

QUARTERLY OPERATIONS REPORT TO 31 DECEMBER 2016

HIGHLIGHTS

- 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) to reflect the Company's focus on high grade heavy mineral sand exploration and development.
- A General Meeting of shareholders to formally approve the acquisition of the Sri Lankan heavy mineral projects is to be held during the March quarter.
- Drilling and sample preparation by the vendor is continuing at the Mannar Island heavy mineral project in Sri Lanka by the vendor group.
- Specialist mineral sands laboratory analysis of prepared samples will commence during this quarter.

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 March quarter to approve the acquisition of the Sri Lankan heavy mineral projects.

OPERATIONS

SRI LANKAN MINERAL SANDS PROJECT

The vendor of the Mannar Island Heavy Mineral Project in Sri Lanka (Figure 1), Srinel Holdings Ltd has been undertaking further shallow auger drilling to maintain the momentum of the project. A sample preparation laboratory has also been set up on site in Mannar Island. Drilling samples are now being processed so they can be exported to a specialist mineral sands laboratory in South Africa. The Company anticipates that a revised resource statement will be prepared in due course after laboratory results and further mineralogical analyses are completed.

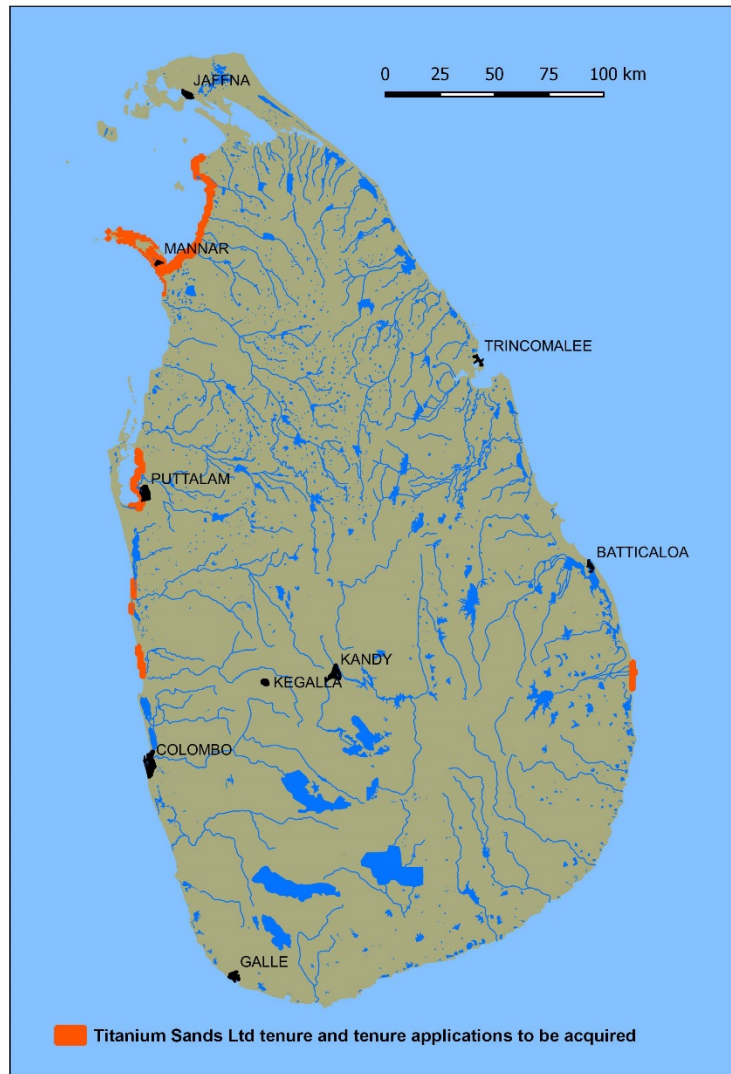


Figure 1 Heavy Mineral Sand Project locations.

ABOUT THE MANNAR ISLAND HEAVY MINERAL SAND PROJECT

Srinel Holdings Ltd is an unlisted company registered in Mauritius which holds via subsidiary companies 13 exploration licences (covering 348km²) and an exploration license application (covering 42km²). Windimurra (now Titanium Sands Ltd) exercised its option to acquire 100% of the issued capital of Srinel under the updated terms as released to ASX on 29 January 2016. The acquisition does however in addition require shareholder approval at a general meeting. This process is underway.

An initial JORC inferred mineral resource of 10.3 Mt with total heavy mineral (THM) of 11.7% (Table 2) was reported to the Australian Securities Exchange on the 22 April 2015 *. This resource was based on an historical drill hole data base of 785 auger drill holes and from the 115 holes drilled in 2014. The drilling and the defined resource envelope were largely confined to within 150m of the Mannar Island shoreline.

Tonnes	%THM	%Silt	%Oversize	%Ilm.	%Leuc.	%Rut.	%Zir
10.33Mt	11.71	2.08	8.69	5.54	1.34	0.18	0.26

Table 1 JORC inferred mineral resource Mannar Island Project *.

The reported mineral resource at Mannar indicates a high grade deposit with leucoxene grades alone approaching that of specialised leucoxene producers, but also having in addition very high (by industry standards) ilmenite grades and significant subsidiary amounts of the premium value minerals of rutile and zircon.

WINDIMURRA VANADIUM PROJECT

The Company has relinquished a mining lease M58/272 in the Mid-West Region of Western. The tenure was assessed as having insufficient exploration potential.

Changes to the Tenement Schedule in the December 2016 Quarter (note this does not include any of the Sri Lankan tenure as this acquisition remains subject to a General Meeting of Shareholders).

PROJECT	LOCATION	TENEMENT NUMBER	ECONOMIC ENTITIES INTEREST AT QUARTER END	CHANGE IN ECONOMIC ENTITIES INTEREST DURING QUARTER
Nil	Nil	Nil	Nil	Nil

**An initial JORC inferred mineral resource of 10.3 Mt with total heavy mineral (THM) of 11.7% was reported in full to the Australian Securities Exchange on the 22 April 2015. This resource was based on an 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 were 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 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.

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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 December 2016

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(6)	(24)
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(14)	(24)
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)	-	-
1.9 Net cash from / (used in) operating activities	(20)	(48)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

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Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6months) \$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)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
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	45	67
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)	-	-
3.10	Net cash from / (used in) financing activities	45	67

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2	8
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(20)	(48)
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)	45	67
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	27	27

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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	27	2
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	27	2

6. Payments to directors of the entity and their associates	Current quarter \$A'000
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	

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
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	

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
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.		

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	0
9.2	Development	0
9.3	Production	0
9.4	Staff costs	0
9.5	Administration and corporate costs	5
9.6	Other - ASX re-compliance, notice of meeting and related costs	42
9.7	Total estimated cash outflows	47

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: 31st January 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

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Mining exploration entity and oil and gas exploration entity quarterly report

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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