



**TITAN MINERALS LIMITED
(ACN 117 790 897)**

**Financial Report
Half year ended 30 June 2021**

Corporate Directory

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Laurence Marsland
Matthew Carr
Nicholas Rowley

Company Secretary

Zane Lewis

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TTM

Australian Company Number

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Principal Place of Business

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Auditors

Stantons International Audit and Consulting Pty Ltd
Level 2, 1 Walker Avenue
West Perth WA 6005

Solicitors

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Level 27, Exchange Tower, 2 The Esplanade,
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Directors Report

The Directors of Titan Minerals Limited (the Company or Titan Minerals) present their report together with the financial report of the Group (being the Company and its subsidiaries) for the financial half-year ended 30 June 2021 and the auditor's review report. The use of the words Company and Group are interchangeable for the purposes of this report and the financial report.

1. Directors' Information

The directors and company secretary of the Company at any time during or since the previous annual report were as follows:

1.1. Directors and Company Secretary

Michael Hardy – Non-executive Director and Chairperson appointed 15 July 2019, resigned 31 August 2021.

Peter Cook – Non-executive Director and Chairperson appointed 31 August 2021.

Laurence Marsland – Managing Director appointed 15 July 2019.

Matthew Carr – Executive Director appointed 3 February 2017.

Nicholas Rowley – Non-executive Director appointed 9 August 2016.

Zane Lewis – Company Secretary appointed 11 August 2016.

2. Principal Activities

The Group's principal activities are the business of acquiring, exploring and developing mineral concessions in South America. The Group's focus is on its three main projects in Ecuador, the Dynasty Gold project, the Copper Duke project and the Linderos project, all acquired as part of the Core Gold Inc. takeover in May 2020 of the comparative half year. The Jerusalem gold project in Ecuador was also reinstated to Titan ownership in September 2020.

The Group discontinued gold mining in Ecuador and gold processing in both Ecuador and Peru, in prior periods. The Zaruma mine and Portovelo process plant in Ecuador, which have been on care and maintenance since April 2020 have been sold subsequent to period's end. The Peruvian processing assets were sold back in December 2020.

Corporate

A corporate restructuring of all the group's Ecuadorian operations and mining concessions commenced in the June 2020 quarter and was completed on 9 June 2021. Fourteen new subsidiaries were incorporated and 55 mining concessions transferred. Eight subsidiaries are being sold as part of the Zaruma sale. (Refer note 13 to the financial statements).

As part of the corporate restructuring in Ecuador, at its sole discretion but no obligation, Titan may make future discretionary payments to assist in meeting certain financial obligations of disposed subsidiaries. No provision has been made in the financial statements of the Titan consolidated group as at 30 June 2021.

3. Operating Results

The profit from continuing operations of the Group for the half-year ended 30 June 2021 amounted to US\$163,000 (30 June 2020: loss of US\$19,076,000).

4. Significant changes in the state of affairs and review of operations

The following significant changes in the state of affairs of the Consolidated Entity occurred during the financial period:

Operational Report

DYNASTY GOLD PROJECT

Titan's flagship, Dynasty Gold Project is located 25km north of the Peruvian border and is host to over 1,160 trenches and the initial 201 diamond drill holes that produced 26,733 metres of core drilled by the previous owners underpinning the previously reported Canadian NI 43-101 compliant (Foreign) resource estimate (refer to [ASX announcement dated 30 April 2020](#))¹. Following the last Foreign estimate in 2019, the amount of diamond drilling for the project totals an aggregate 47,450 metres (as at 9 September 2021) with assays pending on over 5,900m completed, and drilling with six diamond rigs in progress.

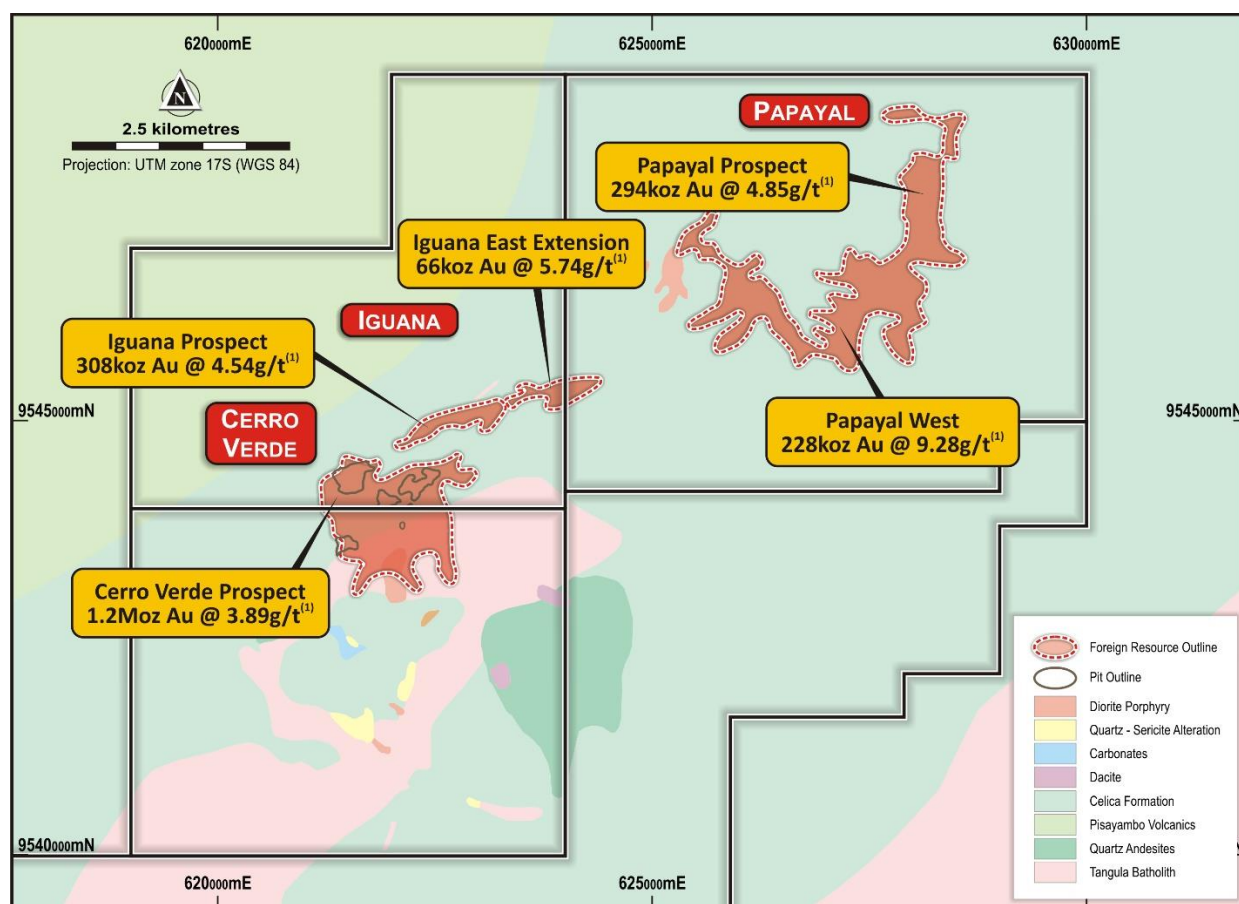


Figure 1: Diagrammatic outline of historic resource footprint with historic resource estimate divided up by prospect areas

The various vein clusters at Dynasty expand over a 9-kilometre strike extent (refer to Figure 1) and are at differing genetic horizons related to their proximity to the batholith and vertical distance from various porphyry systems controlling the source of heat and hydrothermal fluids generating these systems. The areas between these vein clusters have been poorly tested due to topography and land access issues. Titan believes the vein sets continue and is confident that with further exploration, substantial extensions to the resource footprint will be defined. It may be determined that all these quartz veins may be more economically mined within several open pits, where vein density and mineralised wall rock forming halos around several veins provide bulk tonnage opportunities from surface. Historic approaches to both sampling and modelling have focused on the higher-grade veins only.

¹ Cautionary Statement: The information in this announcement relating to the Mineral Resource Estimate for the Dynasty Project is a foreign estimate and is not reported in accordance with the JORC Code. A competent person has not done sufficient work to classify this foreign estimate as a mineral resource in accordance with the JORC Code and it is uncertain that following further exploration work that this foreign estimate will be able to be reported as a mineral resource in accordance with the JORC Code

Concurrently, the project has an abundance of veining that provides significant potential for development of an underground mining operation extending below economically viable pit shells targeting higher grade veins requiring further drilling.

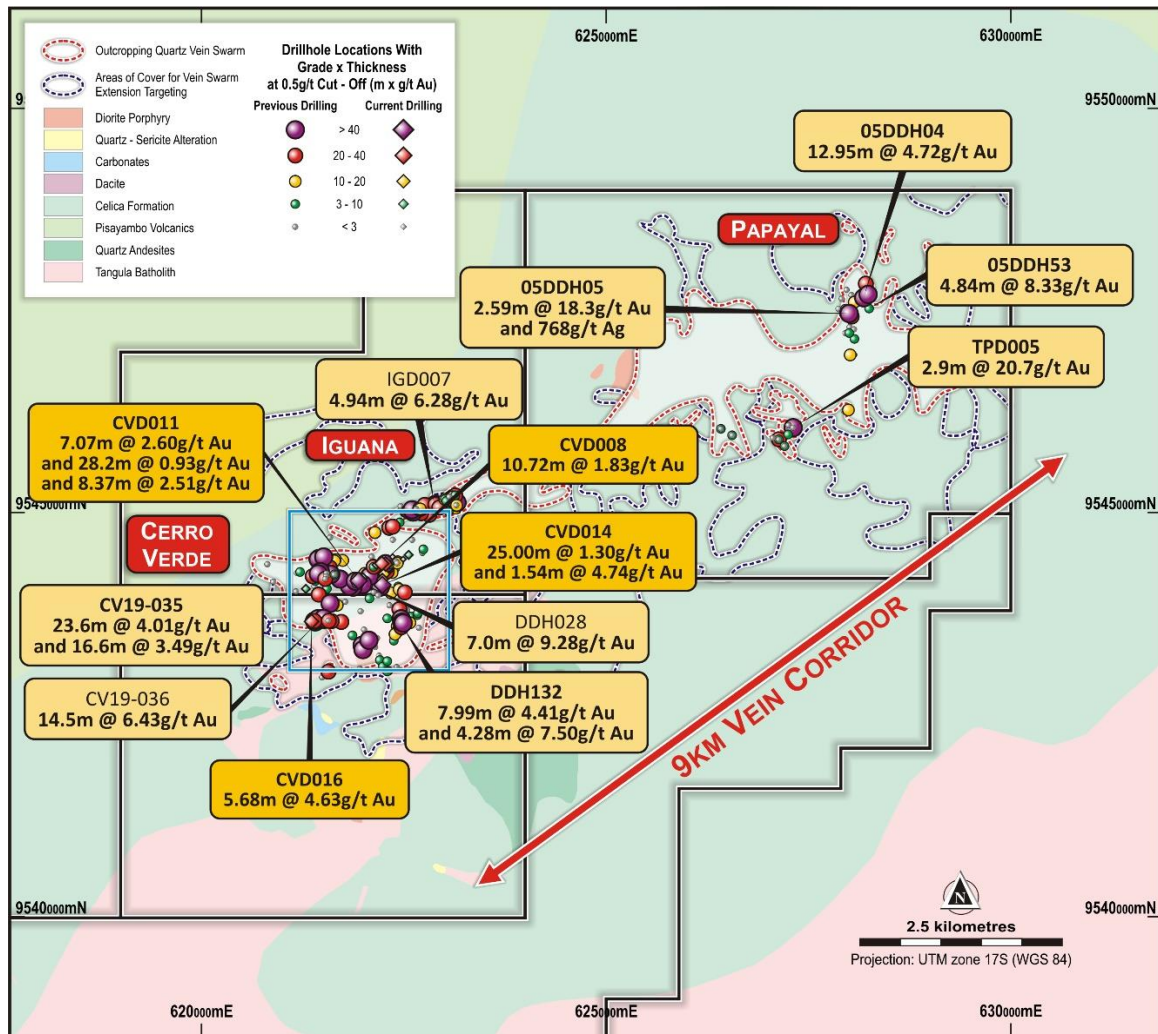


Figure 2: Reported Drill Collar locations for Dynasty Project, with better intercepts from 9 September update highlighted as current drilling with better intercepts in darker yellow annotations.

Comprised of five concessions totaling 139km², the three northernmost concessions have received an Environmental Authorisation and are fully permitted for exploration and small-scale mining operations. Previous small-scale mining has exploited outcropping expressions of these veins with small open pits. Increased vein density exposed near-surface discovered during trial mining resulted in previous production outperforming the previous resource estimation at the Cerro Verde Prospect, highlighting the potential to significantly grow the resource at Dynasty with further exploration (refer to Figure 1 for pit outlines).

During the reporting period, at the Dynasty Project Titan:

- received assay results on a first 6,627m drilled on the Iguana and Papayal prospect areas within the Dynasty Project (refer to ASX releases dated 30 April 2021 and 3 February 2021)
- completed a further 3,660m with 20 diamond holes at the Cerro Verde Prospect as part of a planned 12,000m campaign at Cerro Verde that commenced late in the June quarter
- completed a re-logging and sampling campaign on historic diamond core archived at the site
- initiated 3D modeling of geology and mineralisation at Dynasty to underpin a planned resource estimate update to be reported in accordance with principals of the JORC Code, and

- received final results for high resolution airborne geophysics at Dynasty, with field activities to assess results and advance a revised geology interpretation with results in progress at the time of reporting.

Subsequent to the reporting period, assay results for the first 20 holes were received (refer to ASX announcement dated 9 September 2021) and a further 34 holes completed and pending analyses as at 9 September, with 6 diamond rigs continuing to operate at the site.

Drilling Updates, Dynasty Project

As reported on 3 February 2021, assay results were received for the first 20 diamond drill holes drilled by Titan from a 560m long segment of the >2km long Iguana vein corridor (refer to Figure 2), hosting multiple veins over an approximately 100m wide structural zone, with results returning similar tenor and extent of mineralisation as historical results underpinning previous resource, with better results including:

- 4.94m @ 6.28 g/t gold and 16 g/t silver from 82.22m – IGD007
- 2.28m @ 6.82g/t gold and 88g/t silver from 24.52m – IGD010
- 2.69m @ 7.54 g/t gold and 38 g/t silver from 125.76m – IGD013
- 3.80m @ 6.92 g/t gold and 30 g/t silver from 117.20m – IGD015
- 8.46m @ 2.23g/t gold and 11g/t silver from 83.60m – IGD016

On 30 April 2021, Titan announced results for a maiden drilling campaign totaling 11 holes on a zone of outcropping, high-grade quartz veins at the Papayal prospect located 1.5km to the southwest of previously drilled areas. Drilling confirms continuity of quartz veining with better reported intercepts including:

- 2.9m @ 20.7g/t gold and 57g/t silver from 49m – TPD005
- 3.85m @ 3.01g/t gold and 5 g/t silver from 85.8m – TPD008
- 8.56m @ 1.00g/t gold and 155g/t silver from 62.14m – TPD011

On 9 September 2021, results were announced for the initial assays received from an ongoing drill programme at the Cerro Verde prospect within Dynasty. Assays from the first 18 hole totaling 3,390 metres of drilling provided excellent results typical of the Cerro Verde mineralisation as previously modelled, and also demonstrated an increase in vein density and scope for volume increases near surface with up to 5 times wider than previously sampled and modeled from historic drilling. Better intercepts include:

- 1.54m @ 13.5g/t gold from 131.15m; within 5.68m @ 4.63 g/t gold – CVD016
- 25m @ 1.30 g/t gold from 19.44m and
1.54m @ 4.73 g/t gold from 53.16m – CVD014
- 6.4m @ 2.29g/t gold; within 13.29m @ 1.3g/t gold from 181.04m – CVD003
- 1.99m @ 4.24g/t gold; within 10.72m @ 1.83g/t gold from 118.74m – CVD008
- 2.08m @ 3.91g/t gold; within 7.21m @ 1.73g/t gold from 53.79m; including– CVD012
- 7.07m @ 2.60g/t gold from 28.77m
2.5m @ 7.51g/t gold from 408.8m within 8.37m @ 2.51g/t gold, and
2.33m @ 4.04g/t gold from 594.12m in CVD011

Iguana Prospect Drill Results, Dynasty Project

The Iguana Prospect hosts multiple narrow veins, associated with brittle deformation events, within the intermediate composition volcanic units of the Celica Formation. Lithologic textures within the volcanic package associated with veining range from, massive andesite flows to volcanoclastic units and pyroclastic flow units, within the Celica Formation. The quartz veins are predominantly observed as quartz healed breccias, with strong evidence of re-activated structures associated with multiple mineralizing events.

Extension drilling has identified additional veining within the Iguana vein corridor, anticipated to be vein splays and increasing complexity of the vein array, as mineralisation progresses to the northeast. Oriented core potentially provides a structural framework to incorporate additional ancillary veins into geology modeling work.



Figure 3: Mineralised intercept from drill hole IGD013, returning 2.69m @ 7.54g/t gold from 125.76m drill depth (image showing recovered core before sampling from 125.1m to ~130.6m depth).

Papayal Prospect Drill and Surface Geochemistry Results, Dynasty Project

Papayal is a 2.5km by 4km long surface geochemistry anomaly with very limited drill testing to date. Surface sampling and drilling both successfully confirm gold-silver mineralisation located 1.5km from previous drilling at the Papayal Prospect (refer to Figure 2). Results demonstrate extensive growth potential for the project within the un-drilled epithermal gold-silver vein corridor at Dynasty where multiple veins remain open in all directions across a 2km wide structural corridor hosting a mineralised vein swarm confirmed in sampling from outcropping veins for over 9km extent.

Better reported drill intercepts such as hole TPD005 (refer to Figure 2 for location) returning **2.9m @ 20.7g/t gold** from 49m drill depth. The high-grade intercept is a down-dip drill test of a northwest trending vein set sampled systematically at surface on 12 to 15m spacing for approximately 115m of strike extent. True widths for historic modeled veins range from 0.3 to 0.6m in width with gold grades at surface averaging 93g/t gold. The TPD005 results and corresponding surface sampling may outline a high-grade shoot within the more extensive vein hosted system that requires further drilling. Outcropping channel samples tested with hole TPD005 include previous surface intercepts returning **0.6m @ 646g/t gold** and **0.5m @ 33.7g/t gold** in channel sampling (refer to ASX release dated 19 May 2020 for summary of historic results).

Results received for the Papayal Prospect in the reporting period include surface rock chip sampling confirming high grade gold and silver mineralisation on a vein swarm located on the southern extent of the northeast trending vein corridor, with peak rock chip results received including

- 574g/t gold with 293g/t silver,
- 14.1g/t gold with over 1,500g/t silver,
- 13.7g/t gold with 238g/t silver, and
- 12.4g/t gold with over 1,500g/t silver

Cerro Verde Prospect Drill Results, Dynasty Project

The Cerro Verde vein cluster, is interpreted to be situated at the upper extents of a late-stage epithermal vein system as depicted by the vein textures and metallogenic gradient defined in work to date.

Titan completed a first 20 holes totalling 3,660m drilled in the reporting period, and currently has completed over 54 holes at Cerro Verde, with another 6 holes in progress. There is currently an additional 36 holes with assays pending while drilling continues with 6 rigs currently operating.

Reported assays from the first 18 holes (3,390m) submitted for analysis at Cerro Verde Prospect (refer to ASX release dated 9 September 2021) successfully intersect previously modelled targets and provide scope for increased volume potential for the project through both increasing vein density and confirmation of wall rock mineralisation on multiple vein zones previously modelled, lateral extensions and depth extensions.

Planned JORC Resource Estimate Update – Dynasty Project

The previous drilling used to calculate the Foreign resource lacked the orientation data and data density for 3D modelling of veins to enable a modern geostatistical calculation for a compliant JORC resource estimation. Additional data collected during the current programme obviates that problem.

Independent consulting group, Mining Plus, has been engaged to deliver the Dynasty JORC Compliant Resource. Mining Plus is a global mining services provider specialising in geology, mining engineering and geotechnical engineering across open pit and underground projects.

The Dynasty Gold Project boasts a 9km long mineralised vein corridor with only a limited portion of the strike extent drilled to date and hosting a Foreign mineral resource estimate (refer to Table 1, reported in compliance with Canadian NI 43-101).

Table 1: Foreign Mineral Resource Estimation reported in compliance with Canadian NI 43-101

Category	Tonnes (Thousands)	Au (g/t)	Ag (g/t)	Contained Au (1,000 ozs)	Contained Ag (1,000 ozs)
Indicated	6,622	4.65	36	991	7,673
Inferred	7,824	4.42	36	1,113	9,151
Total	14,446	4.53	36	2,103	16,800

The information in this document relating to Mineral Resource Estimates for the Dynasty Gold Project have been extracted from the ASX announcement dated 30 April 2020 (Initial Dynasty Announcement).

Titan confirms that it is not in possession of any new information or data that materially impacts on the reliability of the Mineral Resource Estimates for the Dynasty Gold Project and included in the Initial Dynasty Announcement. Titan confirms that the supporting information provided in the Initial Dynasty Announcement continues to apply and has not materially changed.

The information in this announcement relating to Mineral Resource Estimates for the Dynasty Gold Project is a foreign estimate and is not reported in accordance with the JORC Code. A competent person has not done sufficient work to classify this foreign estimate as a mineral resource in accordance with the JORC Code and it is uncertain that following further exploration work that this foreign estimate will be able to be reported as a mineral resource in accordance with the JORC Code.

Previous small scale mining from 2017 though early 2020 focussed on the Cerro Verde Prospect and extended along approximately 500m on the southwest extent of the larger >9km long Dynasty Gold Project vein swarm corridor. Small scale mining production averaged 3.4g/t gold from numerous veins ranging from 1.5m to 15m in width.

The initial small-scale mining of the Foreign resource estimate has identified numerous veins not included in the current foreign mineral resource estimate for the Dynasty Gold Project. The additional mineralisation discovered in open pits yields a 40% increase in gold content versus the current foreign mineral resource estimate for the areas mined. This additional gold is realised from a 69% increase in mineralised material at a 2g/t gold cut-off grade mined through 31 December 2018.

Planned Work, Dynasty Gold Project

Continued diamond drilling, channel sampling and field mapping activities are ongoing across the Papayal and Cerro Verde Prospects. A further 36 holes totalling over 5,900m have been drilled and are awaiting results. It is expected a further 5,000m will be completed in the September/October 2021 period, increasing the previously proposed 12,000m programme to a 13,000 to 14,000m campaign with these new drill results being able to underpin a Q4 resource estimate update.

As the Cerro Verde campaign approaches completion of this initial campaign of diamond drilling, it is anticipated a cut-off date for drilling to be included in a mineral resource update will be achieved in early October. However, drilling will continue at Dynasty on extension targets that were developed during this current campaign, and the Company will progress towards additional drilling at the Papayal Prospect as well. Titan expects to continue drilling through Q4 to test additional targets, the results from which would be included in a future resource update.

JERUSALEM GOLD PROJECT

The Jerusalem Gold Project is a single concession named the Jerusalén concession (code 353) located in south eastern Ecuador, 400km south east of the capital city of Quito close to the border with Peru in the province on Zamora-Chinchi. The concession covers 225 hectares in a readily assessable region of southern Ecuador within 70km of the nearest regional airport located near the city of Loja (refer to Figure 10).

The Jerusalem gold project is located on the margins of the Zamora batholith, a middle to late Jurassic age intrusion up to 100km wide and exposed for 200km extent in the prolific Zamora copper-gold metallogenic belt, which hosts several epithermal gold deposits including the 6.6Moz Condor project (refer to Figure 4) and the 13.9Moz Fruta del Norte mine, and multiple copper to gold enriched copper porphyry systems including Mirador and Santa Barbara projects.

Table 2 | Summary of Foreign Mineral Resource Estimate dated 24 October 2014

Category	Tonnes (000's)	Au (g/t)	Ag (g/t)	Contained Au (ozs) (000's)	Contained Ag (ozs) (000's)
Measured	379	14.2	90	173	1098
Indicated	576	13.5	95	249	1760
Total Measure & Indicated	956	13.78	93	422	2,857
Inferred	1775	15.0	101	856	5764
Total	2,731	14.5	98	1,278	8,621

The information in this announcement relating to Mineral Resource Estimates for the Jerusalem Gold Project is a foreign estimate extracted from the ASX announcement dated 20 September 2020 (Initial Jerusalem Announcement) and is not reported in accordance with the JORC Code. A competent person has not done sufficient work to classify this foreign estimate as a mineral resource in accordance with the JORC Code and it is uncertain that following further exploration work that this foreign estimate will be able to be reported as a mineral resource in accordance with the JORC Code.

Titan confirms that it is not in possession of any new information or data that materially impacts on the reliability of the mineral resource estimates for the Jerusalem Gold Project and included in the Initial Jerusalem Announcement. Titan confirms that the supporting information provided in the Initial Jerusalem Announcement continues to apply and has not materially changed.

The Jerusalem Gold project has been the focus of a number of exploration campaigns, reporting several mineral resource estimations and host to artisanal mining activity since the early 1980's. Several mineral resource estimations completed and two such estimates reported under the Canadian National Instrument 43-101, with the most recent technical report titled "Jerusalem Gold Project, Zamora Chinchipe – Ecuador" dated 24 October, 2014 and released on the SEDAR platform on 5 November 2014 (refer to Table 2).

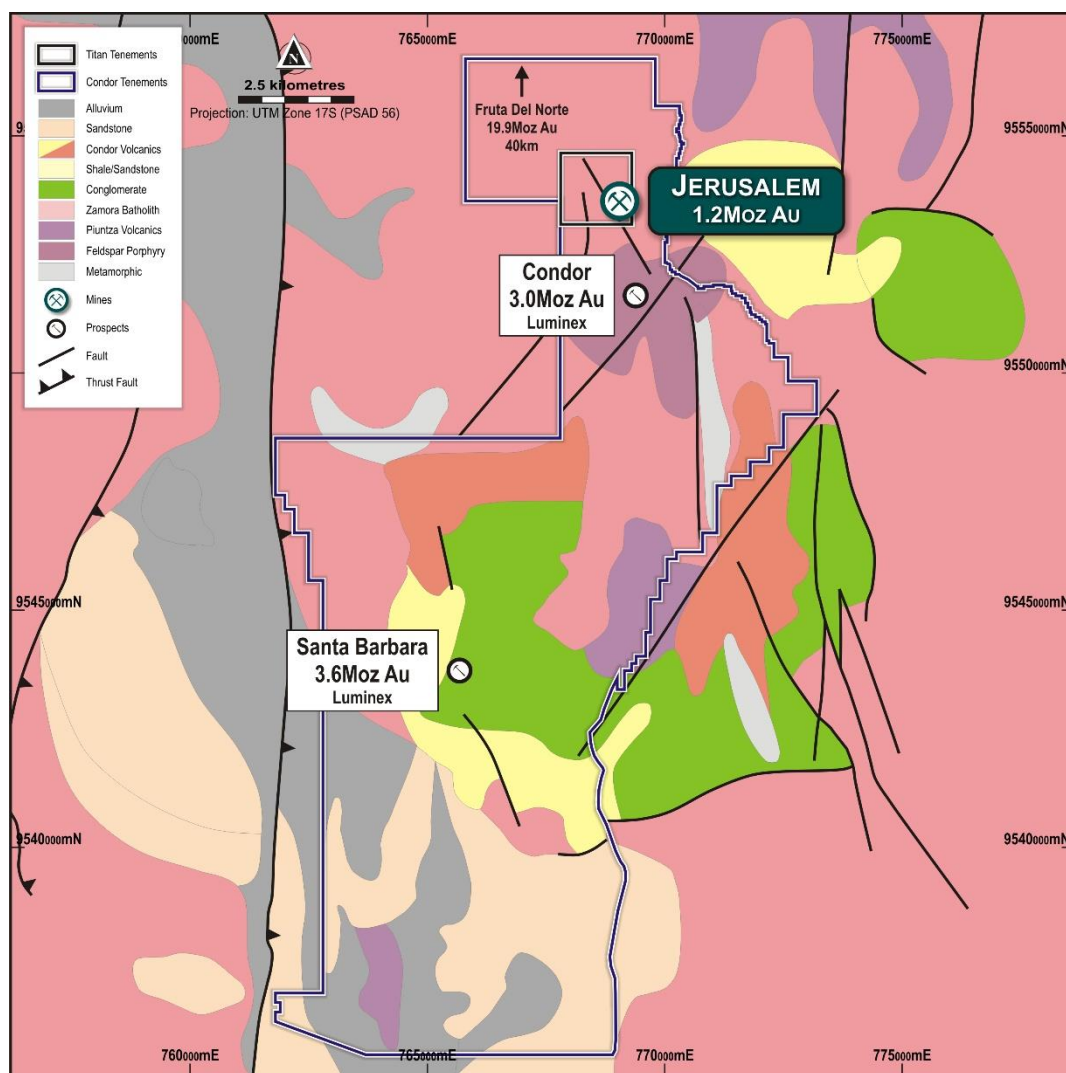


Figure 4: Interpreted Regional Geology of southern Ecuador with major project locations

Planned Work, Jerusalem Gold Project

The Company is currently focused on addressing legacy issues associated with artisanal miners operating illegally in a portion of the Jerusalén concession. In the near future the company will be focused on establishing environmental baselines, meeting permitting requirements to commence ground disturbing exploration activity, and improving social licence to operate in the region.

COPPER DUKE PROJECT

The Copper Duke project (130km² area) hosts several mineralised porphyry style systems confirmed in both surface geochemistry and mapping work to date. Significant gold and copper values at surface associated with both disseminated style mineralisation and quartz hosted veining and stockworks are observed across a contiguous corridor of geophysical anomalism highlighted in a high resolution airborne survey recently completed by Titan comprised of the El Huato, Lumapamba, and Catamayo Prospects (refer to Figure 5).

The scale, geometry and extent of geophysical anomalism identified at the Copper Duke Project is similar to many major porphyry districts in the world, including Cerro Casale and Reko Diq. The total endowment and tenor of mineralisation varies across all porphyry projects in relation to a number of factors, including emplacement setting and erosional level exposing the porphyry system. The geophysical results show clusters of intrusion related anomalism over an area greater than 12km², on par with many tier one deposits around the world. Supported by a relatively high tenor of geochemical anomalism outcropping at surface which is exposed through several hundred meters of vertical relief across the project area.

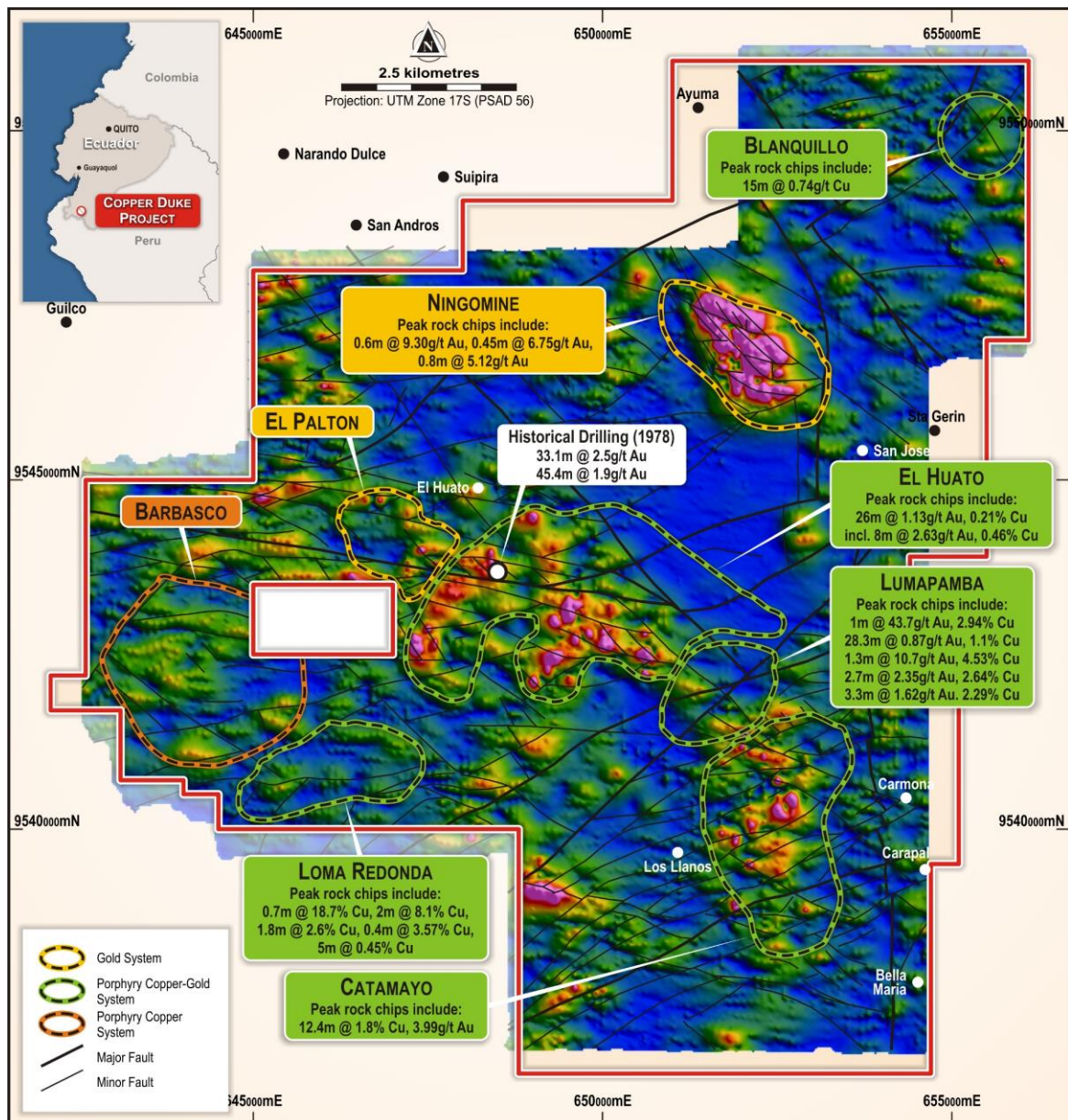


Figure 5: Copper Duke Prospect locations over Geophysical product with an Analytical Signal filter

Copper Duke Project, ...continued

Geochemical results are further enhanced from multiple discrete magnetic anomalies within the El Huato and Catamayo prospects and additional clusters of intrusion centers are outlined in the geophysical anomalism extending beyond the footprint of known surface mineralisation ([refer to ASX release dated 2 March 2021](#)).

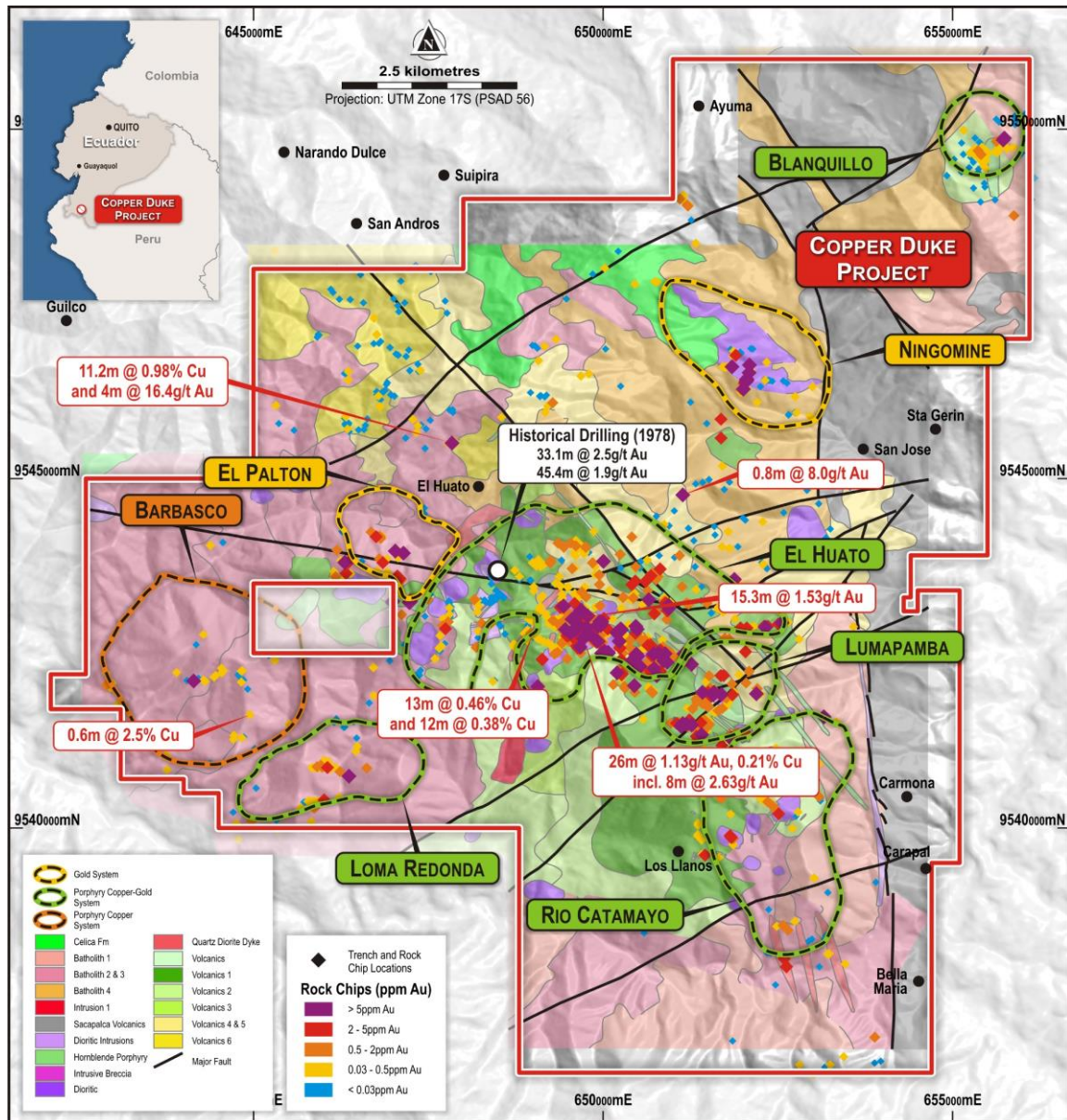


Figura 6: Surface sample locations with gold assay results on revised geology interpretation based on high resolution airborne geophysics datasets

Following completion of a high-resolution geophysical survey ([refer to ASX release dated 2 March 2021](#)), Titan continues to build systematic exploration datasets with follow-up geochemistry surveys. During the reporting period a total of 712 soil samples have been collected, extending surface geochemistry coverage a further 12km² with results pending.

A number of channel samples have also been collected subsequent to the reporting period as part of the field reconnaissance programme assessing geophysical interpretation which has further enhanced targeting at the El Huato prospect and identified additional clusters of intrusion centers at the El Huato and Catamayo Prospects defined from multiple discrete magnetic anomalies within and adjacent to the known geochemical footprint.

Copper Duke Project, ...continued

To the north of the contiguous trend of prospects hosting multiple clusters of intrusion centers, the underexplored Ningomine Prospect has the largest footprint of geophysical anomalism featuring vein hosted gold and copper mineralisation across several scattered outcrop areas. Geophysical results are interpreted to be associated with magnetite alteration often corresponding with broad zones of high tenor surface geochemistry previously reported (refer to ASX releases dated 25 May 2020 and 21 January 2021). Better results from trench and channel sampling at surface include:

- **28.3m @ 0.87g/t gold, 1.1% copper**
- **1m @ 43.7g/t gold, 2.94% copper**
- **1.3m @ 10.7g/t gold, 4.53% Cu within the Lumapamba Prospect**
- **15.3m @ 1.32g/t gold with 13m @ 0.46% copper and,**
- **8m @ 2.63g/t gold, 0.46% copper at the El Huato Prospect**
- **12.4m @ 3.04g/t gold, 1.8% copper at the Catamayo Prospect**
- **0.8m @ 5.12g/t gold, 0.44% copper and**
- **1.9m @ 0.30g/t gold, 4.11% copper within the Ningomine Prospect**

LINDEROS PROJECT

Located 20km southwest of the Company's flagship Dynasty Gold Project where drilling for resource estimation update is underway, the Linderos Project is comprised of four contiguous concessions totalling over 143km² located near the Peruvian border in southern Ecuador's Loja Province.

Subsequent to the reporting period, Titan announced completing a compilation and verification process of historical results for JORC Compliant reporting of previous exploration activity completed at Linderos (refer to ASX release dated 21 July 2021). Multiple prospects have been identified within the Linderos Project concession package (Figure 7). The advanced stage Copper Ridge Prospect, Meseta Gold Camp and Loma Alta Gold Prospect all have mineralisation evidenced in previous drilling. The early-stage Victoria Prospect highlights a similar footprint of alteration as Copper Ridge and favourable surface geochemistry requires follow-up exploration.

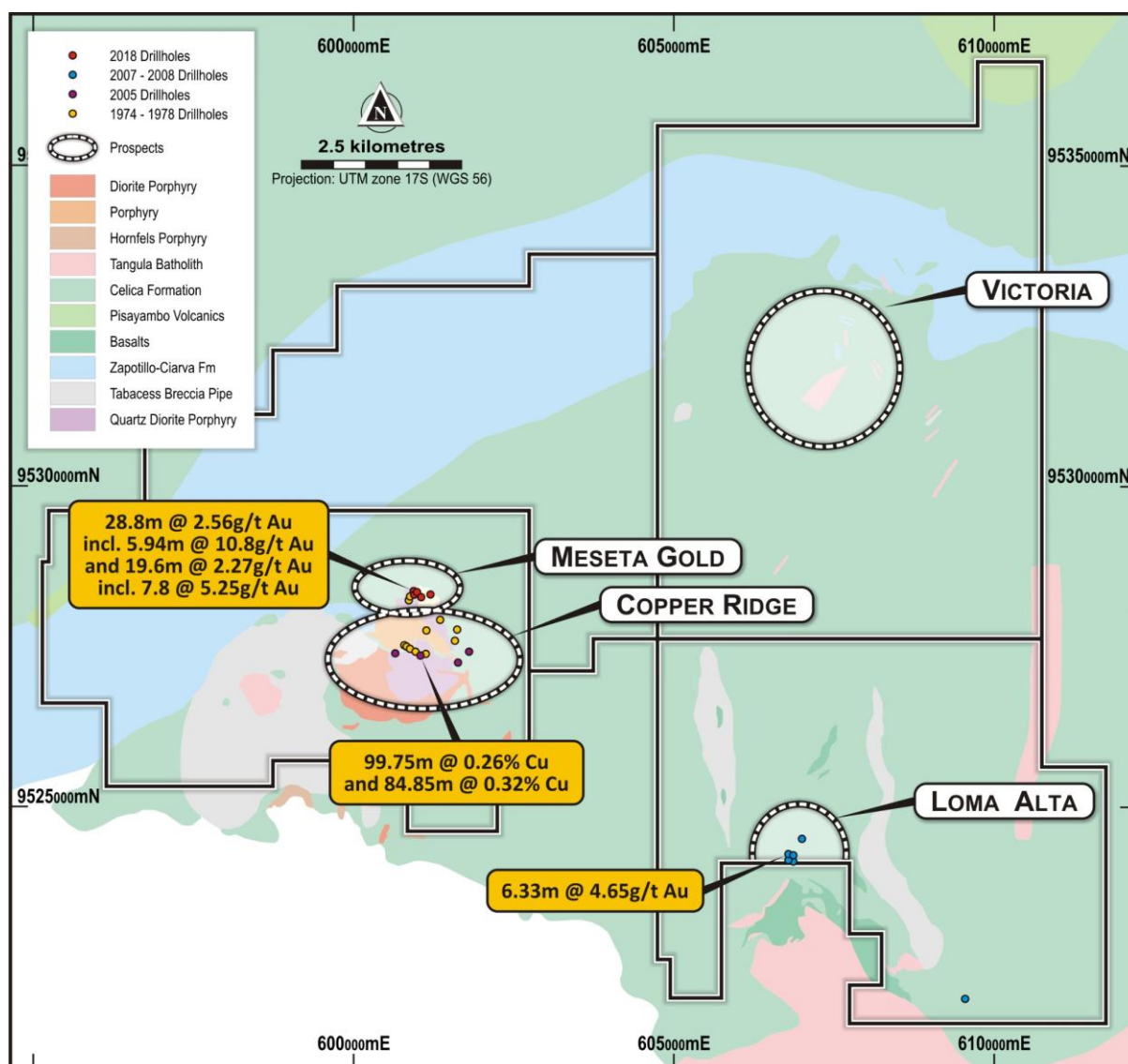


Figure 7: Regional scale geology of the Linderos Project Area and prospect location map

Located in a major flexure of the Andean Terrane, the Linderos Project is situated within a corridor of mineralisation extending from Peru through northern Ecuador that is associated with early to late Miocene aged intrusions. The majority of porphyry copper and epithermal gold deposits in southern Ecuador are associated with magmatism in this age range, with a number of these younger intrusions located along the margin of the extensive Cretaceous aged Tangula Batholith forming a favourable structural and metallogenic corridor for intrusion activity where Titan minerals holds a significant land position in southern Ecuador.

Linderos Project, ...continued

Copper Ridge Prospect

Copper Ridge is an advanced stage exploration target featuring outcropping copper and molybdenum anomalism with subsurface mineralisation confirmed in historical reconnaissance drilling. The Cu-Mo mineralised zone mapped in soil geochemistry is centered on dacite porphyry intrusions that are approximately 1km in diameter. The porphyry stock is haloed by a significant footprint of quartz stockworks and porphyry related alteration covering a >3km² area. At the northern and eastern margins of the porphyry, sizable argillic to advanced argillic alteration zones associated with extensive gold anomalism overprinted by multiple zones of high-grade epithermal related gold mineralization have been mapped.

Historical diamond drilling totals 2,061m drilled in 16 holes on the Copper Ridge prospect that occurred in 3 campaigns between 1974 and 2005 with better results including;

- 99.75m @ 0.26% copper from 255m drilled depth – ERIKA01
- 84.85m @ 0.32% copper (from surface to end of hole) – ERIKA02
- 20m @ 0.21% copper from 181m to EOH (open at depth) – ERIKA02A
- 77.05m @ 0.19% copper (from surface to end of hole) – DHW05
- 50.25m @ 0.33% copper (from surface to end of hole) – DHW06

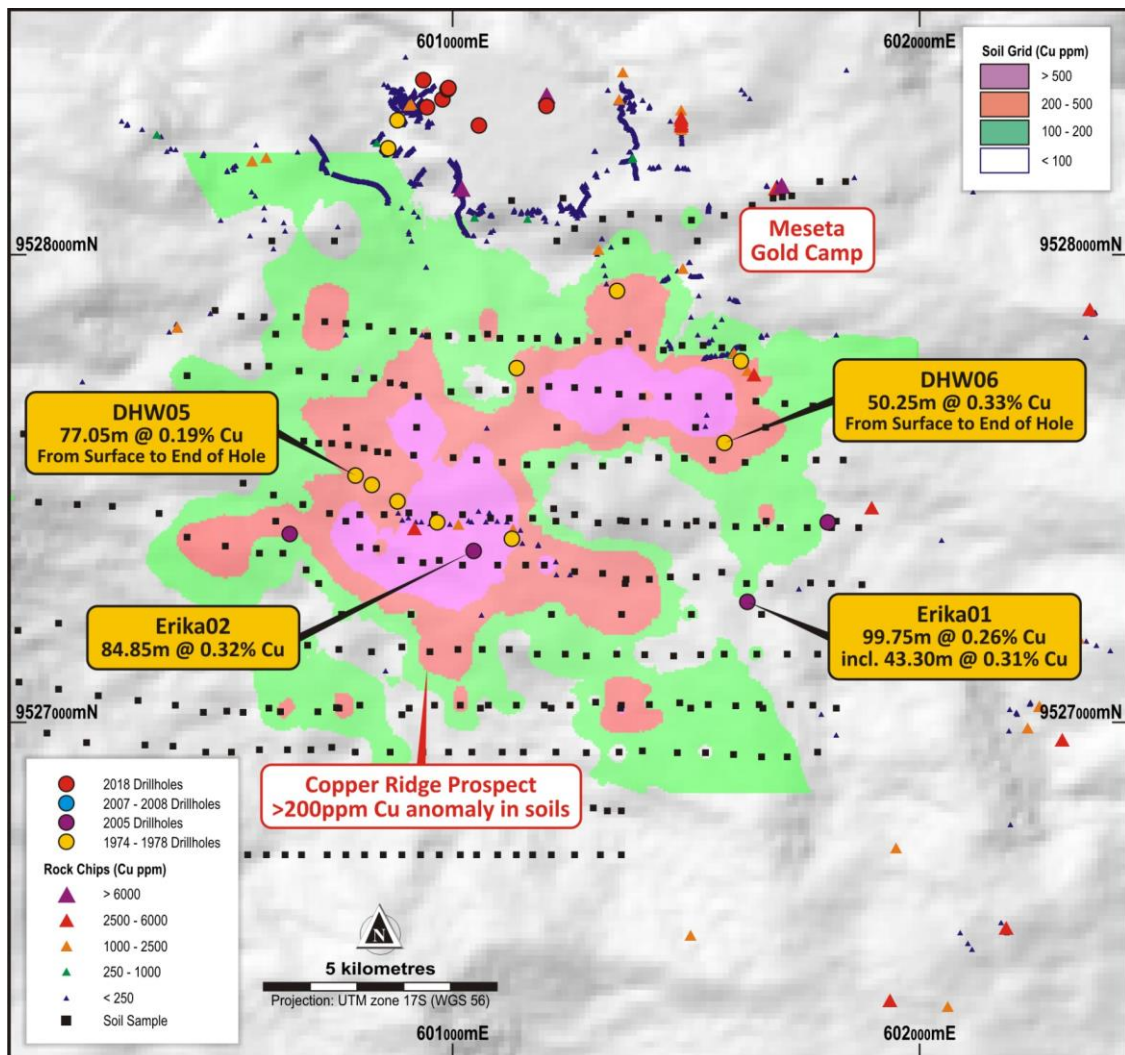


Figure 8: Copper results from historical soil and rock sampling campaigns across the Copper Ridge Prospect and Meseta Gold Camp

Linderos Project, ...continued

Meseta Gold Camp

To the immediate north and east of the Copper Ridge Prospect, gold mineralization across the Meseta gold camp is hosted in steep to sub-vertical fault structures at the margins of the porphyry stock and is associated with strong silicification and oxidation of the sulphides.

Several features suggesting the presence of an intermediate to high-sulphidation gold system at these areas have been observed. Including several zones of very high grade results, including an area of trenching just southeast of hole LDH004 (refer to Figure 9 below) where channel sample results within a 150m x 100m zone of sampling include:

- **21m @18.5g/t gold** in trench Linderos-13
- **19.95m @ 14.3g/t gold** in trench Linderos-16
- **18.2m @ 14.74g/t gold** in trench Linderos-14

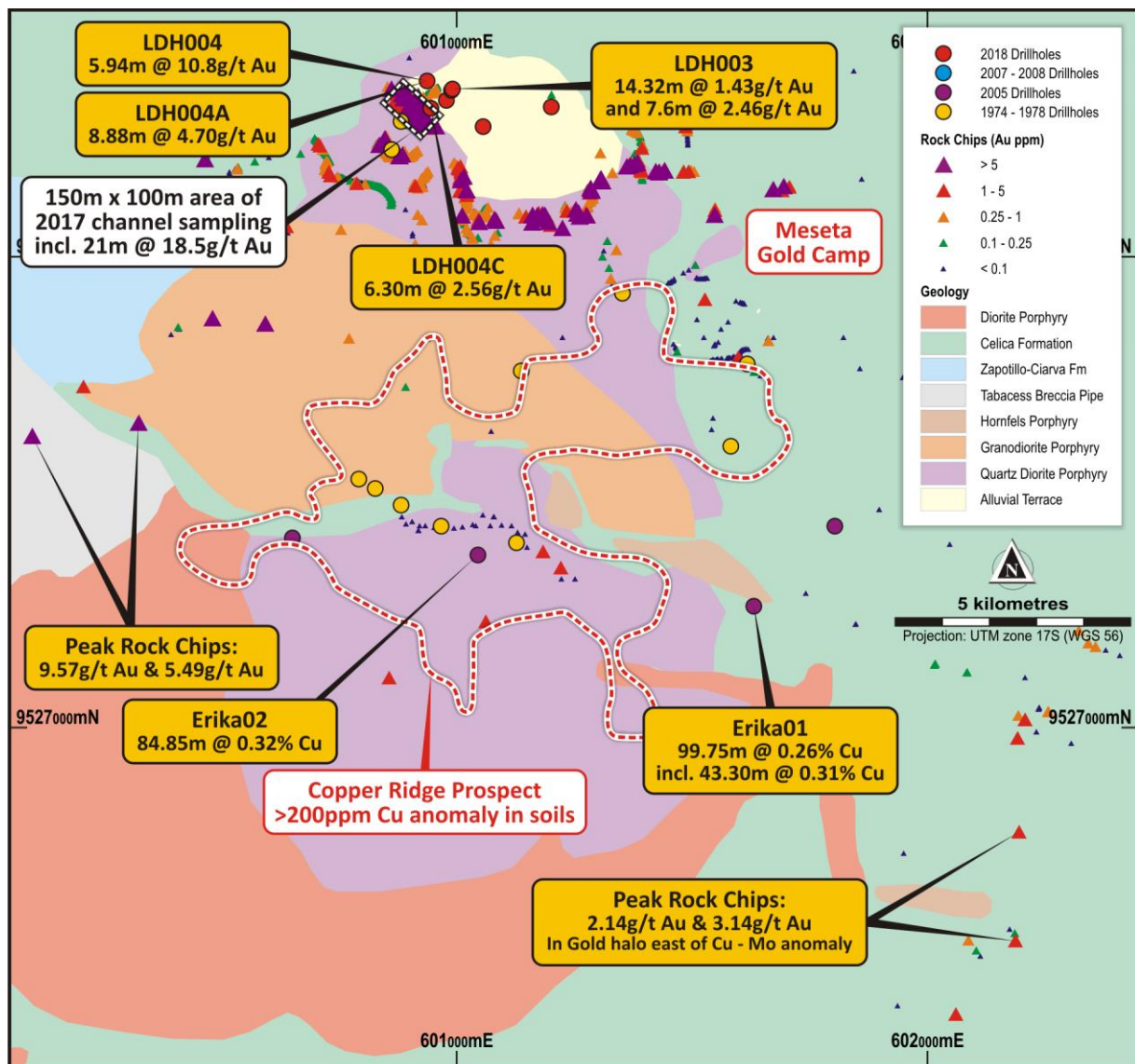


Figure 9: Gold in rock chips at the Copper Ridge and Meseta Camp areas with historical drill locations over generalised geology

Linderos Project, ...continued

Peak assay results of individual samples in the channel sampled area include up to 326g/t gold with 141 g/t silver, and up to 161g/t gold with 87g/t silver ([refer to ASX Release dated 21 July 2021](#)). Follow-up drilling completed in 2018 totalling over 1,926m from 11 holes confirmed mineralisation in fresh rock below the zone of channel sampling and tested for extensions of mineralisation to the east under very thin transported cover for up to 1km under the geochemically blind plateaux . All eleven holes at the Meseta Prospect intersected extensive hydrothermal related alteration and localised gold mineralisation with reported intercepts including;

- 5.94m @ 10.8 g/t gold from 36.4m drill depth- LDH004
- 8.88m @ 4.70 g/t gold from 40.65m drill depth - LDH004A
- 14.32m @ 1.43g/t gold from 45.44m drill depth - LDH003



Figure 10: Location of Titan Minerals Projects in Southern Ecuador

Notes to Mineral Resources

The information in this document relating to Mineral Resource Estimates for the Dynasty Gold Project have been extracted from the ASX announcement dated 30 April 2020 (Dynasty Initial Announcement).

The information in this document relating to Mineral Resource Estimates for the Jerusalem Gold Project have been extracted from the ASX announcement dated 21 September 2020 (Jerusalem Initial Announcement)

Titan confirms that it is not in possession of any new information or data that materially impacts on the reliability of the Mineral Resource Estimates for the Dynasty Gold Project or the Jerusalem Gold Project and included in the Dynasty Initial Announcement or the Jerusalem Initial Announcement. Titan confirms that the supporting information provided in both the Dynasty Initial Announcement and the Jerusalem Initial Announcement continues to apply and have not materially changed.

The information in this report relating to Mineral Resource Estimates for the Dynasty Gold Project is a foreign estimate and is not reported in accordance with the JORC Code. A competent person has not done sufficient work to classify this foreign estimate as a mineral resource in accordance with the JORC Code and it is uncertain that following further exploration work that this foreign estimate will be able to be reported as a mineral resource in accordance with the JORC Code.

The information in this report relating to Mineral Resource Estimates for the Jerusalem Gold Project is a foreign estimate and is not reported in accordance with the JORC Code. A competent person has not done sufficient work to classify this foreign estimate as a mineral resource in accordance with the JORC Code and it is uncertain that following further exploration work that this foreign estimate will be able to be reported as a mineral resource in accordance with the JORC Code.

Competent Person's Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr Travis Schwertfeger, who is a Member of The Australian Institute of Geoscientists. Mr Schwertfeger is the Chief Geologist for the Company and has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the JORC 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Schwertfeger consents to their inclusion in the report of the matters based on his information in the form and context in which it appears.


5. Events Subsequent to Reporting Date

There has not been any matter or circumstance, except for those matters referred to in Note 15 to the Financial Statements or noted above, that have arisen since the end of the financial period, that has significantly affected or may significantly affect, the operations of the Group, the results of the operations, or the state of the affairs of the Group in the future financial years.

6. Lead Auditor's Independence Declaration

The Lead Auditor's Independence Declaration is set out on page 18 and forms part of the Directors' Report for the financial half-year ended 30 June 2021.

Signed in accordance with a resolution of the directors.



Laurence Marsland
Managing Director
13 September 2021
Perth, Western Australia



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Australia

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13 September 2021

Board of Directors
Titan Minerals Limited
Suite 6, 295 Rokeby Road
Subiaco WA 6008

Dear Directors

RE: TITAN MINERALS LIMITED

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Titan Minerals Limited.

As the Audit Director for the review of the interim financial statements of Titan Minerals Limited for the half year ended 30 June 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Authorised Audit Company)

Samir Tirodkar
Director

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
TITAN MINERALS LIMITED****Report on the Half-Year Financial Report****Conclusion**

We have reviewed the half-year financial report of Titan Minerals Limited and the entities it controlled ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, condensed notes comprising a summary of significant accounting policies 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 Titan Minerals Limited, does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2021 and of its performance for the half-year ended on that date; and
- (b) 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 our 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* has been given to the directors of the Company on 13 September 2021.

Material Uncertainty Related to Going Concern

We draw attention to Note 2(b) to the interim financial statements which indicates that the consolidated financial statements have been prepared on the going concern basis. As at 30 June 2021, the Group had cash and cash equivalents of US\$192,000, generated a profit from continuing operations of US\$1,169,000, incurred a loss from discontinuing operations of US\$1,006,000, had net operating cash outflows of US\$3,724,000 and working capital deficiency of US\$14,690,000.

The ability of the Group to continue as a going concern and meet its planned exploration, administration and other commitments is dependent upon the Group raising further working capital, disposal of non-core assets, successfully recommencing profitable operations and/or exploiting the Group's mineral and other assets. The recent market uncertainty arising from the financial effects of COVID-19, may impact on the Group's ability to raise further working capital and or to commence profitable operations.

In the event that the Group is unable to generate sufficient cash flows from operations or raise additional capital through issues of securities or sale certain assets or receive continued support from the lenders, the Group may be unable to discharge its liabilities in the normal course of business and therefore, the carrying values of the Group's assets and liabilities may be realised at amounts significantly different from those at amounts which they are currently recorded in the consolidated statement of financial position.

Our conclusion is not modified in respect of this matter.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Titan Minerals Limited, 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

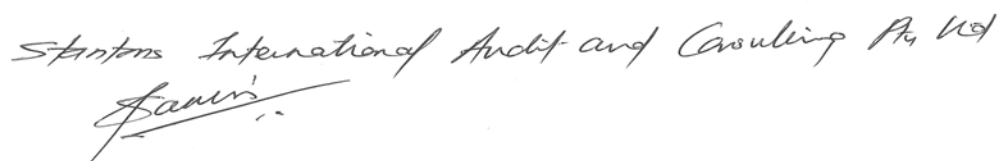
Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 30 June 2021 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.

Whilst we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by the directors or management.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(An Authorised Audit Company)



Samir Tirodkar
Director
West Perth, Western Australia
13 September 2021

Directors' Declaration

The Directors of Titan Minerals Limited declare that:

1. As set out in Note 2, the Directors are of the opinion that the financial statements:
 - (a) comply with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001* and other mandatory professional reporting requirements; and
 - (b) give a true and fair view of the Group's financial performance for the half-year ended 30 June 2021;
2. in the Directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for on behalf of the Directors by:



Laurence Marsland
Managing Director
13 September 2021
Perth, Western Australia

Condensed Consolidated Statement of Profit and Loss and Other Comprehensive Income

For the half year ended 30 June 2021

		Half year ended	
		30 June 2021	30 June 2020
		USD	USD
	Notes	\$ 000's	\$ 000's
Revenue from continuing operations		-	-
Expenses			
Exploration and evaluation expenditure (refer Note 6)		-	-
General and administration		(1,393)	(282)
Insurance		(49)	(15)
Salaries and wages		(456)	(317)
Professional fees		(796)	(359)
Stock-based compensation		(204)	(7)
Loss from operations		(2,898)	(980)
Other income		403	-
Finance expense		(370)	(494)
Derivative liability gain – warrants		-	70
Fair value (loss) of financial assets		(902)	-
Impairment		(55)	-
Gain (loss) on extinguishment of liabilities		108	-
Net foreign exchange gain (loss)		(332)	5
Net gain on disposal of subsidiaries	14	5,215	-
Corporate transaction expense	11	-	(17,677)
Net profit (loss) for the period from continuing operations		1,169	(19,076)
(Loss) from discontinuing operations	7	(1,006)	(1,955)
Profit (loss) for the period		163	(21,031)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation		45	(491)
Total comprehensive loss for the period		208	(21,522)
Gain (loss) per share from continuing operations – basic and diluted (cents)		0.103	(2.034)
Loss per share from discontinuing operations – basic and diluted (cents)		(0.088)	(0.208)

Notes to the condensed consolidated financial statements form part of these financial statements.

Condensed Consolidated Statement of Financial Position

As at 30 June 2021

	Notes	30 June 2021 USD \$ 000's	31 Dec 2020 USD \$ 000's
Assets			
Current assets			
Cash and cash equivalents		192	3,272
Receivables and prepaid expenses	4	2,346	2,501
Inventory		72	95
Financial assets		1,243	2,300
Assets classified as held for sale	7	1,145	1,145
Total current assets		4,998	9,313
Non-current assets			
Receivables	4	170	470
Properties, plant and equipment	5	523	472
Exploration and evaluation expenditure	6	23,749	18,374
Total non-current assets		24,442	19,316
Total assets		29,440	28,629
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	8	7,932	11,007
Consideration received in advance		2,000	-
Loans payable	9	7,366	5,819
Lease liabilities		24	22
Current tax provision		563	563
Liabilities classified as held for sale	7	1,803	1,850
Total current liabilities		19,688	19,261
Non-current liabilities			
Lease liabilities		37	51
Provision for closure and restoration		495	508
Total non-current liabilities		532	559
Total liabilities		20,220	19,820
Net assets		9,220	8,809
Shareholders' equity			
Issued capital	10	150,494	150,494
Reserves		20,207	19,958
Accumulated losses		(161,481)	(161,643)
Total shareholders' equity		9,220	8,809

Notes to the condensed consolidated financial statements form part of these financial statements.

Condensed Consolidated Statement of Changes in Equity

For the half year ended 30 June 2021

	Share Capital US \$000's	Foreign currency translation reserve US \$000's	Share Based Payment Reserves US \$000's	Convertible Debenture Reserve US \$000's	Accumulated losses US \$000's	Total Shareholder (Deficit) Equity US \$000's
Balance at 1 January 2020	110,949	-	16,437	35	(126,008)	1,413
Net loss for the period	-	-	-	-	(21,031)	(21,031)
Other comprehensive income	-	(491)	35	(35)	-	(491)
Total comprehensive loss for the period	-	(491)	35	(35)	(21,031)	(21,522)
<i>Transactions with owners in their capacity as owners</i>						
Issue of shares - acquisition of Core Gold Inc.	19,834	-	-	-	-	19,834
Issue of shares - placement	8,321	-	-	-	-	8,321
Capital raising costs	(589)	-	-	-	-	(589)
Share based payments	-	-	7	-	-	7
As at 30 June 2020	138,515	(491)	16,479	-	(147,039)	7,464
Balance at 1 January 2021	150,494	(414)	20,372	-	(161,643)	8,809
Net loss for the period	-	-	-	-	163	163
Other comprehensive income	-	45	-	-	-	45
Total comprehensive loss for the period	-	45	-	-	163	207
<i>Transactions with owners in their capacity as owners</i>						
Share based payments	-	-	204	-	-	204
As at 30 June 2021	150,494	(369)	20,576	-	(161,481)	9,220

Notes to the condensed consolidated financial statements form part of these financial statements.

Condensed Consolidated Statement of Cash Flows

For the half year ended 30 June 2021

	Half-year ended	
	30 June 2021	30 June 2020
	USD	USD
	\$ 000's	\$ 000's
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	-	10,949
Payments to suppliers and employees	(3,662)	(14,180)
Interest and other costs of finance paid	(62)	(17)
NET CASH (USED IN) IN OPERATING ACTIVITIES	(3,724)	(3,248)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments of exploration and evaluation costs	(4,157)	(114)
Payments for property, plant and equipment acquired	(102)	-
Proceeds received in advance re Ecuador Zaruma sale	2,000	-
Proceeds from the sale of Peru subsidiary	900	100
Proceeds from sale of property, plant and equipment	401	-
Net cash inflow as a result of acquisition	-	3,072
NET CASH (USED IN) PROVIDED BY INVESTING ACTIVITIES	(958)	3,058
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares (net of capital raising costs)	-	7,801
Proceeds from borrowings	1,661	516
Repayment of borrowings	-	(165)
NET CASH PROVIDED BY FINANCING ACTIVITIES	1,661	8,152
Net (decrease) increase in cash and cash equivalents	(3,021)	7,962
Cash and cash equivalents at the beginning of the period	3,272	181
Effects of exchange rate changes on the balance of cash held in foreign currencies	(59)	(180)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	192	7,963

Reconciliation of Cash and cash equivalents:

	30 June 2021	30 June 2020
	USD	USD
	\$ 000's	\$ 000's
Cash and cash equivalents (refer statement of financial position)	192	8,199
Bank indebtedness – current liabilities	-	(236)
Cash and cash equivalents as per statement of cash flows	192	7,963

Notes to the condensed consolidated financial statements form part of these financial statements.

Notes to the Condensed Consolidated Financial Statements

1. GENERAL INFORMATION

Titan Minerals Limited is a for-profit listed public company, incorporated in Australia and operates in Australia (corporate office) and in South America. The Group's registered office is in Suite 6, 295 Rokeby Road, Subiaco, WA 6008 Australia.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The half-year financial report is a general purpose condensed financial report prepared in accordance with the Corporations Act 2001 and AASB 134 "Interim Financial Reporting". Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 134 "Interim Financial Reporting". The half-year report does not include notes of the type normally included in an annual financial report and should be read in conjunction the annual financial report for the year ended 31 December 2020 and the company's ASX announcements up to the date of release of this financial report.

The financial statements were authorised for issue by the Directors on 13 September 2021.

(a) Basis of preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in United States dollars unless otherwise noted.

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and in accordance with that instrument, amounts in the financial statements have been rounded off to the nearest thousand dollars, unless otherwise indicated.

The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Comparative information

Comparative information relating to the profit or loss and other comprehensive income for the six months ended 30 June 2020 and the statement of financial position as at 31 December 2020 have been reclassified to separate the loss from discontinuing operations for the comparative half year and assets held for sale at 31 December 2020. This is not a restatement of prior year comparatives.

(b) Going concern

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activity, realisation of assets and the settlement of liabilities in the normal course of business. The Consolidated Entity realised a net profit for the half year of \$163,000 after the gain on disposal of two subsidiaries, but incurred an underlying net loss of \$5,052,000 (2020: \$21,031,000 loss) and had net operating cash outflows of \$3,724,000 (2020: \$3,248,000) for the period ended 30 June 2021.

The Group is currently in a working capital deficit position of \$14,690,000 (31 December 2020: \$9,948,000).

The Titan Group is no longer operating as a gold producer and is now focused on the exploration and evaluation of its three main concession or tenement groups in Ecuador, namely the Dynasty Gold project, Copper Duke project and the Linderos project.

The directors have prepared a cash flow forecast, which indicates that Group will have sufficient cash flows to meet all commitments and working capital requirements for the 12 month period from the date of signing this financial report. Included in the forecast are capital raisings and asset sales to be finalised within the next 12 months.

Since 30 June 2021 to date, US\$4.25 million has been received from the sale of the Zaruma mine and Portovelo plant and paid out to meet commitments. US\$1.25 million is currently receivable. A further US\$7.5 million is due over the coming 9 months to June 2022 in 3 instalments. US\$1.27 million is also receivable from the sale of Vista Gold S.A.C. over the coming 10 months to July 2022.

The Directors are confident that the Group will have sufficient cash to fund its activities within the next 12 months from the date the financial statements are approved and will be able to meet existing commitments as they fall due. The Directors will also continue to carefully manage discretionary expenditure in line with the Group's cashflow.

Should the Group not achieve additional funding required, there is uncertainty whether the Group would continue as a going concern and therefore whether it would realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

(c) Reverse acquisition

Titan Minerals Limited ("Titan") is listed on the Australian Securities Exchange. Under a takeover bid to acquire all of the issued and outstanding common shares of Core Gold Inc. ("Core"), at an offer of 3.1 Titan Minerals Limited Shares for each Core Gold Inc. share, Titan acquired control of greater than 50% of the common shares and voting rights of Core on 30 January 2020, and completed the legal acquisition of 100% of the common shares in Core Gold Inc ("Core") on 26 May 2020.

Under the principles of AASB 3, with the previous shareholders of Core holding a larger portion of voting rights of the combined entity than the continuing Titan shareholders and Core, the transaction between Titan and Core is treated as a reverse acquisition. As such, the assets and liabilities of the legal subsidiary (the accounting acquirer), being Core, are measured at their pre-combination carrying amounts. The assets and liabilities of the legal parent (accounting acquiree), being Titan are measured at fair value on the date of acquisition. The date of acquisition has been assessed on the basis of the change in shareholdings in Titan as a result of the transaction between Titan and Core, and has been considered to be 30 January 2020. Accordingly, the consolidated financial statements of Titan have been prepared as a continuation of the financial statements of Core from 30 January 2020. The comparative information presented in the consolidated financial statements is that of Core.

The consideration in a reverse acquisition is deemed to have been incurred by the legal subsidiary in the form of equity instruments issued to the shareholders of the legal parent entity. The acquisition-date fair value of the consideration transferred has been determined by reference to the fair value of the number of shares the legal subsidiary would have issued to the legal parent entity to obtain the same ownership interest in the combined entity.

The excess of the consideration over the fair value of identifiable assets and liabilities has not been recognised as goodwill. Instead the deemed fair value of the interest in Titan issued to Core shareholders to effect the combination (the consideration for the acquisition of the public corporate entity being Titan) was recognised as an expense in the income statement. This expense has been presented as a "Corporate Transaction Expense" in the consolidated statement of profit or loss and other comprehensive income. The non-cash Corporate Transaction Expense totalled US \$17,677,000 at 30 January 2020.

The impact of the reverse acquisition on each of the primary statements is as follows:

- The consolidated statement of profit or loss and other comprehensive income:
 - For the 6 month period to 30 June 2021 comprises 6 months of both Core and Titan; and
 - For the comparative period comprises 6 months of Core and the period from 30 January 2020 to 30 June 2020 of Titan; and
- The consolidated statement of financial position:
 - As at 30 June 2021 represents both Titan and Core as at that date; and
 - As at 31 December 2010 represents both Titan and Core as at that date; and
- The consolidated statement of changes in equity:
 - For the period ended 30 June 2021 comprises 6 months of both Core and Titan; and;
 - For the comparative period ended 30 June 2020 comprises Core's balance sheet at 1 January 2020, its loss for the period and transactions with equity holders for 6 months. It also comprises Titan's transactions within equity from 30 January 2020 to 30 June 2020 and the equity value of Core and Titan at 30 June 2020. The number of shares on issue at year end represent those of Titan only.
- The consolidated statement of cash flows:
 - For the 6 month period ended 30 June 2021 comprises both Core and Titan; and
 - For the comparative period ended 30 June 2020 comprises:
 - The cash balance of Core as at 1 January 2020;
 - The cash balance of Titan as at 30 January 2020 acquired;

- The cash transactions for the 6 months to 30 June 2020 of months of Core and the period from 30 January 2020 to 30 June 2020 of Titan); and
- The cash balances of Core and Titan at 30 June 2020.

3. SEGMENT INFORMATION

Identification of Reportable Segments

The Company has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (the chief operating decision-maker) in assessing performance and in determining the allocation of resources. The operating segments are identified by the Board based on reporting lines and the nature of services provided. Discrete financial information about each of these operating segments is reported to the Board on a monthly basis. The Company operates predominately in Ecuador. The reportable segments are based on aggregated operating segments determined by the similarity of the services provided and other factors.

Segments

The Group has one reportable operating segment, which is gold and copper exploration and evaluation in Ecuador and Peru plus its Corporate activities.

Segment result represents the profit or loss earned by each segment without allocation of corporate administration costs, investment revenue and finance costs or income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

Holding Company

Holding Company costs (or unallocated costs, assets and liabilities) are those costs which are managed on a Group basis are not allocated to business segments. They include costs associated with executive management, strategic planning and compliance costs.

Accounting Policies

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 2. Segment profit represents the profit earned by each segment without allocation of central administration costs and directors' salaries, share of profits of associates, gain recognised on disposal of interest in former associate, investment income, gains and losses, finance costs and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

Intersegment Transfers

There have been no intersegment sales during the period.

		6 months ending 30 Jun 2021 US \$000's	6 months ending 30 Jun 2020 US \$000's
	Note		
Revenue from continuing operations		-	-
Other Income		403	-
Profit (loss) before income taxes for the year			
Exploration and evaluation – Ecuador and Peru		(55)	-
Corporate		(4,394)	(19,076)
Net gain on disposal of subsidiaries	14	5,215	-
Profit (loss) from continuing operations		1,169	(19,076)

The following is an analysis of the Group's assets by reportable operating segment:

Assets	Consolidated	
	30 Jun 2021	31 Dec 2020
	US \$000's	US \$000's
Zaruma & Portovelo assets held for sale - Ecuador	1,145	1,145
Exploration and evaluation assets – Ecuador and Peru	23,749	18,846
Current assets – Ecuador	1,117	617
Corporate and other assets	3,429	8,021
Consolidated total assets	29,440	28,629

The following is an analysis of the Group's liabilities by reportable operating segment:

Liabilities	30 Jun 2021	31 Dec 2020
	US \$000's	US \$000's
	US \$000's	US \$000's
Zaruma & Portovelo liabilities held for sale - Ecuador	1,803	1,850
Exploration closure and restoration provisions – Ecuador and Peru	495	508
Current Liabilities – Ecuador	2,020	534
Consideration received in advance – Zaruma & Portovelo sale	2,000	-
Corporate and other liabilities	13,902	16,928
Consolidated total liabilities	20,220	19,820

4. RECEIVABLES AND PREPAID EXPENSES

	Consolidated	
	30 Jun 2021	31 Dec 2020
	US \$000's	US \$000's
CURRENT		
Other receivables	157	220
Deposits	73	73
Consideration receivable (refer - note 7)	1,100	1,700
Prepaid expenses		
Prepaid – taxes VAT	742	347
Prepaid – other	98	80
Advances – suppliers	176	81
	2,346	2,501
NON-CURRENT		
Consideration receivable (refer – note 7)	170	470
	170	470

Prepaid VAT relates to amounts incurred in conjunction with exploration and administration expenditures in Ecuador. These amounts are expected to be recovered through future sale of the tenements and/or companies in which the VAT is incurred or through future development and mining operations in the subsidiaries concerned.

5. PROPERTIES, PLANT AND EQUIPMENT

Amounts denominated in US \$000's	Zaruma Mines	Plant and Equipment	Dynasty Goldfields	Land and Buildings	Total
Cost:					
Balance as at 31 December 2019	29,104	34,350	15,041	3,129	81,624
Additions	-	36	-	-	36
Right of use asset – head office lease	-	-	-	80	80
Acquired as part of business combination	-	48	-	-	48
Transferred to held for sale assets	(29,104)	(34,350)	-	(2,791)	(66,245)
Transferred to exploration and evaluation	-	-	(15,041)	-	(15,041)
Balance as at 31 December 2020	-	84	-	418	502
Additions	-	102	-	-	102
Balance as at 30 June 2021	-	186	-	418	604
Accumulated Depreciation and Amortisation:					
Balance as at 31 December 2019	(29,104)	(34,350)	(792)	(360)	(64,606)
Depreciation and amortisation / impair.	-	(9)	(54)	(1,303)	(1,366)
Acquired as part of business combination	-	(4)	-	-	(4)
Transferred to held for sale assets	29,104	34,350	-	1,646	65,100
Transferred to exploration and evaluation	-	-	846	-	846
Balance as at 31 December 2020	-	(13)	-	(17)	(30)
Depreciation and amortisation	-	(37)	-	(14)	(51)
Balance as at 30 June 2021	-	(50)	-	(31)	(81)
Net Book Value					
As at 31 December 2020	-	71	-	401	472
As at 30 June 2021	-	136	-	387	523

6. EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated	
	30 Jun 2021	31 Dec 2020
	US \$000's	US \$000's
Capitalised exploration and evaluation expenditure	23,749	18,374
Reconciliation of carrying amounts at the beginning of the period to the end of the period:	6-months	12-months
At the beginning of the period	18,374	248
- expenditure for the period	5,430	3,719
- acquisitions through business combinations (Peru)	-	3,492
- disposals (Peru)	-	(3,280)
- impairment / concessions relinquished (Peru)	(55)	-
- transferred from property, plant and equipment	-	14,195
At the end of the period	23,749	18,374

7. DISCONTINUED OPERATIONS

Assets and liabilities classified as held for sale

	Consolidated	
	30 Jun 2021	31 Dec 2020
	US \$000's	US \$000's
Assets classified as held for sale		
PP&E – Mineral and processing rights: Zaruma mine and Zaruma concessions (Ecuador).	-	-
PP&E – Equipment and plant: Zaruma & Portovelo	-	-
PP&E – Land surface rights: Zaruma & Portovelo	1,145	1,145
Inventories – Zaruma & Portovelo	-	-
	1,145	1,145
Liabilities classified as held for sale		
Provision for closure and restoration: Zaruma & Portovelo	1,803	1,850
Net Assets classified as held for sale	1,803	1,850

Loss from discontinuing operations

	Consolidated	
	30 Jun 2021	30 Jun 2020
	US \$000's	US \$000's
Coriorcco and Las Antas (Peru)	-	(109)
Vista Gold S.A.C (Peru)	-	(57)
Zaruma mine & Portovelo plant (Ecuador)	(1,006)	(1,789)
Loss from discontinuing operations	(1,006)	(1,955)

During the prior year on 9 October 2020, the group completed the divestment of its non-core Coriorcco and Las Antas assets in Peru. Amounts classified as discontinuing operations relate to exploration and related expenses incurred.

Vista Gold Plant:

The sale of the Vista Gold Plant was completed via the sale of wholly owned subsidiary, Vista Gold S.A.C on 24 December 2020. Consideration for the sale totals US\$2.97 million. Titan has:

- (a) received prior to 30 June 2021, payments totalling US\$1,700,000 (US\$800,000 in the previous year); and
- (b) has receivable, a further 7 (approximately quarterly) instalments through to 15 July 2022, totalling US\$1,270,000.

	Half-year ended	
	30 Jun 2021	30 Jun 2020
	US \$000's	US \$000's
Loss for the period from discontinued operations		
Revenue	-	4,592
Cost of goods sold	-	(4,166)
Gross profit	-	426
Other expenses	-	(483)
Loss before income tax	-	(57)
Attributable income tax expense	-	-
Loss for the year from discontinued operations	-	(57)
Cash flows from discontinued operations		
Net cash inflow from operating activities	-	30

**Gold production in Ecuador ceased 15 April 2020:
Portovelo processing plant plus Zaruma mine and
concessions (on care & maintenance).
In the process being sold:**

	Half-year ended	
	30 Jun 2021	30 Jun 2020
	US \$000's	US \$000's
Loss for the period from discontinued operations		
Revenue	-	6,524
Cost of goods sold	-	(4,960)
Depreciation and amortisation	-	(177)
Gross profit	-	1,387
Care and maintenance	(1,006)	-
General and administration expenses	-	(1,821)
Salary and wages	-	(785)
Professional fees and other	-	(570)
Profit (loss) before income tax	(1,006)	(1,789)
Attributable income tax expense	-	-
Profit (loss) for the year from discontinued operations	(1,006)	(1,789)
Cash flows from discontinued operations		
Net cash inflow (outflow) from operating activities	(1,006)	(2,401)

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	Consolidated	
	30 Jun 2021	31 Dec 2020
	US \$000's	US \$000's
CURRENT		
Trade payable	6,327	9,548
Payroll related payables and accruals	170	54
Government payable – IVA, Taxes, Royalty, Concessions	86	202
Other payables	1,349	1,203
	7,932	11,007

9. LOANS PAYABLE

		Consolidated	
		30 Jun 2021	31 Dec 2020
		US \$000's	US \$000's
Silverstream loan	(i)	2,619	2,619
Sophisticated and professional investors loan	(ii)	3,124	3,200
RM Hunter loan	(iii)	1,128	-
Loan from Director	(iv)	495	-
		7,366	5,819

(i) Silverstream SEZC Loan

Mantle Mining S.A.C, a, wholly owned subsidiary of the Consolidated Group, holds a loan from Silverstream SEZC. The loan is interest free, and requires the total payment of US\$3,700,000 over 15 instalments commencing on 1 July 2018 and ending on 30 June 2022. As at 30 June 2021 and at 31 December 2020, an amount of US\$2,619,000 remains owing after repayments made to date.

The Silverstream agreement is secured over the Torrecillas concessions in Peru that the Titan group had with Silverstream SEZC. There is no parent company guarantee with Titan Minerals Limited in place, with no method of recourse for the lender to pursue back to Titan Minerals Limited for default. Subsequent to period end this liability was fully extinguished.

(ii) Sophisticated and professional investors loan (secured)

The material terms of the loan facility are:

- Amount: AUD \$4,155,280
- Interest: 15% interest per annum payable at the repayment date.
- Security: the Loan amount is secured against the Dynasty Gold, Copper Duke & Linderos assets of Titan in Ecuador.
- Repayment: the Company must repay the Loan Amount it has drawn and all other amounts accrued or outstanding by 28 February 2022 (Termination Date).
- AUD \$1,150,000 (US\$ 865,000) has been repaid in TTM ordinary shares on 26 July 2021.

(iii) RM Hunter loan

On 2 January 2020 Titan entered into an unsecured debt facility with RM Hunter Fund Pty Ltd, an entity controlled by Mr Raymond Meadowcroft, an experienced debt funding investor.

The key terms of the Loan Facility are:

- the amount available to be drawn is US\$10 million;
- amounts drawn may be repaid and redrawn over the term;

- repayment date has been extended to 31 December 2021;
- the interest rate on amounts drawn is 12% per annum (and no interest or fees accrue on undrawn amounts);
- Titan can use the amounts drawn as it chooses;
- no security has been, or is required to be, provided to the Lenders in connection with the Loan Facility; and
- as consideration for the Lenders agreeing to provide the Loan Facility, Titan issued to the Lenders fully paid ordinary shares in Titan having an aggregate value equal to US\$500,000, which is 5% of the total loan amount

During the 6 months to 30 June 2021, the Company drew down approximately US\$1.1 million from this facility.

(iv) Loan from Director

On 18 March 2021, Executive director Mr Matthew Carr provided a loan of A\$660,000 (US\$495,000) on the same terms and conditions as the RM Hunter Loan apart from, the funds are repayable at any time at the Company's discretion but no later than 31 December 2021 and no share consideration is payable for provision of the loan.

10. ISSUED CAPITAL

Issued capital reconciliation

Issued capital	30 June 2021	
	Number	US \$000's
Ordinary shares fully paid	1,139,452,483	150,494
Movements in shares on issue		
Balance at 1 January 2020	166,873,828	110,949
Elimination of existing legal acquiree (Core Gold Inc.) shares	(166,873,828)	-
Shares of legal acquirer (Titan Minerals Limited)	318,441,687	-
Issue of shares for the acquisition of Titan Minerals Limited	488,947,378	19,834
Shares issued 4 June 2020 for share placement	185,376,955	8,321
Less: capital raising costs	-	(589)
Balance at 30 June 2020	992,766,020	138,515
Shares issued for SSP and directors placement participation in August 2020	38,461,538	1,795
Shares issued to lenders and suppliers in lieu of cash	108,224,925	10,184
Balance at 1 January 2021	1,139,452,483	150,494
Balance at end of half year	1,139,452,483	150,494

Terms and conditions of contributed equity

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

(a) Shares under option – unlisted

During the period no options or performance rights were exercised, issued, or expired.

As at 30 June 2021, options issued included:

- 37,120,000 incentive options to employees and directors which expire on 25 August 2024 and 20 November 2024;
- 34,000,000 options to Canaccord Genuity (Australia) Limited which expire on 31 December 2023;
- and a further 4,500,000 options which expired unexercised on 1 July 2021.

Performance rights at 30 June 2021, totalled 1,500,000 to one senior staff member which did not vest due to the hurdles not being achieved and which expired on 28 August 2021.

11. BUSINESS COMBINATION

As described in Note 2(c), on 30 January 2020, Titan Minerals Limited acquired control of greater than 50% of the common shares and voting rights of Core Gold Inc., and completed the legal acquisition of 100% of the common shares in Core Gold Inc. on 26 May 2020.

Under the principles of AASB 3, the transaction between Titan and Core is treated as a reverse acquisition, whereby the accounting acquirer is deemed to be Core and Titan is deemed to be the accounting acquiree. Refer to the effect upon the basis of preparation at Note 2(c) Reverse acquisition.

Legal acquisition:

As part of the legal acquisition of Core Gold Inc., Titan Minerals Limited acquired the following subsidiaries:

Name of entity	Country of incorporation	Ownership interest	Principal Activity
Core Gold Inc.	Canada	100%	Holding company and administration
1165412 B.C. Ltd	Canada	100%	Holding company (Elipe)
GV Gold Holdings Limited	Canada	100%	Holding company (GVR)
Elipe S.A	Ecuador	100%	Mineral exploration and concession holder
Green Valley Resources GVR S.A	Ecuador	100%	Plant operator and producer, concession holder
Empire Sun Investment Limited	British Virgin Islands	100%	Holding company (Greentrade)
Greentrade Ecuador Overseas Inc.	Panama	100%	Holding company (Planta & Minsupport)
Golden Valley Planta S.A.	Ecuador	100%	Plant owner
Minsupport S.A.(in administration)	Ecuador	100%	General and administration

Acquisition consideration:

As consideration for the issued capital of Core, Titan issued 488,947,378 shares to the shareholders of Core. No cash was paid as part of the acquisition consideration.

Fair value of consideration transferred:

Under the principles of AASB 3, the transaction between Titan and Core is treated as a reverse acquisition. As such, the assets and liabilities of the legal subsidiary (the accounting acquirer), being Core, are measured at their pre-combination carrying amounts. The assets and liabilities of the legal parent (accounting acquiree), being Titan are measured at fair value on the date of acquisition.

The consideration in a reverse acquisition is deemed to have been incurred by the legal subsidiary (Core) in the form of equity instruments issued to the shareholders of the legal parent entity (Titan). The acquisition-date fair value of the consideration transferred has been determined by reference to the fair value of the number of shares the legal subsidiary (Core) would have issued to the legal parent entity Titan to obtain the same ownership interest in the combined entity. Therefore the deemed fair value of the acquisition of Titan (Accounting Subsidiary) was determined to be 93,567,799 shares on issue in Titan at approximately \$0.21 USD for a total value of US\$19,834,000.

Goodwill (Corporate transaction expense):

Goodwill is calculated as the difference between the fair value of consideration transferred less the fair value of the identified net assets of the legal parent, being Titan. Details of the transaction are as follows:

	<u>Fair Value</u> <u>US \$000's</u>
Fair value of consideration transferred	19,834
Fair value of assets and liabilities held at acquisition date:	
• Cash	3,094
• Receivables and prepaid expenses	2,234
• Inventories	578
• Properties, plant and equipment (including Vista plant)	3,568
• Exploration and evaluation properties (including Coriorcco and Las Antas)	3,492
• Trade and other payables	(6,252)
• Loans payable	(4,275)
• Provision for closure and restoration	(282)
Fair value of identifiable assets and liabilities acquired	<u>2,157</u>
Goodwill (Corporate transaction expense)	<u>17,677</u>

The goodwill calculated above represents goodwill in Titan, however this has not been recognised as Titan (the accounting acquire) does not hold any cash generating units for which goodwill can be attributed to. As described in Note 7, the Group has entered into agreements to dispose of Vista Gold S.A.C (which holds the Group's Peru Gold Toll Processing Plant). Instead the deemed fair value of the interest in Core issued to existing Titan shareholders to effect the combination (the consideration for the acquisition of Titan) was recognised as an expense in the consolidated statement of profit or loss. This expense has been presented as a "Corporate Transaction Expense" on the face of the consolidation statement of profit or loss and comprehensive income.

As at acquisition date, there was a non-controlling interest of 17.66% relating to shareholders in Core Gold Inc who had not accepted the offer as at 30 January 2020. As at acquisition date, the value of this non-controlling interest was \$452,000. The legal parent Titan Minerals Limited acquired this remaining interest on 26 May 2020, as such the non-controlling interest as at 30 June 2020 is \$nil.

12. CONTINGENT LIABILITIES

All contingent liabilities as previously disclosed in the annual financial statements as at 31 December 2020, were disposed of with the relinquishment of control over certain Ecuadorian subsidiaries. The Ecuadorian restructuring is detailed in Note 13 below and in the above Directors' Report.

13. BUSINESS REORGANISATION & SUBSIDIARIES

On 9 June 2021 the Company announced it had completed a restructuring of its Ecuadorian operations as part of its strategic review. The following key subsidiary companies of the Titan consolidated group were impacted:

Wholly owned Panamanian subsidiaries with Ecuadorian branches – entities which now hold Ecuadorian projects and mining concessions which are being retained by Titan:

- NEK Development Corp. – Dynasty Gold project
- Helles Mining Corp. – Copper Duke project
- Mooro Mining Inc. – Linderos project
- Black Flag Minerals Inc. – Copperfield project
- Cloudstreet International Corp. – Jerusalem Gold project

Wholly owned Panamanian subsidiaries (of NEK Development Corp.) with Ecuadorian branches – entities being sold as part of the Zaruma mine sale:

- Round House Mining Inc. – Zone 1
- Third Ridge Corp. – Zone 3
- Block Minerals Corp. – Los Cipreces
- Bulla Resources Corp. – Machay

Wholly owned Ecuadorian subsidiaries (of Titan Minerals Limited) – entities being sold as part of the Zaruma mine & Portovelo plant sale:

- Lone Pine S.A.S. – Zone 2
- Hartog S.A.S. – Zone 4
- Sugarloaf S.A.S. – Malvas 1
- Sandlewood AU25 S.A.S. – Portovelo plant and related assets (being transferred)

Wholly owned Ecuadorian subsidiary (of Titan Minerals Limited) – the main operating and service company in Ecuador, which employs the majority of the local staff:

- Titan Minerals S.A.S.

Previous wholly owned Ecuadorian subsidiaries, per the acquisition of Core Gold consolidated group. Control was relinquished on the transfer of concessions and completion of the business reorganisation* :

- Green Valley Resources GVR S.A. (in administration)
- Elipe S.A. (in administration)

* the intermediate Canadian holding companies were also disposed of.

14. DISPOSAL OF SUBSIDIARIES

During the half year the Company completed the restructuring of its Ecuadorian operations. This resulted in the disposal of two Ecuadorian subsidiaries (refer to Note 13). The Management have determined that the operations of these subsidiaries were within the operations of the group and not material to the group. The sale of the subsidiaries is considered a corporate transaction. As such these have not been reported as discontinued operations.

The net gain on disposal represents the net liabilities of the subsidiaries as at 7 June 2021 US\$5,261,000 being the disposal date plus amounts previously taken to foreign currency translation reserve and now reclassified to profit or loss.

15. SUBSEQUENT EVENTS

On 26 July 2021, the Consolidated Group completed the sale of Zaruma mine and Portovelo process plant in Ecuador for US\$15.0 million pursuant to a Share Sale Agreement with Pelorus Minerals Limited.

- US\$2.0 million was received in April 2021 as a non-refundable deposit;
- US\$3.5 million was received in July 2021 immediately after signing the agreement;
- and US\$0.75 million has been received by 13th September 2021, totalling US\$6.25 million to date;
- US\$1.25 million is currently receivable.
- A further US\$7.5 million is receivable in 3 instalments of US\$2.5 million through to June 2022.

Please refer to the ASX announcement of the same date for further details.

On 26 July 2021, the Company issued 17,260,927 fully paid ordinary shares to repay A\$1,150,000 (US\$865,000) in loan principal to sophisticated and professional investors as approved by shareholders at the AGM of 1 July 2021. A further 3,800,000 fully paid ordinary shares were issued as payment in lieu of consulting fees.

On the 8 September 2021, Titan completed on a settlement agreement with Silverstream SEZC whose parent company is Vox Royalty Corp. whereby Titan paid US\$1.0 million in full and final settlement of the Silverstream SEZC loan. As part of the agreement Titan received royalties in advance on four prospective tenement or concession areas held by Titan subsidiaries in Peru. A 3% revenue royalty is payable on any production from these four concession areas.

On 30 August 2021, the Company appointed Mr Michael Skead as Executive Vice-President of Exploration. Mr Skead's remuneration includes 7.5 million Performance Options vesting in four equal tranches over two years and with terms aligned to the Company's current Performance Options issued 25 August 2020.

On 31 August 2021, the Company appointed Mr Peter Cook as Non-executive Chairman of Directors. Mr Cook's remuneration includes 9.0 million Performance Options with terms and vestment in alignment with the Company's current Performance Options issued 25 August 2020.

The directors are not aware of any other material subsequent events other than as disclosed in this financial report.