



ASX RELEASE

11th of May 2022

TITANIUM SANDS LIMITED

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Ticket

ASX: TSL

Institutional Share Placement

Titanium Sands Limited (“TSL” or “the Company”) is pleased to announce a share placement raising up to \$2 million. Proceeds from the placement will be used to fund ongoing and next phase progress on its Mannar Island Project in Sri Lanka as well as general working capital requirements.

The placement of ordinary shares in the Company (“Shares”) to Bulk Commodity Holdings, LLC (the “Investor”), a US-based institutional investor, will be in two tranches, with each by way of a prepayment of Shares (“Subscription Shares”) to be issued by the Company.

The first tranche will raise \$500,000 for \$535,000 worth of Subscription Shares, and its funding is expected to occur in the next week. The second tranche raising up to \$1,500,000 for Subscription Shares worth an equivalent amount may be conducted by mutual consent of the Investor and the Company. The Company will issue Subscription Shares, at the Investor’s request, within twenty-four months of the date of the related prepayment. The number of shares so issued by the Company will be determined by applying the Purchase Price (as set out below) to the subscription amount, but subject to the Floor Price (as also set out below).

The Purchase Price of the Subscription Shares will be equal to \$0.045 per share initially, representing a premium of approximately 300% to the closing price of the Company’s shares on 10 May 2022 (being \$0.015). Subject to the Floor Price described below, the Purchase Price will reset after one month to the average of the five daily volume-weighted average prices selected by the Investor during the 20 consecutive trading days immediately prior to the date of the Investor’s notice to issue shares, less a 7.5% discount (or a 10% discount if the Subscription Shares are issued later than twelve months after the initial investment) (rounded down to the nearest one tenth of a cent if the share price is at twenty cents or below, half a cent if the share price is at fifty cents or below and above twenty cents, or whole cent otherwise). The Purchase Price will, nevertheless, be the subject of the Floor Price of \$0.01. If the Purchase Price formula results in a price that is less than the Floor Price, the Company may forego issuing shares and instead opt to repay the applicable subscription amount in cash (with a 10% premium), subject to the Investor’s right to receive Subscription Shares at the Floor Price in lieu of such cash repayment. The Purchase Price will not be the subject of a cap.

The Company will also have the right (but no obligation) to forego issuing shares in relation to the Investor’s request for issuance and instead opt to repay the subscription amount by making a payment to the Investor equal to the market value of the shares that would have otherwise been issued.

The Company will make an initial issuance of 2,800,000 Subscription Shares to the Investor at the time of the funding of the initial investment, which

counts towards the ultimate number of Subscription Shares to be issued. Alternatively, in lieu of applying these shares towards the aggregate number of the Subscription Shares to be issued by the Company, the Investor may make a further payment to the Company equal to the value of these shares determined using the Purchase Price at the time of the payment (incorporating the discount set out above).

The Company has agreed to issue 5,714,286 shares in satisfaction of a fee payable to the Investor.

All shares issued and agreed to be issued under the placement will be issued under the Company's existing placement capacity under Listing Rule 7.1.

In connection with the placement to the Investor, the Company has terminated the \$2 million funding facility provided by two major shareholders announced to the market on 11 February 2022. No draw downs were made by the Company under such facility.

Ends-

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

Further information contact:

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