ASX RELEASE

29th April 2022

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Ticket
ASX: TSL

QUARTERLY OPERATIONS REPORT TO 31st MARCH 2022

- **Geological Survey and Mines Bureau Technical Services (GSMBTS) managing drilling program and overseeing the sample preparation facilities.**
- **Resource conversion and extension drilling program, 77 holes completed and results from first 68 holes received.**

RESOURCE CONVERSION AND EXTENSION DRILLING

As announced to the market (ASX:TSL 29/4/22[1]) the first batch of results from the ongoing resource infill and extension drilling program (Figure 1) at its Mannar Island Project have been received. By the end of the March 2022 Quarter a total of 77 drill holes were completed. Results from the first 68 drill holes have now been received and all holes have returned significant heavy mineral intercepts with intercepts of up to 11m at over 8% Total Heavy Minerals (THM) (Table 1) (Figure 2) and with individual samples returning values in excess of 20% THM.

As previously announced to the market (ASX:TSL 4/1/22[2]) the program consists of about 300 holes 12m deep for a total meterage of around 3,600m (Figure 1). The primary objective of the drilling is to convert more of the resource in the high-grade zone from an inferred to indicated mineral resource category by decreasing the RC aircore drill line separation from a nominal 400m to 200m.

All 77 holes drilled so far in this current program have reached the target depth of 12m. Of the 77 holes completed so far 33 have been drilled beneath a 2km^2 high grade resource zone previously only drilled by 2-3m deep auger drilling. All except two of the 33 12m RC aircore holes in this zone returned intercepts of 2-9% THM below the shallow resource (Figure 2 and Table 1).

The program is contained within the Company's high grade resource zone as outlined in the initial scoping study (ASX:TSL 16/06/2020[3]). This high-grade zone contains a mineral resource[3] of 93Mt at 5.24%THM of which 32% is in the indicated category (Table 2). It represents 35% of the total current mineral resource estimate for the project of 265Mt at 4.38%THM (Table 3).

The drilling is being managed by the Sri Lankan Geological Survey and Mines Bureau Technical Services Division ("GSMBTS") using TSL's reverse circulation/aircore drilling rig. Drilling operations have been interrupted several times by issues related to Covid-19 and more recently by political related protests that have resulted in the entire Sri Lankan Ministry resigning and being replaced over recent weeks. Completion of the remaining resource infill and extension drilling program will be completed as soon as practical.

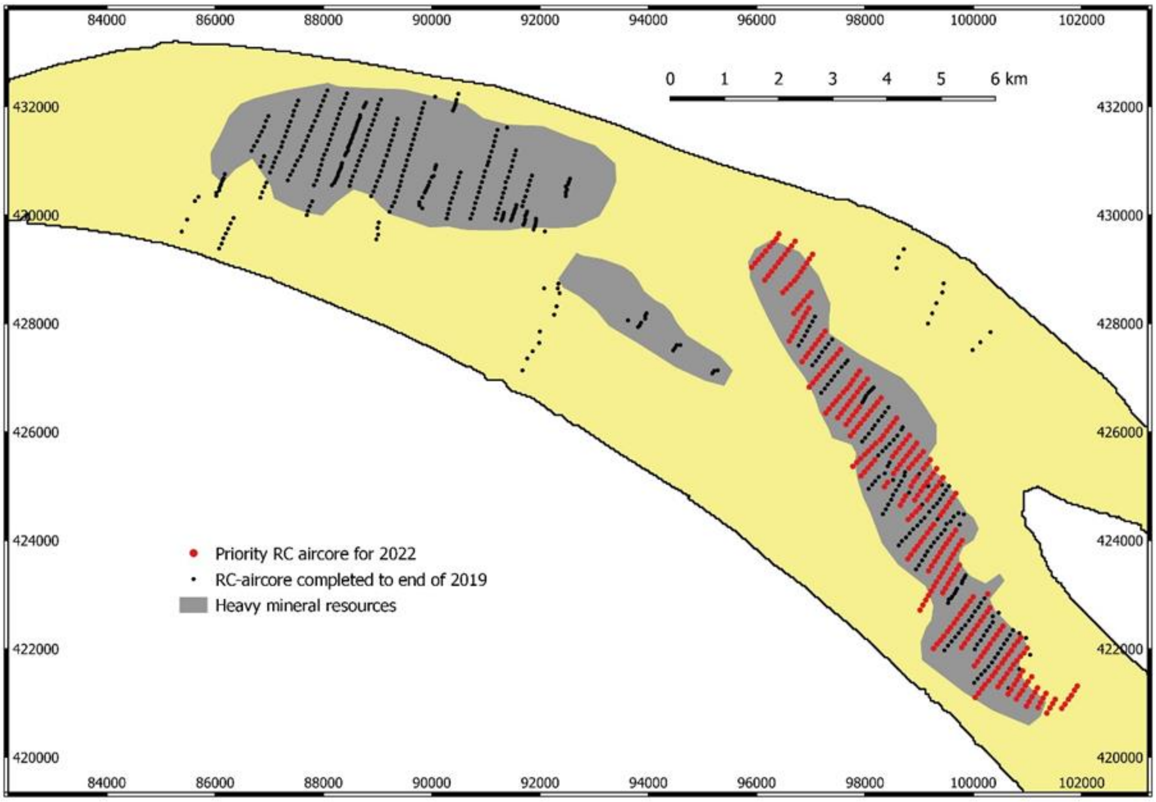

Figure 1 RC-aircore drilling prior to the end of 2019 and the current program.

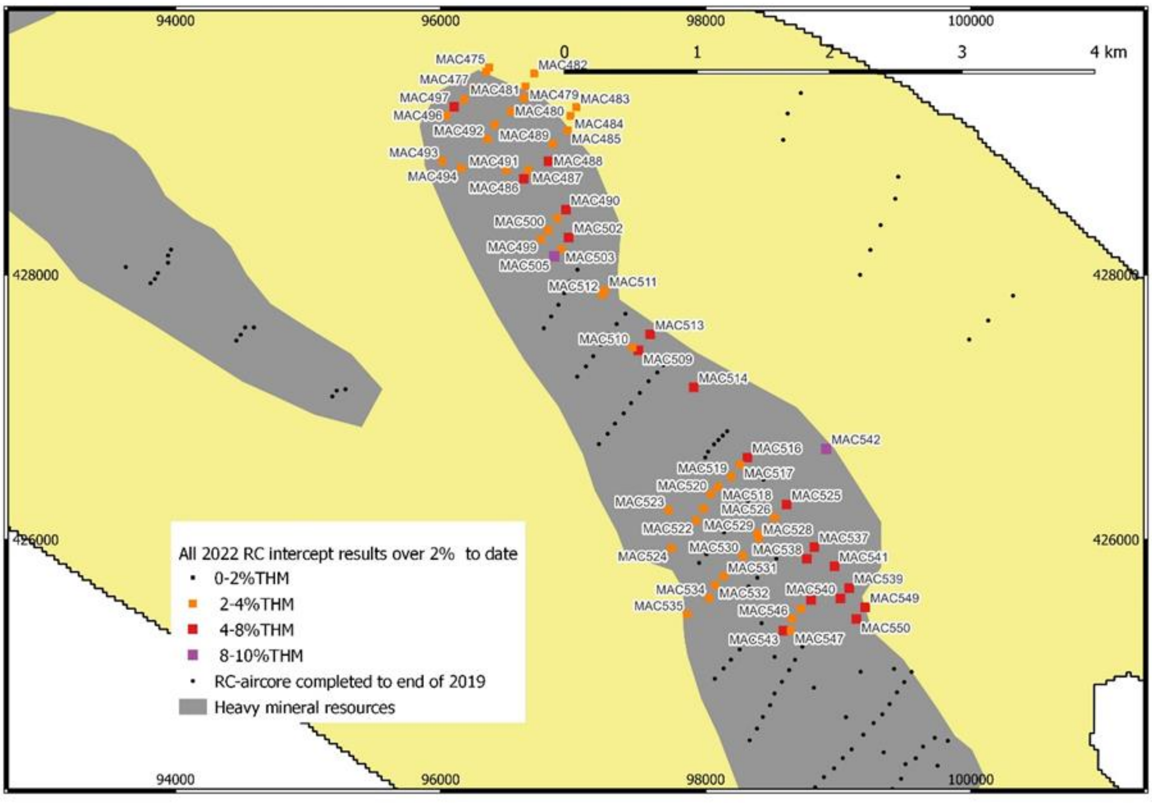

Figure 2 Results from the current RC-aircore program received to date (see Table 1).

BH ID	WGS84 N	WGS84 E	EOH m	>1mm%	<45 mic%	Fr m	To m	>2% THM
MAC475	9.0755	79.831	12	16.57	10.33	0	12	2.54
MAC476	9.0752	79.8308	12	13.38	0	0	10	3.47
MAC477	9.0741	79.8299	12	14.87	4.22	0	11	3.3
MAC478	9.0716	79.8314	12	24.23	1.88	0	11	2.57
MAC479	9.0742	79.8335	12	22.82	2.79	0	11	2.15
MAC480	9.0725	79.8325	12	10.07	6.19	0	12	3.57
MAC481	9.0734	79.8334	12	28.15	0.23	0	6	2.12
MAC482	9.0751	79.8341	12	21.9	10.27	0	1	2.08
MAC483	9.0728	79.837	12	21.38	0.42	0	11	2.74
MAC484	9.0722	79.8366	12	45.94	0.1	0	8	2.71
MAC485	9.0712	79.8364	12	41.44	4.23	0	12	2.74
MAC486	9.0679	79.8334	12	5.75	2.84	0	11	4.06
MAC487	9.0685	79.8337	12	16.36	2.28	0	10	4
MAC488	9.0691	79.8351	12	28.61	1.4	0	8	6.85
MAC489	9.0703	79.8354	12	14.89	7.05	0	12	3.13
MAC490	9.0658	79.8363	12	36.83	2.34	0	12	6.41
MAC491	9.0685	79.8322	12	14.46	2.56	0	12	2.86
MAC492	9.0706	79.8309	12	28.67	0.55	0	9	3.27
MAC493	9.0691	79.8278	12	11.74	2.27	0	1	2.8
MAC494	9.0686	79.8291	12	17.86	1.93	0	10	2.05
MAC495	9.0733	79.8293	12	14.69	2.53	0	11	3.25
MAC496	9.0722	79.8281	12	35.69	0.81	0	10	3.08
MAC497	9.0728	79.8286	12	31.23	1.44	0	6	4.47
MAC499	9.0638	79.8346	12	8.73	1.47	0	11	2.13
MAC500	9.0644	79.8351	12	39.65	0.31	0	2	2.77
MAC501	9.0652	79.8357	12	42.86	1.53	0	12	3.75
MAC502	9.0639	79.8365	12	73.41	0.38	0	7	4.32
MAC503	9.0631	79.836	12	14.2	3.88	0	11	2.18
MAC505	9.0626	79.8355	12	57.04	0.56	0	3	4.9
MAC509	9.0562	79.8413	12	59.08	0.81	0	3	5.7
MAC510	9.0564	79.8409	12	22.69	0.66	0	5	2.86
MAC511	9.0603	79.839	12	41.17	1.48	0	10	3.33
MAC512	9.0600	79.8388	12	22.38	2.39	0	12	2.53
MAC513	9.0573	79.8421	12	29.82	4.79	0	12	4.86
MAC514	9.0537	79.8451	12	18.78	3.49	0	12	6.55
MAC515	9.0626	79.8355	12	37.13	0.9	0	7	9.2
MAC516	9.0489	79.8488	12	23.13	1.81	0	8	6.85
MAC517	9.0484	79.8483	12	11.96	1.59	0	10	3.22
MAC518	9.0469	79.8468	12	8.96	0.76	0	10	2.14
MAC519	9.0476	79.8477	12	22.51	2.48	0	9	3.03
MAC520	9.0464	79.8463	12	41.02	4.49	0	12	3.58
MAC521	9.0454	79.8458	12	48.92	4.28	0	12	2.07
MAC522	9.0446	79.8453	12	32.57	2.63	0	11	2.32
MAC523	9.0453	79.8434	12	38.66	1.9	0	2	3.87
MAC524	9.0427	79.8436	12	11.54	1.35	0	1	2.24
MAC525	9.0457	79.8515	12	23.69	1.78	0	10	5.61
MAC526	9.0448	79.8507	12	15.85	2.38	0	10	3.64
MAC527	9.0441	79.8501	12	3.69	0.42	0	7	3.23
MAC528	9.0434	79.8496	12	11.03	0.62	0	7	3.76
MAC529	9.0437	79.8495	12	15.92	3.49	0	11	2.43
MAC530	9.0422	79.8485	12	26.11	1	0	1	2.21
MAC531	9.0408	79.8472	12	14.39	2.5	0	10	2.92
MAC532	9.0402	79.8466	12	33.59	1.47	0	1	2.34
MAC534	9.0393	79.8462	12	5.89	0.98	0	1	2.06
MAC535	9.0382	79.8447	12	16	1.07	0	1	2.79
MAC537	9.0428	79.8534	12	22.62	2.41	0	12	6.73
MAC538	9.0420	79.8529	12	29.27	4.14	0	11	4.07
MAC539	9.0400	79.8558	12	21	4.99	0	12	7.07
MAC540	9.0393	79.8552	12	22.44	2.2	0	9	5.48
MAC541	9.0415	79.8548	12	17.91	2.53	0	10	6.03
MAC542	9.0495	79.8542	12	15.44	1.64	0	11	8.03
MAC543	9.0371	79.8513	12	13.67	4.59	0	11	4.82
MAC544	9.0392	79.8532	12	4.07	3.21	0	9	4.47
MAC545	9.0386	79.8525	12	33.22	1.08	0	9	3.82
MAC546	9.0379	79.8519	12	7.56	4.37	0	9	2.15
MAC547	9.0371	79.8518	12	39.7	4.37	0	11	2.81
MAC549	9.0387	79.8569	12	39.4	3.51	0	10	5.71
MAC550	9.0379	79.8563	12	31.27	2.72	0	10	5.07

Table 1 Intercepts in excess of 2% Total Heavy Minerals from the first 68 holes analysed.

CORPORATE

No significant corporate matters occurred during the March Quarter.

COVID-19 IMPACT ON OPERATIONS

The Mannar District reported 17 identified COVID-19 cases between the 1st and 26th of January 2022 at a time when nearly 6,000 new cases were being reported weekly for Sri Lanka as a whole. Subsequently new cases of Covid-19 (principally Omicron variant) have declined from mid February to less than 100 per day at present.

Corporate activities in Australia are being handled in keeping with local recommendations with everything being done via the internet with no significant change from normal.

Resource Category	Volume (Mm^3)	Tonnes (M)	Thm %	Silt %	Ovz %	Ilm %	Leu %	Rut %	Zir %	Gar %
Indicated	16.96	29.51	7.25	0.75	20.39	3.25	0.62	0.1	0.12	0.9
Inferred	36.07	63.05	4.29	0.99	25.10	1.80	0.33	0.07	0.08	0.47
Total	53.03	92.56	5.24	0.92	23.60	2.27	0.42	0.08	0.09	0.61

Table 1 Mineral resource estimate for a higher grade zone contained within the resources tabulated below for a 2% (THM) lower cut off. Previously reported to the ASX in full compliance with the JORC 2012 requirements see compliance note below .

Resource Category	Volume (Mm^3)	Tonnes (M)	Thm %	Silt %	Ovz %	Ilm %	Leu %	Rut %	Zir %	Gar %
Indicated	37.78	66.14	5.54	0.83	11.63	2.48	0.46	0.1	0.1	0.51
Inferred	113.62	198.79	3.99	1.06	17.56	1.77	0.3	0.08	0.1	0.3
Total	151.4	264.93	4.38	1.00	16.08	1.95	0.34	0.08	0.10	0.35

Table 2 Mineral Resource Estimate based on a lower cut off of 2% (THM). Previously reported to the ASX in full compliance with the JORC 2012 requirements see compliance note below .

TENURE

During the March Quarter the tenure holdings remained unchanged TSL's 5 most important exploration licences are compliant and current until at least mid 2023 (Table 3).

Exploration Licence	Holder	EL	Validity	Area	Status
EL 370	Kilsythe Exploration (PVT) LTD	4/05/2021	3/05/2023	31km^2	Current
EL 351	Sanur Minerals (PVT) LTD	13/12/2021	12/12/2023	15km^2	Current
EL 425	Sanur Minerals (PVT) LTD	19/11/2021	18/11/2023	10km^2	Current
EL 423	Orion Minerals (PVT) LTD	15/11/2021	14/11/2023	5km^2	Current
EL 424	Orion Minerals (PVT) LTD	15/11/2021	14/11/2023	8km^2	Current
EL 180/R/3	Applex Ceylon (PVT) LTD	5/03/2019	4/03/2021	45km^2	Renewal Pending
EL 182/R/3	Applex Ceylon (PVT) LTD	5/03/2019	4/03/2021	26km^2	Renewal Pending
EL 371	Hammersmith Ceylon (PVT) LTD	26/02/2018	25/02/2020	4km^2	Renewal Pending
EL 372	Hammersmith Ceylon (PVT) LTD	26/02/2018	25/02/2020	51km^2	Renewal Pending
			Total	195km^2	

Table 3 Mannar Island Project tenure

PAYMENTS TO RELATED PARTIES

The total amount paid to related parties of the Company and their associates, as per item 6.1 and 6.2 of the attached Appendix 5B was $109k and $21k respectively. These payments are for Directors fees, salaries and superannuation during the quarter.

OTHER ASX REQUIREMENTS

ASX Listing Rule 5.3.1: Exploration and Evaluation expenditure during the Quarter was $140k focussed on preparation and commencement of the resource infill and extension drilling program.
ASX Listing Rule 5.3.2: There were no mining production and development activities during the Quarter.

Ends-

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

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COMPLIANCE STATEMENTS

Previously Reported Exploration Results and Mineral Resources

This report includes information (Tables 1, 2 and 3) that relates to Exploration Results and Mineral Resources prepared and first disclosed under JORC Code 2012. The information was extracted from the Company's previous ASX announcements as follows: Released to the ASX 24/9/2020 "'Project update and garnet added to resource estimate" and released to the ASX 28/4/2022 "Resource Infill and Extension Drilling Encouraging First Results". These announcements is available to view on the Company's website www.titaniumsands.com.au The Company confirms that it is not aware of any new information or data that materially affect the information included in the relevant market announcement and, in the case of estimates of the Company's Mineral Resources that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply with respect to the resource block model and total heavy mineral content and have not materially changed. The Company confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the relevant original market announcements.

Forward-Looking Statements

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning the Company's planned exploration program and other statements that are not historical facts. When used in this document, the words such as "could," "plan," "expect," "intend," "may", "potential," "should,", "further" and similar expressions are forward-looking statements. Although the Company believes that its expectations reflected in these forward- looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that further exploration will result in additional Mineral Resources.

Competent Persons

Except where indicated, exploration and technical information above have been reviewed and compiled by James Searle BSc (hons), PhD, a Competent Person who is a Member of the Australian Institute of Mining and Metallurgy, with over 37 years of experience in metallic and energy minerals exploration and development, and as such has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr Searle is the Managing Director of Titanium Sands Limited and consents to the inclusion of this technical information in the format and context in which it appears.

Previously Reported information foot notes for reference

This report includes information that relates to announcements previously made to the ASX including exploration Results and Mineral Resources prepared and first disclosed under JORC Code 2012. The information was extracted from the Company's previous ASX announcements as follows:

[1] *ASX Announcement 28/04/2022 Resource Infill and Extension Drilling Encouraging First Results*
[2] *ASX.Announcement 04/01/2022 Resource Infill and Extension Drilling Program Commences*
[3] *ASX Announcement 24/09/2020 Project Update and Garnet Added to Resource Estimate*

Appendix 5B

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

Name of entity

Titanium Sands Limited

ABN	**Quarter ended ("current quarter")**
65 009 131 533	31 March 2022

Consolidated statement of cash flows			Current quarter $A'000	Year to date (9 months) $A'000
1.	**Cash flows from operating activities**			
1.1	Receipts from customers			
1.2	Payments for			
	(a)	exploration & evaluation	-	-
	(b)	development	-	-
	(c)	production	-	-
	(d)	staff costs	(116)	(378)
	(e)	administration and corporate costs	(84)	(384)
1.3	Dividends received (see note 3)		-	-
1.4	Interest received		-	-
1.5	Interest and other costs of finance paid		-	-
1.6	Income taxes paid		-	-
1.7	Government grants and tax incentives		-	-
1.8	Other (provide details if material)		-	-
1.9	**Net cash from / (used in) operating activities**		**(200)**	**(762)**

2.	**Cash flows from investing activities**			
2.1	Payments to acquire or for:			
	(a)	entities	-	-
	(b)	tenements	-	-
	(c)	property, plant and equipment	-	-
	(d)	exploration & evaluation	(140)	(351)
	(e)	investments	-	-
	(f)	other non-current assets	-	-

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (9 months) $A'000**
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**(140)**	**(351)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**-**	**-**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	801	1,574
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(200)	(762)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(140)	(351)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**461**	**461**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	461	801
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**461**	**801**

6.	**Payments to related parties of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to related parties and their associates included in item 1	109
6.2	Aggregate amount of payments to related parties and their associates included in item 2	21

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify) Convertible Note	2,000	-
7.4	**Total financing facilities**	2,000	-
7.5	**Unused financing facilities available at quarter end**		2,000

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

- Unsecured convertible note facility with two major shareholders at an interest rate of 9% p.a, convertible at $0.041 per share and expiring 10 March 2023. Refer to ASX announcement 11 February 2022.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(200)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(140)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(340)
8.4	Cash and cash equivalents at quarter end (item 4.6)	461
8.5	Unused finance facilities available at quarter end (item 7.5)	2,000
8.6	Total available funding (item 8.4 + item 8.5)	2,461
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	7.2

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/a

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/a

8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
Answer: N/a	
Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.	

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 29 April 2022

Authorised by: By the Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.