

# TITAN AND HANRINE ENTER INTO JOINT VENTURE & EARN-IN AGREEMENT

## HANRINE TO SPEND UP TO US\$120M TO EARN 80% IN LINDEROS COPPER PROJECT

### Highlights

- Titan and Hanrine, a wholly owned subsidiary of Hancock, have executed a formal binding joint venture and earn-in agreement in respect to the Linderos Copper Project in Ecuador
- Hanrine will earn an initial 5% interest in the Linderos Copper Project by paying US\$2.0<sup>1</sup> million and can earn up to an 80% interest in the Linderos Copper Project by either achieving specific exploration milestones and proceeding to a decision to mine or by sole funding up to US\$120 (AU\$180) million
- Preparation for the initial 10,000m drilling campaign is underway, with technical site visits and meetings held and logistics planning now well advanced to facilitate drilling and associated exploration activities

Titan Minerals Limited (ASX: TTM) (**Titan** or the **Company**) refers to its ASX announcement dated 18 April 2024 and is pleased to announce that Titan and its wholly owned subsidiary, Linderos Mining S.A.S (**Linderos**), have executed a binding joint venture and earn-in agreement (**JVA**) with Hanrine Ecuadorian Exploration and Mining S.A. (**Hanrine**), an indirectly wholly owned subsidiary of Hancock Prospecting Pty Ltd (**Hancock**), for Hanrine to acquire up to an 80% ownership interest in the Linderos Copper Project (**Project**) in Ecuador (**Transaction**).

### Titan's CEO Melanie Leighton commented:

*"We are very pleased to have entered into formal binding arrangements with Hanrine for the Linderos Copper Project. The JV & earn-in agreement represents endorsement of what we believe is an exciting early-stage porphyry copper-gold discovery."*

*"We are well advanced in our technical discussions with Hanrine who are ready to commence exploration activities at the Linderos Copper Project, with expansion of the camp being the first task on the priority list to ensure seamless and efficient operations once drilling commences."*

*"We are pleased to be partnering with Hanrine, who have a well-established team in-country with the technical capability and financial capacity for us to mutually benefit from exploration success alongside contribution to the economy of Ecuador. We look forward to providing further updates on logistics and exploration activities as we prepare for commencement of the initial 10,000 metre drilling campaign at Linderos."*

<sup>1</sup> US\$0.25M already received by TTM, balance of US\$1.75M remaining for payment

## Transaction –Key Terms

The key terms of the JVA are outlined below:

- **(Earn-in and Consideration)** Hanrine will have the right to acquire up to an 80% interest in the Linderos Copper Project on the following terms:

Milestone No.	Earn-In Milestones	Earn-in Interest	Total Interest Earned	Earn-in Period
1	Payment of an aggregate of US\$2 million, which comprises: <ul style="list-style-type: none"> <li>▪ the upfront payment of US\$250,000 which was paid following execution of the Term Sheet (refer to the ASX announcement dated 18 April 2024); and</li> <li>▪ an additional payment of US\$1.75 million</li> </ul>	5%	5%	Within 30 days of execution of JVA
2	Completion of 10km in depth of new drilling at the Linderos Copper Project or spending US\$8 million of expenditure (whichever occurs first)	25%	30%	Within 3 years of execution of JVA
3	Completion of an additional 15km of new drilling at the Linderos Copper Project or spending an additional US\$12 million of expenditure (in addition to any amounts spent to satisfy the previous milestone) (whichever occurs first)	21%	51%	Within 7 years of execution of JVA
4	A decision to mine or total aggregate expenditure of US\$120 million (whichever occurs first)	29%	80%	Within 15 years of execution of JVA

- **(Additional Payment)** Hanrine will pay an additional US\$1 million to Titan within 30 days following Hanrine achieving a 51% interest in the Linderos Copper Project, based on the above milestones.
- **(Earn-in Period Extension)** If a delay event occurs (including, amongst others, a force majeure event or a delay in obtaining any authorisation from a government agency to undertake activities at the Linderos Copper Project), the Earn-in Periods will be extended for the duration of that delay event (with such extension not exceeding 24 months).
- **(Decision Not to Proceed)** Hanrine may provide a cessation notice at any time to cease earning into

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the Linderos Copper Project (**Cessation Notice**). Following the provision of a Cessation Notice, Hanrine is not obliged to pay any further earn-in expenditures and will retain its then existing Earn-in Interest (with such Earn-in Interest to be adjusted/increased based on any additional earn-in expenditure incurred from the date of the previous Earn-in Interest and the date of the Cessation Notice).

- **(Free Carried)** Titan will be free carried during the Earn-in Period until the date Hanrine earns its fourth Earn-in Interest (80%) or provides a Cessation Notice. Following the end of the free carry period, Titan and Hanrine will contribute to the approved work programs and budgets based on their respective percentage interests in the Linderos Copper Project. Titan may elect to contribute its portion of the work programs and budgets or dilute its joint venture interest.
- **(Net Smelter Royalty)** If Titan's interest dilutes to 10% or less, Titan's interest in the joint venture will convert into a 2.7% net smelter royalty (**Titan NSR**). Hanrine will have a right of pre-emption in respect of any sale, transfer or assignment of the whole, or part, of the Titan NSR.
- **(Change of Control)** If, prior to the date Hanrine acquires its third Earn-in Interest:
  - a 15% or more change in the shareholding or control of Linderos or a holding company of Linderos (other than Titan) occurs;
  - a scheme of arrangement in respect to Titan is announced;
  - a takeover bid (whether on market or off market) in respect to Titan is announced; or
  - Titan announces that a person has, via the lodgement of a substantial shareholder notice, acquired or holds a relevant interest of 15% or more of the issued shares of Titan,

Hanrine shall have the right (but not the obligation) to accelerate and acquire up to the third Earn-in Interest (being total interest of 51%) (**Acceleration Option**) by paying to Titan USD\$6,000,000 less any earn-in expenditures incurred by Hanrine from the date Hanrine earned its previous Earn-in Interest to the date of exercise of the Acceleration Option.

- **(First Right of Refusal)** The parties will have a first right of refusal over each other's interest in the Linderos Copper Project. In addition, following Hanrine acquiring the third Earn-in Interest (ie holds a 51% interest), Hanrine will also have a right of first refusal over the proposed sale of 15% or more of Linderos or any holding company of Linderos (other than Titan) and can elect to either acquire those shares in Linderos (or the holding company of Linderos) or the portion of joint venture interest that corresponds to the shareholding proposed to be disposed of.
- **(Management)** Hanrine will have the right to appoint the manager during the Earn-in Period and the management committee will comprise of representatives from Titan and Hanrine.
- **(Other matters)** The JVA also contains standard provisions in respect to the rights and duties of the manager, the function of the management committee, the approval of work programs and budgets and confidentiality, consistent with an agreement of this nature.

### Linderos Copper Project

The Linderos Copper Project (**Project**) is comprised of four contiguous mineral concessions totalling an area of 143km<sup>2</sup> in southern Ecuador. Linderos is an early-stage exploration project, with surface geochemistry and geophysics highlighting the presence of multiple porphyry, with evidence for shallow epithermal gold systems also observed. Most exploration to date has been completed at the Copper Ridge Porphyry prospect (**Copper Ridge**).

Copper Ridge features coincident copper-molybdenum anomalism in surface geochemistry. Mineralisation is hosted within a diorite porphyry, with vein hosted and disseminated chalcopyrite-pyrite-pyrrhotite-molybdenite, and secondary biotite plus green-grey sericite and pervasive quartz-alkali feldspar defining early to transitional potassic alteration.

In 2022, Titan drilled 8 diamond holes for 3,700 metres at Copper Ridge, delineating broad zones of copper porphyry mineralisation from shallow depths, with six out of eight diamond drillholes ending in mineralisation, highlighting strong potential for substantial extensions. Significant drilling results include 308m @ 0.4% copper equivalent (**Cu Eq**) from 54m, **including 76m @ 0.5% Cu Eq from 132m**. Evidence for Copper Ridge potential to host higher grade mineralisation is supported by intersections including 76m @ 0.5% Cu Eq from 132m and 22m @ 0.5% Cu Eq from 524m.

An Induced Polarisation (IP) geophysical survey completed over Copper Ridge has unveiled a much larger porphyry system with 3D IP inversion modelling revealing a +2km porphyry alteration footprint.

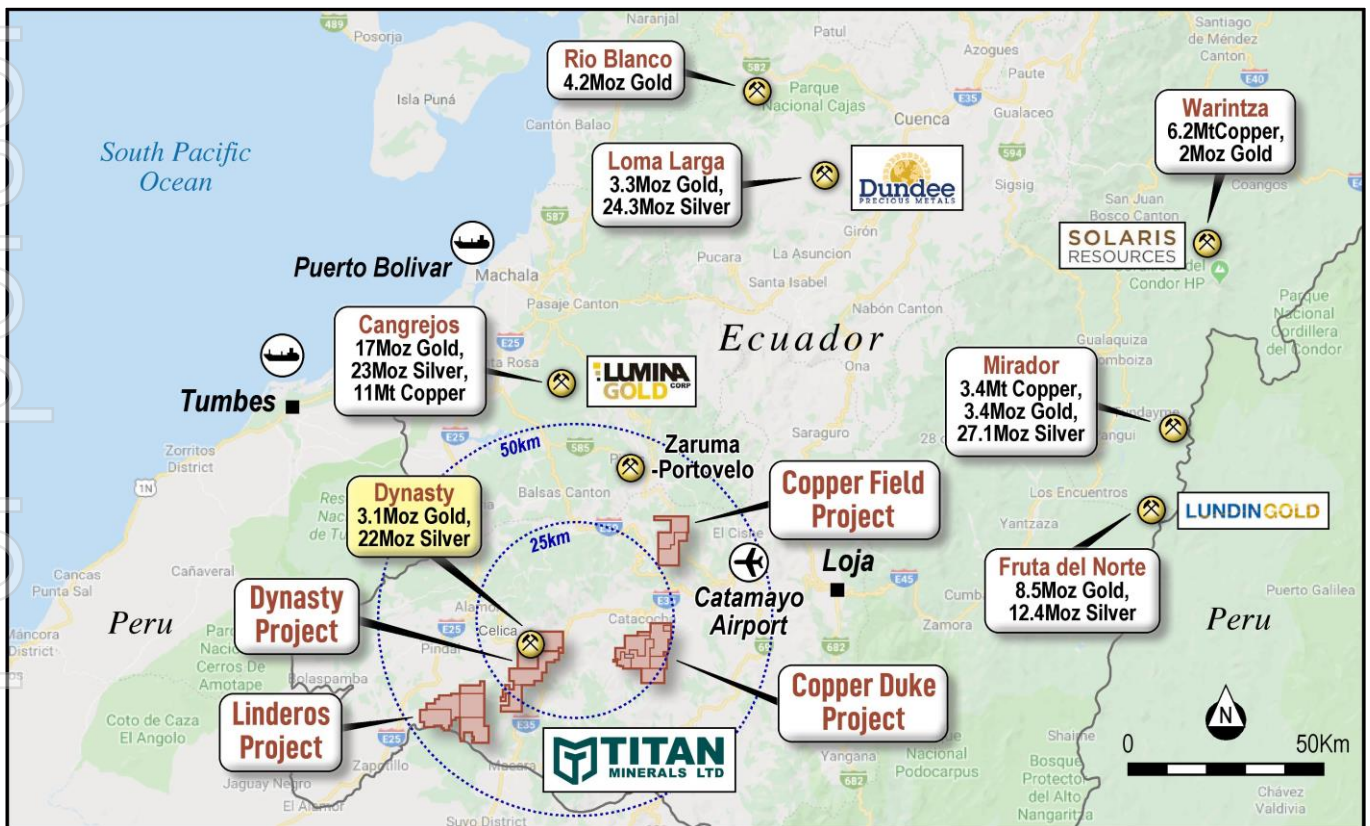


Figure 1. Titan Minerals southern Ecuador Projects, neighbouring projects, and surrounding infrastructure

**ENDS-**

Released with the authority of the Board.

For further information on the company and our projects, please visit: [www.titanminerals.com.au](http://www.titanminerals.com.au)

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**CAPITAL STRUCTURE****184M**SHARES ON ISSUE  
ASX:TMM**\$1.6M**CASH  
As at 30/06/24**\$3.8M**RECEIVABLES  
As at 31/3/24**400K**DAILY LIQUIDITY  
Average 30-day volume traded**\$83M**MARKET CAP  
At \$0.45/sh**\$3.3M**DEBT  
As at 31/3/2024**44M**

UNLISTED OPTIONS

**60%**

TOP 20 OWNERSHIP

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## Competent Person's Statements

The information in this report that relates to Exploration Results is based on and fairly represents information compiled by Ms Melanie Leighton, who is an experienced geologist and a Member of The Australian Institute of Geoscientists. Ms Leighton is a full-time employee at Titan Minerals and has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which she 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'. Ms Leighton consents to their inclusion in the report of the matters based on this information in the form and context in which it appears.

## Forward-looking Statements

This announcement may contain "forward-looking statements" and "forward-looking information", including statements and forecasts. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects", "is expected", "is expecting", "budget", "outlook", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes", or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might", or "will" be taken, occur or be achieved. Such information is based on assumptions and judgments of Titan's directors and management regarding future events and results.

The purpose of forward-looking information is to provide the audience with information about Titan's expectations and plans. Readers are cautioned that forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Titan and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Forward-looking information and statements are based on the reasonable assumptions, estimates, analysis and opinions of Titan directors and management made in light of their experience and their perception of trends, current conditions and expected developments, as well as other factors that Titan directors and management believe to be relevant and reasonable in the circumstances at the date such statements are made, but which may prove to be incorrect. Titan believes that the assumptions and expectations reflected in such forward-looking statements and information are reasonable.

Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used. Titan does not undertake to update any forward-looking information or statements, except in accordance with applicable securities law.