

Titanium Sands Limited

ACN 009 131 533

Second Supplementary Prospectus

IMPORTANT INFORMATION

This is a second supplementary prospectus (**Second Supplementary Prospectus**) intended to be read with the prospectus dated 29 March 2018 (**Prospectus**) and the supplementary prospectus dated 21 June 2018 (**Supplementary Prospectus**), issued by Titanium Sands Limited ACN 009 131 533 (**Company**) in respect of the offer of up to 300,000,000 Shares at an issue price of \$0.02 each to raise \$6,000,000 before costs (**Public Offer** or **Offer**). In addition, the Company is offering up to 80,595,239 Shares to the Seller (and/or its nominees) under the Seller Offer and approximately 5,034,057 Shares to the Creditors under the Creditor Offer (the Public Offer, Seller Offer and Creditor Offer collectively, the **Offers**).

This Second Supplementary Prospectus is dated 19 September 2018 and was lodged with ASIC on that date. Neither ASIC nor ASX take any responsibility as to the contents of this Second Supplementary Prospectus.

This Second Supplementary Prospectus should be read together with the Prospectus and Supplementary Prospectus. Other than the changes set out in this Second Supplementary Prospectus, all other details in relation to the Prospectus and the Supplementary Prospectus remain unchanged. To the extent of any inconsistency between this Second Supplementary Prospectus, the Prospectus and the Supplementary Prospectus, the provisions of this Second Supplementary Prospectus will prevail. Unless otherwise indicated, terms defined and used in the Prospectus have the same meaning in this Second Supplementary Prospectus.

The Company has issued a printed and electronic version of this Second Supplementary Prospectus, the Prospectus and the Supplementary Prospectus. Any person may obtain an electronic version of this Second Supplementary Prospectus, the Prospectus and the Supplementary Prospectus from the Company's website at www.titaniumsands.com.au or a hard copy of these documents free of charge by contacting the Company on +61 8 6211 5099.

This Second Supplementary Prospectus, the Prospectus and the Supplementary Prospectus are important documents that should be read in their entirety. If you are in any doubt as to the contents of this Second Supplementary Prospectus, the Prospectus or the Supplementary Prospectus, you should consult your stockbroker, lawyer, accountant or other professional adviser without delay.

1. BACKGROUND

This Second Supplementary Prospectus is a 'refresh document' for the purposes of ASIC Corporations (Minimum Subscription and Quotation Conditions) Instrument 2016/70 (**LI 2016/70**) and, accordingly, has been prepared to:

- extend the period for admission to quotation of Shares offered under the Supplementary Prospectus from 3 months from the date of the Supplementary Prospectus to 3 months from the date of this Second Supplementary Prospectus (**Quotation Condition**); and
- extend the period for the Minimum Subscription to be satisfied from 4 months from the date of the Supplementary Prospectus to 4 months from the date of this Second Supplementary Prospectus (**Minimum Subscription Condition**).

2. APPLICATIONS

2.1 Withdrawal rights

In accordance with the Corporations Act, the Company will allow applicants who have lodged Application Forms prior to the date of this Second Supplementary Prospectus a period of 1 month to

withdraw their applications and obtain a refund of their Application Monies (without interest), if they do not wish to proceed with their applications. The Offers will remain open for the duration of the withdrawal period.

Any applicant who wishes to withdraw its application and obtain a refund of its Application Monies, should submit a written request to the Company at the following address by 5:00 pm WST on 19 October 2018:

Titanium Sands Limited
c/- Trident Capital
PO Box Z5183
St Georges Terrace
Perth WA 6000

If you do not wish to withdraw your application then you do not need to take any action.

2.2 New applications

Investors who wish to apply for Shares under the Public Offer must complete and return the Second Supplementary Application Form which is attached to this Second Supplementary Prospectus – regardless of whether or not the investor has previously returned an Application Form and Application Monies to the Company. In all other respects, the procedure for applying for securities under the Public Offer is set out in section 1.2 of the Prospectus.

Investors who wish to apply for Shares under the Seller Offer or Creditor Offer (as applicable) and have not yet completed the relevant Application Form must complete and return the relevant Second Supplementary Application Form which is attached to this Second Supplementary Prospectus.

Second Supplementary Application Forms must be received by 5:00 pm WST on 19 October 2018 and must be completed in accordance with the relevant instructions in the Prospectus and the relevant Second Supplementary Application Form.

New applications **must not** be made on an Application Form attached to or accompanying the Prospectus or the Supplementary Prospectus.

2.3 Applications received

As at the date of this Second Supplementary Prospectus, the Company has received applications for 28,200,000 Shares.

The Company notes, however, that no applications have been processed as at the date of this Second Supplementary Prospectus.

3. REFRESH DOCUMENT

Under the Corporation Act, if a company offers securities under a prospectus which states that a minimum subscription amount must be raised before the securities will be issued, then the minimum subscription must be satisfied within 4 months after the date of the prospectus, otherwise any amounts received must be returned to applicants or applicants must be given 1 month to withdraw their applications.

Further, under the Corporation Act, if a company offers securities under a prospectus which states or implies that the securities are to be quoted on a financial market such as the ASX, and the securities are not admitted to quotation within 3 months after the date of the prospectus, then any amounts received must be returned to applicants and any issue of securities is void.

Subject to certain disclosure requirements, LI 2016/70 enables a company to refresh the time periods in which the company must satisfy the Minimum Subscription Condition and the Quotation Condition so that they effectively recommence from the date of a refresh document such as this Second

Supplementary Prospectus. The disclosures in this section 3 are made for the purposes of satisfying the disclosure requirements of LI 2016/70.

3.1 Minimum Subscription Condition

The Company makes the following statements regarding the Minimum Subscription Condition for the purposes of LI 2016/70:

- as at the date of this Second Supplementary Prospectus, the number of Shares for which the Company has received applications is set out in section 2.3; and
- the date by which the Minimum Subscription Condition must be satisfied is extended to the date that is 4 months after the date of this Second Supplementary Prospectus, being 19 January 2019.

3.2 Quotation Condition

The Company makes the following statements regarding the Quotation Condition for the purposes of LI 2016/70:

- an application for admission to quotation of the Shares offered under the Prospectus was made within 7 days after the date of the Prospectus;
- the Shares offered under the Prospectus have not been admitted to quotation as at the date of this Second Supplementary Prospectus;
- ASX has not indicated that the Shares offered under the Prospectus will not be admitted to quotation, or that the Shares will be admitted to quotation subject to certain conditions being satisfied;
- the Quotation Condition is unchanged except that the date by which it must be satisfied is extended as set out below;
- the date by which the Quotation Condition must be satisfied is extended to the date that is 3 months after the date of this Second Supplementary Prospectus, being 19 December 2018; and
- as at the date of this Second Supplementary Prospectus, the number of Shares for which the Company has received applications is set out in section 2.3.

4. AMENDMENTS TO THE PROSPECTUS

4.1 Indicative timetable

The indicative timetable set out under the 'Key Offer Details' and 'Investment Overview' sections is deleted and replaced with the following:

Important dates	
Lodgement of the Prospectus with ASIC	29 March 2018
Opening Date	13 April 2018
Closing Date	19 October 2018
Completion of Proposed Acquisition Issue of new Shares under the Offers	26 October 2018

Important dates	
Holding statements sent to Shareholders	29 October 2018
Expected date for Shares to commence trading on ASX	31 October 2018

4.2 Material Contracts

Insert the following as Section 9.7 of the Prospectus:

9.7 CPS Capital Mandate

*The Company has engaged CPS Capital Group Pty Ltd (**CPS Capital**) as the lead manager, broker and corporate advisor to the Public Offer under a mandate (**CPS Capital Mandate**) dated 16 September 2018.*

Under the CPS Capital Mandate, CPS Capital will, among other things:

- *advise the Company in relation to the Public Offer and subsequent quotation on the ASX;*
- *manage the receipt of funds from the Public Offer; and*
- *manage and lead the Public Offer.*

Pursuant to the CPS Capital Mandate, the Company will pay CPS Capital (or its nominee) the following fees:

- *a management fee of 1% of funds raised under the Public Offer (exclusive of GST); and*
- *a capital raising fee of 5% of the amount it raises under the Public Offer.*

The Company indemnifies CPS Capital against any legal expenses or other expenses incurred by it arising out of any claim, demand, loss, expense, and liability or action related to the services provided by CPS Capital under the CPS Capital Mandate.

The CPS Capital Mandate is otherwise on terms and conditions considered standard for agreements of this nature in Australia.

5. DIRECTORS' AUTHORISATION

This Second Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors. The Directors believe that the Prospectus when read together with the Supplementary Prospectus and this Second Supplementary Prospectus contains all the information that would be required by sections 710 and 711 of the Corporations Act and does not contain any material statement that is misleading or deceptive.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Second Supplementary Prospectus with ASIC and has not withdrawn that consent prior to lodgement.

Signed for and on behalf of the Company on 19 September 2018

A handwritten signature in black ink, consisting of several overlapping, fluid strokes that form a stylized representation of the name 'Lee Christensen'.

Lee Christensen
Chairman

SECOND SUPPLEMENTARY PUBLIC OFFER APPLICATION FORM

Titanium Sands Limited

(ACN 009 131 533)

Fill out this Application Form if you wish to apply for securities in Titanium Sands Limited.

- x Please read the Prospectus dated 29 March 2018, the Supplementary Prospectus dated 21 June 2018 and the Second Supplementary Prospectus dated 19 September 2018.
- x Follow the instructions to complete this Second Supplementary Application Form (see reverse).
- x Print clearly in capital letters using black or blue pen.

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Offer closes at 5.00pm WST on 19 October 2018

A Number of Shares you are applying for

--

B Total amount

--

Minimum of 100,000 Shares to be applied for.

C Write the name(s) you wish to register the securities in (see reverse for instructions)

Applicant 1

--

Name of Applicant 2 or < Account Designation >

--

Name of Applicant 3 or < Account Designation >

--

D Write your postal address here

Number / Street

--

Suburb/Town

--

State

--

Postcode

--

E CHESS participant – Holder Identification Number (HIN)

X	
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Important please note if the name & address details above in sections C & D do not match exactly with your registration details held at CHESS, any securities issued as a result of your application will be held on the Issuer Sponsored subregister.

F Enter your Tax File Number(s), ABN, or exemption category

Applicant #1

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Applicant #2

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Applicant #3

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G Cheque payment details – PIN Cheque(s) Here

Please enter details of the cheque(s) that accompany this Second Supplementary Application Form. Make your cheque or bank draft payable to 'Titanium Limited – Subscription Account'.

H Contact telephone number (daytime/work/mobile)

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By submitting this Second Supplementary Application Form, I/We declare that this application is completed and lodged according to the Prospectus, the Supplementary Prospectus and the Second Supplementary Prospectus and the instructions on the reverse of the Second Supplementary Application Form and declare that all details and statements made by me/us are complete and accurate. I/We agree to be bound by the Constitution of Titanium Sands Limited (Company). I/We was/were given access to the Prospectus, the Supplementary Prospectus and the Second Supplementary Prospectus together with the Second Supplementary Application Form. I/We represent, warrant and undertake to the Company that our subscription for the above securities will not cause the Company or me/us to violate the laws of Australia or any other jurisdiction which may be applicable to this subscription for securities in the Company.

This is a Second Supplementary Prospectus intended to be read with the Prospectus dated 29 March 2018 and the Supplementary Prospectus dated 21 June 2018 issued by Titanium Sands Limited.

Guide to the Second Supplementary Public Offer Application Form

YOU SHOULD READ THE PROSPECTUS, THE SUPPLEMENTARY PROSPECTUS AND THE SECOND SUPPLEMENTARY PROSPECTUS CAREFULLY BEFORE COMPLETING THIS SECOND SUPPLEMENTARY APPLICATION FORM.

Please complete all relevant sections of the appropriate Second Supplementary Application Form using BLOCK LETTERS. These instructions are cross-referenced to each section of the Second Supplementary Application Form.

Instructions

- A. If applying for Shares insert the number of Shares for which you wish to subscribe at Item A (not less than 100,000).
- B. Multiply by \$0.02 to calculate the total for Shares and enter the dollar amount at B.
- C. Write your full name. Initials are not acceptable for first names.
- D. Enter your postal address for all correspondence. All communications to you from the Company will be mailed to the person(s) and address as shown. For joint applicants, only one address can be entered.
- E. If you are sponsored in CHESS by a stockbroker or other CHESS participant, you may enter your CHESS HIN if you would like the allocation to be directed to your HIN.
- F. Enter your Australian tax file number (TFN) or ABN or exemption category, if you are an Australian resident. Where applicable, please enter the TFN / ABN of each joint applicant. Collection of TFN's is authorised by taxation laws. Quotation of your TFN is not compulsory and will not affect your Second Supplementary Application Form.
- G. Complete cheque details as requested. Make your cheque payable to 'Titanium Sands Limited – Subscription Account', cross it and mark it 'Not negotiable'. Cheques must be made in Australian currency, and cheques must be drawn on an Australian Bank.
- H. Enter your contact details so we may contact you regarding your Second Supplementary Application Form or Application Monies.

NB: Your registration details provided must match your CHESS account exactly.

Correct form of Registrable Title

Note that ONLY legal entities can hold securities. The application must be in the name of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and surname is required for each natural person.

Examples of the correct form of registrable title are set out below:

Type of Investor	Correct form of Registrable Title	Incorrect form of Registrable Title
Individual	Mr John David Smith	J D Smith
Company	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings	Mr John David Smith & Mrs Mary Jane Smith	John David & Mary Jane Smith
Trusts	Mr John David Smith	John Smith Family Trust
Deceased Estates	<J D Smith Family A/C>	John Smith (deceased)
Partnerships	Mr Michael Peter Smith	John Smith & Son
Clubs/Unincorporated Bodies	<Est Lte John Smith A/C>	Smith Investment Club
Superannuation Funds	Mr John David Smith & Mr Ian Lee Smith	John Smith Superannuation Fund

Lodgement

Post or deliver your completed Second Supplementary Application Form with cheque(s) attached to the following address:

Titanium Sands Limited
c/- CPS Capital Group Pty Ltd
PO Box Z5467
Perth WA 6831

It is not necessary to sign or otherwise execute the Second Supplementary Application Form. For questions on how to complete the Second Supplementary Application Form, please contact the Company on +618 6211 5099.

Privacy Statement

Chapter 2C of the *Corporations Act 2001* (Cth) requires information about you as a shareholder (including your name, address and details of the shares you hold) to be included in the public register of the entity in which you hold shares. Information is collected to administer your shareholding and if some or all of the information is not collected then it might not be possible to administer your shareholding. Your personal information may be disclosed to the entity in which you hold shares. You can obtain access to your personal information by contacting Computershare Investor Services Pty Ltd on 1300 850 505.

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Guide to the Second Supplementary Seller Offer Application Form

YOU SHOULD READ THE PROSPECTUS, THE SUPPLEMENTARY PROSPECTUS AND THE SECOND SUPPLEMENTARY PROSPECTUS CAREFULLY BEFORE COMPLETING THIS SECOND SUPPLEMENTARY SELLER OFFER APPLICATION FORM.

Please complete all relevant sections of the appropriate Second Supplementary Application Form using BLOCK LETTERS. These instructions are cross-referenced to each section of the Second Supplementary Application Form.

Instructions

- A. If applying for Shares insert the number of Shares for which you wish to subscribe at Item A.
- B. Write your full name. Initials are not acceptable for first names.
- C. Enter your postal address for all correspondence. All communications to you from the Company will be mailed to the person(s) and address as shown. For joint applicants, only one address can be entered.
- D. If you are sponsored in CHESS by a stockbroker or other CHESS participant, you may enter your CHESS HIN if you would like the allocation to be directed to your HIN.
- E. Enter your Australian tax file number (TFN) or ABN or exemption category, if you are an Australian resident. Where applicable, please enter the TFN /ABN of each joint applicant. Collection of TFN's is authorised by taxation laws. Quotation of your TFN is not compulsory and will not affect your Second Supplementary Application Form.
- F. Complete cheque details as requested. Make your cheque payable to "Titanium Sands Limited – Subscription Account", cross it and mark it "Not negotiable". Cheques must be made in Australian currency, and cheques must be drawn on an Australian Bank.
- G. Enter your contact details so we may contact you regarding your Second Supplementary Application Form or Application Monies.
- H. Enter your email address so we may contact you regarding your Second Supplementary Application Form or Application Monies or other correspondence.

NB: Your registration details provided must match your CHESS account exactly.

Correct form of Registrable Title

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Deceased Estates	<J D Smith Family A/C>	John Smith (deceased)
Partnerships	Mr Michael Peter Smith	John Smith & Son
Clubs/Unincorporated Bodies	<Est Lte John Smith A/C>	Smith Investment Club
Superannuation Funds	Mr John David Smith & Mr Ian Lee Smith	John Smith Superannuation Fund

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P.O. Box Z5467

PERTH WA 6831

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Guide to the Second Supplementary Creditor Offer Application Form

YOU SHOULD READ THE PROSPECTUS, THE SUPPLEMENTARY PROSPECTUS AND THE SECOND SUPPLEMENTARY PROSPECTUS CAREFULLY BEFORE COMPLETING THIS SECOND SUPPLEMENTARY CREDITOR OFFER APPLICATION FORM.

Please complete all relevant sections of the appropriate Second Supplementary Application Form using BLOCK LETTERS. These instructions are cross-referenced to each section of the Second Supplementary Application Form.

Instructions

- A. If applying for Shares insert the number of Shares for which you wish to subscribe at Item A.
- B. Write your full name. Initials are not acceptable for first names.
- C. Enter your postal address for all correspondence. All communications to you from the Company will be mailed to the person(s) and address as shown. For joint applicants, only one address can be entered.
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- G. Enter your contact details so we may contact you regarding your Supplementary Application Form or Application Monies.
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NB: Your registration details provided must match your CHESS account exactly.

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