

27 April 2018

Quarterly Activities Report Three Months Ended 31 March 2018

Highlights

- **Bid Implementation Agreement executed for acquisition of Andina Resources Limited**
- **Binding Heads of Agreement executed on 17 April 2018 for acquisition of Mirador copper and gold processing plant in Northern Peru**
- **Exploration mapping continues at Torrecillas**

Titan Minerals Limited (ASX: TTM) ("**Titan**" or "**the Company**") is pleased to provide its quarterly activities report for the quarter ended 31 March 2018.

Corporate

Since the re-listing of the Company in October 2017, the Company's management team and Board have spent considerable time and resources in Peru progressing the development of Titan's existing projects, in addition to reviewing and conducting due diligence on several corporate opportunities.

This has resulted in the entry into of a bid implementation agreement to acquire 100% of the issued capital in Andina Resources Limited via an off market takeover and, subsequent to the end of Q1 2018, a binding heads of agreement to acquire the Mirador Copper Gold Plant in Northern Peru. Should the acquisition of Andina Resources Limited and the Mirador Copper Gold Plant complete, Titan will have secured two fully operational assets in both the southern and northern parts of Peru.

Andina Resources Bid Implementation Agreement

On 25 March 2018, Titan entered into a bid implementation agreement ("**BIA**") with Andina Resources Limited ("**Andina**"), by which Titan will acquire all of the issued share capital in Andina via an off-market takeover bid ("**Bid**"). Andina is a Peru focussed unlisted public company incorporated in Australia.

Under the Bid, Andina shareholders will receive 1 fully paid ordinary share in the capital of Titan for every 1.18 Andina shares held.

In addition, major Andina shareholders have entered into pre-bid acceptance agreements with Titan in respect of 19.8% of Andina shares currently on issue.

Completion of the Bid will create a company of enhanced scale that is positioned for further growth as a significant gold and base metals exploration and production company in Peru. The Boards of both Titan and Andina believe this is a logical combination of two complementary, overlapping businesses, with the opportunity to generate significant value for shareholders.

Rationale for the Bid

Following completion of the Bid, Titan will continue to develop its current Peruvian assets, the Torrecillas Gold Project and the San Santiago Project, in addition to operating Andina's complementary assets comprising the Tulin Gold Plant and the Vista Gold Plant.

Titan currently has the right to earn-in a 70% interest in the Torrecillas Gold Project. The Bid, if successful, will re-consolidate Titan's ownership of the Torrecillas Gold Project without Titan having to expend the earn-in amount. The consolidation of ownership of the Torrecillas Gold Project in Titan and the acquisition of the Tulin and Vista Gold Plants has several key benefits:

- Titan will be able to take advantage of the Vista Gold Plant to avoid building its own mill facilities, saving circa US\$4M in capital expenditure, and avoiding the three to four years required to achieve the gold plant licensing approvals;
- consolidation of the ownership of the Torrecillas Gold Project will ensure that any future discoveries can be owned by Titan exclusively, with minimal additional capital expenditure by utilising existing heavy equipment, personnel and senior management. In addition, Titan will not require the significant capital investment to build in its own mill facilities due the availability and location of the newly constructed Vista Gold Plant. Ore can be transported from the Torrecillas Gold Project to the Vista Gold Plant via the Pan American Highway, which provides an efficient transport route from mine to mill;
- any discovery and subsequent mining operations at the San Santiago concessions can also transport ore to the Vista Gold Plant for processing, which is located less than 100km away;
- by consolidating the Torrecillas Gold Project, San Santiago Project, Torrecillas gold mine, Tulin Gold Plant and the Vista Gold Plant into one entity, Titan will be uniquely positioned to mill its own ore, thereby reducing the cost of toll treatment of ore, and retain the ability to process small batches of high-grade ore for artisanal miners; and
- significant administration and corporate overhead savings.

These synergies will cement Titan's footprint in Peru as a significant gold and base metals exploration and production company. The relative locations of the San Santiago Project and the Torrecillas Gold Project to the Vista Gold Plant and the Tulin Gold Plant are illustrated in Figure 1.

Andina has established an experienced in country operational team having operated in Peru for over 8 years with, most importantly, a strong standing in the community. In addition, Andina's Peruvian management team provide a wealth of local relationships, plant and technical capabilities in both operating and exploration that will be invaluable to Titan as it expands its operations in Peru. The merged Board and management team is highly credentialed and experienced with strong connections in the key South American and North American markets.

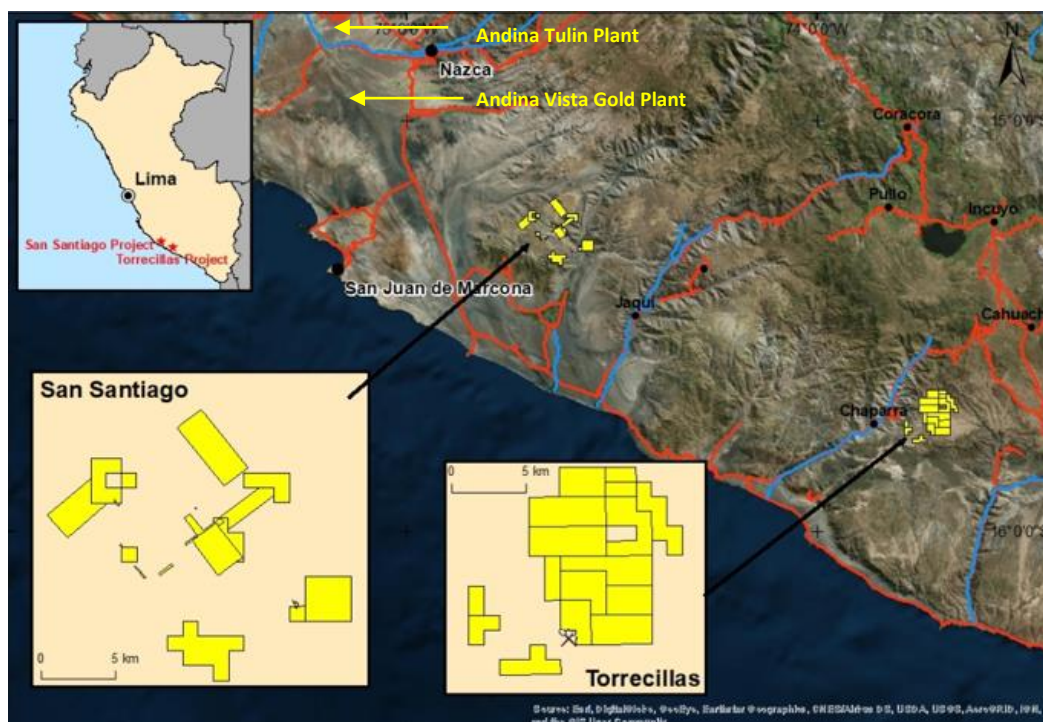


Figure 1: Location of the San Santiago Project and the Torrecillas Gold Project and Andina's Vista Gold Plant and Tulin Gold Plant

Andina

Andina is a Peru focused gold toll treatment company whose salient activities comprise gold refining and production at the Tulin Gold Plant and the Vista Gold Plant in Peru.

During the financial year:

- ending 30 June 2014, Andina processed 15,700 tonnes of ore averaging 15.7 grams/tonne and achieved a profit before tax of A\$1,938,225;
- ending 31 December 2015, Andina processed 12,115 tonnes of ore averaging 20.5 grams/tonne and achieved a profit before income tax of A\$612,002; and
- ending 31 December 2016, Andina processed 13,500 tonnes of ore to produce 7,629 oz of gold averaging 17.4 grams / tonne and achieved a profit before income tax of A\$358,613.

Andina's audited accounts for the financial year ending 31 December 2017 are in the process of being prepared. During that financial year, Andina processed 8,592 tonnes of ore averaging 17.7 grams/tonne. Andina does not anticipate deriving a profit for that financial year on the basis that its working capital was directed to the construction of the Vista Gold Plant and the existence of tailings dam capacity restrictions at the Tulin Gold Plant, amongst other things.

Tulin Gold Plant

Andina currently leases and operates the Tulin Gold Plant, located south of Nasca in Southern Peru. High grade gold ore (averaging approximately 17-20 g/t) is acquired from licensed artisanal miners, and then processed at the plant.

Andina has operated the Tulin Gold Plant on a commercial basis since 2013, generating revenue of circa A\$11m per annum, excluding the financial year ended 31 December 2017 (as explained above). The Tulin Gold Plant had EBITDA of A\$1.1m in 2016.

The Tulin Gold Plant is licensed for 70 tons per day and averaged approximately 37 tons per day in FY16 with all ore being purchased from licensed artisanal gold miners in the local mining district.

The Tulin Gold Plant has profitably milled over 50,000 tons of ore grading approximately 17-20 grams per ton since 2014 and has produced approximately 7,500 oz to 8,600 oz of refined gold per annum, excluding the financial year ended 31 December 2017 (as explained above).



Photo 1: Tulin Gold Plant and CIL circuits

Vista Gold Plant

Andina is constructing the Vista Gold Plant in southern Peru, located near the San Santiago and Torrecillas Gold Projects. Andina is targeting Q3 2018 for completion of construction of the Vista Gold Plant. When complete, the Vista Gold Plant will provide the combined group with significant cash flow opportunity in the near term. The team intends to acquire and process high grade ore from licensed artisanal miners in the region and utilise the Vista Gold Plant to process any ore mined at the Torrecillas mine and/or San Santiago concessions, providing significant synergies to the group.

When complete and licensed, the Vista Gold Plant will have a nameplate capacity of 200 tons per day, more than double the operating capacity of the existing Tulin Gold Plant. The Vista Gold Plant has been designed to increase its capacity to 350 tons per day with minimal capital outlay, when warranted by supply of ore. Andina aims to have the Vista Gold Plant commissioned for operation in Q4 2018, subject to timely receipt of all requisite permits and approvals.



Photo 2: Vista Carbon & Leaching Tanks, with Tailings Dam in the distance

Details of the Bid

The Bid will be implemented by way of an off-market takeover bid, wherein Andina shareholders will receive 1 Titan share for every 1.18 Andina shares held.

The Bid will extend to any Andina shares that are issued as a result of the vesting of Andina performance rights during the offer period.

ASX ANNOUNCEMENT

The Bid is subject to the following conditions:

- 90% minimum acceptance by Andina shareholders;
- all applicable regulatory approvals being obtained;
- Titan shareholders approving the Bid for the purposes of ASX Listing Rule 10.1; and
- no material adverse change or prescribed occurrence in relation to Andina.

Titan and Andina have agreed to a deal protection regime including no shop and no talk rights, a right to match any superior proposal and payment of an agreed break fee in certain circumstances.

Further details of the Bid are set out in the BIA, contained in Annexure A to Titan's announcement dated 26 March 2018, and will be provided in the Titan bidder's statement and Andina target's statement which will be dispatched to Andina shareholders in the coming quarter.

Titan will dispatch a notice of meeting to Titan shareholders for the purposes of ASX Listing Rule 10.1 approval in due course.

Additionally, Andina is required to obtain an independent expert's report as to whether the Bid is fair and reasonable to Andina shareholders, as Mr Matthew Carr is a director of both Titan and Andina. This report will be included in the Andina target's statement.

Mirador Copper Gold Plant

On 17 April 2018, subsequent to quarter end, Titan executed a binding heads of agreement to acquire Peruvian companies Kairos Capital Peru S.A.C ("**Kairos**") and M&S Transportes y Servicios Generales S.R.L ("**Mirador**"), subject to, among other things, completion of due diligence enquiries to the satisfaction of Titan ("**Acquisition**").

The major assets held by Kairos and Mirador include the 100% owned Mirador processing plant located in Chimbote, Peru ("**Mirador Plant**") and six (6) 100% owned mineral concessions. The Mirador Plant is fully operational and has feedstock stockpiled and ready for processing through its flotation circuit. The plant also features a carbon in pulp (CIP) gold circuit which is currently on standby. Subject to the results of Titan's due diligence and completion of the Acquisition, Titan plans to upgrade the carbon in leach (CIL) circuit. The Mirador Plant is strategically located 450km north of Lima in Chimbote whereas the majority of the toll mill processing facilities are focused in the south of the country in the Chala and Nazca districts.

Pursuant to the heads of agreement:

- Titan proposes to acquire 100% of Kairos and Mirador from Kairos Capital Holding Limited, Mr Wong Sang Moon and Mr Gyo Hee Kim ("**Vendors**"), subject to completion of satisfactory due diligence and the satisfaction (or waiver) of agreed conditions precedent (refer below);
- Titan has paid a non-refundable deposit of US\$100,000 in connection with the Acquisition;
- Kairos, Mirador, the Vendors have agreed to not, and to ensure that their respective related bodies corporate and representatives do not, solicit, encourage or otherwise engage in discussions in respect of a competing proposal with any third party;
- completion of the Acquisition is expected to occur on or before July 1, 2018, conditional on the satisfaction (or waiver by Titan) of, among other things:
 - completing its due diligence enquiries in respect of Kairos, Mirador and the Mirador Plant and being satisfied, in its sole and absolute discretion, with the results of the due diligence;
 - Titan undertaking an equity capital raising to raise a minimum of US\$3,000,000;
 - Titan obtaining all requisite regulatory and shareholder approvals, waivers and confirmations (including a waiver of ASX Listing Rule 7.3.2 to permit the issue of the share consideration over a period of more than three months, if required); and
 - no material adverse change occurring in respect of Kairos or Mirador; and
- in the event that Titan proceeds to complete the Acquisition, the Vendors will receive, in aggregate:
 - US\$2,000,000 cash;

- 131,768,112 ordinary Titan shares to be issued in the three tranches:
 - 43,992,704 to be issued on completion of a maximum machine capacity flotation of 300 tons per day and CIP 50 tons per day;
 - 43,992,704 to be issued on completion of maximum machine capacity of CIP 100 tons per day or 30 June 2019; and
 - 43,992,704 to be issued on the earlier of completion of maximum machine capacity of CIP of 200 tons per day or 31 December 2019.

Refer to Titan's announcement dated 17 April 2018 for further details of the Mirador Copper Gold Plant and the acquisition.

Annual Report

The Company released its Annual Report for the year ended 31 December 2017 on 3 April 2018. The Annual Report will be dispatched to shareholders that have requested a hard copy or copy via email. The Annual Report is also available on the Company's website for download at <https://www.titanminerals.com.au/investors/announcements/>.

Torrecillas Gold Project – Peru

During the quarter, the Company's geological team continued its detailed review of the historical exploration data for the high-grade Torrecillas Gold Project in Peru. The Company has a right to earn-in up to 70% of the project, which is currently owned by Andina. If Titan's takeover of Andina is successful, the Torrecillas Gold Project will become a wholly-owned subsidiary of Titan.

Systematic detailed surface mapping and channel-sampling undertaken in 2012 discovered numerous high-grade gold vein systems within the Torrecillas tenure. Six new target areas – Rebeca, Tessie, Linda Julia, Sandra and 5 Noviembre West – were defined (and remain unexplored), in addition to the previously-identified vein systems of Torre Chico, Ady-Oly, 5 Noviembre and Brecha Toropampa (see Figure 2).

The vein systems are structurally controlled and vary in strike between east-west to nor northwest – south southeast, in accordance with the regional trend. Dip is also variable, but is typically steep. Significantly, the identified strike lengths of these vein systems are all greater than **300m and up to 850m**, in comparison to the vein system at Andina's Torrecillas Gold Mine which has less than 200m of strike and had a JORC measured resource of over 100,000oz (Au). The historic channel samples represent such high grade Au hits (9.63g/t, 14.9g/t, 6.81g/t, 238g/t, 17.15g/t, 12.65g/t, 26.3g/t) validating the strategy of exploring and mobilising drilling rigs in 2018.

The Company continues to undertake mapping of the Torrecillas concession package. The concession area is 13,000 hectares. Once Titan completes detailed mapping of the area it will undertake a geophysical survey and further channel samples of the Torrecillas tenements to identify priority targets for drilling. Titan estimates that this process will commence in Q2 or Q3 2018.

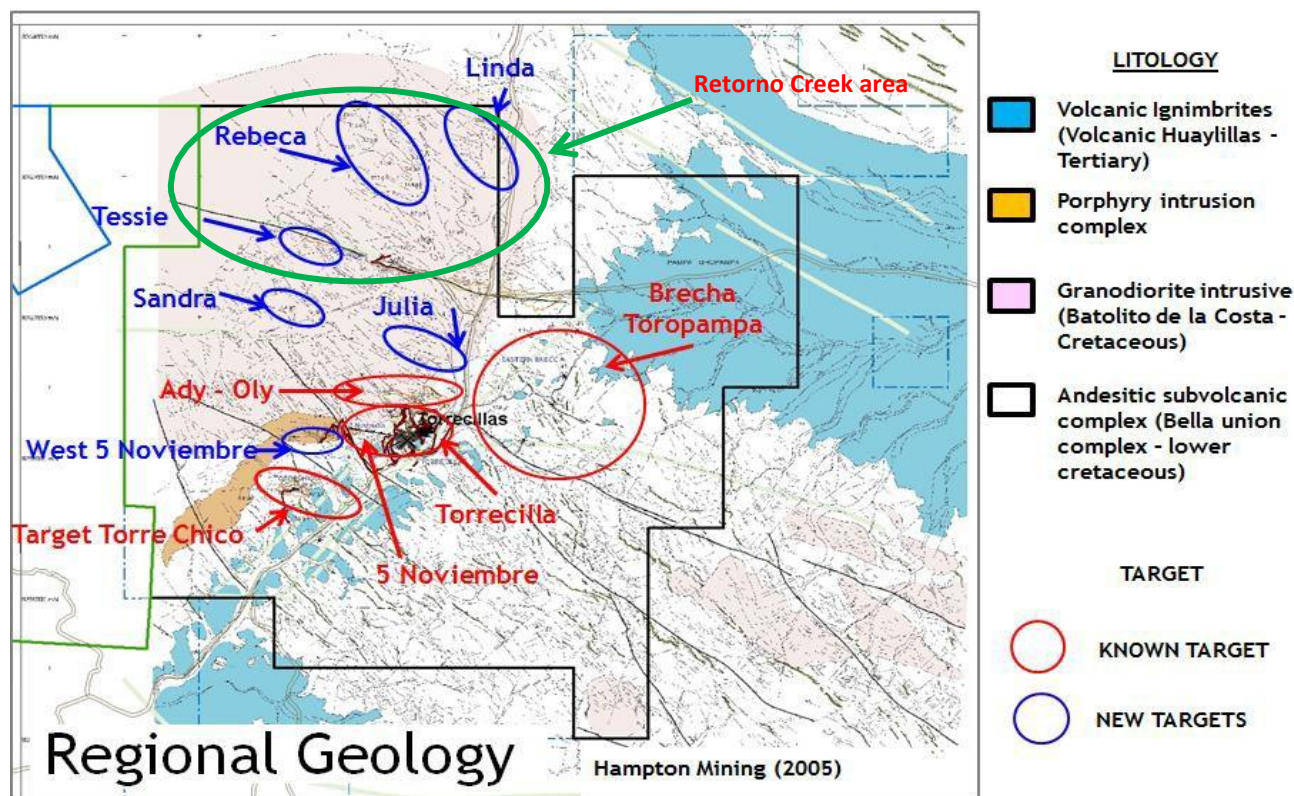


Figure 2 - Location of the high-grade gold target areas at the Torrecillas Gold Project, circled in blue are the targets discovered during the 2012 exploration campaign

San Santiago Copper Project - Peru

During the quarter, the Company's geological team continued to review of the historical exploration data for the high-grade copper mineralisation at its 100% owned San Santiago Copper Project in Peru. The Company has now completed its initial field work in this regard. The area shows it hosts the IOCG Pampa De Pongo project owned by Jinzhao Mining. The San Santiago concessions are nearby but at this stage Titan is unable to assess if the geology has significant potential.

Having regard to the difficult terrain on which the San Santiago Copper Project concessions are located, Titan's geological team has determined that significant costs and time must be incurred in order to complete the geological study of this project. Further, Titan has decided to prioritise the Torrecillas concessions for detailed exploration work and drilling. Accordingly, the geological study in respect of the San Santiago Copper Project has been deferred until Titan has completed its review of current exploration findings and the exploration study in respect of the Torrecillas concessions has completed.

San Santiago Copper Plant

The San Santiago Copper Plant (see Photo 3) remains in care and maintenance whilst Titan's operational team continues its assessment for the restart and expansion of the plant's operations. As a result of proposed takeover of Andina, Titan no longer intends to start the gold circuit at San Santiago. Instead, it is proposed that on completion of the takeover, gold will be processed at Andina's Vista Gold Plant and that Titan will run the San Santiago Plant as a copper plant only. If the takeover of Andina is not successful, Titan will re-consider this position. The conclusion of the ongoing assessment is expected to be completed in Q2 2018. The southern mining provinces located near the San Santiago operations are highly active with producing assets.

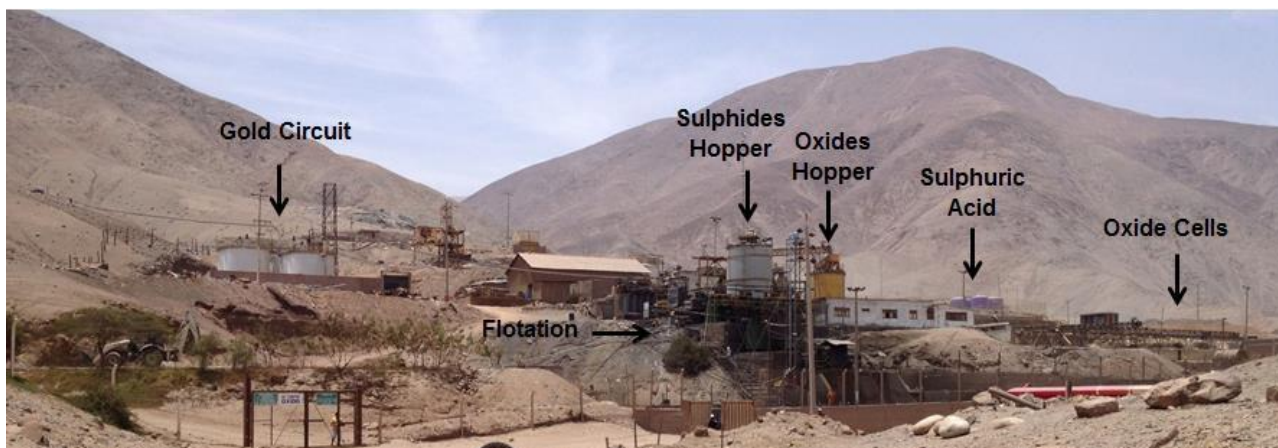


Photo 3: San Santiago Processing Plant

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For further information please contact:

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About Titan Minerals Ltd

Titan Minerals is the owner and operator of a copper and gold business in a well-established mining region of Southern Peru. A centralised processing plant with three separate circuits produces copper concentrate and copper cement in addition to loaded carbon from the CIP gold circuit, with feed sourced from third party operators as well as from Titan's 100% owned mines.

The copper assets of Titan are contained within 7,800Ha of under explored concessions that surround the San Santiago processing plant and are currently being mined for copper, with an attractive gold and silver credit.

Titan's gold assets include its small-scale mines at the Torrecillas project. At Torrecillas, a number of high-grade narrow gold veins have been developed and mined by Titan Minerals. This gold project, located just 180km from the processing plant, are part of 16,000Ha concession package that also contain two large tonnage, low-grade disseminated targets containing known gold and copper with silver and molybdenum mineralization.

Competent Person's Statement

The information in this document that relates to the Torrecillas gold project and the San Santiago concessions is based on information compiled and conclusions derived by Mr Aidan Platel. Mr Platel has over 17 years' experience in the minerals industry, in both mining and exploration roles across a wide range of commodities. Mr Platel has the relevant qualifications, experience and independence to be considered a "Competent Person" as defined by the JORC Code (2012). Mr Platel consents to the inclusion in this presentation of the matters based on his information and has reviewed all statements pertaining to this information in the form and context in which it appears.

Information in this announcement relates to the following previous ASX announcements:

- 27 November 2012, New Gold Discovery at Torrecillas Project, Peru;
- 1 February 2013, Tessie Vein System Discovered at Torrecillas Gold Project, Peru; and
- 22nd of April 2013, Exploration and trial mining update from Tessie project – Torrecillas Project

Exploration results were prepared and first disclosed under the JORC code 2004. It has not been updated since to comply with the JORC code 2012 on the basis that the information has not materially changed since it was last reported (see Minera Annual reports 2012-2014 and various corresponding ASX releases.)

The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the original market announcements continue to apply and have not materially changed. The company confirms that the form and context in which the competent persons findings have not been materially modified from the original announcement.