



titaniumsands
LTD

ABN 65 009 131 533

Titanium Sands Limited

**Annual Financial Report
For the year ended 30 June 2024**

For personal use only

Contents

	Page
Corporate Information	3
Directors' report	4
Consolidated statement of profit or loss and other comprehensive income	20
Consolidated statement of financial position	21
Consolidated statement of changes in equity	22
Consolidated statement of cash flows	23
Notes to the consolidated financial statements	24
Consolidated Entity Disclosure Statement	41
Directors' declaration	42
Auditor's report	43
Auditor's independence declaration	47
Schedule of exploration tenements	48
Additional shareholder information	49

For personal use only

Corporate Information

Directors	James Searle Jason Ferris Lee Christensen
Company Secretary	Mr Alan Armstrong
Registered Office and Principal Place of Business	Level 8, 216 St Georges Terrace PERTH WA 6000 Telephone: (08) 9481 0389 Facsimile: (08) 9463 6103
Share Registry	Computershare Investor Services Pty Limited Level 17 231 St Georges Terrace PERTH WA 6000 Telephone: (08) 6188 0800
Website	www.titaniumsands.com.au
Place of Incorporation	Western Australia
Auditors	BDO Audit Pty Ltd Level 9, Mia Yellagonga Tower 2 Perth WA 6000
Stock Exchange	ASX Limited Exchange Plaza Level 40 152-158 St Georges Terrace PERTH WA 6000
ASX Code	TSL

For personal use only

Titanium Sands Limited

Directors' report

For the year ended 30 June 2024

1. Directors

The directors of the Company at any time during or since the end of the financial year are:

Name, qualifications and independence status	Experience, special responsibilities and other directorships
--	--

James Searle
Managing Director

Dr Searle was appointed as a Director of the Company on 2 March 2016.

Dr Searle has over 35 years' experience in base metals, precious metals and mineral sand deposits. He has led successful exploration, project development and operational teams in Australia, Africa, Northern Europe, and Central Asia. Dr Searle has a BSc(Hons) in geology and a PhD from the University of Western Australia. He is a Member of the Australian Institute of Mining and Metallurgy and has over 26 years' experience in executive and non-executive Director roles on Australian Securities Exchange listed public company boards.

Dr Searle holds 600,000 shares and 100,000 options, exercisable at \$0.023 and expiring on 16 February 2026, as at the date of this report.

During the past three years, Dr Searle has not served as a Director for other listed companies.

Jason Ferris
Non-Executive Director

Mr Ferris was appointed as a Director of the Company on 31 July 2014.

Mr Ferris has worked in financial services, property and corporate finance industries for more than 29 years. Mr Ferris holds a Master of Business Administration (Finance) and is a Fellow of the Australian Institute of Management (FAIM) and a Member of the Australian Institute of Company Directors (MAICD). He has facilitated many joint venture opportunities in the property, tech and mining sectors.

Mr Ferris holds 2,940,000 shares and 490,001 options, exercisable at \$0.023 and expiring on 16 February 2026, as at the date of this report.

During the past three years, Mr Ferris has not served as a Director of any other listed company.

Lee Christensen
Non-Executive Director and Chairman

Mr Christensen was appointed as a Director of the Company on 16 April 2015.

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.

Mr Christensen holds 21,672,000 shares and 3,612,001 options, exercisable at \$0.023 and expiring on 16 February 2026, as at the date of this report.

During the past three years, Mr Christensen has served as a Director for the following other listed companies:

- First Lithium Limited – appointed 4 September 2023.

Titanium Sands Limited

Directors' report

For the year ended 30 June 2024

2. Company Secretary

Mr Alan Armstrong was appointed Company Secretary on 16 October 2020. Mr Armstrong is a Chartered Accountant with over 15 years' experience having spent most of his career providing accounting and advisory services to resource companies. Mr Armstrong has a Bachelor of Business (Accounting/Finance) from Charles Sturt University and is a member of the Institute of Australian Chartered Accountants. Additionally, Mr Armstrong is a graduate and member of the Australian Institute of Company Directors.

3. Directors' meetings

The number of meetings of the Company's Directors held during the year ended 30 June 2024, whilst each director was in office, and the number of meetings attended by each Director, were:

<i>Director</i>	<i>Board of Directors' Meetings</i>	
	<i>No. eligible to attend</i>	<i>No. attended</i>
James Searle	4	4
Jason Ferris	4	4
Lee Christensen	4	4

4. Principal activities

The current principal activity and key focus for the Group during the year is mineral exploration. During the year there has been no significant change in the state of affairs of the Group.

5. Operating and financial review

The net loss of the Group for the financial year ended 30 June 2024 amounted to \$2,155,054 (2023: loss \$1,234,028). The current year loss was incurred from in the ordinary course of the business. The net assets of the group for the financial year ended 30 June 2024 amount to \$23,210,829 (2023: net assets \$20,252,605).

The Company is focused upon exploring and developing the Mannar Island Project in Sri Lanka. Material business risks that may impact the results of future operations include tenure risks, environmental risks, ore reserve and mineral resources estimates, Sri Lankan country risk, exploration, development, mining and processing risks, access risks, debt funding risks, future commodity prices and currency exchange risks, government and regulatory risk, reliance on key personnel, operating risks, capital costs, operating costs, safety, political and regulatory risks and contract risk.

6. Events Subsequent to the Reporting Date

On 5 July 2024 the Company announced a change of auditor from BDO Audit (WA) Pty Ltd to BDO Audit Pty Ltd in accordance with Listing Rule 3.16.3.

Other than as set out above, there were no other significant events after the reporting date.

For personal use only

Titanium Sands Limited
Directors' report (continued)
 For the year ended 30 June 2024

REVIEW OF OPERATIONS

OVERVIEW

The Mannar Island Heavy Mineral Sands Project in Northwest Sri Lanka is 100% controlled by Titanium Sands Ltd (Figure 1). The project is an ilmenite feedstock project with minor credits from other mineral components. The high quality ilmenite product is expected to find a ready market with titanium slag and sulphate route pigment producers in the Middle East, Korea, India, China and elsewhere. Following the completion of a positive scoping study in May 2023 the operational priority (¹ *ASX Announcement of the 12th of May 2023*) for Titanium Sands Ltd to the 30th of June 2024 has been the processes necessary for securing an Industrial Mining License (IML) and other regulatory approvals for the project.

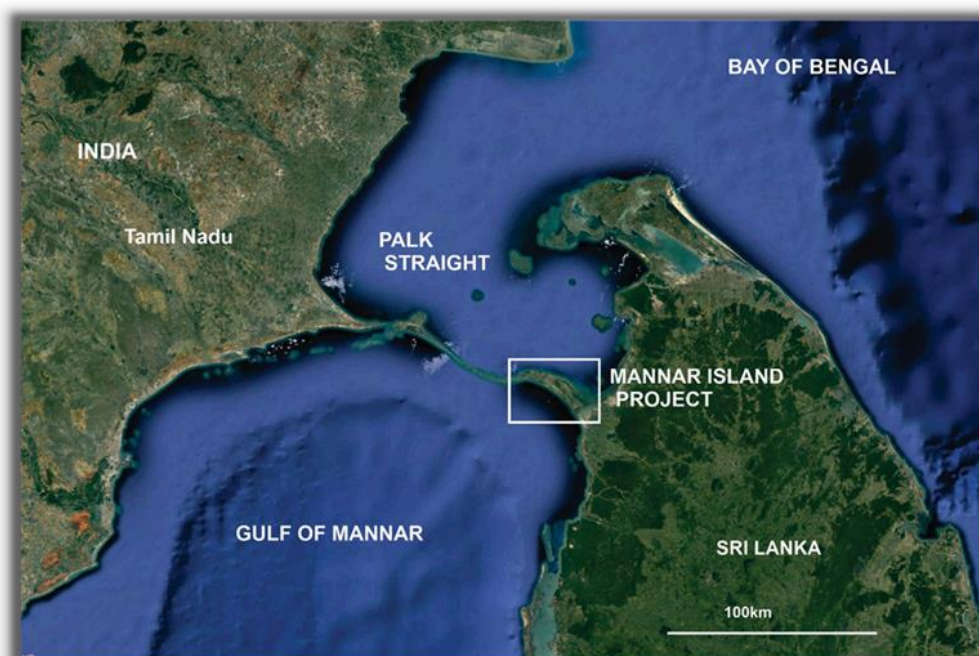


Figure 1 Location of the Mannar Island Heavy Mineral Sand Project, northwest Sri Lanka.

Titanium Sands Limited

Directors' report (continued)

For the year ended 30 June 2024

MINERAL RESOURCES

A mineral resource estimate (MRE) was completed in (Table 1) March 2023 ([ASX TSL 15/3/2023²](#)). Based on a 2% THM (Total Heavy Mineral) lower cut-off grade the MRE stands at 318 Mt at 4.17% THM.

Resource Category	Volume (Mm ³)	Tonnes (M)	Thm %	Silt %	Ovz %	Ilm %	Leu %	Rut %	Zir %	Gar %
Indicated	83.3	145.7	4.28	1.76	18.41	1.90	0.35	0.08	0.09	0.44
Inferred	98.5	172.3	4.07	1.31	16.37	1.87	0.31	0.08	0.10	0.30
Total	181.7	318.0	4.17	1.52	17.30	1.88	0.33	0.08	0.10	0.37

Table 1 Mineral Resource Estimate based on a 2% THM lower cut off. A complete JORC2012 compliant statement of this MRE is contained in [ASX TSL 15/3/2023²](#).

Resource Category	Volume (Mm ³)	Tonnes (M)	Thm %	Silt %	Ovz %	Ilm %	Leu %	Rut %	Zir %	Gar %
Indicated	50.7	88.7	5.45	1.39	15.54	2.48	0.44	0.10	0.11	0.58
Inferred	56.2	98.4	5.27	1.26	15.50	2.48	0.40	0.11	0.13	0.41
Total	106.9	187.0	5.36	1.32	15.52	2.48	0.42	0.10	0.12	0.49

Table 2 Mineral Resource Estimate based on a 3% THM lower cut off. A complete JORC2012 compliant statement of this MRE is contained in [ASX TSL 15/3/2023²](#)

A continuous higher grade zone measuring 10km by up to 2km and down to depth of 8-12m (the zone remains largely open at depth) was identified within the above mineral resource (Figure 2). Using the 2% lower cut off the higher grade resource contains 145.6Mt at 4.48% THM (Table 2) or for a 3% lower cut off (Table 3) 82.0Mt at 6.03% THM. This higher grade zone was used as the basis for the scoping study previously reported to the ASX ([ASX TSL 12/5/2023¹](#)).

Resource Category	Volume (Mm ³)	Tonnes (M)	Thm %	Silt %	Ovz %	Ilm %	Leu %	Rut %	Zir %	Gar %
Indicated	62.4	109.1	4.32	2.04	23.05	1.92	0.35	0.07	0.09	0.53
Inferred	20.9	36.5	4.93	2.13	24.97	2.31	0.39	0.08	0.11	0.58
Total	83.3	145.6	4.48	2.07	23.53	2.02	0.36	0.07	0.10	0.54

Table 3 Mineral resource estimate for a higher grade zone contained within the resources Tabulated above for a 2% lower cut off*. [ASX TSL 15/3/2023²](#)

Resource Category	Volume (Mm ³)	Tonnes (M)	Thm %	Silt %	Ovz %	Ilm %	Leu %	Rut %	Zir %	Gar %
Indicated	35.0	61.1	5.78	1.62	20.70	2.64	0.48	0.09	0.12	0.73
Inferred	12.0	21.0	6.78	1.71	22.59	3.27	0.53	0.10	0.14	0.82
Total	47.0	82.0	6.03	1.64	21.18	2.80	0.49	0.09	0.13	0.75

Table 4 Mineral resource estimate for a higher grade zone contained within the resources Tabulated above for a 3% lower cut off*. ([ASX TSL 15/3/2023²](#)).

*Notes to tables 1, 2, 3 and 4 above:

- Mineral assemblage is reported as in situ weight percentage of the resource.
- Appropriate rounding of the numbers has been applied.

Titanium Sands Limited Directors' report (continued) For the year ended 30 June 2024

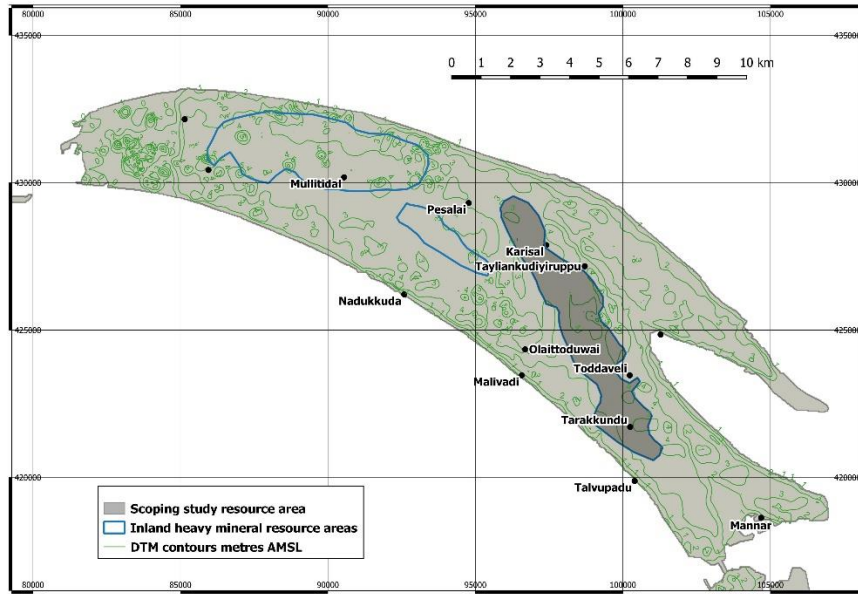


Figure 2 Inland mineral resource areas including scoping study mineral resource area.

SCOPING STUDY

The scoping study ([ASX TSL 12/5/ 2023¹](#)) scenario was selected on a project format with a modest capital hurdle but of sufficient scale and project life that its products would be attractive to potential offtake partners. Consequently the study was based on a single dredge continuously mining the higher grade zone identified in the resource modelling and measuring 10km by up to 2 km wide zone at rate of 4 million tonnes per annum over a period of 20 years (Figure 3). This zone contains 82million tonnes at 6.03% THM on a lower grade cut-off grade of 3% (Table 4) out of the total current mineral resource estimate of 187 million tonnes at 5.36%THM on a 3% THM lower cut off (Table 2). The mineral resources subject to this scoping study scenario therefore represent 44% of the total mineral resource estimates for the project at lower cut off of 3%.

The scoping study has indicated that this project scenario is economically robust and consequently subsequent more definitive studies could also examine the feasibility of second or even third dredges and expanded processing capacities to potentially exploit capital and operational efficiencies.

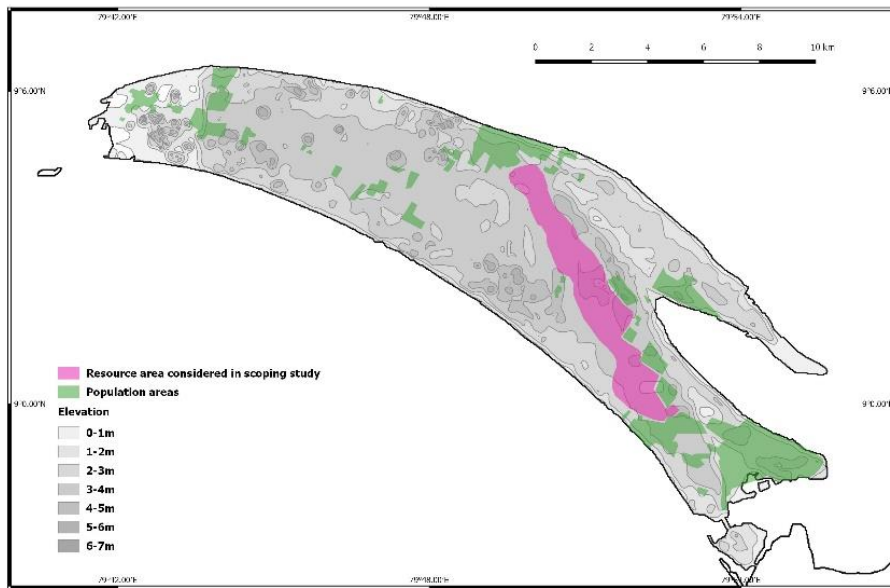


Figure 3 Portion of resource considered in the scoping study base case.

For personal use only

Titanium Sands Limited

Directors' report (continued)

For the year ended 30 June 2024

BOARD OF INVESTMENT APPLICATION

The Board of Investment (BOI) of Sri Lanka, is a Government Agency tasked to be the central facilitation point for investors, it is also responsible for permitting imports and exports for projects under section 17 of the BOI law as well as providing other investor related services. Titanium Sands Ltd on behalf of its Sri Lankan subsidiaries has been invited by the BOI to make applications designed to initiate regulatory approvals for use of land for its project treatment plant and local corporate structuring for the inbound investment. These applications are now in progress.

ENVIRONMENTAL IMPACT ASSESSMENT (EIA)

As part of the Environmental Impact Assessment (EIA) and the regulatory process leading to a mining license and other regulatory approvals land access agreement have been secured with affected landowners for priority zone 1 of the Mannar Heavy Mineral Project ([ASX:TSL 6/11/2023](#))³. The Company representatives have been meeting with affected landowners to explain the proposed project (Figures 4) and the plans for the progressive development of sustainable commercial plantation agriculture as an integral part of the operation.

Included within the priority 1 zone are the areas allocated for mining part of the 82mt high-grade zone outlined in the Company's scoping study ([ASX:TSL 12/5/23](#))¹ as well as housing the Company's initial processing plant and operations. (Figure 5 and 6)

The Central Environment Authority ("CEA") has initiated environmental clearance for the project ([ASX TSL 27/7/23](#))⁴ and also recently completed their initial site visit in conjunction with the Environmental Impact Assessment consultants ("EIA") ([ASX:TSL 24/10/23](#))⁵. (Figure 7)



Figure 4: Process of signing Land Access Agreements at Mannar.

Titanium Sands Limited
Directors' report (continued)
For the year ended 30 June 2024

For personal use only



Figure 5: Priority zone 1 Land Access Agreement area at Mannar Island.

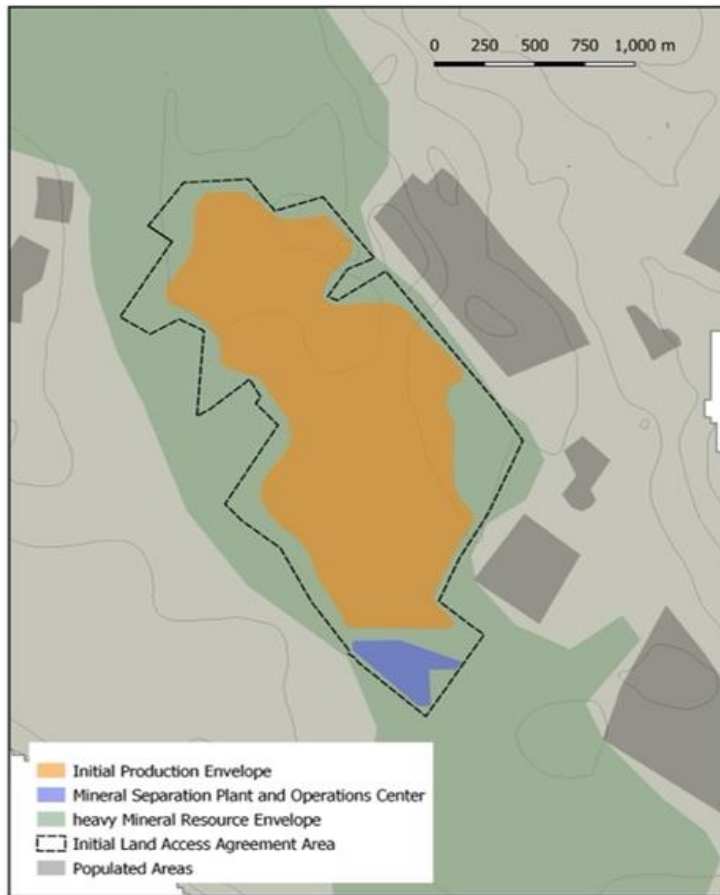


Figure 6: Mannar Island initial production envelope, Mineral separation plant and operations centre.

Titanium Sands Limited
Directors' report (continued)
 For the year ended 30 June 2024



Figure 7: Identifying locations for environmental clearance review

REGULATORY PROCESSES

The continued protraction of the regulatory processes has led Titanium Sands to further initiate discussions and assistance at senior government levels as well as continue to consult with local and regional authorities and community groups. As previously reported ([ASX:TSL 29/7/24](#))⁶ this has resulted in positive developments including :

- Titanium Sands Ltd Australian Directors and local management team were pleased to be invited to a meeting at the Presidential Secretariat in Colombo to discuss the co-ordination of Government Departments involved in the project regulatory approval processes.
- Board of Investment (BOI) has assumed the role of co-ordinating the Governmental Departments and Agencies responsible for the regulatory processes concerning the Mannar Heavy Mineral Project.
- As part of the Environmental Impact Assessment process, Titanium Sands' local and Australian management have been engaging extensively with local government and communities.
- A meeting of Landowners covering the area of the project EIA held at the TSL site office have expressed their strong support for the project and the need for it to progress through the regulatory processes as soon as possible.

While all of the above are indicative of increasing momentum for the regulatory processes the Company will continue to engage with the Sri Lankan Government at senior levels and with relevant regulators and stakeholders to ensure this is sustained.

TENURE

The Geological Survey and Mines Bureau (GSMB) has approved the Company's applications for the change of status for a further 4 exploration licenses into retention status pending the completion of the mining lease application process. TSL's five most important exploration licences covering the core resources of the project will now be held as retention licences (Table 5).

Titanium Sands Limited

Directors' report (continued)

For the year ended 30 June 2024

Table 5 Mannar Island Project tenure.

Exploration Licence	Holder	EL	Validity	Area	Status
EL 370	Kilsythe Exploration (PVT) LTD	18/05/2024	17/05/2025	31km ²	Current - retention
EL 351	Sanur Minerals (PVT) LTD	13/12/2023	12/12/2024	15km ²	Current - retention
EL 425	Sanur Minerals (PVT) LTD	19/11/2023	18/11/2024	10km ²	Current - retention
EL 423	Orion Minerals (PVT) LTD	15/11/2023	14/11/2024	5km ²	Current - retention
EL 424	Orion Minerals (PVT) LTD	15/11/2023	14/11/2024	8km ²	Current - retention
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	

OPERATIONAL OUTLOOK

The operational outlook for the next 6 months will remain focussed on the regulatory approval processes for the Mannar Heavy Mineral Project. Completion of the Environmental Impact Assessment is a major step in the application process for an Industrial Mining License.

Previously Reported Information Footnotes

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

- ¹ ASX Announcement 12th May 2023, Scoping Study Mannar Heavy Mineral Project.
- ² ASX Announcement 15th March 2023 Updated Resource Estimate Mannar Heavy Mineral project.
- ³ ASX Announcement 6th of November 2023 Land Access Agreements signed for Mannar Priority 1 Zone.
- ⁴ ASX Announcement 27th July 2023 CEA confirms initiation of environmental clearance.
- ⁵ ASX Announcement 24th of October 2023 Central Environment Authority presentation and site visit completed .
- ⁶ ASX Announcement 29th of July 2024 Quarterly Operations Report and Appendix 5B.

These announcements are available to view on the Company's website www.titaniumsands.com.au

COMPLIANCE STATEMENTS

Previously Reported Exploration Results and Mineral Resources

This report includes information (Tables 1, 2,3 and 4) that relates to 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 (ASX Announcement 15th March 2023 : Updated Resource Estimate- Mannar Heavy Mineral Project). This announcement 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.

Titanium Sands Limited

Directors' report (continued)

For the year ended 30 June 2024

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 40 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.

7. Remuneration report (audited)

7.1 Principles of compensation

This report outlines the remuneration arrangements in place for directors of Titanium Sands Limited in accordance with the requirements of the Corporations Act 2001 and its Regulations. For the purpose of this annual financial report, Key Management Personnel (KMP) of the Company are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly.

Details of Key Management Personnel during the year ended 30 June 2024

James Searle (appointed 2 March 2016)
 Jason Ferris (appointed 31 July 2014)
 Lee Christensen (appointed 16 April 2015)
 Doug Martens (appointed 6 November 2023)

Remuneration Policy

The Board is responsible for determining and reviewing compensation arrangements for the Directors. The Board assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and executive team. The Group does not link the nature and amount of the emoluments of such officers to the Group's financial or operational performance with the exception of options issued to the directors which were issued and vested on completion of the acquisition of Srinel Holdings Limited in December 2019. The expected outcome of this remuneration structure is to retain and motivate Directors. During the current and prior financial year, the Group did not employ the use of remuneration consultants.

The Board's policy is to remunerate Non-Executive Directors based on market practices, duties and accountability. The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by Shareholders at the Annual General Meeting ("AGM"). The maximum aggregate amount of fees payable has been set at \$480,000pa.

7.2 Relationship between the Remuneration Policy and Company Performance

	30 June 2024	30 June 2023	30 June 2022	30 June 2021	30 June 2020
	\$	\$	\$	\$	\$
Revenue	-	-	1,101	-	4,125
Basic loss per share (cents)	(0.11)	(0.09)	(0.09)	(0.12)	(0.18)
Diluted loss per share (cents)	(0.11)	(0.09)	(0.09)	(0.12)	(0.18)
Share price at year end	\$0.006	\$0.007	\$0.015	\$0.030 ¹	\$0.049

¹ Last traded price of 20 April 2021. Company shares recommenced trading on 4 January 2023.

Titanium Sands Limited
Directors' report (continued)
For the year ended 30 June 2024

7.3 Directors' and executive officers' remuneration – audited

The Company renewed a Non-Executive Director Agreement with Lee Christensen in December 2021 for the provision of services to the Company. Pursuant to the terms of the Agreement, the Company agreed to remunerate Mr Christensen \$7,500 (plus GST) per month. Either party may terminate the Agreement by providing three months written notice. The Company renewed a Non-Executive Director Agreement with Jason Ferris in December 2021 for a period of 24 months. Pursuant to the terms of the Agreement, the Company has agreed to remunerate Mr Ferris \$15,000 (excluding superannuation) per month. Mr. Ferris also undertakes consultancy work which is not considered to be within his duties as a Non-Executive Director, when Mr. Ferris undertakes this work, he charges \$1,200 (plus GST) per day or pro rata for part days. Either party may terminate the Agreement by providing three months written notice.

The Company renewed the Executive Director Agreement with Dr James Searle in March 2023 for the provision of services to the Company. Pursuant to the terms of the Agreement, the Company has agreed to remunerate Dr Searle \$5,000 (plus GST) per month for Directors duties and \$1,200 (plus GST) per day for consultancy services, in consideration for which Dr Searle must provide for up to eight (8) days per month. This constitutes the minimum commitment by the Company to purchase services under the terms of the agreement. In addition to the fees disclosed above, shall Dr Searle be required to undertake any out of scope work, he will be remunerated at a rate of \$1,200 (plus GST) per day, or pro rata for part days.

Executive Remuneration

The following table discloses the contractual arrangements with the Group's executive Key Management Personnel.

For personal use only

COMPONENT	Managing Director – Dr James Searle
Fixed remuneration	\$60,000 pa
Variable remuneration (out of scope work)	\$1,200 (plus GST) per day, or pro rata for part days
Contract duration	Until terminated or resignation of director
Termination notice by the individual/company	1 month
Other entitlements	N/A

	Chief Operating Officer – Doug Martens
Fixed remuneration	\$120,000 pa
Non-cash benefits	<p>(i) 1,000,000 options with an exercise price of \$0.03 per TSL Share expiring 24 months after the day of issue and subject to a vesting condition that the Consultant is continuously engaged by the Company from the Commencement Date until the date that is 6 months after the Commencement Date;</p> <p>(ii) 2,000,000 options with an exercise price of \$0.05 per TSL Share expiring 24 months after the day of issue and subject to a vesting condition that the Consultant is continuously engaged by the Company from the Commencement Date until the date that is 12 months after the Commencement Date;</p> <p>(iii) 2,000,000 options with an exercise price of \$0.10 per TSL Share expiring 24 months after the day of issue and subject to a vesting condition that the Consultant is continuously engaged by the Company from the Commencement Date until the date that is 18 months after the Commencement Date; and</p> <p>(iv) 5,000,000 options with an exercise price of \$0.20 per TSL Share expiring 24 months after the day of issue and subject to a vesting condition that the Consultant is continuously engaged by the Company from the Commencement Date until the date that is 24 months after the Commencement Date.</p>
Contract duration	Until terminated or resignation of COO
Termination notice by the individual/company	1 month
Other entitlements	N/A

Unlisted Options

There were 490,001 unlisted options issued to Jason Ferris, 100,000 unlisted options issued to James Searle, 3,612,001 unlisted options issued to Lee Christensen, and 18,000,000 unlisted options issued to Doug Martens during the 2024 financial year (2023: nil).

Titanium Sands Limited

Directors' report (continued)

For the year ended 30 June 2024

Details of the nature and amount of each major element of the remuneration for the year ended 30 June 2024 and 30 June 2023 of each director of the Company and other key management personnel are:

2024 Directors	Short-term			Post employment benefits	Share-based payments	Total \$	Proportion of remuneration
	Salary & fees \$	Bonus \$	Other \$	Superannua- tion \$	performance related %		
Executive directors							
Dr James Searle ¹	97,800	-	-	-	-	97,800	-
Non-executive directors							
Mr Jason Ferris ²	290,100	-	-	19,800	-	309,900	-
Mr Lee Christensen ³	90,000	-	-	-	-	90,000	-
Chief Operating Officer							
Doug Martens	78,000	-	-	-	203,219	281,219	-
Total	555,900	-	-	19,800	203,219	778,919	-

¹ Dr Searle's director fees are paid to Earthsciences Pty Ltd, of which Dr Searle is a Director. Due to operational delays, minimum work commitments were not required to fulfil technical consulting and operational management requirements and as such, Dr Searle was paid a reduced rate.

² Mr Ferris' director and consulting fees of \$180,000 (excluding superannuation) are paid as a salary. Out of scope fees of \$110,100 are paid to J2J Investments Pty Ltd, of which Mr Ferris is a Director.

³ Mr Christensens' director fees are paid to Pooky Corporation Pty Ltd, of which Mr Christensen is a Director.

⁴ Mr Martens' consulting fees are paid to White Knight Capital Consulting Pty Ltd, of which Mr Martens is a Director. During the year 10,000,000 shares and attaching options were issued to the incoming Chief Operating Officer in lieu of \$50,000 salary payment and the extinguishment of financial liabilities.

2023 Directors	Short-term			Post employment benefits	Share-based payments	Total \$	Proportion of remuneration
	Salary & fees \$	Bonus \$	Other \$	Superannua- tion \$	performance related %		
Executive directors							
Dr James Searle ¹	120,300	-	-	-	-	120,300	-
Non-executive directors							
Mr Jason Ferris ²	265,800	-	-	18,900	-	284,700	-
Mr Lee Christensen ³	90,000	-	-	-	-	90,000	-
Total	476,100	-	-	18,900	-	495,000	-

¹ Dr Searle's director fees are paid to Earthsciences Pty Ltd, of which Dr Searle is a Director. Due to operational delays, minimum work commitments were not required to fulfil technical consulting and operational management requirements and as such, Dr Searle was paid a reduced rate.

² Mr Ferris' director and consulting fees of \$180,000 (excluding superannuation) are paid as a salary. Out of scope fees of \$116,055 are paid to J2J Investments Pty Ltd, of which Mr Ferris is a Director.

³ Mr Christensens' director fees are paid to Pooky Corporation Pty Ltd, of which Mr Christensen is a Director.

Note: there are no long-term remuneration benefits.

Titanium Sands Limited

Directors' report (continued)

For the year ended 30 June 2024

7. Remuneration report (audited) (continued)

7.3.1 Loans to Directors

There were no loans to directors during the financial year ending 30 June 2024 (2023: nil).

7.3.2 Other Transactions with Key Management Personnel

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. A number of these entities transacted with the Company in the reporting period. These are as follows:

Consultancy services:

Jason Ferris is a Director of J2J Investments Pty Ltd ("J2J"), which provided the Company with out of scope consultancy services. These services provided were based upon normal commercial terms and conditions no more favourable than those available to other parties. The amount incurred for the year ended 30 June 2024 was \$110,100 (2023: \$85,800) and are included as part of Directors remuneration in section 7.3.

Dr James Searle is a Director of Earthsciences Pty Ltd ("Earthsciences"), which provided the Company with director and consultancy services. These services provided were based upon normal commercial terms and conditions no more favourable than those available to other parties. The amount incurred for the year ended 30 June 2024 was \$97,800 (2023: \$120,300) and are included as part of Directors remuneration in section 7.3.

Mr Lee Christensen is a Director of Pooky Corporation Pty Ltd ("Pooky"), which provided the Company with director services. These services provided were based upon normal commercial terms and conditions no more favourable than those available to other parties. The amount incurred for the year ended 30 June 2024 was \$90,000 (2023: \$90,000) and are included as part of Directors remuneration in section 7.3.

Other Transactions

In April 2023 the Company entered into a convertible facility with Willis Holdings Limited (an entity related to Robert Nelson, Jason Ferris' father in law). During the period \$200,000 was converted following shareholder approval through the issue of 40,000,000 fully paid ordinary shares and 40,000,000 attaching options. The deemed total fair value of the shares and options issued was \$812,875 (refer to financial statement note 7 and 16) due to the market price of the shares at grant date (date of shareholder approval) being \$0.014. The surplus fair value of \$612,875 was expensed as an extinguishment of a financial liability.

During the year 10,000,000 shares and attaching options were issued to the incoming Chief Operating Officer in lieu of \$50,000 salary payment. The shares were valued at the share price at grant date (date of shareholder approval) being \$0.014 with the excess of the fair value of the shares and options (refer to financial statement note 7) expensed as an extinguishment of a financial liability. In May 2024 the Company paid \$23,496 to Doug Martens as the consulting services Mr Martens rendered in regards to the Placement in April 2024.

No other transactions other than those disclosed above, occurred during the year.

Titanium Sands Limited

Directors' report (continued)

For the year ended 30 June 2024

7. Remuneration report (audited) (continued)

7.3.3 Directors' interests in shares

Fully paid ordinary held by Titanium Sands Limited to Key Management Personnel during the year and as at 30 June 2024 are as follows:

2024	Balance at 1 July 2023	Allotment of Shares	Net other changes	Balance at 30 June 2024
DIRECTORS				
Mr Jason Ferris	2,449,999	490,001	-	2,940,000
Dr James Searle	500,000	100,000	-	600,000
Mr Lee Christensen	18,059,999	3,612,001	-	21,672,000
CHIEF OPERATING OFFICER				
Doug Martens	-	10,000,000	-	10,000,000
	21,009,998	14,202,002	-	35,212,000

The shares issued during the year to Directors were as a result of director's participating in share issues, therefore not share based payments. The shares were issued to the incoming Chief Operating Officer in lieu of \$50,000 salary payment

7.3.4 Share options

Share options held by Titanium Sands Limited to Key Management Personnel during the year and as at 30 June 2024 are as follows:

2024	Balance at 1 July 2023	Issue of Options	Expiry of Options	Net other changes	Balance at 30 June 2024
DIRECTORS					
Mr Jason Ferris	-	490,001	-	-	490,001
Dr James Searle	-	100,000	-	-	100,000
Mr Lee Christensen	-	3,612,001	-	-	3,612,001
CHIEF OPERATING OFFICER					
Doug Martens	-	10,000,000	-	-	10,000,000
	-	14,202,002	-	-	14,202,002

The unquoted options issued during the year were free attaching on 1:1 basis, exercisable at \$0.023 and expiring on 16 February 2026, as a result of director's participating in share issues, therefore not share based payments.

7.3.5 Analysis of bonuses included in remuneration

There were no short-term cash bonuses paid during the reporting period.

8. Voting and comments made at the Company's 2023 Annual General Meeting

The Company received 98.75% of votes, of those shareholders who exercised their right to vote, in favour of the remuneration report for the 2023 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

This is the end of the Audited Remuneration Report.

9. Dividends

No dividends have been paid or declared by the Company to members during the 2024 or 2023 financial years.

Titanium Sands Limited Directors' report (continued)

For the year ended 30 June 2024

10. Shares under option

Shares issued on the exercise of options

There were no ordinary shares of the Company issued during the year ended 30 June 2024 and up to date of this report on the exercise of options granted. At the date of this report, the issued ordinary shares of Titanium Sands Limited under option are 1,014,559,664.

11. Likely developments and expected result of operation

Further information, other than as disclosed in this report, about likely developments in the operations of the Company and the expected results of those operations in future periods has not been included in this report as disclosure of this information would be likely to result in unreasonable prejudice to the Company.

12. Environmental regulations

The Company's operations are not subject to significant environmental regulations under the law of the Commonwealth or of a State, or Territory or in Sri Lanka.

13. Indemnification and insurance of officers and auditors indemnification

The Company has agreed, subject to and so far as may be permitted by the Corporations Act 2001, to indemnify each current director and officer at the date of the report against all liabilities that may arise from their position as directors and officers of the Company. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses. No indemnification has been paid with respect to the Company's auditors.

14. Corporate governance

The Company continued to follow best practice recommendations as set out by 4th edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations. Where the Company has not followed best practice for any recommendation, explanation is given in the Corporate Governance Statement which is available on the Company's website at <http://titaniumsands.com.au/corporate-governance/>.

15. Audit services

There were no non audit services provided for the financial year ended 30 June 2024 (2023: Nil).

16. Lead auditor's independence declaration

The Lead auditor's independence declaration is included and forms part of the directors' report for financial year ended 30 June 2024.

This report is made with a resolution of the directors:



James Searle
Director

Dated this 27th day of September 2024

Titanium Sands Limited
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2024

	Note	2024 \$	2023 \$
Other income		-	-
Administrative expenses	6	(733,263)	(572,845)
Depreciation		(678)	(35,038)
Director fees		(599,862)	(393,745)
Share based payments		(62,500)	(148,050)
Loss before financing expenses		(1,396,303)	(1,149,678)
Financial income	7	7,342	3,477
Financial expenses	7	(766,094)	(87,827)
Net financing income		(758,752)	(84,350)
Loss before tax		(2,155,055)	(1,234,028)
Income tax expense	9	-	-
Loss for the year after income tax		(2,155,055)	(1,234,028)
Other comprehensive income			
Items that may be reclassified to profit and loss			
Exchange differences on translation of foreign operations		64,094	3,529,190
Other comprehensive gain for the year		64,094	3,529,190
Total comprehensive loss for the year		(2,090,961)	2,295,162
Loss per share for the year attributable to the members of TSL			
Basic and diluted loss per share (cents)	14	(0.11)	(0.09)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the notes to the financial statements.

Titanium Sands Limited
Consolidated Statement of Financial Position
As at 30 June 2024

	Note	2024 \$	2023 \$
Current assets			
Cash and cash equivalents	10	1,172,085	68,530
Trade and other receivables	11	608,439	26,402
Total current assets		1,780,524	94,932
Non-current assets			
Exploration and evaluation expenditure	8	21,555,114	20,572,535
Property, plant and equipment		9,367	7,124
Total non-current assets		21,564,481	20,579,658
Total assets		23,345,005	20,674,590
Current liabilities			
Trade and other payables	12	134,175	171,985
Financial liabilities	13	-	250,000
Total current liabilities		134,175	421,985
Total liabilities		134,175	421,985
Net assets		23,210,829	20,252,605
Equity			
Issued capital	15	41,611,354	37,011,951
Reserves	16	(5,813,435)	(6,327,311)
Accumulated losses		(12,587,090)	(10,432,035)
Total equity		23,210,829	20,252,605

The above Consolidated Statement of Financial Position is to be read in conjunction with the notes to the financial statements.

Titanium Sands Limited
Consolidated Statement of Changes in Equity
For the year ended 30 June 2024

	Share Capital \$	Options Reserve \$	Foreign exchange translation Reserve \$	Accumulated Losses \$	Total Equity \$
Balance at 1 July 2022	35,768,901	6,262,164	(16,505,966)	(9,198,007)	16,327,092
<i>Total comprehensive loss for the period:</i>					
Loss for the period	-	-	-	(1,234,028)	(1,234,028)
Foreign currency translation	-	-	3,529,190	-	3,529,190
Total other Comprehensive loss	-	-	3,529,190	(1,234,028)	2,295,162
<i>Transactions with owners:</i>					
Share based payments	-	387,301	-	-	387,301
Shares Issued (net of share issue costs)	1,243,050	-	-	-	1,243,050
Balance at 30 June 2023	37,011,951	6,649,465	(12,976,776)	(10,432,035)	20,252,605
Balance at 1 July 2023	37,011,951	6,649,465	(12,976,776)	(10,432,035)	20,252,605
<i>Total comprehensive loss for the period:</i>					
Loss for the period	-	-	-	(2,155,055)	(2,155,055)
Foreign currency translation	-	-	64,094	-	64,094
Total other Comprehensive loss	-	-	64,094	(2,155,055)	(2,090,961)
<i>Transactions with owners:</i>					
Share based payments	-	449,783	-	-	449,783
Shares Issued (net of share issue costs)	4,599,403	-	-	-	4,599,403
Balance at 30 June 2024	41,611,354	7,099,248	(12,912,683)	(12,587,090)	23,210,830

The above Consolidated Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements.

Titanium Sands Limited
Consolidated Statement of Cash Flows
For the year ended 30 June 2024

	Note	2024 \$	2023 \$
Cash flows from operating activities			
Cash paid to suppliers and employees		(1,443,181)	(883,237)
Interest received		4,219	3,477
Net cash used in operating activities	<i>18a</i>	(1,438,962)	(879,760)
Cash flows from investing activities			
Payments for exploration expenditure		(1,026,357)	(582,280)
Payments for acquisition of entities		(352,420)	(100,000)
Net cash used in investing activities		(1,378,777)	(682,280)
Cash flows from financing activities			
Proceeds from issue of shares (net of costs)		3,920,324	1,380,861
Proceeds from issue of options		970	330
Receipts from financial liabilities		-	250,000
Repayment of financial liabilities		-	(535,000)
Net cash from financing activities		3,921,294	1,096,191
Net increase / (decrease) in cash and cash equivalents		1,103,555	(465,849)
Opening cash and cash equivalents at 1 July		68,530	534,379
Closing cash and cash equivalents	<i>10</i>	1,172,085	68,530

The above Consolidated Statement of Cash Flows is to be read in conjunction with the notes to the financial statements.

Titanium Sands Limited

Notes to the consolidated financial statements

For the year ended 30 June 2024

1. Reporting entity

This annual financial report includes the financial statements and notes of Titanium Sands Limited ("the Company") and the entities it controlled during the year ended 30 June 2024 ("the Group"). The Group is a for-profit entity primarily involved in exploration of mineral reserves and is domiciled in Australia. Its registered address is Level 8, 216 St George's Terrace, Perth, Western Australia.

2. Basis of preparation

(a) Statement of compliance

The annual financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards ('AASBs') (including Australian Interpretations) adopted by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001. The annual financial report complies with International financial Reporting Standards as adopted by the International Accounting Standards Board. The annual financial report was authorised for issue by the directors on 27 September 2024.

(b) Basis of measurement

The annual financial report has been prepared on the historical cost basis.

(c) Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Company's functional currency.

(d) Going Concern

For the year ended 30 June 2024 the Group has incurred a net loss of \$2,155,055 (2023: \$1,234,028), had a net working capital surplus of \$ 1,646,349 (2023: deficiency of \$327,053), experienced net cash outflows from operations of \$1,438,962 (2023: \$879,760) and net cash outflows from investing activities of \$1,378,777 (2023: outflow \$682,280). As at 30 June 2024 the cash balance was \$ 1,172,085 (2023: \$68,530).

The Directors have reviewed the cash flow requirements in the next 12 months and recognise that the ability of the Group to continue as a going concern is dependent on securing additional funding through equity to continue to fund its exploration activities. These conditions indicate a material uncertainty that may cast a significant doubt about the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The financial statements have been prepared on the basis that the Group is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business for the following reasons:

- The Group successfully raised \$1,635,127 (before costs) in April 2024 through a Placement to sophisticated and professional investors at \$0.0075 per share;
- The Group still has the ability to place with potential further commitments of up to \$600,000 through the issue of 80,000,000 shares (to be finalised);
- The Directors have assessed the cash flow requirements for the 12 month period from the date of approval of the financial statements and its impact on the Group and believe there will be sufficient funds to meet the Group's working capital requirements;
- The working capital has a surplus and the Directors are satisfied funds will be available when obligations arise in the next 12 months;
- The Directors are confident the Group will be successful in sourcing further capital from the issue of additional equity securities, if required, to fund the ongoing operations of the Group having previously been successful when raising funds through equity issues; and
- The ability of the Group to further scale back certain parts of their activities that are non-essential so as to conserve cash.

Should the Group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements and that the financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the company not continue as a going concern.

Titanium Sands Limited
Notes to the consolidated financial statements (continued)
For the year ended 30 June 2024

3. Material accounting policies

(a) Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments comprise, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables. Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire. Regular way purchases and sales of financial assets are accounted for at trade date, i.e., the date that the Group commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled. Cash and cash equivalents comprise cash balances and call deposits. Accounting for finance income and expense is discussed in note 3(i).

Classification and measurement of financial liabilities

The Company's financial liabilities include borrowings, trade and other payables and derivative financial instruments. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

Other non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses.

(b) Exploration and evaluation assets

Exploration and evaluation costs, comprising net direct costs (including the costs of acquiring licences) and an appropriate portion of related overhead expenditure directly attributable to the exploration property, relating to current areas of interest are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the Group has obtained the legal rights to explore an area are recognised in the Statement of Profit or Loss and comprehensive income.

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

- (i) the exploration and evaluation costs are expected to be recouped through successful development and exploitation of the area of interest; or
- (ii) activities in the area of interest have not at the reporting date, reached a stage which permits a reasonable assessment of the existence or other wise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

Titanium Sands Limited
Notes to the consolidated financial statements (continued)
For the year ended 30 June 2024

3. Material accounting policies (continued)

(b) Exploration and evaluation assets (continued)

Exploration and evaluation assets are assessed for impairment if one or more of the following facts and circumstances arise:

- (i) the period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- (ii) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- (iii) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and
- (iv) sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

In any such case, or similar cases, the entity shall perform an impairment test in accordance with AASB 136. Any impairment loss is recognised as an expense in accordance with AASB 136.

For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified from intangible assets to mining property and development assets.

In the event that an area of interest is abandoned, accumulated costs carried forward are written off to the Statement of Profit of Loss and Other Comprehensive Income in the year in which that assessment is made. Expenditure is not carried forward in respect of any area of interest, unless the Group's right of tenure to that area of interest is current.

(c) Principles of consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent, Titanium Sands Limited and all of the subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

Titanium Sands Limited
Notes to the consolidated financial statements (continued)
For the year ended 30 June 2024

3. Material accounting policies (continued)

(d) Foreign currency translation

The financial statements are presented in Australian dollars, which is the Company's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

(e) Share based payments

Equity-settled and cash-settled share-based payments are provided to employees and suppliers.

The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a Black-Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

(f) Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method. The component of the convertible notes that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs.

Convertible notes issued by the Group comprised convertible notes that could be converted to share capital at the option of the holder. The conversion feature is contingent on an event occurring and the conversion price is fixed. Furthermore upon conversion the holder was also entitled to free attaching options. Consequently the note fails the fixed for fixed requirement of AASB 132 and no equity component is recognised on initial recognition. The company had elected upon initial recognition of the convertible notes (including its embedded derivatives which is the free attaching options) to recognise the whole instrument as a financial liability carried at fair value through profit or loss.

On initial recognition the fair value of the convertible note equated to the proceeds received as no gain or loss on initial recognition can be recognised per the requirements of the accounting standards AASB9. The financial liability was subsequently measured at fair value at the end of the relevant reporting period and fair value movements were recognised in profit or loss as a finance cost.

The fair value of the liability took into account the value of the conversion feature (the discount and the free attaching options) and the probability of the contingent event occurring.

Titanium Sands Limited

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

(g) Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 25.

(h) New accounting standards and interpretations issued

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2024. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations are not expected to be significant.

4. Critical accounting estimates and judgement

- Impairment of capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale and maintains the rights to tenure.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, which could impact the cost of mining, future legal changes (including changes to the environmental restoration obligations) and changes to commodity prices.

Given the stage of exploration of the Group, it is not possible to reliably estimate future cash flows. The carrying value of mineral properties is reviewed and assessed with reference to comparative transactions, the status of existing joint venture arrangements, market volatility and the significant changes in valuations for all mineral assets as a result of the recent significant discounting of equity markets. To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, profits and net assets will be reduced in the period in which this determination is made.

- Share based payments

The Group measures the cost of equity-settled transactions with employees and external consultants by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of any options issued are determined by an internal valuation using a Black-Scholes option pricing model, using the assumptions detailed in the notes to the financial statements. The assumptions detailed in the note is also judgemental.

5. Financial risk management

Overview

The Group has exposure to the following risks from their use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included throughout this annual financial report. The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

Titanium Sands Limited

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

5. Financial risk management (continued)

Risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers as cash and cash equivalent.

Cash and cash equivalents

The Group holds cash and cash equivalents with reputable Australian banks currently rated AA-.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Group continually monitors its cash flow requirements. Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 90 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, affect the Group's financial performance or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Group's foreign subsidiaries are affected by movements in the exchange rate of the Sri Lankan Rupee.

Interest rate risk

Interest rate risk arises as a result of the fluctuations in variable interest rates.

Capital management

Capital is defined as the share capital of the Company. The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company is not subject to externally imposed capital requirements. Refer to note 18.

Titanium Sands Limited
Notes to the consolidated financial statements (continued)
For the year ended 30 June 2024

6. Administrative expenses

	2024	2023
	\$	\$
Legal expenses	34,956	23,049
Accounting, compliance and audit expenses	283,088	186,829
Corporate advisory fees	60,000	35,000
Marketing expenses	82,953	46,886
Other administrative expenses	272,266	281,081
	733,263	572,845

7. Finance income and expense

	2024	2023
	\$	\$
Interest income	7,342	3,477
Total finance income	7,342	3,477
Extinguishment of financial liability	(766,094)	(87,827)
Total finance expenses	(766,094)	(87,827)
Net finance expenses	(758,752)	(84,350)

Finance expense of \$766,094 is to recognise the excess of the fair value of the shares and options issued to the Chief Operating Officer and to Willis Holdings, refer Note 16.

8. Exploration and evaluation expenditure

	2024	2023
	\$	\$
Balance at the beginning of year	20,572,535	16,371,142
Exploration costs capitalised	1,370,905	727,688
James Global acquisition cost reallocation	(452,420)	-
Foreign currency translation	64,094	3,473,705
Balance at the end of the year	21,555,114	20,572,535

9. Tax

	2024	2023
	\$	\$
a. The components of tax expense comprise:		
Current tax	-	-
Deferred tax	-	-
	-	-
b. the prima facie tax on loss before income tax is reconciled to the income tax as follows		
Loss before income tax	(2,159,273)	(1,234,028)
Prima facie tax payable on loss before income tax at 30% (2023: 30%)	(647,782)	(370,208)
Tax effect of amounts which are not deductible/(taxable) in calculating taxation income:		
- Non assessable, non-exempt income, non-deductible	328,317	60,461
	(319,464)	(309,747)
Net deferred tax asset arising from carried forward losses not recognised	319,464	309,747
Income tax expense	-	-

Titanium Sands Limited
Notes to the consolidated financial statements (continued)
For the year ended 30 June 2024

9. Tax (continued)

The Group has unrecognised tax losses carried forward to the year ended 30 June 2024 of \$8,634,866 (2023: \$7,741,260) to which a deferred tax asset has not been recognised as there is no certainty of probable future taxable income to which they can be utilised. The future recovery of these losses is subject to the Company satisfying the requirements imposed by the regulatory taxation authorities and passing the required continuity of ownership and same business test rules at the time the losses are expected to be utilised.

10. Cash and cash equivalents

	2024	2023
	\$	\$
Current		
Bank balances	1,172,085	68,530
	1,172,085	68,530

11. Trade and other receivables

	2024	2023
	\$	\$
Current		
Prepayment	19,578	12,496
Funds advanced to vendors ¹	452,420	-
GST receivable	36,826	13,906
Other receivables	99,615	-
	608,439	26,402

¹ The funds advanced to vendors represents amounts transferred to James Global (Pvt) Ltd as consideration for the acquisition. The management decided the termination of the acquisition and amounts advanced are to be refunded to the Company. A letter for refund has been issued to James Global and a refund is expected to be received.

12. Trade and other payables

	2024	2023
	\$	\$
Current		
Trade creditors	42,787	71,997
Accrued expenses	81,340	99,988
Other payables	10,048	-
	134,175	171,985

13. Financial liabilities

	2024	2023
	\$	\$
Current		
Convertible notes	-	250,000
	-	250,000
Opening balance	250,000	504,509
Convertible note converted into equity ¹	(250,000)	250,000
	-	250,000

Titanium Sands Limited

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

13. Financial liabilities (continued)

¹ During the year \$200,000 was converted following shareholder approval through the issue of 40,000,000 fully paid ordinary shares and 40,000,000 attaching options (refer to note 16). \$50,000 was transferred to Computershare to utilise the funds as part of the rights issue in the name of Willis Holdings.

14. Loss per share

Basic and diluted loss per share

The calculation of basic loss per share at 30 June 2024 of \$0.11 (2023: (\$0.09)) was based on the loss attributable to ordinary shareholders of \$2,155,055 (2023: \$1,244,028) and a weighted average number of ordinary shares outstanding during the financial year ended 30 June 2024 of 1,905,786,837 (2023: 1,389,345,492).

Weighted average number of ordinary shares

	2024	2023
Weighted average number of ordinary shares at 30 June	1,905,786,837	1,389,345,492

15. Issued Capital

Fully Paid Ordinary Shares

	Number	\$
On issue at 1 July 2022	1,258,459,204	35,706,530
<i>Movements during the year</i>		
Fee shares issued to Bulk Commodities ¹	137,363,642	1,511,000
Collateral shares issued to Bulk Commodities ²	10,575,000	148,050
Share issue costs	-	(416,000)
On issue at 30 June 2023	1,406,397,846	37,011,951
<i>Movements during the year</i>		
Placement	600,902,164	3,549,554
Rights Issue	141,947,180	709,735
Shares issued on conversion of note facility ¹	40,000,000	560,000
Shares issued pursuant to employee share option plan	12,500,000	62,500
Employee shares ²	10,000,000	140,000
Share issue costs	-	(422,386)
On issue at 30 June 2024	2,211,747,190	41,611,354

¹ 40,000,000 shares and attaching options were issued to Willis Holdings Limited on conversion of a convertible note facility of \$200,000. The shares were valued at the share price at grant date (\$0.014) with the excess of the fair value of the shares and options (refer to Note 7) expensed as an extinguishment of a financial liability.

² 10,000,000 shares and attaching options were issued to the incoming Chief Operating Officer in lieu of \$50,000 salary payment. The shares were valued at the share price at grant date (\$0.014) with the excess of the fair value of the shares and options (refer to Note 7) expensed as an extinguishment of a financial liability.

16. Reserves

	2024	2023
	\$	\$
Option and equity settled reserve ¹	7,099,248	6,649,465
Foreign currency translation reserve ²	(12,912,683)	(12,976,776)
	(5,813,435)	(6,327,311)

¹ The Option and Equity Settled Reserve is used to record the fair value of equity incentives issued.

² The Foreign Currency Translation Reserve is used to record exchange rate differences arising on translation of foreign subsidiaries.

Titanium Sands Limited
Notes to the consolidated financial statements (continued)
For the year ended 30 June 2024

16. Reserves (continued)

<i>Movement in option and equity settled reserve</i>	2024	2024	2023
	Numbers	\$	\$
Opening balance	381,625,000	6,649,465	6,262,164
Broker options ¹	105,000,000	133,689	298,088
Lender options	-	-	89,213
Employee options ²	10,000,000	63,219	-
Conversion options ²	40,000,000	252,875	-
Facility fee options issued ³	20,000,000	-	-
Free attaching options to the Placement	524,832,380	-	-
Options expired	(66,897,716)	-	-
Closing balance	1,014,559,664	7,099,248	6,649,465

¹ 105,000,000 options were issued to the Broker for services provided during the Placement. The Company could not value the services provided and therefore used a Black & Scholes option pricing model to value the options. The options vest immediately and the following table lists the inputs to the model used in their valuation:

Grant Date	28/09/2023
Expected Volatility	100%
Expected Life	2.4 years
Fair Value	\$0.00126
Number Issued	105,000,000
Dividend Yield	Nil
Exercise Price (\$)	\$0.023
Share Price at Grant Date (\$)	\$0.005

² 10,000,000 shares and attaching options were issued to the incoming Chief Operating Officer in lieu of \$50,000 salary payment (refer to Note 7) and 40,000,000 shares and attaching options were issued to Willis Holdings Limited on conversion of a convertible note facility of \$200,000 (refer to Note 7). The options vest immediately and the following table lists the inputs to the model used in their valuation:

Grant Date	28/11/2023
Expected Volatility	100%
Expected Life	2.2 years
Fair Value	\$0.00632
Number Issued	50,000,000
Dividend Yield	Nil
Exercise Price (\$)	\$0.023
Share Price at Grant Date (\$)	\$0.014

³ Options issued pursuant to funding facility agreement entered into by the Company in April 2023. The options were deemed granted and expensed in April 2023 but only issued during the current year.

Titanium Sands Limited
Notes to the consolidated financial statements (continued)
For the year ended 30 June 2024

16. Reserves (continued)

Outstanding Share Options

As at 30 June 2024 the Group had the following share options outstanding:

Details	Type	Number
Options exercisable at \$0.024 expiring 16 February 2026 ¹	Listed options	1,014,559,664

¹ On 20 March 2024, the Company announced the conversion of the 1,014,559,664 unquoted class of options TSLAH to the listed code TSLOA .

17. Financial instruments

The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to the financial statements, are as follows:

	2024	2023
	\$	\$
Financial assets		
Cash and cash equivalents	1,172,085	68,530
Trade and Other receivables	452,420	26,402
Total financial assets	1,624,505	94,932
Financial liabilities		
Trade and other payables	52,835	171,985
Convertible notes	-	250,000
Total financial liabilities	52,835	421,985
Total net financial instruments	1,571,670	(327,053)

Fair value hierarchy

The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;

Level 3: Unobservable inputs for the asset or liability.

Titanium Sands Limited
Notes to the consolidated financial statements (continued)
For the year ended 30 June 2024

17. Financial instruments (continued)

Credit risk

Exposure to credit risk

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

	Carrying amount	
	2024	2023
Cash and cash equivalents	1,172,085	68,530
	1,172,085	68,530

The Group does not currently earn revenue from operating assets, thus there is currently no credit risk on trade receivables at the reporting date by geographic region, customer type or by significant customer.

Impairment losses

There was no impairment expense during the current financial year (2023: nil). The Group does not have any receivables that are past due, nor is there a requirement to make any allowances for impairment in respect of other receivables.

Liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

Group 30 June 2024	Carrying amount	Contractual cash flows	1-12 mths	1-2 years	2-5 years	More than 5 years
	\$	\$	\$	\$	\$	\$
Trade and other payables	134,175	134,175	134,175	-	-	-
Financial liabilities	-	-	-	-	-	-

Group 30 June 2023	Carrying amount	Contractual cash flows	1-12 mths	1-2 years	2-5 years	More than 5 years
	\$	\$	\$	\$	\$	\$
Trade and other payables	171,985	171,985	171,985	-	-	-
Financial liabilities	250,000	250,000	250,000	-	-	-

Currency risk

Exposure to currency risk

The Group is exposed to foreign exchange rate arising from various currency exposures. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency.

The Group's exposure to foreign currency risk at the reporting date was as follows:

	2024		2023	
	AUD \$	LKR \$*	AUD \$	LKR \$*
Cash and cash equivalents	1,165,431	6,653	66,718	1,812
Trade and other payables	(131,042)	(3,133)	(169,093)	(2,892)
Placement funds to be converted to equity	-	-	(250,000)	-
	1,034,389	3,520	(352,375)	(1,080)

* Amounts are shown in AUD equivalent

Titanium Sands Limited
Notes to the consolidated financial statements (continued)
For the year ended 30 June 2024

17. Financial instruments (continued)

Interest rate risk

The Group's exposure to interest rate risk and the effective interest rate for classes of financial assets and financial liabilities is set out below:

	Floating interest rate \$	Fixed interest rate \$	2024 total \$	Floating interest rate \$	Fixed interest rate \$	2023 total \$
Financial assets						
-Within one year						
Cash and cash equivalents	1,172,085	-	1,172,085	68,530	-	68,530
Effective interest rate	0.55%	-	0.55%	0.55%	-	0.55%
Total financial assets	1,172,085	-	1,172,085	68,530	-	68,530
Financial liabilities						
-Within one year						
Trade creditors	134,175	-	134,175	171,985	-	171,985
Effective interest rate	0%	-	0%	0%	-	0%
Financial liabilities	-	-	-	-	250,000	250,000
Effective interest rate	-	-	-	0%	10%	5.9%
Total financial liabilities	134,175	-	134,175	171,985	250,000	421,985

The Group is exposed to interest rate risk as the Group hold funds on deposit at floating interest rates.

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. A 50 basis point increase or decrease is used when reporting interest rate risk internally to Directors and represents management's assessment of the possible change in interest rates.

At reporting date, if interest rates had been 50 basis points higher or lower and all other variables were held constant, the Group's net revenue would increase by \$5,860 and decrease by \$5,860 respectively (2023: \$343).

18.a Reconciliation of cash flows from operating activities

	2024 \$	2023 \$
Cash flows from operating activities		
Loss for the period	(2,155,055)	(1,234,028)
Share based payment	62,500	148,050
Depreciation	678	35,038
Finance expense	(3,123)	87,827
Extinguishment of financial liability	766,094	-
(Increase) / decrease in trade and other receivables	(135,787)	(4,259)
(Decrease) / increase in trade and other payables	25,731	87,612
Net cash from operating activities	(1,438,962)	(879,760)

Titanium Sands Limited
Notes to the consolidated financial statements (continued)
For the year ended 30 June 2024

18.b Non-cash Financing and Investing Activities

	2024	2023
	\$	\$
Share based payments	448,813	-
Conversion of loan	250,000	-
Total Non-cash Financing and Investing Activities	698,813	-

18.c Changes in liabilities arising from financing activities

	Financial liabilities	Total
	\$	\$
Balance at 30 June 2023	250,000	250,000
Converted into equity	(250,000)	(250,000)
Interest expense – unwinding of discount	-	-
Balance at 30 June 2024	<u>-</u>	<u>-</u>

19. Related Party Transactions

Key management personnel compensation

	2024	2023
	\$	\$
The key management personnel compensation are as follows:		
Short-term employee benefits	555,900	476,100
Share Based Payments	203,219	-
Post-employment benefits	19,800	18,900
	778,919	495,000

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. A number of these entities transacted with the Company in the reporting period.

Consultancy services

Jason Ferris is a Director of J2J Investments Pty Ltd (“J2J”), which provided the Company with out of scope consultancy services. These services provided were based upon normal commercial terms and conditions no more favourable than those available to other parties. The amount incurred for the year ended 30 June 2024 was \$110,100 (2023: \$85,800) and are included as part of Directors remuneration in section 7.3.

Dr James Searle is a Director of Earthsciences Pty Ltd (“Earthsciences”), which provided the Company with director and consultancy services. These services provided were based upon normal commercial terms and conditions no more favourable than those available to other parties. The amount incurred for the year ended 30 June 2024 was \$97,800 (2023: \$120,300) and are included as part of Directors remuneration in section 7.3.

Mr Lee Christensen is a Director of Pooky Corporation Pty Ltd (“Pooky”), which provided the Company with director services. These services provided were based upon normal commercial terms and conditions no

Titanium Sands Limited

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

19. Related Party Transactions (continued)

more favourable than those available to other parties. The amount incurred for the year ended 30 June 2024 was \$97,800 (2023: \$120,300) and are included as part of Director remuneration in section 7.3.

Mr Doug Martens is a Director of White Knight Capital Consulting Pty Ltd ("White Knight"), which provided the Company with consulting services. These services provided were based upon normal commercial terms and conditions no more favourable than those available to other parties. The amount incurred for the year ended 30 June 2024 was \$78,000 (2023: nil) and are included as part of KMP remuneration in section 7.3.

Other Transactions

In April 2023 the Company entered into a convertible facility with Willis Holdings Limited (an entity related to Robert Nelson, Jason Ferris' father in law). During the period \$200,000 was converted following shareholder approval through the issue of 40,000,000 fully paid ordinary shares and 40,000,000 attaching options. The deemed total fair value of the shares and options issued was \$812,875 (refer to Note 7 and 16) due to the market price of the shares at grant date (date of shareholder approval) being \$0.014. The surplus fair value of \$612,875 was expensed as an extinguishment of a financial liability.

During the year 10,000,000 shares and attaching options were issued to the incoming Chief Operating Officer in lieu of \$50,000 salary payment. The shares were valued at the share price at grant date (date of shareholder approval) being \$0.014 with the excess of the fair value of the shares and options (refer to financial statement note 7) expensed as an extinguishment of a financial liability. In May 2024 the Company paid \$23,496 to Doug Martens as the consulting services Mr Martens rendered in regards to the Placement in April 2024.

There were no other transactions with Directors and key management personnel in the current financial year.

20. Segment Reporting

The Group operates in one reportable segment, being mineral exploration in Sri Lanka. The Board of Directors review internal management reports on a regular basis that is consistent with the information provided in the statement of profit or loss and other comprehensive income, statement of financial position and statement of cash flows. As a result no reconciliation is required because the information as presented is what is used by the Board to make strategic decisions.

21. Events Occurring after the Reporting Period

On 5 July 2024 the Company announced a change of auditor from BDO Audit (WA) Pty Ltd to BDO Audit Pty Ltd in accordance with Listing Rule 3.16.3.

There were no other significant events after the reporting date besides above.

Titanium Sands Limited

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2024

22. Commitments and Contingencies

Exploration Expenditure

The Group's Sri Lankan tenements are subject to annual minimum expenditure commitments based on the area of land holding which the minimum expenditure commitment doubling on each renewal. For those tenements where the GSMB has accepted exploration has been satisfactorily completed, the tenements have been converted to retention status and are subject to annual retention payments. The current exploration commitment are:

	2024	2023
	\$	\$
Within 12 months	210,561	210,840
Greater than 12 months but less than 5 years	922,280	1,198,141
	1,132,841	1,408,981

Other Commitments:

The 33,333,333 Class B issued during the year ended 30 June 2019 will convert to ordinary equity at \$0.02 per share on the Group obtaining a grant of one or more mining licenses on the Sri Lankan Project prior to 31 December 2024. Whilst significant progress has been made towards obtaining the mining licences during the financial year and management are optimistic they will be granted within the next 6 months, management continues to assess the probability of achieving this milestone by 31 December 2024 at 0%.

Contingent Liabilities:

The Group has entered into a royalty deed with Curprum Holdings Limited to pay 5% of the net proceeds from the sale of minerals on the tenements acquired from Srinel Holdings Limited. Further to this the Group has also entered into a royalty deed with Caudan Management Services LLC to pay 5% of net proceeds from the sale of mineral on the tenements acquired from Bright Angel Limited.

The Group has no other contingent assets or liabilities at reporting date.

23. Auditors' Remuneration

	2024	2023
	\$	\$
Audit and other non-audit services		
Audit and review of financial reports	49,195	46,358
	49,195	46,358

The BDO entity performing the audit of the group transitioned from BDO Audit (WA) to BDO Audit Pty Ltd in 2024. The disclosures include amounts received or due and receivable by BDO Audit (WA) Pty Ltd, BDO Audit Pty Ltd and their respective related entities.

24. Interest in Controlled Entities

The consolidated financial statements incorporate the assets, liabilities and the results of the following subsidiaries in accordance with the accounting policy described in note 3(e):

Titanium Sands Limited
Notes to the consolidated financial statements (continued)
For the year ended 30 June 2024

24. Interest in Controlled Entities (continued)

Controlled entities	Country of incorporation	Percentage owned 30 June 2024	Percentage owned 30 June 2023
Srinel Holdings Limited	Mauritius	100%	100%
Kilsythe Investments (Pvt) Ltd	Sri Lanka	100%	100%
Kilsythe Exploration (Pvt) Ltd	Sri Lanka	100%	100%
Singha Lanka Investments (Pvt) Ltd	Sri Lanka	100%	100%
Hammersmith Ceylon (Pvt) Ltd	Sri Lanka	100%	100%
Applex Ceylon (Pvt) Ltd	Sri Lanka	100%	100%
Bright Angel Limited	Mauritius	100%	100%
Rotim Investments (Pvt) Ltd	Sri Lanka	100%	100%
Sanur Asia Investments (Pvt) Ltd	Sri Lanka	100%	100%
Hammersmith Investments (Pvt) Ltd	Sri Lanka	100%	100%
Orion Minerals (Pvt) Ltd	Sri Lanka	99%	99%
Melville Investments (Pvt) Ltd	Sri Lanka	100%	100%
Sanur Minerals Investments (Pvt) Ltd	Sri Lanka	100%	100%
Ambrosden Resources (Pvt) Ltd	Sri Lanka	100%	100%
Melville Resources (Pvt) Ltd	Sri Lanka	100%	100%

25. Parent Entity information

Financial position	2024	2023
	\$	\$
Assets		
Current assets	1,222,958	92,482
Non-current assets	19,115,033	17,420,251
Total assets	20,337,991	17,512,733
Liabilities		
Current liabilities	131,042	419,093
Total liabilities	131,042	419,093
Equity		
Issued capital	41,611,354	37,011,951
Accumulated losses	(28,503,654)	(26,567,777)
Reserves	7,099,248	6,649,465
Total equity	20,206,948	17,093,639
Financial performance		
Loss for the year	(1,935,877)	(863,804)
Total comprehensive loss for the year	(1,935,877)	(863,804)

Guarantees:

The Company has not entered into any guarantees in the current or previous financial year, in relation to the debts of its subsidiaries.

Other Commitments and Contingencies:

The Company has no commitment to acquire property, plant and equipment and has no contingent liabilities other than those disclosed in Note 22.

Titanium Sands Limited
Consolidated Entity Disclosure Statement
For the year ended 30 June 2024

Entities	Country of incorporation	Entity Type	Ownership	Australian resident or foreign resident	Foreign jurisdiction(s) of foreign residents
Parent Entity					
Titanium Sands Limited	Australia	Body Corporate	n/a	Australian	n/a
Controlled Entities					
Srinel Holdings Limited	Mauritius	Body Corporate	100%	Australian	Dual- Mauritius
Kilsythe Investments (Pvt) Ltd	Sri Lanka	Body Corporate	100%	Australian	Dual- Sri Lanka
Kilsythe Exploration (Pvt) Ltd	Sri Lanka	Body Corporate	100%	Australian	Dual- Sri Lanka
Singha Lanka Investments (Pvt) Ltd	Sri Lanka	Body Corporate	100%	Australian	Dual- Sri Lanka
Hammersmith Ceylon (Pvt) Ltd	Sri Lanka	Body Corporate	100%	Australian	Dual- Sri Lanka
Applex Ceylon (Pvt) Ltd	Sri Lanka	Body Corporate	100%	Australian	Dual- Sri Lanka
Bright Angel Limited	Mauritius	Body Corporate	100%	Australian	Dual- Mauritius
Rotim Investments (Pvt) Ltd	Sri Lanka	Body Corporate	100%	Australian	Dual- Sri Lanka
Sanur Asia Investments (Pvt) Ltd	Sri Lanka	Body Corporate	100%	Australian	Dual- Sri Lanka
Hammersmith Investments (Pvt) Ltd	Sri Lanka	Body Corporate	100%	Australian	Dual- Sri Lanka
Orion Minerals (Pvt) Ltd	Sri Lanka	Body Corporate	99%	Australian	Dual- Sri Lanka
Melville Investments (Pvt) Ltd	Sri Lanka	Body Corporate	100%	Australian	Dual- Sri Lanka
Sanur Minerals Investments (Pvt) Ltd	Sri Lanka	Body Corporate	100%	Australian	Dual- Sri Lanka
Ambrosden Resources (Pvt) Ltd	Sri Lanka	Body Corporate	100%	Australian	Dual- Sri Lanka
Melville Resources (Pvt) Ltd	Sri Lanka	Body Corporate	100%	Australian	Dual- Sri Lanka

For personal use only

Titanium Sands Limited Directors' Declaration

The directors of Titanium Sands Limited ("the Company" or "the Group") declare that:

- 1) the financial statements and notes thereto are in accordance with the Corporations Act 2001, including:
 - a) giving a true and fair view of the financial position of the Group as at 30 June 2024 and of its performance, as represented by the results of its operations and cash flows, for the financial year ended on that date; and
 - b) comply with Accounting Standards in Australia, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- 2) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.
- 3) the financial statements also comply with International Financial Reporting Standards as disclosed in Note 2; and
- 4) the attached Consolidated Entity Disclosure Statement is true and correct.

This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295(a) of the Corporations Act 2001.

Dated this 27th day of September 2024

Signed in accordance with a resolution of the directors:



James Searle
Director

INDEPENDENT AUDITOR'S REPORT

To the members of Titanium Sands Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Titanium Sands Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 2(d) in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matter described below to be the key audit matters to be communicated in our report.

Carrying Value of Exploration and Evaluation Assets

Key audit matter	How the matter was addressed in our audit
<p>At 30 June 2024, the carrying value of capitalised exploration expenditure was disclosed in Note 8.</p> <p>As the carrying value of the exploration assets represent a significant asset of the Group, we considered it necessary to assess whether any factors or circumstances exist to suggest that the carrying amount of these assets may exceed its recoverable amount.</p> <p>Judgement is applied in determining the treatment of exploration expenditure in accordance with Australian Accounting Standard AASB 6 Exploration for and Evaluation of Mineral Resources. In particular, whether the facts and circumstances indicate that the exploration and evaluation assets should be tested for impairment.</p> <p>As a result, this is considered a key audit matter.</p>	<p>Our procedures included but were not limited to></p> <ul style="list-style-type: none"> • Obtaining a schedule of the exploration and evaluation expenditure held by the Company and assessing whether the rights to tenure of the Mannar Island Project remained current or were in the process of being renewed at balance date; • Considering the status of the ongoing exploration programmes in the Mannar Island Project by holding discussion with management and reviewing the Group’s exploration budgets, ASX announcements and director’s minutes; • Considering whether the Mannar Island Project has reached a stage where a reasonable assessment of economically recoverable reserves existed; • Considering whether any facts or circumstances existed to suggest impairment testing was required; and • Assessing the adequacy of the related disclosures in Note 3(b) and Note 8 of the financial report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2024, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

- i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.



A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 13 to 18 of the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Titanium Sands Limited, for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit Pty Ltd

BDO

A handwritten signature in black ink that reads 'J Prue'.

Jarrad Prue

Director

Perth, 27 September 2024

For personal use only



Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

Level 9, Mia Yellagonga Tower 2
5 Spring Street
Perth, WA 6000
PO Box 700 West Perth WA 6872
Australia

DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF TITANIUM SANDS LIMITED

As lead auditor of Titanium Sands Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Titanium Sands Limited and the entities it controlled during the period.

Jarrad Prue
Director

BDO Audit Pty Ltd
Perth
27 September 2024

Titanium Sands Limited Schedule of Exploration Tenements

The information was applicable as at 24 September 2024.

Exploration License	Holder	EL	Validity	Area	Status
EL 370	Kilsythe Exploration (PVT) LTD	4/05/2021	16/05/2024	31km ²	Current retention
EL 351	Sanur Minerals (PVT) LTD	13/12/2019	12/12/2023	15km ²	Current
EL 345	Sanur Minerals (PVT) LTD	29/10/2021	28/10/2023	10km ²	Current
EL 343	Orion Minerals (PVT) LTD	29/10/2021	28/10/2023	5km ²	Current
EL 344	Orion Minerals (PVT) LTD	29/10/2021	28/10/2023	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	

* Tenure renewals on the other 4 peripheral exploration licences remain pending. All necessary applications and submissions for the renewal of tenure have been lodged and are expected to be renewed in due course.

For personal use only

Titanium Sands Limited

ASX Additional Information

Additional information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report is set out below. The information was applicable as at 24 September 2024.

A. Distribution of Equity Securities

Analysis of numbers of security holders by size of holding:

Shareholders:

Distribution	Number of Shareholders	Number of Shares	%
1 - 1,000	143	22,760	0.00
1,001 - 5,000	19	41,148	0.00
5,001 - 10,000	16	134,757	0.01
10,001 - 100,000	281	13,945,558	0.63
100,001 Over	565	2,197,602,967	99.36
Total	1,024	2,211,747,190	100.00

There were 489 shareholders holding less than a marketable parcel of ordinary shares (at a price of \$0.004).

Optionholders:

Distribution	Number of Optionholders	Number of Options	%
1 - 1,000	16	2,501	0.00
1,001 - 5,000	6	24,153	0.00
5,001 - 10,000	9	66,082	0.01
10,001 - 100,000	44	1,708,490	0.17
100,001 Over	165	1,012,758,438	99.82
Total	240	1,014,559,664	100.00

B. Substantial Shareholders

An extract of the Company's Register of Substantial Shareholders (who hold 5% or more of the issued capital) is set out below:

Shareholder Name	Listed Ordinary Shares	
	Number	Percentage
Robert Nelson (Vuna Nominees LLC, Willis Holdings Ltd, King George V Nominees Ltd & Cuprum Holdings Limited)	503,310,261	26.12%
Timothy Paul Neesham	186,194,449	8.42%
Gary Johnson Super Management Pty Ltd	113,000,000	5.11%

C. Top 20

The names of the twenty largest holders of quoted shares are listed below:

		Listed Ordinary Shares	
	Shareholder Name	Number	Percentage
1	WILLIS HOLDINGS LTD	322,500,000	14.58
2	CUPRUM HOLDINGS LIMITED	130,245,261	5.89
3	GARY JOHNSON SUPER MANAGEMENT PTY LTD <GARY JOHNSON S/F NO 2 A/C>	113,000,000	5.11
4	REDASO PTY LTD <REDASO FAMILY A/C>	110,000,000	4.97
5	ALITIME NOMINEES PTY LTD <HONEYHAM FAMILY A/C>	89,880,325	4.06
6	HEEDFUL PTY LTD <ASSURED S/F A/C>	62,200,000	2.81
7	DC & PC HOLDINGS PTY LTD <DC & PC NEESHAM SUPER A/C>	60,730,000	2.75
8	GJJ GROUP PTY LTD	40,304,866	1.82
9	SUNSET CAPITAL MANAGEMENT PTY LTD <SUNSET SUPERFUND A/C>	37,346,512	1.69
10	VUNA NOMINEES LLC	35,000,000	1.58
11	ANGKOR IMPERIAL RESOURCES PTY LTD <TURKISH BREAD S/F A/C>	34,078,324	1.54
12	BNP PARIBAS NOMS PTY LTD	27,650,979	1.25
13	WEALTH TO WEALTH SUPERANNUATION PTY LTD <WEALTH TO WEALTH S/F A/C>	27,000,000	1.22
14	MR DAVID REGINALD KIRKWOOD + MRS SHAN LI	26,784,973	1.21
15	APNEA HOLDINGS PTY LTD <KELLY FAMILY A/C>	26,500,000	1.20
16	STAR SECRETARIAL SERVICES LTD	26,363,636	1.19
17	GJJ GROUP PTY LTD	22,000,000	0.99
18	MR HOWARD WILLIAM OTTEN	20,745,456	0.94
19	QUATTRO STAGIONE PTY LTD	16,800,000	0.76
20	MEMPHIS HOLDINGS PTY LTD <THE MEMPHIS HOLDINGS SF A/C>	16,499,050	0.75
	TOTAL	1,245,629,382	56.32

The names of the twenty largest option holders of quoted options are listed below:

		Listed Options	
	Optionholder Name	Number	Percentage
1	DC & PC HOLDINGS PTY LTD <DC & PC NEESHAM SUPER A/C>	98,550,000	9.71
2	WILLIS HOLDINGS LTD	80,000,000	7.89
3	ALITIME NOMINEES PTY LTD <HONEYHAM FAMILY A/C>	51,800,000	5.11
4	GJJ GROUP PTY LTD	50,000,000	4.93
5	STAR SECRETARIAL SERVICES LTD	32,727,272	3.23
6	ANGKOR IMPERIAL RESOURCES PTY LTD <TURKISH BREAD S/F A/C>	27,700,000	2.73
7	SUNSET CAPITAL MANAGEMENT PTY LTD <SUNSET SUPERFUND A/C>	23,409,092	2.31
8	REDASO PTY LTD <REDASO FAMILY A/C>	22,000,000	2.17
9	CPS CAPITAL NO 5 PTY LTD	18,540,000	1.83
10	APNEA HOLDINGS PTY LTD <KELLY FAMILY A/C>	18,500,000	1.82
11	NI NENGAH PUTRI	18,181,818	1.79
12	NORTH AMERICAN GOLD CORPORATION PTY LTD	17,860,200	1.76
13	DIXTRU PTY LIMITED	14,300,001	1.41
14	MR AVDO TABAKOVIC	13,000,000	1.28
15	RIMOYNE PTY LTD	12,000,000	1.18
16	RICHSHAM NOMINEES PTY LTD	11,060,000	1.09
17	MRS PAMELA CHRISTINE NEESHAM	10,672,728	1.05
18	MR DAVID IAN RAYMOND HALL + MRS DENISE ALLISON HALL	10,454,546	1.03
19	BERETTA NICKEL PTY LTD	10,400,000	1.03
19	BLACKWALL INVESTMENTS PTY LTD	10,400,000	1.03
	TOTAL	551,555,657	54.36

D. Voting Rights

In accordance with the Company's Constitution, voting rights in respect of ordinary shares are on a show of hands whereby each member present in person (or representing a corporation who is a member) shall have one vote and upon a poll, each share will have one vote.

E. On-market buy-back

There is no current on-market buy-back.

F. Restricted Securities

There are currently no restricted securities.