

ASX Announcement
30 July 2019

Quarterly Activities Report Three Months Ended 30 June 2019

HIGHLIGHTS

- Vista Gold Plant fully commissioned, permitted and licenced in the reporting period.
1,962 ounces in gold sales achieved for the quarter
- Titan Acquires the Coriorcco Gold Project, Peru

Titan Minerals Limited (ASX: TTM) ("**Titan**" or "**the Company**") is pleased to provide its quarterly activities report for the quarter ended 31 March 2019.

Corporate

Coriorcco Gold Project Acquisition

Titan executed a binding agreement ("**Cession Agreement**") for an exclusive right to hold title and operate a 100% interest in the Coriorcco Gold Project located in Southern Peru ("**Project**"). The Cession Agreement is for a 10-year term, with an option to extend for eight years, pursuant to which payments include a US\$100,000 advance to be offset against future production payments fixed for the first three years for any gold production from the Project and production payments subsequently varying with gold grade in accordance with the key terms outlined in the ASX Announcement dated 23 April 2019.

Appointment and Resignation of Directors

Subsequent to the reporting period, Titan announced the appointment of two highly credentialed members to the board of the Company ("**Board**") (Refer to ASX release dated 15 July 2019). Mr Laurence Marsland has been appointed as the Managing Director and Chief Executive Officer and Mr Michael Hardy has been appointed as a Non-Executive Chairman of the Board.

Concurrent with the new appointments to the board, Mr Cameron Henry and Mr Robert Sckalor both resigned as Directors of the Company. The Board thanks both Mr Cameron Henry and Mr Robert Sckalor for their contribution during their term of office and wish them all the best in their future endeavours.

Core Gold Update

During the reporting period, Titan was successful in securing firm commitments for a fully underwritten \$20M placement (refer to ASX release dated 4 June 2019) as a condition precedent for the proposed merger between Titan and Core Gold Inc. (TSX-V: CGLD, OTCQX: CGLDF) ("**Core Gold**") in accordance to the binding arrangement agreement announced 25 February 2019 and subsequently amended by an amending agreement dated March 10, 2019 (as amended, the "**Arrangement Agreement**"), pursuant to which Titan proposed to acquire all of the issued and outstanding Core Gold common shares by way of a share exchange (the "**Merger**") with the underwritten placement conditional on completion of the Merger.

On 12 June, Core Gold securityholders voted in favour of the Merger, pursuant to a statutory plan of arrangement under the Business Corporations Act (British Columbia). (Refer to Core Gold's announcement dated 12 June 2019 which can be obtained at Core Gold's website <https://www.coregoldinc.com> and on SEDAR

<https://www.sedar.com/>). Titan shareholders also voted in favour of the Arrangement Agreement and related share placement (refer to ASX release dated 14 June 2019).

Subsequent to the reporting period, the British Columbia Supreme Court declined to approve Core Gold's proposed transaction with Titan concluding that Core had failed to satisfy its burden of proof in establishing that the transaction was fair and reasonable. Refer to Core's announcement dated 4 July 2019 which can be obtained at Core's website <https://www.coregoldinc.com> and on SEDAR <https://www.sedar.com/>.

On 19 July, both parties agreed to terminate the Arrangement Agreement in respect to the proposed acquisition (and have released each other from all obligations and liabilities). Having regard to this, the underwriting arrangement with Canaccord Genuity (Australia) Limited ("**Canaccord**") has also been terminated as this coincided with the arrangement with Core. The Company continues an active dialogue with Core Gold regarding mutually beneficial advancement of its projects in southern Ecuador and is continuing to engage in discussions with Canaccord in respect to various capital raising alternatives.

Cash and working capital

As at 30 June 2019 the Company had a reported cash position of \$4.27M.

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, the Company has an ongoing process to develop a land position with mine development potential to provide Company generated feed to the centralised Vista Gold Plant.

In the short term, the Company continues to source ore from licensed miners in the region. To establish increased gold production at the wholly owned Vista Gold Plant, a ramp-up of ore purchasing was successfully initiated in the December quarter of 2018 and the Company commenced operations with the issue of its operational permit (refer to ASX Release dated 27 May 2019).

Vista Gold Plant

The Vista Plant is located approximately 470km south of Lima in the Ica Province of the Nasca region of southern Peru and conveniently located a few kilometres off the Panamerican highway and connected to the regional power distribution grid. The Plant has a nameplate capacity of 150 tonnes per day and can generate up to 90 ounces of gold per day based on monthly average grades ranging from 17.5 g/t to 24.4g/t gold.

Following the grant of the final operator's permit ("Concession of Benefit" / Concesión de Beneficio) in late May from the Direccion Regional De Energia Y Minas (The Regional Energy and Mines Department, or "DREM")) the plant commenced processing gold bearing material stockpiled at the plant at a targeted start-up rate of 80tpd and the Vista Plant has realised gross sales of gold totalling 2,074 ounces in the reporting period.

The Vista Plant has successfully completed all requisite physical inspections for safety and environmental aspects of the operations required by the DREM. The Vista Plant currently employs over 70 staff, and the operational team is 100% comprised of Peruvian nationals. Vista successfully achieved commercial operations with no safety or environmental incidents during the start-up of operations and will actively work with the DREM to maintain a high operational standard to maintain integrity of both the environment and occupational health and safety of the Vista Plant's workers.

The Vista Gold Plant has been designed to increase its capacity to its full permitted capacity of 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. In the medium to long term, Titan's integrated process and exploration team intends to provide additional growth to the Vista Plant's production profile by leveraging on Titan's presence and landholding within the >100km long Nazca–Ocoña metallogenic belt to define significant mineral resources for Titan.

Coriorcco Gold Project – Southern Peru

Coriorcco is an early stage exploration project with no previous drilling located adjacent to the Company's Las Antas project Earn-in. Coriorcco is accessible by paved road to within 5km of the Project area and located 80km east of Titan's wholly owned Vista Gold Plant, and is positioned well within trucking distance of Vista and is well suited for development of high-grade, low-tonnage mine development work that can be transported for beneficiation at the Vista Plant.

The Company has commenced work on various permitting requirements to concurrently drill and access the shallow mineralization in the existing historical underground development areas within the target area for bulk sampling. Planned work will initially focus on defining and developing the potential to deliver mineralized material to the Vista Gold Plant in the short term for beneficiation test work, with the intention to predominantly fund exploration work in support of the Vista Plant from the cash flow generated by the existing processing capability of the Company in Peru.

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), and it is one of multiple zones of high-grade vein gold mineralization in the mining district surround the extensive alteration footprint of the Company's nearby Las Antas Gold Project. Coriorcco is a drill-ready project with potential to provide high-grade gold ore feed to the Company's Vista Gold Plant, initially targeting a number of outcropping veins with historical development on quartz veins with 0.8 to 2.5m mineable widths in previous mining, which are mined from historical underground workings and exposed at surface in a few locations.



Figure 1 | Location map – Titan project within trucking distance of the Company's Vista gold processing facility.

The Coriorcco project acquisition provides the Company with a low-cost entry into a highly prospective project with potential to bring significant financial benefit to the Vista Gold Plant in the near term, along with resource growth potential for the Company in the future. The project has an existing camp and boasts two existing underground adits with over 1500m of existing underground development.

Las Antas Gold Project – Southern Peru

The Las Antas gold project ("**Las Antas Project**") is an early stage exploration project located in the Lucana Province of the Ayacucho region of southern Peru.

Titan is currently progressing environmental permitting authorisation to commence a maiden drilling program on targets defined from historical surface geochemistry and geophysical survey work. Titan anticipates such work to be completed in Q4 2019 with the objective of identifying sub-surface mineralisation that could merit continued exploration for potential resource delineation and estimation work.

Accessible by paved road to within 8km of the project, Las Antas is located 80km east of Peru's prominent Pan American highway, and can be accessed by driving 408km south of Lima on the Pan American highway, followed by a 100km drive east on the Interoceanic highway towards the city of Puquio and a further 8km drive along a dirt road off the Interoceanic highway. The Las Antas Project covers 2,000 ha across 2 mineral concessions located in the San Cristóbal district at elevations of 3,900 to 4,100 m above sea level. Titan holds an exclusive option to acquire up to an 85% interest in the Las Antas Project. Titan considers the Las Antas Project to be an important step towards Titan's objective of generating multiple opportunities with potential to provide high-grade gold ore feed to the Vista Plant.

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.

Planned Exploration Activity

Mapping and sampling program over the recently acquired Coriorcco Gold project is ongoing during the June quarter, with the objective of validating historical mapping and assessing open, historical development work in the project area. Archaeological survey reviews, and requisite environmental studies, water permitting requirements have been initiated in support of planned drilling in the next 4 to 6 months.

The Company also maintains an ongoing regional exploration program in Peru, 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.

ENDS



About Titan Minerals Ltd

Titan Minerals is a gold and copper explorer and the owner and operator of a gold treatment business in a well-established mining region of Southern Peru. A centralized processing plant produces loaded carbon from a CIP gold circuit, with feed previously averaging 17 to 24g/t gold head grades sourced from licensed third party operators.

The Company is continuously evaluating additional projects in gold, copper and other commodities within Peru, Ecuador and elsewhere for acquisition or joint venture 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:

www.titanminerals.com.au or contact:

Matthew Carr - Executive Chairman

info@titanminerals.com.au

+61 8 6555 2950

Appendix 1 – Tenements

Mining tenements held at the end of the June 2019 quarter:

Project	Location	Tenement	Interest at end of quarter
Coriorcco	Southern Peru	Anta 17	100%
Coriorcco	Southern Peru	ASC105	100%
Torrecillas	Southern Peru	Retorno-I	100%
Torrecillas	Southern Peru	Retorno-II	100%
Torrecillas	Southern Peru	Retorno-III	100%
Torrecillas	Southern Peru	Retorno-IV	100%
Torrecillas	Southern Peru	Retorno-V	100%
Torrecillas	Southern Peru	Retorno-VI	100%
Torrecillas	Southern Peru	Retorno-VII	100%
Torrecillas	Southern Peru	Retorno-IX	100%
Torrecillas	Southern Peru	RetornoXIV	100%
Torrecillas	Southern Peru	RetornoXV	100%
Torrecillas	Southern Peru	RetornoX	100%
Torrecillas	Southern Peru	Retorno XX	100%
Torrecillas	Southern Peru	Retorno XXXIV	100%
Torrecillas	Southern Peru	Rertorno XXXII	100%
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 June 2019 quarter:

Project	Location	Tenement	Interest at beginning of the quarter	Interest at end of the quarter
<i>Mining tenements acquired</i>				
Coriorcco	Southern Peru	Anta 17	0%	100%
Coriorcco	Southern Peru	ASC105	0%	100%
<i>Mining tenements relinquished</i>				
Nil				

Beneficial percentage interests in farm-in or farm-out agreements at the end of the June 2019 quarter:

Project	Location	Tenement	Interest at end of the quarter
Las Antas	Southern Peru	Anta 7	0%
Las Antas	Southern Peru	Anta 9	0%

Beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the June 2019 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>				
Nil				