
Quarterly Activities Report

Three Months Ended 31 December 2018

HIGHLIGHTS

-)] Vista Gold Plant Construction Completed
 - o EIA Approval Received, and
 - o Commissioning of Vista well advanced
 - o 90-day operational test period granted
-)] Titan executes Binding Agreement on the Las Antas Gold Project
-)] Ore purchasing in last quarter ending 31 December ease in ore acquisition totalling 5,075 tonnes averaging 20.5g/t Au
-)] December quarter sales total 1,882 troy ounces of gold and 121.6 kg of silver
-)] Tulin Plant ceases processing and associated lease payments terminated
-)] Peru Exploration Manager Appointed

Titan Minerals Limited (ASX: TTM) (“Titan” or “the Company”) is pleased to provide its quarterly activities report for the Quarter ended 31 December 2018.

Operational Report

Titan continues to advance its development strategy for the recently acquired gold treatment arm of its business focused in the Southern Peru region within the highly prospective Andean Terrane. Complimentary to the current ore processing capability, Titan has an ongoing process to develop a land position with mine development potential to provide Company generated feed to the centralised Vista Gold Plant (refer to ASX release dated 9 January 2019).

In the short term, Titan continues to source ore from licensed miners in the region. The feed for gold processing sourced from third party operators has averaged 17 to 24g/t gold head grades over the 2nd half of the calendar year. To establish increased gold production at the wholly owned Vista Gold Plant, a ramp-up of ore purchasing was successfully initiated during the December Quarter and has cultivated new sources of ore acquisition for the Vista Plant, achieving a 17% increase in ore sourced totalling 5,075 tonnes averaging 20.5g/t gold in the 3 month period ending 31 December 2018. This highlights the potential to increase production at the Vista Plant which was previously restricted to a maximum of 3,600 tonnes processing capacity per quarter prior to Commissioning of Vista.

With approval of the Vista Plant Environmental Impact Assessment (“EIA”) approval in hand, the Company is moving ahead with a process to transfer all of the ore purchasing and processing capability brought in-house with the recent Andina Resources Limited “Andina” acquisition completed in the previous Quarter.

Vista Gold Plant

During the reporting period, the Company was completing construction of the Vista Gold Plant, which subsequently received its EIA approval and the commissioning of the Vista Gold Plant for commercial gold production (refer to ASX release dated 9 January 2019) commenced. Located in southern Peru near the city of Nazca in the district of Vista Alegre, the plant is conveniently located a few kilometres off the Panamerican highway and connected to the regional power distribution grid.

With environmental approval received from the Direccion Regional De Energia Y Minas (The Regional Energy and Mines Institute, or "DREM"), the plant is now applying for physical inspection of the fully operating plant by the DREM for the final stage of approval of the issue of an Operator's permit (Concession of Benefit), however, according to the regulation the Company is allowed to start operational tests during a 90 days period. Once the Operator's permit is received the plant will then be fully permitted and licenced to commence commercial production with anticipated completion of commissioning over the coming month.

The strategy to establish expanded production at its wholly owned Vista Gold Plant ties in optimally with the expiry of lease at the Tulin Plant. Vista Gold has commenced acquisition of ore for processing from existing suppliers and the Titan team continues a planned process to transfer its ore purchasing and processing capability for the Company's gold toll treatment arm of its business to a single location. The Company is currently receiving ore material at the Vista plant to establish stockpiles for commercial production and commissioning of the plant over the coming weeks with over 1,500 tonnes averaging 21.6g/t Au received at the Vista Gold Plant through 31 December 2018.

When commissioned and the operating permits and licences are granted, which is anticipated within the 90 day operational test period, the Vista Gold Plant will have a nameplate capacity of 150 tonnes per day, more than triple the operating capacity of the 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. 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 from several projects identified with mine development potential for providing significant synergies to the group.

Las Antas Gold Project | Southern Peru

Subsequent to the reporting period, Titan executed a binding agreement ("Earn-In Agreement") pursuant to which it has been granted an exclusive option to acquire up to an 85% interest in the Las Antas Gold Project in southern Peru ("Las Antas Project") (refer to Corporate section below). 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 Vista Gold plant.



Figure 1 | Location map - Titan project within trucking distance of the Company's Vista & Tulin processing facilities

Las Antas Project Highlights

The Las Antas Project is accessible by paved road to within 8km of the project and is 80km East of Peru's prominent PanAmerican Highway and well within trucking distance of the 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.

Further details of the geological setting and exploration history can be found in the Company's ASX release dated 12 September 2018 regarding the non-binding indicative terms which were previously agreed to in respect of the Las Antas Project.

Torrecillas Gold Project | Southern Peru

The Titan geological team completed a detailed field mapping and sampling campaign in the previous Quarter for the high-grade Torrecillas Gold Project in Peru, which discovered additional vein systems for assessment, and highlighted increasing 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. (refer to the ASX release dated 12 July 2018).

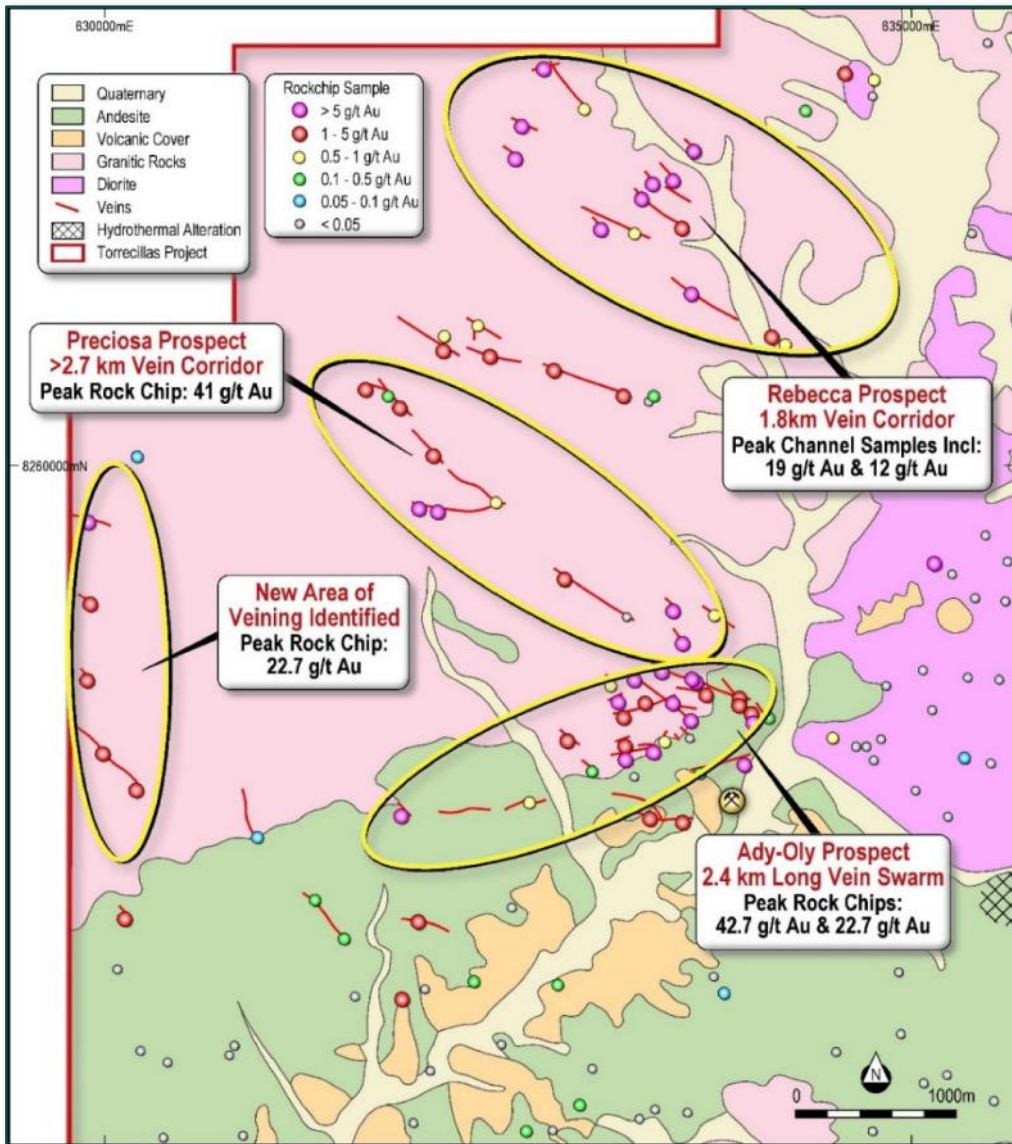


Figure 2 | Location of prioritised high-grade gold target areas at Torrecillas Project in Peru with reported surface sampling locations

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. Titan 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 existing assets against the gold price. Near term efforts will focus on both generating additional revenue 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.

Tulin Gold Plant

For the reporting period, the Tulin Gold Plant produced 1,866 troy ounces of gold from 3,345 tonnes of ore processed averaging 42.3 tonnes per day. Head grade averaged 19.96g/t gold. Metal sales for the Quarter ending 31 December totalled 1,882 troy ounces of gold and 121.61kg of silver totalling US\$2.35M in net sales.

The Tulin Plant, operated by Tulin Gold Co. SAC ("Tulin") was operated under a mining assignment agreement with a private owner negotiated by the previous management (refer to ASX release dated 23 May 2018) and as a result of the expiry of the plant lease, Tulin has ceased processing ore at its Tulin plant facility. and the extinguishment of lease payments for the Tulin Gold Plant provide a significant cost saving opportunity..

Titan is now actively working through a process to achieve a formal hand-over of the Tulin facility back to the underlying owner. Operations ceased at the plant with an excess 2,145 tonnes of ore material owned and stockpiled at the Tulin Plant site. Tulin has had a number of issues with finalising the termination of assignment with the underlying owner where the lessor of Tulin Gold has failed to act in compliance with the terms of the existing agreement on several conditions. The Company continues to work towards a transfer of operational control back to the underlying owner.

Currently, Titan has notified DREM ('The Direccion Regional De Energia Y Minas' or 'The Regional Energy and Mines Institute') of the planned plant closure by Tulin Gold and requested that the current operational permit for the plant to operate be suspended in accordance with the assignment and regulatory requirements. The Company continues to work in collaboration with the DREM regarding satisfactory closure with a focus on the return of the facility back to the underlying owner. During this process, Titan is restricted from accessing assets owned by the company including some operational equipment and 2,145 tonnes of ore material stockpiled at the plant. It is anticipated ore material and any operational supplies and equipment owned will be able to be transported off site within the coming Quarter.

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

Cash and working capital

As at 31 December 2018 the Company had a cash position of \$5.52M.

Post Quarter End Activities

Las Antas Gold Project Acquisition

On 12 September 2018 Titan agreed non-binding indicative terms and on 14 January 2019 executed a formal binding Earn-In Agreement 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. 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 14 January 2019 for Key Terms.

Peru Exploration Manager Appointed

On 16 January 2019, Titan announced the appointment of Mr Sam Pierce, as its Exploration Manager. Mr Pierce is a highly experience geologist, and will have primary responsibility for overseeing all exploration activities at the Company's Peruvian mineral projects.

Mr Pierce has over a ten years of international exploration experience across a wide variety of deposits including quartz/gold vein, copper/gold porphyry, IOCG, and VMS mineralization styles. He has held previous roles with Teckcominco and Kennecott Minerals and senior positions with First Quantum Minerals and Great Basin Gold. A substantial proportion of Mr Pierce's career experience has been on Peruvian projects and project-generative work and he brings a wealth of knowledge and experience to the Titan team.

Two agreements were executed with Mr. Pierce:

Exploration Manager Contract

Mr Pierce will be engaged by the Company for an initial period of 12 months ("Term") and will be entitled to 2,800,000 fully paid ordinary shares in the Company ("Shares") in lieu of a portion of his cash remuneration. The Shares will accrue monthly and be issued after the initial Term is complete.

Mr Pierce will also be eligible for certain share-based performance bonuses of up to 1,200,000 Shares.

Finder's Fee Arrangement

Concurrently, the Company also formalised, in the form of a Finder's Fee Arrangement ("Arrangement"), its previous agreement with Mr Pierce to remunerate him for generative exploration work completed for the benefit of the Company prior to his engagement by Titan as Exploration Manager.

In that regard, Mr Pierce has identified and presented to the Company an area of interest in Peru for the Company which he believes is prospective for mineral opportunities, in respect of which the Company is now undertaking an application and reconnaissance phase of work. Under the Arrangement, provided the Company has not terminated that work as at 1 May 2019, it will pay to Mr Pierce US\$50,000 in cash.

Subsequently, should the Company make an announcement within 30 months after the date of the Arrangement that it has completed at least 2 drill holes within the area of interest which have an overall meter x g/t Au intercept value (meters drilled multiplied by gold grade) in each case greater than 50, calculated for drill intervals at a 0.5g/t Au cut-off grade, Mr Pierce will be entitled to be issued with 5,000,000 Shares. The Company will update shareholders with information about the project following the grant of title if successful in the application process.

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.

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 projects 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.

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

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Appendix 1 | Tenements

Mining tenements held at the end of the December 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%

Mining tenements acquired and disposed during the December 2018 quarter:

Project	Location	Tenement	Interest at beginning of the quarter	Interest at end of the quarter
Mining tenements acquired				
Nil				
Mining tenements relinquished				
Nil				

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

Project	Location	Tenement	Interest at beginning of the quarter	Interest at end of the quarter
Farm-in or farm-out interests acquired				
Nil				
Farm-in or farm-out interests disposed				
Nil				