

12 September 2018

## POTENTIAL EARN-IN TO THE LAS ANTAS GOLD PROJECT

### HIGHLIGHTS

- Titan has agreed non-binding indicative terms to acquire up to an 85% ownership interest in the Las Antas Gold Project
- Las Antas Gold Project has significant potential for bulk tonnage, disseminated style gold mineralisation hosted within a region of high-grade gold & silver vein style mineralisation
- Las Antas Gold Project is located approximately 80km east of the Company's Vista gold processing facility and is in the same volcanic sequence that is host to major deposits in Southern Peru including the Ares Mine (1.2Moz Au) and the Antapite Mine (600koz Au)

Titan Minerals Limited (ASX: TTM) ("Titan" or "The Company") is pleased to announce that Titan has agreed non-binding indicative terms and is in the process of finalising negotiations with Management Environmental Solutions S.A, a privately held Peruvian company, ("Vendor") to acquire up to an 85% ownership interest in the Las Antas gold project in southern Peru ("Las Antas Gold Project"). Subject to the parties agreeing and executing a formal binding earn-in agreement, it is presently proposed that, upon the satisfaction of certain conditions, the Company will be granted an exclusive option to acquire an initial ownership interest of 60% in the Las Antas Gold Project and further options to acquire up to an additional 25% ownership interest in the Las Antas Gold Project (being a total of up to an 85% interest in the Las Antas Gold Project).

The Las Antas Gold Project, which hosts significant exploration potential for stand alone, bulk tonnage, disseminated style gold mineralization, also provides the Company with a key foothold into a broader district that contains multiple high-grade gold-silver veins. The acquisition within the prolific epithermal gold belt of Southern Peru is an important step towards development of a substantial land position in the region, generating multiple options with potential to provide high-grade feed to the Company's Tulin and Vista Gold production plants.



Figure 1 | Location map – Titan project within trucking distance of the Company's Vista and Tulin processing facilities.

### Las Antas Gold Project Highlights

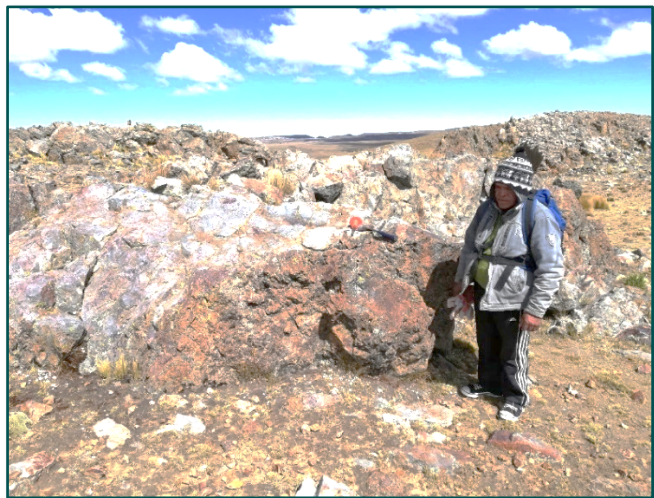
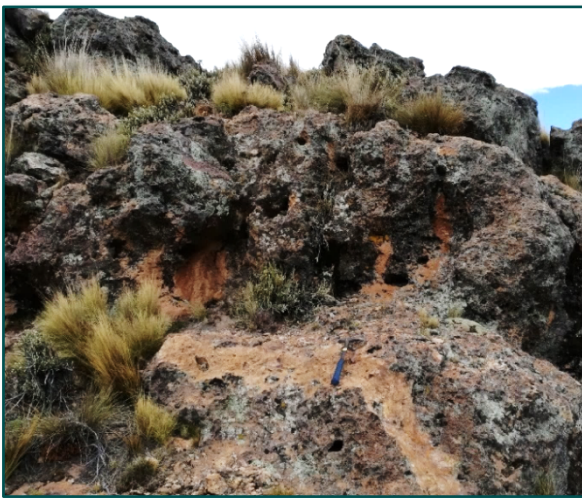
The Las Antas Gold Project, accessible by paved road to within 8km of the project, is 80km east of Peru's prominent PanAmerican Highway and well within trucking distance of the Company's Tulin and Vista gold processing facilities. The Las Antas Gold Project features an extensive zone of intense hydrothermal alteration at surface. The broader district contains multiple high-grade gold and silver veins located proximal to key prospects within the Las Antas Gold Project. The surface hydrothermal and breccia footprint is host to significant potential for larger scale, bulk tonnage, disseminated style gold mineralization.

The Las Antas Gold Project is hosted by the Calipuy volcanic layered stratigraphy in Southern Peru hosting andesitic flows, ignimbrites, tuffs, volcanic breccias and agglomerate units. The volcanic stratigraphy has been intruded by several andesitic to dacitic stocks, which comprise favourable units for mineralization and at surface are associated with a pervasive hydrothermal alteration system in halos of intense silicification, showing vuggy silica, alunite and illite.

The Las Antas Gold Project is located within the Oligocene-Pliocene gold-silver Belt of Southern Perú, which contains various precious metal deposits including the Ares Mine (1.2Moz Au & 15Moz Ag) and the Antapite Mine (600koz Au).

Specific to the Las Antas Gold Project area are two prioritized target areas:

- Yuracmarca Target, 1.5x2.2 km of area with propylitization, argilization and silicification alterations.
- Cerro Amarillo Target, 3.5x2.3 km of area with intense silicification, in parts vuggy silica, altered breccias, alunite and Illite, argilitization and propylitization



*Photo 1 (Left) | Cerro Amarillo Target Area, with intense silicification, localised vuggy silica, altered breccias, alunite, Illite and pervasive argilitization. Photo 3 (Right) | Cerro Amarillo Target, alteration contact between silicification and argilized breccias.*

The Las Antas Gold Project has received early stage modern exploration techniques, with non-systematic geophysical coverage completed in historical exploration activity from 1995 through 1998 under a joint venture between Hochschild and Anaconda. The project area has seen only limited shallow reconnaissance RC drilling before exploration abruptly ceased in 1998.





*Photo 3 (Left) | Yuracmarca Target, Extensive zone with Intense Silicification of structure 30x50m. with hematite and drusy quartz veining. Photo 4 (Right) | Yuracmarca Target, Zoom of Photo 3, showing multiple silica phases associated, with botryoidal hematite.*

#### **Earn-in Agreement – Indicative Key Terms**

Titan is pleased to advise that negotiations, whilst continuing, with the Vendor have progressed well to date and it is presently proposed that the key terms to the transaction will include:

- Titan, via its wholly owned Peruvian subsidiary, will be granted an exclusive right to acquire a 60% ownership interest in the Las Antas Gold Project ("Earn-In Option"), subject to and in consideration for the performance of certain earn-in obligations.
- Subject to the satisfaction of the earn-in obligations including, Titan undertaking US\$2,000,000 of exploration expenditure (with no minimum expenditure commitments) within 2 years of receipt of all permitting requirements to commence drilling, Titan may exercise the Earn-In Option to acquire a 60% ownership interest in the Las Antas Gold Project by paying US\$450,000 within 60 days notice of its election to form an incorporated joint venture with the Vendor ("Joint Venture").
- Upon delivery of a feasibility study sole funded by Titan, the Company's ownership interest in the Las Antas Gold Project and the Joint Venture will increase by 10%, from 60% to 70%.
- The Vendor will not be required to cash fund its participating interest portion of costs to the Joint Venture and the Joint Venture will be required to finance activities post Titan's Earn-in to a 70% interest in the Joint Venture and the Vendor will always maintain a minimum 15% non-diluted position in the Joint Venture.
- Titan will be granted further options to acquire up to an additional 15% ownership interest in the Las Antas Gold Project and the Joint Venture from the Vendor on the following proposed terms:
  - Titan may elect to acquire a further 5% interest from the Vendor, prior to a date that is 60 days from the date on which a feasibility study is first delivered, for US\$500,000;
  - Titan may elect to acquire a further 5% interest from the Vendor, at any time within 60 days following the making of a decision to mine, for US\$1,000,000; and
  - Titan may elect to acquire a further 5% interest from the Vendor, at any time following the commencement of commercial production in relation to an operating mine, for US\$1,000,000.
- Titan will retain a first right of refusal over the Vendor's interest in the Joint Venture and the Las Antas Gold Project.

**The above transaction, including the indicative terms, are subject to the parties agreeing and executing a formal binding earn-in agreement. There is no certainty that an agreement will be reached between the parties. The Company will update shareholders on the outcome of the negotiations and the status of the earn-in agreement by way of further ASX announcements.**

ENDS

### **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 centralized processing plant produces loaded carbon from a CIP gold circuit, with feed sourced from third party operators previously averaging 15 to 20g/t gold head grades.

Titan's gold assets include the Torrecillas project where 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 mineral concession package that also contain two large tonnage, low-grade disseminated targets containing known gold and copper with silver and molybdenum mineralization.

The Company is continuously evaluating additional projects within Peru for acquisition or joint venture to both provide additional, low cost gold ore feed for existing processing facilities and opportunities for processing growth and expansion. In addition, the Company shall also continue to evaluate projects elsewhere in gold, copper and other commodities to grow shareholder value.

For further information on all aspects of the company and its project please visit:

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