

29 October 2018

Quarterly Activities Report Three Months Ended 30 September 2018

Highlights

- Gold Production for the September 2018 Quarter totals 2,039 ounces
- 18.6g/t gold average head grade at the Tulin Plant for the quarter
- Vista Plant Construction remains on-track for December 2018 commissioning.
- Titan completes 100% Acquisition of Andina Resources Limited
- Non-binding indicative terms agreed to acquire up to an 85% ownership interest in the Las Antas Gold Project:
 - Potential for bulk tonnage, disseminated style gold mineralisation hosted within a region of high-grade gold & silver vein style mineralisation
 - located approximately 80km east of the Company's Vista gold processing facility
 - Hosted in the same volcanic sequence that hosts major deposits in Southern Peru including the Ares Mine (1.2Moz Au) and the Antapite Mine (600koz Au)
- Torrecillas Gold Project phase 1 exploration campaign completed:
 - 42.7g/t, 41.2g/t, & 23g/t gold Peak assays from channel sampling of >7km extent of mapped vein corridors.
 - 35g/t, 22.7g/t, & 13g/t gold peak rock chips on new veins identified including up to 4.7g/t & 3.8g/t gold in identified breccia bodies located within newly defined zones

Titan Minerals Limited (ASX: TTM) ("Titan" or "the Company") is pleased to provide its quarterly activities report for the quarter ended 30 September 2018.

Operational Report

Titan continues to operate the recently acquired gold toll treatment arm of its business focused in the Southern Peru region within the highly prospective Andean Terrane. The gold production division's activities comprise gold refining and production at the Tulin Gold Plant and ongoing development of the Vista Gold Plant in Southern Peru.

The recently consolidated ownership of the Andina assets establishes Titan as a significant gold and base metals exploration and production company in Peru, and a key foothold to acquire and develop high-grade gold and gold-copper projects within the well-endowed Andean terrain

Tulin Gold Plant

Titan currently leases and operates the Tulin Gold Plant, a CIP gold processing facility located south of Nazca in Southern Peru. The acquisition of Andina, who has operated the Tulin Gold Plant for the past six years, brings to the Company both a revenue generating group of assets, and also an experienced technical team with highly valued processing, ore acquisition and mining capabilities in Peru. High grade gold ore (averaging approximately 15-20 g/t) is acquired from licensed artisanal miners, and then processed at the plant.

For the reporting period, the Tulin Gold Plant produced 2,039 troy ounces of gold from 3,670 tonnes of ore processed averaging 42.8 tonnes per day. Head grades averaged 18.6g/t gold and 70.6g/t silver. Metal sales for the quarter ending 30 September totalled 1,767 troy ounces of gold and 25.85 kg of silver totalling US\$1.85M in net sales.

As part of Tulin's ongoing production management, it has begun to accumulate ore due to the upcoming wet season where ore availability is lower, and as a result it holds US\$0.67M (at cost) in ore either in process or to be processed at the end of the quarter.



Figure 1 | Tulin Gold Plant, High-grade gold stockpiles circa 15-30 g/t

Vista Gold Plant

Titan is currently constructing the Vista Gold Plant in southern Peru, located near the city of Nazca in the district of Vista Alegre, a few kilometres off the Panamerican highway. Titan is well positioned to take advantage of previous permitting completed by Andina (can be in excess of a 3 to 4-year timeline in Peru) and the previous site development work completed by Andina. With a relatively small injection of capital, the Company has accelerated construction following the recently announced completion of the Andina acquisition.

The Vista development team have now completed installation of the crushing and grinding circuits, with successful installation of the primary and secondary ball mills in recent weeks. With the main infrastructure for the Vista plant now largely complete, the development team is currently focused on electrical, wiring, monitoring and calibration aspects of the plant construction (refer to ASX release dated 20 August 2018).

The Company is targeting December 2018 for completion of construction and commissioning of the Vista Gold Plant. When commissioned, 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 in the near term and utilise the Vista Gold Plant's additional capacity to advance a mine development strategy for the company and process any ore mined at the Torrecillas mine or other projects identified with mine development potential for providing significant synergies to the group.

When complete and the operating permits and licences are granted, the Vista Gold Plant will have a nameplate capacity of 150 tonnes per day, more than triple 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.



Figure 2 | Installation of Tailing Thickener.



Figure 3 | Drilling of water monitoring wells in accordance with environmental management plans at the Vista Tailing Dam.



Figure 4 | Grinding Circuit Installed at Vista Plant



Figure 5 | CIP Circuit Installation complete and system tests in progress

Las Antas Gold Project – Southern Peru

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 Vista Gold plant.



Figure 6 | Location map – Titan project within trucking distance of the Company's Vista and Tulin processing facilities.

Las Antas Project Highlights

The 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 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 project. The surface hydrothermal and breccia footprint is host to significant potential for larger scale, bulk tonnage, disseminated style gold mineralization.

Las Antas 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 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).

The Las Antas 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.

Specific to the Las Antas Project area is two prioritized targets 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

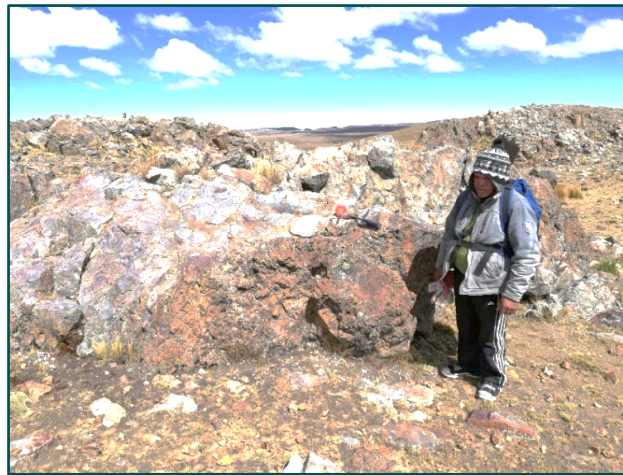
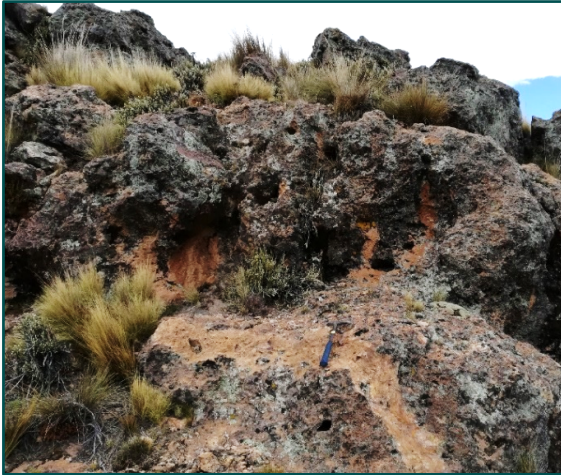


Figure 7 (Left) | Cerro Amarillo Target Area, with intense silicification, localised vuggy silica, altered breccias, alunite, Illite and pervasive argilization. – Figure 8 (Right) | Cerro Amarillo Target, alteration contact between silicification and argilized breccias.

Torrecillas Gold Project – Southern Peru

Titan's technical team received results during the reporting period on Phase 1 of an exploration program designed to prioritise multiple vein corridors on the project for potential drill testing. The Company's geological team completed a detailed field mapping and sampling campaign for the high-grade Torrecillas Gold Project in Peru, which discovered additional vein systems for assessment, and highlighted vein density within known high-grade vein corridors.

Four vein zones have been identified for potential 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 vein corridor widths and ranging from 1.8 to 2.7km in strike extent. The priority target areas to be ranked for drilling against targets regionally include;

Torrecillas Gold Project – Southern Peru

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.

- **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.

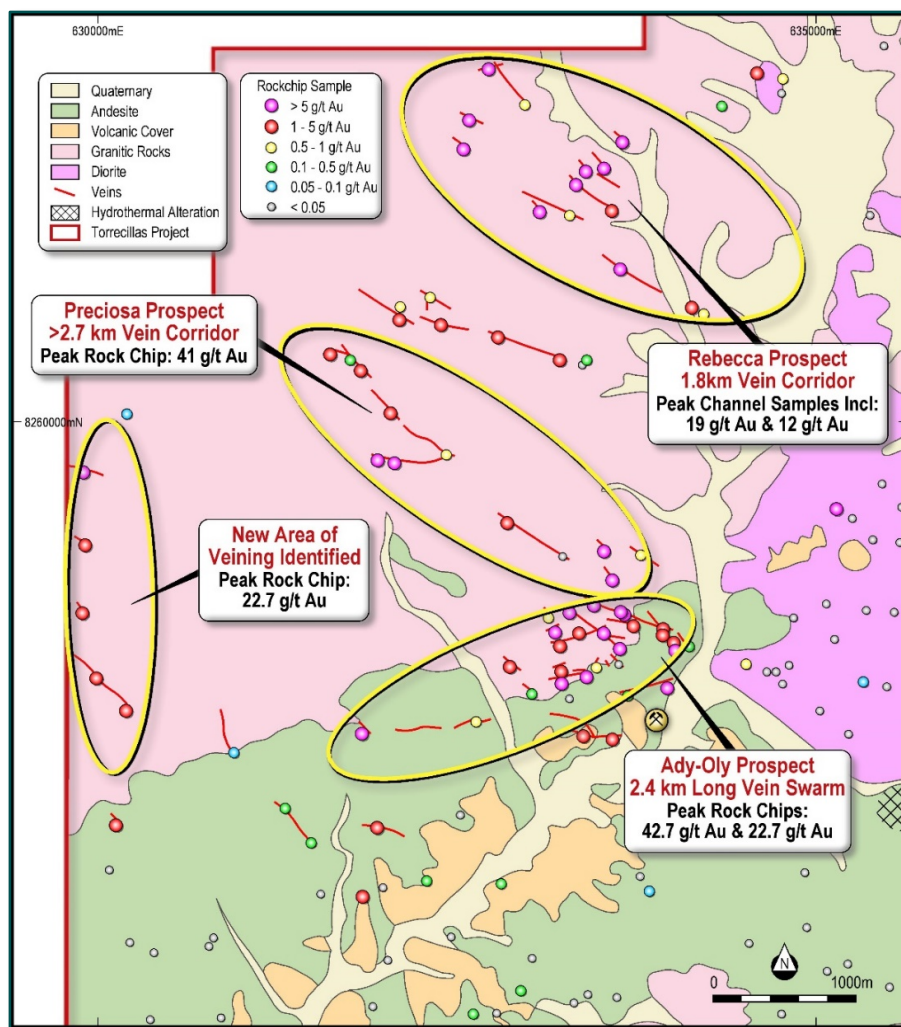


Figure 9 | Location of prioritised high-grade gold target areas at Torrecillas Project in Peru with reported surface sampling locations

Planned Exploration Activity

The company will continue with exploration activity including ongoing surface sampling and reconnaissance activity to define continuity of grade at surface on targets with potential to achieve either Titan's mine development objectives or size criteria for stand alone operations. The Company will move forward with required environmental permitting for drilling top tier targets as early as is feasible in 2019.

The Company will maintain an ongoing regional exploration program, assessing and evaluating gold and gold-silver project mining and resource development opportunities for Titan, that can better leverage the Company's existing assets against the gold price. Near term efforts will focus on both generating additional revenue for the Company through direct mining and supply of ore feed to existing plants, and a concurrent strategy to define projects with significant world class mineral resource potential.

San Santiago Copper Plant

With the successful acquisition of Andina's Vista Gold Plant, Titan will not restart the gold circuit at San Santiago. Instead, it is proposed that gold will be more cost effectively processed at the available capacity of the Vista Gold Plant. The San Santiago Copper Plant remains in care and maintenance, while the Titan technical team completes ground rationalisation of adjacent exploration tenements and evaluates options for potential divestment of the asset.

Corporate

The takeover of Andina Resources Limited ("Andina") completed successfully and on schedule as announced on 27 September 2018 following the compulsory acquisition of the remaining 2.81% of the Andina shares on issue accordance with the provision of the Corporation Act 2001 (Cth).

The wholly owned Vista gold processing plant acquired will provide the Company with a distinct competitive advantage in Southern Peru to acquire and develop high-grade gold and gold-copper projects within the well-endowed Andean terrain.

The Company's gold production division of the business is significantly de-risked through ongoing acquisition of high-grade ore supplied from licensed artisanal miners who do not have processing capability. While generating cash flow, the company is actively working towards its mine development strategy which will provide potential to increase revenue from available capacity at the Vista Gold Plant, and give the Company improved leverage against the gold price.

Oversubscribed Capital Raise

As announced 22 May 2018, the Company received firm commitments to raise approximately \$11 million through an oversubscribed placement of 366,666,666 shares at 3.0 cents per share to institutional and sophisticated investors ("**Placement**").

The Placement was undertaken in two tranches:

- the first tranche of the Placement, comprising 233,333,333 shares, (\$7,000,000) (**Tranche 1**) was placed utilising Titan's 15% placement capacity under ASX Listing Rule 7.1; and
- the second tranche of the Placement, comprising approximately 133,333,333 shares, \$4,000,000 (**Tranche 2**) was issued on 17 July 2018 after receiving shareholder approval at a general meeting held on 12 July 2018.

Share Sale Facility

On 12 June 2018 the Company announced that it established a share sale facility ("Facility") for shareholders that hold less than \$500 in value of the Company's shares ("Unmarketable Parcel") as at 5.00pm (WST) on 8 June 2018 ("Record Date"). An Unmarketable Parcel of shares is any shareholding of 15,624 shares or less, based on the Company's closing share price of \$0.032 on the Record Date.

At the Record Date there were 2,153,699 ordinary shares that were Unmarketable Parcels held by 2,477 shareholders. The final number of shares eligible to be sold under the Facility was 1,702,956 ordinary shares from 2,268 shareholders which represents approximately 70.9% of the 3,199 shareholders that held Titan shares at the Record Date. The shares were sold on market by Canaccord Genuity (Australia) Limited at a price of \$0.029 per share and all payments have been remitted to shareholders.

Las Antas Gold Project Acquisition

On 12 September 2018 Titan 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). Refer to the ASX release dated 12 September 2018 for Indicative Key Terms.

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.

Kairos Capital Peru S.A.C. Acquisition

On 11 September 2018, The Company elected not to proceed with the acquisition of Kairos Capital Peru S.A.C ("Kairos") and M&S Transportes y Servicios Generales S.R.L ("Mirador") and accordingly, will not be acquiring the Mirador processing plant ("Mirador Processing Plant").

The Titan technical team continued during the reporting period to undertake an on-going review of previous and current operational and financial conditions of the Mirador Processing Plant subsequent to the Company being satisfied with its initial due diligence investigations. (refer to the ASX announcement dated 22 May 2018). A number of developments resulted in the Titan technical team revising their assessment of the Kairos and Mirador acquisition and the parties were unable to agree on certain key commercial terms to the transaction. In light of this, the Company had requested for a 6 month extension, as an option to purchase, to continue to assess the Mirador Processing Plant, however the extension was not granted and the relevant parties have ceased negotiations.

As a consequence, the portion of funds raised under the two tranche capital raising which was completed in May and July 2018 (refer to the ASX announcements dated 22 May 2018, 28 May 2018 and 17 July 2018) that were going to be allocated to the acquisition of the Mirador Processing Plant will not be utilised for such purpose. Instead, the Company intends to utilise such funds to seek to acquire additional projects with the potential to supply ore to the Company's Vista gold processing facility and/or projects with significant exploration upside. The Company continues to actively conduct assessments and due diligence on additional opportunities and will continue to advise the market by way of ASX announcements in due course.

ENDS

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 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 its small-scale mines at the Torrecillas exploration project. At Torrecillas, a number of high-grade narrow gold veins have been developed and previously mined by Titan Minerals. This gold project located just 180km from the processing plant 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 and copper ore feed for existing processing facilities and opportunities for processing growth and expansion. In addition, the Company shall also continue to evaluate project elsewhere in gold, copper and other commodities to grow shareholder value.

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 COO & Chief Geologist for the Company. Mr Schwertfeger has sufficient experience which is relevant to the style of mineralization 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.

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.

Appendix 1 – Tenements

Mining tenements held at the end of the September Quarter 2018

Project	Location	Tenement	Interest at end of quarter
Torecillas	Southern Peru	Retorno-I	100% ¹
Torecillas	Southern Peru	Retorno-II	100% ¹
Torecillas	Southern Peru	Retorno-III	100% ¹
Torecillas	Southern Peru	Retorno-IV	100% ¹
Torecillas	Southern Peru	Retorno-V	100% ¹
Torecillas	Southern Peru	Retorno-VI	100% ¹
Torecillas	Southern Peru	Retorno-VII	100% ¹
Torecillas	Southern Peru	Retorno-VIII	100% ¹
Torecillas	Southern Peru	Retorno-IX	100% ¹
Torecillas	Southern Peru	RetornoXIV	100% ¹
Torecillas	Southern Peru	RetornoXV	100% ¹
Torecillas	Southern Peru	RetornoX	100% ¹
Torecillas	Southern Peru	Retorno XX	100% ¹
San Santiago	Southern Peru	San Santiago De Acari	100%
San Santiago	Southern Peru	Virgen Del Carmen 2004P	100%

¹ A 70% Interest in project previously held subject to Earn-In Agreement with Andina Resources Limited. During the course of the reporting period a 100% interest of Andina Resources was finalised and Titan retains a 100% interest in the project as at the end of the reporting period.

Mining tenements acquired and disposed during the September 2018 quarter:

Project	Location	Tenement	Interest at beginning of the quarter	Interest at end of the quarter
<i>Mining tenements acquired</i>				
Torecillas	Southern Peru	Retorno-I	70%	100% ¹
Torecillas	Southern Peru	Retorno-II	70%	100% ¹
Torecillas	Southern Peru	Retorno-III	70%	100% ¹
Torecillas	Southern Peru	Retorno-IV	70%	100% ¹
Torecillas	Southern Peru	Retorno-V	70%	100% ¹
Torecillas	Southern Peru	Retorno-VI	70%	100% ¹
Torecillas	Southern Peru	Retorno-VII	70%	100% ¹
Torecillas	Southern Peru	Retorno-VIII	70%	100% ¹
Torecillas	Southern Peru	Retorno-IX	70%	100% ¹
Torecillas	Southern Peru	RetornoXIV	70%	100% ¹
Torecillas	Southern Peru	RetornoXV	70%	100% ¹
Torecillas	Southern Peru	RetornoX	70%	100% ¹
Torecillas	Southern Peru	Retorno XX	70%	100% ¹
<i>Mining tenements relinquished</i>				
San Santiago	Southern Peru	Don Ivan 31N-1	100%	0%
San Santiago	Southern Peru	Don Tomasito De Acari	100%	0%
San Santiago	Southern Peru	Camilla VII	100%	0%
San Santiago	Southern Peru	Virgen Del Carmen I 2004	100%	0%

Project	Location	Tenement	Interest at beginning of the quarter	Interest at end of the quarter
San Santiago	Southern Peru	Virgen Del Carmen 2004 A	100%	0%
San Santiago	Southern Peru	Virgen Del Carmen 2004 H	100%	0%
San Santiago	Southern Peru	Virgen Del Carmen 2004 L	100%	0%
San Santiago	Southern Peru	Virgen Del Carmen 2004 M	100%	0%
San Santiago	Southern Peru	Virgen Del Carmen 2004 N	100%	0%
San Santiago	Southern Peru	Virgen Del Carmen 2004 S	100%	0%
San Santiago	Southern Peru	Virgen Del Carmen 2004 T	100%	0%
San Santiago	Southern Peru	Virgen Del Carmen 2006 A	100%	0%
San Santiago	Southern Peru	Virgen Del Carmen 2004 J	100%	0%
San Santiago	Southern Peru	Virgen Del Carmen 2004 R	100%	0%
San Santiago	Southern Peru	Virgen Del Carmen 2004 Q	100%	0%
San Santiago	Southern Peru	Virgen Del Carmen 2005a	100%	0%
San Santiago	Southern Peru	Virgen Del Carmen 2005 B	100%	0%
San Santiago	Southern Peru	Acari Trigesimo	100%	0%
San Santiago	Southern Peru	Virgen Del Carmen 2005 C	100%	0%
San Santiago	Southern Peru	Virgen Del Carmen 2007 A	100%	0%

¹ A 70% Interest in project previously held subject to Earn-In Agreement with Andina Resources Limited. During the course of the reporting period a 100% interest of Andina Resources was finalised and Titan retains a 100% interest in the project as at the end of the reporting period.

Beneficial percentage interests in farm-in or farm-out agreements at the end of the September 2018 quarter:

Project	Location	Tenement	Interest at end of the quarter
Nil			

Beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the September 2018 quarter:

Project	Location	Tenement	Interest at beginning of the quarter	Interest at end of the quarter
<i>Farm-in or farm-out interests acquired</i>				
Nil				
<i>Farm-in or farm-out interests disposed</i>				
Torecillas	Southern Peru	Retorno-I	70% ¹	100%
Torecillas	Southern Peru	Retorno-II	70% ¹	100%
Torecillas	Southern Peru	Retorno-III	70% ¹	100%
Torecillas	Southern Peru	Retorno-IV	70% ¹	100%
Torecillas	Southern Peru	Retorno-V	70% ¹	100%
Torecillas	Southern Peru	Retorno-VI	70% ¹	100%
Torecillas	Southern Peru	Retorno-VII	70% ¹	100%
Torecillas	Southern Peru	Retorno-VIII	70% ¹	100%
Torecillas	Southern Peru	Retorno-IX	70% ¹	100%
Torecillas	Southern Peru	RetornoXIV	70% ¹	100%
Torecillas	Southern Peru	RetornoXV	70% ¹	100%
Torecillas	Southern Peru	RetornoX	70% ¹	100%
Torecillas	Southern Peru	Retorno XX	70% ¹	100%

¹ A 70% Interest in project previously held subject to Earn-In Agreement with Andina Resources Limited. During the course of the reporting period a 100% interest of Andina Resources was finalised and Titan retains a 100% interest in the project as at the end of the reporting period.