Lankan economies and the operations of the Company. These events include acts of terrorism, outbreaks of international hostilities, fires, pandemics, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease, and other man-made or natural events or occurrences that can have an adverse effect on the demand for the Company's services and its ability to conduct business. Given the Company has only a limited ability to insure against some of these risks, its business, financial performance and operations may be materially adversely affected if any of the events described above occurs.

(o) **Global conflicts**

Current global economic conflicts between Ukraine and Russia and Israel and Palestine are impacting global economic The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by such conflicts. Further, any governmental or industry measures taken in response to such conflicts, including import/export restrictions and arrangements involving relevant countries may adversely affect the Company's operations. While the impact of such conflicts on the Company's business and financial performance is currently considered limited, the situation is continually evolving and the consequences are uncertain and are likely beyond the control of the Company.

(p) **Taxation**

The acquisition and disposal of Securities may have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors of the Company are urged to obtain independent financial advice about the consequences of acquiring Securities from a taxation point of view and generally.

4.4 Speculative investment

The above list of risk factors ought not be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Offers under this Prospectus.

Therefore, the Securities being issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or their respective market value. Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

5. ADDITIONAL INFORMATION

5.1 Continuous disclosure obligations

As the Company is admitted to the official list of ASX, the Company is a "disclosing entity" for the purposes of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose to the market any information it has which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

Price sensitive information is publicly released through ASX before it is disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants is also managed through disclosure to ASX. In addition, the Company posts information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

By virtue of section 713 of the Corporations Act, the Company is entitled to issue a "transaction-specific" prospectus in respect of the Offers. ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing the Securities under this Prospectus.

In general terms, a "transaction-specific prospectus" is only required to contain information in relation to the effect of the issue of securities on the Company and the rights and liabilities attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position and performance, profits and losses or prospects of the issuing company.

As a disclosing entity under the Corporations Act, the Company states that:

(a) it is subject to regular reporting and disclosure obligations;

(b) copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an office of ASIC; and

(c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:

  (i) the annual financial report of the Company for the financial year ended 30 June 2025;

  (ii) any half-year financial report of the Company lodged with ASIC after the lodgment of the annual financial report referred to in paragraph (i) above and before the lodgment of this Prospectus with ASIC; and

  (iii) all continuous disclosure notices given by the Company after the lodgment of the annual financial report referred to in paragraph (i) above and before the lodgment of this Prospectus with ASIC (see below).

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules that investors or their professional advisers:

(a) would reasonably require for the purpose of making an informed assessment of:

  (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and

  (ii) the rights and liabilities attaching to the securities the subject of this Prospectus.

(b) would reasonably expect to find in this Prospectus.

This Prospectus contains information specific to the Offers. If investors require further information in relation to the Company, they are recommended to take advantage of the opportunity to inspect or obtain copies of the documents referred to above.

The following announcements have been lodged with the ASX in respect of the Company since the lodgement of the annual financial report for the year ended 30 June 2025:

Date Lodged	Description of Announcement
23 June 2026	Mannar Hydrology Program Completed Successfully
18 June 2026	Results of Meeting
17 June 2026	Sri Lankan Mineral Sands Conference
16 June 2026	Offtake and Investment Discussions Commence
12 June 2026	Change of Auditor
19 May 2026	Letter to Shareholders – Notice of General Meeting
19 May 2026	Notice of General Meeting/Proxy Form
29 April 2026	Quarterly Activities Report and Appendix 5B
17 April 2026	Proposed issue of securities – TSL
17 April 2026	Project Status Update
15 April 2026	Trading Halt
13 March 2026	Half Year Accounts
12 February 2026	Response to ASX Price Query
30 January 2026	Quarterly Activities Report and Appendix 5B
7 January 2026	Mining Licence Application Lodged for Mannar HMS Project
5 January 2026	Trading Halt
20 November 2025	New Constitution
13 November 2025	Results of Meeting
30 October 2025	Quarterly Activities Report and Appendix 5B
14 October 2025	Stage 2 Funding Arrangement Confirmed
13 October 2025	Letter to Shareholders – Notice of Annual General Meeting
13 October 2025	Notice of Annual General Meeting/Proxy Form

5.2 Underwriting Agreement

The Company has entered into an underwriting agreement dated on or about the date of this Prospectus (**Underwriting Agreement**) with the Underwriter pursuant to which the Underwriter has agreed to fully underwrite the Options Offer, being up to 242,713,629 New Options at an issue price of $0.001 per New Option.

The Underwriter and the Company may appoint sub-underwriters to sub-underwrite the Options Offer. The Underwriter is responsible for sub-underwriting fees payable to any sub-underwriters or other parties involved in relation to the underwriting of the Options Offer.

The material terms and conditions of the Underwriting Agreement are summarised below:

Fees	The Company must pay to the Underwriter a fee of 6% (plus any applicable GST) of the underwritten amount as consideration for the Underwriter underwriting the Underwritten Options pursuant to the Underwriting Agreement.
Termination events by the Underwriter	The Underwriter may terminate the Underwriting Agreement upon the occurrence of any events detailed below by giving notice in writing to the Company at any time before the Closing Date, without cost or liability to itself. The Underwriter may terminate its obligations under the Underwriting Agreement in accordance with the above if:

(a) (**Indices fall**): any of the following indexes closes on any 2 consecutive trading days before the "Shortfall Notice Deadline Date" (being 2 Business Days after the Closing Date unless otherwise agreed) 10% or more below its respective level as at the close of business on the Business Day prior to the day the Underwriting Agreement is executed:

- (i) ASX:
- (ii) Dow Jones;
- (iii) S&P 500;
- (iv) Nasdaq;
- (v) Russell 2000;
- (vi) FTSE;
- (vii) Nikkei; or
- (viii) Shanghai SE Comp;

(b) (**Restriction on issue):** the Company is prevented from issuing the new Options upon the take-up of the Underwritten Options under the Shortfall within the time required by the Underwriting Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority;

(c) (**Takeovers Panel**): the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Part 6.10 of the Corporations Act, which in the Underwriter's reasonable opinion has a material adverse effect on the Options Offer or Company;

(d) (**Authorisation**): any authorisation which is material to anything referred to in the Options Offer is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriter acting reasonably;

(e) (**Indictable offence**): a director or senior manager of a Relevant Company is charged with an indictable offence, which in the reasonable opinion of the Underwriter has or is likely to have a material adverse effect on the Offer; or

(f) (**Termination Events**): upon the occurrence of any of the following events:

- (i) (**Hostilities**): there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of the Underwriting Agreement involving one or more of Egypt, Australia, New Zealand, Indonesia, Japan, Russia, Iran, Israel, the United Kingdom, the United States of America, India, Pakistan, the People's Republic of China, or any member of the European Union, other than hostilities involving Libya, Afghanistan, Iraq, Syria, Israel or Lebanon, and the Underwriter believes (on reasonable grounds) that the outbreak or escalation is likely to result in any of the indexes stipulated in paragraph (a) above falling by the percentage contemplated therein;
- (ii) (**Default**): default or breach by the Company under the Underwriting Agreement of any terms, condition, covenant or undertaking which is incapable of remedy or is not remedied by the date Valid Applications are required to be lodged under the Underwriting Agreement;
- (iii) (**Incorrect or untrue representation**): any representation, warranty or undertaking given by the Company in the Underwriting Agreement is or becomes untrue or incorrect in a material respect;

(iv) (**Contravention of constitution or Act**): a contravention by a Relevant Company of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;

(v) (**Adverse change**): an event occurs which gives rise to a Material Adverse Effect in relation to the Company's assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of any Relevant Company;

(vi) (**Significant change**): a "new circumstance" as referred to in Section 719(1) of the Corporations Act arises that is materially adverse from the point of view of an investor;

(vii) (**Public statements**): without the prior approval of the Underwriter a public statement is made by the Company in relation to the Options Offer other than a statement the Company is required to make in order to comply with its disclosure obligations under the Listing Rules and/or the Corporations Act;

(viii) (**Misleading information**): any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the Options Offer or the affairs of any Relevant Company is or becomes misleading or deceptive or likely to mislead or deceive;

(ix) (**Official Quotation qualified**): other than has been disclosed to the Underwriter, the official quotation is qualified or conditional;

(x) (**Change in Act or policy**): there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy that has not been publicly disclosed or proposed as at the date of the Underwriting Agreement;

(xi) (**Prescribed Occurrence**): a Prescribed Occurrence occurs, other than with the prior written consent of the Underwriter (such consent not to be unreasonably withheld or delayed);

(xii) (**Suspension of debt payments**): the Company suspends payment of its debts generally;

(xiii) (**Event of Insolvency**): an event of insolvency occurs in respect of the Company or any of its subsidiaries;

(xiv) (**Judgment against the Company**): a judgment in an amount exceeding $50,000 is obtained against the Company or any of its subsidiaries and is not set aside or satisfied within 7 days;

(xv) (**Litigation**): litigation, arbitration, administrative or industrial proceedings are after the date of the Underwriting Agreement commenced against the Company or any of its subsidiaries of a material nature;

(xvi) (**Board and senior management composition**): there is a change in the composition of the Board or a change in the senior management of the Company before the date of issue of the New Options upon the take-up of the Underwritten Options under the shortfall without the prior written consent of

	the Underwriter (such consent not to be unreasonably withheld or delayed); (xvii) (**Change in shareholdings**): there is a material change in the major or controlling shareholdings of the Company or any of its subsidiaries, other than as a result of the Offer, which for the avoidance of doubt will refer to the issue of placement shares, placement options, New Options upon the take-up of the Underwritten Options under the Shortfall and adviser options) or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to the Company or any of its subsidiaries; (xviii) (**Timetable**): there is a delay in any specified date in the timetable which is greater than 5 Business Days; (xix) (**Force Majeure**): a force majeure affecting the Company's business or any obligation under the Underwriting Agreement lasting in excess of 7 days occurs; (xx) (**Certain resolutions passed**): the Company passes or takes any steps to pass a resolution under Section 254N, Section 257A or Section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Underwriter; (xxi) (**Capital Structure**): the Company or any of its subsidiaries materially alters its capital structure in any manner not contemplated in this Prospectus; (xxii) (**Breach of Material Contracts**): any material contracts the Company or a subsidiary has entered into are terminated or substantially modified as a result of a default or breach by the Company or a subsidiary; (xxiii) (**Investigation**): ASIC or any other person proposes to conduct any enquiry, investigation or proceedings, or to take any regulatory action or to seek any remedy, in connection with the Offer, or publicly foreshadows that it may do so; or (xxiv) (**Market Conditions**): a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or other international financial markets.
Termination by the Company	The Company may, without cost or liability to itself and without prejudice to any rights for damages arising out of any breach by the Underwriter of its representations, warranties or obligations under the Underwriting Agreement, by notice in writing given upon or at any time prior to the issue of all New Options upon the take-up of the Underwritten Options under the Shortfall, terminate its obligations under the Underwriting Agreement if the Underwriter defaults under the Underwriting Agreement or any representation, warranty or undertaking given by the Underwriter in the Underwriting Agreement is or becomes untrue or incorrect.

The Underwriting Agreement otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

5.3 Lead Manager

The Company has entered into a Lead Manager, Broker and Corporate Adviser mandate with CPS Capital to provide capital raising and corporate advisory services in relation to the Options Offer. No additional fees are payable to CPS Capital for acting in these roles (in addition to the fees payable under the Underwriting Agreement, as set out in Section 5.2).

5.4 Interests of Directors, experts and advisors

(a) Other than as set out below or elsewhere in this Prospectus, no:

(i) Director or proposed Director;

(ii) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;

(iii) promoter of the Company; or

(iv) financial services licensee named in this Prospectus as a financial services licensee involved in the Offer,

holds, or has held within 2 years before the date of this Prospectus, any interest in the Offers or in the formation or promotion of, or in any property acquired or proposed to be acquired by, the Company in connection with its formation or promotion or the Offers.

(b) Other than as set out in Section 5.4 or elsewhere in the Prospectus, no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given:

(i) to a Director or proposed Director to induce him to become, or to qualify him as, a director of the Company; or

(ii) for services provided in connection with the formation or promotion of the Company or the Offer by any Director or proposed Director, any person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, any promoter of the Company, or any underwriter or financial services licensee named in this Prospectus as an underwriter or financial services licensee involved in the Offers.

Larri Legal has acted as solicitors to the Company in relation to the offers of New Options under this Prospectus. Larri Legal will be paid fees of approximately $15,000 (plus GST) in relation to the preparation of this Prospectus. During the 24 months preceding lodgement of this Prospectus with ASIC, Larri Legal has been paid fees totalling $11,432 (excluding GST and disbursements) for legal services provided to the Company.

CPS Capital has acted as Underwriter and Lead Manager to the Options Offer. The Company will pay the Underwriter the fees set out in Section 5.2. During the 24 months preceding lodgement of this Prospectus with ASIC, CPS Capital has been paid fees totalling $151,800 (excluding GST and disbursements) for services provided to the Company. In addition to the New Options to be offered to CPS under the Lead Manager Offer, subject to Shareholder approval, CPS Capital (or its nominees) is entitled to be issued a further 15,000,000 Options (exercisable at $0.023, expiring 30 June 2028) for lead manager services provided in respect of loan funding received by the Company during 2025 and 2026, together with up to a further 75,000,000 Options (exercisable at $0.023, expiring at various dates between 30 June 2027 and 30 June 2029) upon conversion of such loans into Shares.

5.5 Details of interests

(a) Directors' security holdings

Directors' interests in Shares and Options as at the date of this Prospectus are as follows:

Director	Shares	Options
Lee Christensen[1]	21,672,000	8,000,000[4]
James Searle[2]	600,000	10,000,000[4]
Jason Ferris[3]	5,440,000	10,000,000[4]

Notes:

1. Indirectly held by Pooky Corporation Pty Ltd <Garfield Family A/C> and Pooky Corporation Pty Ltd <KL Christensen Super A/C>.
2. Indirectly held by Earthsciences Pty Ltd <The Searle Super Fund>.
3. Indirectly held by J2J Investments Pty Ltd and Marathon Assets Pty Ltd <Marathon Super Fund A/C>.
4. Incentive options exercisable at $0.006 and expiring on 13 November 2028.

The Directors (either personally or via controlled entities) held TSLOA Options on the Expiry Date and will be an Eligible Participant as follows:

Related Party	TSLOA Options Held	New Option Entitlement[1]
Lee Christensen	5,112,001	5,112,001
James Searle	100,000	100,000
Jason Ferris	490,001	490,001

Notes:

1. Entitlements comprise New Options offered pursuant to the Options Offer and Bonus Offer.

Shareholders approved the Directors to participate in the Options Offer and Bonus Offer on 18 June 2026. Accordingly, offers of New Options as set out above will be made to the Directors under the Options Offer and Bonus Offer on the same terms as offers of New Options made to non-related party Eligible Participants.

(b) Directors' remuneration

The remuneration paid or payable to Directors for the 2 years prior to the date of this Prospectus is as follows:

Director	FY2024	FY2025
Lee Christensen[1]	$90,000	$117,252
James Searle[2]	$97,800	$131,266
Jason Ferris[3]	$309,900	$359,116

Notes:

1. Lee Christensen's director fees are paid to Pooky Corporation Pty Ltd, of which Mr Christensen is a Director.

2.	James Searle's director fees are paid to Earthsciences Pty Ltd, of which Dr Searle is a Director. Dr Searle's fees include both director fees and technical consulting fees paid to Earthsciences Pty Ltd.
3.	Jason Ferris' director and consulting fees of $180,000 (excluding superannuation) are paid as a salary. Out of scope fees are paid to J2J Investments Pty Ltd, of which Mr Ferris is a Director.

Details of current remuneration arrangements are as follows:

(i) Lee Christensen will be paid a fee of $90,000 per annum for his services as Non-Executive Chairman;

(ii) James Searle will be paid a fee of $60,000 per annum for his services as Non-Executive Director plus $1,200 per day for a minimum of 8 days per month (totalling a minimum of $115,200 per annum) for his services as Managing Director; and

(iii) Jason Ferris will be paid fees for his services as Non-Executive Director, and where he undertakes out of scope consultancy work, he charges $1,200 (plus GST) per day or pro rata for part days. Director fees are paid to J2J Investments Pty Ltd.

The Directors will also be paid $1,200 per day for out of scope consulting services provided to the Company.

All of the above fees for services are exclusive of superannuation.

5.6 Substantial Holders

Based on publicly available information as at the date of this Prospectus, the following Shareholders are substantial shareholders of the Company.

Shareholder Name	Number of Shares	Percentage
Robert Nelson	503,310,261	26.12%
Timothy Paul Neesham	186,194,449	8.42%
Gary Johnson Super Management Pty Ltd <Gary Johnson S/F No 2 A/C>	113,000,000	5.11%

No change to the substantial holders is expected on completion of the Offers as the Offers involve the issue of New Options only.

5.7 Market Prices

The highest and lowest market sale prices of the Company's Shares during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Highest: $0.015 per Share on 7 January 2026

Lowest: $0.004 per Share on 30 June 2025

The last available market sale price of Shares on ASX prior to the date of this Prospectus was $0.008 per Share on 8 July 2026.

5.8 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Securities), the Directors, the persons named in the Prospectus with their consent as proposed directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

(a) did not authorise or cause the issue of this Prospectus;

(b) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and

(c) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Larri Legal has given its written consent to being named as the solicitors to the Company in this Prospectus. Larri Legal has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC. Larri Legal (including its related entities) has no relevant interest in any of the Company's securities.

CPS Capital has given its written consent to being named as the Underwriter and Lead Manager to the Options Offer in this Prospectus. CPS Capital has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC. CPS Capital (including its related entities) has a relevant interest in 245,116,125 Shares and 24,000,000 unlisted Options (exercisable at $0.023, expiring 17 February 2027).

5.9 Expenses of the Offer

The estimated expenses of the Offers (exclusive of GST) are as follows:

Expense	Amount
Legal fees	$15,000
ASIC fees	$3,206
Underwriter Fee[1]	$14,562
Miscellaneous (including printing and distribution)	$10,000
Total	**$42,768**

Notes:

1. Assumes the entire Options Offer is taken up by the Underwriter. Refer to Section 5.2 for further details.

5.10 Litigation

As at the date of this Prospectus, the Company is not involved in any material legal proceedings and the Directors are not aware of any material legal proceedings pending or threatened against the Company.

6. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

Lee Christensen
Non-Executive Chairman
For and on behalf of
Titanium Sands Limited

7. DEFINITIONS

Definitions used in this Prospectus are as follows:

Application Form means an application form attached to or accompanying this Prospectus.

Application Monies means the amount of money in dollars and cents payable for New Options pursuant to the Offers.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 or the Australian Securities Exchange, as the context requires.

Board means the board of Directors of the Company from time to time.

Business Day means a day on which banks are open for business in Perth, Western Australia excluding a Saturday, Sunday or public holiday.

Bonus Offer has the meaning given to that term in Section 2.1.

CHESS means ASX Clearing House Electronic Sub-register System.

Closing Date means the date that the the respective Offer closes as set out in the timetable in Section 1.3 or such other date as the Directors determine.

Company means Titanium Sands Limited (ACN 009 131 533).

Constitution means the constitution of the Company.

Corporations Act means the *Corporations Act 2001* (Cth).

CPS Capital means CPS Capital Group Pty Ltd (AFSL 294848).

Director means a director of the Company.

Eligible Participants means all holders of the Company's TSLOA Options at the Expiry Date other than any persons to whom it would not be lawful to make such an offer or to extend such an invitation.

Expiry Date has the meaning given to that term in Section 2.1.

Lead Manager Offer has the meaning given to that term in Section 2.2.

Listing Rules means the official listing rules of the ASX from time to time.

Loan has the meaning given to that term in Section 2.2.

New Options means an Option issued on the terms and conditions set out in Section 3.1.

Offers means the Options Offer, Bonus Offer and Lead Manager Offer.

Offer Period means the period commencing on the Opening Date and ending on the Closing Date.

Official List means the official list of the ASX.

Official Quotation means quotation of Shares on the Official List.

Opening Date means the date that the respective Offer opens as set out in the timetable in Section 1.3 or such other date as the Directors determine.

Option means an option to acquire a Share.

Options Offer has the meaning given to that term in Section 2.1.

Prospectus means this prospectus dated 9 July 2026.

Section means a section of this Prospectus.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of Shares.

Share Registry means Computershare Investor Services Pty Limited (ACN 078 279 277).

TSLOA Options has the meaning given to that term in Section 2.1.

Underwriter has the meaning given to that term in Section 1.2.

Underwriting Agreement has the meaning given to that term in Section 5.2.

WST means Western Standard Time in Australia.