



titaniumsands
LTD

ABN 65 009 131 533

Interim Financial Report

**Half Year Ended
31 December 2025**

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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

Titanium Sands Limited

Directors' Report For the half year ended 31 December 2025

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The Directors of Titanium Sands Limited (“the Company”) and its wholly owned subsidiaries (together referred hereafter as “the Group” or “the Consolidated Entity”) submit herewith the interim financial report for the half year ended 31 December 2025. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Directors

The Directors of the Company at any time during or since the end of the half year are:

Mr James Searle

Mr Jason Ferris

Mr Lee Christensen

Company Secretary

Mr Alan Armstrong

Principal Activities

The current principal activity and key focus for the Group during the period is mineral exploration.

Operating Results

The net loss of the Company for the half year ended 31 December 2025 was \$571,553 (2024: net loss \$583,682).

Review of Operations during the Period

The Mannar Island Heavy Mineral Sands Project in Northwest Sri Lanka is 100% controlled by Titanium Sands Ltd (the Company) (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 12/5/2023](#)) Titanium Sands Ltd has been progressing the necessary steps for securing an Industrial Mining License (IML) and other regulatory approvals for the project. A significant step was the issuance of the Terms of Reference (TOR) for the project issued by the Central Environment Agency (CEA) (² [ASX Announcement 25/3/2025](#)). This has enabled Titanium Sands' environmental consultants to progress the Environmental Impact Assessment (EIA). The EIA is a necessary precursor to the grant of an IML.

IML applications lodged by Titanium Sands now area of 69sqkm incorporating the existing project mineral resource estimate (MRE) of 318mt @ 4.17% HMS (previously reported in full in ³ [ASX Announcement 15/3/2023](#)) (Figures 2 and 3). An initial IML application covered the Stage 1 project development based on a high-grade zone made up of 82mt @ 6.03% THM and formed the basis of a scoping study. The subsequent IML application covers the rest of the mineral resource and will be evaluated as Stages 2 and 3 of the Project will be evaluated and potentially developed in parallel.

Titanium Sands Limited

Directors' Report
For the half year ended 31 December 2025

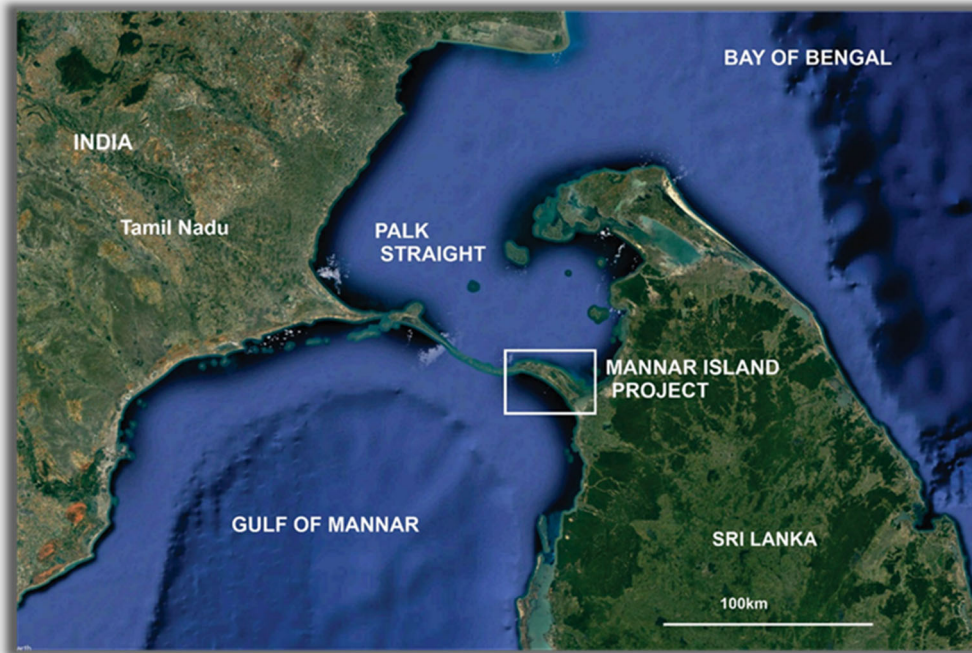


Figure 1 Location of the Mannar Island Heavy Mineral Sand Project, northwest Sri Lanka.

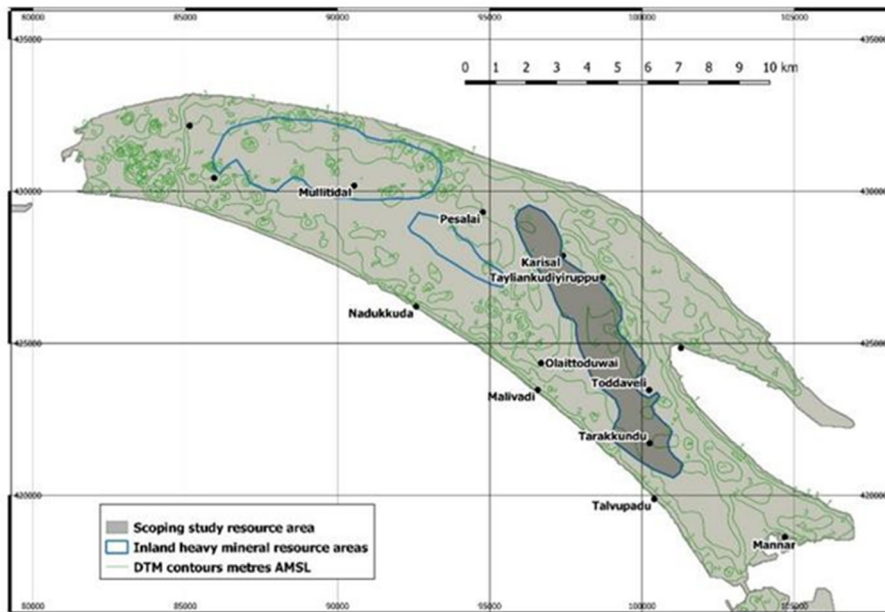


Figure 2: Inland mineral resource areas including scoping study mineral resource area

Titanium Sands Limited

Directors' Report For the half year ended 31 December 2025

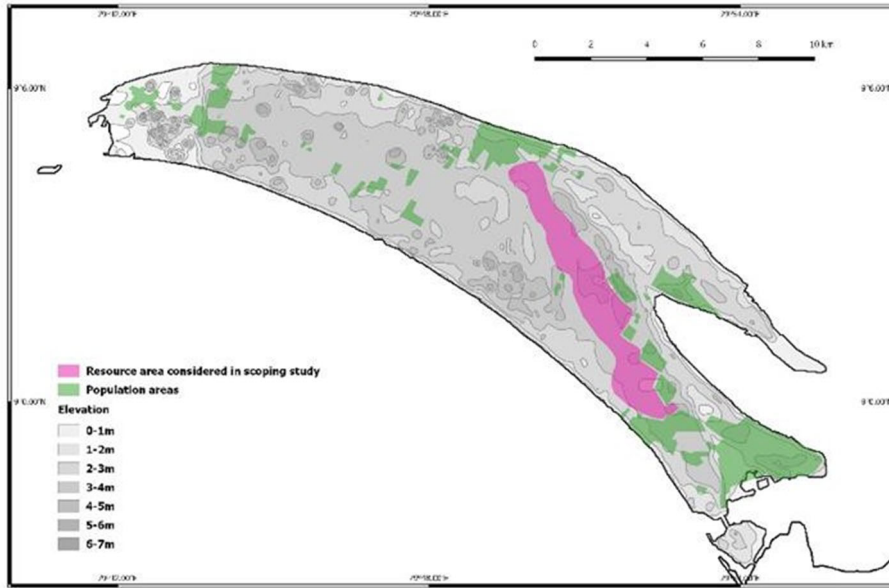


Figure 2: Portion of the Mineral Resource Estimate (MRE) considered in the Stage 1 scoping study base case

MINERAL RESOURCES

A mineral resource estimate (MRE) was completed in (Table 1) March 2023 ([³ASX Announcement 15/3/2023](#)). 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 [³ASX Announcement 15/3/2023](#).

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 [³ASX Announcement 15/3/2023](#).

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 in [³ASX Announcement 15/3/2023](#).

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* in [³ASX Announcement 15/3/2023](#).

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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* in ³ASX Announcement 15/3/2023).

*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.

SCOPING STUDY

The scoping study (¹ASX Announcement 12/5/ 2023) 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 indicated that this project scenario is economically robust and consequently more definitive studies are underway to examine the feasibility of second or even third dredges and expanded processing capacities to potentially exploit capital and operational efficiencies.

REGULATORY PROGRESS

New Mineral Policy

As previously announced (⁴ASX Announcement 30/1/2026) a national mineral policy is currently being developed with multiple agencies to strengthen Sri Lanka's mineral economy.

Recently, the Board of Investment (BOI) announced that 14 foreign investors had expressed interest in mineral exploration, for which investors were awaiting the policy framework. TSL is one of these foreign investors. These proposed investments are valued at around \$1 billion, and the majority is focused on mineral sand exploration and processing.

Industry stakeholders have highlighted the need for the policy framework to coherently address procedural delays along with strong governance mechanisms.

Sri Lanka's 2023–2025 Draft National Mineral Policy focuses on sustainable, optimal utilisation of non-renewable resources, aiming to boost foreign exchange by 2029 through investment in value-added processing for graphite, quartz, and heavy mineral sands. Key initiatives include strengthening regulations, improving governance, and enhancing transparency in licensing.

Key aspects of the new mineral policy seek to maximize the economic potential of mineral resources, while adhering to sustainable development and environmental management practices. It specifically aims to move away from raw material exports towards domestic value addition.

Key targets & sectors include graphite and quartz, the 2025–29 roadmap targets doubling foreign-exchange earnings from these minerals, and heavy mineral sands particularly focusing on processing in areas like Mannar.

The GSMB letter received by TSL advises that the IML applications will only be assessed once the new mineral policy has been completed and approved and therefore evaluation and comments will follow once the policy procedure is finalised.

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EIA Progress

Environmental studies on the Project have advanced and are nearing completion with only a few outstanding reports to be included. The Environmental Impact Assessment consultants have confirmed they are on track and believe this process will be finalised shortly, to align with the requirements of the Government.

The Environmental Impact Assessment (EIA) being undertaken by the company consultants is in accord with the Terms of Reference (TOR) issued for the Project by the Central Environment Agency (CEA). Accordingly, a number of specific studies are underway or completed including (⁵[ASX Announcement 12/6/2025](#)):

1. Hydrology and avoidance of impacts on the water table and water resources generally
2. Impacts on migratory birds
3. Natural vegetation and horticulture
4. Community economic and social impacts both positive and negative

All specified items in the TOR are being addressed along with broader studies addressing environmental management, rehabilitation of land to an enhanced state of productivity, and development of community social, health and educational benefits.

TENURE

The project tenure table (Table 1) now indicates the Project's five main licenses have the status "IML Lodged". As part of the GSMB acknowledgement letter received, the GSMB have advised a new mineral policy is being finalised and is yet to be approved at the Ministry, providing the Company with an opportunity to complete the pending environmental studies concurrently.

Exploration Licence	Holder	EL	Validity	Area	Status
EL 351	Orion Minerals (PVT) LTD	13/12/2024	12/12/2025	15km ²	IML Lodged
EL 425	Orion Minerals (PVT) LTD	19/11/2024	18/11/2025	10km ²	IML Lodged
EL 423	Orion Minerals (PVT) LTD	15/11/2024	14/11/2025	5km ²	IML Lodged
EL 424	Orion Minerals (PVT) LTD	15/11/2024	14/11/2025	8km ²	IML Lodged
EL 370	Orion Minerals (PVT) LTD	18/05/2024	17/05/2025	31km ²	IML Lodged
EL 180/R/3	Applex Ceylon (PVT) LTD	5/03/2019	4/03/2021	45km ²	Renewal Pending
EL 182/R/3	Applex Ceylon (PVT) LTD	5/03/2019	4/03/2021	26km ²	Renewal Pending
EL 371	Hammersmith Ceylon (PVT) LTD	26/02/2018	25/02/2020	4km ²	Renewal Pending
EL 372	Hammersmith Ceylon (PVT) LTD	26/02/2018	25/02/2020	51km ²	Renewal Pending
			Total	195km ²	

Table 5 Mannar Island Project Current tenure

Titanium Sands Limited

Directors' Report For the half year ended 31 December 2025

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OPERATIONAL OUTLOOK

The operational focus is to achieve completion of the EIA and grant of the Industrial Mining Licence for the Mannar Heavy Mineral Project. This will then enable the project to undertake advanced feasibility analyses of development options aimed at securing financing and off take commitments. 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 of May 2023 Scoping Study- Mannar Heavy Mineral Project.

² ASX Announcement 25th March 2025 Terms of Reference for EIS provided for Mannar Project

³ASX Announcement 15th of March 2023 Updated Resource Estimate -Mannar Heavy Mineral Project.

⁴ASX Announcement 30th January Quarterly Operations Report 31st of December 2025.

⁵ASX Announcement 12th June 2025 Environmental Progress.

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

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.

Previously Reported Mineral Resources

This report includes information refers to a 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 announcements is available to view on the Company's website www.titaniumsands.com.au. The Company confirms that it is not aware of any new information or data that materially affect the information included in the relevant market announcement and, in the case of estimates of the Company's Mineral Resources that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply with respect to the resource block model and total heavy mineral content and have not materially changed. The Company confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the relevant original market announcements.

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.

Events Subsequent to the Reporting Date

On 7 January 2026, the Company announced the lodgement of the application for Industrial Mining License (IML) in Sri Lanka.

During January 2026 the Company received further funding under the current funding arrangement of \$473,000 in convertible notes before costs announced on 14 October 2025.

There has been no other events subsequent to the end of the period that would have had a material effect on the Group's financial statements as at 31 December 2025.

Dividends

No dividends have been paid or declared by the Company to members during the half year ended 31 December 2025.

Titanium Sands Limited

Directors' Report For the half year ended 31 December 2025

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Auditor's Independence Declaration

The auditor's independence declaration is included within this financial report and forms part of the directors' report for the half year ended 31 December 2025.

Dated at Perth on 13th March 2026.

Signed in accordance with a resolution of the directors.

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

James Searle
Managing Director

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half year ended 31 December 2025

	Note	31 Dec 2025	31 Dec 2024
		\$	\$
Other income		-	-
Administrative expenses		(222,388)	(132,000)
Professional fees		(29,372)	(21,027)
Director fees		(214,270)	(252,564)
Corporate advisory fees		(36,000)	(36,000)
Share based payment expense		-	(137,369)
Depreciation		(886)	(901)
Results from operating activities		(502,916)	(579,861)
Finance income	4	10	3,679
Finance expenses	4	(68,647)	(7,500)
Net finance (expenses)		(68,637)	(3,821)
(Loss) before income tax		(571,553)	(583,682)
Income tax expense		-	-
(Loss) for the period		(571,553)	(583,682)
Other comprehensive income			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		(1,132,603)	2,745,936
Other comprehensive income for the period		(1,132,603)	2,745,936
Total comprehensive income /(loss) for the period		(1,704,156)	2,162,254
(Loss) per share			
Basic and diluted (loss) per share (cents)		(0.025)	(0.026)

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.

Consolidated Statement of Financial Position For the half year ended 31 December 2025

	Note	31 Dec 2025 \$	30 Jun 2025 \$
Current Assets			
Cash and cash equivalents		240,481	222,706
Trade and other receivables		667,542	631,608
Total current assets		908,023	854,314
Non-current assets			
Exploration and evaluation expenditure	5	22,248,829	23,041,361
Property, plant and equipment		7,909	6,575
Total non-current assets		22,256,738	23,047,936
Total assets		23,164,761	23,902,250
Current Liabilities			
Trade and other payables		171,273	128,984
Financial liabilities	6	1,299,378	375,000
Total current liabilities		1,470,651	503,984
Total liabilities		1,470,651	503,984
Net assets		21,694,110	23,398,266
Equity			
Issued capital	7	42,040,462	42,040,462
Reserves	8	(6,098,505)	(4,965,902)
Accumulated losses		(14,247,847)	(13,676,294)
Total equity		21,694,110	23,398,266

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

Titanium Sands Limited

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Consolidated Statement of Changes in Equity For the half year ended 31 December 2025

	Issued Capital	Options Reserve	Foreign Exchange Translation Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$	\$
Balance as at 1 July 2024	41,611,354	7,099,248	(12,912,683)	(12,587,090)	23,210,830
Loss for the period	-	-	-	(583,682)	(583,682)
Foreign currency translation	-	-	2,745,936	-	2,745,936
Total comprehensive loss for the period	-	-	2,745,936	(583,682)	2,162,254
Shares issued	-	-	-	-	-
Share issue costs	(18,107)	-	-	-	(18,107)
Option premium reserve	-	777	-	-	777
Share based payment	-	137,369	-	-	137,369
Balance as at 31 December 2024	41,593,247	7,237,394	(10,166,747)	(13,170,772)	25,493,122
Balance as at 1 July 2025	42,040,462	7,256,962	(12,222,864)	(13,676,294)	23,398,266
Loss for the period	-	-	-	(571,553)	(571,553)
Foreign currency translation	-	-	(1,132,603)	-	(1,132,603)
Total comprehensive loss for the period	-	-	(1,132,603)	(571,553)	(1,704,156)
Balance as at 31 December 2025	42,040,462	7,256,962	(13,355,467)	(14,247,847)	21,694,110

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

Consolidated Statement of Cash Flows For the half year ended 31 December 2025

	Note	31 Dec 2025 \$	31 Dec 2024 \$
Cash flows from operating activities			
Cash paid to suppliers and employees		(583,463)	(514,868)
Interest received		10	3,679
Net cash used in operating activities		(583,453)	(511,189)
Cash flows from investing activities			
Payments for exploration assets		(293,572)	(427,575)
Net cash used in investing activities		(293,572)	(427,575)
Cash flows from financing activities			
Proceeds from issue of options (net of costs)		-	777
Payment of costs to acquire debt		(85,200)	-
Receipts from financial liabilities		980,000	-
Net cash received from financing activities		894,800	777
Net (decrease) / increase in cash and cash equivalents		17,775	(937,987)
Cash and cash equivalents at 1 July		222,706	1,172,085
Cash and cash equivalents at 31 December		240,481	234,098

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 half year ended 31 December 2025

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1. Reporting Entity

Titanium Sands Limited is a company domiciled in Australia. The interim financial report of the Group is as at and for the half year ended 31 December 2025.

2. Statement of compliance

The interim financial report is a general purpose financial report which has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the Corporations Act 2001. Selected explanatory notes are included to explain events and transactions that are significant to gain an understanding of the changes in the financial position and performance of the Group since the last annual financial report as at and for the year ended 30 June 2025.

The interim financial report does not include all of the information required for a full annual financial report, and should be read in conjunction with the annual financial report of the Company as at and for the year ended 30 June 2025. The interim financial report is approved by the Board of Directors on 13 March 2026.

Estimates

Preparing interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements as at and for the year ended 30 June 2025.

Going Concern

For the period ended 31 December 2025 the Group has incurred a net loss of \$541,975 (2024: net loss \$583,682), experienced net cash outflows from operations of \$583,453 (2024: outflow \$511,189) and net cash inflows from financing activities of \$894,800 (2024: outflow \$427,575). As at 31 December 2025 the cash balance is \$240,481 (30 June 2025: \$222,706).

The Directors have reviewed the cash flow requirements for 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:

- During January 2026, the Company received further funding of \$473,000 in convertible notes before costs. The Directors are confident the Group will be successful in sourcing further capital from the issue of additional equity securities to fund the ongoing operations of the Group if required, 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 For the half year ended 31 December 2025

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3. Material accounting policies

The accounting policies applied by the Group in this interim financial report are the same as those applied by the Company in its annual financial report as at and for the year ended 30 June 2025.

New or amended standards adopted by the entity

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.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

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 are 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.

4. Finance income / expense

	31 December 2025	31 December 2024
	\$	\$
Finance Income		
Interest income	10	3,679
	<hr/>	<hr/>
Finance Expenses		
Interest expense	(68,637)	(7,500)
	<hr/>	<hr/>
	(68,637)	(3,821)

5. Exploration and evaluation expenditure

	31 December 2025	30 June 2025
	\$	\$
Exploration and evaluation assets		
Balance at the beginning of period	23,041,361	21,555,114
Exploration costs capitalised	296,360	796,427
Foreign currency translation	(1,088,892)	689,820
Balance at the end of reporting period	<hr/>	<hr/>
	22,248,829	23,041,361

The ultimate recoupment of balances carried forward in relation to areas of interest still in the exploration or valuation phase is dependent on successful development, and commercial exploitation, or alternatively sale of the respective areas. The Group conducts impairment testing on an annual basis when indicators of impairment are present at the reporting date.

Titanium Sands Limited

Notes to the consolidated financial statements For the half year ended 31 December 2025

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6. Financial liabilities

	31 Dec 2025 \$	30 June 2025 \$
Current		
Convertible Notes ¹	1,299,378	300,000
Application funds	-	75,000
	1,299,378	375,000

¹On 6 June 2025 a loan agreement was executed to advance up to \$600,000 (before costs) in two tranches \$300,000 on 9 June 2025 and \$300,000 by 9 August 2025. Repayment date is 30 June 2026 and interest accrues at a rate of 10% per annum. The lender may elect to convert any amounts owing into fully paid ordinary shares at an issue price of \$0.05 and one unlisted option exercisable at \$0.023 and expiring 30 June 2027. On 14 October 2025 a loan agreement was executed to advance a further \$800,000 (before costs) in two tranches of \$400,000 on 13 October 2025 and 13 December 2025. Repayment date is 31 December 2026 and interest accrues at a rate of 10% per annum. The lender may elect to convert any amounts owing into fully paid ordinary shares at an issue price of \$0.05 and one unlisted option exercisable at \$0.023 and expiring 30 June 2029 for every two shares issued on conversion.

7. Issued capital

Share capital

Fully paid ordinary shares

On issue at 1 July 2025
On issue at 31 December 2025

	Number	\$
On issue at 1 July 2025	2,344,747,190	42,040,462
On issue at 31 December 2025	2,344,747,190	42,040,462

8. Reserves

Reserves

Option and equity settled reserve¹
Foreign currency translation reserve²

	31 Dec 2025 \$	30 June 2025 \$
Option and equity settled reserve ¹	7,254,346	7,256,962
Foreign currency translation reserve ²	(13,352,851)	(12,222,864)
	(6,098,505)	(4,965,902)

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.

a) Outstanding share options

As at 31 December 2025 the Company had the following share-based payments outstanding:

Details	Type	Number
Options exercisable at \$0.023 expiring 16 February 2026	Unlisted options	1,213,568,146
Options exercisable at \$0.006 expiring 13 November 2028	Unlisted options	28,000,000

Movement in option and equity settled reserve

Opening balance at 1 July 2025
Closing balance 31 Dec 2025

	Number	\$
Opening balance at 1 July 2025	1,241,568,146	7,237,394
Closing balance 31 Dec 2025	1,241,568,146	7,237,394

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9. Commitments and contingent liabilities

Titanium Sands Limited

Notes to the consolidated financial statements For the half year ended 31 December 2025

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In the opinion of the directors, there were no significant changes in commitments or contingent liabilities during the period ended 31 December 2025.

10. Related party transactions

In the opinion of the directors, there were no significant changes in related party transactions during the period ended 31 December 2025.

11. Events Subsequent to the Reporting Date

On 7 January 2026, the Company announced the lodgement of the application for Industrial Mining License (IML) in Sri Lanka.

During January 2026 the Company received further funding under the current funding arrangement of \$473,000 in convertible notes before costs announced on 14 October 2025.

There has been no other events subsequent to the end of the period that would have had a material effect on the Group's financial statements as at 31 December 2025.

Titanium Sands Limited

Directors' Declaration

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The Directors of Titanium Sands Limited declare that:

- a) the interim financial statements and notes thereto are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of the Group as at 31 December 2025 and of its performance for the six month period ended on that date; and
 - (ii) comply with Accounting Standards AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
- b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Dated at Perth on 13th March 2026.

Signed in accordance with a resolution of the directors:

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

James Searle
Managing Director

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Titanium Sands Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Titanium Sands Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2025, 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 half-year ended on that date, material accounting policy information and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- i. Giving a true and fair view of the Group's financial position as at 31 December 2025 and of its financial performance for the half-year ended on that date; and
- ii. Complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of 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 the audit of the annual 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 the same terms if given to the directors as at the time of this auditor's review report.

Material uncertainty relating to going concern

We draw attention to Note 2 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 conclusion is not modified in respect of this matter.



Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is true and fair and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2025 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit Pty Ltd

A handwritten signature in black ink, appearing to read 'Dean Just', written over the printed name.

Dean Just

Director

Perth, 13 March 2026

DECLARATION OF INDEPENDENCE BY DEAN JUST TO THE DIRECTORS OF TITANIUM SANDS LIMITED

As lead auditor for the review of Titanium Sands Limited for the half-year ended 31 December 2025, 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 review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

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



Dean Just
Director

BDO Audit Pty Ltd
Perth
13 March 2026