
TITANIUM SANDS LIMITED

ACN 009 131 533

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 11 am (WST)

DATE: Thursday, 17 November 2022

PLACE: Level 8
216 St Georges Terrace
PERTH WA 6000

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company on +61 8 9481 0389.

TITANIUM SANDS LIMITED

ACN 009 131 533

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of Shareholders of Titanium Sands Limited (**Company**) will be held at Level 8, 216 St Georges Terrace, Perth WA 6000 on Thursday 17 November 2022 at 11am (WST) (**Meeting**).

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Tuesday 15 November 2022 at 11am (WST).

Terms and abbreviations used in this Notice and Explanatory Memorandum are defined in Section 15 of the Explanatory Memorandum.

AGENDA

1. ☐ Financial Statements and Reports

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2022 together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

2. ☐ Resolution 1 – Adoption of Remuneration Report

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a non-binding resolution:

“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2022.”

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Exclusion:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

3. ☐ Resolution 2 – Re-Election of Director – Mr Lee Christensen

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

“That, for the purpose of Rule 9.3 of the Constitution, Listing Rule 14.5 and for all other purposes, Mr Lee Christensen, a Director, retires by rotation, and being eligible, is re-elected as a Director.”

4. ☐ Resolution 3 – Approval of 10% Placement Capacity

To consider and, if thought fit, to pass the following resolution as a special resolution:

“That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Memorandum.”

5. ☐ Resolution 4 – Ratification of prior issue of Fee Shares to Bulk Commodity under Listing Rule 7.1 capacity

To consider, and if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the prior issue of 5,714,286 Shares to Bulk Commodity on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Bulk Commodity or any associates of that person.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or

- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (i) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

6. ☐ **Resolution 5 – Ratification of prior issue of Initial Placement Shares to Bulk Commodity under Listing Rule 7.1 capacity**

To consider, and if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the prior issue of 2,800,000 Shares to Bulk Commodity on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Bulk Commodity or any associates of that person.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

7. ☐ **Resolution 6 – Ratification of prior issue of Settlement Shares to Bulk Commodity under Listing Rule 7.1 capacity**

To consider, and if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the prior issue of 10,575,000 Shares to Bulk Commodity on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Bulk Commodity or any associates of that person.

However, this does not apply to a vote cast in favour of this Resolution by:

- (d) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (e) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (f) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

8. ☐ **Resolution 7 – Ratification of prior issue of Placement Shares under Listing Rule 7.1 capacity**

To consider, and if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the prior issue of 12,419,151 Shares to the Placement Participants each at an issue price of \$0.011 on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of the Placement Participants or any associates of those persons.

However, this does not apply to a vote cast in favour of this Resolution by:

- (g) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (h) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (i) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

9. ☐ Resolution 8 – Ratification of prior issue of Placement Shares under Listing Rule 7.1A capacity

To consider, and if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the prior issue of 124,944,491 Shares to the Placement Participants each at an issue price of \$0.011 on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of the Placement Participants or any associates of those persons.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

10. ☐ Resolution 9 – Approval to grant Placement Options

To consider, and if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

"That, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve and authorise the grant of up to 274,727,284 Placement Options to the Placement Participants on the basis of 2 free attaching Placement Options for every 1 Placement Share subscribed for in the Placement on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of the Placement Participants and their nominees or a person who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a Shareholder) or any associates of those persons.

However, the Company will not disregard a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or

- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

11. ☐ Resolution 10 – Approval to grant Lead Manager Options

To consider, and if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

“That, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve and authorise the grant of up to 40,000,000 Placement Options to the Lead Manager (or its nominees) on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of the Lead Manager and its nominees or a person who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a Shareholder) or any associates of those persons.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

12. ☐ Resolution 11 – Adoption of new Employee Incentive Securities Plan

To consider, and if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

“That, for the purposes of Listing Rule 7.2 Exception 13(b), as an exception to Listing Rule 7.1, and for all other purposes, approval is given for the establishment of the “Employee Incentive Securities Plan” and the issue of up to a maximum of 70,319,892 securities under that plan on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who is eligible to participate in the Employee Incentive Securities Plan and their nominees or any associates of those persons.

However, this does not apply to a vote cast in favour of this Resolution by:

- (d) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (e) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (f) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Dated 14 October 2022

BY ORDER OF THE BOARD

James Searle
Managing Director
Titanium Sands Limited

TITANIUM SANDS LIMITED

ACN 009 131 533

EXPLANATORY MEMORANDUM

1. ☐ Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at Level 8, 216 St Georges Terrace, Perth Western Australia on Thursday, 17 November 2022 at 11am (WST).

This Explanatory Memorandum should be read in conjunction with, and forms part of, the accompanying Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions set out in the Notice.

A Proxy Form is located at the end of the Explanatory Memorandum.

2. ☐ Action to be taken by Shareholders

Shareholders should read the Notice and this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

2.1 ☐ Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two (2) proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

2.2 ☐ Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company on +61 8 9481 0389.

3. ☐ Financial Statements and Reports

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2022 together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.titaniumsands.com.au.

4. ☐ Overview

4.1 ☐ Subscription Agreement

On 11 May 2022 the Company announced that it had entered into a subscription agreement with Bulk Commodity, a US-based institutional investor, to enable the Company to access up to \$2,000,000 in funding (**Subscription Agreement**). The structure of the investment with Bulk Commodity provided upfront lumpsum funding whilst deferring the issue of Shares to a later date.

A summary of the material terms of the Subscription Agreement were set out in the Company's Cleansing Prospectus dated 11 May 2022 and released to the ASX on the same date, which relevantly included:

- The Company making an initial issuance of 2,800,000 Shares (**Initial Placement Shares**) to Bulk Commodity in consideration for Bulk Commodity's agreement to make the initial investment of \$500,000 under the Subscription Agreement (**Initial Investment**). At any time, Bulk Commodity may elect to apply some or all of the Initial Placement Shares towards the aggregate number of Shares which are required to be issued by the Company in respect of the exercise of Bulk Commodity's right to subscribe for Shares in relation to the subscriptions to be made pursuant to the Subscription Agreement.
- The Company agreeing to pay Bulk Commodity a fee of \$80,000 (equivalent to 4% of the maximum funding amount under the Subscription Agreement) (**Subscription Fee**) to be satisfied by the issuance of 5,714,286 Shares (**Fee Shares**) at an issue price of \$0.014.

On 17 May 2022, following receipt of the Initial Investment, the Company issued a total of 8,514,286 Shares to Bulk Commodity using the Company's existing placement capacity under Listing Rule 7.1, comprising the Initial Placement Shares and the Fee Shares.

On 19 August 2022, the Company announced that it had reached a mutual agreement with Bulk Commodity for the Company to satisfy its remaining obligations to Bulk Commodity under the Subscription Agreement by way of a cash payment of \$535,000 and the issuance of 10,575,000 Shares to Bulk Commodity at an issue price of \$0.012 (**Settlement Shares**). The Company issued the Settlement Shares to Bulk Commodity on 26 August 2022 under the Company's available placement capacity under Listing Rule 7.1. Refer to the Company's Cleansing Prospectus dated 25 August 2022 for further details.

Resolutions 4 to 6 seek Shareholder ratification of the issue of the Fee Shares, the Initial Placement Shares and the Settlement Shares, respectively, to Bulk Commodity.

4.2 □ Placement

On 2 August 2022, the Company announced that it had received firm commitments from professional and sophisticated investors to raise \$1.5 million via the issue of Shares at an issue price of \$0.011 per Share (**Placement**). The Placement was completed on 11 August 2022 via the issue of 137,363,642 Shares (**Placement Shares**) to raise a total of \$1,511,000 (before costs). The Placement Shares were issued to Placement Participants using the Company's existing placement capacities under Listing Rules 7.1 and 7.1A. Refer to the Company's Cleansing Prospectus dated 10 August 2022 for further details in relation to the Placement.

The proceeds raised under the Placement will be primarily used to fund ongoing and next phase progress on the Company's Mannar Island Project, as well as for general working capital requirements. Resolutions 7 and 8 seeks Shareholder ratification of the issue of the Placement Shares to the Placement Participants.

The Company also announced that, subject to obtaining Shareholder approval, the Company would issue 274,727,284 Placement Options (exercisable at \$0.023 and expiring 3 years from the date of grant) to the Placement Participants on the basis of two (2) free-attaching Placement Options for every one (1) Placement Share subscribed for and issued to them pursuant to the Placement. The Company is proposing, subject to Shareholder approval under Resolution 9, to issue a total of 274,727,284 Placement Options to the Placement Participants.

The Lead Manager acted as sole lead manager for the Placement. In accordance with the lead manager mandate, the Company has agreed to pay the Lead Manager a fee equal to 6% of the gross amount raised under the Placement. The Company has also agreed to issue the Lead Manager (or its nominees) a total of 40,000,000 Placement Options (each exercisable at \$0.023 and expiring 3 years from the date of issue) (**Lead Manager Options**). The issue of the Lead Manager Options is subject to Shareholder approval pursuant to Resolution 10.

4.3 □ Pro-Forma Capital Structure

The pro-forma capital structure of the Company on completion of the transactions the subject of this Notice is set out below:

	Shares	Options	% of pro-forma fully diluted capital structure
Currently on issue	1,439,731,179¹	294,772,716²	84.64%
Placement Options	-	274,727,284 ³	13.41%
Lead Manager Options	-	40,000,000 ⁴	1.95%
Total on completion of the Offer	1,439,731,179	609,500,000	100%
Notes: - Number of Shares on issue includes 33,333,333 Class B unlisted performance shares which convert into Shares on a 1:1 basis subject to the applicable performance milestone being achieved by the expiry date. - Comprising: 66,897,716 Options exercisable at \$0.10 on or before 17 November 2023; 208,750,000 Options exercisable at \$0.05 on or before 10 March 2023; and 19,125,000 Options exercisable at \$0.044 on or before 29 November 2022. - Placement Options proposed to be issued under Resolution 9. - Lead Manager Options proposed to be issued under Resolution 10.			

5. ☐ Resolution 1 – Adoption of Remuneration Report

5.1 ☐ General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

5.2 ☐ Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Meeting.

6. ☐ Resolution 2 – Re-Election of Director – Mr Lee Christensen

6.1 ☐ General

Rule 9.3 of the Company's Constitution requires that one third of the Company's directors must retire at each annual general meeting. Accordingly, Mr Christensen retires by rotation and, being eligible, offers himself for re-election.

Resolution 2 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders entitled to vote.

6.2 ☐ Qualifications

Mr Christensen is a senior lawyer in Perth, specialising in dispute resolution, insolvency and restructures. He has many years of commercial litigation and insolvency law experience having acted in major insolvencies in Western Australia. His in-depth understanding and proven application of Insolvency issues sees him regularly advising external administrators, trustees, creditors and bankrupts on all of its ramifications.

6.3 ☐ Board recommendation

The Directors (excluding Mr Christensen) recommend that Shareholders vote in favour of Resolution 2.

7. ☐ Resolution 3 – Approval of 10% Placement Capacity

7.1 ☐ General

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

However, under Listing Rule 7.1A, an eligible entity may seek shareholder approval by way of a special resolution passed at its annual general meeting to increase this 15% limit by an extra 10% to 25% (**7.1A Mandate**).

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300,000,000 or less. The Company is an eligible entity for these purposes. As at the date of this Notice, the Company is an 'eligible entity' as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$300,000,000 or less.

This Resolution seeks Shareholder approval by way of special resolution for the Company to have the additional 10% placement capacity provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval. For a special resolution to be passed, at least 75% of the votes cast by Shareholders present and entitled to vote on the resolution must be in favour of the Resolution.

7.2 □ Technical information required by Listing Rule 14.1A

If this Resolution is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If this Resolution is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval under Listing Rule 7.1A, and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

7.3 □ Technical information required by Listing Rule 7.1A

Pursuant to and in accordance with Listing Rule 7.3A, the information below is provided in relation to this Resolution:

(a) Period for which the 7.1A Mandate is valid

The 7.1A Mandate will commence on the date of the Meeting and expire on the first to occur of the following:

- (i) the date that is 12 months after the date of this Meeting;
- (ii) the time and date of the Company's next annual general meeting; or
- (iii) the time and date of approval by Shareholders of any transaction under Listing Rule 11.1.2 (a significant change in the nature or scale of activities) or Listing Rule 11.2 (disposal of the main undertaking).

(b) Minimum Price

Any Equity Securities issued under the 7.1A Mandate must be in an existing quoted class of Equity Securities and be issued at a minimum price of 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the entity and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 Trading Days of the date in Section 4.3(b)(i), the date on which the Equity Securities are issued.

(c) Use of funds raised under the 7.1A Mandate

The Company may only seek to issue the Equity Securities under the 7.1A Mandate for cash consideration. The Company intends to use funds raised from issues of Equity Securities under the 7.1A Mandate towards:

- (i) the acquisition of new resources, assets and investments (including expenses associated with such an acquisition);
- (ii) continued exploration expenditure on the Company's current assets/or projects;
- (iii) the development of the Company's current business; and
- (iv) general working capital.

(d) **Risk of Economic and Voting Dilution**

Any issue of Equity Securities under the 7.1A Mandate will dilute the interests of Shareholders who do not receive any Shares under the issue.

If this Resolution is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 7.1A Mandate, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A.2, on the basis of the closing market price of Shares and the number of Equity Securities on issue as at 14 October 2022.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 7.1A Mandate.

		Dilution			
Number of Shares on Issue (Variable A in Listing Rule 7.1A.2)		Shares issued – 10% voting dilution	Issue Price		
			\$0.0075	\$0.015	\$0.0225
			50% decrease	Issue Price	50% increase
			Funds Raised		
Current	1,406,397,846	140,639,785	\$1,054,798	\$2,109,597	\$3,164,395
50% increase	2,109,596,769	210,959,677	\$1,582,198	\$3,164,395	\$4,746,593
100% increase	2,812,795,692	281,279,569	\$2,109,597	\$4,219,194	\$6,328,790

The table above uses the following assumptions:

- There are currently 1,406,397,846 Shares on issue.
- The issue price set out above is the closing market price of Shares as at 14 October 2022.
- The Company issues the maximum possible number of Equity Securities under the 7.1A Mandate.
- The issue of Equity Securities under the 7.1A Mandate consists only of Shares. It is assumed that no Options are exercised into Shares before the date of the Equity Securities. If the issue of Equity Securities includes quoted Options, it is

assumed that those quoted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.

5. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
6. This table does not set out any dilution pursuant to approvals under Listing Rule 7.1 unless otherwise disclosed.
7. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
8. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 7.1A Mandate, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(e) Allocation policy under the 7.1A Mandate

The recipients of the Equity Securities to be issued under the 7.1A Mandate have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 7.1A Mandate, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue, share purchase plan, placement or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

(f) Previous approval under Listing Rule 7.1A

The Company previously obtained approval from its Shareholders pursuant to Listing Rule 7.1A at its annual general meeting held on 23 November 2021 (**Previous Approval**).

During the 12-month period preceding the date of the Meeting, being on and from 23 November 2021, the Company issued a total of 124,944,491 Shares pursuant to the Previous Approval, with such Shares issued pursuant to the Placement, which represents approximately 10.00% of the total number of Equity Securities on issue at 23 November 2021. Refer to Section 4.2 for further details on the Placement.

Details of the issue of Equity Securities by the Company under Listing Rule 7.1A during the 12 months preceding the date of the Meeting are set out in Schedule 2.

(g) Voting Exclusion Statement

As at the date of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A. Accordingly, a voting exclusion statement is not included in this Notice.

8. ☐ Resolutions 4 to 6 – Ratification of prior issue of Shares to Bulk Commodity under Listing Rule 7.1 capacity

8.1 ☐ General

The background to the issue of Shares to Bulk Commodity in connection with the Subscription Agreement is set out in Section 4.1.

8.2 ☐ Listing Rule 7.1 and 7.1A

Listing Rule 7.1 provides that a company must not (subject to specified exceptions), without the approval of shareholders, issue or agree to issue during any 12-month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.1A enables eligible entities to issue equity securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting at which shareholders approve the 10% placement facility. The 10% placement facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made (pursuant to Listing Rule 7.1 or the additional 10% capacity under Listing Rule 7.1A). If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The issue of the Shares to Bulk Commodity does not fall within any of the exceptions to Listing Rule 7.1. While the issue of the Shares does not exceed the 15% limit in Listing Rule 7.1 and can therefore be made without breaching the rule, the Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain shareholder approval under Listing Rule 7.1. To do this, the Company is seeking Shareholder approval of the issue of the Shares under Listing Rule 7.1 so that it does not use up any of the 15% limit on issuing equity securities without Shareholder approval set out in Listing Rule 7.1.

Accordingly, Resolutions 4 to 6 seek Shareholder ratification of the issue of a total of 19,089,286 Shares (which were issued pursuant to the Company's 15% capacity under Listing Rule 7.1) under and for the purposes of Listing Rule 7.4.

8.3 ☐ **Information required by Listing Rule 14.1A**

If Resolutions 4 to 6 are passed, the issue of the Shares to Bulk Commodity will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the date of issue of the Shares.

If Resolutions 4 to 6 are not passed, the issue of Shares to Bulk Commodity will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the date of issue of the Shares.

Resolutions 4 to 6 are ordinary resolutions.

8.4 ☐ **Information required by Listing Rule 7.5**

The following information is provided for the purposes of Listing Rule 7.5:

- (a) A total of 19,089,286 Shares were issued to Bulk Commodity pursuant to the Subscription Agreement, comprising the Fee Shares, the Initial Placement Shares and the Settlement Shares. Ratification of the issue of these Shares is being sought pursuant to Resolutions 4, 5 and 6, respectively.
- (b) The Fee Shares, the Initial Placement Shares and the Settlement Shares are fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue.
- (c) The Shares were issued for the following consideration:
 - (i) The Fee Shares were issued at an issue price of \$0.014 in satisfaction of the Subscription Fee.
 - (ii) The Initial Placement Shares were issued in consideration for the Bulk Commodity's Agreement to make the Initial Investment (to be applied, at Bulk Commodity's election, towards Shares which are required to be issued by the Company in respect of the exercise of Bulk Commodity's right to subscribe for Shares in relation to the subscriptions to be made pursuant to the Subscription Agreement).
 - (iii) The Settlement Shares were issued at an issue price of \$0.012 in part satisfaction of the Company's outstanding obligations under the Subscription Agreement.
- (d) The funds raised by the issue of Shares pursuant to the Subscription Agreement were used to fund ongoing and next phase progress on the Company's Mannar Island Project, as well as for general working capital requirements.
- (e) The material terms of the Subscription Agreement are set out in Section 4.1.

- (f) A voting exclusion statement is included in the Notice.
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9. □ Resolutions 7 and 8 – Ratification of prior issue of Placement Shares

9.1 □ General

The background to the Placement and the issue of the Placement Shares is set out in Section 4.2.

A summary of Listing Rules 7.1, 7.1A and 7.4 are provided in Section 8.2.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rules 7.1 and 7.1A. Accordingly, Resolutions 7 and 8 seeks Shareholder ratification of the Placement Shares under and for the purposes of Listing Rule 7.4.

9.2 □ Information required by Listing Rule 14.1A

If Resolutions 7 and 8 are passed, the issue of the Placement Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1 and additional 10% placement capacity under Listing Rule 7.1A, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12-month period following the date of issue of the Placement Shares.

If Resolutions 7 and 8 are not passed, the issue of the Placement Shares will be included in calculating the Company's 15% limit in Listing Rule 7.1 and additional 10% placement capacity under Listing Rule 7.1A, effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12-month period following the date of issue of the Placement Shares.

Resolutions 7 and 8 are ordinary resolutions.

9.3 □ Information required by Listing Rule 7.5

The following information is provided for the purposes of Listing Rule 7.5:

- (a) On 11 August 2022, 137,363,642 Shares were issued to the Placement Participants as follows:
 - (i) 12,419,151 Shares were issued pursuant to the Company's 15% capacity under Listing Rule 7.1. Ratification of the issue of these Shares is being sought pursuant to Resolution 7.
 - (ii) 124,944,491 Shares were issued pursuant to the Company's additional 10% capacity under Listing Rule 7.1A. Ratification of the issue of these Shares is being sought pursuant to Resolution 8.
- (b) The Placement Shares were issued to various professional and sophisticated investors who are existing clients of the Lead Manager. None of the Placement Participants are a related party or substantial holder of the Company, a member of

the Company's key management personnel, an adviser to the Company or an associate of any of those persons.

- (c) The Placement Shares are fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue.
- (d) The Placement Shares were issued at \$0.011 each.
- (e) The Placement raised a total of \$1,511,000 (before costs). The funds raised from the issue of the Placement Shares will be primarily used to fund ongoing and next phase progress on the Company's Mannar Island Project, as well as for general working capital requirements.
- (f) The Placement Shares were not issued pursuant to an agreement.
- (g) A voting exclusion statement is included in the Notice.

13. □ Resolution 9 – Approval to grant Placement Options

13.1 □ General

As detailed in Section 4.2, the Company has agreed, subject to Shareholder approval, to grant 274,727,284 Placement Options (each exercisable at \$0.023 and expiring 3 years after grant) to the Placement Participants (or their nominees) as free attaching Options on the basis of 2 Placement Options for every 1 Placement Share subscribed for under the Placement.

The grant of the Placement Options therefore requires Shareholder approval under Listing Rule 7.1. A summary of Listing Rule 7.1 is in Section 8.2.

Resolution 9 seeks the required Shareholder approval to the grant of the Placement Options under and for the purposes of Listing Rule 7.1.

If Resolution 9 is passed, the Company will be able to proceed with the grant of the Placement Options to the Placement Participants. In addition, the grant of the Placement Options will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 9 is not passed, then the Company will not be able to proceed with the grant of the Placement Options to the Placement Participants.

Resolution 9 is an ordinary resolution.

13.2 □ Information required by Listing Rule 7.3

The following information is provided for the purposes of Listing Rule 7.3:

- (a) The maximum number of securities the Company may grant under Resolution 9 is 274,727,284 Placement Options.
- (b) The Placement Options will be granted to the Placement Participants. None of the Placement Participants are a related party or substantial holder of the Company, a

member of the Company's key management personnel, an adviser to the Company, or any associates of those persons who received more than 1% of the Company's issued capital under the Placement.

- (c) The Placement Options are each exercisable at \$0.023 and expire on the date that is 3 years from the date of grant. Full terms and conditions of the Placement Options are set out in Schedule 1. Shares issued on exercise of the Placement Options will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue.
- (d) The Placement Options may be granted no later than three months after the date of the Meeting (or such later date to the extent permitted by an ASX waiver or modification of the Listing Rules).
- (e) The Placement Options will be granted as free attaching Options on the basis of 2 Placement Options for every 1 Placement Share subscribed for. Accordingly, no funds will be raised from the grant of the Placement Options.
- (f) The Placement Options will not be granted pursuant to an agreement.
- (g) A voting exclusion statement is included in the Notice.

14. ☐ Resolution 10 - Approval to grant Lead Manager Options

As set out in Section 4.2, the Company has agreed to grant 40,000,000 Placement Options to the Lead Manager, subject to Shareholder approval.

A summary of Listing Rule 7.1 is provided in Section 8.2.

Resolution 10 seeks the required Shareholder approval to the grant of the Lead Manager Options under and for the purposes of Listing Rule 7.1.

If Resolution 10 is passed, the Company will be able to proceed with the grant of the Lead Manager Options to the Lead Manager. In addition, the grant of the Lead Manager Options will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 10 is not passed, then the Company will not be able to proceed with the grant of the Lead Manager Options and the Company will need to negotiate an alternative fee arrangement with the Lead Manager for the services provided.

Resolution 10 is an ordinary resolution.

14.1 ☐ Information required by Listing Rule 7.3

The following information is provided for the purposes of Listing Rule 7.3:

- (a) The maximum number of securities the Company may grant under Resolution 10 is 40,000,000 Placement Options.
- (b) The Lead Manager Options will be granted to the Lead Manager (or its nominees).

- (c) The Placement Options are each exercisable at \$0.023 on or before the date that is 3 years from the date of grant. Full terms and conditions of the Placement Options are set out in Schedule 1. Shares issued on exercise of the Placement Options will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue.
 - (d) The Placement Options may be granted no later than three months after the date of the Meeting (or such later date to the extent permitted by an ASX waiver or modification of the Listing Rules).
 - (e) The Placement Options will be granted for nil consideration as they are being granted in consideration of the lead manager services provided by the Lead Manager. Accordingly, no funds will be raised from the grant of the Placement Options.
 - (f) The material terms of the agreement reached with the Lead Manager is set out in Section 4.2.
 - (g) A voting exclusion statement is included in the Notice.
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15. ☐ Resolution 11 – Adoption of Employee Incentives Securities Plan

15.1 ☐ General

The Company considers that it is desirable to establish a securities incentive plan pursuant to which the Company can issue Securities to eligible Directors, employees and consultants in order to attract, motivate and retain such persons and to provide them with an incentive to deliver growth and value to all Shareholders.

Accordingly, Resolution 11 seeks Shareholder approval for the adoption of the Employee Incentive Securities Plan (**Plan**) in accordance with Listing Rule 7.2 Exception 13. The terms of the Plan are consistent with the new Division 1A in Part 7.12 of the Corporations Act introduced by the *Treasury Laws Amendment (Cost of Living Support and Other Measures) Act 2022*, which takes effect from 1 October 2022.

Under the Plan, the Board may offer to eligible persons the opportunity to subscribe for such number of Securities in the Company as the Board may decide and on the terms set out in the rules of the Plan, a summary of which is set out in Schedule 1.

In addition, a copy of the Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Plan can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

A summary of Listing Rule 7.1 is provided in Section 8.2.

Listing Rule 7.2, Exception 13 provides an exception to Listing Rule 7.1 by which equity securities issued under an employee incentive scheme are exempt for a period of three years from the date on which shareholders approve the issue of equity securities under the scheme as an exception to Listing Rule 7.1.

If Resolution 7 is passed, the Company will be able to issue Securities under the Plan to eligible participants over a period of three years without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period.

If Resolution 7 is not passed, the Company will not be able to adopt the Plan and, instead, any issues of Securities will be made either with Shareholder approval under Listing Rules 7.1 and 7.1A or, in default of Shareholder approval, pursuant to the Company's placement capacity under either or both Listing Rules 7.1 and 7.1A.

No Securities have been issued under the current Plan as it is a new employee incentive plan and has not previously been approved by Shareholders.

The maximum number of Securities that the Company proposes to issue under the Plan following Shareholder approval of the adoption of the Plan is 70,319,892 Securities. It is not envisaged that the maximum number of Securities for which approval is sought will be issued immediately.

Prior Shareholder approval will be required under Listing Rule 10.14 before any Director or associate of a Director can participate in the Plan.

Pursuant to the Listing Rules, Shareholders must re-approve the Plan and all unissued Securities issuable pursuant thereto every three years.

A voting exclusion statement is included in the Notice.

Resolution 11 is an ordinary resolution.

16. ☐ Definitions

\$ means Australian Dollars.

7.1A Mandate has the meaning given to that term in Section 7.1.

ASX means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX.

Board means the board of Directors.

Bulk Commodity means Bulk Commodity Holdings LLC.

Chair means the chair of this Meeting.

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

Corporations Act means the Corporations Act 2001 (Cth).

Director means a director of the Company.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Memorandum means the explanatory memorandum attached to the Notice.

Fee Shares has the meaning given to that term in Section 4.1.

First Subscription has the meaning given to that term in Section 4.1.

Initial Investment has the meaning given to that term in Section 4.1.

Initial Placement Shares has the meaning given to that term in Section 4.1.

Lead Manager means CPS Capital Group Pty Ltd.

Lead Manager Options has the meaning given in Section 4.2.

Listing Rules means the listing rules of ASX.

Meeting has the meaning in the introductory paragraph of the Notice.

Notice means this notice of meeting.

Option means an option to acquire a Share.

Placement has the meaning given in Section 4.2.

Placement Options means an Option to acquire a Share on the terms and conditions in Schedule 1.

Placement Participant means various professional and sophisticated investors who are existing clients of the Lead Manager or other brokers who participated in the Placement.

Placement Shares has the meaning given in Section 4.2.

Plan has the meaning given to that term in Section 15.1.

Proxy Form means the proxy form attached to the Notice.

Resolution means a resolution contained in this Notice.

Section means a section contained in this Explanatory Memorandum.

Security means a Share, Option or performance right in the Company.

Settlement Shares has the meaning given to that term in Section 4.1.

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

Shareholder means a shareholder of the Company.

Subscription has the meaning given to that term in Section 4.1.

Subscription Agreement has the meaning given to that term in Section 4.1.

Subscription Fee has the meaning given to that term in Section 4.1.

WST means Western Standard Time, being the time in Perth, Australia.

In this Notice, words importing the singular include the plural and vice versa.

SCHEDULE 1 – TERMS AND CONDITIONS OF PLACEMENT OPTIONS

The Placement Options have the same terms and conditions (and in this Schedule 1 are referred to as **Options**).

1.□ Entitlement

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

2.□ Exercise Price

Subject to Section 9, the amount payable upon exercise of each Option will be \$0.023 (**Exercise Price**).

3.□ Expiry Date

Each Option will expire at 5:00 pm (WST) on the day which is three years after the date on which the Option is granted (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

4.□ Exercise Period

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

5.□ Notice of Exercise

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

6.□ 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 Option being exercised in cleared funds (**Exercise Date**).

7.□ Timing of issue of Shares on exercise

Within 15 Business Days after the Exercise Date, the Company will:

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

8.□ Shares issue on exercise

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

9.□ Reconstruction of capital

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

10.□ Participation in new issues

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

11.□ Change in exercise price

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

12.□ Options are not quoted

The Options will not be quoted on the ASX.

13.□ Transferability

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

SCHEDULE 2 – EQUITY SECURITIES ISSUED IN THE PREVIOUS 12 MONTHS UNDER LISTING RULE 7.1A.2

In accordance with Listing Rule 7.3A.6, details of each issue of or agreement to issue Equity Securities under Listing Rule 7.1A.2 by the Company during the 12 months preceding the date of the Meeting are set out in the table below:

Date of issue	Number of Securities	Type of Security	Recipient of Security/Basis on which recipients were identified or selected	Issue Price and details of any discount to Market Price ¹ (if applicable) on date of issue/agreement	Cash consideration received/to be received and Use of Funds
11 August 2022	124,944,491	Shares	Sophisticated and professional investors under the Placement who were selected in collaboration with the Lead Manager.	\$0.011 per Share, representing a discount of 8% to the Market Price ¹ on the date of agreement (being \$0.012).	A total of \$1,511,000 (before costs) was raised under the Placement, whereby \$1,374,389 (before costs) was raised through the portion of Placement Shares issued under Listing Rule 7.1A. The proceeds raised under the Placement are intended to be used to fund ongoing and next phase progress on the Company's Mannar Island Project, costs of the Placement as well as for general working capital requirements. Of the portion of funds raised under Listing Rule 7.1A, \$716,000 has already been expended by the Company.
Notes: 'Market Price' means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue (or agreement to issue, as applicable) of the relevant Equity Securities.					

SCHEDULE 3 – SUMMARY OF EMPLOYEE INCENTIVE SECURITIES PLAN

Summary of the Plan and terms on which offers may be made:

2.□ Eligible Participant

"Eligible Participant" means an employee or officer of, or a person who provides services to, the Company or an associated body corporate of the Company, or such other person who has been determined by the Board to be eligible to participate in the Plan from time to time.

The Company will seek Shareholder approval for Director and their associates participation in accordance with ASX Listing Rule 10.14.

3.□ Purpose

The purpose of the Plan is to:

- (a) assist in the reward, retention and motivation of Eligible Participants;
- (b) link the reward of Eligible Participants to Shareholder value creation; and
- (c) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities.

4.□ Plan administration

The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion. The Board may delegate its powers and discretion.

5.□ Eligibility, invitation and application

The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for Securities on such terms and conditions as the Board decides.

On receipt of an Invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part.

If an Eligible Participant is permitted in the invitation, the Eligible Participant may subject to compliance with applicable law and by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.

6.□ Grant of Securities

The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number of Securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.

7.□ Terms of Convertible Securities

Each "Convertible Security" represents a right to acquire one or more Shares (for example, under an option or performance right), subject to the terms and conditions of the Plan.

Prior to a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. A Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them unless otherwise determined by the Board. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.

8.□ Vesting of Convertible Securities

Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.

9.□ Exercise of Convertible Securities and cashless exercise

To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see below), pay the exercise price (if any) to or as directed by the Company, at any time following vesting of the Convertible Security (if subject to vesting conditions) and prior to the expiry date as set out in the invitation or vesting notice or otherwise by the method specified in the invitation.

An invitation may specify that at the time of exercise of the Convertible Securities, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.

Market Value means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an invitation.

A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.

10.□ Delivery of Shares on exercise of Convertible Securities

In accordance with the method and timing specified in the invitation or otherwise as soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.

11. ☐ Forfeiture of Convertible Securities

Where a Participant who holds Convertible Securities ceases to be an Eligible Participant or becomes insolvent, all unvested Convertible Securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to vest.

Where the Board determines that a Participant has acted fraudulently or dishonestly; committed an act which has brought the Company, the Group or any entity within the Group into disrepute, or wilfully breached his or her duties to the Group or where a Participant is convicted of an offence in connection with the affairs of the Group; or has a judgment entered against him or her in any civil proceedings in respect of the contravention by the Participant of his or her duties at law, in equity or under statute, in his or her capacity as an employee, consultant or officer of the Group, the Board may in its discretion deem all unvested Convertible Securities held by that Participant to have been forfeited.

Unless the Board otherwise determines, or as otherwise set out in the Plan rules:

- (a) any Convertible Securities which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and
- (b) any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation or vesting notice.

12. ☐ Change of control

If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event provided that, in respect of Convertible Securities, the maximum number of Convertible Securities (that have not yet been exercised) that the Board may determine will vest and be exercisable into Shares under this Rule is that number of Convertible Securities that is equal to 10% of the Shares on issue immediately following vesting under this Rule, which as far as practicable will be allocated between holders on a pro-rata basis on the basis of their holdings of Convertible Securities on the date of determination of vesting.

13. ☐ Rights attaching to Plan Shares

All Shares issued or transferred under the Plan, or issued or transferred to a Participant upon the valid exercise of a Convertible Security, (Plan Shares) will rank equally in all respects with the Shares of the same class. A Participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares and may participate in any

dividend reinvestment plan operated by the Company in respect of Plan Shares. A Participant may exercise any voting rights attaching to Plan Shares.

14. □ Disposal restrictions on Plan Shares

If the invitation provides that any Plan Shares are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.

For so long as a Plan Share is subject to any disposal restrictions under the Plan, the Participant will not:

- (a) transfer, encumber or otherwise dispose of, or have a security interest granted over that Plan Share; or
- (b) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.

15. □ Adjustment of Convertible Securities

If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the ASX Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise of the Convertible Securities, to receive an issue of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised.

Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.

16. □ Participation in new issues

There are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Convertible Securities without exercising the Convertible Securities.

17. □ Compliance with applicable law

No Security may be offered, grated, vested or exercised if to do so would contravene any applicable law. In particular, the Company must have reasonable grounds to believe, when making an invitation, that the total number of Plan Shares that may be issued upon exercise of Convertible Securities offer when aggregated with the number of Shares issued or that may be issued as a result of offers made at any time during the previous three year period under:

- (a) an employee incentive scheme of the Company covered by Division 1A of Part 7.12 of the Corporations Act; or
- (b) an ASIC exempt arrangement of a similar kind to an employee incentive scheme,
- (c) but disregarding any offer made or securities issued in the capital of the Company by way of or as a result of:
 - (i) an offer for no monetary consideration;
 - (ii) an offer to a person situated at the time of receipt of the offer outside Australia;
 - (iii) an offer that did not need disclosure to investors because of section 708 of the Corporations Act (exempts the requirement for a disclosure document for the issue of securities in certain circumstances to investors who are deemed to have sufficient investment knowledge to make informed decisions, including professional investors, sophisticated investors and senior managers of the Company); or
 - (iv) an offer made under a disclosure document,

would not exceed 5% (or such other maximum permitted under any applicable law) of the total number of Shares on issue at the date of the invitation.

18.□ Maximum number of Securities

The Company will not make an invitation under the Plan if the number of Plan Shares that may be issued, or acquired upon exercise of Convertible Securities offered under an invitation, when aggregated with the number of Shares issued or that may be issued as a result of all invitations under the Plan, will exceed 15% of the total number of issued Shares at the date of the invitation.

19.□ Amendment of Plan

Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.

No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.

20.□ Plan duration

The Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Plan for a fixed period or indefinitely, and may end any suspension. If the Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.

If a Participant and the Company (acting by the Board) agree in writing that some or all of the Securities granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Securities may be cancelled in the manner agreed between the Company and the Participant.

21. ☐ Income Tax Assessment Act

The Plan is a plan to which Subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth) applies (subject to the conditions in that Act).

Need assistance?



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



Online:
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **11:00am (AWST) on Tuesday, 15 November 2022.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 181664
SRN/HIN:

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

☐ **Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

Proxy Form

Please mark ☒ to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Titanium Sands Limited hereby appoint

☐ the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Titanium Sands Limited to be held at Level 8, 216 St Georges Terrace, Perth, WA 6000 on Thursday, 17 November 2022 at 11:00am (AWST) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1 and 11 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1 and 11 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1 and 11 by marking the appropriate box in step 2.

Step 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain			For	Against	Abstain
1	Adoption of Remuneration Report	☐	☐	☐	8	Ratification of prior issue of Placement Shares under Listing Rule 7.1A capacity	☐	☐	☐
2	Re-election of Director - Mr Lee Christensen	☐	☐	☐	9	Approval to grant Placement Options	☐	☐	☐
3	Approval of 10% Placement Capacity	☐	☐	☐	10	Approval to grant Lead Manager Options	☐	☐	☐
4	Ratification of prior issue of Fee Shares to Bulk Commodity under Listing Rule 7.1 capacity	☐	☐	☐	11	Adoption of new Employee Incentive Securities Plan	☐	☐	☐
5	Ratification of prior issue of Initial Placement Shares to Bulk Commodity under Listing Rule 7.1 capacity	☐	☐	☐					
6	Ratification of prior issue of Settlement Shares to Bulk Commodity under Listing Rule 7.1 capacity	☐	☐	☐					
7	Ratification of prior issue of Placement Shares under Listing Rule 7.1 capacity	☐	☐	☐					

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Securityholder 2

Securityholder 3

Sole Director & Sole Company Secretary

Director

Director/Company Secretary

Date

Update your communication details (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

