



TITAN MINERALS LIMITED
(ACN 117 790 897)

Annual Report
for the year ended 31 December 2020

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Corporate Directory

Directors

Michael Hardy
Laurence Marsland
Matthew Carr
Nicholas Rowley

Company Secretary

Zane Lewis

Registered Office

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Share Registry

Automatic Share Registry
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Perth WA 6000

ASX Code

TTM

Principal Place of Business

Level 1, 50 Ord Street
WEST PERTH WA 6005

Auditors

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

Australian Company Number

ACN 117 790 897

Australian Business Number

ABN 97 117 790 897

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Directors' Report

1. Directors' Information

The directors and company secretary of Titan Minerals Limited (the "Company" or "Titan") and its controlled entities (together the "Group" or "Consolidated Entity") during the financial year end until the date of this report were as follows:

2. Directors and Company Secretary

Michael Hardy – appointed as director on 15 July 2019, current,
Laurence Marsland – appointed as director on 15 July 2019, current,
Matthew Carr – appointed as director on 3 February 2017, current,
Nicholas Rowley – appointed as a director on 9 August 2016, current,
Zane Lewis – appointed as company secretary on 11 August 2016, current.

3. Directors' Meetings

Seven meetings of the directors of the Company have been held during the financial year ended 31 December 2020.

4. Principal Activities

The Group's principal activities during the course of the financial year were minerals exploration in Ecuador and gold toll processing in Peru. Gold production in Ecuador ceased in early April 2020. The gold toll processing segment of the business in Peru was sold in late December 2020.

5. Significant changes in the state of affairs and review of operations

The following significant changes in the state of affairs of the Consolidated Entity occurred during the financial year:

The loss of the Consolidated Entity for the year ended 31 December 2020 amounted to US\$33,124 thousand (31 December 2019 Core Gold Inc Group: US\$3,909 thousand loss).

A formal takeover bid for Core Gold Inc. was made on 1 October 2019 and received overwhelming support from Core Gold shareholders, with greater than 50% of the shareholders accepting the Titan offer by 30 January 2020 and 92% by early February 2020. Full 100% ownership and control of Core Gold Inc. was finalised on 26 May 2020. This was a great achievement by the company - for a junior mining company to succeed in such a difficult transaction required the support of shareholders and advisors. Our corporate advisors, Bacchus Capital and Canaccord, did an outstanding job supporting the company through the transaction.

The takeover is accounted for as a reverse acquisition, refer Notes 2(d) and Note 29, to the financial statements, with the functional currency and reporting currency of Titan Minerals Limited and Core Gold Inc being United States dollars (USD) or (US\$). This report is therefore prepared in USD.

On 15 April 2020, the Group announced the indefinite suspension of all Core Gold's production operations in Ecuador due to force majeure resulting from the COVID-19 virus pandemic. As a result, all related labour and contractor relationships were terminated.

The Titan Consolidated Entity is no longer operating as a gold producer and is now focused on the exploration and evaluation of its three main concession or tenement groups in Ecuador, namely the Dynasty Gold project, the Copper Duke project and the Linderos Gold project.

COVID-19

Titan is committed to advancing planned drilling and other exploration activities while minimising the risks of infectious disease and providing a safe environment for employees, local communities, and other key stakeholders across all the Company's assets. In Ecuador, exploration and mining activities have been defined as essential activities and are allowed subject to each operation's development and implementation of COVID-19 related safety policies, which are finalised and lodged at Federal, Provincial, and Municipal levels of government as required and full time field activities are permitted under current restrictions in Ecuador.

Discontinued Operations

As announced on 24 August 2020 and completed on 9 October 2020, the Group divested its non-core assets in Peru representing the Coriorcco and Las Antes properties for consideration of US\$1.5 million in cash, 4.25 million in Oro X ordinary shares worth approx. US\$2.3 million as at 31 December 2020 and a royalty over the Coriorcco property of 1% NSR plus staged level of payments based on the release of a Canadian NI 43-101 achieving certain ranges of gold equivalent ounces. Refer Note 7 to the financial statements for further detail.

On 24 December 2020, the Group sold 100% of its shares in wholly owned subsidiary Vista Gold S.A.C. representing the Gold toll processing operation in Peru, for consideration of US\$2.97 million. With US\$0.3 million previously received as a deposit, US\$0.5 million received (in transit) on 31 December 2020 and US\$0.5 million received on 5 January 2021. A further US\$1.67 million is receivable in approximately quarterly instalments through to July 2022.

Corporate**Capital**

In early January 2020, the Company raised A\$3.5M before costs by the placement of 21,875,000 shares at AUD 16 cents per share.

In the period 17 January 2020 to 26 May 2020 the Company issued 488,947,378 shares as part of the takeover of Core Gold Inc. to obtain 100% ownership of Core.

On 4 June 2020, the company issued 185,376,923 shares at AUD 6.5 cents per share in a placement to raise A\$12 million before costs.

On 5 August 2020, the Company issued 30,769,231 shares under a shareholder purchase plan at AUD 6.5 cents per share to raise A\$2.0 million.

On 24 August 2020, following obtaining shareholder approval, the Company issued 7,692,696 shares to directors at AUD 6.5 cents per share to raise A\$0.5 million.

In addition, the Company has issued 108,224,925 shares, since 24 August 2020 up to years end, to lenders and suppliers in lieu of cash payments.

Debt Facility

On 21 December 2020, the Group entered into a secured debt facility with a group of sophisticated and professional investors. This was utilised to replace and pay out in full the previous secured debt facility of US\$3 million held by Titan from a separate group of sophisticated and professional investors. The previous facility was originally provided on 25 March 2019 to assist in funding the acquisition of the Core Gold group.

The material terms of the current debt facility are:

- Amount: A\$4,155,280
- Term: 30 June 2021
- Interest: 15% per annum payable at repayment date
- Facility establishment fee: 6%
- Security: Pledges over all the shares which Titan Minerals Limited holds in each of its subsidiaries which form part of any of the following projects located in Ecuador:
 - (A) known as the Dynasty Gold Project
 - (B) known as the Copper Duke Project
 - (C) known as the Linderos Gold Project
- At repayment, an option by the lenders to receive up to the equivalent of A\$1,150,000 in principal repayments through the issue of ordinary shares in Titan Minerals Limited.

Operations Report

Titan's Operations for the 2020 financial year were comprised of mineral exploration activities and gold-silver production in Peru and Ecuador across the first four months of the year. At the start of the year, the Company operated early-stage exploration programmes and a toll treatment facility in Southern Peru, and added Ecuador processing and mineral exploration operations to its portfolio by acquiring a 91% interest in Core Gold Inc. in Q1 of the reporting period (refer to ASX release dated 13 February 2020).

Gold and silver processing operations in both Peru and Ecuador continued into the second quarter of the year, however all commercial operations in Ecuador were suspended on 15 April 2020 (refer to ASX release dated 16 April 2020) due to force majeure resulting from a State of Emergency declared in Ecuador in response to the COVID-19 virus pandemic. Similarly, Peru also declared a state of National Emergency in March 2020, and the Vista Gold Plant shifted to minimal operational staff (refer to ASX release dated 30 April 2020) processing stockpiles at the plant site and significantly reduced processing into the second quarter before ceasing commercial operations.

Exploration activity was focused predominantly on the Dynasty, Copper Duke and Linderos projects in Ecuador during the reporting period. Other projects in the portfolio have either received a non-material amount of exploration activity to meet minimum work requirements to keep the mining concessions in good standing, and/or are included in a process for divestment, reviewed in more detail in the Corporate section of this report.

DYNASTY GOLD PROJECT

The Dynasty Gold Project located in southern Ecuador is Titan's flagship project and the focus of an exploration programme including an ongoing 12,000m diamond drill programme, airborne geophysics survey, and a re-logging and assaying campaign of over 33,000m of archived diamond core from previous drill programmes. The exploration programme was ongoing at the end of the reporting year, with 4,550m from 20 diamond holes drilled (assays pending), airborne geophysical survey acquisition and processing completed (interpretive work progressing), and re-logging campaign approximately 40% completed. Better results from re-logging campaign received in the reporting period (refer to Figure 2 and ASX releases dated 14 July and 16 December 2020), including several intercepts located external to the existing foreign resource estimate received to date are:

- 14.5m @ 6.43g/t gold from 119m
- 23.6m @ 4.01g/t gold from 107.9m
- 16.6m @ 3.49g/t gold from 171.4m
- 15.2m @ 3.04g/t gold from 133.8m
- 5.00m @ 6.00g/t gold from 68.1m
- 4.25m @ 6.37g/t gold from 56.85m
- 10.8m @ 2.06g/t gold from 89.5m

Comprised of five concessions totalling 139km² the Dynasty Gold Project is located in the Loja Province in southern Ecuador (refer to Figure 1), the three northernmost concessions have received an Environmental Authorization and are fully permitted for exploration and small-scale mining operations (up to 1,000tpd per concession open-pit).

The Dynasty Gold Project boasts a 9km long mineralised vein corridor (refer to Figure 1) with only a limited portion of the strike extent drilled to date and hosting a foreign mineral resource estimate (refer to Table 1, reported in compliance with Canadian NI 43-101).

Previous small scale mining from 2017 through early 2020 focussed on the Cerro Verde Prospect and extended along approximately 500m on the southwest extent of the larger >9km long Dynasty Gold Project vein swarm corridor. Small scale mining production averaged 3.4g/t gold from numerous veins ranging from 1.5m to 15m in width. The initial small-scale mining of the foreign resource estimate has identified numerous veins not included in the current foreign mineral resource estimate for the Dynasty Gold Project.

The additional mineralisation discovered in open pits yields a 40% increase in gold content versus the current foreign mineral resource estimate for the areas mined. This additional gold is realised from a 69% increase in mineralised material at a 2g/t gold cut-off grade mined through 31 December 2018.

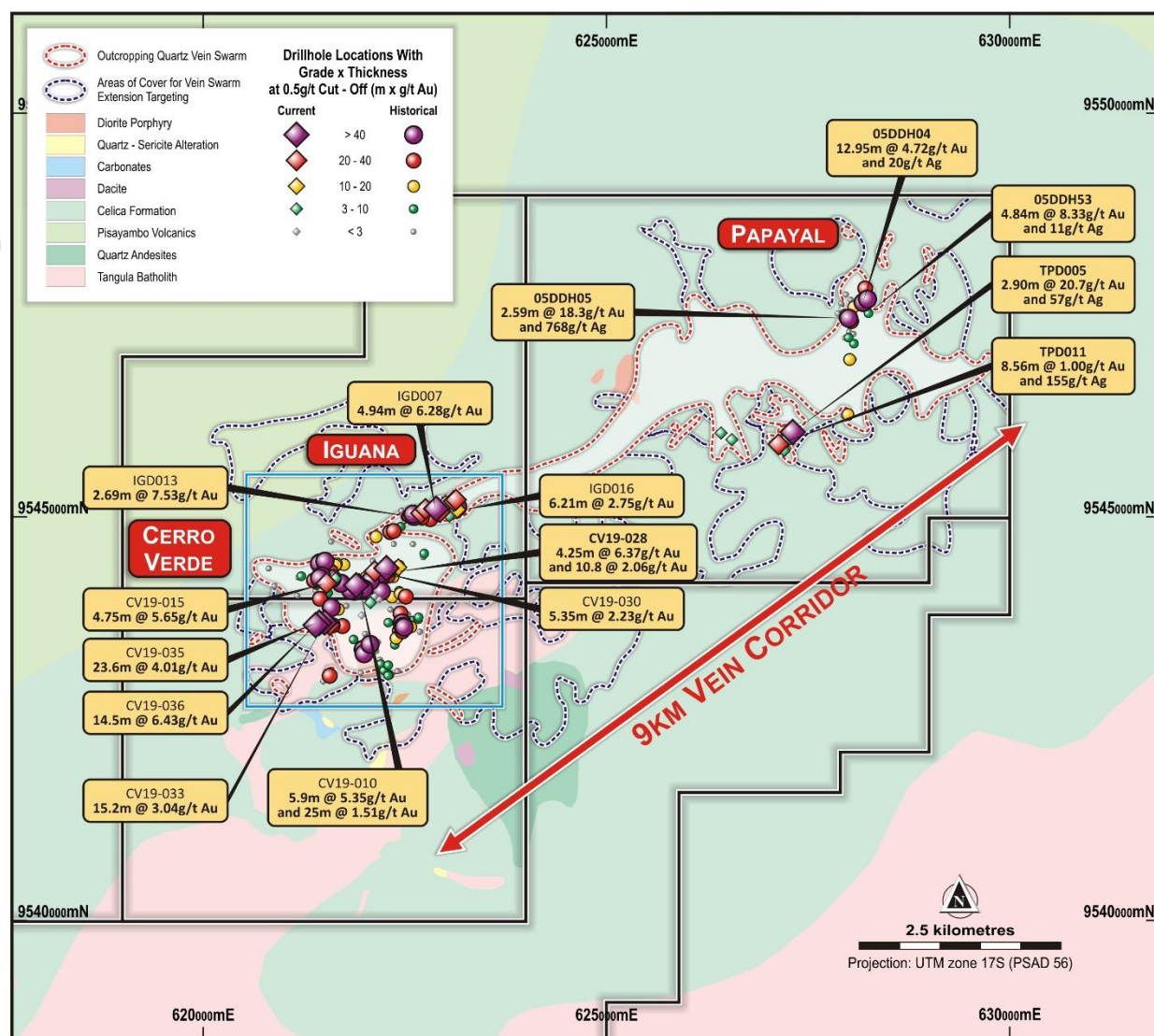


Figure 1: Dynasty Project location map with recently reported and historical drill collar locations on diagrammatic regional geology

Resource Estimate Update – Dynasty Project

The information in this announcement relating to Mineral Resource Estimates for the Dynasty Gold Project is a foreign estimate and is not reported in accordance with the JORC Code. A competent person has not done sufficient work to classify this foreign estimate as a mineral resource in accordance with the JORC Code and it is uncertain that following further exploration work that this foreign estimate will be able to be reported as a mineral resource in accordance with the JORC Code.

Table 1: Foreign Mineral Resource Estimation reported in compliance with Canadian NI 43-101

Category	Tonnes (Thousands)	Au (g/t)	Ag (g/t)	Contained Au (1,000 ozs)	Contained Ag (1,000 ozs)
Indicated	6,622	4.65	36	991	7,673
Inferred	7,824	4.42	36	1,113	9,151
Total	14,446	4.53	36	2,103	16,800

The information in this document relating to Mineral Resource Estimates for the Dynasty Gold Project have been extracted from the ASX announcement dated 30 April 2020 (Initial Dynasty Announcement). Titan confirms that it is not in possession of any new information or data that materially impacts on the reliability of the Mineral Resource Estimates for the Dynasty Gold Project and included in the Initial Dynasty Announcement. Titan confirms that the supporting information provided in the Initial Dynasty Announcement continues to apply and has not materially changed.

Refer to the Notes to Mineral Resource section of the Additional Information provided in this report below for additional information regarding status of JORC compliant mineral resource estimation and information required for compliance with ASX listing rule 5.14.1.

Diamond Drilling Campaign – Dynasty Project

Diamond drilling activity completed over the Iguana prospect area totaled 4,550m from 20 diamond holes completed in Q4, with assays reported subsequent to the reporting period (refer to ASX release dated 3 February 2021). All reported drillholes intersected veining in the Iguana corridor, with 19 holes reporting significant intercepts across multiple quartz vein filled structures. Better intercepts reported include:

- 4.94m @ 6.28 g/t gold and 16 g/t silver from 82.22m – IGD007
- 2.28m @ 6.82g/t gold and 88g/t silver from 24.52m – IGD010
- 2.69m @ 7.54 g/t gold and 38 g/t silver from 125.76m – IGD013
- 3.80m @ 6.92 g/t gold and 30 g/t silver from 117.20m – IGD015
- 8.46m @ 2.23g/t gold and 11g/t silver from 83.60m – IGD016

The Dynasty drill program is focused on complementing historical drilling by generating the first oriented core at the Dynasty Gold Project to underpin geologic modelling in support of developing a JORC compliant mineral resource estimation. Overall, recent drilling has returned results similar in tenor and extent to historical drill results. Additional detailed structural analysis from the oriented core is anticipated to increase confidence in linking recent drilling results to historical results.

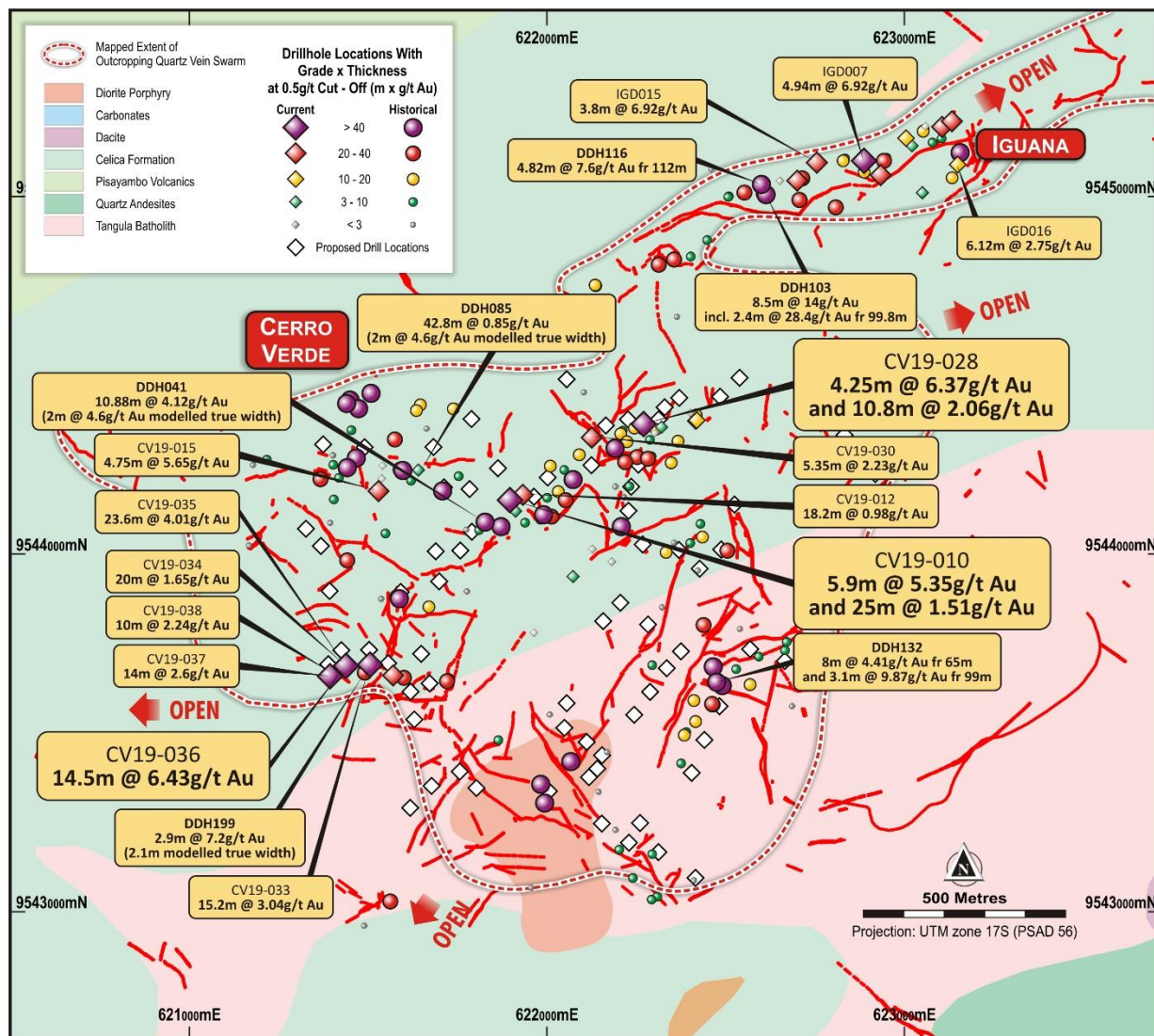


Figure 2: Drill collar locations within the Cerro Verde Prospect area showing the current interpretation of geology and traces of quartz veins at surface confirmed from systematic trenching and drilling

Diamond Core Relogging Programmes

As reported 13 January 2021, evaluation of diamond drill core from previous drilling programmes that includes archived core material drilled from 2004 through 2008 and in-fill, production related diamond core drilling from 2019 was nearing completion at the end of the reporting period and integration of those datasets into geological modelling had already commenced.

The 27,700m re-logging campaign and extension sampling of non-vein drill core from the 201 original diamond drill holes was over 50% complete and the 4,600m of relogging and sampling of 42 diamond drill holes completed during production drilling in 2019-2020 was 100% complete. All samples re-logged to date have been submitted for analysis with results from the 2019-20 drilling reported 17 February 2021.

Airborne Geophysical Survey – Dynasty Project

Titan mobilised a geophysical crew in the December quarter to complete a helicopter borne, high resolution magnetic and radiometric survey on 100m line spacing across both the Dynasty and Copper Duke Project areas (refer to Figure 3 and ASX release dated 21 October 2020). The aerial geophysical survey, has delivered high resolution magnetic and radiometric data sets for both the Dynasty and Copper Duke project areas covering an aggregate 195km² area.

Terra Resources of Perth, Western Australia was engaged for quality control during the surveys, and follow-up studies with re-processed datasets and interpretive work. Terra Resources is a group specialising in survey design, processing/modelling. Integration of new data acquired by Titan with all existing geo-scientific data, geophysical interpretation maps and reporting on targeting recommendations for the Dynasty Gold project was in progress at the end of the reporting period.

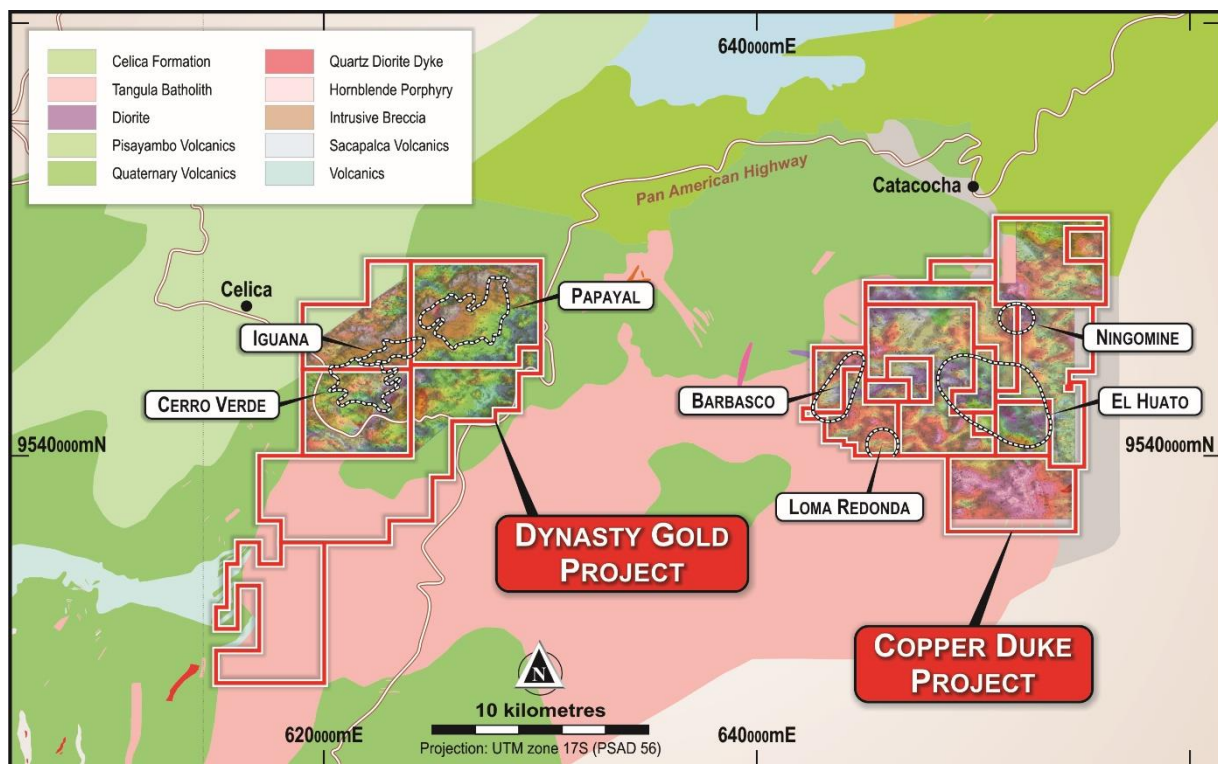


Figure 3: Geophysical Survey outlines with total magnetic intensity (TMI) results for the Dynasty and Copper Duke project areas

COPPER DUKE PROJECT

Copper Duke is an early stage exploration project located in the Loja province of southern Ecuador, approximately 18km east of the Company's flagship Dynasty gold project. Copper Duke consists of thirteen concessions totalling 130km² situated approximately 5kilometre south of both the Pan American Highway and the city of Catacocha, which is less than 1 hour's drive west of the regional airport for Loja, the provincial capital city.

The first modern exploration within what is now the Copper Duke Project was part of a United Nations survey initiated in 1968, completing a broader stream sediment geochemistry survey targeting Cu-Mo systems in southern Ecuador and followed by more focused geophysical surveys on identified anomalies. The program culminated in 1978 with drilling of 2 diamond drill holes totalling 440m within the Copper Duke Project area (refer to ASX release dated 25 May 2020), with assays from drilling returning:

- 33.1m @ 2.5g/t gold, 154ppm copper and 2.4ppm Mo from 9m depth
 - Including 8.4m @ 1.9g/t gold, 294ppm copper and 3.9ppm Mo from 45.3m depth, SON-01
- 45.4m @ 1.9g/t gold, 168ppm copper and 3.0ppm Mo from surface
 - Including 10.9m @ 1.7g/t gold, 857ppm copper, and 2.0ppm Mo from 51.85m depth, SON-02

No subsequent drilling within the project area has been completed, but a series of mapping and surface geochemical campaigns have identified outcropping porphyries and an extensive footprint of high tenor Au-Cu anomalism related to porphyry style mineralisation.

Airborne Geophysical Survey

Titan mobilised a geophysical crew in the December quarter to complete a helicopter borne, high resolution magnetic and radiometric survey on 100m line spacing at the Copper Duke Project completed through October and November 2020 (refer to ASX release dated 21 October 2020).

The aerial geophysical survey, has delivered high resolution magnetic and radiometric data sets for both the Dynasty and Copper Duke project areas covering an aggregate 195km² area. Terra Geophysics, based in Perth, Western Australia, who completed quality control reviews of the data sets during acquisition, has been engaged to complete additional data processing and assist in generating initial geology interpretations for targeting and exploration program planning across both projects.

Geophysical survey results define an extensive corridor hosting porphyry related features similar to many major porphyry districts in the world. Multiple clusters of intrusive centres interpreted from high magnetic response features (refer to Figure 5) form a 9km long by up to 2 km wide arcuate trend that is coincident with localised outcropping porphyry style mineralisation confirmed at surface. Existing high tenor gold and copper surface mineralisation from trench and channel sample activity.

Initial interpretation data sets have been delivered and field check work to underpin an iterative process of field checking the physical property of targeted anomalies for mapping and sampling targets, has commenced, and additional data along with the refined geological interpretation will be used to rate and rank targets for maiden drill testing at Copper Duke in 2021 (refer to ASX releases dated 13 January, 21 January, and 2 March 2021).

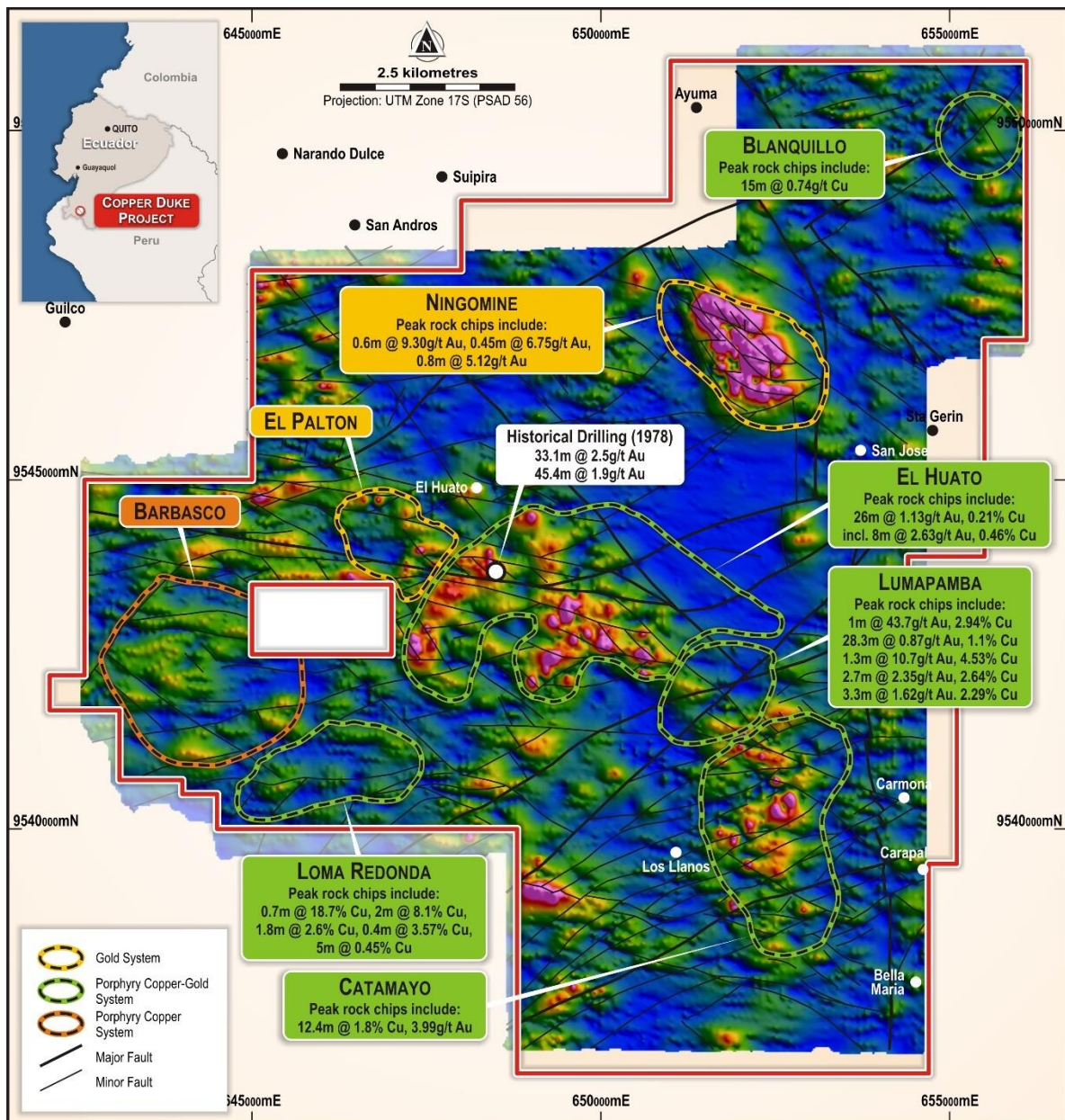


Figure 4: Copper Duke Prospect locations over Geophysical product with an Analytical Signal filter

Surface Geochemical Results – Copper Duke

A regional mapping and geochemistry campaign commenced in 2020 is ongoing at the time of reporting ahead of anticipated maiden drilling planned for Copper Duke in late 2021. Assay results including work completed during the reporting period were announced 21 January 2021.

Better assay results from recent sampling and reported assay (refer to ASX release dated 21 January 2021) include:

- 11.2m @ 0.98% copper and 4.05m @ 16.4g/t gold and on newly identified structural zone
- 26m @ 1.13g/t gold and 0.21% copper – from channel sampling northwest El Huato prospect
- 15.3m @ 1.32g/t gold located 1.2km southeast of mineralised UN drillholes (El Huato)
- 13m @ 0.46% Copper located 820m southeast of UN drillholes
- 0.8m @ 8.18g/t gold and 16g/t silver in quartz veining – over 1km northeast of El Huato Prospect
- 1m @ 13.7 and 0.6m @ 16.6g/t gold in veining – additional vein sets within El Palton Prospect

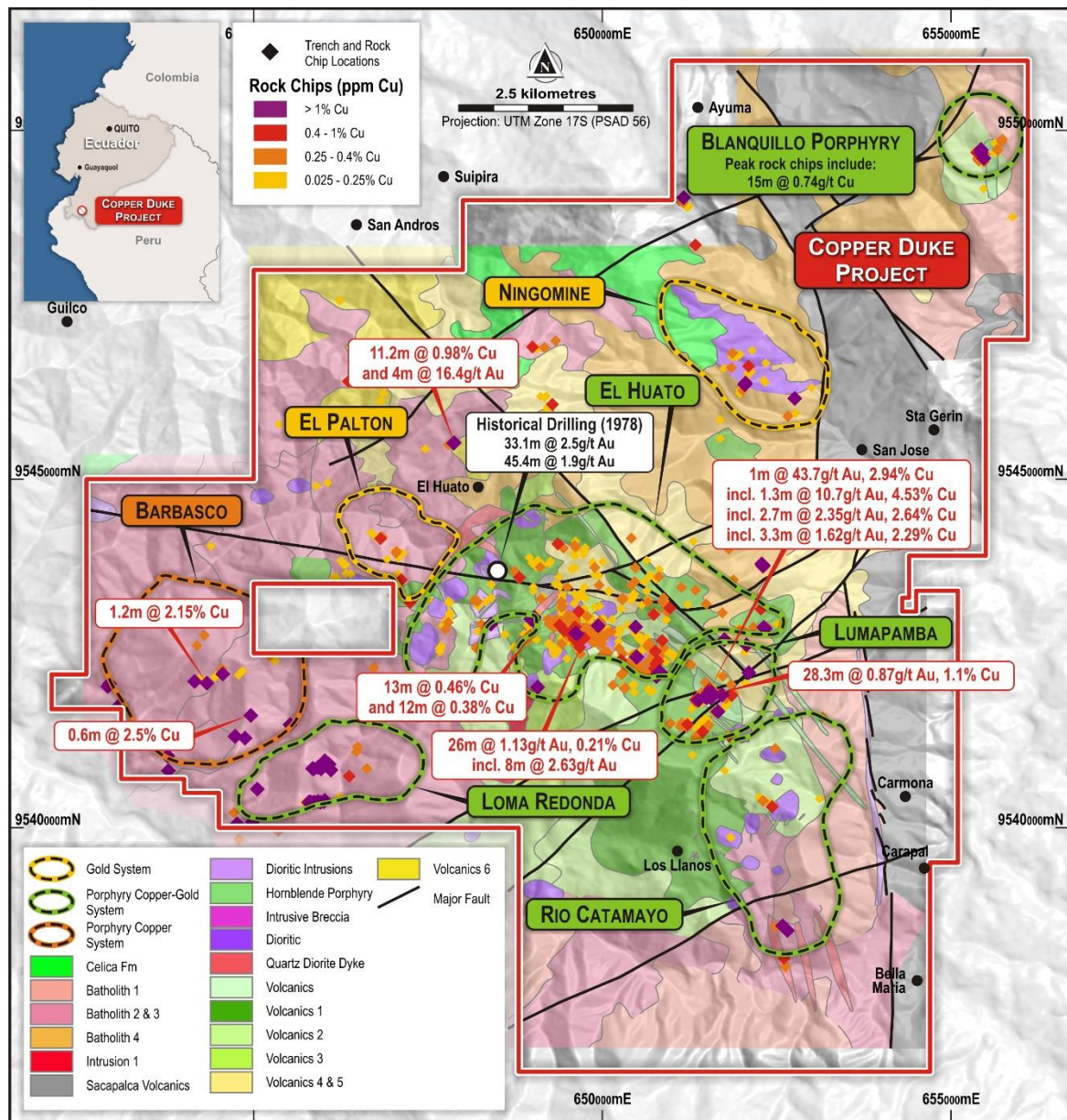


Figure 5: Locations with coppergold assay results for both surface chip-channel and rock chip sampling locations for the Copper Duke Project, defining multiple porphyry and high tenor epithermal vein target areas across concession in geology interpreted from geophysical datasets

LINDEROS PROJECT

The Linderos Project is an exploration property located in the Loja province of southern Ecuador comprised of 4 contiguous concession totalling 143km² land position. The project area is located proximal to the Peruvian border, approximately 20km southwest of the flagship Dynasty Gold Project (refer to Figure 8).

The Linderos project boasts significant copper anomalism at surface associated with gold-copper porphyry system style mineralization, and also hosts a recent discovery of high grade epithermal style gold mineralisation at surface that merits further exploration. Titan is currently reviewing datasets to refine an exploration strategy to cost effectively advance a discovery at the project. A high resolution drone platform magnetic survey is planned for the project, and is anticipated to be a catalyst to drive further follow-up exploration activities.

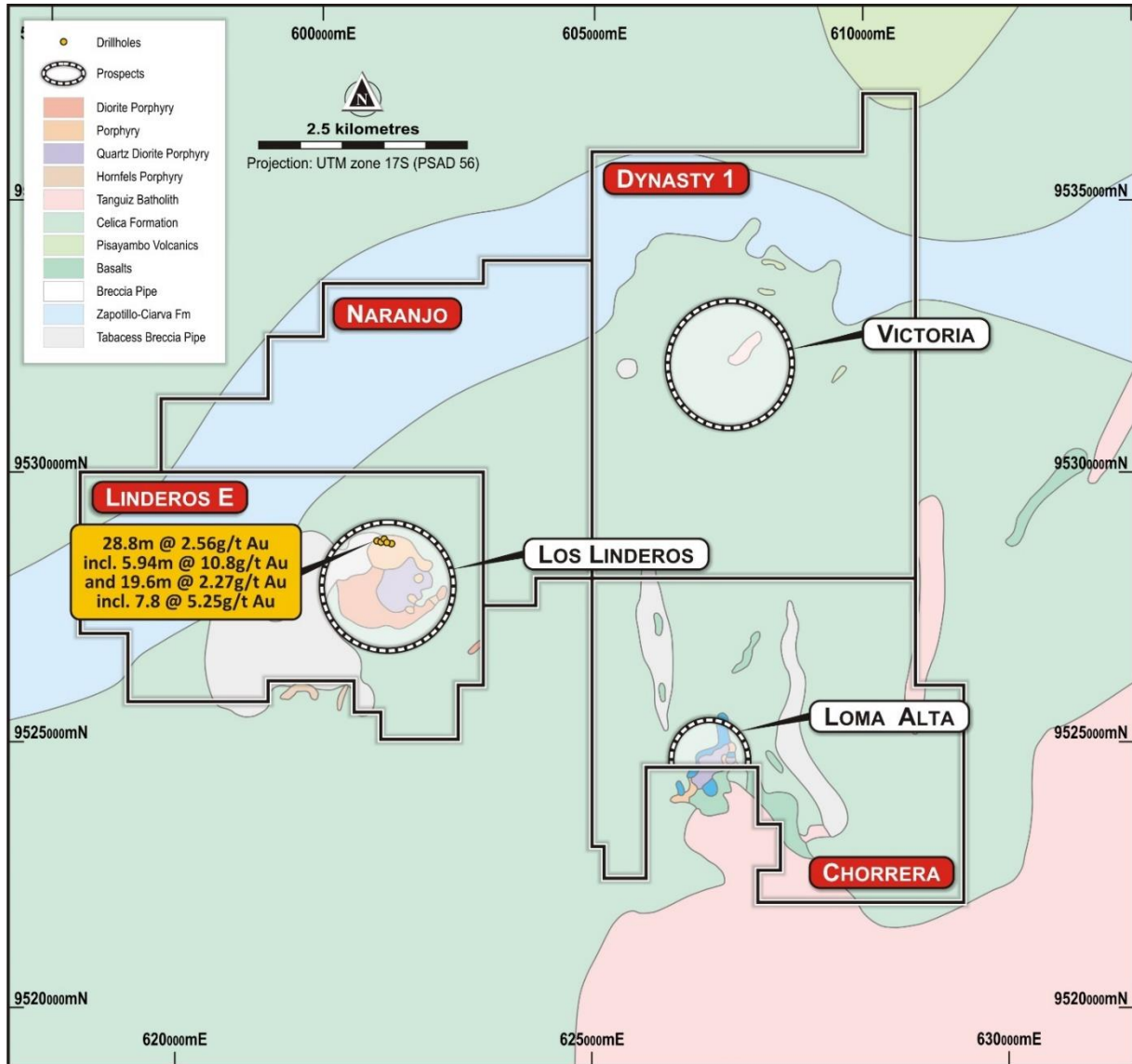


Figure 6: Linderos Project Drill Location Map on diagrammatic regional scale geology interpretation

JERUSALEM GOLD PROJECT

The Jerusalem Gold Project is a single concession named the Jerusalén concession (code 353) located in south eastern Ecuador, 400km south east of the capital city of Quito close to the border with Peru in the province on Zamora-Chinchipe (refer to Figure 8). The concession covers 2.25km² hectares in a readily assessable region of southern Ecuador within 70km of the nearest regional airport located near the city of Loja (refer to Figure 7).

The Jerusalem gold project is located on the margins of the Zamora batholith, a middle to late Jurassic age intrusion up to 100km wide and exposed for 200km extent in the prolific Zamora copper-gold metallogenic belt, which hosts several epithermal gold deposits including the Condor project and the 13.9Moz Fruta del Norte mine, and multiple copper to gold enriched copper porphyry systems including Mirador and Santa Barbara projects.

Table 2 | Summary of Foreign Mineral Resource Estimate dated 24 October 2014

Category	Tonnes (000's)	Au (g/t)	Ag (g/t)	Contained Au (ozs) (000's)	Contained Ag (ozs) (000's)
Measured	379	14.2	90	173	1098
Indicated	576	13.5	95	249	1760
Total Measure & Indicated	956	13.78	93	422	2,857
Inferred	1775	15.0	101	856	5764
Total	2,731	14.5	98	1,278	8,621

The information in this announcement relating to Mineral Resource Estimates for the Jerusalem Gold Project is a foreign estimate extracted from the ASX announcement dated 21 September 2020 (Initial Jerusalem Announcement) and is not reported in accordance with the JORC Code. A competent person has not done sufficient work to classify this foreign estimate as a mineral resource in accordance with the JORC Code and it is uncertain that following further exploration work that this foreign estimate will be able to be reported as a mineral resource in accordance with the JORC Code.

Titan confirms that it is not in possession of any new information or data that materially impacts on the reliability of the mineral resource estimates for the Jerusalem Gold Project and included in the Initial Jerusalem Announcement. Titan confirms that the supporting information provided in the Initial Jerusalem Announcement continues to apply and has not materially changed.

The Jerusalem Gold project has been the focus of a number of exploration campaigns, reporting several mineral resource estimations and host to artisanal mining activity since the early 1980's. Several mineral resource estimations completed and two such estimates reported under the Canadian National Instrument 43-101, with the most recent technical report titled "Jerusalem Gold Project, Zamora Chinchipe – Ecuador" dated 24 October, 2014 and released on the SEDAR platform on 5 November 2014 (refer to Table 2).

The gold mineralization found on the concession is associated with an extensive high grade polymetallic epithermal vein system featuring over twenty narrow high-grade gold veins.

Multiple vein extensions and additional mineralisation identified in 2003 to 2007 exploration campaigns have not received follow-up drill testing.

Significant potential exists for continued growth and increase confidence of the previously drilled resource.

The project hosts over 20 shoots of high grade gold veining identified in historical mining and previous drilling (refer to ASX Release dated 20 September 2020).

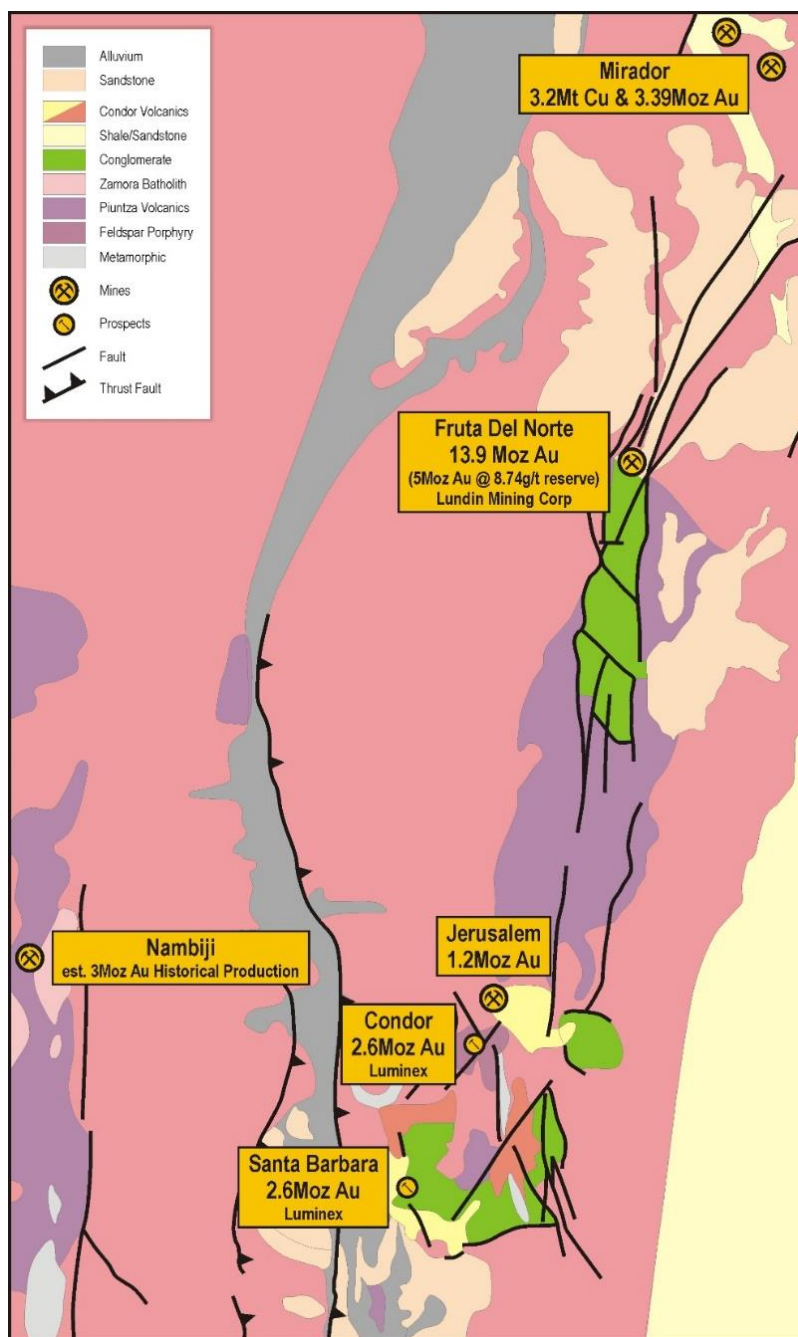


Figure 7: Interpreted Regional Geology of southern Ecuador with major project locations

OTHER PROJECTS

Zaruma Project & Portovelo Plant, Ecuador

No exploration activity occurred on the Zaruma Project in the reporting period and post suspension of mining operations at Dynasty on 15 April 2020 due to COVID-19, the Portovelo mill was placed on care and maintenance. As announced on 16 December 2020 Titan commenced a formal process to sell the Zaruma Project and Portovelo Plant.

Subsequent to the reporting period Titan has signed a binding term sheet for the sale of Zaruma Mine and Portovelo Process Plant for US\$15 million in staged cash payments plus a 2% net smelter return royalty on future copper production from the Zaruma Mine concessions (Refer to ASX release dated 15 April 2020).

Copper Field Project, Ecuador

Copper Field Project is located in the Loja Province of southern Ecuador, the project is situated approximately 30km to the northeast of the flagship Dynasty Gold Project. The early stage exploration project is comprised of 2 concessions totalling 65km² hosting two prospective zones of geochemical anomalism with no previous drill testing. Exploration activity on the Copper Field project was limited localised confirmatory surface geochemistry sampling and field reconnaissance work that met minimum work requirements to maintain the concessions in good standing for continue reconnaissance and target definition work.

Field mapping and sampling work is planned to continue over the coming months as part of a strategic review of assets.

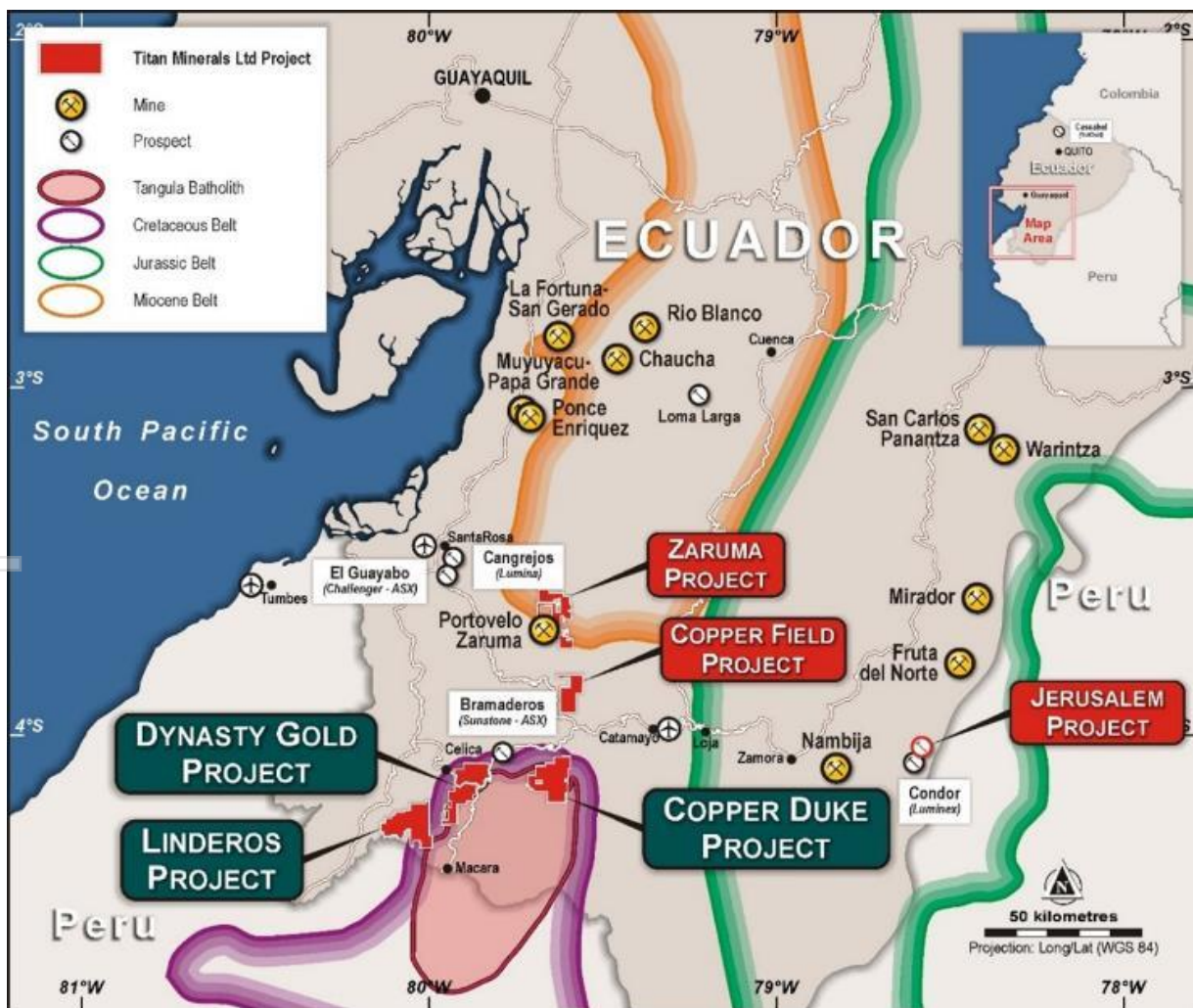


Figure 8: Titan Project locations in southern Ecuador

6. Share Options and Performance Rights

As at the date of this report there are 38,500,000 unquoted options to Consultants and 37,120,000 incentive options to Directors and employees on issue. Refer Note 27 to the financial statements for further details.

7. Indemnification and Insurance of Officers

During or since the end of the financial year the Company has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

The Company has entered into agreements to indemnify all directors and provide access to documents, against any liability arising from a claim brought by a third party against the Company. The agreement provides for the Company to pay all damages and costs which may be awarded against the directors.

The Company has paid premiums to insure each of the directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the company, other than conduct involving a wilful breach of duty in relation to the Company. The amount of the premium was US \$47,668 which was paid during the financial year. No indemnity has been sought for or paid to auditors.

8. Events Subsequent to Reporting Date

As announced on 15 April 2021, Titan Minerals Limited has entered into a term sheet to divest its Zaruma Mine and related concessions / tenements plus the Portovelo Process Plant for US \$15 million.

The schedule of staged payments from the purchaser is:

1. US\$2,000,000 Non-refundable cash deposit payable by Pelorus upon signing of the Term Sheet
2. US\$3,000,000 Payable within 30 days on signing of the Share Sale Agreement
3. US\$2,500,000 Payable on 1 August 2021
4. US\$2,500,000 Payable on 1 December 2021
5. US\$2,500,000 Payable on 1 March 2022
6. US\$2,500,000 Payable on 1 June 2022

Titan is also entitled to a 2% net smelter return royalty on the value of any recovered and realisable copper produced from any of the Zaruma Mine concessions.

There has not been any other matters or circumstances that have arisen since the end of the financial year, that has significantly affected or may significantly affect, the operations of the Group, the results of the operations, or the state of the affairs of the Group in the future financial years.

9. Dividends

No dividends have been paid or declared since the start of the financial year by the Company.

The directors have recommended that no dividend be paid by the Company in respect of the year ended 31 December 2020.

10. Likely developments

The Group will continue to pursue its principal activity of minerals exploration in Ecuador, particularly in respect to its key projects being the Dynasty Gold project, Copper Duke project and the Linderos Gold project plus the divestment of non-core assets. The Company will also continue to evaluate new business opportunities in South America.

11. Environmental Issues

The Group's operations comply with all relevant environmental laws and regulations and have not been subject to any action by environmental regulators.

12. Proceedings on behalf of Company

No person has applied for leave of any court to bring proceedings on behalf of the ultimate parent company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The company was not a party to any such proceedings during the year.

The Company's subsidiaries in Ecuador are parties to a number of legal proceedings in the ordinary course of business, refer Note 20 to the financial statements.

13. Information on Directors and Company Secretary**Michael Hardy****Director (Non-Executive Chairman)****Qualifications and Experience:**

Mr Hardy is a graduate of the University of Western Australia with degrees in Arts and Law. He has practised as a barrister and solicitor for 40 years, having been a partner of Robinson Cox (subsequently Clayton Utz) from 1983 to 2002 before establishing the firm Hardy Bowen in 2002. Mr Hardy is a former Chairman and Director of Fleetwood Corporation Limited.

Directorships of other listed companies in the 3 years prior to the end of the Financial Year:	N/A
Interest in shares and options of the Company:	836,231 Ordinary Shares 5,000,000 options
Directors meetings attended:	6 of 7 held during the financial year
Appointed:	15 July 2019

Laurence Marsland**Director (Managing Director & Chief Executive Officer)****Qualifications and Experience:**

Mr Marsland is a graduate of the Western Australia Institute of Technology where he completed a Bachelor of Applied Science in Mechanical Engineering and is a graduate of the Stanford Sloan Fellows Program at the Stanford University Graduate School of Business where he completed a Master of Science in Management degree. Mr Marsland is a Fellow of the Institution of Engineers Australia, a Chartered Professional Engineer.

Directorships of other listed companies in the 3 years prior to the end of the Financial Year:	N/A
Interest in shares and options of the Company:	5,696,154 Ordinary Shares 10,000,000 options
Directors meetings attended:	7 of 7 held during the financial year
Appointed:	15 July 2019

Matthew Carr**Director (Executive Director)****Qualifications and Experience:**

Mr Carr is a successful and experienced company director having founded Urban Capital Group. Urban Capital Group is a private equity company with a strong focus on property backed investment and security.

Directorships of other listed companies in the 3 years prior to the end of the Financial Year:	N/A
Interest in shares and options of the Company:	11,775,501 Ordinary Shares 7,000,000 options
Directors meetings attended:	7 of 7 held during the financial year
Appointed:	3 February 2017

Nicholas Rowley**Director (Non-Executive Director)****Qualifications and Experience:**

Mr Rowley is an experienced corporate executive with a strong financial background having previously worked in the financial services industry for over 10 years where he gained widespread experience in corporate advisory, M&A transactions and equities markets, advising domestic and international Institutional sales and high net worth individuals. He also advised on the equity financings of numerous ASX and TSX listed companies predominantly in the mining and resources sector. Mr Rowley currently serves as Director of Corporate Development for Galaxy Resources Ltd (ASX:GXY).

Directorships of other listed companies in the 3 years prior to the end of the Financial Year:	Non-Executive Director of Cobalt One Ltd (ASX:CO1) until 4 December 2017. Non-Executive Director of Cyprium Metals Limited appoint 31 May 2018 (ASX: CYP). Non-Executive Director of Oro X Mining Corp (TSV:OROX) appoint 8 October 2020
Interest in shares and options of the Company:	5,157,460 Ordinary Shares 5,000,000 options
Directors meetings attended:	7 of 7 held during the financial year
Appointed:	9 August 2016

Zane Lewis**Company Secretary****Qualifications and Experience:**

Mr Lewis has over 20 of years corporate advisory experience with various ASX and AIM listed companies. Mr Lewis is a fellow of Chartered Secretaries Australia and is a Non-Executive Director and Company Secretary for a number of ASX Listed companies.

Appointed as company secretary on 11 August 2016.

14. Remuneration Report (Audited)

The Directors present the remuneration report for the Company and the Consolidated Entity for the year ended 31 December 2020. This remuneration report forms part of the Directors' Report and has been audited in accordance with section 300A of the Corporations Act 2001 and details the remuneration arrangements for the key management personnel.

Key management personnel are those persons who, directly or indirectly, have authority and responsibility for planning, directing and controlling the major activities of the Company and the Consolidated Entity.

Remuneration is based on fees approved by the Board of Directors.

There is no relationship between the performance or the impact on shareholder wealth of the Company for the current financial year or the previous financial years excluding the remuneration of directors and executives or the issue of options to directors. Remuneration is set at levels to reflect market conditions and encourage the continued services of directors and executives.

The names and positions of key management personnel of the Company and of the Consolidated Entity who have held office during the financial year are:

Michael Hardy	Non-Executive Chairman
Laurence Marsland	Managing Director & Chief Executive Officer
Matthew Carr	Executive Director
Nicholas Rowley	Non-Executive Director
Travis Schwertfeger	Chief Operations Manager (until 31 March 2020) / Chief Geologist (effective 1 April 2020)
David Sadgrove	Chief Financial Officer (appointed 3 August 2020)

Service Agreements

Remuneration and other terms of employment for the Executive Directors and other officers are formalised in a service agreement. For Non-Executive Directors these terms are set out in a Letter of Appointment. The major provisions of the agreements relating to remuneration per year are set out below.

Name	Consulting fees / salary (all denominated in AUD)	Term of Agreement	Notice Period
Michael Hardy	\$108,000 plus superannuation (since 1 March 2020) \$60,000 (to 29 February 2020)	No fixed term	N/A
Laurence Marsland	\$240,000	4 years	2/12 months ⁽¹⁾
Matthew Carr	\$180,000 (since 1 July 2020) \$240,000 (to 30 June 2020)	No fixed term	6/12 months ⁽¹⁾
Nicholas Rowley	\$72,000 (since 1 March 2020) \$96,000 (to 29 February 2020)	No fixed term	N/A
Travis Schwertfeger (Chief Geologist)	\$240,000	No fixed term	3 months ⁽¹⁾
David Sadgrove	\$275,000 plus superannuation	No fixed term	3 months ⁽¹⁾

(1) Termination benefits:

Mr Laurence Marsland:

In the case of termination without cause by the Company, the required notice period is 12 months. In the case of termination without cause by Mr Marsland, the required notice period is 2 months.

Mr Matthew Carr:

In the case of termination without cause by the Company Mr Carr is entitled to receive 12 months' salary. In the case of termination without cause by Mr Carr then he is entitled to receive 6 months' salary on top of the entitlements outlined below. Matthew Carr is entitled to an additional 1 months' salary on top of the notice period for each year of continuous service to the company (pro-rata up to the date of leaving the entity).

Mr David Sadgrove:

In the case of termination without cause by the Company, the required notice period is 3 months. In the case of termination without cause by Mr Sadgrove, the required notice period is 3 months.

Details of Remuneration

Compensation 12 months to 31 December 2020

	Short Term Benefits \$ USD	Super- annuation \$ USD	Share based payments \$ USD	Total \$ USD	Percentage of remuneration that is equity based
Compensation of key management based on fees approved by the Board of directors.					
Michael Hardy	69,060	5,905	251,750	326,715	77%
Laurence Marsland	165,744	-	503,499	669,243	75%
Matthew Carr	145,026	-	352,449	497,475	71%
Nicholas Rowley	48,342	-	251,750	300,092	84%
Travis Schwertfeger	164,708	-	176,084	340,792	52%
David Sadgrove	79,143	7,182	76,228	162,553	47%
TOTAL COMPENSATION – FOR KEY MANAGEMENT PERSONNEL	672,023	13,087	1,611,760	2,296,870	70%

Compensation 12 months to 31 December 2019

	Short Term Benefits \$ USD	Super- annuation \$ USD	Share based payments \$ USD	Total \$ USD	Percentage of remuneration that is equity based
Compensation of key management based on fees approved by the Board of directors.					
Michael Hardy	21,018	-	-	21,018	-
Laurence Marsland	84,072	-	-	84,072	-
Matthew Carr	168,144	-	164,436	332,580	49%
Nicholas Rowley	67,258	-	164,436	231,694	71%
Travis Schwertfeger	146,425	-	8,817	155,242	6%
Robert Sckalor	20,317	-	-	20,317	-
Cameron Henry	24,521	-	-	24,521	-
TOTAL COMPENSATION – FOR KEY MANAGEMENT PERSONNEL	531,755	-	337,689	869,444	39%

*The comparative compensation has been converted from \$AUD to \$USD using the foreign exchange rate as at 31 December 2019.

Shares and performance rights held by Key Management Personnel

Shareholdings	1 January 2020 or Appointment	Number of Ordinary Shares Issued as Compensation	Net Change Other	31 December 2020
Michael Hardy	67,000	-	769,231	836,231
Laurence Marsland	-	-	5,696,154	5,696,154
Matthew Carr	7,314,493	-	2,000,000	9,314,493
Nicholas Rowley	2,618,999	-	2,538,461	5,157,460
Travis Schwertfeger	11,000	-	-	11,000
David Sadgrove	-	-	-	-
	10,011,492	-	11,003,846	21,015,338

Performance rights / options	1 January 2020 or Appointment	Number of Performance Rights / Options Issued as Compensation	Net Change Other	31 December 2020
Michael Hardy	-	5,000,000	-	5,000,000
Laurence Marsland	-	10,000,000	-	10,000,000
Matthew Carr	-	7,000,000	-	7,000,000
Nicholas Rowley	-	5,000,000	-	5,000,000
Travis Schwertfeger	1,500,000	3,000,000	-	4,500,000
David Sadgrove	-	3,000,000	-	3,000,000
	1,500,000	33,000,000	-	34,500,000

For further details on Performance rights and options please refer to Note 27 to the financial statements "Share based payments".

Other Information

There were no loans made to any Key Management Personnel during the year or outstanding at year end. Refer to Notes 24 and 25 for further transactions with Key Management Personnel during the year. During the year the Company did not engage remuneration consultants to review its remuneration policies.

End of Remuneration Report (Audited)

15. Business Risks and Uncertainties

There are a number of risks that may have a material and adverse impact on the future operating and financial performance of the Company. These include the risks discussed in Note 26 of the consolidated financial statements, along with risks that are widespread and associated with any form of business and specific risks associated with the Company's business and its involvement in the exploration and mining industry generally and in Peru in particular. While most risk factors are largely beyond the control of the Company, the Company will seek to mitigate the risks where possible.

16. Non-audit Services

The Board of Directors is satisfied that the provision of any non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. All non-audit services are reviewed and approved by the Board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and the nature of the services provided does not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board

17. Lead Auditor's Independence Declaration

In accordance with the Corporations Act 2001 section 307C the auditors of the Company have provided a signed Auditor's Independence Declaration to the directors in relation to the year ended 31 December 2020. A copy of this declaration appears on page 20.

Signed in accordance with a resolution of the directors.

Michael Hardy
Chairman
 30th day of April 2021
 Perth, Western Australia

30 April 2021

Board of Directors
Titan Minerals Limited
Suite 6, 295 Rokeby Road
SUBIACO WA 6008

Dear Sirs

RE: TITAN MINERALS LIMITED

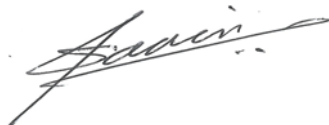
In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Titan Minerals Limited.

As Audit Director for the audit of the financial statements of Titan Minerals Limited for the year ended 31 December 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD



Samir Tirodkar
Director

Directors' Declaration

In accordance with a resolution of the directors of Titan Minerals Limited A.C.N. 117 790 897 ("Company"), I state that:

A. In the opinion of the directors

- 1) As set out in Note 2, the Directors are of the opinion that the consolidated financial statements:
 - a) give a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the year ended 31 December 2020; and
 - b) complying with Australian Accounting Standards and the *Corporations Act 2001*;
- 2) The consolidated financial statements and notes also comply with the International Financial Reporting Standards as disclosed in Note 2; and
- 3) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

B. this declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 31 December 2020.

On behalf of the Board of Directors.



Michael Hardy

Chairman

30th day of April 2021

Perth, Western Australia

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2020

		Consolidated Year ended	
	Note	31-Dec-20 US\$000's	31-Dec-19 US\$000's
CONTINUING OPERATIONS			
Revenue	5(a)	6,025	24,525
Cost of sales	5(b)	(3,378)	(16,853)
Depreciation and amortisation	5(c)	(998)	(1,753)
Gross profit		1,649	5,919
Care and maintenance		(2,204)	-
General and administration	5(d)	(2,795)	(5,754)
Salary and wages		(1,920)	(1,255)
Professional fees		(1,196)	(3,390)
Share based payments – directors and employees	27	(3,607)	(154)
Loss from operations		(10,073)	(4,634)
Finance costs		(936)	(1,525)
Derivative liability gain – warrants		70	930
Impairment	5(e)	(2,625)	(1,164)
Foreign exchange (loss) / gain		(50)	20
Fair value movements of financial assets		538	-
Other income		1,228	2,470
Loss on extinguishment of financial liabilities	5(f)	(3,599)	-
Corporate transaction expense	29	(17,677)	-
Loss before income tax from continuing operations		(33,124)	(3,903)
Income tax expense	6	-	-
Loss after income tax from continuing operations		(33,124)	(3,903)
Discontinued operations			
(Loss) for the year from discontinued operations	7	(2,511)	-
(Loss) for the year		(35,635)	(3,903)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
- Exchange differences on translating foreign operations		(414)	-
Total comprehensive loss for the year		(36,049)	(3,903)
EARNINGS PER SHARE (cents)			
Basic and diluted earnings per share			
From continuing operations	19	(2.984)	(2.41)
Basic and diluted earnings per share			
From discontinued operations	19	(0.226)	-

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position**As at 31 December 2020**

	Note	Consolidated 31-Dec-20 US\$000's	31-Dec-19 US\$000's
CURRENT ASSETS			
Cash and cash equivalents	22(a)	3,272	181
Receivables and prepaid expenses	8	2,501	1,027
Inventories	9	95	1,143
Financial assets	10	2,300	-
Assets classified as held for sale	11	-	-
TOTAL CURRENT ASSETS		8,168	2,351
NON-CURRENT ASSETS			
Receivables and prepaid expenses	8	470	1,126
Property, plant and equipment	12	1,617	17,018
Exploration and evaluation expenditure	13	18,374	248
TOTAL NON-CURRENT ASSETS		20,461	18,392
TOTAL ASSETS		28,629	20,743
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	14	11,007	13,687
Debentures of Core Gold held by Titan Minerals		-	2,500
Loans payable	15	5,819	851
Lease liabilities		22	-
Current tax liability (discontinued operations)	7	563	-
Provisions for closure and restoration (held for sale)	16	1,850	-
TOTAL CURRENT LIABILITIES		19,261	17,038
NON-CURRENT LIABILITIES			
Derivative warrant liability		-	70
Lease liabilities		51	-
Provisions for closure and restoration	16	508	2,222
TOTAL NON-CURRENT LIABILITIES		559	2,292
TOTAL LIABILITIES		19,820	19,330
NET ASSETS		8,809	1,413
EQUITY			
Issued capital	17	150,494	110,949
Reserves	18	19,958	16,472
Accumulated losses		(161,643)	(126,008)
TOTAL EQUITY		8,809	1,413

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2020

	Issued Capital US \$000's	Foreign currency translation reserve US \$000's	Share Based Payment Reserve US \$000's	Convertible Debenture Reserve US \$000's	Accumulated losses US \$000's	Total Equity US \$000's
Balance at 1 January 2019	105,572	-	16,283	135	(122,105)	(115)
Net loss for the year	-	-	-	-	(3,903)	(3,903)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	-	(3,903)	(3,903)
<i>Transactions with owners in their capacity as owners</i>						
Proceeds received from private placement	3,000	-	-	-	-	3,000
Convertible debenture - shares issued	1,832	-	-	(100)	-	1,732
Shares for debt	545	-	-	-	-	545
Share based payments	-	-	154	-	-	154
As at 31 December 2019	110,949	-	16,437	35	(126,008)	1,413
Balance at 1 January 2020	110,949	-	16,437	35	(126,008)	1,413
Net loss for the year	-	-	-	-	(35,635)	(35,635)
Other comprehensive income	-	(414)	35	(35)	-	(414)
Total comprehensive loss for the year	-	(414)	35	(35)	(35,635)	(36,049)
<i>Transactions with owners in their capacity as owners</i>						
Issue of shares - acquisition of Core Gold Inc.	19,834	-	-	-	-	19,834
Issue of shares	20,300	-	-	-	-	20,300
Capital raising costs	(589)	-	-	-	-	(589)
Share based payments	-	-	3,900	-	-	3,900
As at 31 December 2020	150,494	(414)	20,372	-	(161,643)	8,809

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes

Consolidated Statement of Cash Flows

For the year ended 31 December 2020

	Year ended	
	31-Dec-2020 \$ 000's	31-Dec-2019 \$ 000's
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	20,858	24,525
Payments to suppliers and employees	(29,162)	(25,164)
Interest and other costs of finance paid	(222)	(732)
NET CASH (USED IN) IN OPERATING ACTIVITIES	(8,526)	(1,371)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant & equipment	(36)	-
Payments of exploration and evaluation costs	(4,053)	-
Proceeds from the sale of exploration assets	1,500	-
Proceeds from repayments of loans provided	241	-
Net cash inflow as a result of acquisition	3,094	-
Net cash outflow as a result of disposal of subsidiary	612	-
NET CASH PROVIDED BY INVESTING ACTIVITIES	1,358	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares (net of capital raising costs)	9,459	3,000
Proceeds from borrowings	3,412	-
Repayment of borrowings	(2,813)	(1,580)
NET CASH PROVIDED BY FINANCING ACTIVITIES	10,058	1,420
Net increase in cash and cash equivalents	2,890	49
Cash and cash equivalents at the beginning of the period	181	132
Effects of exchange rate changes on the balance of cash held in foreign currencies	201	-
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	3,272	181

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

TITAN MINERALS LIMITED – YEAR ENDED 31 DECEMBER 2020

1. GENERAL INFORMATION

Corporate Information

The consolidated financial statements of Titan Minerals Limited (“Parent Entity” or “Company”) and its controlled entities (collectively as “Consolidated Entity” or “the Group”) for the year ended 31 December 2020 were authorised for issue in accordance with a resolution of the directors on 30 April 2021. The Parent Entity is a for-profit company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The Group’s principal activities during the financial year and in particular post acquisition of the Core Gold group on 30 January 2020 and 100% control gained on 26 May 2020, was minerals exploration and evaluation in Ecuador. The combined Group produced gold in Ecuador prior to force majeure being called on 15 April 2020 due to COVID-19 and also toll processed gold in Peru plus held mineral exploration properties in Peru, all of which are considered non-core activities and have been sold or are in the process of being sold and have been disclosed as held for sale assets and liabilities held for sale at 31 December 2020.

Further information on the nature of the operations and principal activities of the Group is provided in the directors’ report. Information on the Group’s structure and other related party relationships are provided in Notes 20 and 25.

The Group’s registered office is in Suite 6, 295 Rokeby Road, Subiaco, WA 6008 Australia.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (“AASB”) and the Corporations Act 2001. Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. The consolidated financial statements and notes also comply with International Financial Reporting Standards as issued by the International Accounting Standard Board (IASB). Material accounting policies adopted in the preparation of the financial statements are presented below. They have been consistently applied unless otherwise stated.

The financial statements were authorised for issue by the Directors’ on 30 April 2021.

b) Basis of preparation

The consolidated financial statements have been prepared on the basis of historical cost, except for certain financial assets carried at fair value. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in United States Dollars unless otherwise noted.

The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

c) Critical accounting judgements and key sources of estimation uncertainty

In the application of accounting standards management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Notes to the Consolidated Financial Statements

TITAN MINERALS LIMITED – YEAR ENDED 31 DECEMBER 2020

Refer to Note 3 for a discussion of critical judgements in applying the entity's accounting policies and key sources of estimation uncertainty.

d) Reverse acquisition

Titan Minerals Limited ("Titan") is listed on the Australian Securities Exchange. Titan Minerals Limited acquired control of greater than 50% of the common shares and voting rights of Core Gold Inc ("Core") on 30 January 2020 and completed the legal acquisition of 100% of the common shares in Core on 26 May 2020.

Under the principles of AASB 3, with the previous shareholders of Core holding a larger portion of voting rights of the combined entity than the continuing Titan shareholders and Core reflecting larger assets and revenues than Titan, the transaction between Titan and Core is treated as a reverse acquisition. As such, the assets and liabilities of the legal subsidiary (the accounting acquirer), being Core, are measured at their pre-combination carrying amounts. The assets and liabilities of the legal parent (accounting acquiree), being Titan are measured at fair value on the date of acquisition. The date of acquisition has been assessed on the basis of the change in shareholdings in Titan as a result of the transaction between Titan and Core and has been considered to be 30 January 2020. Accordingly, the consolidated financial statements of Titan have been prepared as a continuation of the financial statements of Core from 30 January 2020. The comparative information presented in the consolidated financial statements is that of Core.

The consideration in a reverse acquisition is deemed to have been incurred by the legal subsidiary in the form of equity instruments issued to the shareholders of the legal parent entity. The acquisition-date fair value of the consideration transferred has been determined by reference to the fair value of the number of shares the legal subsidiary would have issued to the legal parent entity to obtain the same ownership interest in the combined entity.

The excess of the consideration over the fair value of identifiable net assets and liabilities has not been recognised as goodwill. Instead the deemed fair value of the interest in Titan issued to Core shareholders to effect the combination (the consideration for the acquisition of the public corporate entity being Titan) was recognised as an expense in the income statement. This expense has been presented as a "Corporate Transaction Expense" in the consolidated statement of profit or loss and other comprehensive income. The non-cash Corporate Transaction Expense totals US \$17,677,000 at 30 January 2020.

The impact of the reverse acquisition on each of the primary statements is as follows:

- The consolidated statement of profit or loss and other comprehensive income:
 - For the 12 month period to 31 December 2020 comprises 12 months of Core and the period from 30 January 2020 to 31 December 2020 of Titan; and
 - For the comparative period comprises the 12 month period to 31 December 2019 of Core.
- The consolidated statement of financial position:
 - As at 31 December 2020 represents both Titan and Core as at that date; and
 - As at 31 December 2019 represents Core as at that date.
- The consolidated statement of changes in equity:
 - For the period ended 31 December 2020 comprises Core's balance sheet at 1 January 2020, its loss for the period and transactions with equity holders for 12 months. It also comprises Titan's transactions within equity from 30 January 2020 to 31 December 2020 and the equity value of Core and Titan at 31 December 2020. The number of shares on issue at year end represent those of Titan only; and
 - For the comparative period comprises period from 1 January 2019 to 31 December 2019 of Core's changes in equity.
- The consolidated statement of cash flows:
 - For the 12 month period ended 31 December 2020 comprises:
 - The cash balance of Core as at 1 January 2020;
 - The cash transactions for the 12 months to 31 December 2020 of months of Core and the period from 30 January 2020 to 31 December 2020 of Titan); and
 - The cash balances of Core and Titan at 31 December 2020.

Notes to the Consolidated Financial Statements

TITAN MINERALS LIMITED – YEAR ENDED 31 DECEMBER 2020

- For the comparative period comprises 1 January 2019 to 31 December 2019 of Core's cash transactions.

e) New and Revised Standards that are effective for these Financial Statements

The adoption of the new or amended standards and interpretations did not result in any significant changes to the Group's accounting policies. In addition, the adoption of AASB 16 *Leases* had no material impact as the Group had no lease contracts as at 1 January 2019.

Amendments to IFRS

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2020. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. The nature and effect of these changes as a result of the adoption of these new standards are described below. Other than the changes described below, the accounting policies adopted are consistent with those of the previous financial year. Several other amendments and interpretations applied for the first time in 2020, but did not have an impact on the consolidated financial statements of the Group and, hence, have not been disclosed.

Amendments to AASB 3: Definition of a Business

The amendment to AASB 3 *Business Combinations* clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the consolidated financial statements of the Group, but may impact future periods should the Group enter into any business combinations.

Amendments to AASB 7, AASB 9 and AASB 139 Interest Rate Benchmark Reform

The amendments to AASB 9 and AASB 139 *Financial Instruments: Recognition and Measurement* provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform (IBOR). A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the consolidated financial statements of the Group as it does not hedge nor have any IBOR benchmarked liabilities.

Amendments to AASB 101 and AASB 108 Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the consolidated financial statements of, nor is there expected to be any future impact to the Group.

Conceptual Framework for Financial Reporting issued on 29 March 2018

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the consolidated financial statements of the Group.

Notes to the Consolidated Financial Statements

TITAN MINERALS LIMITED – YEAR ENDED 31 DECEMBER 2020

f) Standards issued but not yet effective and not early adopted by the Group

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements, have been assessed. The Board are of the view that there do not materially impact these financial statements. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

g) Going Concern

The consolidated financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activity, realisation of assets and the settlement of liabilities in the normal course of business. The Consolidated Entity incurred a net loss for the 31 December 2020 financial year of \$35,635,000 (2019: \$3,903,000) and had a net operating cash outflow of \$8,526,000 (2019: \$1,371,000). The Consolidated Entity is currently in a working capital deficit position of \$11,093,000 (31 December 2019: 14,687,000).

The Titan Consolidated Entity is no longer operating as a gold producer and is now focused on the exploration and evaluation of its three main concession or tenement groups in Ecuador, namely the Dynasty Gold project, the Copper Duke project and the Linderos Gold project.

During the year Titan sold the Vista plant along with the group's interests in the Coriorcco property and the Las Antas property earn-in agreement, all within Peru. On 15 April 2020, the Group announced the indefinite suspension of all Core Gold's production operations in Ecuador due to force majeure resulting from the COVID-19 virus pandemic. As a result, all related labour and contractor relationships have been terminated.

The directors have prepared a cash flow forecast, which indicates that Group will have sufficient cash flows to meet all commitments and working capital requirements for the 12 month period from the date of signing this financial report. Included in the forecast are capital raisings and asset sales expected to be completed within the next 12 months. The Group recently announced the signing of a term sheet for the sale of the Portovelo plant and Zaruma mine and concessions for total value of US\$15 million in instalments over the coming 14 months to June 2022.

The Directors are confident that the Group will have sufficient cash to fund its activities within the next 12 months from the date the financial statements are approved and will be able to meet existing commitments as they fall due. The Directors will also continue to carefully manage discretionary expenditure in line with the Group's cashflow.

Should the Group be unsuccessful in its plans detailed above, there is uncertainty as to whether the Group would continue as a going concern and therefore whether it would realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The consolidated financial statement do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Group be unable to continue as a going concern and meet its debts as and when they fall due.

Significant Accounting Policies

The following significant policies have been adopted in the preparation of the Financial Report:

h) Principles of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect those returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Notes to the Consolidated Financial Statements

TITAN MINERALS LIMITED – YEAR ENDED 31 DECEMBER 2020

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary as the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 139, when applicable, the cost on initial recognition of an investment in an associate or joint venture.

i) Revenue recognition

The Group's primary product is gold and silver bullion.

Revenue is recognised at an amount that reflects the consideration to which the group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

j) Interest revenue

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

k) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, which are subject to an insignificant risk of changes in value and have a maturity of three months or less at the date of acquisition.

Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

Notes to the Consolidated Financial Statements

TITAN MINERALS LIMITED – YEAR ENDED 31 DECEMBER 2020

l) Trade and other receivables

Trade receivable (without a significant financing component) are initially recognised at their transaction price and all other receivables are initially measured at fair value. Receivables are measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss:

- it is held within a business model with the objective to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the purposes of the assessment whether contractual cash flows are solely payments of principal and interest, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non recourse features).

The Group recognises an allowance for expected credit losses ("ECLs") for all receivables not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate ("EIR").

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and other receivables due in less than 12 months, the Group applies the simplified approach in calculating ECLs, as permitted by AASB 9. Therefore, the Group does not track changes in credit risk, but instead, recognises a loss allowance based on the financial asset's lifetime ECL at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. For any other financial assets carried at amortised cost (which are due in more than 12 months), the ECL is based on the 12-month ECL. The 12-month ECL is the proportion of lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment including forward-looking information.

m) Inventory

Inventories are valued at the lower of cost and net realisable value. Cost includes expenditure incurred in acquiring and bringing the inventories to their existing condition and location but excludes overheads. Cost is accounted for as follows:

Notes to the Consolidated Financial Statements

TITAN MINERALS LIMITED – YEAR ENDED 31 DECEMBER 2020

- *Bullion* - average fixed direct costs and variable direct costs.
- *Gold in circuit* - average cost.
- *Stores* - purchase cost on a first in first out cost method.
- *Ore stockpiles* - cost of mining on an average cost method.
- *Work in progress* - cost of mining and processing at an average cost method.

Net realisable value is the estimated future sales value of the products that the expects to realised when the product is processed and sold, less the estimated costs to complete and sell the product.

n) Property, plant and equipment

Property, plant and equipment are stated at cost less depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land. Depreciation is calculated on a straight-line basis so as to write off the net cost of each asset over its expected useful life to its estimated residual value commencing from the date the asset is available for use. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

Depreciation on assets utilised in exploration, evaluation and mine development during the pre-production phase is included in the carrying value of Deferred Exploration Expenditure and Mine Assets reflected on the balance sheet. On commencement of production, depreciation is expensed to the Income Statement, and recognised on a units of production basis.

The following estimated useful lives / methodologies are used in the calculation of depreciation:

Plant and equipment	3 – 10 years
Computer equipment	3 years
Buildings	20 years

Impairment of assets

At each reporting date, the Consolidated Entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Consolidated Entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use.

In assessing fair value less costs of disposal, the Consolidated entity considers any relevant quoted market prices and/or subsequent arms-length transactions between two willing parties in determining fair value less costs of disposal.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined

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had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately.

o) Exploration expenditure

Exploration and evaluation expenditure for each area of interest is carried forward as an asset provided that one of the following conditions is met:

- Such costs are expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale; or
- Exploration activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in relation to the area are continuing.

Exploration and evaluation expenditure, which fails to meet at least one of the conditions outlined above, is written off.

Identifiable exploration assets acquired from another mining company are carried as assets at their cost of acquisition. Exploration assets acquired are reassessed on a regular basis and these costs are carried forward provided that at least one of the conditions outlined above are met. Exploration and evaluation expenditure incurred subsequent to acquisition in respect of an exploration asset acquired, is accounted for in accordance with the policy outlined above for exploration incurred by or on behalf of the entity. Exploration and evaluation expenditure assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount.

The recoverable amount of the exploration and evaluation asset is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years. Where a decision is made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to mine assets.

p) Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except with the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with AASB 5. Under the equity method, an investment in an associate or joint venture is initially recognised in the consolidated statements of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture, the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is

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included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interest in the associate or joint venture that are not related to the Group.

q) Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquire and the equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with AASB 112 'Income Taxes' and AASB 119 'Employee Benefits' respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with AASB 2 'Share-based Payment' at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with AASB 5 'Non-current Assets Held for Sale and Discontinued Operations' are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Where the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or liability is remeasured at subsequent reporting dates in accordance with AASB 139 'Financial Instruments: Recognition and Measurement'; or AASB 137 'Provisions, Contingent Liabilities

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and Contingent Assets', as appropriate, with the corresponding gain or loss being recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

r) Trade and other payables

Trade payables and other accounts payable are recognised when the Consolidated Entity becomes obliged to make future payments resulting from the purchase of goods and services.

s) Provisions

Provisions are recognised when the Consolidated Entity has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Provision for closure and restoration

A provision for closure and restoration is recognised when there is a present obligation as a result of exploration, development, production, transportation or storage activities undertaken, it is probable that an outflow of economic benefits will be required to settle the obligation and the amount of the provision can be measured reliably.

The provision for future restoration costs is the best estimate of the present value of the expenditure required to settle the restoration obligation as at the reporting date. Future restoration costs are reviewed annually and any change in the estimates are reflected in the present value of the restoration provision at reporting date.

The initial estimate of the restoration and rehabilitation provision relating to exploration, development and production facilities is capitalised into the cost of the related asset and amortised on the same basis as the related asset, unless the present value arises from the production of inventory in the period, in which case the amount is included in the cost of production for the period. Changes in the estimate of the provision for restoration and rehabilitation are treated in the same manner, except that the unwinding of the effect of discounting on the provision is recognised as a finance cost rather than being capitalised into the cost of the related asset.

t) Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled wholly within twelve months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

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Provisions made in respect of employee benefits which are not expected to be settled within twelve months are measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date.

Defined contribution plans

Contributions to defined contribution superannuation plans are expensed when incurred.

u) Financial assets

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade receivables and loans receivable.

Financial assets at fair value through OCI (debt instruments)

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the

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same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB 132 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group's financial assets carried at fair value through OCI are listed equity instruments.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised as other income in the statement of profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

Impairment

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is

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based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

v) Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables and loans and borrowings. The Group has no hedging instruments.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by AASB 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in AASB 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost (loans and borrowings)

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings. For more information, refer to Note 15.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of

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a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

w) Issued Capital

Ordinary share capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

x) Foreign currency

Foreign currency transactions

The individual financial statements of each group entity are presented in its functional currency being the currency of the primary economic environment in which the entity operates. For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in United States dollars, which is the functional currency of Core Gold Inc., the accounting acquirer / the legal acquiree, refer Note 2(d) and is the presentation currency for the consolidated financial statements.

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Exchange differences are recognised in profit or loss in the year in which they arise except that exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned or likely to occur, which form part of the net investment in a foreign operation, are recognised in the foreign currency translation reserve in the consolidated financial statements and recognised in consolidated profit or loss on disposal of the net investment.

Foreign operations

On consolidation, the assets and liabilities of the Consolidated Entity's overseas operations are translated at exchange rates prevailing at the year end closing rate. Income and expense items are translated at the average exchange rates for the year unless exchange rates fluctuate significantly. Exchange differences arising, if any, are recognised in the foreign currency translation reserve, and recognised in profit or loss on disposal of the foreign operation.

y) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- (i) where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- (ii) for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables. Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

z) Share-based payments

Equity-settled share-based payments with employees are measured at the fair value of the equity instrument at the grant date. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

Notes to the Consolidated Financial Statements

TITAN MINERALS LIMITED – YEAR ENDED 31 DECEMBER 2020

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest.

Equity-settled share-based payment transactions with other parties are measured at the fair value of the goods and services received, except where the fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, a liability equal to the portion of the goods or services received is recognised at the current fair value determined at each reporting date.

aa) Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

Current tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of comprehensive income because of items of income or expense that are taxable or deductible in other periods and items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting year.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

Notes to the Consolidated Financial Statements

TITAN MINERALS LIMITED – YEAR ENDED 31 DECEMBER 2020

Current and deferred tax for the period

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items that are recognised outside profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is included in the accounting for the business combination.

bb) Leases

The Group as lessee

At inception of a contract, the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability are recognised by the Group where the Group is a lessee. However, all contracts that are classified as short-term leases (ie a lease with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expenses on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at the commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate.

Lease payments that may be included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, any lease payments made at or before the commencement date and any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

cc) Rounding of Amounts

The Parent Entity has applied the relief available to it under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. Accordingly, amounts in the financial statements have been rounded off to the nearest US\$1,000.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The following are the key estimates that management has made in the process of applying the Group's accounting policies and that have the most significant effects on the amounts recognised in the financial statements.

Notes to the Consolidated Financial Statements

TITAN MINERALS LIMITED – YEAR ENDED 31 DECEMBER 2020

(a) Impairment of property, plant and equipment

The Group reviews for impairment of property, plant and equipment, in accordance with its accounting policy. The recoverable amount of these assets has been determined based on the higher of the assets' fair value less costs to sell and value in use. These calculations require the use of estimates and judgements.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. The Group may engage the assistance of third parties to establish the appropriate valuation techniques and inputs to the valuation model.

(b) Exploration expenditure

The Group capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage that permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded. Such capitalised expenditure is carried at the end of the reporting period at \$18,374 thousand.

(c) Impairment of Exploration expenditure

The future recoverability of deferred exploration and evaluation expenditure is dependent on several factors, including whether the Group decides to exploit the related tenement/lease/concession itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, costs of drilling and production, production rates, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

(d) Provision for closure and restoration costs

A provision for restoration and rehabilitation is recognised when there is a present obligation as a result of development activities undertaken, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the provision can be measured reliably. The estimated future obligations include the costs of abandoning sites, removing facilities and restoring the affected areas.

The provision for future restoration costs is the best estimate of the present value (including an appropriate discount rate relevant to the time value of money plus any risk premium associated with the liability) of the expenditure required to settle the restoration obligation at the reporting date. Future restoration costs are reviewed annually and any changes in the estimate are reflected in the present value of the restoration provision.

The initial estimate of the restoration and rehabilitation provision is capitalised into the cost of the related asset and amortised on the same basis as the related asset, unless the present obligation arises from the production of inventory in the period, in which case the amount is included in the cost of production for the period. Changes in the estimate of the provision for restoration and rehabilitation are treated in the same manner, except that the unwinding of the effect of discounting on the provision is recognised as a finance cost rather than being capitalised into the cost of the related asset.

Notes to the Consolidated Financial Statements

TITAN MINERALS LIMITED – YEAR ENDED 31 DECEMBER 2020

4. SEGMENT INFORMATION

Identification of Reportable Segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board (the chief operating decision-maker) in assessing performance and in determining the allocation of resources. The operating segments are identified by the Board based on reporting lines and the nature of services provided. Discrete financial information about each of these operating segments is reported to the Board on a monthly basis. The Group operates predominately in Ecuador and Peru. The Peru gold toll processing plant was sold prior to year's end and has been disclosed as a discontinued operation. The reportable segments are based on aggregated operating segments determined by the similarity of the services provided and other factors.

Segments

The Group has two reportable operating segments, which are gold sales in Ecuador and Exploration in Ecuador and Peru.

Segment result represents the profit or loss earned by each segment without allocation of corporate administration costs, investment revenue and finance costs or income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

Holding Company

Holding Company costs (or unallocated costs, assets and liabilities) are those costs which are managed on a Group basis and not allocated to business segments. They include costs associated with executive management, strategic planning and compliance costs.

Accounting Policies

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 2. Segment profit represents the profit earned by each segment without allocation of central administration costs and directors' salaries, share of profits of associates, gain recognised on disposal of interest in former associate, investment income, gains and losses, finance costs and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

Intersegment Transfers

There have been no intersegment sales during the year.

Notes to the Consolidated Financial Statements

TITAN MINERALS LIMITED – YEAR ENDED 31 DECEMBER 2020

The following is an analysis of the Group's revenue and results by reportable operating segment for the year under review:

	Revenue		Segment Result	
	Year ended		Year ended	
	31-Dec-20	31-Dec-19	31-Dec-20	31-Dec-19
	US \$000's	US \$000's	US \$000's	US \$000's
Continuing operations				
Segment result before income tax –				
Ecuador gold production and sales	6,025	24,525	1,649	5,919
Exploration Ecuador and Peru	-	-	-	-
	6,025	24,525	1,649	5,919
Other income			1,228	2,470
Care and maintenance costs Ecuador			(2,204)	-
General and administration			(3,146)	(7,142)
Salaries, professional fees, and share based payments expense			(6,723)	(4,626)
Foreign exchange gain / (loss)			(50)	20
Finance costs			(936)	(1,525)
Warrants and financial assets - fair value movements			608	981
Impairment expense			(2,274)	-
Loss on extinguishment of financial liabilities			(3,599)	-
Corporate transaction expense			(17,677)	-
(Loss) / profit before income tax expense			(33,124)	(3,903)
Income tax expense			-	-
(Loss) / profit for the year from continuing operations			(33,124)	(3,903)

The revenue reported above represents revenue generated from gold sales to external customers.

The following is an analysis of the Group's assets by reportable operating segment:

Assets	Consolidated	
	31-Dec-20	31-Dec-19
	US \$000's	US \$000's
Ecuador gold production and sales	-	20,314
Exploration – Ecuador and Peru	19,991	248
Corporate assets	8,638	181
Consolidated total assets	28,629	20,743

The following is an analysis of the Group's liabilities by reportable operating segment:

Liabilities	31-Dec-20	31-Dec-19
	US \$000's	US \$000's
Ecuador gold production and sales	1,850	16,760
Exploration – Ecuador and Peru	508	-
Corporate liabilities	17,462	2,570
Consolidated total liabilities	19,820	19,330

Notes to the Consolidated Financial Statements

TITAN MINERALS LIMITED – YEAR ENDED 31 DECEMBER 2020

5. REVENUE AND EXPENSES

The following is an analysis of the Group's revenue for the year from continuing operations:

	Consolidated	
	31-Dec-20	31-Dec-19
	US \$000's	US \$000's
(a) Revenue		
Revenue from gold sales	6,025	24,525
(b) Cost of sales		
Cost of sales	(3,378)	(16,853)
(c) Cost of Sales		
<i>(i) Depreciation and amortisation</i>		
Plant and equipment	(998)	(1,753)
(d) General and Administration expenses		
Compliance expenses	288	407
Insurance costs	162	91
Marketing and promotion	511	39
Advertising and investor relations	243	788
Travel and accommodation	144	261
Municipal taxes	202	140
Fines and penalties	101	109
Depreciation and amortisation – non operating	17	-
Other Administration costs	1,127	3,919
	2,795	5,754

(e) Impairment

Impairment expense of totalling \$2,625 thousand includes the following:

- VAT in Ecuador which is no longer considered recoverable as the Group is not expecting to generate income in the near term to claim this receivable of \$2,274 thousand (2019: \$1,164 thousand); and
- Property, plant and equipment of \$351 thousand (2019: nil)

(f) Loss on extinguishment of financial liabilities

In consideration for the settlement \$2,966 thousand of financial liabilities (being loans and associated accrued fees and interest), Titan Minerals Limited issued 69,521,000 shares. As a result of the settlement of these liabilities in equity, a loss on extinguishment of \$3,599 thousand representing the difference between the fair value of the shares at settlement

Notes to the Consolidated Financial Statements

TITAN MINERALS LIMITED – YEAR ENDED 31 DECEMBER 2020

6. INCOME TAX EXPENSE

<u>Income tax recognised in profit or loss</u>	Consolidated	
	31-Dec-20 US \$000's	31-Dec-19 US \$000's
Tax expense comprises:		
Current tax expense	-	-
Deferred tax expense	-	-
Total tax expense	-	-
The prima facie income tax expense on pre-tax accounting (loss) / profit from continuing operations reconciles to the income tax expense in the consolidated financial statements as follows:		
(Loss) / profit from continuing operations	(33,124)	(3,903)
Income tax benefit calculated at 30% (2019: 27% Canada)	9,937	1,055
Expenses that are (not deductible) / income that is exempt in determining taxable profit	(6,620)	878
Adjustment to prior year	-	(604)
Effect of different tax rates of subsidiaries operating in other jurisdictions	(122)	182
Tax benefit not recognised as recovery not probable	(3,195)	(1,511)
	-	-

The tax rate used in the above reconciliation is the tax rate of 30% (2019: 27% re Core Gold Inc) payable by Australian corporate entities on taxable profits under Australian tax law. The corporate tax rate in Peru is 29.5%, Canada 27.0% and Ecuador 25.0%.

Deferred tax balances as at 31 December 2020 were not recognised in the consolidated statement of financial position.

The deferred tax balances relate to the Parent entity and the Australian tax group. All Canadian deferred tax benefits of Core Gold Inc are no longer available with a greater than 50% change of control throughout the year. Ecuador deferred tax benefits of the Core Gold group are no longer available with the concessions / tenements transferring to new entities as part of the corporate restructuring. All material deferred tax benefits in Peru were transferred with the sale of Vista Gold SAC prior to year's end.

The Australian deferred tax assets not recognised relate to the following accounts:

Temporary differences	926	N/a.
Tax losses – revenue	9,482	N/a.
Tax losses – capital	16,816	N/a.
	27,224	N/a.

Comparative figures for 31 December 2019 have not been provided as they related to the Core Gold Inc. Group rather than Australian deferred tax asset

Notes to the Consolidated Financial Statements

TITAN MINERALS LIMITED – YEAR ENDED 31 DECEMBER 2020

7. DISCONTINUED OPERATIONS

Loss from discontinued operations

	Consolidated	
	31 Dec 2020 US \$000's	31 Dec 2019 US \$000's
Profit before tax on disposal - Coriorcco and Las Antas	238	-
Applicable income tax (expense) on disposal – Coriorcco and Las Antas	(563)	-
Loss on disposal - Vista Gold S.A.C	(2,186)	-
(Loss) from discontinued operations	(2,511)	-

As announced on 24 August 2020, the Group entered into binding terms of the divestment of its non-core assets in Peru.

A summary of the material terms is as follows:

Coriorcco and Las Antas:

Western Pacific Resources Corp (“Western Pacific”, and subsequently renamed Oro X Limited) acquired Titan’s legal and beneficial right, title, and interest in options to acquire: (a) 100% of the legal and beneficial and interest in a 2,000-hectare concession known as the Coriorcco property pursuant to a cession and option agreement; and (b) up to 85% of the legal and beneficial and interest in a 1,400-hectare concession known as the Las Antas Property pursuant to an earn-in agreement (together, the “Properties”).

As consideration for the sale of the option rights over the Properties, Titan received:

- (a) cash consideration of US\$1,500,000; and
- (b) 4,250,000 common shares in the capital of Western Pacific (the “Shares”).

In the event that Western Pacific exercises its option to acquire the Coriorcco property:

- (a) Western Pacific will grant to Titan a 1% NSR over the Coriorcco property; and
- (b) Western Pacific has agreed to make a conditional payment to Titan (in cash, Shares (priced at a 10-day VWAP of Shares prior to the relevant technical report) or a combination of both, at Western Pacific’s option) on the basis of the size of any mineral resource (in the measured and indicated category) that is established on the Coriorcco property in a technical report prepared in accordance with National Instrument 43-101 as follows:
 - (i) US\$1,000,000 (cash and/or shares) if a measured and indicated resource of 500,000 to 999,999 ounces of gold is established;
 - (ii) US\$1,500,000 (cash and/or shares) if a measured and indicated resource of 1,000,000 to 1,499,000 ounces of gold is established; and
 - (iii) US\$2,000,000 (cash and/or shares) if a measured and indicated resource in excess of 1,500,000 ounces of gold is established.

The transaction was completed during the year, with the Group recognising a loss on disposal of the exploration assets after income tax of \$325 thousand.

Vista Gold Plant:

The sale was completed on 24 December 2020 via the sale 100% of the Group’s shares in its wholly owned subsidiary, Vista Gold S.A.C, to AC 081 S.A.C.

Notes to the Consolidated Financial Statements

TITAN MINERALS LIMITED – YEAR ENDED 31 DECEMBER 2020

The consideration for the sale receivable by Titan is:

- (a) a non-refundable payment of US\$300,000 in cash, previously received;
- (b) a further US\$1,000,000 instalment due on 31 December 2020, of which US\$500,000 was received and US\$500,000 remained as consideration receivable at year end and was received on 5 January 2021.
- (c) further instalments totalling US\$1,670,000 due approximately quarterly over the coming 18 month period.

	Period ended 24 Dec 2020 US \$000's	Year ended 31 Dec 2019 US \$000's
Loss for the period from discontinued operations		
Revenue	15,074	-
Cost of goods sold	(13,522)	-
Gross profit	1,552	-
Other expenses	(772)	-
Profit before income tax	780	-
Loss on disposal	(2,966)	-
Attributable income tax expense	-	-
(Loss) for the period from discontinued operations (attributable to owners of the company)	(2,186)	-
	Period ended 24 Dec 2020 US \$000's	Year ended 31 Dec 2019 US \$000's
Cash flows from discontinued operations		
Net cash inflow from operating activities	368	-

8. RECEIVABLES AND PREPAID EXPENSES

	Consolidated	
	31 Dec 2020 US \$000's	31 Dec 2019 US \$000's
CURRENT		
Other receivables	293	28
Prepaid – taxes	347	-
Prepaid – other	80	43
Consideration receivable (refer Note 7)	1,700	-
Advances – employees	-	90
Advances – suppliers	81	866
	2,501	1,027
NON CURRENT		
Consideration receivable (refer Note 7)	470	-
Prepaid – taxes	-	1,126
	470	1,126

The Group does not hold any trade receivables as at 31 December 2020 (2019: nil). None of the receivables disclosed above are past due or impaired.

Notes to the Consolidated Financial Statements

TITAN MINERALS LIMITED – YEAR ENDED 31 DECEMBER 2020

9. INVENTORIES

	Consolidated	
	31 Dec 2020	31 Dec 2019
	US \$000's	US \$000's
Consumables	95	440
Work in progress – gold inventory	-	248
Finished goods – gold inventory	-	455
	95	1,143

10. FINANCIAL ASSETS

	Consolidated	
	31 Dec 2020	31 Dec 2019
	US \$000's	US \$000's
Shares in listed entities	2,300	-
	2,300	-

The Shares held are 4.25 million Oro X shares received as part consideration for the sale of Coriorcco and Las Antas options over exploration properties in Peru, refer Note 7.

These shares are classified as at fair value through profit or loss. These financial assets have been valued based on the share price at the reporting date (Level 1).

11. ASSETS CLASSIFIED AS HELD FOR SALE

As at 31 December 2020 the Company had commenced a competitive process for the sale of the Zaruma mine and related concessions / tenements plus the Portovelo process plant, including related liabilities, accordingly they have been reclassified as held for sale.

Subsequent to year end on 15 April 2021, the Group announced it had entered into a term sheet for the sale of the assets and liabilities (carrying values as detailed below) for US \$15 million (refer Note 23).

Notes to the Consolidated Financial Statements

TITAN MINERALS LIMITED – YEAR ENDED 31 DECEMBER 2020

Net book value	Consolidated	
	31 Dec 2020 US \$000's	31 Dec 2019 US \$000's
<u>Transfers from Property, Plant and Equipment:</u>		
Zaruma mine and concessions	-	-
Portovelo process plant	-	-
Mobile equipment	-	-
Land access and other buildings	-	-
	-	-
<u>Transfers from Inventories:</u>		
Spare parts – at net book value	-	-

The original cost of the assets held for sale, in excess of US \$65 million, were fully depreciated and impaired prior to 31 December 2019 and remained at US \$nil as at 31 December 2020 (refer Note 12).

For related liabilities refer Note 16, Closure and restoration provisions, which total \$1,850 thousand as at 31 December 2020.

Notes to the Consolidated Financial Statements

TITAN MINERALS LIMITED – YEAR ENDED 31 DECEMBER 2020

12. PROPERTIES, PLANT AND EQUIPMENT

Amounts denominated in US \$000's	Zaruma Mines	Plant and Equipment	Dynasty Goldfields	Land and Buildings	Total
Cost					
Balance as at 31 December 2018	29,104	34,350	14,811	3,129	81,394
Additions	-	-	120	-	120
Asset retirement obligation – asset	-	-	110	-	110
Disposal	-	-	-	-	-
Balance as at 31 December 2019	29,104	34,350	15,041	3,129	81,624
Additions	-	36	-	-	36
Right of use asset – head office lease	-	-	-	80	80
Acquired as part of business combination	-	48	-	-	48
Transferred to available for sale assets	(29,104)	(34,350)	-	(1,646)	(65,100)
Transferred to exploration and evaluation	-	-	(15,041)	-	(15,041)
Balance as at 31 December 2020	-	84	-	1,563	1,647
Accumulated Depreciation and Amortisation					
Balance as at 31 December 2018	(29,104)	(32,980)	(549)	(340)	(62,973)
Depreciation and amortisation	-	(1,370)	(243)	(20)	(1,633)
Disposal	-	-	-	-	-
Balance as at 31 December 2019	(29,104)	(34,350)	(792)	(360)	(64,606)
Acquired as part of business combination	-	(4)	-	-	(4)
Depreciation and amortisation	-	(9)	(54)	(952)	(1,015)
Impairment	-	-	-	(351)	(351)
Transferred to available for sale assets	29,104	34,350	-	1,646	65,100
Transferred to exploration and evaluation	-	-	846	-	846
Balance as at 31 December 2020	-	(13)	-	(17)	(30)
Net Book Value					
As at 31 December 2019	-	-	14,249	2,769	17,018
As at 31 December 2020	-	71	-	1,546	1,617

Included in Land and Building are the following right of use assets:

	Consolidated	
	31 Dec 2020	31 Dec 2019
	US \$000's	US \$000's
Opening balance	-	-
Additions	80	-
Depreciation	(8)	-
Closing Balance	72	-

Interest expense related to associated lease liabilities for the year was US \$2 thousand.

Notes to the Consolidated Financial Statements

TITAN MINERALS LIMITED – YEAR ENDED 31 DECEMBER 2020

13. EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated	
	31 Dec 2020 US \$000's	31 Dec 2019 US \$000's
Capitalised exploration and evaluation expenditure	18,374	248
Reconciliation of the carrying amounts of exploration and evaluation assets at the beginning and end of the current financial year:		
Carrying amount at the beginning of the year	248	248
- additions	3,719	-
- acquisitions through business combination (Peru)	3,492	-
- disposals	(3,280)	-
- impairment	-	-
- transferred from property, plant and equipment	14,195	-
Carrying amount at the end of the year	18,374	248

14. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	Consolidated	
	31 Dec 2020 US \$000's	31 Dec 2019 US \$000's
CURRENT		
Trade payable	9,548	9,656
Payroll related payable and accruals	54	2,103
Government payable – IVA, Taxes, Royalty, Concessions	202	1,314
Other payables	1,203	614
	11,007	13,687

Certain trade payables in Ecuador are on deferred payment terms with payment plans agreed between the Company's subsidiaries and a number of suppliers. Other than the above, creditors are typically settled within standard credit terms of 45 days.

15. LOANS PAYABLE

	Consolidated	
	31 Dec 2020 US \$000's	31 Dec 2019 US \$000's
CURRENT		
Equipment loan (i)	-	416
Short term loan (ii)	-	435
Silverstream SECZ loan (iii)	2,619	-
Sophisticated and professional investors loan (iv)	3,200	-
	5,819	851

Notes to the Consolidated Financial Statements

TITAN MINERALS LIMITED – YEAR ENDED 31 DECEMBER 2020

(i) Equipment Loan

This loan was settled during the year through the return of the equipment loaned.

(ii) Short term loan

This loan was settled in cash during the year

(iii) Silverstream SECZ Loan

Mantle Mining S.A.C, a, wholly owned subsidiary of the Consolidated Entity, holds a loan from Silverstream SECZ. The loan is interest free, and requires the total payment of US\$3,700,000 over 15 instalments commencing on 1 July 2018 and ending on 30 June 2022. As at 31 December 2020, an amount of US\$2,619,000 unchanged from 30 June 2020, remains owing after repayments made to date.

The Silverstream agreement dated 25 March 2018 is secured over the Torrecillas concessions in Peru which Mantle Mining S.A.C. has with Silverstream SECZ. The Torrecillas concessions were relinquished on 7 January 2021 (after Silverstream SECZ chose not to finance their renewals).

There is no parent company guarantee with Titan Minerals Limited in place, with no method of recourse for the lender to pursue back to Titan Minerals Limited in the case of default.

(iv) Sophisticated and professional investors

On 21 December 2020, the Group entered into a secured debt facility with a group of sophisticated and professional investors. This was utilised to replace and pay out in full the previous secured debt facility of US\$3 million held by Titan from a separate group of sophisticated and professional investors. The previous facility was originally provided on 25 March 2019 to assist in funding the acquisition of the Core Gold group.

The material terms of the current debt facility are:

- Amount: A\$4,155,280
- Term: 30 June 2021
- Interest: 15% per annum payable at repayment date
- Facility establishment fee: 6%
- Security: Pledges over all the shares that Titan Minerals Limited holds in each of its subsidiaries which form part of any of the following projects located in Ecuador:
 - (A) known as the Dynasty Gold Project
 - (B) known as the Copper Duke Project
 - (C) known as the Linderos Gold Project
- At repayment, an option by the lenders to receive up to the equivalent of A\$1,150,000 in principal repayments through the issue of ordinary shares in Titan Minerals Limited.

Finance costs:

As at 31 December 2020, A\$17 thousand (US\$13 thousand) of interest was accrued in relation to the current loan from sophisticated and professional investors and recognised as finance costs. Facility establishment fees of A\$249,317 (US\$191,974) were paid during December 2020 and recognised as finance costs.

Notes to the Consolidated Financial Statements

TITAN MINERALS LIMITED – YEAR ENDED 31 DECEMBER 2020

16. PROVISIONS FOR CLOSURE AND RESTORATION

	Consolidated	
	31-Dec-20 US \$000's	31-Dec-19 US \$000's
CURRENT		
Provisions for closure and restoration - classified as available for sale	1,850	-
	1,850	-
NON CURRENT		
Provision for closure and restoration	508	2,222
	508	2,222
	2,358	2,222

Provision for closure and restoration costs has been recognised for future costs to remediate disturbances on concessions and landholdings including the plant footprint, related tailings dams and open cut mine, in order to meet the laws and regulations for the protection of the environment, as described by the relevant Government regulators in Ecuador.

17. ISSUED CAPITAL

(a) Issued capital reconciliation

	31 December 2020	
	Number	US \$000's
Issued capital		
Ordinary shares fully paid	1,139,452,483	150,494
	1,139,452,483	150,494
Movements in shares on issue		
Balance at the beginning of the financial year	166,873,828	110,949
Elimination of existing legal acquiree (Core Gold Inc.) shares	(166,873,828)	-
Shares of legal acquirer (Titan Minerals Limited) at acquisition date	318,441,687	-
Issue of shares for the acquisition of Titan Minerals Limited		
- Issued 17 January 2020	265,109,348	10,754
- Issued 30 January 2020	137,474,385	5,577
- Issued 11 February 2020	40,180,722	1,630
- Issued 14 February 2020	1,291,664	52
- Issued 26 May 2020	44,891,259	1,821
Shares issued 4 June 2020 for share placement	185,376,955	8,321
Shares issued 5 August 2020 for shareholder purchase plan	30,769,231	1,436
Shares issued 24 August 2020 to lenders and suppliers in lieu of cash	71,644,696	6,939
Shares issued 24 August 2020 for Director participation in placement	7,692,307	359
Shares issued 29 October 2020 to lenders and suppliers in lieu of cash	12,304,664	1,001
Shares issued 31 December 2020 to lenders in lieu of cash	24,275,565	2,244
Less: capital raising costs	-	(589)
Balance at end of the year	1,139,452,483	150,494

Terms and conditions of contributed equity

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

Notes to the Consolidated Financial Statements

TITAN MINERALS LIMITED – YEAR ENDED 31 DECEMBER 2020

(b) Shares under option – unlisted

Recipient	Number of shares under option	Exercise Price AUD \$	Expiry date	Vested
Canaccord Genuity (Australia) Limited	1,200,000	\$0.05	1 July 2021	100%
Canaccord Genuity (Australia) Limited	1,500,000	\$0.06	1 July 2021	100%
Canaccord Genuity (Australia) Limited	1,800,000	\$0.07	1 July 2021	100%
Canaccord Genuity (Australia) Limited	10,000,000	\$0.125	31 Dec 2023	100%
Canaccord Genuity (Australia) Limited	10,000,000	\$0.175	31 Dec 2023	100%
Canaccord Genuity (Australia) Limited	14,000,000	\$0.15	31 Dec 2023	100%
Directors, Management and Consultants	37,120,000	\$0.0001	24 August 2024	0%

As at 31 December 2020, there are 38,500,000 unlisted options issued to corporate advisors, and 37,120,000 incentive options issued to Directors, Managements and Consultants (refer Note 27 for further details).

Unquoted share options granted carry no rights to dividends and no voting rights and details of the movement in unissued shares or interests under option as at the date of this report are:

	Number of Options (Unlisted)
Total number of options outstanding as at 1 January 2020	7,565,000
Elimination of existing legal acquiree (Core Gold Inc.) options	(7,565,000)
Options of legal acquirer (Titan Minerals Limited) at acquisition date	4,500,000
Share options issued	71,120,000
Total number of options outstanding as at 31 December 2020	75,620,000

No options were exercised during the year.

18. RESERVES

	Consolidated	
	31-Dec-20	31-Dec-19
	US \$000's	US \$000's
Share based payments reserve	20,372	16,437
Convertible debenture reserve	-	35
Foreign currency translation reserve	(414)	-
	19,958	16,472
<i>Movements in Share based payments reserve</i>		
At the beginning of the financial year	16,437	16,283
Additions	3,900	154
Transfer from convertible debenture reserve	35	-
	20,372	16,437

Notes to the Consolidated Financial Statements

TITAN MINERALS LIMITED – YEAR ENDED 31 DECEMBER 2020

The share based payments reserve is used to accumulate the fair value of share based payments issued, including options and performance rights.

	Consolidated	
	31-Dec-20	31-Dec-19
<i>Movements in Foreign currency translation reserve</i>		
At the beginning of the financial year	-	-
Movement	(414)	-
	(414)	-

19. LOSS PER SHARE

	Consolidated	
	31-Dec-20	31-Dec-19
	Cents	Cents
Basic and diluted loss per share from continuing operations	(2.984)	(2.41)
	US \$000's	US \$000's
Loss from Continuing Operations Attributable to Equity Holders of Titan Minerals Ltd	(33,124)	(3,903)
	No.	No.
Weighted average number of ordinary shares used in the calculation of basic EPS	1,110,085,798	161,960,000
Potential ordinary shares not considered to be dilutive at year end	-	-
	Cents	Cents
Basic and diluted loss per share from discontinued operations	(0.226)	-
	US \$000's	US \$000's
Loss from Discontinued Operations Attributable to Equity Holders	(2,511)	-
	No.	No.
Weighted average number of ordinary shares used in the calculation of basic EPS	1,110,085,798	161,960,000
Potential ordinary shares not considered to be dilutive at year end	-	-

There were no potential ordinary shares considered to be dilutive at year end.

Notes to the Consolidated Financial Statements

TITAN MINERALS LIMITED – YEAR ENDED 31 DECEMBER 2020

20. SUBSIDIARIES

Name of entity	Country of incorporation	Ownership interest 2020	Ownership interest 2019	Principal Activity
Mundo Minerals USA Inc	USA	100%	100%	Administrative holding company
Compañía Minera Austrandina S.A.C	Peru	100%	100%	Administrative holding company
Compañía Minera Santa Raquel S.A.C	Peru	100%	100%	Administrative holding company
Compañía Minera Santa Carmela S.A.C	Peru	100%	100%	Administrative holding company
Andina Resources Limited	Australia	100%	100%	Administrative holding company
Vista Gold S.A.C	Peru	- ⁽¹⁾	100%	Processing plant operator
Mantle Mining S.A.C	Peru	100%	100%	Gold exploration
Andean Metals S.A.C	Peru	100%	100%	Administrative holding company
Porphyry Assets S.A.C	Peru	100%	100%	Administrative holding company
Core Gold Inc (group of companies, acquired 30 January 2020)		100%	-	Refer Note 29
Titan Minerals S.A.S.	Ecuador	100%	-	Operating company for exploration services
NEK Development Corp. (with Ecuador branch)	Panama	100%	-	Newly incorporated, to hold mineral concessions

⁽¹⁾ Sold effective 24 December 2020.

21. CONTINGENCIES AND COMMITMENTS

As at 31 December 2020, the Core Gold Group has in excess of 20 pending lawsuits in Ecuador that may result in up to US\$1.5 million (31 December 2019 - US\$1.0 million) in damages. The Group is currently working with its legal counsel and does not expect to settle this balance in full. The Group is subject to various investigations, claims, legal, labour and tax proceedings covering matters that arise in the ordinary course of business activities.

The Internal Revenue Service in Ecuador ("IRS") has issued an audit request for the year ended 31 December 2017 relating to Green Valley Resources – GVR S.A., a subsidiary acquired by Titan as part of the Core Group acquisition. At this stage, there is no quantifiable amount of any potential liability, if any, that may arise.

Each of these matters is subject to various uncertainties and it is possible that some of these matters may be resolved unfavourably for the Group. Certain conditions may exist as of the date the financial statements are issued that may result in a loss to the Group.

Numerous minor unsubstantiated and unclaimed amounts relating to Dynasty Mining and Metals (the predecessor to the Core Gold group) prior to December 2017 have been derecognised. The potential for any satisfaction through future payment is considered highly improbable. Previous amounts totalled Canadian \$589 thousand (US\$440 thousand).

The Group has agreed to issue Canaccord Genuity (Australia) Limited ("Canaccord"), its corporate advisor, 10,000,000 options with an exercise price of A\$0.125 expiring 31 December 2023 if one of the following occurs:

Notes to the Consolidated Financial Statements

TITAN MINERALS LIMITED – YEAR ENDED 31 DECEMBER 2020

- (a) Canaccord introduces a new substantial shareholder to the Company's share register; or
 (b) the Board of Titan determines, in its absolute discretion, between the date of this agreement and the 31 December 2023, that Canaccord should be awarded the options for its assistance with share register construction and investor relations support. In particular, the Company will have regard to circumstances where Canaccord has introduced a number of shareholders which purchase shares in a single transaction or series of transactions where the effect is equivalent or similar to the introduction of a substantial shareholder.

The Group has no other significant commitments or contingent liabilities as at 31 December 2020.

22. NOTES TO THE CASH FLOW STATEMENT

(a) Reconciliation of cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents includes cash on hand and in banks and investments in money markets instruments. Cash and cash equivalents at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:

	Consolidated	
	31-Dec-20	31-Dec-19
	US \$000's	US \$000's
Cash at bank and deposits at call	2,772	181
Cash in transit	500	-
	<u>3,272</u>	<u>181</u>

(b) Reconciliation of loss for the year to net cash flows used in operating

(Loss) for the year	(35,635)	(3,903)
Adjustments for:		
Depreciation and amortisation of non-current assets	1,175	1,753
Share based payments	3,607	154
Foreign exchange	50	(18)
Finance costs	936	793
Finance costs – Asset Retirement Obligations	136	-
Impairment	2,625	1,164
Loss on extinguishment of financial liabilities	3,599	-
Fair value movement of financial assets	(538)	-
Derivative liability gain – warrants	(70)	(981)
Corporate Transaction Expense	17,677	-
<i>(Increase)/decrease in assets:</i>		
Trade and other receivables, prepaid expenses and long-term assets	(818)	924
Inventories	1,048	573
<i>Increase/(decrease) in liabilities:</i>		
Trade and other payables	(2,882)	(1,830)
Current tax liability	564	-
Net cash used in operating activities	<u>(8,526)</u>	<u>(1,371)</u>

Notes to the Consolidated Financial Statements

TITAN MINERALS LIMITED – YEAR ENDED 31 DECEMBER 2020

(c) Non-cash financing and investing activities

During the year, a total of \$2,966 thousand of financial liabilities, fees and interest was settled in equity. As a result of the settlement of these liabilities in equity, the Company recognised a loss on extinguishment of \$3,599 thousand.

During the year, the Company issued 488,947,378 shares to acquire Core Gold Inc. (refer Note 29).

There were no other non-cash financing activities.

23. EVENTS AFTER THE REPORTING PERIOD

As announced on 15 April 2021, Titan Minerals Limited has entered into a term sheet to divest its Zaruma Mine and related concessions / tenements plus the Portovelo Process Plant for US \$15 million.

The schedule of staged payments from the purchaser is:

- (c) US\$2,000,000 Non-refundable cash deposit payable by Pelorus upon signing of the Term Sheet
- (d) US\$3,000,000 Payable within 30 days on signing of the Share Sale Agreement
- (e) US\$2,500,000 Payable on 1 August 2021
- (f) US\$2,500,000 Payable on 1 December 2021
- (g) US\$2,500,000 Payable on 1 March 2022
- (h) US\$2,500,000 Payable on 1 June 2022

Titan is also entitled to a 2% net smelter return royalty on the value of any recovered and realisable copper produced from any of the Zaruma Mine concessions.

There has not been any other matters or circumstances that have arisen since the end of the financial year, that has significantly affected or may significantly affect, the operations of the Group, the results of the operations, or the state of the affairs of the Group in the future financial years.

24. KEY MANAGEMENT PERSONNEL

	31-Dec-20 US \$000's	31-Dec-19 US \$000's
Remuneration of key management personnel		
Short term employee benefits	672,023	531,755
Post-employment benefits	13,087	-
Share based payments	1,611,760	337,689
Termination benefits	-	-
	<u>2,296,870</u>	<u>869,444</u>

The disclosure above represents the full financial years ending 31 December 2020 and 31 December 2019 for the key management personnel of Titan Minerals Limited.

Refer to the Remuneration Report on pages 16 - 18 of the Directors Report for further details.

Notes to the Consolidated Financial Statements

TITAN MINERALS LIMITED – YEAR ENDED 31 DECEMBER 2020

25. RELATED PARTY TRANSACTIONS

a) Subsidiaries

The ultimate parent entity of the group is Titan Minerals Limited. Details of the ownership of ordinary shares held in subsidiaries are disclosed in Note 20 to the Consolidated Financial Statements. Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in the Note. Details of transactions between the Group and other related parties, if any, are disclosed below.

Transactions and balances between the Company and its subsidiaries were eliminated in the preparation of consolidated financial statements of the Group.

b) Parent entity

The ultimate parent entity of the Group is Titan Minerals Limited.
The Statement of Comprehensive Income and Financial position on the parent entity are summarised below:

	Parent	
	31-Dec-20 US \$000's	31-Dec-19 US \$000's
Statement of Financial Position		
Current assets	2,259	607
Non-current assets	2,458	1,528
Total assets	4,717	2,135
Current liabilities	6,473	4,763
Non-current liabilities	4,701	-
Total liabilities	11,174	4,763
Net Assets	(6,457)	(2,628)
Issued capital	161,920	86,577
Reserves	5,668	1,484
Accumulated losses	(174,045)	(90,689)
Shareholder Equity	(6,457)	(2,628)
	Parent	
	31-Dec-20 US \$000's	31-Dec-19 US \$000's
Statement of Comprehensive Income		
Loss after tax	(83,356)	(9,442)
Total comprehensive loss	(83,356)	(9,442)
c) Expenditure commitments by the parent entity:		
Not longer than 1 year	-	-
Longer than 1 year and not longer than 5 years	-	-

There are no material guarantees by the Parent Company to its subsidiaries.

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26. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, price and foreign exchange risks and ageing analysis for credit and liquidity risk.

Risk management is carried out by senior management under direction of the Board of Directors. The Board provides principles for overall risk management, as well as policies covering specific areas. The consolidated entity is not materially exposed to changes in interest rates in its activities.

The material financial instruments to which the Group has exposure include:

- (i) Cash and short-term deposits;
- (ii) Trade and other receivables;
- (iii) Financial assets
- (iv) Accounts payable
- (v) Borrowings

The carrying values of these financial instruments approximate their fair values. The carrying values of the Group's financial instruments are as follows:

	31-Dec-20 US \$000's	31-Dec-19 US \$000's
Financial Assets		
Cash and Cash Equivalents	3,272	181
Receivables	2,463	1,154
Financial assets	2,300	-
Total Financial Assets	8,035	1,335
Financial Liabilities		
Trade and other payables	11,007	13,687
Borrowings	5,892	3,351
Total Financial Liabilities	16,899	17,038
Net Exposure	(8,864)	(15,703)

The table reflects the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity as well as management's expectations of settlement period for all other financial instruments.

	31-Dec-20 US \$000's	31-Dec-19 US \$000's
<i>Receivables and prepaid expenses maturing as follows:</i>		
Less than 6 months	1,993	28
6 months to 1 year	-	-
Later than 1 year but not longer than 5 years	470	1,126
Over 5 years	-	-
	2,463	1,154
<i>Trade and other payables maturing as follows:</i>		
Less than 6 months	11,007	13,687
6 months to 1 year	-	-
Later than 1 year but not longer than 5 years	-	-
Over 5 years	-	-
	11,007	13,687

Notes to the Consolidated Financial Statements

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	31-Dec-20 US \$000's	31-Dec-19 US \$000's
<i>Borrowings maturing as follows:</i>		
Less than 6 months	5,830	3,351
6 months to 1 year	11	-
Later than 1 year but not longer than 5 years	51	-
Over 5 years	-	-
	<u>5,892</u>	<u>3,351</u>

(a) Market Risk

Foreign Exchange Risk

The Group operates internationally and is exposed to foreign exchange risk arising primarily from its parent company operating in Australian dollars and raising equity on the ASX in Australian dollars while its principal operations are all denominated in US dollars.

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency of US dollars.

The carrying amounts of the Group's foreign currency denominated assets and monetary liabilities at the end of the reporting year are as follows:

	Assets		Liabilities	
	31-Dec-20 US\$ 000's	31-Dec-19 US\$ 000's	31-Dec-20 US\$ 000's	31-Dec-19 US\$ 000's
Australian dollars (AUD)	2,463	-	(4,570)	-
Canadian dollars (CAD)	23	259	(2,699)	(4,597)

Interest Rate Risk

All the consolidated entity's financial instruments that are exposed to interest rate risk are either non-interest bearing, bear interest at commercial interest rates or at fixed rates. The weighted average interest rate on cash and short-term deposits at 31 December 2020 was 0.05% (31 December 2019: 0.45%). All trade and other receivables, other financial assets and trade payables are non-interest bearing.

Interest bearing liabilities include short term loans. The interest rate on short term loans payable is currently 15.0% (2019: Not available), refer Note 15. A change in interest rate on short term loans of +/- 1.0% would result in an increase (decrease) in interest expenses of US \$32 thousand, noting the Silverstream SECZ loan is interest free.

Price risk

The Group is exposed to commodity price risk through its gold sales. As of the 24 December 2020 the Consolidated Entity is no longer a producer or seller of gold.

The Group has not hedged the price at which it sells gold.

(b) Credit Risk

Financial instruments, which potentially subject the consolidated entity to credit risk, consist primarily of cash and short-term deposits. Credit risk on cash, short term deposits and trade receivables is largely minimised by dealing with companies with acceptable credit ratings.

The group is exposed to credit risk with regard to the consideration receivable from the Vista Gold SAC, sale refer Notes 7 and 8 totalling US\$2.17 million, of which US\$0.50 million was received immediately subsequent to year end on 5 January 2021. Titan has assessed the credit risk of the purchaser and concluded that there is no impairment of the receivable as at 31 December 2020.

Notes to the Consolidated Financial Statements

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The consolidated entity has no reason to believe credit losses will arise from any of the above financial instruments. However, the maximum amount of loss, which may possibly be realised, is the carrying amount of the financial instrument.

Cash in Australia is held with National Australia Bank Limited which is an appropriate financial institution with an external credit rating of AA-. Cash in Ecuador is held with Banco Pichincha Quito Ecuador which is an appropriate financial institution with an external credit rating of B-.

(c) Liquidity Risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. Management monitors the rolling forecasts of the Group's cash and fair value assets based on expected cash flows. This is generally carried out at a local level in the operating companies of the Group in accordance with the practise and limits set by the Group.

(d) Capital Risk management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to maintain a suitable capital structure and fulfil the objectives of the Group.

27. SHARE-BASED PAYMENTS

Performance Rights

Performance rights convert to shares on the date of vesting with no exercise price or share issue price being payable.

At the Annual General Meeting held on 30 May 2019, shareholders approved to grant 15,000,000 (1,500,000 post consolidation) performance rights to Mr Travis Schwertfeger (at time of issue, the Chief Operating Officer) as part of his remuneration. The performance rights have the following terms:

Tranche	Performance Rights (post-consolidation)	Milestone	Expiry Date
D	500,000	The Shares achieving a daily VWAP of greater than \$0.05 for a period of 10 consecutive Trading Days (post consolidation: \$0.50)	2 years from the date of issue
E	500,000	The Shares achieving a daily VWAP of greater than \$0.06 for a period of 10 consecutive Trading Days (post consolidation: \$0.60)	
F	500,000	The Shares achieving a daily VWAP of greater than \$0.07 for a period of 10 consecutive Trading Days (post consolidation: \$0.70)	

(i) Fair value of performance rights granted

Set out below is the assessed fair value at grant date of performance rights granted:

	Fair value at grant date
Class D – COO – granted 30 May 2019	\$0.005
Class E – COO– granted 30 May 2019	\$0.003
Class F – COO– granted 30 May 2019	\$0.002

The fair value of the performance rights is being expensed over the vesting period.

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TITAN MINERALS LIMITED – YEAR ENDED 31 DECEMBER 2020

Incentive Options

	31 December 2020	
	Number	Share Based Payment US \$000's
Incentive Options	37,120,000	1,671
	37,120,000	1,671

Movements in incentive options

Balance at the beginning of the year	-	-
Issued on 25 August 2020 – Directors and Key Management Personnel	30,000,000	1,447
Issued on 25 August 2020 – Key Management Personnel (CFO)	3,000,000	76
Issued on 25 August 2020 – Consultants	2,000,000	96
Issued on 4 November 2020 – Consultants	2,120,000	52
Balance at the end of the year	37,120,000	1,671

During the year, the Company issued incentive options with the following terms to Directors, staff and consultants.

Vesting category	Vesting Condition	Options	Exercise Price (AUD)	Expiry Date
A	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.	9,370,000	\$0.0001	4 years from the date of issue
B	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.	9,675,000	\$0.0001	4 years from the date of issue
C	The VWAP of Company Shares is at least \$0.15 for 10 consecutive trading days	8,750,000	\$0.0001	4 years from the date of issue
D	The VWAP of Company Shares is at least \$0.30 for 10 consecutive trading days or at 24 months after the issue of the Incentive Options.	9,325,000	\$0.0001	4 years from the date of issue

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Below is a summary of the key inputs and valuation methodology of the incentive options issued:

Directors, Key Management Personnel and Consultants – Issued 25 August 2020

Vesting Category	A	B	C	D
Valuation model	Black-Scholes	Black-Scholes	Hoadleys Hybrid ESO Model	Hoadleys Hybrid ESO Model
Options exercisable at (AUD):	\$0.0001	\$0.0001	\$0.0001	\$0.0001
Grant date	31 July 2020	31 July 2020	31 July 2020	31 July 2020
Expiry date	24 August 2024	24 August 2024	24 August 2024	24 August 2024
Estimated volatility	110%	110%	110%	110%
Risk-free interest rate	0.34%	0.34%	0.34%	0.34%
Fair value (AUD):	\$0.14	\$0.14	\$0.12	\$0.11

Key Management Personnel (CFO) – Issued 25 August 2020

Vesting Category	A	B	C	D
Valuation model	Black-Scholes	Black-Scholes	Hoadleys Hybrid ESO Model	Hoadleys Hybrid ESO Model
Options exercisable at (AUD):	\$0.0001	\$0.0001	\$0.0001	\$0.0001
Grant date	30 June 2020	30 June 2020	30 June 2020	30 June 2020
Expiry date	24 August 2024	24 August 2024	24 August 2024	24 August 2024
Estimated volatility	110%	110%	110%	110%
Risk-free interest rate	0.33%	0.33%	0.33%	0.33%
Fair value (AUD):	\$0.077	\$0.077	\$0.061	\$0.054

Consultants – Issued 4 November 2020

Vesting Category	A	B	D
Valuation model	Black-Scholes	Black-Scholes	Hoadleys Hybrid ESO Model
Options exercisable at (AUD):	\$0.0001	\$0.0001	\$0.0001
Grant date	30 October 2020	30 October 2020	30 October 2020
Expiry date	24 August 2024	24 August 2024	24 August 2024
Estimated volatility	110%	110%	110%
Risk-free interest rate	0.20%	0.20%	0.20%
Fair value (AUD):	\$0.115	\$0.115	\$0.085

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TITAN MINERALS LIMITED – YEAR ENDED 31 DECEMBER 2020

Options

On 21 September 2020, the Company issued 34,000,000 options to Canaccord Genuity (Australia) Limited, comprised of:

- 10,000,000 unquoted options exercisable at \$0.125 each on or before 31 December 2023;
- 14,000,000 unquoted options exercisable at \$0.15 each on or before 31 December 2023; and
- 10,000,000 unquoted options exercisable at \$0.175 each on or before 31 December 2023.

The options were valued using a Black Scholes valuation model. The key inputs into the valuation were:

Options exercisable at (AUD):	\$0.125	\$0.15	\$0.175
Grant date	17 September 2020	17 September 2020	17 September 2020
Expiry date	31 December 2023	31 December 2023	31 December 2023
Estimated volatility	110%	110%	110%
Risk-free interest rate	0.26%	0.26%	0.26%
Fair value (AUD):	\$0.085	\$0.082	\$0.078

On 10 August 2018, the Company issued the 45,000,000 (post consolidation: 4,500,000) options to Canaccord Genuity (Australia) Limited, comprised of:

- 12,000,000 (post consolidation: 1,200,000) unquoted options exercisable at \$0.05 (post consolidation: \$0.50) each on or before 1 July 2021;
- 15,000,000 (post consolidation: 1,500,000) unquoted options exercisable at \$0.06 (post consolidation: \$0.60) each on or before 1 July 2021; and
- 18,000,000 (post consolidation: 1,800,000) unquoted options exercisable at \$0.07 (post consolidation: \$0.70) each on or before 1 July 2021.

The options were valued using a Black Scholes valuation model. The key inputs into the valuation were:

Options exercisable at:	\$0.05 (post consol: \$0.50)	\$0.06 (post consol: \$0.60)	\$0.07 (post consol: \$0.70)
Grant date	10 August 2018	10 August 2018	10 August 2018
Expiry date	1 July 2021	1 July 2021	1 July 2021
Estimated volatility	75.93%	75.93%	75.93%
Risk-free interest rate	1.82%	1.82%	1.82%
Fair value	\$0.01	\$0.009	\$0.008

Notes to the Consolidated Financial Statements

TITAN MINERALS LIMITED – YEAR ENDED 31 DECEMBER 2020

Expenses Arising from Share-based Payment Transactions

Total expenses arising from share-based payment transactions recognised during the year were as follows:

	31-Dec-20 \$000's USD	31-Dec-19 \$000's USD
Performance rights	16	-
Incentive options	1,671	-
Options	1,920	154
Total share-based payments expense	3,607	154
Impact of foreign exchange translation	293	-
Total share based payments impact of the share based payment reserve	3,900	154

28. REMUNERATION OF AUDITORS

	31-Dec-20 \$000's USD	31-Dec-19 \$000's USD
<i>Auditor of the parent entity</i>		
Audit and review of the annual and half year financial report	125	72
Audit and review of other financial reports	-	14
	125	86
<i>Other auditors – associate firms of the auditor of the parent entity</i>		
Audit or review of the financial report	182	37

29. BUSINESS COMBINATION

As described in Note 2(d), on 30 January 2020, Titan Minerals Limited acquired control of greater than 50% of the common shares and voting rights of Core Gold Inc., and completed the legal acquisition of 100% of the common shares in Core Gold Inc. on 26 May 2020.

Under the principles of AASB 3, the transaction between Titan and Core is treated as a reverse acquisition, whereby the accounting acquirer is deemed to be Core and Titan is deemed to be the accounting acquiree. Refer to the effect upon the basis of preparation at Note 2(d) Reverse acquisition.

Notes to the Consolidated Financial Statements

TITAN MINERALS LIMITED – YEAR ENDED 31 DECEMBER 2020

Legal acquisition:

As part of the legal acquisition of Core Gold Inc., Titan Minerals Limited acquired the following subsidiaries:

Name of entity	Country of incorporation	Ownership interest	Principal Activity
Core Gold Inc.	Canada	100%	Holding company
1165412 B.C. Ltd	Canada	100%	Holding company
GV Gold Holdings Limited	Canada	100%	Holding company
Empire Sun Investment Limited	British Virgin Islands	100%	Holding company
Elipe S.A	Ecuador	100%	Mineral exploration and concession holder
Green Valley Resources – GVR S.A	Ecuador	100%	Plant operator and producer
Golden Valley Planta S.A.	Ecuador	100%	Plant owner
Greentrade Ecuador Overseas Inc.	Panama	100%	Holding company
Minsupport S.A.(in administration)	Ecuador	100%	General and administration

Acquisition consideration:

As consideration for the issued capital of Core, Titan issued 488,947,378 shares to the shareholders of Core. No cash was paid as part of the acquisition consideration.

Fair value of consideration transferred:

Under the principles of AASB 3, the transaction between Titan and Core is treated as a reverse acquisition. As such, the assets and liabilities of the legal subsidiary (the accounting acquirer), being Core, are measured at their pre-combination carrying amounts. The assets and liabilities of the legal parent (accounting acquiree), being Titan are measured at fair value on the date of acquisition.

The consideration in a reverse acquisition is deemed to have been incurred by the legal subsidiary (Core) in the form of equity instruments issued to the shareholders of the legal parent entity (Titan). The acquisition-date fair value of the consideration transferred has been determined by reference to the fair value of the number of shares the legal subsidiary (Core) would have issued to the legal parent entity Titan to obtain the same ownership interest in the combined entity. Therefore, the deemed fair value of the acquisition of Titan (Accounting Subsidiary) was determined to be 93,567,799 shares on issue in Titan at approximately \$0.21 USD for a total value of US\$19,834 thousand.

Notes to the Consolidated Financial Statements

TITAN MINERALS LIMITED – YEAR ENDED 31 DECEMBER 2020

Goodwill (Corporate transaction expense):

Goodwill is calculated as the difference between the fair value of consideration transferred less the fair value of the identified net assets of the legal parent, being Titan. Details of the transaction are as follows:

	<u>Fair Value</u> <u>US \$000's</u>
Fair value of consideration transferred	19,834
Fair value of assets and liabilities held at acquisition date:	
• Cash	3,094
• Receivables and prepaid expenses	2,234
• Inventories	578
• Properties, plant and equipment (including Vista plant)	3,568
• Exploration and evaluation properties (including Coriorcco and Las Antas)	3,492
• Trade and other payables	(6,252)
• Loans payable	(4,275)
• Provision for closure and restoration	(282)
Fair value of identifiable assets and liabilities acquired	<u>2,157</u>
Goodwill (Corporate transaction expense)	<u>17,677</u>

The goodwill calculated above represents goodwill in Titan, however this has not been recognised, as Titan (the accounting acquire) does not hold any cash generating units for which goodwill can be attributed to. Instead the deemed fair value of the interest in Core issued to existing Titan shareholders to effect the combination (the consideration for the acquisition of Titan) was recognised as an expense in the consolidated statement of profit or loss and other comprehensive income. This expense has been presented as a "Corporate Transaction Expense" on the face of the consolidated statement of profit or loss and comprehensive income.

As at acquisition date, there was a non-controlling interest of 17.66% relating to shareholders in Core Gold Inc who had not accepted the offer as at 30 January 2020. As at acquisition date, the value of this non-controlling interest was US \$452 thousand. The legal parent Titan Minerals Limited acquired this remaining interest on 26 May 2020, as such the non-controlling interest as at 31 December 2020 is \$nil.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
TITAN MINERALS LIMITED**

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Titan Minerals Limited the Company and its subsidiaries ("the Group"), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 31 December 2020 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Material Uncertainty Related to Going Concern

We draw attention to Note 2(g) to the financial statements which indicates that the consolidated financial statements have been prepared on the going concern basis. As at 31 December 2020, the Group had cash and cash equivalents of US\$3,272,000, and incurred a loss after income tax from continuing operations of US\$33,124,000, had net operating cash outflows of US\$8,526,000 and working capital deficiency of US\$11,093,000. These events or conditions, along with other matters as set forth in Note 2(g) indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

The ability of the Group to continue as a going concern and meet its planned exploration, administration and other commitments is dependent upon the Group raising further working capital, disposal of non-core assets, successfully recommencing profitable operations and/or exploiting the Group's mineral and other assets. The recent market uncertainty arising from the financial effects of the COVID-19 virus, may impact on the Group's ability to raise further working capital and or to commence profitable operations.

In the event that the Group is not successful in raising further equity or dispose non-core assets or successfully recommencing profitable operations and /or exploiting the Group's mineral and other assets, the Group may not be able to meet its liabilities as and when they fall due and the realisable value of the Group's current and non-current assets may be significantly less than book values.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be key audit matters to be communicated in our report.

Key Audit Matters

How the matter was addressed in the audit

Carrying Value of Exploration and Evaluation Expenditure

The Group has capitalised exploration and evaluation expenditure totalling US\$18,374,000 (refer to Note 13) in terms of the application of the Group's accounting policy for exploration and evaluation expenditure, as set out in Note 2(o).

The carrying value of Capitalised Exploration and Evaluation expenditure is a key audit matter due to:

- The significance of the total balance (64% of total assets);
- The necessity to assess management's application of the requirements of the accounting standard *Exploration for and Evaluation of Mineral Resources* ("AASB 6"), in light of any indicators of impairment that may be present;
- The assessment of significant judgements made by management in relation to the Capitalised Exploration and Evaluation Expenditure.

Inter alia, our audit procedures included the following:

- i. Assessing the Group's right to tenure over exploration areas of interest by corroborating the ownership of the relevant licences for mineral resources to government registries and relevant third party documentation;
- ii. We tested the additions to capitalised exploration and evaluation expenditure by evaluating a sample of recorded expenditure for consistency to the underlying records, the capitalisation requirements of the Group's accounting policy and requirements of AASB 6
- iii. Reviewing the directors' assessment of the carrying value of the exploration and evaluation expenditure, ensuring the veracity of the data presented and that management has considered the effect of potential impairment indicators, commodity prices and the stage of the Group's projects against AASB 6;
- iv. Evaluation of Group documents for consistency with the intentions for the continuing of exploration and evaluation activities in certain areas of interest and corroborated with enquiries of management. Inter alia, the documents we evaluated included:
 - Minutes of meetings of the board and management; and
 - Announcements made by the Group to the Australian Securities Exchange;
 - Cash forecasts;
 - Agreements entered into by the Company in relation to disposal of exploration and evaluation assets.
- v. Consideration of the requirements of accounting standard AASB 6. We assessed the financial statements in relation to AASB 6 to ensure appropriate disclosures are made.

Valuation of Share Based Payments

As disclosed in Note 27, during the period the Company granted a number of share options and performance rights to employees, directors, and consultants to conserve cash and provide them with long-term incentives.

The Company and an independent consultant of the Company prepared the valuation of the options and expensed the related the related share-based payment expense in accordance with its accounting policy and with AASB 2 Share Based Payment ("AASB 2") in the consolidated statement of profit or loss and other comprehensive income.

Accounting for share-based payments was identified as a key audit matter due to the complexity and judgemental estimates used in determining the fair value of the share-based payments.

Inter alia, our audit procedures included the following:

- i. Reviewing the relevant agreements to obtain an understanding of the contractual nature and terms and conditions of the share-based payment arrangements;
- ii. Reviewing management's determination of the fair value of the share-based payments granted, considering the appropriateness of the valuation models used and assessing the valuation inputs, the underlying assumptions used and discussed with management the justification for inputs used (share price of the underlying equity, risk free rate and volatility);
- iii. Assessing the allocation of the share-based payment expense over the relevant vesting period;
- iv. We assessed the accounting treatment and its application in accordance with AASB 2; and
- v. We assessed whether the Group's disclosures met the requirements of accounting standards.

Accounting for the Reverse Acquisition

As described in Note 2(d) and Note 29, during the period Titan Minerals Limited ("Titan") acquired all of the outstanding ordinary shares in Core Gold Inc. ("Core") at an offer of 3.1 Titan shares for each Core share. Titan acquired control of greater than 50% of the ordinary shares and voting rights of Core on 30 January 2020 and completed the legal acquisition of 100% of the ordinary shares in Core on 26 May 2020.

With the previous shareholders of Core holding a larger portion of voting rights of the combined entity than the continuing Titan shareholders, the transaction between Titan and Core is treated as a reverse acquisition under the principles of AASB 3.

The accounting for the reverse acquisition of Core is a key audit matter due to the accounting complexity of the transaction, the level of judgement and the level of audit effort involved.

Management judgement was required to determine that Core met the definition of 'business' and therefore, could be accounted for as a business combination rather than an asset acquisition.

Additionally, management judgement was required to determine that fair value of the assets and liabilities of Titan Minerals Limited on the date of acquisition and assessing whether Core had taken control over Titan Minerals Limited and therefore, the transaction accounted for as a "reverse acquisition". The financial statements have therefore been

Inter alia, our audit procedures included the following:

- i. Obtaining an understanding of the transaction through the review of the sale and purchase agreements between the entities involved and the relevant ASX Announcements and assessed the determination of the accounting acquirer and whether the transaction constituted a business or asset acquisition;
- ii. Assessing management's proposed accounting treatment in accordance with applicable accounting standards;
- iii. Checking the calculation of the share-based payment, fair value of identifiable net assets acquired, including any separately identifiable intangible assets;
- iv. Considering whether any fair values or adjustments to fair values have been dealt with in accordance with relevant accounting standards.
- v. Assessing the appropriateness of the acquisition journals at acquisition date and checking that the disclosures in the financial statements are in accordance with the basis of preparation as disclosed in note 2(d) for the reverse acquisition.
- vi. Assessing the adequacy of the related disclosures in the financial report and

prepared as if the business of Core continued post transaction.

Finally, management exercised judgement to conclude that certain costs associated with the transaction, including shares issued to related parties, were share-based payments and did not form consideration for the reverse acquisition

ensured that comparative information disclosed in the financial statements is that of the continuing business of the accounting acquirer (Core).

Issued Capital

As disclosed in Note 17, the Group's Issued Capital amounted to US\$150,494,000. During the reporting period, 1,139,452,483 ordinary shares were issued resulting in an increase in Issued Capital of US\$39,545,000 (net of capital raising costs). The shares issued during the year included shares issued to acquire Core, shares issued to raise funds and to settle certain liabilities or for services.

Contributed Equity is a key audit matter due to:

- the quantum of share capital issued during the year; and
- the varied nature of the movements during the year.

We have spent significant audit effort on ensuring the Issued Capital was appropriately accounted for and disclosed.

Inter alia, our audit procedures included the following:

- i. Obtaining an understanding of the underlying transactions;
- ii. Verifying all issued capital movements to the relevant ASX announcements;
- iii. Vouching proceeds from capital raisings to bank statements and other relevant supporting documentation;
- iv. Verifying underlying capital raising costs and ensuring these costs were appropriately recorded;
- v. Ensuring that the ordinary shares issued as consideration for the reverse acquisition of Core Gold Inc. are appropriately accounted for in accordance with the relevant accounting standards;
- vi. Ensuring consideration for services provided were measured in accordance with AASB 2 Share-Based Payments and agreed the related costs to relevant supporting documentation;
- vii. Ensuring that the ordinary shares issued to extinguish financial liabilities were accounted for in accordance with the AASB Interpretation 19 *Extinguishing Financial Liabilities with Equity Instruments* and agreed to relevant supporting documentation; and
- viii. Ensuring the requirements of the relevant accounting standards and disclosures achieve fair presentation and reviewing the financial statements to ensure appropriate disclosures are made.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance opinion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there

is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in Internal control that we identify during our audit.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence,

and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

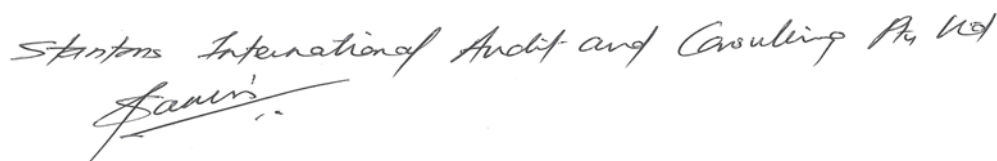
We have audited the Remuneration Report included in pages 16 to 18 of the directors' report for the year ended 31 December 2020.

In our opinion, the Remuneration Report of Titan Minerals Limited for the year ended 31 December 2020 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)



Samir Tirodkar
Director

West Perth, Western Australia
30 April 2021

ANALYSIS OF HOLDINGS OF LISTED SHARES AND OPTIONS IN THE COMPANY

	Ordinary Shares
1 — 1,000	154
1,001 — 5,000	297
5,001 — 10,000	342
10,001 — 100,000	1038
100,001 — and over	656
Total number of holders	<u>2,487</u>
Holdings of less than a marketable parcel	<u>1,458</u>

Voting Rights

For all ordinary shares, voting rights are one vote per member on a show of hands and one vote per share in a poll.

There are no current on-market buy-back arrangements for the Company.

REGISTERED OFFICE OF THE COMPANY

Suite 6, 295 Rokeby Road
Subiaco Western Australia 6005

Tel: +61 (8) 6555 2950
Fax: +61 (8) 6166 0261

SHARE REGISTRY

The registers of shares and options of the Company are maintained by:-

Automic Share Registry
Level 2
267 St Georges Terrace
Perth WA 6000

Telephone (within Australia): 1300 992 916
Telephone (outside Australia): +61 3 9315 2333

COMPANY SECRETARY

The name of the Company Secretary is Zane Lewis.

TAXATION STATUS

Titan Minerals Limited is taxed as a public company.

TWENTY LARGEST HOLDERS OF ORDINARY SHARES

Position	Holder Name	Holding	% IC
1	CITICORP NOMINEES PTY LIMITED	219,393,233	19.25%
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	83,763,533	7.35%
3	BUTTONWOOD NOMINEES PTY LTD	60,096,129	5.27%
4	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	48,805,296	4.28%
5	TAZGA TWO PTY LTD <TAZGA TWO A/C>	35,017,129	3.07%
6	BNP PARIBAS NOMINEES PTY LTD SIX SIS LTD <DRP A/C>	28,259,407	2.48%
7	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	28,049,094	2.46%
8	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	27,669,434	2.43%
9	UBS NOMINEES PTY LTD	23,157,845	2.03%
10	MRS JENNY MARY BAGULEY & MR JOHN RICHARD BAGULEY <BAGULEY FAMILY S/F A/C>	22,000,000	1.93%
11	MEADOWCROFT INVESTMENTS PTY LTD <THE RIVERSTYLE A/C>	15,994,052	1.40%
12	BACCHUS CAPITAL ADVISERS LIMITED	13,736,729	1.21%
13	RBM CORPORATION PTY LTD	12,210,000	1.07%
14	BLOCK CAPITAL GROUP LIMITED	9,940,882	0.87%
15	MR JOHN VIEIRA & MRS TRACEY LOIS VIEIRA <BAYVIEW RETIREMENT PLAN A/C>	8,727,856	0.77%
16	J STIMPSON PTY LTD <HOEK A/C>	7,500,000	0.66%
17	ARALAD MANAGEMENT PTY LTD <THE TRK SUPER FUND A/C>	7,358,020	0.65%
18	MRS JENNY MARY BAGULEY & MR JOHN RICHARD BAGULEY <BAGULEY FAMILY S/F A/C>	6,459,359	0.57%
19	BNP PARIBAS NOMS PTY LTD <DRP>	6,097,322	0.54%
20	FERNLAND HOLDINGS PTY LTD <THE CELATO A/C>	6,000,000	0.53%
	Total	670,235,320	58.82%

SUBSTANTIAL SHAREHOLDERS

Holder Name	Securities	%
CITICORP NOMINEES PTY LIMITED	219,393,233	19.25%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	83,763,533	7.35%
BUTTONWOOD NOMINEES PTY LTD	60,096,129	5.27%

Mining tenements

Project	Location	Tenement	Interest at end of quarter
Dynasty	Loja, Ecuador	PILO 9	100%
Dynasty	Loja, Ecuador	ZAR	100%
Dynasty	Loja, Ecuador	ZAR 1	100%
Dynasty	Loja, Ecuador	CECILIA 1	100%
Dynasty	Loja, Ecuador	ZAR TRES A	100%
Copper Duke	Loja, Ecuador	BARBASCO	100%
Copper Duke	Loja, Ecuador	BARBASCO 1	100%
Copper Duke	Loja, Ecuador	BARBASCO 2	100%
Copper Duke	Loja, Ecuador	BARBASCO 4	100%
Copper Duke	Loja, Ecuador	CAROL	100%
Copper Duke	Loja, Ecuador	CATACocha	100%
Copper Duke	Loja, Ecuador	COLANGA	100%
Copper Duke	Loja, Ecuador	COLANGA 2	100%
Copper Duke	Loja, Ecuador	GLORIA	100%
Copper Duke	Loja, Ecuador	GLORIA 1	100%
Copper Duke	Loja, Ecuador	GONZA 1	100%
Copper Duke	Loja, Ecuador	LUMAPAMBA	100%
Copper Duke	Loja, Ecuador	LUMAPAMBA 1	100%
Linderos	Loja, Ecuador	CHORRERA	100%
Linderos	Loja, Ecuador	DYNASTY 1	100%
Linderos	Loja, Ecuador	LINDEROS E	100%
Linderos	Loja, Ecuador	NARANJO	100%
Copper Field	Loja, Ecuador	COOPER 1	100%
Copper Field	Loja, Ecuador	COOPER 4	100%
Zaruma	El Oro, Ecuador	BETHZABETH	100%
Zaruma	El Oro, Ecuador	ANA MICHELLE	100%
Zaruma	El Oro, Ecuador	NUEVA ESPERANZA	100%
Zaruma	El Oro, Ecuador	EL SALVADOR X-3	100%
Zaruma	El Oro, Ecuador	LOS CIPREces	100% ⁽¹⁾
Zaruma	El Oro, Ecuador	LOS LAURELES 2	100%
Zaruma	El Oro, Ecuador	MACHAY	100% ⁽²⁾
Zaruma	El Oro, Ecuador	EL TABLÓN	100%
Zaruma	El Oro, Ecuador	EL TABLÓN 1	100%
Zaruma	El Oro, Ecuador	IAM ZARUMA	100%
Zaruma	El Oro, Ecuador	LA ENVIDIA	100%
Zaruma	El Oro, Ecuador	MARA 8	100%
Zaruma	El Oro, Ecuador	MINANCA	2%
Zaruma	El Oro, Ecuador	NUEVA ESPERANZA 2	100%
Zaruma	El Oro, Ecuador	NUEVA ESPERANZA 3	100%
Zaruma	El Oro, Ecuador	NUEVA ESPERANZA 6	100%
Zaruma	El Oro, Ecuador	RESUC 4	100%
Zaruma	El Oro, Ecuador	RUTH	100%
Zaruma	El Oro, Ecuador	SAN ANTONIO DE PADUA	100%
Zaruma	El Oro, Ecuador	SAN JOSÉ 2	100%
Zaruma	El Oro, Ecuador	SUCA	100%

ADDITIONAL INFORMATION AS AT 28 APRIL 2021

Project	Location	Tenement	Interest at end of quarter
Zaruma	El Oro, Ecuador	SUCA 4	100%
Zaruma	El Oro, Ecuador	EL RETAZO 3	100%
Zaruma	El Oro, Ecuador	LA CALERA	100%
Zaruma	El Oro, Ecuador	LA DURA	100%
Zaruma	El Oro, Ecuador	MALVAS 1	100% ⁽³⁾
Zaruma	El Oro, Ecuador	SOROCHE UNIFICADO	57.5%
Zaruma	El Oro, Ecuador	BARBASCO 1A	50%
Zaruma	El Oro, Ecuador	BARBASCO UNIFICADO	20%
Alce	Southern Peru	ALCE	100%
Phoebe	Southern Peru	PHOEBE 1	100%
Phoebe	Southern Peru	PHOEBE 2	100%
Phoebe	Southern Peru	PHOEBE 3	100%
Phoebe	Southern Peru	PHOEBE 4	100%
Phoebe	Southern Peru	PHOEBE 5	100%
Phoebe	Southern Peru	TOROLUMI	100%
Phoebe	Southern Peru	TOROLUMI II	100%
Cart	Central Peru	CART01	100% ⁽⁴⁾
Colossus	Central Peru	COLOSSUS01	100% ⁽⁴⁾
Jaw	Southern Peru	JAW01	100% ⁽⁴⁾
Jaw	Southern Peru	JAW02	100% ⁽⁴⁾
San Santiago	Southern Peru	San Santiago De Acari	100%
San Santiago	Southern Peru	Virgen Del Carmen 2004P	100%

- (1) A 14.16% proportion of the concession divested by Core Gold Inc. and transfer of divested mining rights subject to government approval of transfer.
- (2) A 51.2% proportion of the concession divested by Core Gold and transfer of divested mining rights subject to government approval of transfer.
- (3) A 50% proportion of the concession divested by Core Gold and transfer of divested mining rights subject to government approval of transfer.
- (4) Concession applications through wholly owned Peruvian subsidiaries of Titan with pending registration of final documentation of granted mineral rights

CORPORATE GOVERNANCE STATEMENT

The directors of Titan Minerals support and adhere to the principles of corporate governance, recognising the need for the highest standard of corporate behaviour and accountability. Please refer to the corporate governance statement and the appendix 4G released to ASX and posted on the Company website at www.titanminerals.com.au.

The directors are focused on fulfilling their responsibilities individually, and as a Board, for the benefit of all the Company's stakeholders. That involves recognition of, and a need to adopt, principles of good corporate governance. The Board supports the guidelines on the "Principles of Good Corporate Governance and Recommendations – 4th Edition" established by the ASX Corporate Governance Council.

Given the size and structure of the Company, the nature of its business activities, the stage of its development and the cost of strict and detailed compliance with all of the recommendations, it has adopted a range of modified systems, procedures and practices which enables it to meet the principles of good corporate governance.

The Company's practices are mainly consistent with those of the guidelines and where they do not correlate with the recommendations in the guidelines the Company considers that its adopted practices are appropriate to it.

CANADIAN SHAREHOLDERS

The Company advises that it is a designated foreign issuer as that term is defined in National Instrument 71-102 – *Continuous Disclosure and other Exemptions Relation to Foreign Issuers* and it is subject to the foreign regulatory requirements of the Australian Securities Exchange.

NOTES TO MINERAL RESOURCE

Dynasty Project

The information in this announcement relating to Mineral Resource Estimates for the Dynasty Gold Project is a foreign estimate and is not reported in accordance with the JORC Code and it is uncertain that following further exploration work that this foreign estimate will be able to be reported as a mineral resource in accordance with the JORC Code.. The Foreign Estimate initially reported in the document titled "Quarterly Activities Report for the Three Months Ended 31 March 2020", dated 30 April 2020 (Initial Dynasty Announcement) is not reported in accordance with the JORC Code and a competent person has not done sufficient work to classify the foreign estimate as mineral resources in accordance with the JORC Code.

Titan's intention is to continue undertaking further exploration work planned for the Dynasty Gold Project to underpin a mineral resource estimation report in accordance with the principles of the JORC Code. The work plan outlined in the Initial Dynasty Announcement to achieve an updated resource estimation included:

- (i) Comprehensive re-logging of archived historical core available and digital photograph acquisition of core material previously drilled on the project,
- (ii) Additionally drilling to define geometry of mineralisation and underpin 3D geological modelling, confirm confidence in projected mineralisation and selective twinning of previous drilling for verification purposes
- (iii) Additional metallurgical studies to underpin assumption or predictions in preliminary economic assessments

As at the time of reporting, Titan has completed the proposed comprehensive re-logging campaign.

The campaign of additional drilling is ongoing, with an emphasis on systematically collecting the first oriented diamond drilling on the Dynasty project across each of the prospect areas hosting known mineralisation. The foreign resource estimate is comprised of three prospect areas, Cerro Verde, Iguana, and Papayal prospects and initial drill tests have been completed on the Iguana and Papayal Prospects which host just over 30% of the foreign resource estimation. An additional 12,000m of drilling is planned for the Cerro Verde Prospect area, anticipated to be completed for the 2nd and 3rd quarters of 2021.

Preliminary metallurgical study work is anticipated to be initiated with recovered core material from planned drilling on the Cerro Verde Prospect

In addition to the exploration activities proposed in the Initial Dynasty Announcement, the Company has also completed a significant number of bulk density measurements in drilled areas, and several petrographic samples for lithologic definition and gold deportment studies are in progress.

Geologic modelling is being progressed concurrent with ongoing drilling activity to expedite mineral resource estimation work following completion of planned drilling activity. Independent consulting group, Mining Plus, has been engaged to deliver the Dynasty JORC Compliant Resource. Mining Plus is a global mining services provider specialising in geology, mining engineering and geotechnical engineering across open pit and underground projects. Having already completed a site visit and review of historical datasets, this quarter Mining Plus has commenced an intermediate scope of work to review current datasets confirming that ongoing data acquisition is to a JORC standard.

Jerusalem Project

The information in this announcement relating to Mineral Resource Estimates for the Jerusalem Gold Project is a foreign estimate and is not reported in accordance with the JORC Code and it is uncertain that following further exploration work that this foreign estimate will be able to be reported as a mineral resource in accordance with the JORC Code. The Foreign Estimate initially reported in the document titled "Titan Minerals Jerusalem Project Concession in Ecuador Reinstated to 100% Ownership", dated 21 September 2020 (Initial Jerusalem Announcement) is not reported in accordance with the JORC Code and a competent person has not done sufficient work to classify the foreign estimate as mineral resources in accordance with the JORC Code.

Titan's intention is to continue undertaking further exploration work proposed for the Jerusalem Gold Project to underpin a mineral resource estimation report in accordance with the principles of the JORC Code. The work plan outlined in the Initial Jerusalem Announcement to achieve an updated resource estimation included:

- (i) audit, verification and re-logging program of historical diamond core stored at the Jerusalem Gold Project site,
- (ii) where available, compilation of underground mine surveys to assess impact of previous mining on the foreign resource estimate completed in 2014
- (iii) in-fill drilling to define geometry of mineralisation and underpin development of a 3D geological model (to establish controls for geostatistical modelling techniques in resource estimation), confirm confidence in projected mineralisation, and selective twinning of previous drilling for verification purposes, and
- (iv) additional metallurgical studies to underpin assumption or predictions in preliminary economic assessments

As at the time of reporting titan had not yet initiated the proposed work program, with commencement of field exploration activities subject to completion of an environmental audit of the project area following a hiatus in continuity of title on the project area, and proposed field work will follow-on from community engagement, socialisation, and environmental baseline study work in accordance with statutory requirements in Ecuador and industry best practices.

Titan confirms that it is not in possession of any new information or data that materially impacts on the reliability of the Foreign Mineral Resource Estimates for the Dynasty Gold Project or the Jerusalem Gold Project and included in the Initial Dynasty Announcement or the Initial Jerusalem Announcement. Titan confirms that the supporting information provided in the Initial Dynasty Announcement and the Initial Jerusalem announcement continues to apply and have not materially changed.

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 and has sufficient experience which is relevant to the style of mineralisation 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.

Mr. Schwertfeger confirms that the technical information in this release and information provided relating to the Mineral Resource Estimates for the Dynasty Gold Project have been provided under ASX Listing Rules 5.12.2 to 5.12.7 and is an accurate representation of the available data and studies for the Dynasty Goldfield Project located in southern Ecuador as a Foreign Estimate.