



## **TITAN MINERALS LIMITED ACN 117 790 897**

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### **PROSPECTUS**

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For an offer of up to 1,000 New Shares at an issue price of A\$0.10 for \$100 (**Cleansing Offer**). The Cleansing Offer is included primarily for the purposes of section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of Shares issued by the Company.

This Prospectus also contains an offer of Incentive Options to the Key Personnel (**Incentive Options Offer**). This Prospectus is also being issued in order to facilitate secondary trading of the underlying securities to be issued upon the exercise of the Incentive Options.

**THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE  
ATTENTION. IT SHOULD BE READ IN ITS ENTIRETY.**

**IF YOU ARE IN DOUBT ABOUT WHAT TO DO, YOU SHOULD CONSULT YOUR  
PROFESSIONAL ADVISER WITHOUT DELAY.**

**THE SHARES OFFERED IN CONNECTION WITH THIS PROSPECTUS ARE OF A  
SPECULATIVE NATURE.**

## IMPORTANT INFORMATION

This Prospectus is dated Monday 24 August 2020 and was lodged with ASIC on that date with the consent of all Directors. Neither ASIC nor ASX nor their respective officers take any responsibility for the contents of this Prospectus.

No Securities will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus (being the expiry date of this Prospectus).

A copy of this Prospectus is available for inspection at the registered office of the Company at Suite 6, 295 Rokeby Road, Subiaco, Western Australia 6008 during normal business hours. The Company will provide a copy of this Prospectus to any person on request. The Company will also provide copies of other documents on request (see Section 4.4).

The New Securities offered by this Prospectus should be considered speculative. Please refer to Section 3 for details relating to investment risks.

Revenues and expenditures disclosed in this Prospectus are recognised exclusive of the amount of goods and services tax, unless otherwise disclosed.

This Prospectus will be made available in electronic form. Persons having received a copy of this Prospectus in its electronic form may obtain an additional paper copy of this Prospectus (free of charge) from the Company's principal place of business by contacting the Company. The Offers contemplated by this Prospectus is only available in electronic form to persons receiving an electronic version of this Prospectus within Australia.

Applications for New Securities under the Offers will only be accepted on the Application Forms that is attached to, or provided by the Company with a copy of this Prospectus in either paper or electronic form. The Corporations Act prohibits any person from passing on to another person the Application Forms unless it is accompanied by a complete and unaltered copy of this Prospectus.

No person is authorised to give any information or to make any representation in connection with the Offers in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offers.

No action has been taken to permit the offer of New Securities under this Prospectus in any jurisdiction other than Australia.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. This Prospectus does not constitute an offer of the Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

This Prospectus is important and should be read in its entirety before deciding to participate in the Offers. This Prospectus does not take into account the investment objectives, financial or taxation or particular needs of any Applicant. Before making any investment in the Company, each Applicant should consider whether such an investment is appropriate to their particular needs, and considering their individual risk profile for speculative investments, investment objectives and individual financial circumstances. Each Applicant should consult their stockbroker, solicitor, accountant or other professional adviser without delay. Some of the risk factors that should be considered by potential investors are outlined in Section 3.

This Prospectus includes forward looking statements that have been based on current expectations about future acts, events and circumstances. These forward looking statements are, however, subject to risks, uncertainties and assumptions that could cause those acts, events and circumstances to differ materially from the expectations described in the forward looking statements.

Definitions of certain terms used in this Prospectus are contained in Section 6. All references to currency are to Australian dollars and all references to time are to WST, unless otherwise indicated.

## CORPORATE DIRECTORY

### Directors

Mr Michael Hardy Non-Executive Chairman  
 Mr Laurence Marsland Managing Director and CEO  
 Mr Matthew Carr Executive Director  
 Mr Nicholas Rowley Non-Executive Director

### Company Secretary

Mr Zane Lewis

### Registered Office

Suite 6, 295 Rokeby Road  
 Subiaco WA 6008

Telephone: (08) 6555 2950  
 Facsimile: (08) 6166 0261  
 Website: [www.titanminerals.com.au](http://www.titanminerals.com.au)

**ASX Code:** TTM

### Share Registry\*

Automic Registry Services  
 Level 2, 267 St Georges Terrace  
 Perth WA 6000  
 Telephone (domestic): 1300 288 664  
 Telephone (international) +61 2 9698 5414

### Auditors\*

Stantons International Audit and Consulting Pty Ltd  
 Level 2, 1 Walker Avenue  
 West Perth WA 6005

### Lawyers

DLA Piper Australia  
 Level 21, Dexus Place  
 240 St Georges Terrace  
 Perth WA 6000

*\*This entity has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus. Its name is included for information purposes only.*

## PROPOSED TIMETABLE

Event	Date*
Lodgement of Prospectus with ASIC and ASX	Monday, 24 August 2020
Opening Date of Offers	Monday, 24 August 2020
Cleansing Offer Closing Date	Monday, 24 August 2020
Incentive Options Offer Closing Date	Tuesday, 25 August 2020
Issue of Incentive Options	Tuesday, 25 August 2020

*\*The above timetable is indicative only and subject to change. Subject to compliance with all applicable laws, the Directors reserve the right to vary these dates, including the Closing Date of either of the Offers at any time after the Opening Date, without prior notice.*

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## RISK FACTORS

There a number of risks associated with investing in the Company and in the share market generally. The business, assets and operations of the Company are subject to certain risk factors that have the potential to influence the operating and financial performance of the Company in the future. These risks can affect the value of an investment in the Company.

An investment in the Company is speculative in nature and investors should be aware that they may lose some or all of their investment. Prospective investors should read this Prospectus in its entirety, and in particular, consider the risk factors detailed in Section 3.

## 1. DETAILS OF THE OFFER

### 1.1 The Cleansing Offer

The Company is offering, pursuant to this Prospectus, up to 1,000 Shares (**New Shares**) at an issue price of \$0.10 each (**Cleansing Offer**).

Shares issued under the Cleansing Offer will be issued as fully paid ordinary shares and will rank equally in all respect with the existing Shares on issue. Refer to Section 4.1 for a summary of the rights and liabilities attaching to the Shares under the Cleansing Offer.

The Company is only extending the Cleansing Offer to specific parties on invitation from the Directors. The Company will only provide Application Forms to these parties.

This Prospectus has been issued, and the Cleansing Offer is being undertaken, to facilitate secondary trading of the following various issues of Shares by the Company, as they were issued without disclosure under Part 6D.2 of the Corporations Act:

#### (a) Secured Facility Shares

On 25 March 2019, the Company announced that it had successfully closed its US\$3,000,000 private placement with Core Gold Inc. (**Core**) (**Core Placement**). In order to fund its payment obligations pursuant to the Core Placement, the Company entered into a financing arrangement with a group of sophisticated and professional investors (**Secured Facilities**). Refer to the Company's ASX announcements on 25 March 2019 and 24 December 2019 for further details.

On 5 June 2020, the Company announced that it had amended the Secured Facilities to (amongst other matters):

- (i) extend the maturity date to 30 November 2020; and
- (ii) subject to Shareholder approval, provide for the conversion of certain amounts owing under the Secured Facilities into Shares.

On 31 July 2020, the Company obtained Shareholder approval to issue Shares in accordance with the Secured Facilities. On 24 August 2020, the Company issued the following number of Shares pursuant to the Secured Facilities:

- (i) 2,942,943 Shares to Reena Modha in respect to interest payable up to 3 August 2020 and fees payable under the Secured Facility; and
- (ii) 6,992,594 Shares to New Azilian Pty Ltd in respect one-third of the amount outstanding, interest payable up to 3 August 2020 and fees payable under the Secured Facility.

(collectively, the **Secured Facility Shares**).

Refer to the Company's ASX announcements on 1 July 2020 and 31 July 2020 and Appendix 2A dated 24 August 2020 for further details.

#### (b) RM Hunter Fund Shares

On 2 January 2020, the Company announced that it had entered in to an unsecured financing arrangement with RM Hunter Fund Pty Ltd (**RM Hunter Fund**) (**Unsecured Facility**) in respect to its takeover bid for Core.

On 24 August 2020, the Company issued the following number of Shares to RM Hunter Fund:

- (i) 11,689,672 Shares, approved at the Company's annual general meeting on 31 July 2020; and
- (ii) 13,454,024 Shares for the repayment in respect to the draw down on the line of credit,

(collectively, the **RM Hunter Fund Shares**).

Refer to the Company's ASX announcements on 2 January 2020, 1 July 2020 and 31 July 2020 and Appendix 2A dated 24 August 2020 for further details.

(c) **Fasken Shares**

On 24 August 2020, the Company issued 1,639,802 Shares to Fasken Martineau DuMoulin LLP for the provision of services in lieu of fees (**Fasken Shares**). Refer to the Appendix 2A dated 24 August 2020 for further details.

(d) **Bacchus Shares**

On 24 August 2020, the Company issued 21,909,745 Shares to Bacchus Capital Advisers (**Bacchus**) in respect to the provision of financial advisory services in relation to the takeover of Core and the divestment of non-core assets (**Bacchus Shares**). Refer to the Appendix 2A dated 24 August 2020 for further details.

(e) **Luis Shares**

On 24 August 2020, the Company issued 7,000,000 Shares to Luis Felipe Zapata Garcia for financial advisory services in relation to the takeover of Core (**Luis Shares**). Refer to the Appendix 2A dated 24 August 2020 for further details.

(f) **Pierce Shares**

On 24 August 2020, the Company issued 250,000 Shares to Sam Pierce, a former geologist of the Company, in lieu of fees pursuant to his contract with the Company (**Pierce Shares**). Refer to the Appendix 2A dated 24 August 2020 for further details.

(g) **Director Shares**

On 31 July 2020, the Directors obtained Shareholder approval to subscribed for an aggregate amount of A\$500,000 worth of Shares (**Director Placement**) at A\$0.065 per Share. On 24 August 2020, the Company issued an aggregate of 7,692,307 Shares to the Directors pursuant to the Director Placement, as follows:

- (i) 3,846,154 Shares to Laurence Marsland;
- (ii) 1,538,461 Shares to Matthew Carr;
- (iii) 1,538,461 Shares to Nicholas Rowley; and
- (iv) 769,231 Shares to Michael Hardy,

(and/or their nominees) (together, the **Director Shares**).

Refer to the Company's ASX announcements dated 1 June 2020, 1 July 2020 and 31 July 2020 and Appendix 2A dated 24 August 2020 for further details.

(h) **Marketing Shares**

On 24 August 2020, the Company issued:

- (i) 1,499,250 Shares to S3 Consortium Pty Ltd; and
- (ii) 4,266,666 to Block Capital Group Limited,

(together the **Marketing Shares**) in respect to the provision of marketing and content services to the Company. Refer to the Appendix 2A dated 24 August 2020 for further details.

## 1.2 Purpose of the Cleansing Offer

Generally, section 707(3) of the Corporations Act requires that a prospectus is issued in order for a person to whom securities were issued without disclosure under Part 6D of the Corporations Act to on-sell those securities within 12 months of the date of their issue.

Section 708A(5) of the Corporations Act provides an exception to section 707(3) where an entity issues a 'cleansing' notice under section 708A(5). The Company has been suspended from trading on the ASX for more than 5 days in the last 12 months and as a result is precluded from issuing a 'cleansing' notice in accordance with section 708A(5) of the Corporations Act.

Section 708A(11) of the Corporations Act provides an exemption from this general requirement where:

- (a) the relevant securities are in a class of securities of the company that are already quoted on ASX;
- (b) a prospectus is lodged with ASIC either:
  - (i) on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
  - (ii) before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
- (c) the prospectus is for an offer of securities issued by the company that are in the same class of securities as the relevant securities.

The primary purpose of this Prospectus is to comply with section 708A(11) of the Corporations Act to remove any trading restrictions that may have attached to the Secured Facility Shares, RM Hunter Fund Shares, Fasken Shares, Bacchus Shares, Luis Shares, Pierce Shares, Director Shares and Marketing Shares issued by the Company so that the holders of the Secured Facility Shares, RM Hunter Fund Shares, Fasken Shares, Bacchus Shares, Luis Shares, Pierce Shares, Director Shares and Marketing Shares, if they choose to, may sell those Secured Facility Shares, RM Hunter Fund Shares, Fasken Shares, Bacchus Shares, Luis Shares, Pierce Shares, Director Shares and Marketing Shares within the 12 months following their issue, without the issue of a prospectus. The Company did not issue the Secured Facility Shares, RM Hunter Fund Shares, Fasken Shares, Bacchus Shares, Luis Shares, Pierce Shares, Director Shares and Marketing Shares with the purpose of the persons to whom they were issued selling or transferring the Secured Facility Shares, RM Hunter Fund Shares, Fasken Shares, Bacchus Shares, Luis Shares, Pierce Shares, Director Shares and Marketing Shares or granting, issuing or transferring interests in the Secured Facility Shares, RM Hunter Fund Shares, Fasken Shares, Bacchus Shares, Luis Shares, Pierce Shares, Director Shares and Marketing Shares within 12 months of the issue, however this Prospectus provides them with the ability to do so should they wish.

## 1.3 Additional Offer

This Prospectus also includes an offer of an aggregate of 35,000,000 New Options (**Incentive Options**) to the certain key personnel of the Company (and/or their nominee), being directors, management, consultants or employee of the Company (**Key Personnel**) (**Incentive Options Offer**).



The Incentive Options Offer under this Prospectus is made only to the Key Personnel (and/or their nominee).

The Incentive Options offered under this Prospectus will have the terms and conditions detailed in Section 4.2.

The Incentive Options Offer is being made with disclosure under this Prospectus to facilitate secondary trading of the Shares to be issued upon exercise of the Incentive Options. Issuing the Incentive Options under this Prospectus will enable persons who are issued the Incentive Options to on-sell the Shares issued on exercise of the Incentive Options pursuant to ASIC Corporations Instrument 2016/80.

The Key Personnel should refer to Section 1.8(b) for details of how to accept the Incentive Options.

## **1.4 Purpose of the Prospectus**

Accordingly, the purpose of this Prospectus is to:

- (a) make the Offers; and
- (b) ensure that the on-sale of the underlying Shares to be issued upon the exercise of the Incentive Options is in accordance with ASIC Corporations Instrument 2016/80; and
- (c) ensure that the on-sale of the Secured Facility Shares, RM Hunter Fund Shares, Fasken Shares, Bacchus Shares, Luis Shares, Pierce Shares, Director Shares and Marketing Shares does not breach section 707(3) of the Corporations Act by relying on the exemption to the secondary trading provisions in section 708A(11) of the Corporations Act.

## **1.5 Opening and Closing Dates**

The Company will accept Application Forms for the Cleansing Offer until 7.00pm (WST) on 25 August 2020 or such other date as the Directors in their absolute discretion shall determine, subject to the requirements of the Listing Rules.

The closing date for the Incentive Options Offer is 5.00pm (WST) on Tuesday, 25 August 2020 (**Incentive Options Offer Closing Date**). The Company will accept the Incentive Options Offer Application Forms from 24 August 2020 until the Incentive Options Offer Closing Date.

The Company reserves the right, subject to the Corporations Act and the Listing Rules, to extend the closing dates of the Offers without prior notice. If a closing date is varied, subsequent dates may also be varied accordingly.

## **1.6 Minimum subscription**

There is no minimum subscription in relation to the Cleansing Offer.

## **1.7 Oversubscriptions**

The Company will not accept any oversubscriptions in relation to the Cleansing Offer.

## **1.8 Application Forms**

### **(a) Cleansing Offer**

The Company will send this Prospectus, together with a Cleansing Offer Application Form, to selected persons whom the Directors determine are eligible to participate in the Cleansing Offer.



If you wish to subscribe for New Shares, you should complete and return the Cleansing Offer Application Form, which will be provided with a copy of this Prospectus by the Company at the Company's discretion, in accordance with the instructions in the Cleansing Offer Application Form.

**(b) Incentive Options Offer**

The Incentive Options Offer is an offer to the Key Personnel (and/or their nominee) only.

Only the Key Personnel (and/or their nominee) can accept the Incentive Options under the Incentive Options Offer. A personalised Incentive Options Offer Application Form will be issued to the Key Personnel (and/or their nominee) together with a copy of this Prospectus. The Company will only provide an Incentive Options Offer Application Form to the Key Personnel (and/or their nominee).

If you are in doubt as to the course of action, you should consult your professional advisor.

Acceptance of a completed Application Forms by the Company creates a legally binding contract between the Applicant and the Company for the number of New Securities accepted by the Company. The Application Forms do not need to be signed to be a binding acceptance of New Securities.

If the Application Forms are not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat the acceptance as valid and how to construe, amend or complete the Application Forms is final.

## **1.9 Application Monies held on trust**

All Application Monies received for the New Securities will be held on trust in a bank account maintained solely for the purpose of depositing Application Monies received pursuant to this Prospectus until the New Securities are issued. All Application Monies will be returned (without interest) if the New Securities are not issued.

## **1.10 ASX Quotation**

Application for Official Quotation by ASX of the New Shares will be made within seven days after the date of this Prospectus. If the New Shares are not admitted to Official Quotation by ASX before the expiration of three months after the date of issue of the Prospectus, or such period as varied by ASIC, the Company will not issue any New Shares and will repay all application monies for the New Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the New Shares is not to be taken in any way as an indication of the merits of the Company or the New Shares now offered for subscription.

## **1.11 Allotment**

The issue of New Securities pursuant to the Cleansing Offer will take place as soon as practicable after the closing dates of the Cleansing Offer and Incentive Options Offer. Pending the issue of the New Securities or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account, as required by the Corporations Act. The Company will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

The Directors will determine the recipients of all the New Securities under the Offers. The Directors reserve the right to reject any application or to allocate any Applicant fewer New Securities than the number applied for. Where the number of New Securities issued is less than the number applied for, or when no issue is made, surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the closing dates of the Cleansing Offer and Incentive Options Offer. Interest will not be paid on monies refunded.

The Company's decision on the number of New Securities to be issued to an Applicant under the Offers will be final.

#### **1.12 Defects in applications**

If the Application Forms are completed incorrectly or if the accompanying payment is the wrong amount, the Company may, in its absolute discretion, still treat the Application Forms to be valid. The Company's decision to treat an application as valid, or how to construe, amend or complete it, will be final.

#### **1.13 Withdrawal**

The Directors may at any time decide to withdraw this Prospectus and the Offers, in which case, the Company will return all Application Monies (without interest) in accordance with the Corporations Act.

#### **1.14 Applicants outside Australia**

This Prospectus and any accompanying Application Forms do not, and are not intended to, constitute an offer of Securities in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus or the Securities. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

#### **1.15 Risks of the Offer**

An investment in Shares of the Company should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company, which are explained in Section 3.

#### **1.16 Taxation Implications**

The Directors do not consider it appropriate to give Applicants advice regarding the taxation consequences of subscribing for Shares under this Prospectus.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Applicants. As a result, Applicants should consult their professional tax adviser in connection with subscribing for Shares under this Prospectus.

#### **1.17 Major Activities and Financial Information**

A summary of the activities and financial information relating to the Company for the year ended 31 December 2019 is in the Annual Report which was lodged with ASX on 17 April 2020.

A summary of the Company's activities for:

- (a) the three-month period ended 31 December 2019 is in the Quarterly Activities Report, which was lodged with ASX on 31 January 2020;
- (b) the three month period ended 31 March 2020 is in the Quarterly Activities Report, which was lodged with ASX on 30 April 2020; and
- (c) the three month period ended 30 June 2020 is in the Quarterly Activities Report, which was lodged with ASX on 31 July 2020.

The Company's continuous disclosure notices (i.e. ASX announcements) since the lodgement of its Annual Report are listed in Section 4.4.

Copies of these documents are available free of charge from the Company. Directors strongly recommend that potential Applicants review these and all other announcements prior to deciding whether or not to participate in the Offer.

#### **1.18 Privacy**

The Company collects information about each Applicant provided on the Application Forms for the purposes of processing the Acceptance and, if the Acceptance is successful, to administer the Applicant's security holding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Forms for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Company's or Group's agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Acceptance.

An Applicant has an entitlement to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

#### **1.19 Enquiries Concerning the Prospectus**

Enquiries relating to this Prospectus should be directed to the Company Secretary by telephone on (08) 6555 2950.

## 2. EFFECT OF THE OFFER

### 2.1 Effect on the Capital Structure

The effect of the Offers on the capital structure on the Company, assuming the New Securities are issued, is as follows:

Class	Number
Shares on issue as at the date of this Prospectus	1,102,872,254 <sup>(1)</sup>
New Shares to be issued under the Cleansing Offer	1,000
<b>Total Shares on issue on completion of the Cleansing Offer</b>	<b>1,102,873,254</b>
Options on issue at the date of this Prospectus	4,500,000 <sup>(2)</sup>
New Options to be issued under the Incentive Options Offer	35,000,000
<b>Total Options on issue on completion of the Incentive Options Offer</b>	<b>39,500,000</b>
Performance Rights on issue at the date of this Prospectus	1,500,000 <sup>(3)</sup>
<b>Total Performance Rights on issue on completion of the Offers</b>	<b>1,500,000</b>

**Notes:**

- (1) Refer to the Company's Appendix 2A dated 24 August 2020.
- (2) Comprised of:
  - (i) 1,200,000 Options, each with an exercise price of \$0.50, expiring on 1 July 2021;
  - (ii) 1,500,000 Options, each with an exercise price of \$0.60, expiring on 1 July 2021; and
  - (iii) 1,800,000 Options each with an exercise price of \$0.70, expiring on 1 July 2021.
- (3) Comprised of:
  - (i) 500,000 Class D Performance Rights;
  - (ii) 500,000 Class E Performance Rights; and
  - (iii) 500,000 Class F Performance Rights.

### 2.2 Effect of the Cleansing Offer on the Company

After paying for the expenses of the Offers of approximately A\$3,000, there will be no proceeds from the Cleansing Offer. The expenses of the Offers exceeding \$100 (being the amount raised if the Cleansing Offer is fully subscribed) will be met from the Company's existing cash reserves.

The Cleansing Offer will have a minimal effect on the Company's financial position, being receipt of funds of A\$100 less costs of preparing the Prospectus.

### 2.3 Market Price of Shares

The highest and lowest market sale prices of the Shares (on a post-consolidation basis) on ASX during the 3 months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Highest:	A\$0.170 per Share on 7 August 2020; and
Lowest:	A\$0.061 per Share on 12 June 2020.

The latest available market sale price of the Shares on ASX prior to the date of lodgement of this Prospectus with the ASIC was A\$0.14 per Share on 21 August 2020.

## **2.4 Dividend Policy**

The Directors are not able to say when and if dividends will be paid in the future, as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company.

### 3. RISK FACTORS

An investment in New Securities offered by this Prospectus should be regarded as speculative. Activities in the Company, as in any business, are subject to risks which may impact on the Company's future performance. The Company has implemented appropriate strategies, actions, systems and safeguards for known risks, however some are outside its control.

The Directors consider that the following summary, which is not exhaustive, represents some of the major risk factors which prospective investors need to be aware of in evaluating the Company's business and the risks of investing in the Company. Prospective investors should carefully consider the following factors in addition to the other information presented in this Prospectus.

The principal risks include, but are not limited to, the following:

#### 3.1 Specific Risks Associated with the Company

(a) COVID-19

The global economic outlook is facing uncertainty due to the current COVID-19 pandemic which is impacting global capital markets. As noted in the Company's ASX announcements dated 24 March 2020 and 16 April 2020, the Company has not been immune to the economic disruption caused by the pandemic. The Company is continuing to monitor and assess its operations and commercial activities in light of the COVID-19 pandemic. However, as the situation with respect to COVID-19 continues to develop (and various government restrictions in the countries where the Company has operations change), there can be no assurance that the Company will be able to continue to mitigate any adverse effects of COVID-19 on its operations.

Further, the Company is ultimately exposed to the general economic conditions globally which could have an adverse effect on the operating and financial performance of the Company. A prolonged economic contraction as a result of COVID-19 and/or other factors could impact on the Company's ability to continue to meet its ongoing financial obligations (including debt) and may affect the operations and performance of the Company.

(b) Dynasty Gold Project

A delay or difficulty encountered in the operations of the Dynasty Goldfield Project could materially and adversely affect the Company's financial condition and financial sustainability. Any adverse changes or developments affecting the Dynasty Goldfield Project, such as, but not limited to, the Company's inability to successfully complete any of the development projects, work programs or exploration activity, obtain financing on commercially suitable terms, or hire suitable personnel and drilling contractors, may have a material adverse effect on the Company's financial performance, results of operations and liquidity.

Exploration on the Dynasty Goldfield Project concessions may be unsuccessful, resulting in a reduction of the value of those mineral concessions, diminution in the cash reserves of the Company and possible relinquishment of the exploration and mining concessions.

In addition, the Company's business and results of operations from small-scale mining at the Cerro Verde prospect located within the Dynasty Goldfield Project could be materially and adversely affected by any events which cause the Dynasty Goldfield Project to operate at less than optimal capacity, including among other things, equipment failure or shortages of spares, consumables and reagents, adverse weather,

serious environmental and safety issues, any permitting or licensing issues and any failure to produce expected amounts of gold.

(c) Integration Risks

There is a risk that (amongst other matters):

- (i) the synergies expected to arise from the combination of Titan and Core Gold may fail to materialise or take longer than expected to materialise;
- (ii) the Company may not achieve its financial and strategic goals due to delays or difficulties occurring during the integration of the two businesses;
- (iii) Titan may incur greater than anticipated implementation costs during the integration of the businesses of Titan and Core Gold;
- (iv) a delay or difficulty encountered in the operations of the Dynasty Goldfield Project could materially and adversely affect the Company's financial condition and financial sustainability; or
- (v) material adverse changes in government policies, legislation or shifts in political attitude in Australia, Peru, Ecuador or any other jurisdiction in which Titan and Core Gold operate may occur which may affect mineral mining and exploration activities, tax laws, royalty regulations, government subsidies and environmental issues may affect the viability of a project.

If any of the above risks materialise or occur, this may affect the operations and performance of the Company.

(d) Sovereign Risks

The Company has projects located in Peru and Ecuador which are less developed countries than Australia and has associated political, economic, legal and social risks. There can be no assurance that the systems of government and the political systems in Peru and/or Ecuador will remain stable. Further, there can be no assurance that government regulations relating to foreign investment, repatriation of foreign currency, taxation and the mining industry in Peru and/or Ecuador will not be amended or replaced in the future to the detriment of the Company's business and/or projects. The Directors are unaware of any such proposals as at the date of this Prospectus.

(e) Government Policies

Any material adverse changes in government policies, legislation or shifts in political attitude in Australia, Peru, Ecuador or any other jurisdiction in which Titan operates, that affect mineral mining and exploration activities, tax laws, royalty regulations, government subsidies and environmental issues, may affect the viability of a project or the Company.

No assurance can be given that amendments to current laws and regulations or new rules and regulations will not be enacted, or that existing rules and regulations will not be applied in a manner which could substantially limit or affect the viability of a project or the Company.

(f) Contract and Joint Venture Risks

Titan may enter into agreements and undertakings with third parties from time to time. If Titan is unable to satisfy the conditions of these agreements and undertakings, or if it defaults on its obligations under these agreements and undertakings, Titan's interest in their subject matter may be jeopardised. Further, if the third parties default on their obligations under the agreements and undertakings, Titan may be adversely affected.



In addition, there is a risk of financial failure or default by a participant in any joint venture to which Titan is or may become a party or the insolvency or managerial failure by any of the contractors used by Titan in any of its activities or the insolvency or other managerial failure by any of the other service providers used by Titan for any activity.

(g) Uncertainty and Future Profitability

Titan has incurred significant losses in the past, ultimately resulting in the appointment of administrators and a deed of company arrangement recapitalisation. It is not possible to evaluate Titan's future prospects based on past performance. The past performance should not impact the future opportunities of Titan. While the Directors have confidence in the future revenue-earning potential of Titan, there can be no certainty that Titan will achieve or sustain profitability or achieve or sustain positive cash flow from its operating activities

(h) Dependence on Key Personnel

The success of Titan will to an extent depend on the directors' and Key Management Personnel's ability to successfully manage Titan's performance and exploit new opportunities. The loss of service of these personnel could have an adverse effect on the proposed operations of Titan.

(i) Metal Price Volatility

As an exploration, development and toll treatment company, Titan's ability to raise capital may be significantly affected by changes in the market price of gold, silver and other minerals. Titan's possible future revenues may be derived primarily from mining commodities, processing commodities and/or from revenue royalties gained from joint ventures or from mineral projects sold. Consequently, Titan's potential future earnings could be closely related to the price of commodities it commercially exploits. Gold and other mineral prices fluctuate on a daily basis and are affected by numerous factors beyond the control of Titan including demand, forward selling by producers, production cost levels in major producing regions and macroeconomic factors (e.g., inflation, interest rates, currency exchange rates) and global and regional demand for, and supply of, the relevant commodity.

If the market price of any commodity sold by Titan were to fall below the costs of production and remain at such a level for any sustained period, Titan would experience losses and could have to curtail or suspend some or all of its proposed mining activities. In such circumstances, Titan would also have to assess the economic impact of any sustained lower commodity prices on recoverability.

(j) Shortages and Price Volatility

Titan is dependent on various input commodities (such as diesel fuel, electricity, natural gas, steel and concrete) and equipment (including parts) to conduct its exploration activities. A shortage of such input commodities or equipment or a significant increase in their cost could have a material adverse effect on Titan's ability to carry out its exploration and therefore limit, or increase the cost of, discovery. Titan is also dependent on access to and supply of water and electricity to carry out its exploration, and such access and supply may not be readily available. Market prices of input commodities can be subject to volatile price movements, which can be material, occur over short periods of time and are affected by factors that are beyond Titan's control. An increase in the cost, or decrease in the availability, of input commodities or equipment may affect the timely conduct and cost of Titan's exploration objectives. If the costs of certain input commodities consumed or otherwise used in connection with Titan's exploration were to increase significantly, and remain at such levels for a substantial period, Titan may determine that it is not economically feasible to continue exploration on some or all of its current projects, which could have an adverse impact on Titan's financial performance and share price.

(k) Future Capital Requirements

Titan's ongoing activities may require substantial further financing in the future for its business activities. Any additional equity financing may be dilutive to Titan Shareholders, may be undertaken at lower prices than the current market price or may involve restrictive covenants which limit Titan's operations and business strategy. Although the directors believe that additional capital may be obtained, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to Titan or at all. If Titan is unable to obtain additional financing as needed, it may be required to reduce, delay or suspend its operations and this could have a material adverse effect on Titan's activities and could affect Titan's ability to continue as a going concern or remain solvent.

(l) Insurance

Insurance against all risks associated with mineral exploration and production is not always available or affordable. Titan will maintain insurance where it is considered appropriate for its needs. However, insurance coverage against all risks may not be undertaken because either such cover is not available or because the Directors consider that the associated premiums are excessive having regard to the benefits from the cover.

The occurrence of an event that is not covered or is only partially covered by insurance could have a material adverse effect on the business, financial condition and results of the operations of Titan. There is no assurance that Titan will be able to maintain adequate insurances in the future at rates that the Directors consider reasonable.

(m) Acquisitions

Titan may also review and consider other business opportunities. Consequently, this strategy may result in Titan making acquisitions of, or significant investments in, complementary or alternative companies or assets. Any such transactions would be accompanied by the risks inherent in making acquisitions of companies and assets. For example, there may be liabilities in connection with such acquisitions which are not identified in Titan's due diligence or the acquisitions may not prove to be successful. Further, risks associated with such acquisitions will also arise from Titan's ability to execute the acquisition and then to correctly manage the business operations and growth strategies moving forward.

(n) Incomplete Records

Titan's Shares were suspended from trading on ASX from August 19, 2015, and Titan was placed into voluntary administration on August 25, 2015. This resulted in the previous directors and officers ceasing to have control of Titan's activities. The current directors consider that Titan's corporate records may be incomplete for the period surrounding the commencement of the voluntary administration because of, among other things, the turnover of previous staff and officers and the appointment of administrators to Titan. Consequently, there may be actions that were taken by the previous directors and officers of Titan or its subsidiaries of which the Directors are unaware. While the current directors consider that the deed of company arrangement process has dealt with any outstanding liabilities relating to Titan, there is a risk that previous unknown actions may adversely affect the operations and financial position of Titan or its subsidiaries.

(o) Competition

Titan competes with other companies, including major mining companies in Australia and internationally. Some of these companies have greater financial and other resources than Titan has and, as a result, may be in a better position to compete for

future business opportunities. There can be no assurance that Titan can compete effectively with these companies.

### 3.2 Mining Industry Risks

Mineral exploration, mining and the processing of minerals may be hampered by circumstances beyond the control of the Company and are speculative operations which are by their nature subject to a number of inherent risks, including the following (the risks below will extend to the expanded business of the Company following the completion of the acquisition of Core Gold):

(a) Exploration Risks

The success of the Company depends on the delineation of economically minable reserves and resources, access to required development capital, movement in the price of commodities, securing and maintaining title to the Company's exploration and mining concessions and obtaining all consents and approvals necessary for the conduct of its exploration activities.

Exploration on the Company's existing exploration and mining concessions may be unsuccessful, resulting in a reduction of the value of those concessions, diminution in the cash reserves of the Company and possible relinquishment of the exploration and mining concessions.

(b) Resource Estimates

Resource estimates are expressions of judgment based on knowledge, experience and industry practice. These estimates were appropriate when made, but may change significantly when new information becomes available.

There are risks associated with such estimates. Resource estimates are necessarily imprecise and depend to some extent on interpretations, which may ultimately prove to be inaccurate and require adjustment. Adjustments to resource estimates could affect the Company's future plans and ultimately its financial performance and value. As at the date of this Prospectus, the Company has not reported any resource estimates.

(c) Ability to Exploit Successful Discoveries

It may not always be possible for the Company to exploit successful discoveries which may be made in areas in which the Company has an interest. Such exploitation would involve obtaining the necessary licences or clearances from relevant authorities that may require conditions to be satisfied and/or the exercise of discretions by such authorities. It may or may not be possible for such conditions to be satisfied. Further, the decision to proceed to further exploitation may require participation of other companies whose interests and objectives may not be the same as the Company's.

(d) Mining and Development Risks

Profitability depends on successful exploration and/or acquisition of resources/reserves, design and construction of efficient processing facilities, competent operation and management and proficient financial management.

Mining and development operations can be hampered by force majeure circumstances, environmental considerations and cost overruns for unforeseen events.

(e) Title Risks

The Company's mining and exploration activities are dependent upon the maintenance (including renewal) of the mineral concessions in which the Company has or acquires an interest. Maintenance of the Company's concessions is dependent on, among other things, the Company's ability to meet the licence conditions imposed by the relevant

authorities including compliance with the Company's work program requirements which, in turn, is dependent on the Company being sufficiently funded to meet those expenditure requirements. Although the Company has no reason to think that the concessions in which it currently has an interest will not be renewed, there is no assurance that such renewals will be given as a matter of course and there is no assurance that new conditions will not be imposed by the relevant granting authority.

Interests in mineral concessions in Peru are governed by legislation in their respective jurisdictions and are evidenced by the granting of mining concessions. Consequently, the Company could lose title to or its interest in concessions if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

(f) Environmental Risks

The Company's operations and activities are subject to certain regulations regarding environmental matters. The governments and other authorities that administer and enforce environmental laws determine these requirements. As with most exploration projects, mining and processing operations, the Company's activities are expected to have an impact on the environment, particularly if mine development proceeds. The Company intends to conduct its activities in an environmentally responsible manner and in accordance with applicable laws.

The cost and complexity of complying with the applicable environmental laws and regulations may prevent the Company from being able to develop potentially economically viable mineral deposits.

Further, the Company may require additional approvals from the relevant authorities before it can undertake activities that are likely to impact the environment. Failure to obtain such approvals will prevent the Company from undertaking its desired activities. The Company is unable to predict the effect of additional environmental laws and regulations, which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

There can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Company to incur significant expenses and undertake significant investments in such respect which could have a material adverse effect on the Company's business, financial condition and results of operations.

(g) Other

Other risk factors include those normally found in conducting business, including litigation resulting from the breach of agreements or in relation to employees (through personal injuries, industrial matters or otherwise) or any other cause, strikes, lockouts, loss of service of Key Management Personnel or operational personnel, non-insurable risks, delay in resumption of activities after reinstatement following the occurrence of an insurable risk and other matters that may interfere with the business or trade of the Company.

### 3.3 General Risks

The following risks have been identified as being some general risks associated with an investment in the Company, noting its publicly listed status:

(a) Stock Market Conditions

As with all stock market investments, there are risks associated with an investment in the Company. Share prices may rise or fall and the price of Shares might trade below the price paid for those Shares.

General factors that may affect the market price of Shares include economic conditions in both Australia and internationally, investor sentiment and local and international share market conditions, changes in interest rates and the rate of inflation, variations in commodity process, the global security situation and the possibility of disturbances, changes to government regulation, policy or legislation, changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws, changes to the system of dividend imputation in Australia, and changes in exchange rates.

(b) Litigation Risks

Legal proceedings may be brought against Titan, for example, litigation based on its business activities, environmental laws, tax matters, volatility in its stock price or failure to comply with its disclosure obligations, which could have a material adverse effect on Titan's financial condition or prospects. Regulatory and government agencies may bring legal proceedings in connection with the enforcement of applicable laws and regulations, and as a result Titan may be subject to expenses of investigations and defence, and fines or penalties for violations if proven, Titan may potentially incur cost and expense to remediate, increased operating costs or changes to operations, and cessation of operations if ordered to do so or required in order to resolve such proceedings.

(c) Liquidity Risk

There cannot be any guarantee that there will continue to be an active market for Shares or that the price of Shares will increase. Equity capital market conditions in Australia are currently in a parlous state. There may be relatively few buyers or sellers of shares on ASX at any given time. This may affect the volatility of the market price of Shares. It may also affect the prevailing market price at which Shareholders are able to sell Shares held by them. This may result in Shareholders receiving a market price for their Shares that is less or more than the price paid for the Shares.

(d) Securities Investment Risk

Applicants should be aware that there are risks associated with any securities investment. Securities listed on the stock market, and in particular securities of mining and exploration companies have experienced extreme price and volume fluctuations that have often been unrelated to the operating performances of such companies. These factors may materially affect the market price of the securities regardless of the Company's performance.

(e) Changes in Legislation and Government Regulation

Government legislation in Peru or any other relevant jurisdiction in which the Company may operate in the future, such as changes to the taxation system, foreign investment regulations and the mining regulatory system, may affect future earnings and relative attractiveness of investing in the Company. Changes in government policy or statutory changes may affect the Company and the attractiveness of an investment in it.

(f) Economic Factors

Factors such as inflation, currency fluctuation, interest rates, supply and demand and industrial disruption have an impact on operating costs, commodity prices and stock market processes. The Company's future possible revenues and Share price can be affected by these factors, which are beyond the control of the Company and its Directors.

### 3.4 Investment Speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors and others not specifically referred to above, may, in the future, materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus.

The Shares offered pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Shares. The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company.

## **4. ADDITIONAL INFORMATION**

### **4.1 Rights and Liabilities Attaching to Shares**

The following is a summary of the more significant rights and liabilities attaching to the Shares of the Company. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. Full details of the rights attaching to the Shares of the Company are in the Constitution of the Company, a copy of which is available for inspection at the Company's registered office during normal business hours or can be obtained from the Company's website at [www.titanminerals.com.au](http://www.titanminerals.com.au).

(a) General meetings

Shareholders are entitled to be present in person, or by proxy or attorney to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy or attorney;
- (ii) on a show of hands, every person present who is a Shareholder or a representative of a Shareholder has one vote in respect of each Share carrying the right; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have a fraction of a vote equivalent to the proportion which the amount paid up on that Share (excluding amounts credited) is to the total amounts paid up and payable (excluding amounts credited) on that Share.

(c) Dividend rights

The Directors alone may declare a dividend to be paid to Shareholders. The dividend is payable at a time determined in the Directors' discretion. No dividend may be declared or paid except as allowed by the Corporations Act. No interest is payable in respect of unpaid dividends.

(d) Winding-up

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for the purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

(e) Shareholder liability

As the Shares to be issued under the offers contained in this Prospectus are fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.



(f) Transfer of Shares

Generally, Shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the Listing Rules.

(g) Variation of Rights

Pursuant to section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(h) Alteration of Constitution

The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

## 4.2 Terms and Conditions of the New Options

The terms and conditions of the New Options are as follows:

(a) **Entitlement**

Each New Options entitles the holder (**Holder**) to subscribe for a Share upon exercise.

(b) **Exercise Price and Expiry Date**

The exercise price of each New Option is \$0.0001 (**Exercise Price**).

Each New Option will expire four years from the date of issue (**Expiry Date**).

(c) **Exercise Period and Vesting Conditions**

Each New Option is exercisable at any time prior to the Expiry Date (**Exercise Period**) upon the achievement of the following conditions (**Vesting Conditions**):

Options	Vesting Condition
8,750,000	The Company announcing on its ASX Market Announcements Platform a minimum 2,000,000 ounces of gold (Au) or gold equivalent (in accordance with clause 50 of the JORC code) at the Dynasty Gold Project in Ecuador.
8,750,000	The Company announcing on its ASX Market Announcements Platform a minimum 2,500,000 ounces of gold (Au) or gold equivalent (in accordance with clause 50 of the JORC code) at the Dynasty Gold Project in Ecuador.
8,750,000	The VWAP of Company Shares is at least \$0.15 for 10 consecutive trading days
8,750,000	The VWAP of Company Shares is at least \$0.30 for 10 consecutive trading days or at 24 months after the issue of the Options.

After this time, any unexercised New Options will automatically lapse.

(d) **Lapsing of New Options**

The New Options will lapse, and be cancelled, if:

- (i) the Vesting Conditions are not satisfied prior to the Expiry Date;
- (ii) the holder ceases to be a Director, consultant or employee (as applicable) prior to the Expiry Date.

(e) **Notice of Exercise**

The New Options may be exercised by notice in writing to the Company (**Notice of Exercise**) and payment of the applicable Exercise Price for each New Option being exercised. Any Notice of Exercise of a New Option received by the Company will be deemed to be a notice of the exercise of that New Option as at the date of receipt.

(f) **Shares Issued**

Shares issued on exercise of the New Options rank equally with the then Shares of the Company and are free of all encumbrances, liens and third party interests.

(g) **Quotation of Shares**

The Company will apply to ASX for Official Quotation of the Shares issued upon the exercise of the New Options.

(h) **Timing of Issue of Shares and Quotation**

Within 5 business days after the later of the following:

- (i) receipt of a Notice of Exercise given in accordance with these terms and conditions and payment of the applicable Exercise Price for each New Option being exercised; and
- (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information. If there is no such information the relevant date will be the date of receipt of a Notice of Exercise as set out in paragraph 5 above,

the Company will:

- (iii) allot and issue the number of Shares required under these terms and conditions in respect of the number of New Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (iv) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (v) if admitted to the official list of ASX at the time, apply for Official Quotation on ASX of Shares issued pursuant to the exercise of the New Options.

If, for any reason, a notice delivered under paragraph (iv) is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 business days after becoming aware of such notice being

ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(i) **Participation in New Issues**

There are no participation rights or entitlements inherent in the New Options and Holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the New Options.

(j) **Adjustment for Bonus Issues of Shares**

If the Company makes a bonus issue of Shares or other Securities to existing Shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):

- (i) the number of Shares which must be issued on the exercise of a New Option will be increased by the number of Shares which the Holder would have received if the Holder of a New Option had exercised the New Option before the record date for the bonus issue; and
- (ii) no change will be made to the Exercise Price.

(k) **Adjustment for Rights Issue**

If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu of in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of a New Option will be reduced according to the following formula:

$$O' = O - \frac{E[P - (S + D)]}{N + 1}$$

where:

- O' = the new Exercise Price of the New Option.
- O = the old Exercise Price of the New Option.
- E = the number of underlying Shares into which one New Option is exercisable.
- P = average market price per Share weighted by reference to volume of the underlying Shares during the 5 trading days ending on the day before the ex rights date or ex entitlement date.
- S = the subscription price of a Share under the pro rata issue.
- D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).
- N = the number of Shares with rights or entitlements that must be held to receive a right to one new Share.

(l) **Adjustments for Reorganisation**

If there is any reconstruction of the issued share capital of the Company, the rights of the Holder may be varied to comply with the ASX Listing Rules that apply to the

reconstruction at the time of the reconstruction.

(m) **Quotation of Options**

The Company will make no application for quotation of the New Options.

(n) **Options Transferable**

Unless otherwise determined by the Board, the New Options are transferable.

(o) **Lodgement Requirements**

Cheques shall be in Australian currency made payable to the Company and crossed 'Not Negotiable'. The application for Shares on the exercise of the New Options with the appropriate remittance must be lodged at the Company's registry.

(p) **Change of Control**

All the New Options on issue shall automatically convert into Shares up to a maximum number that is equal to 10% of the Company's issued capital (as at the date of any of the following events) upon the occurrence of any of the following events:

- (i) the Company announces that its Shareholders have at a court convened meeting of Shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement (excluding a merger by way of scheme of arrangement for the purposes of a corporate restructure (including change of domicile, consolidation, sub-division, reduction or return) of the issued capital of the Company) and the Court, by order, approves the scheme of arrangement;
- (ii) a takeover bid:
  - (A) is announced;
  - (B) has become unconditional; and
  - (C) the person making the takeover bid has a relevant interest in 50% or more of the Shares;
- (iii) any person acquires a relevant interest in 50.1% or more of the Shares by any other means; or
- (iv) the Company announces that the sale or transfer of its main business undertaking or the principal assets (in one transaction or a series of transactions) of the Company has been completed.

### 4.3 Company is a Disclosing Entity

The Company is a 'disclosing entity' (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act, and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities. The New Securities are in the same class as Shares that have been quoted on the official list of the ASX during the three months prior to the issue of this Prospectus.

This Prospectus is a 'transaction specific prospectus' to which the special content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to an offer of securities, or operation to acquire securities, in a class which has been continuously quoted by ASX in the three months prior to the date of the prospectus. In

general terms 'transaction specific prospectuses' are only required to contain information in relation to the effect of the issue of New Securities on the Company and the rights attaching to the New Securities. It is not necessary to include general information in relation to all of the assets and liabilities, the financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the three months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
  - (i) the Annual Report being the most recent annual financial report of the Company lodged with the ASIC before the issue of this Prospectus; and
  - (ii) any documents used to notify ASX of information relating to the Company in the period from lodgement of the annual financial report referred to in paragraph (i) above until the issue of this Prospectus in accordance with the Listing Rules as referred to in section 674(1) of the Corporations Act.

Copies of documents lodged with the ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office (see Section 4.4 below).

#### **4.4 Copies of Documents**

Copies of documents lodged by the Company in connection with its reporting and disclosure obligations may be obtained from, or inspected at, an office of ASIC. The Company will provide free of charge to any person who requests it during the period of the Offer, a copy of:

- (a) the Annual Report, being the last financial year for which an annual financial report was lodged with ASIC in relation to the Company before the issue of the Prospectus; and
- (b) the following notices given by the Company to notify ASX of information relating to the Company during the period from the date of lodgement of the Annual Report referred to in paragraph (a) and before the date of issue of this Prospectus are as follows:

Date Lodged	Subject of Announcement
17/04/2020	Appendix 4G
17/04/2020	Corporate Governance Statement
17/04/2020	Management Discussion and Analysis FY2019
17/04/2020	Annual Information Form 2019
17/04/2020	Reinstatement to Official Quotation
21/04/2020	Waiver From Listing Rule 14.7
23/04/2020	Deferral of Annual General Meeting
30/04/2020	Quarterly Activities Report
30/04/2020	Quarterly Cashflow Report
14/05/2020	Titan Completes Core Gold Acquisition
19/05/2020	High Grade Results in Historical Exploration - Ecuador
25/05/2020	Multiple Porphyry Targets at Copper Duke Project - Ecuador
26/05/2020	Core Gold Update and Potential Divestment of Non-Core Assets
26/05/2020	Appendix 2A
28/05/2020	Trading Halt
01/06/2020	Titan Minerals to raise up to \$14.5m and accelerate progress
01/06/2020	Corporate Presentation, June 2020
01/06/2020	Proposed issue of Securities - TTM
01/06/2020	Appendix 3B - SPP
05/06/2020	Loan Facility Extended
05/06/2020	Appendix 2A
05/06/2020	Amended Appendix 3B
05/06/2020	SPP and Cleansing Prospectus
05/06/2020	Proposed issue of Securities - TTM
10/06/2020	Change of Director's Interest Notice - NR
11/06/2020	Amended Appendix 3B
15/06/2020	Change of Director's Interest Notice - LM
19/06/2020	Update on Annual General Meeting and SPP
26/06/2020	SPP Update
01/07/2020	SPP Closes Oversubscribed
01/07/2020	Letter to Shareholders - AGM
01/07/2020	Notice of Annual General Meeting/Proxy Form
06/07/2020	Titan Makes Key Appointments
14/07/2020	Drill Results Support Emerging Large-Scale Gold System
30/07/2020	Titan Advancing Ecuadorian Projects
31/07/2020	Quarterly Activities Report
31/07/2020	Quarterly Cashflow Report
31/07/2020	Results of Meeting

03/08/2020	Appointment of Chief Financial Officer
05/08/2020	SPP Share Issue
05/08/2020	Appendix 2A
24/08/2020	Peru Assets Divested for US\$6.44M
24/08/2020	Appendix 2A
24/08/2020	Appendix 3B

The following documents are available for inspection throughout the period of the Offers during normal business hours at the registered office of the Company at Suite 6, 295 Rokeby Road, Subiaco, Western Australia:

- (a) this Prospectus;
- (b) the Constitution; and
- (c) the consents referred to in Section 4.13 and the consents provided by the Directors to the issue of this Prospectus.

#### 4.5 Information Excluded from Continuous Disclosure Notices

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules other than as is set out in this Prospectus.

#### 4.6 Determination by ASIC

ASIC has not made a determination that would prevent the Company from relying on section 713 of the Corporations Act in issuing Shares under this Prospectus.

#### 4.7 Directors' Interests

Except as disclosed in this Prospectus, no Director and no firm in which a Director or proposed director is a partner:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Shares offered under this Prospectus or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Shares offered under this Prospectus; or
- (b) has been paid or given or will be paid or given any amount or benefit to induce him or her to become, or to qualify as, a Director, or otherwise for services rendered by him or her in connection with the formation or promotion of the Company or Shares offered under this Prospectus.

#### 4.8 Directors' Interests in Securities

The Directors' relevant interests in Securities (prior to the issue of the Director Shares and Incentive Options) are detailed below:

Director	No. of Shares
Mr Matthew Carr <sup>(1)</sup>	7,314,493
Mr Nicholas Rowley <sup>(2)</sup>	3,618,999
Mr Michael Hardy <sup>(3)</sup>	67,000



Mr Laurence Marsland <sup>(4)</sup>	1,850,000
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**Notes:**

- (1) Refer to the Company's Change of Director's Interest Notice 19 March 2020.
- (2) Refer to the Company's Change of Director's Interest Notice 10 June 2020.
- (3) Refer to the Company's Change of Director's Interest Notice 20 September 2019.
- (4) Refer to the Company's Change of Director's Interest Notice 15 June 2020.

#### 4.9 Directors' Remuneration

The Constitution provides that the Directors may be paid for their services as Directors a sum not exceeding such fixed sum per annum as may be determined by the Shareholders in general meetings, to be divided among the Directors as the Directors shall determine, and in default of agreement then in equal shares.

A Director may also be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

Directors received the following remuneration for the preceding two financial years:

Director		Short Term Benefits	Superannuation	Share Based Payment s	Total
Mr Matthew Carr	2019	\$240,000	-	\$234,707	\$474,707
	2018	\$180,000	-	\$236,000	\$416,000
Mr Nicholas Rowley	2019	\$96,000	-	\$234,707	\$330,707
	2018	\$80,000	-	\$236,000	\$316,000
Mr Laurence Marsland <sup>(1)</sup>	2019	\$120,000	-	-	120,000-
	2018	-	-	-	-
Mr Michael Hardy <sup>(2)</sup>	2019	\$30,000	-	-	\$30,000
	2018	-	-	-	-

**Notes:**

1. Mr Marsland, a Director, was appointed on 15 July 2019.
2. Mr Hardy, a Director, was appointed on 15 July 2019.

#### 4.10 Interests of Other Persons

Except as disclosed in this Prospectus, no expert, promoter or other person named in this Prospectus as performing a function in a professional, advisory or other capacity:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Securities offered under this Prospectus or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Securities offered under this Prospectus; or
- (b) has been paid or given or will be paid or given any amount or benefit in connection with the formation or promotion of the Company or the Securities offered under this Prospectus.

DLA Piper Australia will be paid fees of approximately \$3,000 (plus GST) in relation to the preparation of this Prospectus.

Automatic Pty Ltd has been appointed to conduct the Company's share registry functions and to provide administrative services in respect to issue of the Shares under the Offer, and will be paid for these services on standard industry terms and conditions.

#### **4.11 Expenses of Offer**

The estimated expenses of the Offers is \$3,206 (ASIC lodgement fee) and \$3,000 (legal expenses).

#### **4.12 CHESS**

The Company participates in the Clearing House Electronic Subregister System, known as CHESS. ASX Settlement, a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Operating Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of Shares.

If you are broker sponsored, ASX Settlement will send you a CHESS statement.

The CHESS statement will set out the number of Shares issued under this Prospectus, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the Shares.

If you are registered on the Issuer Sponsored subregister, your statement will be dispatched by Computershare Investor Services Pty Limited and will contain the number of Shares issued to you under this Prospectus and your security holder reference number.

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their Shareholding changes. Shareholders may request a statement at any other time. However, a charge may be made for additional statements.

#### **4.13 Consents**

DLA Piper Australia has given, and, as at the date hereof, has not withdrawn, its written consent to being named in this Prospectus as Australian solicitors to the Company. DLA Piper Australia has not authorised or caused the issue of this Prospectus or the making of the Offer. DLA Piper Australia makes no representation regarding, and to the extent permitted by law excludes any responsibility for, any statements in or omissions from any part of this Prospectus.

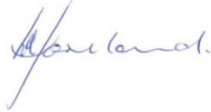
Automatic Pty Ltd has given, and, as at the date hereof, has not withdrawn, its written consent to being named in this Prospectus as Australian share registry of the Company. Automatic Pty Ltd has not authorised or caused the issue of this Prospectus or the making of the Offer. Automatic Pty Ltd makes no representation regarding, and to the extent permitted by law excludes any responsibility for, any statements in or omissions from any part of this Prospectus.

Stantons has given and, as at the date hereof, has not withdrawn, its written consent to being named in this Prospectus as the Company's auditor. Stantons has not authorised or caused the issue of this Prospectus or the making of the Offer. Stantons makes no representation regarding, and to the extent permitted by law excludes any responsibility for, any statements in or omissions from any part of this Prospectus.

Each of the Directors has given their written consent to being named in this Prospectus in the context in which they are named and have not withdrawn their consent prior to lodgement with ASIC of this Prospectus.

## 5. DIRECTORS STATEMENT AND CONSENTS

This Prospectus is authorised by each of the Directors. This Prospectus is signed for and on behalf of Company by:

A handwritten signature in blue ink, appearing to read 'Laurence Marsland'.

Mr Laurence Marsland  
Managing Director and CEO  
Dated: 24 August 2020

## 6. GLOSSARY

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

**\$ or A\$** means Australian dollars.

**US\$** means United States dollars.

**Acceptance** means a valid acceptance of New Securities under the Offers made pursuant to this Prospectus on the Application Forms.

**Annual Report** means the financial report lodged by the Company with ASIC in respect to the year ended 31 December 2019 includes the corporate directory, Director's report, auditor's independence declaration, consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated cash flow statement, notes to the consolidated financial statements, together with an independent auditor's report for the period to 31 December 2019.

**Applicant** means a person who submits the Application Forms.

**Application** means a valid application for New Securities under the Offers made on an Application Forms.

**Application Forms** means the Cleansing Offer Application Form and the Incentive Options Offer Application Form provided by the Company with a copy of this Prospectus.

**ASIC** means Australian Securities and Investments Commission.

**ASX Settlement** means ASX Settlement Pty Limited ACN 008 504 532.

**ASX** means ASX Limited ACN 008 129 164 and where the context permits the Australian Securities Exchange operated by ASX Limited.

**Bacchus** has the meaning given in Section 1.1(d).

**Bacchus Shares** has the meaning given in Section 1.1(d).

**CHES** means ASX Clearing House Electronic Subregistry System.

**Cleansing Offer** has the meaning given in Section 1.1.

**Cleansing Offer Acceptance Form** means an application form for the Cleansing Offer.

**Cleansing Offer Closing Date** means 24 August 2020.

**Company or Titan** means Titan Minerals Limited ACN 117 790 897.

**Constitution** means the constitution of the Company as at the date of this Prospectus.

**Core** has the meaning given in Section 1.1(a).

**Core Placement** has the meaning given in Section 1.1(a).

**Corporations Act** means *Corporations Act 2001* (Cth).

**Directors** mean the directors of the Company as at the date of this Prospectus.

**Director Placement** has the meaning given in Section 1.1(g).

**Director Shares** has the meaning given in Section 1.1(g).

**Expiry Date** has the meaning given in Section 4.2.

**Exercise Period** has the meaning given in Section 4.2.

**Exercise Price** has the meaning given in Section 4.2.

**Fasken Shares** has the meaning given in Section 1.1(c).

**Group** means the Company and its related bodies corporate.

**Incentive Options** has the meaning given in Section 1.3.

**Incentive Options Offer** has the meaning given in Section 1.3.

**Incentive Options Offer Acceptance Form** means an application form for the Incentive Options Offer.

**Incentive Options Offer Closing Date** means 25 August 2020.

**Issuer Sponsored** means securities issued by an issuer that are held in uncertificated form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESS.

**Key Personnel** has the meaning given in Section 1.3.

**Key Management Personnel** means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

**Listing Rules** means the listing rules of ASX.

**Luis Shares** has the meaning given in Section 1.1(e).

**Marketing Shares** has the meaning given in Section 1.1(h).

**New Options** has the meaning given in Section 4.2.

**New Securities** means the New Shares and the New Options.

**New Shares** has the meaning given in Section 1.1.

**Notice of Exercise** has the meaning give in Section 4.2.

**Offers** means the Cleansing Offer and Incentive Options Offer.

**Official Quotation** means official quotation by ASX in accordance with the Listing Rules.

**Opening Date of Offers** means 24 August 2020.

**Option** means an option to acquire a Share.

**Performance Right** means a right to acquire a Share.

**Pierce Shares** has the meaning given in Section 1.1(f).

**Prospectus** means this prospectus dated 24 August 2020.

**RM Hunter Fund** has the meaning given in 1.1(b).

**RM Hunter Fund Shares** has the meaning given in 1.1(b).

**Section** means a section of this Prospectus.

**Securities** mean any securities including Shares or Options issued or granted by the Company.

**Secured Facilities** has the meaning given in Section 1.1(a).

**Secured Facility Shares** has the meaning given in Section 1.1(a).

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of Shares.

**Share Registry** means Automic Registry Service Limited.

**Stantons** means Stantons International Audit and Consulting Pty Ltd.

**Takeover Offer** has the meaning given in Section 2.1.

**Unsecured Facility** has the meaning given in Section 1.1(b).

**Vesting Conditions** has the meaning given in Section 4.2.

**WST** means Western Standard Time, being the time in Perth, Western Australia.