



titaniumsands

LTD

TITANIUM SANDS LIMITED
ABN 65 009 131 533

TSL

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

SRN/HIN: SRN WITHHELD

Dear Shareholder,

SHARE PURCHASE PLAN – LETTER TO ELIGIBLE SHAREHOLDERS

We write to you as the holder of Titanium Sands Limited (ASX: TSL) (Titanium Sands or Company) fully paid ordinary shares (Shares) with a registered address in Australia or New Zealand as at the record date of 5:00pm (WST) Monday, 21 September 2020 (Record Date).

On behalf of the Directors, I am pleased to offer you the opportunity to participate in the Titanium Sands share purchase plan (SPP), which was announced to the Australian Securities Exchange (ASX) on 22 September 2020 to raise up to \$500,000 (with the ability to accept oversubscriptions of up to an additional \$500,000) and follows shortly after the successful placement of shares to sophisticated, professional and institutional investors which raised A\$2,200,000 (before costs) (Placement).

The funds raised from the SPP and the Placement will be used primarily to:

- Undertake drilling programs with the aim of increasing and converting additional resources from the inferred resource at the Company's Mannar Island Project to a greater category indicated resource; and
- Undertake feasibility studies, environmental and social/economic impact studies and progress mining lease applications; and

Titanium Sands is undertaking the SPP offer to shareholders of the Company with a registered address in Australia or New Zealand as at 5:00pm on the Record Date. The Issue Price per Share to be issued under the SPP (SPP Shares) will be \$0.044 per share and will include 1 free attaching option (SPP Option), exercisable at \$0.10 and expiring on 17 November 2023, for every 2 SPP share subscribed for and issued.

The SPP will allow Eligible Shareholders to apply for up to A\$30,000 worth of SPP Shares at the Issue Price. A prospectus in relation to the SPP was lodged with the ASX today (Prospectus). A copy of the Prospectus along with your personalised Application Form about how to apply for the SPP and submit a payment via BPAY® (for Eligible Shareholders holding a bank account with an Australian financial institution that supports BPAY® transactions) or by EFT (upon request or for Eligible Shareholders with a registered address in New Zealand), is available at <https://TSLOffer.thereachagency.com>. If you have any questions in relation to how to participate in the SPP, please contact Titanium Sands' Company Secretary on (08) 9481 0389.

Unless otherwise defined in this letter, capitalised terms used in this letter have the meaning given in the Prospectus.



AVAILABILITY OF THE SHARE PURCHASE PLAN

The SPP is available to all Eligible Shareholders to apply for a minimum of A\$2,000 and a maximum of A\$30,000, worth of Shares, in the increments set out in section 3.7 of the Prospectus, at an issue price of \$ 0.044 per Share.

Funds must be received by the Company on or before 5:00pm (WST) Tuesday, 10 November 2020 unless the Company extends the Closing Date of the SPP, in which case an announcement will be made to the ASX.

SPP Shares issued will be fully paid and rank equally with all existing Shares on issue. SPP Options will be exercisable at \$0.10 and expire on 17 November 2023 and will otherwise be on the terms set out in the Prospectus.

SPP	
Record Date for determining eligibility for SPP	21 September 2020
SPP Closing Date	10 November 2020
Allotment of Shares and SPP Options under the SPP	17 November 2020
Normal trading of Shares and SPP Options under the SPP	20 November 2020

This timetable is indicative only and may change. The Company reserves the right to vary any of the above dates (except the Record Date for determining eligibility for the SPP Offer) any time without prior notice.

ACTIONS REQUIRED BY ELIGIBLE SHAREHOLDERS

Eligible Shareholders may participate in the SPP by:

- submitting a BPAY® payment if you are the holder of an account with an Australian financial institution that supports BPAY® transactions; or
- making a payment by EFT, upon request or if you are an Eligible Shareholder with a registered address in New Zealand,

in accordance with the instructions shown on <https://TSLOffer.thereachagency.com> and outlined in the Prospectus, and using the personalised customer reference number which is required to identify your holding as shown on your personalised Application Form (available at <https://TSLOffer.thereachagency.com>).

Applications for Shares and SPP Options under the SPP can only be made by Eligible Shareholders. Titanium Sands reserves the right to close the SPP early or extend the SPP in its discretion. Participation is optional and Eligible Shareholders may elect to do nothing. If you choose to do nothing, you will continue to hold the same number of Shares, however, your interest in Titanium Sands will be diluted. Your right to participate in the SPP is not transferable.

As noted above, you may obtain a copy of the Prospectus for the SPP along with information about how to apply under the SPP at <https://TSLOffer.thereachagency.com>. If you have any questions in relation to how to participate in the SPP, please contact Titanium Sands' Company Secretary on (08) 9481 0389.

SCALE BACK

The SPP aims to raise up to \$500,000 (with the ability to accept oversubscriptions of up to an additional \$500,000). Titanium Sands may decide to accept applications (in whole or in part) that result in the SPP raising more (up to an additional \$500,00 of oversubscriptions) or less than this amount in its absolute discretion. In the event of a scale back occurring, Titanium Sands reserves the right to give priority to Eligible Shareholders in any manner it sees fit, including taking into account the size of your shareholding as at the Record Date. Any decisions made by Titanium Sands will be final.

If a scale back produces a fractional number of Shares or SPP Options when applied to the number of Shares and SPP Options for which you have applied under the SPP, the number of Shares and SPP Options issued to you will be rounded down to the nearest whole number of Shares and SPP Options.

If there is a scale back, Titanium Sands will promptly return to you the relevant Application Monies, without interest.

Yours sincerely,

James Searle
Managing Director, Titanium Sands Ltd