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## Quarterly Activities Report Three Months Ended 30 September 2019

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### HIGHLIGHTS

- Titan launches **take-over bid to acquire 100% of Core Gold Inc.** (TSX-V:CGLD) at a **164% premium** (*refer to ASX release date 16 Sept 2019*).
  - Offer includes 2.5 fully paid ordinary shares of Titan for each Core Gold common share held, **valuing Core Gold shares at CAD\$0.422** (*as at the announcement of intention to offer*)
  - This offer is on improved terms than the previous plan of arrangement proposal
- To assist in the long-term success of the Core Gold assets, Titan has previously committed funding to Core Gold and;
  - acquired all Core Gold's secured debt in the principal amount of US\$2.5 million (*refer to ASX release dated 16 September 2019*)
  - completed a US\$3 million equity placement into Core Gold at a substantial premium to market (*refer to ASX release dated 25 March 2019*)
  - secured lock-up agreements in favour of the Offer, totalling 7.4% of the current issued and outstanding Core shares (*refer to ASX release dated 1 Oct 2019*)
- Vista Gold Plant achieved first full quarter production, with a total of 4,591 troy ounces in gold sales achieved year to date following the first four full months of operation.
- Coriorcco Gold Project historical data compilation completed with limited field sampling completed to validate historical reports. Peak Rock Chips from historic underground sampling includes better results of:
  - 59.6g/t gold over 1.4m and;  
57.2 g/t gold over 1.1m, true widths on Veta 6 development
  - 34.2g/t gold over 1.0m and;  
16.3g/t gold over 1.3m true widths on Veta 3 development,and surface channel sample results include:
  - 16.6g/t gold over 2.1m true width
  - 31.0g/t gold over 0.8m true width
  - 7.3g/t gold over 2.2m true width
  - 13.7g/t gold over 1.2m true width

Titan Minerals Limited (ASX: TTM) ("**Titan**" or "**the Company**") is pleased to provide its quarterly activities report for the quarter ended 30 September 2019.

## **Corporate**

### **Core Gold Takeover Offer**

Titan is making a formal offer (the "Offer") to purchase all of the issued and outstanding common shares of Core Gold Inc. ("Core") that Titan does not already own, including any common shares that become issued and outstanding upon the exercise of any Core Gold convertible securities prior to the expiry of the Offer (collectively, the "Core Shares") (refer to ASX release dated 1 October 2019).

The consideration being offered by Titan for each Core Share will be 2.5 fully paid ordinary shares of Titan (the "Titan Shares"), representing the equivalent of \$0.422 per Core Share<sup>1</sup>. The Offer represents a compelling premium of 164% over the closing price of Core Shares on TSX Venture Exchange (the "TSXV") on September 13, 2019 (the last trading day prior to the public disclosure of Titan's intention to pursue a takeover bid of Core), and a 130% premium over the volume weighted average price ("VWAP") for Core Shares on the TSXV for the last ten trading days ended September 13, 2019.

It is the strong belief of Titan's board that the majority of Core Shareholders would support a business combination of Core and Titan. When the previous plan of arrangement (the "Plan of Arrangement") was put to Core securityholders on June 12, 2019, 73.82% of the votes cast by Core securityholders voted in favour of the Plan of Arrangement. Of just the Core Shareholders (excluding Titan), 68.88% of all the votes cast by such Core Shareholders voted in favour of the Plan of Arrangement.

On 4 July, 2019, following the previous proposed Plan of Arrangement being presented to the Supreme Court of British Columbia (the "Court") for approval following the approval of Core Shareholders, Core's former Chief Executive Officer, Mr. Keith Piggott, opposed the application. The Court concluded that based on the volume of material filed and the issues raised by Mr. Piggott, it would require a full week trial to determine the issues. Given the time available to the court, the judge concluded that given the time constraints he could not satisfy himself that Core had proven its case on a balance of probabilities, and the court declined to grant the final order approving the Plan of Arrangement. 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 fully underwritten \$20M placement (refer to ASX release dated 4 June 2019) (successfully fulfilling the condition precedent for the proposed Plan of Arrangement) with Canaccord Genuity (Australia) Limited ("**Canaccord**") was also terminated as this coincided with the completion of the Arrangement Agreement with Core.

### **Appointment and Resignation of Directors**

On 15 July, Titan announced the appointment of two highly credentialed members to the board of the Company ("**Board**"). 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.

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<sup>1</sup> Based on a closing share price of AU\$0.185 per Titan Share on the ASX as of June 25, 2019, the last trading day prior to Titan Shares being voluntarily suspended from trading until the public disclosure by the Offeror of its intention to pursue a takeover bid of Core.

### Capital Raise

On 5 August, the Company received firm commitments for a placement of 40 million new fully paid ordinary shares in the Company ("Shares") at an issue price of A\$0.15 per Share to sophisticated and professional investors to raise A\$6 million ("Placement").

The Shares were issued under the Company's existing 15 per cent capacity under ASX Listing Rule 7.1 and 10 per cent capacity under ASX Listing Rule 7.1A. Accordingly shareholder approval was not required and the issue of the Shares was completed on 7 August. Proceeds from the Placement will be used to fund the Company's strategic initiatives and for working capital purposes.

### Acquisition of Debt

As part of the Company's strategy in respect to Core, Titan has assumed all of the outstanding interest bearing secured (i) promissory notes issued by Core in the aggregate principal amount of US\$1.5 million (the "Promissory Notes") and (ii) convertible promissory notes issued by Core Gold in the aggregate principal amount of US\$1 million (the "Convertible Notes"), plus all accrued interest. Titan assumed this Core secured debt in order to ensure that the Core debt was held by a party that was supportive of the long term view of the Core assets. The Promissory Notes and the Convertible Notes incurred interest at a rate of 12% per annum and matured on 31 March 2019, and the terms of the Convertible Notes provide that they are convertible into common shares of Core Gold at CAD\$0.30 per share at any time prior to maturity of the Convertible Notes. The Promissory Notes and the Convertible Notes are secured by a pledge of all of the issued and outstanding capital of Core Gold's indirect wholly-owned subsidiary, Elipe S.A., which holds certain of Core Gold's mining concessions in Ecuador, with the Convertible Notes ranking second to the Promissory Notes.

### Cash and working capital

As at 30 September 2019 the Company had a reported cash position of \$4.5M.

### US\$3M Debt Facility

The Company notes the repayment date for the debt facility is December 20, 2019 and advises is pursuing a number of options to satisfy its debt obligations including:

- Negotiating with the debt holders to extend the repayment date or convert the debt
- Utilising cash on hand
- Sale of the Core Gold debt to a third party
- Sale Titans holding in Core Gold to a third party, or on market.
- Undertaking a capital raise

The Company expects one, or a combination of more than one of the above options will be utilised to satisfy the debt obligations prior to December 20, 2019.

**Operational Report**

**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 (“tpd”) and has a fully permitted capacity of 350 tpd

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 realised gross sales of gold totalling 1,962 troy ounces following its first full month of operation and metal sales from the Vista Plant year to date totals 4,591 troy ounces of gold and 8,658 ounces of silver following the first full quarter of production. With ongoing ramp-up of supply of mineralised material for the plant, Vista has maintained an average daily throughput of 59 tonnes of mineralised material per day through the September quarter, with the average grade of mineralised material acquired year to date averaging 18.6g/t gold.

Vista continues to acquire and process high grade ore from licensed artisanal miners in the region in the near term and the Company is advancing a strategy to utilise the Vista Gold Plant’s additional capacity and process mineralised material mined from several projects identified from proposed studies to definemine development potential. 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.



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

### 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 (refer to Figure 1), and is positioned well within trucking distance of Vista and is well suited for development of high-grade, low-tonnage mine development work.

With mapping, surface geochemical work and historical data compilation advancing (refer to ASX release dated 26 September 2019), the project demonstrates substantial tonnage potential for high-grade gold mineralisation. With favourable topography, access, and proximity to electrical power, the project is well suited for low capex development of high-grade, low-tonnage mining of veins.

The outcropping quartz-calcite vein system is host to drill-ready targets located within an extensive belt of volcanic hydrothermal systems that include a variety of mineralisation styles district wide (refer to Figure 8). The results to date are encouraging and highlight potential for a large, high-grade system, with strong stand-alone development potential post favourable drilling and resource definition work (refer to Figure 1).

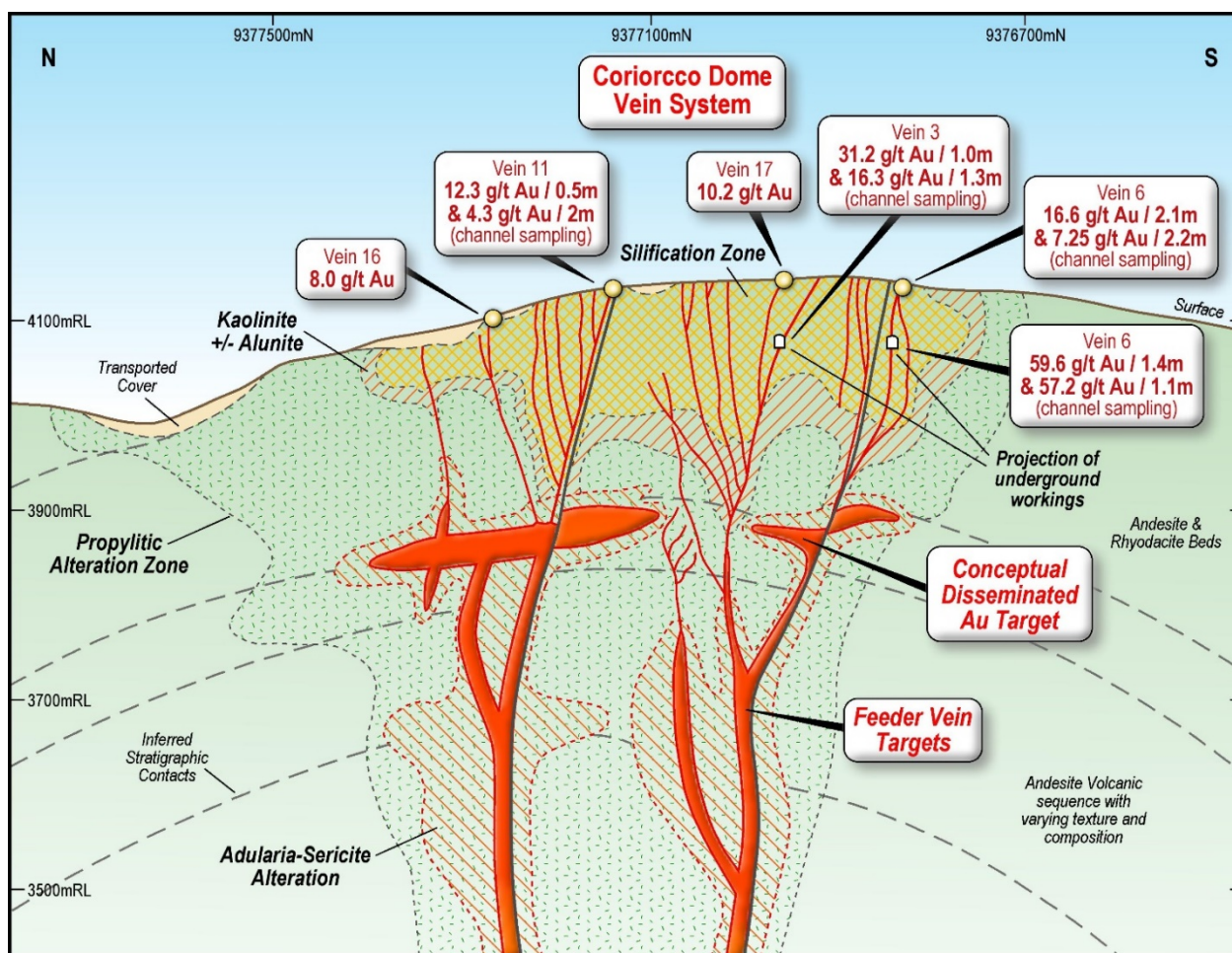


Figure 2 | Diagrammatic geology cross section of the Coriorcco dome target area (refer to Figure 2 for location of section A to A') with better assay results of quartz-calcite vein samples from surface and historical underground test work and conceptual targets for planned drill testing.

Hosted in a volcanic sequence interpreted to form the Coriorcco dome structure, an 800m by 1 km zone of intense epithermal alteration, is host to over 16 outcropping veins and underexplored splays and ore shoots. The vein swarm and associated silica cap form a topographic high in the project area, defining a discrete drill target for maiden drill tests. There is strong evidence from both mapping and sampling work that the outcropping portion of the system is the high-level expression of a larger epithermal system that remains untested at depth (refer to Figure 1). Younger Quaternary and Tertiary volcanic tuffs cover considerable areas around the project area.

Previous exploration activity includes surface channel sampling and follow-up trial mining completed in 2010 to 2011. Three portals were developed and over 400m of sub-horizontal mining were completed on three veins up to 60m below surface within the silica cap of the Coriorcco dome structure (refer to Figure 7). The portals are established in the valley bounding the mapped vein exposures to the east and west of the vein swarm and are developed along the mineralized veins, Veta 3, Veta 6 and an unnamed vein (refer to Figure 2).

Previous historic development on two of the tested veins exploited over 7,500 tonnes of material shipped to a third-party mill averaging 7.5g/t Au head grades from selective underground mining of 0.8m to 2.5m mineable widths.

Peak Rock Chips from historic sampling of over 400m underground development along the two veins within the broader vein swarm includes better results of:

- 59.6g/t gold over 1.4m
- 57.2 g/t gold over 1.1m, true widths on Veta 6 underground development
- 34.2g/t gold over 1.0m and;
- 16.3g/t gold over 1.3m true widths on Veta 3 underground development,

The reported historical sampling is completed on nominal 3.05m (10 feet) spacing in underground workings. At a 5g/t Au cut-off, higher grade mineralization in the historical underground development reported a total 60m of extent along Veta 3 that averaged 9g/t Au over a 1m true width, and Veta 6 averaged 12.1g/t gold over a 1.3m true width.

Historical sampling at surface is localized, and irregularly spaced depending on exposure with nominal 3 to 10m spacing in follow-up surface trenching. The underground intercepts ranging 35 to 60m below surface correlate well with better grades at surface to define subvertical high-grade shoots of gold mineralization plunging steeply to the west within the subvertical, east-west trending quartz-calcite veins, with better surface channel sample results including;

- 16.6g/t gold over 2.1m true width on Vein 3
- 31.0g/t gold over 0.8m true width on Vein 3
- 7.3g/t gold over 2.2m true width on Vein 6
- 13.7g/t gold over 1.2m true width on Vein 6

More recent sampling work by Titan includes validation and compilation of historical datasets, including mapping and surface sampling. It is clear from surface sampling and mapping programmes that significant potential exists at depth and along strike of the mapped and sampled veins. Significant vein sets are inferred to extend under areas of cover and remain untested. Surface sampling by Titan on exposed veins at surface includes better results of 10.2, 8.9, and 8.0 g/t gold (refer to Figure 2) and are consistent with tenor of results in historic surface values.

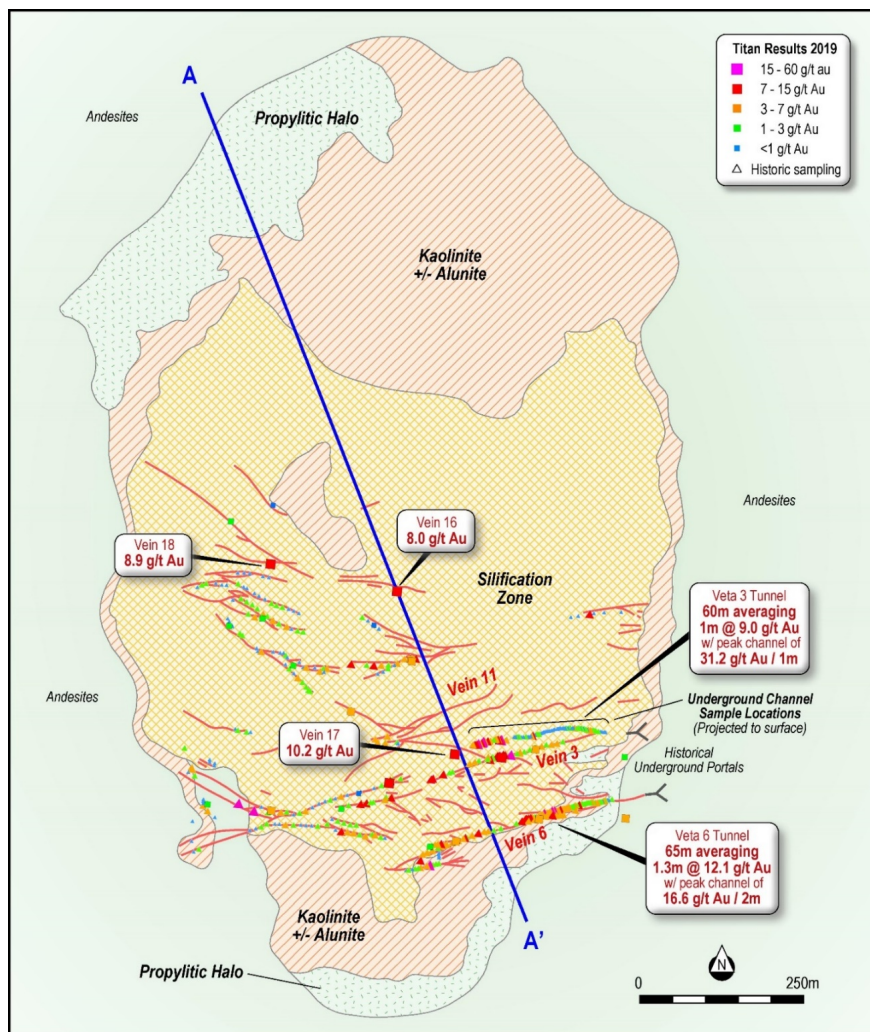


Figure 2 | Coriorcco Dome target area with results of gold in rock chips and channel sampling (includes surface and underground sampling projected to surface) located on mapped mineralised veins and footprint of hydrothermal alteration.

Focus will be on rapidly defining resources and building a viable mining model utilizing best practice methodologies with the intention of bringing the project to feasibility study level and assess economic advantages to either stand-alone potential versus short term development opportunities with the project within easy transport distance to the Company’s Vista Gold Plant with additional permitted capacity.

### 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 in the Ayacucho region of southern Peru.

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 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 early 2020 with the objective of identifying sub-surface mineralisation that could merit continued exploration for potential resource delineation and estimation work.

## ASX ANNOUNCEMENT

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 both the Coriorcco and Las Antas Gold projects continue during the September quarter in support of drill targeting, and concurrent drill permitting work being completed. 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 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](http://www.titanminerals.com.au) or contact:

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## Appendix 1 – Tenements

### Mining tenements held at the end of the September 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 September 2019 quarter:

Project	Location	Tenement	Interest at beginning of the quarter	Interest at end of the quarter
<b><i>Mining tenements acquired</i></b>				
Nil				
<b><i>Mining tenements relinquished</i></b>				
Nil				

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

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