



ASX RELEASE

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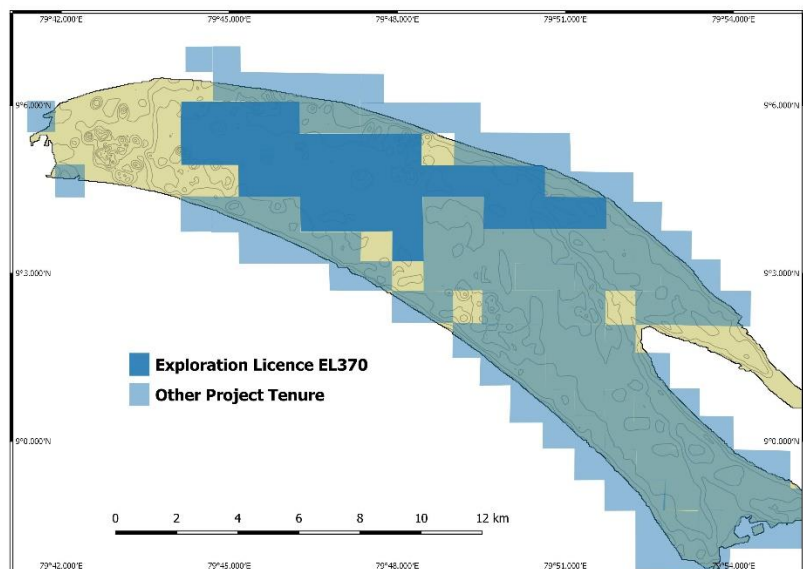
ASX: TSL

## MANNAR ISLAND MINERAL SANDS PROJECT Tenure and Covid-19 Situation Updates

### Tenure Update

The Geological Survey and Mines Bureau (GSMB) of Sri Lanka renewed Exploration license EL370 for a further two year period from the 4<sup>th</sup> of May 2021. The license is held by Kilsythe Exploration Pvt Ltd a Sri Lankan company and is part of the company's Mannar island Heavy Mineral Sand Project (Figure 1).

The renewed license covers 31km<sup>2</sup> of the interior of Mannar Island and has been shown by exploration drilling to contain about 50% of the mineral resources previously reported for the project (<sup>1</sup>[ASX announcement 14<sup>th</sup> September 2020](#)).



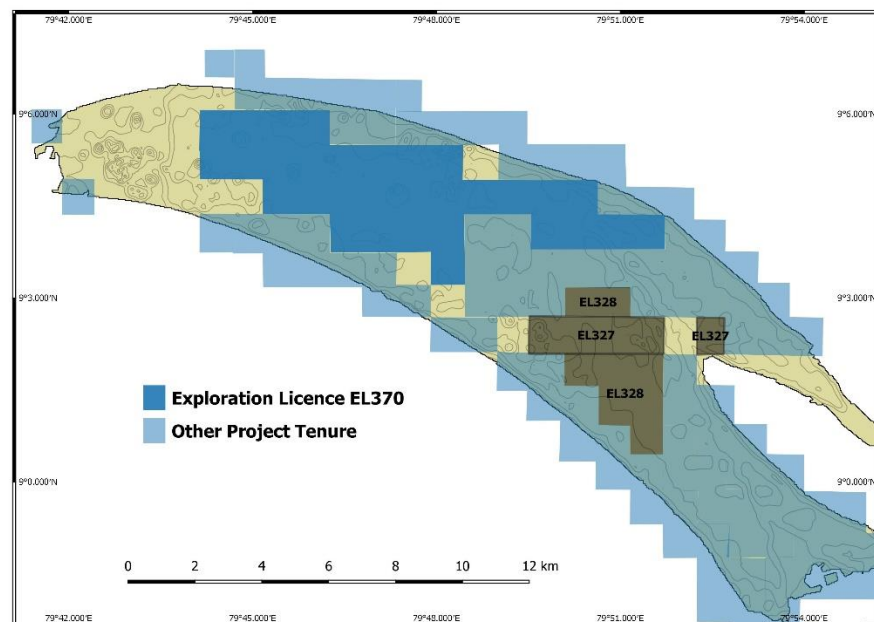
**Figure 1 Renewed Exploration License EL370**

In addition to this, the Company advises that the GSMB declined applications for renewal of licences EL327 and EL328 (Figure 2) on the basis that:

- changes in directors and shareholders of the Sri Lankan company holding the licenses had not been advised to the GSMB at the time of the renewal application, and
- dissatisfaction of the exploration and performance of exploration activities carried out by the company during the license period 2018-2020.

This decision is subject to an Appeal Process under the terms of the Sri Lankan Mines and Minerals Act (No 33) section 39. As such, an appeal was immediately lodged after consultation with legal counsel in Sri Lanka. The appeal was made on the basis that the GSMB decision was arbitrary, erroneous and has no basis in law or fact. Firstly, there is no requirement under the Sri Lankan Mining Act for the Company to notify the GSMB of any changes in directorships or shareholdings in the context of an exploration license. Industrial Mining licenses however, are subject to different regulatory requirements such as this. Secondly as reported in six monthly and bi-annual operational reports to the GSMB audited expenditure on the licences has exceeded minimal expenditure requirements by a factor of nearly five times and were defined by drilling a substantial heavy mineral sand resource.

Titanium Sands Ltd will provide further updates on this matter as further information becomes available.



**Figure 2 EL327 and EL328**

### **Covid Update**

The Covid-19 situation in Sri Lanka has in recent times rapidly deteriorated with new infections doubling in the last week from around 1,000 to 2,000 cases per day. Government agencies in Colombo are particularly affected by infections, contact quarantine and directives for most staff to remain away from work. TSL wish all Sri Lankan nationals well during this latest wave of Covid-19 and continue to offer support to its workforce in Sri Lanka. Unfortunately this has also had the effect of closing the GSMB until further notice, leaving the company uncertain as to the effect this will have on both the appeals referred to above and the extension of the tenements which are presently outstanding.

### **Suspension**

The Company wishes to remain in suspension given the rapid increase in positive Covid-19 cases in Sri Lanka over the past two weeks and the severe restrictions imposed by government on both the business community and local districts including Mannar. With the GSMB having now closed until further notice, it is not able to provide any indication on proposed timeframe to return to work and assessing the renewal of the Company's remaining outstanding EL's, and the appeal decision.

Separately, due to the restrictions imposed in Mannar we are unable to provide accurate timing on further developments in Mannar. We will provide updates as they are to hand.

### **Sri Lankan President Rajapaksa Stresses the Importance of International Investment**

Titanium Sands notes comments recently from President Gotabaya Rajapaksa regarding investment from foreign countries into Sri Lanka. President Rajapaksa has sought the support of the member states of the Boao Forum to encourage more businesses from their countries to consider Sri Lanka as a destination for their investments.

He made this request addressing the Boao Forum for Asia Annual Conference 2021 (AC2021) on Tuesday (April 20).

The President said "We seek the contributions of our international partners to aid this process. We do not seek to borrow, but to encourage investments. We have developed attractive policies for Foreign Direct Investments, including a favourable tax structure and other incentives. We seek the support of the Governments of member countries of the Boao Forum to encourage more businesses from their countries to consider Sri Lanka as a destination for their investments. We particularly seek to attract investments in export-oriented industries that will have a beneficial impact on our economy".

Titanium Sands has invested almost US\$2m into Sri Lanka via its Mannar Island Project .

### **Ends-**

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

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## COMPLIANCE STATEMENTS

### *Forward-Looking Statements*

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

### *Competent Persons*

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

### *Previously Reported information and other foot notes for reference*

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

### ***<sup>1</sup> ASX announcement 14<sup>th</sup> September 2020 : Project update and garnet added to resource estimate.***

In relation to the announcement above of mineral resource estimates the Company confirms that it is not aware of any new information or data that materially affects the information included in this announcement and that all material assumptions and technical parameters underpinning the mineral resource estimate in the relevant market announcements 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' finding are presented have not been materially modified from the relevant original market announcement. The resource statement from this announcement is appended here as Table 1 below :

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

**Table 1 Mineral Resource Estimate based on a 2% lower cut off.**