TITAN MINERALS LIMITED
(ACN 117 790 897)

Financial Report

Half year report for the six months ended 30 June 2018

Corporate Directory

Directors

Matthew Carr
Nicholas Rowley
Robert Sckalor
Cameron Henry

Company Secretary

Zane Lewis

Registered Office & Principal Place of Business

Suite 6, 295 Rokeby Road
SUBIACO WA 6008

Telephone: +61 8 6555 2950
Facsimile: +61 8 6166 0261

Share Registry

Automic Pty Ltd
Level 2
267 St Georges Terrace
Perth WA 6000
Ph: +61 2 9698 5414

Auditors

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

ASX Code

TTM

Australian Company Number

ACN 117 790 897

Australian Business Number

ABN 97 117 790 897

Contents

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 2018 and the auditor's 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

Matthew Carr (Executive Chairman)
Nicholas Rowley (Non-Executive Director)
Robert Sckalor (Non-Executive Director)
Cameron Henry (Non-Executive Director)
Zane Lewis (Company Secretary)

2. Principal Activities

There were no significant changes to the principle activities of the Group's principal activities during the financial period.

3. Operating Results

The loss from continuing operations of the Group for the half-year ended 30 June 2018 amounted to $1,996,479 (30 June 2017: loss of $1,445,237).

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:

Acquisition of Andina Resources Limited

During the period the Company 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.

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 has the right to earn-in a 70% interest in the Torrecillas Gold Project. The Bid will re-consolidate Titan's ownership of the Torrecillas Gold Project without Titan having to earn-in. 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;
- 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; and
- Significant administration and corporate overhead savings.

The Andina takeover became unconditional as of 12 July 2018 following the approval of shareholders at the General Meeting on that same date and the Company advised it had received acceptances of more than 90% of Andina shareholders and would move to compulsory acquire all the remaining shares of Andina.

On 10 August 2018 the Company issued 545,263,978 Ordinary shares to Andina shareholders to acquire 97.09% of the ordinary shares Andina. The remaining 2.91% of share will be acquired under the compulsory acquisition provisions of the Corporations Act and is anticipated to be completed in early September 2018.

Agreement to acquire Plant in Northern Peru

On 17 April 2018 the Company 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.

On 11 September 2018 the Company made the decision to elected not to proceed with the acquisition of Kairos and Mirador, and according, will not be acquiring the Mirador processing plant.

Oversubscribed placement

On 22 May 2018, the Company announced it received firm commitments to raise $11 million through an oversubscribed placement of 366,666,666 shares at 3.0 cents per share to institutional and sophisticated investors. These shares were issued as follows:

- Tranche 1 – 233,333,333 shares on 28 May 2018 raising a total of $7,000,000 (before costs); and
- Tranche 2 – 133,333,333 shares on 17 July 2018 raising a total of $4,000,000 (before costs)

Torrecillas Gold Project Exploration

During the period, the Company's geological team continued its detailed review of the historical exploration data, and completed a detailed field mapping and sampling campaign for the high-grade Torrecillas Gold Project in Peru.

Exploration activity on the project continued during the Andina acquisition, and results from works performed will allow the Company to better rate and rank numerous targets requiring follow-up work and re-define the exploration strategy to advance top tier targets to potential drill testing in 2018 following required permitting.

Among the previously identified eleven target areas, four vein zones have been identified for follow-up work based on strike extent and continuity of high grade results, including the Rebeca, Preciosa and Ady-Oly vein corridors, with each target area containing multiple veins across substantial widths ranging from 1.8 to 2.7km in strike extent. The priority target areas for drill follow-up include;

- Ady-Oly Prospect, which comprises numerous sub-parallel vein and vein extensions to the historical resource at the Torrecillas mine area on a complex vein array covering over 2.4km extent proximal to the granitic and Andesitic volcanic host rock contact zone in the area. The area includes numerous >5g/t results from channel samples across veins mapped at surface. Including up to 42.7g/t gold and 22.7g/t gold value returned on new vein extensions identified in recent mapping in a step-out to the southwest.
- Preciosa Prospect is a 2.7km long corridor of veining with multiple high-grade veins mapped on topographic highs. Sampling to date demonstrate strong potential for continuity of gold grades along strike, and additional trench sampling is planned in areas of colluvial cover to assess additional continuity of strike along veins within the target area.

- Rebecca Prospect is an area of relative high vein density and on average returning consistently high grades from representative channel sampling across multiple veins within the 1.8km long vein swarm. Again, vein extent and density are currently focused in areas of best exposure with significant potential to add strike extent and volume through further trenching and follow-up drilling along strike.

Previous exploration and mining on the Torrecillas Concession has highlighted multiple targets with high-grade resource potential within the project area. Recent exploration activity has refined characteristics to prioritise areas delivering significant strike extent and density of veining with continuity of grade to deliver potentially economically viable resources with drill definition.

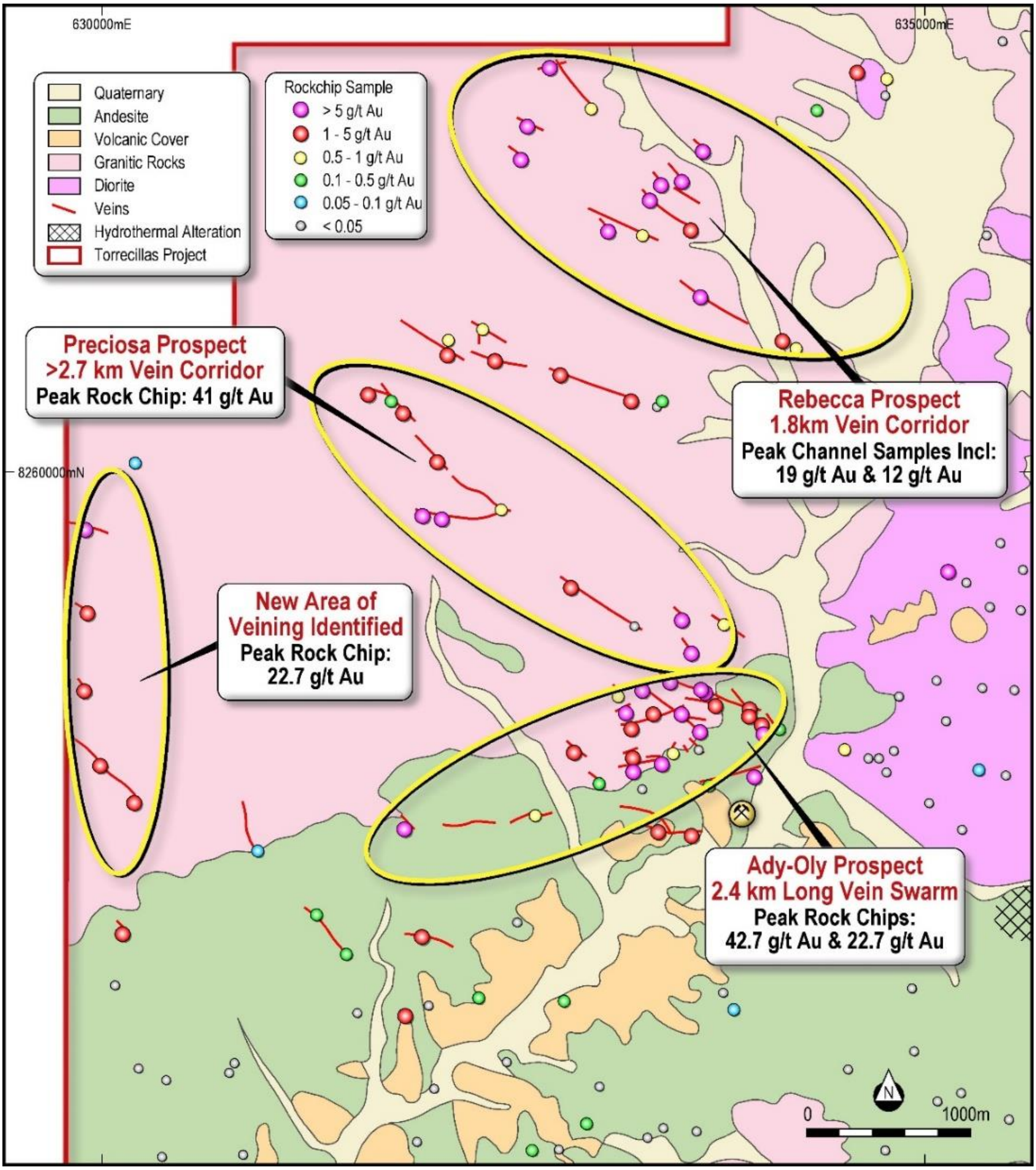

Figure 1 | Location of prioritised high-grade gold target areas at Torrecillas Project in Peru with reported surface sampling locations

Las Antas Gold Project

On 12 September 2018 the Company announced that it had agreed non-binding indicative terms to acquire up to an 85% ownership interest in the Las Antas Gold Project. The acquisition is subject to the parties agreeing and executing a formal binding earn-in agreement, however the presently proposed key terms to the transaction 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.

5. Events Subsequent to Reporting Date

There has not been any matter or circumstance, except for those matters referred to in Note 14 to the Financial Statements or noted above, that have arisen since the end of the financial year, 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 5 and forms part of the Directors' Report for the financial half-year ended 30 June 2018.

Signed in accordance with a resolution of the directors.

Matthew Carr
Executive Director
13th day of September 2018
Perth, Western Australia

Stantons International Audit and Consulting Pty Ltd
trading as
Stantons International
Chartered Accountants and Consultants

PO Box 1908
West Perth WA 6872
Australia

Level 2, 1 Walker Avenue
West Perth WA 6005
Australia

Tel: +61 8 9481 3188
Fax: +61 8 9321 1204

ABN: 84 144 581 519
www.stantons.com.au

13 September 2018

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 Audit Director for the review of the financial statements of Titan Minerals Limited for the half year ended 30 June 2018, 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
(Trading as Stantons International)
(An Authorised Audit Company)

Martin Michalik

Martin Michalik
Director

Stantons International Audit and Consulting Pty Ltd
trading as
Stantons International
Chartered Accountants and Consultants

PO Box 1908
West Perth WA 6872
Australia

Level 2, 1 Walker Avenue
West Perth WA 6005
Australia

Tel: +61 8 9481 3188
Fax: +61 8 9321 1204

ABN: 84 144 581 519
www.stantons.com.au

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
TITAN MINERALS LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Titan Minerals Limited, which comprises the consolidated statement of financial position as at 30 June 2018, 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 for Titan Minerals Limited (the consolidated entity). The consolidated entity comprises of Titan Minerals Limited (the Company) and the entities it controlled during the half year.

Directors' Responsibility for the Half-Year Financial Report

The directors of 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 (including the Australian Accounting Interpretations) 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 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. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, 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 consolidated entity's financial position as at 30 June 2018 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*. As the auditor of Titan Minerals Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, has been provided to the directors of Titan Minerals Limited on 13 September 2018.

Basis for Qualified Conclusion

During the period 25 August 2015 to 4 October 2017, the Company was subject to a Deed of Company Arrangement ("DOCA") and therefore under external administration. On 4 October 2017, the recapitalisation of the Company was completed and the DOCA was fully effectuated. Accordingly, on 4 October 2017, the Company exited external administration and the control of the Company was passed to the directors of the Company.

Since the Directors did not control the Company until it exited external administration, the financial information for the period up to 4 October 2017, and consequently to 31 December 2017, was not subject to accounting and internal control processes, which includes the implementation and maintenance of internal control processes that are relevant to the preparation and presentation of the financial report. Accordingly we are not in a position to, and do not express any assurance in respect of, the comparative information for the half year ended 30 June 2017 and the statement of financial position as at 31 December 2017.

The potential impact of the aforementioned basis for qualified conclusion on the current period's financial performance and cash flows, prevents us from determining whether adjustments might have been necessary in respect of the income and expenditure for the half year ended 30 June 2018 reported in the statement of profit or loss and other comprehensive income and the net cash flows reported in the statement of cash flows.

Qualified Conclusion

Except for the effect, if any, resulting from the basis for qualified conclusion in the preceding paragraph, based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Titan Minerals Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2018 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Stantons International Audit & Consulting Pty Ltd

Martin Michalik

Martin Michalik
Director

West Perth, Western Australia
13 September 2018

Directors' Declaration

The Directors of Titan Minerals Limited declare that:

1. As set out in Note 2, except for the effect of opening balances on the Condensed Statement of Profit or Loss and Other Comprehensive Income, the Condensed Statement of Changes in Equity and Condensed Statement of Cash Flows for the period ended 30 June 2018, 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 2018;

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:

____
Matthew Carr
Executive Director
13th day of September 2018
Perth, Western Australia

Condensed Consolidated Statement of Profit and Loss and Other Comprehensive Income

For the half year ended 30 June 2018

	Note	Consolidated Half-year ended 30 June 2018	Consolidated Half-year ended 30 June 2017
CONTINUING OPERATIONS			
Revenue	4	-	4,061
Cost of sales		-	(1,448,436)
Gross loss		-	(1,444,375)
Other revenue		4,951	-
Depreciation and amortisation charges	4	-	(143,853)
Administration expenses		(1,069,402)	(43,000)
Foreign exchange gain/(loss)		81,450	190,295
Finance costs		-	(4,304)
Bad debts		(475,227)	-
Impairment expense		(128,646)	-
Share based payments		(409,605)	-
(LOSS) BEFORE INCOME TAX EXPENSE		(1,996,479)	(1,445,237)
Income tax expense		-	-
(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS		**(1,996,479)**	**(1,445,237)**
DISCONTINUED OPERATIONS			
Profit for the period on discontinued operations	5	2,754,006	1,442,914
PROFIT / (LOSS) FOR THE PERIOD		**757,527**	**(2,323)**
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations		245,251	(1,429,222)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF INCOME TAX		245,251	(1,429,222)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		**1,002,778**	**(1,431,545)**
EARNINGS PER SHARE (cents per share)			
Basic earnings per share			
From continuing operations		(0.119)	(13.92)
From discontinued operations		0.164	13.90
Diluted earnings per share			
From continuing operations		(0.119)	(13.92)
From discontinued operations		0.164	13.90

Notes to the condensed consolidated financial statements are included on pages 13 to 20.

Condensed Consolidated Statement of Financial Position

As at 30 June 2018

	Note	Consolidated 30 June 2018	Consolidated 31 December 2017
CURRENT ASSETS			
Cash and cash equivalents	6	6,798,916	2,931,791
Trade and other receivables	7	155,479	289,776
TOTAL CURRENT ASSETS		**6,954,395**	**3,221,567**
NON-CURRENT ASSETS			
Trade and other receivables	7	1,113,244	98,097
Property, plant and equipment	8	1,184,156	1,000,000
Mine assets		172,777	172,777
Deferred exploration and evaluation expenditure		159,215	-
TOTAL NON-CURRENT ASSETS		**2,629,392**	**1,270,874**
TOTAL ASSETS		**9,583,787**	**4,492,441**
CURRENT LIABILITIES			
Trade and other payables	9	728,385	1,064,929
Borrowings	10	-	174,637
TOTAL CURRENT LIABILITIES		**728,385**	**1,239,566**
NON-CURRENT LIABILITIES			
Trade and other payables	9	-	2,204,403
TOTAL NON-CURRENT LIABILITIES		**-**	**2,204,403**
TOTAL LIABILITIES		**728,385**	**3,443,969**
NET ASSETS		**8,855,402**	**1,048,472**
EQUITY			
Issued capital	11	97,445,427	91,050,880
Reserves		3,228,825	2,573,969
Accumulated losses		(91,818,850)	(92,576,377)
TOTAL EQUITY		**8,855,402**	**1,048,472**

Notes to the condensed consolidated financial statements are included on pages 13 to 20.

Condensed Consolidated Statement of Changes in Equity

For the half year ended 30 June 2018

	Issued Capital	Share Based Payment Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total Equity
Balance as at 1 January 2017	**78,619,000**	**2,821,000**	**(1,902,546)**	**(105,009,393)**	**(25,471,939)**
Loss for the period	-	-	-	(2,323)	(2,323)
Other comprehensive income for the period, net of income tax	-	-	(1,429,222)	-	(1,429,222)
Total comprehensive income for the period	**-**	**-**	**(1,429,222)**	**(2,323)**	**(1,431,545)**
Issue of shares	-	-	-	-	-
Capital raising costs	-	-	-	-	-
Balance at 30 June 2017	**78,619,000**	**2,821,000**	**(3,331,768)**	**(105,011,716)**	**(26,903,484)**
Balance as at 1 January 2018	**91,050,880**	**2,825,527**	**(251,558)**	**(92,576,377)**	**1,048,472**
Loss for the period	-	-	-	757,527	757,527
Other comprehensive income for the period, net of income tax	-	-	245,251	-	245,251
Total comprehensive income for the period	**-**	**-**	**245,251**	**757,527**	**1,002,778**
Issue of shares	7,000,030	-	-	-	7,000,030
Capital raising costs	(605,483)	-	-	-	(605,483)
Share based payments	-	409,605	-	-	409,605
Balance at 30 June 2018	**97,445,427**	**3,235,132**	**(6,307)**	**(91,818,850)**	**8,855,402**

Notes to the condensed consolidated financial statements are included on pages 13 to 20.

Condensed Consolidated Statement of Cash Flows

For the half year ended 30 June 2018

	Note	Consolidated Half-year ended 30 June 2018	30 June 2017
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from gold sales and toll processing		-	584,164
Payments to suppliers and employees		(1,279,684)	(1,143,289)
Interest and other costs of finance paid		4,951	(18,120)
NET CASH USED IN OPERATING ACTIVITIES		(1,274,733)	(577,245)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant & equipment		(191,921)	-
Payments of exploration and evaluation costs		(151,451)	-
Loans provided to third parties		(1,113,244)	-
Proceeds from repayments of loans provided to third parties		201,785	-
NET CASH USED IN INVESTING ACTIVITIES		(1,254,831)	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares (net of capital raising costs)		6,394,547	-
Proceeds from borrowings		-	569,848
NET CASH PROVIDED BY FINANCING ACTIVITIES		6,394,547	569,848
Net increase / decrease in cash and cash equivalents		3,864,983	(7,397)
Cash and cash equivalents at the beginning of the period		2,931,791	57,652
Effects of exchange rate changes on the balance of cash held in foreign currencies		2,142	(1,875)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	6	6,798,916	48,380

Notes to the condensed consolidated financial statements are included on pages 13 to 20.

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 7, 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 with the most recent annual financial report.

The financial statements were authorised for issue by the Directors on 13th September 2018.

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 Australian dollars unless otherwise noted.

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

Adoption of new and revised accounting standards
The financial statements have been prepared in accordance with the same accounting policies adopted in the Group's last annual financial statements for the year end 31 December 2017, except for the below:

The Group has adopted AASB 9: *Financial Instruments* and AASB 15: *Revenue from Contracts with Customers* from 1 January 2018. The below denotes the impact (if any) on the Group's financial report:

Adoption of AASB 9: Financial Instruments
The Group has adopted AASB 9: *Financial Instruments* effective 1 January 2018, which replaces the provisions of AASB 139 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of AASB 9 did not result in a material change to the recognition or measurement of financial instruments for the Group as presented in the financial report.

Adoption of AASB 15: Revenue from Contracts with Customers
The Group has adopted AASB 15: *Revenue from Contracts with Customers*, which supersedes AASB 18: *Revenue*, from 1 January 2018. In accordance with the transition provision in AASB 15, the Group has adopted the new rules prospectively from 1 January 2018 and was not required to restate comparatives.

As the Group does not have any material revenue streams during the 6 month period ended 30 June 2018, the adoption of this standard has not resulted in a material impact to the Group's financial information.

Incomplete records – opening balances
As disclosed in the 31 December 2017 annual report, the financial report for the year ended 31 December 2017 has been prepared by Directors who received custodianship of the operations of the Group upon effectuation of the Deed of Company Arrangement and resignation of the Administrator on or after 4 October 2017. As such, the Directors did not have control of the Company until control was transferred to them on the effectuation of the deed of company arrangement on 4 October 2017.

As a result of this factor amongst others also disclosed in the annual report, the Directors were unable to state that the 31 December 2017 annual report has been prepared in accordance with Australian Accounting Standards including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001, nor was it possible to state the financial report gives a true and fair view of the Group's financial position.

As the conditions outlined above are relevant to the comparative information in this 30 June 2018 half-year financial report, being the opening balances of the current period, the Directors position on the comparative information is consistent with that of the previous annual report. As opening balances affects the determination of the results of operations and cash flows, the Directors are of the opinion that, except for the impact of opening balances on the Condensed Statement of Profit or Loss and Other Comprehensive Income, the Condensed Statement of Changes in Equity and Condensed Statement of Cash Flows, this half-year financial report has been prepared in accordance with Australian Accounting Standards including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

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 (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 Peru. The reportable segments are based on aggregated operating segments determined by the similarity of the services provided and other factors.

Segments

The Group has three reportable operating segments which are the same as its geographical segments, these are Peru, Australia and the USA. The information is further analysed based on the mineral sold within the region.

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.

4. SEGMENT INFORMATION (continued)

Intersegment Transfers

There have been no intersegment sales during the period.

The following is an analysis of the Group's revenue and results by reportable operating segment for the year under review:

	Revenue		Segment Result	
	Period ended		Period ended	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017
Continuing operations				
Segment result before income tax – Peru Gold	-	*	(619,928)	*
Segment result before income tax – Peru Copper	-	*	-	*
Segment result before income tax – USA	-	-	-	*
	-	4,061	(619,928)	(1,588,229)
Investment revenue			4,951	-
Central administration costs and director salaries			(1,053,347)	(43,000)
Foreign exchange costs			81,450	190,295
Finance costs			-	(4,304)
Share based payments			(409,605)	-
Loss before income tax expense			(1,996,479)	(1,445,237)
Income tax expense			-	-
Loss for the period from continuing operations			(1,996,479)	(1,445,237)

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

Assets	**30 Jun 2018**	**31 Dec 2017**
Peru gold business	2,629,392	1,270,874
Unallocated assets	6,954,395	3,221,567
Consolidated total assets	**9,583,787**	**4,492,441**

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

Liabilities	**30 Jun 2018**	**31 Dec 2017**
Peru gold business	(586,604)	(3,347,206)
Unallocated liabilities	(141,781)	(96,763)
Consolidated total liabilities	**(728,385)**	**(3,443,969)**

4. REVENUE AND EXPENSES

	Consolidated Half-year ended 30 Jun 2018	30 Jun 2017
(a) Revenue		
Revenue from the sale of gold	-	*
Revenue from toll processing	-	4,061
Revenue from selling concentrate	-	*
	-	**4,061**

* The Company was under external administration from 25 August 2015 to 4 October 2017, consequently the Company does not have sufficient information to allow the level of disclosure required for the comparative period ended 30 June 2017.

	30 Jun 2018	30 Jun 2017
(b) Expenses		
Depreciation and amortisation:		
Plant and equipment	-	(143,853)
Mine assets	-	*
	-	**(144,853)**
Finance costs:		
Interest expense	-	*
Finance costs	-	(4,304)
Other	-	*
	-	**(4,304)**

* The Company was under external administration from 25 August 2015 to 4 October 2017, consequently the Company does not have sufficient information to allow the level of disclosure required for the comparative period ended 30 June 2017.

5. DISCONTINUED OPERATIONS

On 15 June 2018, the Group disposed of its 100% owned subsidiary Derivado Y Concentrados S.A.C for 3,500 Soles (AUD $1,068).

(a) Financial performance and cash flow information

	Half-year ended 30 Jun 2018	30 Jun 2017
Profit for the period from discontinued operations		
Revenue	-	527,850
Cost of goods sold	-	(1,065,209)
Gross profit	-	(537,359)
Other expenses	(491,281)	(788,672)
Reversal of writedown	-	2,768,945
(Loss) / profit for the year from discontinued operations until date of disposal	(491,281)	1,442,914
Gain on disposal	3,245,287	-
Profit before income tax	2,754,006	1,442,914
Attributable income tax expense	-	-
Profit for the year from discontinued operations (attributable to owners of the company)	**2,754,006**	**1,442,914**

	Half-year ended 30 Jun 2018	30 Jun 2017
Cash flows from discontinued operations		
Net cash outflow from operating activities	(205,608)	(213,584)

(b) Details of the sale of Derivado Y Concentrados S.A.C

	30 Jun 2018
Consideration received in cash and cash equivalents	1,068
<u>Analysis of assets and liabilities over which control was lost</u>	
Trade and other payables	2,985,309
Derecognition of foreign currency reserve	258,910
Gain on disposal of subsidiary	3,245,287

The above gain on disposal of subsidiary is included in the profit for the period from discontinued operations.

6. CASH AND CASH EQUIVALENTS

	30 Jun 2018	31 Dec 2017
Cash and bank balances	6,798,916	2,931,791

All cash balance contained in the above table was available for use by the Group as at 30 June 2018 and 31 December 2017.

7. TRADE AND OTHER RECEIVABLES

	30 June 2018	31 December 2017
CURRENT		
GST receivable	153,624	98,572
Other receivables	1,855	191,204
	155,479	**289,776**
NON-CURRENT		
Loan – Mantle[1]	1,113,244	-
Other	-	98,097
	1,113,244	**98,097**

[1] During the period funds have been advanced to Mantle Mining Peru SAC ("Mantle") by the Group. Mantle is a wholly owned subsidiary of Andina Resources Limited, whom the Group has entered into a bid implementation agreement with to acquire all of the issued share capital in Andina via an off-market takeover bid. The loan is interest-free with no set terms of repayment. The acquisition of Andina was completed in August 2018.

8. PROPERTY, PLANT AND EQUIPMENT

Balance at 1 July 2017	-
Additions	-
Property, Plant & Equipment *	1,000,000
Balance at 31 December 2017	1,000,000
Additions	182,960
Impact of foreign exchange	8,961
Balance at 30 June 2018	1,191,921
Accumulated depreciation and impairment	
Balance at 1 July 2017	-
Depreciation	-
Balance at 31 December 2017	-
Depreciation	7,402
Impact of foreign exchange	363
Balance at 30 June 2018	7,765
Net book value	
As at 31 December 2017	1,000,000
As at 30 June 2018	**1,184,156**

* When the directors resumed custodianship of the Company it was noted that the San Santiago plant has a provision for impairment that brought the book value to $0. The directors obtained a third-party valuation report on the San Santiago plant from Primero Group Pty Ltd to ascertain what the fair value of the plant should be now that the Company was out of administration. The valuator used an order of magnitude valuation estimate and arrived at a fair value of US$1,302,500. The directors approved a conservative approach to reverse the provision for impairment back to an ascribed fair value of AU$1,000,000 for the San Santiago plant.

9. TRADE AND OTHER PAYABLES

	30 June 2018 $'000s	31 December 2017 $'000s
CURRENT		
Trade and other payables	728,385	340,952
Employee benefits	-	723,977
	728,385	**1,064,929**
NON-CURRENT*		
Trade and other payables	-	1,801,826
Tax liabilities	-	402,577
	-	**2,204,403**

* When the directors resumed custodianship of the Company it was noted that a large portion of the payables in the subsidiaries related to debts owed from the period 2010-2016. Some of which pre-dated the Company's acquisition of the subsidiaries. It is the directors expectation that the Company will not settle these outstanding liabilities within the next 12 months as the validity of the liabilities cannot be confirmed, and therefore have classified these liabilities as non-current.

10. BORROWINGS

	30 June 2018 $'000s	31 December 2017 $'000s
CURRENT		
Unsecured at amortised cost		
Loans	-	174,637
	-	**174,637**

As at 31 December 2017, the Group owed Andina Resources Limited (a director related entity with Mr Matthew Carr) a total of $174,637. The terms of the loan are that the loan is payable on demand, is unsecured and has a 0% interest rate.

11. ISSUED CAPITAL

Issued capital reconciliation

	30 June 2018	
Issued capital	**Number**	**$'000s**
Ordinary shares fully paid	**1,868,715,356**	**97,445,427**
Movements in shares on issue		
Balance at the beginning of the financial period	1,635,381,023	91,050,880
Issued during the period	233,334,333	7,000,030
Capital raising costs	-	(605,483)
Balance at end of half year	**1,868,715,356**	**97,445,427**

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 were exercised or issued during the period. The number of options that lapsed during the period are denoted below.

Unquoted share options granted carry no rights to dividends and no voting rights and details of the movement in unissued shares or interests under option as at 30 June 2018 are:

	Number of Options (Unlisted)
Balance at the beginning of the period	209,357
Share options lapsed from 1 January 2018 to 30 June 2018	(209,357)
Total number of options outstanding as at 30 June 2018	**-**

11. SHARE BASED PAYMENTS

At the General Meeting held on 18 December 2016, shareholders approved to grant 80,500,000 performance rights as remuneration (Class A, B, C). The rights entitled the directors and company secretary to shares in Titan Minerals Limited on achievement of market conditions. Under the plan, the participant was granted performance rights which only vest if certain market conditions are met.

The amount of rights that will vest depends on the achievement of three market-based conditions. The three conditions are market-based condition related to achieving a 10-day volume weighted average price of shares on the ASX of greater than $0.05, $0.06 and $0.07 respectively.
Performance rights convert to shares on the date of vesting with no exercise price or share issue price being payable.

Set out below is the summary of rights granted and approved by shareholders. The Directors have assessed the likelihood of the rights vesting of Class A, B and C market conditions prior to expiry.

(i) Fair value of performance rights granted
Set out below is the assessed fair value at grant date of performance rights granted that were in existence throughout the period.

Performance rights:

	Fair value at grant date
Class A – market	$0.032
Class B – market	$0.032
Class C – market	$0.032

12. KEY MANAGEMENT PERSONNEL

There has been no change in related party transactions since the last annual reporting period

13. CONTINGENCIES AND COMMITMENTS

The Group was in administration from 25 August 2015 and ending 4 October 2017, and as a result potential contingent liabilities may arise from when the Group did not control its subsidiaries in Peru. To the best of our knowledge, there are no such liabilities that are required to be accrued in these financial statements, or known contingent liabilities to be disclosed, as at the date of this report.

There were no other material changes to contingent liabilities or commitments of the consolidated entity since the last annual reporting date.

14. EVENTS AFTER THE REPORTING PERIOD

On 12 July 2018, as a result of the passing of all resolutions at the General Meeting of Titan shareholders held on that same day, the Group's takeover bid of Andina Resources Limited as announced on 25 June 2018 became unconditional.

On 17 July 2018, the Company issued its Tranche 2 Placement Shares, which were approved on 12 July 2018. The Tranche 2 Placement Shares consisted of 133,333,333 fully paid ordinary shares to institutional and sophisticated investors at an issue price of $0.03 per share, raising a total of $4,000,000 before costs.

On 10 August 2018, the Company issued 542,263,978 Titan shares to Andina shareholders to acquire 97.09% of Andina shares. As a result, Titan will now proceed with the compulsory acquisition of the remaining Andina shares that have not accepted the offer in accordance with the Bidder's Statement dated 23 May 2018.

On 10 August 2018 the Company announced that it has engaged Canaccord Genuity (Australia) Limited to provide corporate advisory services. In consideration for the Canaccord Mandate Services, the Company issued to Canaccord:

- 12,000,000 unquote options exercisable at $0.05 each on or before 1 July 2021;
- 15,000,000 unquote options exercisable at $0.06 each on or before 1 July 2021; and
- 18,000,000 unquote options exercisable at $0.07 each on or before 1 July 2021;

On 11 September 2018 the Company announced that is has elected not to proceed with the acquisition of Kairos Capital Peru S.A.C and M&S Transportes y Servicios Generales S.R.L and accordingly, will not be acquiring the Mirador processing plant.

On 12 September 2018 the Company announced that is has agreed non-binding indicative terms to acquire up to an 85% ownership interest in the Las Antas Gold Project. The acquisition is subject to the parties agreeing and executing a formal binding earn-in agreement.

At the time of this report there were no further events subsequent to the reporting date that required disclosure.