

28<sup>th</sup> April 2017

Company Announcements Office  
Australian Securities Exchange  
10<sup>th</sup> Floor, 20 Bond Street  
SYDNEY NSW 2000

## QUARTERLY OPERATIONS REPORT TO 31 MARCH 2017

### HIGHLIGHTS

- **Drilling by the Mannar Island project vendor has encountered significant heavy mineral concentrations up to 3 kilometres inland from the previously reported resource envelope.**
- **High grade heavy mineral occurrences have been noted up to 400m landward of the previously reported JORC inferred resource envelope on the adjacent mainland.**
- **Preparation of samples from the 2016 drilling have now been completed and will be consigned to a specialist mineral sands laboratory.**

**The Company anticipates being able to lodge a notice of meeting seeking shareholder approval for the acquisition of the Sri Lankan heavy minerals sands projects in May.**

### CORPORATE

At the Company's Annual General Meeting held on 30 November 2016 shareholders approved the change of company name from Windimurra Vanadium Ltd to Titanium Sands Ltd (ASX:TSL). This will reflect the Company's focus on the exploration and development of high grade mineral sands deposits. A General Meeting of shareholders is to be held during the June quarter to approve the acquisition of the Sri Lankan heavy mineral projects. A notice of meeting will be lodged shortly.

## OPERATIONS

### SRI LANKAN MINERAL SANDS PROJECT

The vendor of the Mannar Island Heavy Mineral Sands Project has advised Titanium Sands Ltd that concentrations of heavy minerals have been identified at surface in locations up to 3km landward of the previously reported JORC resource envelope at the Mannar Island Project in Sri Lanka (Figure 1).

Srinel has also advised that during 2016 a total of 608 drill holes were drilled on the tenure that is to be acquired by TSL. Samples from these 608 holes are those to be sent for laboratory analysis. Visual logging of the drilling has identified areas of heavy mineral concentration up to 3 Km inland from the previously reported JORC inferred resource envelope along the north east shoreline of Mannar Island (Figure 1). This area is contained within the expanded project area (as announced 29<sup>th</sup> January 2016). Full details of the Srinel drilling were announced to the ASX on the 2<sup>nd</sup> of March 2017.

Srinel has also advised that high grade heavy mineral occurrences have been noted up to 400m landward of the previously reported JORC inferred resource envelope on the adjacent mainland. Figure 2 shows high concentrations of heavy mineral sands at a location (HG1 in Figure 1) 250m inland of the previously reported JORC resource envelope.\*.In another location on the mainland shoreline north east of Mannar Island (HG2 in Figure 1) heavy mineral accumulations have been observed from the coast up to 400m inland.

A panned concentrate sample from 400m inland is shown in Figure 3.

As a result priority drilling zones have been defined to expand the resource envelope further landward by 400 to 500m at three locations with the total area of proposed drilling exceeding 10km<sup>2</sup> (Figure 1). Following completion of the acquisition of Srinel Holdings Ltd ("Srinel") it is anticipated that TSL will commence this drilling in the June quarter of this year.

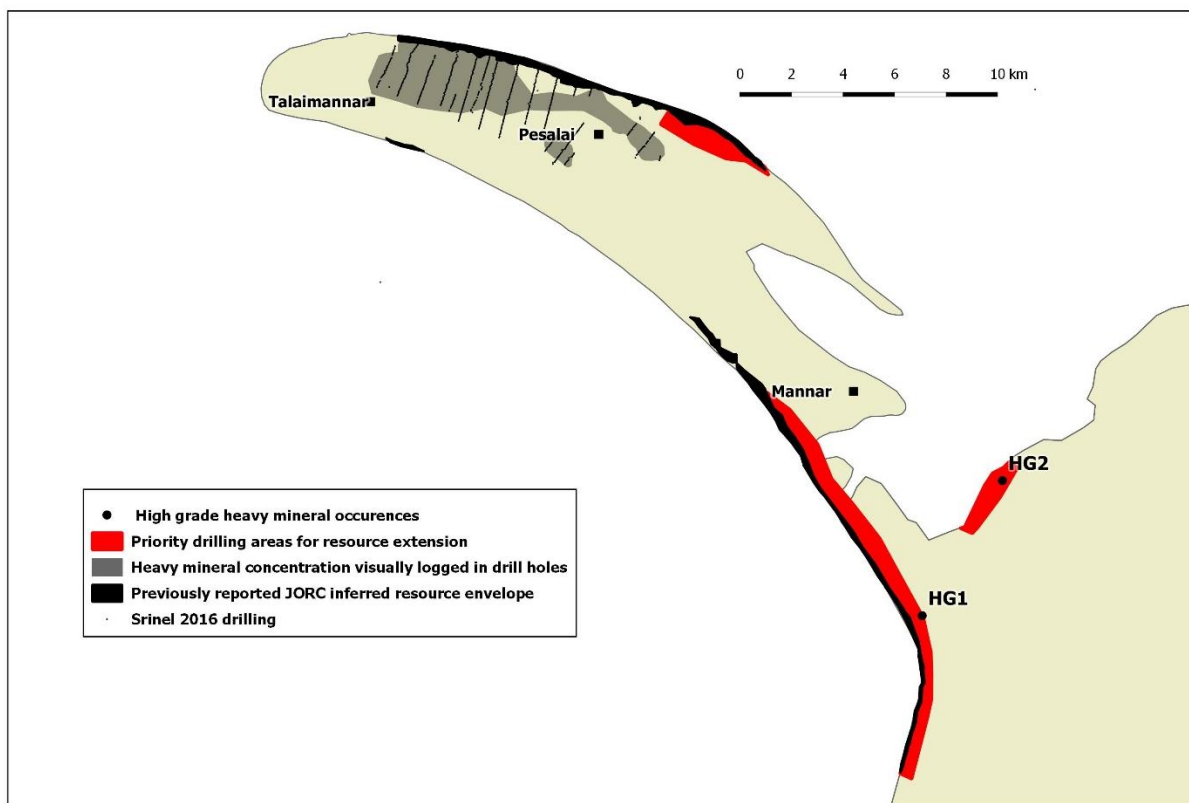


Figure 1 Mannar Island Project, showing resource extension priority drilling.



Figure 2 High grade heavy mineral sand concentrations 250m landward of the JORC resource envelope at location HG1 in Figure 1.



**Figure 3 Concentrate of heavy minerals panned from a ~2kg sample from 450m inland at location HG2 in Figure 1.**

*\*An initial JORC inferred mineral resource of 10.3 Mt with total heavy mineral (THM) of 11.7% compiled by independent consultants was reported in full to the Australian Securities Exchange on the 22 April 2015. This resource was based on a historical drill hole data base of 785 auger drill holes and from the 115 holes drilled in early 2015. The drilling and the defined resource envelope was largely confined to within 150m of the Mannar Island shoreline. The Company confirms that this resource statement remains current in regards to the areas covered by the drilling used in the resource model.*

*Except where indicated, exploration results above have been compiled by James Searle BSc (hons), PhD, a Member of the Australian Institute of Mining and Metallurgy, with over 34 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.*

## Appendix 5B

# Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

### Name of entity

**Titanium Sands Limited**

### ABN

**65 009 131 533**

### Quarter ended ("current quarter")

**31 March 2017**

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	(24)
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(51)	(75)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(51)</b>	<b>(99)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans from other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>-</b>	<b>-</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	25	92
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>25</b>	<b>92</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	27	8
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(51)	(99)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	25	92
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1</b>	<b>1</b>

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	1	27
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1</b>	<b>27</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
-
-

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
-
-

**8. Financing facilities available**

*Add notes as necessary for an understanding of the position*

- 8.1 Loan facilities
- 8.2 Credit standby arrangements
- 8.3 Other (please specify)

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

**Total facility amount  
at quarter end  
\$A'000**

**Amount drawn at  
quarter end  
\$A'000**

-	-
-	-
-	-



## Mining exploration entity and oil and gas exploration entity quarterly report

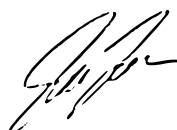
9.	Estimated cash outflows for next quarter	\$A'000
9.1	Exploration and evaluation	-
9.2	Development	-
9.3	Production	-
9.4	Staff costs	-
9.5	Administration and corporate costs	(5)
9.6	Other - ASX re-compliance, notice of meeting and related costs	(42)
9.7	<b>Total estimated cash outflows</b>	<b>(47)</b>

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	-	-	-	-
10.2	Interests in mining tenements and petroleum tenements acquired or increased	-	-	-	-

**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:



(Director)

Date: 28<sup>th</sup> April 2017

Print name: Jason Ferris

**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral

+ See chapter 19 for defined terms



Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

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