

ASX Announcement
31 January 2020

Quarterly Activities Report Three Months Ended 31 December 2019

HIGHLIGHTS

- Titan increases **take-over bid to acquire 100% of Core Gold Inc.** (TSX-V:CGLD), acquires **82.3%** post quarter end.
- Major shareholders enter into irrevocable lock up undertakings
- Fully underwritten \$3.5M placement
- Unsecured US\$10M Loan facility executed
- Company now has exposure to six high quality Ecuador gold and copper assets and intends to initiate a more aggressive exploration strategy over several key exploration assets within the Ecuador asset portfolio being acquired

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

Corporate

Core Gold Takeover Offer

On October 1, 2019 Titan launched its 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).

On December 9, 2019 the Company increased the consideration being offered by Titan for each Core Share from 2.5 fully paid ordinary shares of Titan (the "Titan Shares") to 3.1 fully paid ordinary shares, representing the equivalent of \$0.523 per Core Share. The Offer represents a compelling premium 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).

In addition, shareholders holding 45% of Core's share capital, excluding Titan's existing 5.5% shareholding, entered into lock-up arrangements to accept the Increased Offer. This includes irrevocable commitments received from shareholders accounting for 40%.

Subsequent to the quarter end, as at 27 January 2020, **82.3%** of the outstanding Core shareholders have tendered their shares to the takeover offer. In order to gain immediate final acceptances, Titan has extended the period Core shareholders can tender their Core Shares to February 7, 2020.

Capital Raise

On 16 December, the Company received firm commitments for a placement of 21.875 million new fully paid ordinary shares in the Company ("Shares") at an issue price of A\$0.16 per Share to sophisticated and professional investors to raise A\$3.5 million ("Placement").

Post quarter end, the company completed the placement. Proceeds from the Placement will be used to fund the Company's strategic initiatives and for working capital purposes.

US\$10M Unsecured Debt Facility

Subsequent to the quarter end, the Company advised it had entered into an unsecured debt facility ("**Loan Facility**") with RM Hunter Fund Pty Ltd, an entity controlled by Mr Raymond Meadowcroft, an experienced debt funding investor ("**Lender**").

The key terms of the Loan Facility are:

- the amount available to be drawn is US\$10 million;
- amounts drawn may be repaid and redrawn over the term;
- the term is 12 months (with the repayment date being 31/12/2020);
- the interest rate on amounts drawn is 12% per annum (and no interest or fees accrue on undrawn amounts);
- Titan can use the amounts drawn as it chooses;
- no security has been, or is required to be, provided to the Lenders in connection with the Loan Facility; and
- as consideration for the Lenders agreeing to provide the Loan Facility, Titan has agreed (subject to receiving all required shareholder approvals) to issue to the Lenders fully paid ordinary shares in Titan having an aggregate value equal to US\$500,000, which is 5% of the total loan amount. If Titan does not receive all required shareholder approvals for those shares to be issued to the Lenders, then Titan must instead pay a US\$500,000 fee to the Lenders in cash.

US\$3M Debt Facility

On December 24, the Company advised it had extended the repayment date for the debt facility to April 30, 2020. As consideration the Company will pay a fee of 5% of the loan amount, which may be paid in cash or shares. The security to be provided by Titan to the Lenders in connection with the loan facility will also include Titans rights and interests in certain promissory notes issued by Core Gold, in addition to the existing security of Vista Gold S.A.C and Core Private Placement shares. All other key terms of the Loan facility remain unchanged.

Cash and working capital

As at 31 December 2019 the Company had a reported cash position of \$1.9M. Subsequent to the quarter end the Company completed a fully underwritten placement for an additional \$3.5M.

Operational Report

Planned Exploration Activity

With Titan's acquisition of a significant controlling interest in Core Gold (85%) subsequent to the reporting period, the Company now has exposure to six high quality Ecuador gold and copper assets that have had no significant exploration completed since 2007. The Company intends to initiate a more aggressive exploration strategy over several key assets within the Ecuador asset portfolio being acquired, where potential to define significant resources in compliance with the principles of the JORC code will be assessed through a combination of drilling, geophysical surveys, and systematic geochemistry surveys. Titan management will expedite exploration activity with a focus on defining additional resource potential and bringing existing foreign mineral resource estimates into JORC compliance in the first 12 months after completion of the acquisition.

Drill permitting work continues in Peru over both the Coriorcco and Las Antas Gold projects through the March quarter. 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.

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.

The plant processed 5,126 tonnes of ore at an average grade of 17.0 g/t gold and 101.9 g/t silver to produce a total of 2,503 troy ounces in gold and 5,679 troy ounces of silver for the quarter.

With ongoing ramp-up of supply of mineralised material for the plant, Vista has maintained an average daily throughput of 75 tonnes of mineralised material per day through the December quarter. The Vista plant currently operates on a campaign basis, on average operating approximately 23 days per month.

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 define mine 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). The project is positioned well within trucking distance of Vista and 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).

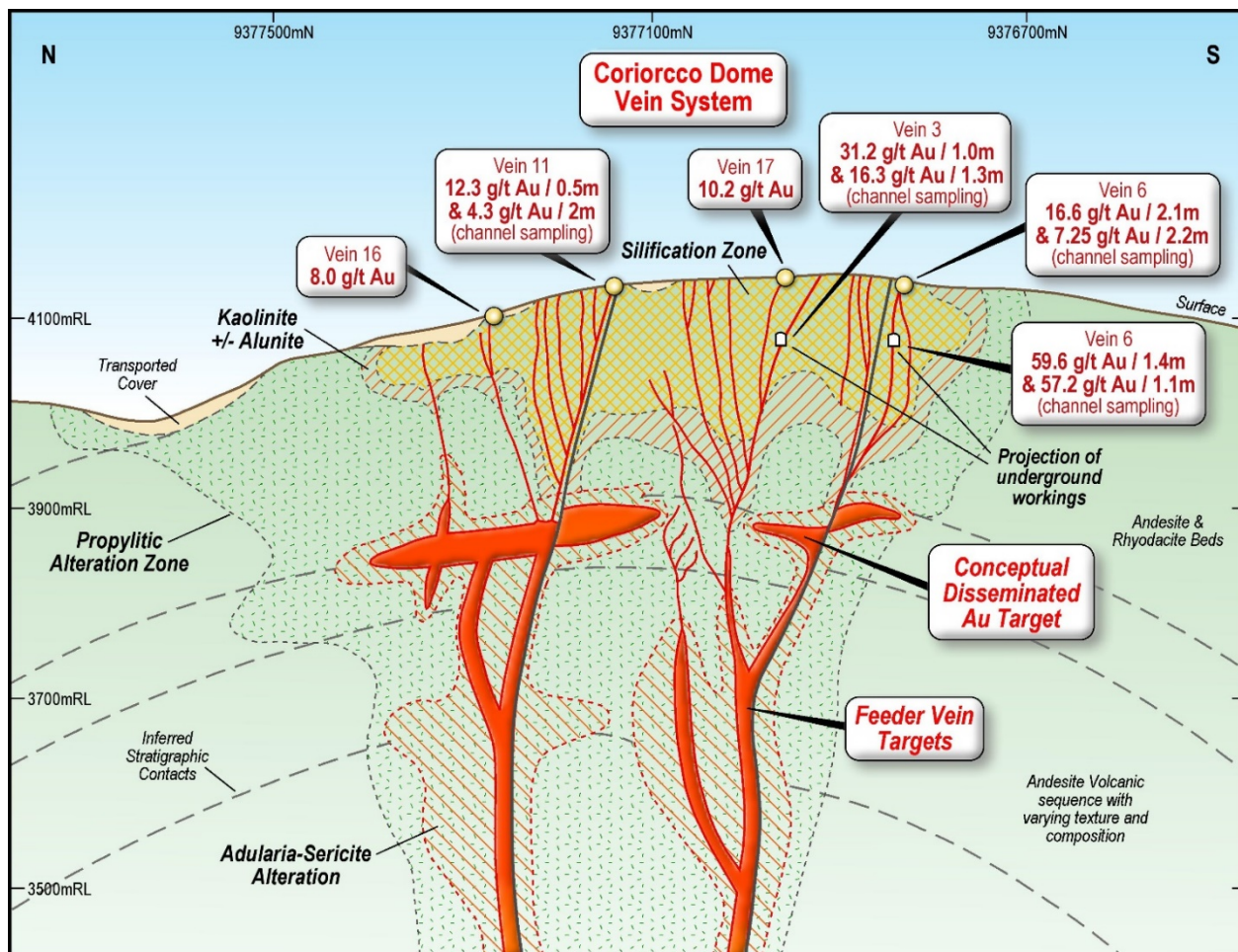


Figure 2 | Diagrammatic geology cross section of the Coriorcco dome target area (refer to Figure 2 for location of section A to A') with better assay results of quartz-calcite vein samples from surface and historical underground test work and conceptual targets for planned drill testing.

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.

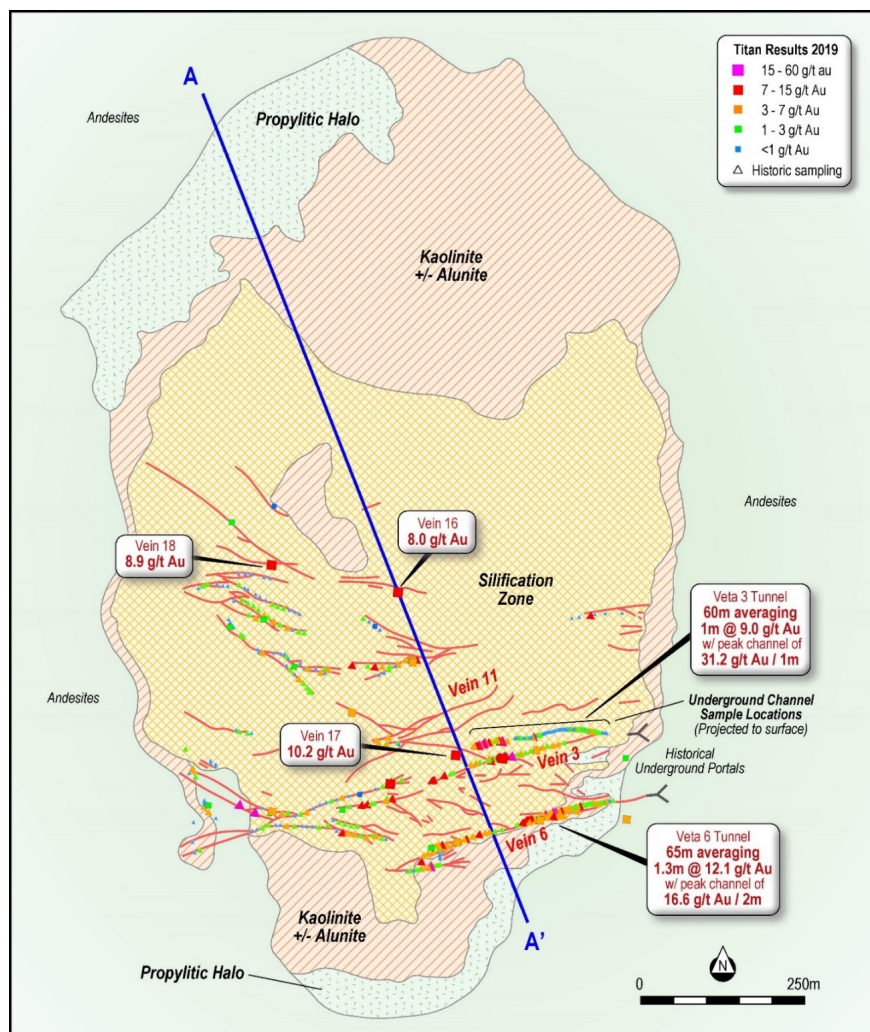


Figure 2 | Coriorcco Dome target area with results of gold in rock chips and channel sampling (includes surface and underground sampling projected to surface) located on mapped mineralised veins and footprint of hydrothermal alteration.

Subject to requisite authorisations, 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.

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.

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.

This announcement was approved by the Board of Titan Minerals.

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

www.titanminerals.com.au or contact:

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Appendix 1 – Tenements

Mining tenements held at the end of the December 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	Retorno 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 December 2019 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 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 December 2019 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				