TITAN MINERALS LIMITED
(ACN 117 790 897)

Annual Report
for the year ended 31 December 2017

Corporate Directory

Directors

Matthew Carr
Nicholas Rowley
Robert Sckalor
Cameron Henry

Company Secretary

Zane Lewis

Registered Office & Principal Place of Business

Suite 6, 295 Rokeby Road
SUBIACO WA 6008

Telephone: +61 8 6555 2950
Facsimile: +61 8 6166 0261

Auditors

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

Share Registry

Security Transfer Registrars Pty Limited
770 Canning Highway
Applecross
Western Australia 6151
Telephone +61 8 9315 2333

Australian Company Number

ACN 117 790 897

ASX Code

TTM

Australian Business Number

ABN 97 117 790 897

Contents

Directors' Report

1. Directors' Information

The directors and company secretary of Titan Minerals Limited and its subsidiaries (together the 'Group') during the financial year end until the date of this report were as follows:

2. Directors and Company Secretary

Matthew Carr – appointed as director on 3 February 2017, current. On 17 August 2017 Mr Carr was appointed as Executive Director.
Nicholas Rowley – appointed as a director on 9 August 2016, current.
Robert Sckalor – appointed as director on 7 August 2017, current.
Cameron Henry – appointed as director on 8 August 2017, current.
Tim Morrison – appointed as a director on 10 August 2016, resigned 4 August 2017.
Zane Lewis – appointed as company secretary on 11 August 2016, current.

3. Directors' Meetings

One meeting of the directors of the Company have been held since the administrators effectuated the Deed of Company Arrangement on the 4th October 2017 to balance date.

4. Corporate Governance

On 25 August 2015 Martin Jones and Darren Weaver were appointed as voluntary administrators as the directors formed the view that the Company could not meet its obligations as they fell due. On 4 October 2017 the Deed of Company Arrangement (DOCA) was effectuated, and the Directors resumed operation of the Company. On 13 October 2017 the Company established the Corporate Governance Statement for operations post the DOCA.

5. Principal Activities

The Group's principal activities during the course of the financial year were exploration of copper and gold exploration concessions and development and production of a portfolio of medium sized gold projects in South America, with a primary focus on Peru. In addition Titan was the owner and operator of a gold and copper toll processing plant in Peru (San Santiago).

6. 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 profit of the Group for the year ended 31 December 2017 amounted to $12,433,000 (31 December 2016: loss $947,000).

Company Restructure / Recapitalisation

On the 4 October 2017 the Deed of Company Arrangement was effectuated. This then allowed the Company to seek reinstatement to official quotation on the ASX which occurred on 17 October 2017. The prospectus dated 18 August 2017 outlined the various offers that were made being the following:

Public Offer - the Company issued 600,000,000 shares at 1 cent per share raising $6,000,000 before costs;

Employee Offer - the Company issued 70,000,000 shares at 1 cent per share to certain employees, contractors and consultants of the Company and its subsidiaries as an offset or to satisfy employee entitlements;

Broker Offer - the Company issued 316,032,382 shares at 1 cent per share to the brokers appointed to manage the Public Offer in consideration for their facilitation of the Public Offer;

SilverStream Offer - the Company issued 350,000,000 shares at 1 cent per share broken down as follows:

1. 45,000,000 Shares in full and final satisfaction of the debt owed by the Company to SilverStream under the MIZ Loan Facility;
2. 30,000,000 Shares in full and final satisfaction of the debt owed by the Company under the Existing Silver Stream Agreement and Existing Gold Stream Agreement; and
3. 275,000,000 Shares as promoter equity.

Unsecured Creditor Offer - the Company issued 53,967,618 shares at 1 cent per share to the Deed Administrators (as trustees of the Creditors' Trust) on behalf of the Unsecured Creditors in full and final satisfaction and complete discharge of their Claims; and

Andina Offer - the Company issued 235,000,000 shares at 1 cent per share to Andina Resources Limited (or its nominee/s) in full and final satisfaction of amounts owed by the Company to Andina and in consideration for Mantle's involvement with the Torrecillas Project, including Mantle granting the Company right to earn a 70% interest in the Torrecillas Earn-in Concessions.

7. Share Options

As at the date of this report there are no options on issue.

8. 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 willful breach of duty in relation to the Company. The amount of the premium was $21,387 which was paid during the financial year. No indemnity has been sought for or paid to auditors.

9. Events Subsequent to Reporting Date

There has not been any matter or circumstance 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, other than:

On the 8 February 2018, 209,357 unlisted options expired.

On the 26 March 2018 Titan Minerals Limited entered into a bid implementation agreement (BIA) with Andina Resources Limited, by which Titan will acquire all of the issued share capital in Andina via an off-market takeover bid. Andina is a Peru focussed unlisted public company incorporated in Australia. Under the bid, Andina shareholders will receive 1 fully paid ordinary share in the capital of Titan for every 1.18 Andina shares held (for a total of 561,656,385 Titan shares to be issued should 100% of Andina shareholders accept the bid).

10. 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 2017.

11. Likely developments

The Company will continue to pursue its principal activity of minerals exploration and gold and copper toll processing in Peru, particularly in respect to the projects, as outlined under the heading 'Significant changes in the state of affairs and Review of operations' of this Report. The Company will also continue to evaluate new business opportunities in Peru.

12. Environmental Issues

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

13. Proceedings on behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the 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.

14. Information on Directors and Company Secretary

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. Matthew is also the Non-Executive Chairman of Andina Resources 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:	5,000,000 Ordinary Shares 7,000,000 Class A Performance Rights 7,750,000 Class B Performance Rights 8,250,000 Class C Performance Rights
Directors meetings attended:	1 of 1 held during term of directorship in financial year
Appointed:	3 February 2017

Nicholas Rowley
Director (Non-Executive Chairman)
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.
Interest in shares and options of the Company:	5,000,000 Ordinary Shares 7,000,000 Class A Performance Rights 7,750,000 Class B Performance Rights 8,250,000 Class C Performance Rights
Directors meetings attended:	1 of 1 held during term of directorship in financial year
Appointed:	9 August 2016

Robert Sckalor
Director (Non-Executive Director)
Qualifications and Experience:
Mr Sckalor has 30 years of experience working in the legal and financial markets worldwide and has worked on capital market and financial transactions on five continents. Currently he is Co-Founder and President of Capital Instincts, a Private Equity and Venture related investment company he founded 14 years ago while in London. Prior to founding Capital Instincts, Mr Sckalor was a director and General Counsel for Liquid Capital Markets (LCM), LTD, a London Investment and Financial company. Mr Sckalor assisted with the expansion of the firm from its single office in London to offices in Seoul and Sydney. Previously, Mr Sckalor worked as General Counsel, IDEAglobal Ltd in New York, Singapore and London. At the time, IDEAglobal was the world's largest independent economic research company specializing in fixed income, equity, capital market and currency analysis. Mr Sckalor started his career practicing law, and has been a partner at The Simons Firm and Simons, Cuddy and Friedman. Mr Sckalor obtained his BA from Grinnell College and JD from Washington University, JD.

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:	3,500,000 Class A Performance Rights 3,875,000 Class B Performance Rights 4,125,000 Class C Performance Rights
Directors meetings attended:	0 of 1 held during term of directorship in financial year
Appointed:	7 August 2017

Cameron Henry
Director (Non-Executive Director)
Qualifications and Experience:
Mr Henry comes from a project development and operational background specialising in minerals processing and oil and gas projects across the globe. Mr Henry is from a technical background with tertiary qualifications in engineering and project management and has advised for several ASX listed companies on development, acquisitions, and execution strategies at a number of levels. Mr Henry is currently Managing Director of Primero Group, a private engineering and construction company that specialises in minerals processing and has been a member of the Australian Institute of Company Directors (AICD) for over 5 years.

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:	3,500,000 Class A Performance Rights 3,875,000 Class B Performance Rights 4,125,000 Class C Performance Rights
Directors meetings attended:	1 of 1 held during term of directorship in financial year
Appointed:	8 August 2017

Tim Morrison
Director (Non-Executive Director)

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:	Nil
Directors meetings attended:	0 of 1 held during term of directorship in financial year
Appointed:	10 August 2016
Resigned:	4 August 2017

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.

15. Remuneration Report (Audited)

The Directors present the remuneration report for the Company and the Consolidated Entity for the year ended 31 December 2017. 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 and either the remuneration of directors and executives or the issue of shares and 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:

Nicholas Rowley	Non-Executive Chairman
Robert Sckalor	Non-Executive Director
Cameron Henry	Non-Executive Director
Matthew Carr	Executive Director

Service Agreements

Remuneration and other terms of employment for the Executive Directors 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	Base Salary	Consulting fees	Term of Agreement	Notice Period
Nicholas Rowley	-	$72,000	No fixed term	N/A
Matthew Carr	-	$120,000	No fixed term	12/6 months*
Robert Sckalor	-	$72,000	No fixed term	N/A
Cameron Henry	-	$72,000	No fixed term	N/A

* Termination benefits: In the case of termination without cause by the Company Mr Carr is entitled to receive 12 months' salary on top of the entitles mentioned below. 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).

Details of Remuneration

Compensation 12 months to 31 December 2017

	Short Term Benefits[2] $	Super-annuation $	Share based payments $	Total $	Percentage of remuneration that is equity based
Compensation of Directors based on fees approved by the Board of directors.					
Nicholas Rowley	18,000	-	1,293	19,293	7%
Matthew Carr	30,000	-	1,293	31,293	4%
Robert Sckalor	18,000	-	647	18,647	3%
Cameron Henry	18,000	-	647	18,647	3%
Tim Morrison	-	-	-	-	-
TOTAL COMPENSATION – FOR KEY MANAGEMENT PERSONNEL	84,000	-	3,880	87,880	-

Compensation 12 months to 31 December 2016

	Short Term Benefits[2] $	Super-annuation $	Share based payments $	Total $	Percentage of remuneration that is equity based
Compensation of Directors based on fees approved by the Board of directors.					
Nicholas Rowley	-	-	-	-	-
Matthew Carr	-	-	-	-	-
Robert Sckalor	-	-	-	-	-
Cameron Henry	-	-	-	-	-
Tim Morrison	-	-	-	-	-
TOTAL COMPENSATION – FOR KEY MANAGEMENT PERSONNEL	-	-	-	-	-

*** The Company was under External administration from 25 August 2015, consequently the Company did not have sufficient information to allow the level of disclosure required for the year ended 31 December 2016.**

Shares and options held by Key Management Personnel

Shareholdings	1 January 2017 or Appointment	Number of Ordinary Shares Issued as Compensation	Net Change Other	31 December 2017 or Resignation
Nicholas Rowley	-	-	5,000,000	5,000,000
Matthew Carr	-	-	5,000,000	5,000,000
Robert Sckalor	-	-	-	-
Cameron Henry	-	-	-	-
Tim Morrison	-	-	-	-
	-	-	10,000,000	10,000,000

Performance Rights	1 January 2017 or Appointment	Number of Ordinary Shares Issued as Incentive	Net Change Other	31 December 2017 or Resignation
Nicholas Rowley	-	23,000,000	-	23,000,000
Matthew Carr	-	23,000,000	-	23,000,000
Robert Sckalor	-	11,500,000	-	11,500,000
Cameron Henry	-	11,500,000	-	11,500,000
Tim Morrison	-	-	-	-
	-	69,000,000	-	69,000,000

There were no options held by the directors during the year.

Other Information
There were no loans made to any Key Management Personnel during the year or outstanding at year end.
Refer to Note 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)

16. 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.

17. Incomplete Records

The Company was under External administration from 25 August 2015 to 4 October 2017, the financial information relating to the period 1 January 2016 to 31 December 2016 and 1 January 2017 to 4 October 2017 was not subject to the same accounting and internal control processes, which include the implementation and maintenance of internal controls that are relevant to the preparation and fair presentation of the financial report.

Due to there being incomplete records, there may be actions that were taken by the previous directors and officers of the Company and its subsidiaries that the existing board is not aware of. Whilst the Directors are confident the Deed of Company Arrangement process deals with any outstanding liabilities at the parent entity level (as it was the only entity subject to the Deed of Company Arrangement), there is a risk that previous unknown actions may adversely affect the Company's operations and financial position, including those of its retained subsidiaries.

18. Rounding

The Company is of a kind referred to in ASIC Instrument 2016/191 dated 24 March 2016 and in accordance with that Class Order, amounts in the financial report and the Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

19. 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 2017. A copy of this declaration appears at the end of this report.

Signed in accordance with a resolution of the directors.

Matthew Carr
Executive Director
29th day of March 2018
Perth, Western Australia

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29 March 2018

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 2017, 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
(Trading as Stantons International)
(An Authorised Audit Company)

Martin Michalik
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(b), although the Directors have prepared the financial statements and notes thereto, to the best of their knowledge and based on the information made available to them, they are of the opinion that it is not possible to state that the full year financial statements and notes thereto:

   a) give a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of the performance for the year ended 31 December 2017; and

   b) complying with Australian Accounting Standards and the *Corporations Act 2001*;

2) the 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 2017.

On behalf of the Board of Directors.

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Matthew Carr
Executive Director
29th day of March 2018
Perth, Western Australia

Consolidated Statement of Profit and Loss and Other Comprehensive Income
For the year ended 31 December 2017

	Note	Consolidated Year ended 31-Dec-17 $'000s	Consolidated Year ended 31-Dec-16 $'000s
CONTINUING OPERATIONS			
Revenue	5a	639	1,365
Cost of sales		(808)	(1,009)
Gross loss		(169)	356
Other revenue		3	-
Occupancy expenses		-	-
Employee benefits expense	5b	-	-
Depreciation and amortisation charges	5b	(213)	(109)
Administration expenses		(1,455)	(623)
Foreign Exchange		(16)	247
Finance costs	5b	-	(6)
Provision expense		(22)	-
Reversal of provision of impairment of property, plant & equipment		1,000	-
Loan forgiveness	5b	17,754	-
DOCA expenses		(2,350)	-
Share based payments expense		(4)	-
Other expenses		(259)	(150)
PROFIT/ (LOSS) BEFORE INCOME TAX EXPENSE		14,269	(285)
Income tax expense / (benefit)	6	-	-
PROFIT/ (LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		**14,269**	**(285)**
Discontinued operations			
Loss for the year from discontinued operations		(1,836)	(662)
Profit/ (Loss) for the year		**12,433**	**(947)**
OTHER COMPREHENSIVE INCOME			
Items that may not be reclassified subsequently to profit or loss			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations		1,652	1,341
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		1,652	1,341
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		**14,085**	**394**
EARNINGS PER SHARE			
Basic earnings per share			
From continuing operations	18	3.588	(9.1)
Diluted earnings per share			
From continuing operations	18	3.588	(9.1)
Basic earnings per share			
From discontinued operations	18	-0.462	-
Diluted earnings per share			
From discontinued operations	18	-0.462	-

Notes to the consolidated financial statements are included on pages 15 to 49.

Consolidated Statement of Financial Position

As at 31 December 2017

		Consolidated	
	Note	31-Dec-17 $'000s	31-Dec-16 $'000s
CURRENT ASSETS			
Cash and cash equivalents	22(a)	2,932	58
Trade and other receivables	7	290	-
Inventories	8	-	-
TOTAL CURRENT ASSETS		**3,222**	**58**
NON-CURRENT ASSETS			
Trade and other receivables		99	-
Property, plant and equipment	9	1,000	-
Mine assets	10	173	500
Deferred exploration and evaluation expenditure	11	-	-
TOTAL NON-CURRENT ASSETS		**1,272**	**500**
TOTAL ASSETS		**4,494**	**558**
CURRENT LIABILITIES			
Trade and other payables	12	1,065	8,504
Borrowings	13	175	9,581
Provisions	14	-	1,997
Other liability	15	-	5,948
TOTAL CURRENT LIABILITIES		**1,240**	**26,030**
NON-CURRENT LIABILITIES			
Trade and other payables	12	2,205	
TOTAL NON-CURRENT LIABILITIES		**2,205**	**-**
TOTAL LIABILITIES		**3,445**	**26,030**
NET ASSETS/ (LIABILITIES)		**1,049**	**(25,472)**
EQUITY			
Issued capital	16	91,051	78,619
Reserves	17	2,574	918
Accumulated losses		(92,576)	(105,009)
TOTAL EQUITY/ (DEFICIENCY)		**1,049**	**(25,472)**

Notes to the consolidated financial statements are included on pages 15 to 49.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2017

	Issued Capital	Share Based Payment Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total Equity
	$'000s	$'000s	$'000s	$'000s	$'000s
Balance as at 31 December 2015	**78,619**	**2,822**	**(3,245)**	**(104,062)**	**(25,866)**
Loss for the year	-	-	-	(947)	(947)
Other comprehensive income for the year, net of income tax	-	-	1,341	-	1,341
Total comprehensive Loss for the year	**-**	**-**	**1,341**	**(947)**	**394**
Issue of shares	-	-	-	-	-
Balance as at 31 December 2016	**78,619**	**2,822**	**(1,904)**	**(105,009)**	**(25,472)**
Loss for the year	-	-	-	12,433	12,433
Other comprehensive income for the year, net of income tax	-	-	1,652	-	1,652
Total comprehensive income for the year	**-**	**-**	**1,652**	**12,433**	**14,085**
Issue of shares under the public offer	6,000	-	-	-	6,000
Issue of shares under the employee offer	700	-	-	-	700
Issue of shares under the broker offer	3,160	-	-	-	3,160
Issue of shares under the SilverStream offer	3,500	-	-	-	3,500
Issue of shares under the unsecured creditor offer	540	-	-	-	540
Issue of shares under the Andina offer	2,350	-	-	-	2,350
Issue of Performance Rights		4	-	-	4
Capital Raising costs	(3,818)		-	-	(3,818)
Balance at 31 December 2017	**91,051**	**2,826**	**(252)**	**(92,576)**	**1,049**

Notes to the consolidated financial statements are included on pages 15 to 49.

Consolidated Cash Flow Statement

For the year ended 31 December 2017

	Note	Consolidated Year ended 31-Dec-17 $'000s	31-Dec-16 $'000s
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from operating activities		713	1,365
Administration expenses		(3,797)	(2,472)
Finance costs		(1)	(8)
NET CASH USED IN OPERATING ACTIVITIES	22 b)	**(3,085)**	**(1,115)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant & equipment		-	-
Payments of exploration and evaluation costs		-	-
Payment for mine assets		-	-
Loans provided to third party		(191)	
Interest received		-	-
NET CASH PROVIDED BY / (USED IN) INVESTING ACTIVITIES		**(191)**	**-**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares (net of costs)		5,343	-
Proceeds from borrowings		810	-
Repayment of borrowings		-	-
Finance costs		-	-
Return of escrow on San Santiago investment		-	-
NET CASH PROVIDED BY FINANCING ACTIVITIES		**6,153**	**-**
Net increase/(decrease) in cash and cash equivalents		2,877	(1,115)
Cash and cash equivalents at the beginning of the year		58	52
Effects of exchange rate changes on the balance of cash held in foreign currencies		(3)	1,121
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	22 a)	**2,932**	**58**

Notes to the consolidated financial statements are included on pages 15 to 49.

Notes to the Consolidated Financial Statements

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 2017 were authorised for issue in accordance with a resolution of the directors on 29 March 2018. The Parent Entity is a for-profit company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Stock Exchange.

The Group’s principal activities during the course of the financial year were exploration of copper and gold exploration concessions and development and production of a portfolio of medium sized gold projects in South America, with a primary focus on Peru. In addition the Company was the owner and operator of a gold and copper toll processing plant in Peru (San Santiago).

Further information on 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 18 and 25.

The Group’s registered office is in Suite 7, 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, to the maximum extent possible given the points raised below in 2b). 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 financial statements and notes also comply with International Financial Reporting Standards as issued by the International Accounting Standard Board (IASB) to the maximum extent possible given the points raised below in 2b). Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial statements were authorised for issue by the Directors’ on 29 March 2018.

b) Incomplete Records

a) The financial report for the year ended 31 December 2017 has been prepared by Directors who received custodianship of the operations of the Group upon effectuation of the Deed of Company Arrangement and resignation of the Administrator on or after 4 October 2017. As such, the Directors did not have control of the company until control was transferred to them on the effectuation of the deed of company arrangement on 4 October 2017.

b) Prior to 4 October 2017, the current Directors did not have oversight or control over the Company’s financial reporting systems including but not limited to being able to obtain access to complete accounting records of the Company. To prepare the financial reports for the year ended 31 December 2017, the Directors have reconstructed the financial records of the company for the period 1 January 2017 to 4 October 2017 using data extracted from the Company’s accounting system. However, there may have been information that the current Directors were not able to obtain, the impact of which may or may not have been material on the financial performance for the year ended 31 December 2017.

c) The current Directors have not been able to source books and records of the Company’s subsidiaries up to 4 October 2017 when the ownership of the subsidiaries was transferred to the creditors’ trust.

Consequently, although the Directors have prepared this financial report for the year ended 31 December 2017 to the best of their knowledge based on the information made available to them, they were of the opinion that it was not possible to state that these financial reports have been prepared in accordance with Australian Accounting Standards including Australian interpretations, other authoritative pronouncements of the Australian Accounting Standard Board and the *Corporations Act 2001*, nor was it possible to state these financial reports gave a true and fair view of the Group's financial performance for the year ended 31 December 2017.

It should be noted that the matters referred to in items (a) to (c) above were also relevant for the year ended 31 December 2016 which are presented as comparative figures in this report.

c) Basis of preparation

The consolidated financial statements have been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian Dollars unless otherwise noted. The Company is a company of the kind referred to in ASIC Instrument 2016/191 and in accordance with that Legislative Instrument, amounts are rounded off to the nearest thousand dollars, unless otherwise indicated.

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

d) Critical accounting judgements and key sources of estimation uncertainty

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

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

The AASB has issued a number of new and revised Accounting Standards and Interpretations are effective for annual periods beginning or after 1 January 2017. These new and revised standards are:

Reference	Title
AASB 2016-1	Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses
AASB 2016-2	Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107
AASB 2017-2	Amendments to Australian Accounting Standards – Further Annual Improvements 2014-2016 Cycle

The Company has adopted each of the above new and amended standards. The application of these standards did not have a material impact on the results of the Group for the reporting year. Refer to Note 2(i) (ix) which details the joint arrangements policy of the Group.

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

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting period, some of which are relevant to the Company. The new and amended standards that are relevant to the Company are listed below:

Reference	Title	Summary	Application date of standard
AASB 9	*Financial Instruments*	AASB 9 replaces AASB 139 *Financial Instruments: Recognition and Measurement*.	1 January 2018

Reference	Title	Summary	Application date of standard
		Except for certain trade receivables, an entity 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 (FVTPL), transaction costs. Debt instruments are subsequently measured at FVTPL, amortised cost, or fair value through other comprehensive income (FVOCI), on the basis of their contractual cash flows and the business model under which the debt instruments are held. There is a fair value option (FVO) that allows financial assets on initial recognition to be designated as FVTPL if that eliminates or significantly reduces an accounting mismatch. Equity instruments are generally measured at FVTPL. However, entities have an irrevocable option on an instrument-by-instrument basis to present changes in the fair value of non-trading instruments in other comprehensive income (OCI) without subsequent reclassification to profit or loss. For financial liabilities designated as FVTPL using the FVO, the amount of change in the fair value of such financial liabilities that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation in OCI of the fair value change in respect of the liability's credit risk would create or enlarge an accounting mismatch in profit or loss. All other AASB 139 classification and measurement requirements for financial liabilities have been carried forward into AASB 9, including the embedded derivative separation rules and the criteria for using the FVO. The incurred credit loss model in AASB 139 has been replaced with an expected credit loss model in AASB 9. The requirements for hedge accounting have been amended to more closely align hedge accounting with risk management, establish a more principle-based approach to hedge accounting and address inconsistencies in the hedge accounting model in AASB 139.	
AASB 15	Revenue from Contracts with Customers	AASB 15 replaces all existing revenue requirements in Australian Accounting Standards (AASB 111 *Construction Contracts*, AASB 118 *Revenue*, AASB Interpretation 13 *Customer Loyalty Programmes*, AASB Interpretation 15 *Agreements for the Construction of Real Estate*, AASB Interpretation 18 *Transfers of*	1 January 2018

Notes to the Consolidated Financial Statements

Reference	Title	Summary	Application date of standard
		Assets from Customers and AASB Interpretation 131 *Revenue – Barter Transactions Involving Advertising Services*) and applies to all revenue arising from contracts with customers, unless the contracts are in the scope of other standards, such as AASB 117 *Leases* (or AASB 16 *Leases*, once applied). The core principle of AASB 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with the core principle by applying the following steps: ► Step 1: Identify the contract(s) with a customer ► Step 2: Identify the performance obligations in the contract ► Step 3: Determine the transaction price ► Step 4: Allocate the transaction price to the performance obligations in the contract ► Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.	
AASB 2016-5	*Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions*	This Standard amends AASB 2 *Share-based Payment*, clarifying how to account for certain types of share-based payment transactions. The amendments provide requirements on the accounting for: ► The effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments ► Share-based payment transactions with a net settlement feature for withholding tax obligations ► A modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.	1 January 2018
AASB 2017-1	*Amendments to Australian Accounting Standards – Transfers of Investments Property, Annual Improvements 2014-2016 Cycle and Other Amendments*	The amendments clarify certain requirements in: AASB 1 *First-time Adoption of Australian Accounting Standards* – deletion of exemptions for first-time adopters and addition of an exemption arising from AASB Interpretation 22 *Foreign Currency Transactions and Advance Consideration* ► AASB 12 *Disclosure of Interests in Other Entities* – clarification of scope ► AASB 128 *Investments in Associates and Joint Ventures* – measuring an associate or joint venture at fair value ► AASB 140 *Investment Property* – change in use.	1 January 2018
AASB Interpretation 22	*Foreign Currency Transactions and*	The Interpretation clarifies that in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary	1 January 2018

Reference	Title	Summary	Application date of standard
	Advance Consideration	liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine a date of the transaction for each payment or receipt of advance consideration.	
AASB 16	*Leases*	AASB 16 requires lessees to account for all leases under a single balance sheet model in a similar way to finance leases under AASB 117 *Leases*. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting is substantially unchanged from today's accounting under AASB 117. Lessors will continue to classify all leases using the same classification principle as in AASB 117 and distinguish between two types of leases: operating and finance leases.	1 January 2019
AASB 2017-7	*Amendments to Australian Accounting Standards – Long-term Interests in Associates and Joint Ventures*	This Standard amends AASB 128 *Investments in Associates and Joint Ventures* to clarify that an entity is required to account for long-term interests in an Associate or joint venture, which in substance form part of the net investment in the associate or joint venture but to which the equity method is not applied, using AASB 9 *Financial Instruments* before applying the loss allocation and impairment requirements in AASB 128.	1 January 2019
Not yet issued by the AASB	Annual Improvements to IFRS Standards 2015–2017 Cycle	The amendments clarify certain requirements in: ► IFRS 3 *Business Combinations* and IFRS 11 *Joint Arrangements* - previously held interest in a joint operation ► IAS 12 *Income Taxes* - income tax consequences of payments on financial instruments classified as equity ► IAS 23 *Borrowing Costs* - borrowing costs eligible for capitalisation.	1 January 2019

The Company has not elected to early adopt any new standards or amendments that are issued but not yet effective. New standards and amendments will be adopted when they become effective.

When adopted, the above standards are not expected to have a material impact to the financial statements. For AASB 9, it will have no impact on the Group's results accounting for financial assets as it does not have any available for sale assets. There will be no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities. For the AASB 15, the Group has made an initial assessment and does not expect to significantly impact the revenue recognition based on the existing revenue sources

g) Going Concern

The 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 profit before income tax of $14,269,000 (2016: net loss $947,000), paid a net operating cash outflow of $3,085,000 (2016: $1,115,000) and expended a net investing cash outflow of $191,000 (2016: $Nil) for the year to 31 December 2017.

The Consolidated Entity is currently in a positive net current asset position, including cash of $2,932,000 (2016: $58,000). The Directors are confident that the Group has 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 cash flow.

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.

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.

Notes to the Consolidated Financial Statements

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) Significant Accounting Policies

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

i.Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

Sale of goods
Revenue from sales of mineral production and toll treatment is recognised when there has been a passing of the significant risks and rewards of ownership, which means the following:

- The product is in a form suitable for delivery and no further processing is required by or on behalf of the consolidated entity;
- The quantity and quality (grade) of the product can be determined with reasonable accuracy;
- The product has been despatched to the customer and is no longer under the physical control of the consolidated entity;
- The selling price can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the consolidated entity; and
- The costs incurred, or expected to be incurred, in respect of the transaction can be measured reliably.

ii.Interest revenue

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

iii.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.

iv. **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:

- *Bullion* - average fixed direct costs and variable direct costs.
- *Gold in circuit* - average cost.
- *Stores - p*urchase 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.*

v.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.

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

Plant and equipment – mine site	life of mine
Plant and equipment – processing plant	10 years
Plant and equipment – other	2-5 years

vi.Mine assets

Expenditure on mine properties in production or under development are accumulated and brought to account at cost less accumulated amortisation in respect of each identifiable area of interest. Amortisation of capitalised costs is provided on a production output basis, proportional to the depletion of the mineral resource of each area of interest expected to be ultimately economically recoverable.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Should the carrying value of expenditure not yet amortised exceed its estimated recoverable amount in any period, the excess is written off to the income statement.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which it belongs.

Pre-production revenue from gold sales derived from mine development ore is netted off against capitalised mine development expenditure.

vii.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 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 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.

viii. Deferred 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.

ix. 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 discontinue 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 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.

x. 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 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.

xi. Royalties

Royalty expenditure is recognised on an accrual basis in accordance with the substance of the relevant agreement (provided that it is probable that settlement will be required and the amount of expense can be measured reliably). Royalty arrangements that are based on production, sales and other measures are recognised by reference to the underlying arrangement.

xii. 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.

xiii. 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.

<u>Provision for restoration and rehabilitation</u>
A provision for restoration and rehabilitation 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.

xiv. 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.

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.

xv.Financial assets

Other financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss', 'held-to-maturity investments', 'available-for-sale' financial assets, and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. The Group's "other financial Assets" held during the year comprise solely of assets classified as "loans and receivables".

Effective interest method
The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective interest rate basis for debt instruments other than those financial assets 'at fair value through profit or loss'.

Loans and receivables
Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

Impairment of financial assets
Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables. For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

xvi.Financial Liabilities

Borrowings and other financial liabilities (including trade payables but excluding derivative liabilities) are recognised initially at fair value, net of transaction costs incurred and are subsequently stated at amortised cost. Any difference between the amounts originally received for borrowings and other financial liabilities (net of transaction costs) and the redemption value is recognised in the income statement over the period to maturity using the effective interest method.

Fair value
Fair value is the amount at which a financial instrument could be exchanged in an arm's length transaction between informed and willing parties. Where relevant market prices are available, these have been used to determine fair values. In other cases, fair values have been calculated using quotations from independent financial institutions, or by using valuation techniques consistent with general market practice applicable to the instrument.

(a) The fair values of cash, short-term borrowings and loans to joint ventures and associates approximate to their carrying values, as a result of their short maturity or because they carry floating rates of interest.

(b) The fair values of medium and long-term borrowings are calculated as the present value of the estimated future cash flows using quoted prices in active markets or an appropriate market based yield curve. The carrying value of the borrowings is amortised cost.

Effective interest method
The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash outflows through the expected life of the financial liability, or, where appropriate, a shorter period.

An expense is recognised on an effective interest rate basis for debt instruments other than those financial assets 'at fair value through profit or loss'.

xvii.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.

xviii. 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

Australian dollars, which is the functional currency of Titan Minerals Limited and 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 yearend 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.

xix. 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.

xx. Share-based payments

Equity-settled share-based payments with employees and others providing similar services 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.

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.

xxi.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.

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.

xxii. Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

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.

(a) Determination of mineral resources and ore reserves

The Group estimates its mineral resources and ore reserves in accordance with the Australian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code"). The information on mineral resources and ore reserves is prepared by or under the supervision of Competent Persons as defined in the JORC Code. The amounts presented are based on the mineral resources and ore reserves determined under the JORC Code.

There are numerous uncertainties inherent in estimating mineral resources and ore reserves and assumptions that are valid at the time of estimation may change significantly when new information becomes available.

Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and may, ultimately, result in the reserves being restated. Such changes in reserves could impact on depreciation and amortisation rates, asset carrying values and provisions for restoration and rehabilitation.

(b) Estimation for the provision for restoration and rehabilitation

Provision for rehabilitation and dismantling property, plant and equipment is estimated taking into consideration facts and circumstances available at the balance sheet date. This estimate is based on the expenditure required to undertake the rehabilitation and dismantling, taking into consideration the time value of money.

(c) 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.

(d) Impairment of capitalised mine assets and deferred exploration expenditure

The future expected recoverability of capitalised mine development expenditure is dependent on a number of factors, including the level of proved, probable and inferred mineral resources, future technological changes which could impact the cost of mining, future legal changes (including changes to environment restoration obligations) and changes to commodity prices.

To the extent that capitalised mine development expenditure is determined not to be recoverable in the future, this will reduce profits and net assets in the year in which this determination is made.

4. SEGMENT INFORMATION

Identification of Reportable Segments

The Company 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 Company operates predominately in Peru. The reportable segments are based on aggregated operating segments determined by the similarity of the services provided and other factors.

Notes to the Consolidated Financial Statements

Segments

The Group has two reportable operating segments which are the same as its geographical segments, these are Peru and the USA. The information is further analysed based on the mineral sold within the region.

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.

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**	
Continuing operations	**31-Dec-17 $'000s**	**31-Dec-16 $'000s**	**31-Dec-17 $'000s**	**31-Dec-16 $'000s**
Segment result before income tax – Peru Gold	639	*	3,054	*
Segment result before income tax – Peru Copper	-	*	-	*
Segment result before income tax – USA	-	-	47	*
	639	**1,365**	**3,101**	**1,365**
Other revenue			3	**-**
SilverStream gold streaming income			-	-
Central administration costs and director salaries			(603)	(1,891)
Foreign exchange costs			(16)	247
Finance costs			-	(6)
Loan forgiveness			13,139	-
Reversal of provision of impairment of property, plant & equipment			1,000	-
DOCA Expenses			(2,350)	-
Share Based Payments			(5)	-
Loss before income tax expense			14,269	(285)
Income tax expense			-	-
Profit/(Loss) for the year from continuing operations			**14,269**	**(285)**

The revenue reported above represents revenue generated from processed gold sales, toll treatment revenues and concentrate sales to external customers.

Notes to the Consolidated Financial Statements

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

Assets	31 Dec 2017 $'000s	31 Dec 2016 $'000s
Peru gold business	1,272	*
Peru copper business	-	*
United States of America	-	*
Unallocated assets	3,222	*
Consolidated total assets	**4,494**	**558**

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

Liabilities	31 Dec 2017 $'000s	31 Dec 2016 $'000s
Peru gold business	(3,347)	*
Peru copper business	-	*
United States of America	-	*
Unallocated liabilities	(98)	*
Consolidated total liabilities	**(3,445)**	**26,030**

*** The Company was under External administration from 25 August 2015 to 4 October 2017, consequently the Company did not have sufficient information to allow the level of disclosure required for the year ended 31 December 2016 and 31 December 2017.**

5. REVENUE AND EXPENSES

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

	Note	Consolidated 31-Dec-17 $'000s	Consolidated 31-Dec-16 $'000s
(a) Revenue			
Revenue from the sale of gold		-	*
Revenue from toll processing		639	*
Revenue from selling concentrate		-	*
Revenue for continuing operations		639	
Interest revenue – bank deposits		-	*
Other income		3	*
Other revenue		3	
		642	1,365
(b) Expenses			
(i) Employee benefits expense:			
Other employee benefits			
		-	*
(ii) Depreciation and amortisation:			
Plant and equipment		(213)	(109)
Mine assets		-	-
		(213)	(109)
(iii) Operating lease rental expenses included in occupancy costs:			
Minimum lease payments		-	*

Notes to the Consolidated Financial Statements

	Note	Consolidated 31-Dec- $'000s	31-Dec- $'000s
(iv) Finance costs:			
Interest on finance facilities		-	*
Interest on convertible notes		-	*
Bank fees		-	*
Finance costs		-	*
		-	(6)
(v) Loan Forgiveness:			
Cash settlements		(1,379)	*
Equity settlements		(4,740)	*
Book value of loans forgiven		23,873	*
		17,754	*

*** The Company was under External administration from 25 August 2015 to 4 October 2017, consequently the Company did not have sufficient information to allow the level of disclosure required for the year ended 31 December 2016 and 31 December 2017.**

6. INCOME TAXES

Income tax recognised in profit or loss	Consolidated 31-Dec-17 $'000s	31-Dec-16 $'000s
Tax expense comprises:		
Deferred tax expense	-	*
Total tax expense	-	*

The prima facie income tax expense on pre-tax accounting loss from continuing operations reconciles to the income tax expense in the financial statements as follows:

Profit / (Loss) from continuing operations	14,269	(285)
Income tax calculated at 27.5% (2016: 30%)	3,924	(86)
Expenses that are not deductible / (income that is exempt) in determining taxable profit	-	-
Adjustments for deferred tax of prior year	-	-
Effect of different tax rates of subsidiaries operating in other jurisdictions	-	-
Tax benefit not recognised as recovery not probable	(3,924)	86
	-	-

The tax rate used in the above reconciliation is the tax rate of 27.5% (2016: 30%) payable by Australian corporate entities on taxable profits under Australian tax law.

Deferred tax assets

Amounts recognised in profit and loss:		
Tax losses – revenue	(31,503)	*
Share issue costs recognised in equity	*	*
Provisions & other	*	*
Deferred tax assets used to offset deferred tax liabilities	*	*
Deferred tax assets not recognised	31,503	*
	-	-

Deferred tax liabilities		
Amounts recognised in profit and loss:		
Mineral rights	-	*
Deferred tax assets used to offset deferred tax liabilities	-	*
	-	-
Movements:		
Opening balance at 1 January	-	*
Exchange differences	-	*
	-	-

Tax consolidation

The parent entity is the only Australian entity in the Consolidated Entity, hence a tax consolidated group has not been formed.

*** The Company was under External administration from 25 August 2015 to 4 October 2017, consequently the Company did not have sufficient information to allow the level of disclosure required for the year ended 31 December 2016 and 31 December 2017.**

7. TRADE AND OTHER RECEIVABLES

	31-Dec-17 $'000s	31-Dec-16 $'000s
Current		
Tax receivable(1)	99	-
Other receivables(2)	191	-
	290	-

At the reporting date $0 of the trade receivables were past due but not impaired.

(1) Local tax receivables relate to goods and services taxes refundable in the prior year.
(2) Other receivables include amounts receivable from sales prior to year-end and advances due for repayment.

8. INVENTORIES

	31-Dec-17 $'000s	31-Dec-16 $'000s
Stores and spares	-	*
In process ore	-	*
Impairment	-	*
	-	-

*** The Company was under External administration from 25 August 2015 to 4 October 2017, consequently the Company did not have sufficient information to allow the level of disclosure required for the year ended 31 December 2016 and 31 December 2017.**

Notes to the Consolidated Financial Statements

9. PROPERTY, PLANT AND EQUIPMENT

	Property, plant and equipment $'000s
Assets at Cost	
Balance at 31 December 2015	-
Additions	-
Eliminated on disposal of assets	-
Impairment	-
Impact of foreign exchange	-
Balance at 31 December 2016	-
Additions	-
Eliminated on disposal of assets	-
Property, Plant & Equipment *	1,000
Impact of foreign exchange	-
Balance at 31 December 2017	1,000
Accumulated depreciation and impairment	
Balance at 31 December 2015	-
Depreciation expense	-
Eliminated on disposal of assets	-
Impairment	-
Impact of foreign exchange	-
Balance at 31 December 2016	-
Eliminated on disposal of assets	-
Depreciation expense	-
Impact of foreign exchange	-
Balance at 31 December 2017	-
Net book value	
As at 31 December 2016	-
As at 31 December 2017	**1,000**

* When the directors resumed custodianship of the Company it was noted that the San Santiago plant has a provision for impairment that brought the book value to 0. The directors obtained a third-party valuation report on the San Santiago plant from Primero Group Pty Ltd to ascertain what the fair value of the plant should be now that the Company was out of administration. The valuator used an order of magnitude valuation estimate and arrived at a fair value of US$1,302,500. The directors approved a conservative approach to reverse the provision for impairment back to an ascribed fair value of AU$1,000,000 for the San Santiago plant.

*** The Company was under External administration from 25 August 2015 to 4 October 2017, consequently the Company did not have sufficient information to allow the level of disclosure required for the year ended 31 December 2016 and 31 December 2017.**

Notes to the Consolidated Financial Statements

10. MINE ASSETS

	Consolidated	
	31-Dec-17	31-Dec-16
	$'000s	$'000s
Mine assets at cost	173	500
Accumulated amortisation	-	-
Impairment	-	-
Net book value	**173**	**500**

Reconciliation of the carrying amounts of mine assets at the beginning and end of the current financial year:

Carrying amount at beginning of the year	500	500
- fair value adjustment on disposal	(327)	-
- mine development expenditure	-	*
- impact of foreign exchange	-	*
- amortisation expense	-	*
- impairment	-	-
	173	**500**

*** The Company was under External administration from 25 August 2015 to 4 October 2017, consequently the Company did not have sufficient information to allow the level of disclosure required for the year ended 31 December 2016.**

11. DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated	
	31-Dec-17	31-Dec-16
	$'000s	$'000s
Deferred exploration expenditure	-	-

Reconciliation of the carrying amounts of mine assets at the beginning and end of the current financial year:

Carrying amount at beginning of the year	-	-
- acquisitions through business combination	-	-
- impact of foreign exchange	-	*
- impairment	-	-
	-	-

*** The Company was under External administration from 25 August 2015 to 4 October 2017, consequently the Company did not have sufficient information to allow the level of disclosure required for the year ended 31 December 2016 and 31 December 2017.**

12. TRADE AND OTHER PAYABLES

	Consolidated	
	31-Dec-17 $'000s	31-Dec-16 $'000s
Current Liabilities		
Trade and other payables	341	1,800
Employee benefits	724	-
Tax liabilities	-	475
Other Liabilities	-	4,309
Creditors' claims under administration*	-	1,920
	1,065	**8,504**
Non- Current Liabilities*		
Trade and other payables	1,802	-
Tax liabilities	403	-
	2,205	**-**

* When the directors resumed custodianship of the Company it was noted that a large portion of the payables in the subsidiaries related to debts owed from the period 2010-2016. Some of which pre-dated the Company's acquisition of the subsidiaries. It is directors expectation that the Company will not settle these outstanding liabilities within the next 12 months as the validity of the liabilities cannot be confirmed, and therefore have classified these liabilities as non-current.

*** The Company was under External administration from 25 August 2015 to 4 October 2017, consequently the Company did not have sufficient information to allow the level of disclosure required for the year ended 31 December 2016 and 31 December 2017.**

13. BORROWINGS

	Consolidated	
	31-Dec-17 $'000s	31-Dec-16 $'000s
CURRENT		
Unsecured at amortised cost		
Loans	175	2,832
Convertible notes	-	6,532
Secured at amortised cost		
Loans	-	217
	175	**9,581**
NON CURRENT		
Unsecured at amortised cost		
Loans	-	-
Secured at amortised cost		
Convertible note	-	-
	-	**-**
TOTAL BORROWINGS	**175**	**9,581**

A. Loans

(a) Andina Resources Limited loan

As at 31 December 2017, the Group owed Andina Resources Limited (a director related entity with Mr Matthew Carr) a total of $174,637. The terms of the loan are that the loan is payable on demand, is unsecured and has a 0% interest rate.

As per the terms of the Deed of Company Arrangement (DOCA) all prior borrowings that were owed by the Company were cleared upon effectuation of the DOCA.

*** The Company was under External administration from 25 August 2015 to 4 October 2017, consequently the Company did not have sufficient information to allow the level of disclosure required for the year ended 31 December 2016 and 31 December 2017.**

14. PROVISIONS

	Consolidated	
	31-Dec-17	**31-Dec-16**
	$'000s	**$'000s**
Current		
Annual leave	-	1,668
Provision for mine closure (1)	-	329
Total Current	-	1,997
Non-current		
Provision for mine closure	-	-
Total Non –Current	-	-
TOTAL	-	1,997
Provision for mine closure		
Opening balance	329	329
- decrease in the provision	(329)	*
- impact of foreign exchange	-	*
Closing balance	-	329

(1) The provision for mine closure is an environmental management instrument used to evaluate and plan necessary measures before, during and after the closure of operations to eliminate, mitigate and control adverse effects on the area used or disturbed by the mining activity, in order to be considered as a compatible ecosystem with a healthy environment, appropriate for the biological development and landscape preservation. This Environmental Impact Statement has been approved by the Regional Government of Arequipa.

*** The Company was under External administration from 25 August 2015 to 4 October 2017, consequently the Company did not have sufficient information to allow the level of disclosure required for the year ended 31 December 2016 and 31 December 2017.**

15. OTHER LIABILITIES

	Consolidated	
	31-Dec-17	31-Dec-16
	$'000s	$'000s
Gold purchase agreement liability (1)	-	*
Silver purchase agreement liability (2)	-	*
	-	5,948
Reduction in liability for ore sold under contract during the year	-	*
Reduction in liability for ore sold under contract during the year -	-	
Foreign exchange loss on liability revaluation	-	*
Fair value finance charge	-	*
Balance due to SilverStream SEZC under the GPA and SPA	-	5,948
Current		
Gold purchase agreement liability	-	*
Silver purchase agreement liability	-	*
	-	5,948
Non-current		
Gold purchase agreement liability	-	-
Silver purchase agreement liability	-	-
	-	-

As per the terms of the Deed of Company Arrangement Silverstream SEZC removed the Gold Purchase Agreement (GPA) and the Silver Purchase Agreement (SPA) with the Group.

*** The Company was under External administration from 25 August 2015 to 4 October 2017, consequently the Company did not have sufficient information to allow the level of disclosure required for the year ended 31 December 2016 and 31 December 2017.**

16. ISSUED CAPITAL

(a) Issued capital reconciliation

	31 December 2017		31 December 2016	
Issued capital	**Number**	**$'000s**	**Number**	**$'000s**
Ordinary shares fully paid	**1,635,381,023**	**91,051**	**3,633,823,438**	**78,619**
Movements in shares on issue				
Balance at the beginning of the financial year	3,633,823,438	78,619	3,633,823,438	78,619
Consolidation on a 350:1 basis	(3,623,442,415)	-	-	-
Shares issued 5 October 2017, at $0.01, under the Public Offer	600,000,000	6,000	-	-
Shares issued 5 October 2017, at $0.01, under the Employee Offer	70,000,000	700	-	-
Shares issued 5 October 2017, at $0.01, under the Broker Offer	316,032,382	3,160	-	-
Shares issued 5 October 2017, at $0.01, under the SilverStream Offer	350,000,000	3,500	-	-
Shares issued 5 October 2017, at $0.01, under the Unsecured Creditor Offer	53,967,618	540	-	-
Shares issued 5 October 2017, at $0.01, under the Andina Offer	235,000,000	2,350	-	-
Capital Raising Costs	-	(3,818)	-	-
Balance at end of financial year	**1,635,381,023**	**91,051**	**3,633,823,438**	**78,619**

*** The Company was under External administration from 25 August 2015 to 4 October 2017, consequently the Company did not have sufficient information to allow the level of disclosure required for the year ended 31 December 2016 and 31 December 2017.**

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.

(b) Shares under option - unlisted

Recipient	Number of shares under option	Class of shares	Exercise price	Expiry date	Vested
Anglo Pacific	209,357	Ordinary	$2.10	8 Feb 2018	100%

As at 31 December 2017, there are 209,357 unlisted share options issued to financial and corporate advisors. These options expired post year end on 8 February 2018 and were not exercised.

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)(1)	Number of Options MIZOA (ASX listed)(3)
Balance at 1 January 2016	104,775,000*	432,539,584
Share options issued during the year	*	-
Share options lapsed	(22,500,000)*	(432,539,584)*
Total number of options outstanding as at 31 December 2016	**82,275,000***	**-**
Consolidation on a 350:1 basis	(82,039,929)	-
Share options lapsed	(25,714)	-
Total number of options outstanding as at 31 December 2017	**209,357**	-

*** The Company was under External administration from 25 August 2015 to 4 October 2017, consequently the Company did not have sufficient information to allow the level of disclosure required for the year ended 31 December 2016 and 31 December 2017.**

No options were exercised during the year.

17. RESERVES

	Consolidated	
	31-Dec-17	**31-Dec-16**
	$'000s	**$'000s**
Equity settled employee benefits reserve (1)	2,826	2,822
Foreign currency translation reserve (2)	(252)	(1,904)
	2,574	**918**

18. LOSS PER SHARE

	Consolidated	
	31-Dec-17 Cents	**31-Dec-16 Cents**
Basic and diluted loss per share from continuing operations	3.59	(2.7)
	$'000s	**$'000s**
Loss from Continuing Operations Attributable to Equity Holders of	14,269	(285)
	No.	**No.**
Weighted average number of ordinary shares used in the	397,709,790	10,382,352
Potential ordinary shares not considered to be dilutive at year end	-	-

	Consolidated	
	31-Dec-17 Cents	**31-Dec-16 Cents**
Basic and diluted loss per share from discontinued operations	(0.46)	(6.4)
	$'000s	**$'000s**
Loss from Discontinued Operations Attributable to Equity Holders	(1,836)	(662)
	No.	**No.**
Weighted average number of ordinary shares used in the	397,709,790	10,382,352
Potential ordinary shares not considered to be dilutive at year end	-	-

As the Group made a loss for the year, diluted earnings per share is the same as basic earnings per share. The impact of dilution would be to reduce the loss per share.

19. SUBSIDIARIES

Name of entity	Country of incorporation	Ownership interest 2017	Ownership interest 2016*	Principal Activity
Mundo Minerals USA	USA	100%	100%	Administrative holding company
Mundo Peru Gold SAC	Peru	0%	100%	Gold production and exploration
Mundo Minerales SAC	Peru	0%	100%	Gold production and exploration
Golden Empire SAC	Peru	0%	100%	Gold exploration
Compania Minera Cobrepampa	Peru	100%	100%	Copper exploration
Empresa Miner Cobrepampa	Peru	100%	100%	Copper exploration
Grupo Cobrepampa	Peru	100%	100%	Copper exploration
Korisumaq SAC	Peru	100%	100%	Copper exploration
Derivados Y Concentrados SAC	Peru	100%	100%	Processing plant operator
Hogans Heros S.A.C	Peru	100%	0%	Administrative holding company

*** The Company was under External administration from 25 August 2015 to 4 October 2017, consequently the Company did not have sufficient information to allow the level of disclosure required for the year ended 31 December 2016 and 31 December 2017.**

20. DISCONTINUED OPERATIONS

On 4 October 2017 the shares in the entities that made up the MPG group of companies were transferred to the Minera Gold Limited Creditors Trust.

(a) Financial performance and cash flow information

		31 Dec 2017 $'000s	31 Dec 2016 $'000s
Loss for the year from discontinued operations			
Revenue - rendering of services		3	-
Other income		-	-
		3	-
Expenses		(1,511)	(662)
Loss for the year from discontinued operations until date of disposal		(1,508)	(662)
Loss on disposal	(b)	(328)	-
Loss before income tax		**(1,836)**	**(662)**
Attributable income tax expense		-	-
Loss for the year from discontinued operations (attributable to owners of the company)		**(1,836)**	**(662)**
Cash flows from discontinued operations			
Net cash outflow from operating activities		(364)	
Net cash inflow from investing activities		-	
Net cash inflows from discontinued operations		**(364)**	

(b) Details of the sale of the MPG Group

	4-Oct-17
	$
Consideration received or receivable:	
Cash	-
Total disposal consideration	**-**
Carrying amount of net assets sold	4,742
Foreign Currency Translation reclassified from reserve to profit or loss on disposal	(5,070)
Loss on disposal	**(328)**

The carrying amounts of assets and liabilities as at the date of sale (4 October 2017) were:

	4-Oct-17
	$
Cash and cash equivalents	-
Other current assets	488
Property, plant and equipment	630
Other non-current assets	10,199
Total assets	**11,317**
Trade and other payables	(3,320)
Other non-current assets	(3,255)
Total liabilities	**(6,575)**
Net assets	**4,742**

*** The Company was under External administration from 25 August 2015 to 4 October 2017, consequently the Company did not have sufficient information to allow the level of disclosure required for the year ended 31 December 2016 and 31 December 2017.**

21. CONTINGENCIES AND COMMITMENTS

The Group has no contingent liabilities as at 31 December 2017.

*** The Company was under External administration from 25 August 2015 to 4 October 2017, consequently the Company did not have sufficient information to allow the level of disclosure required for the year ended 31 December 2016 and 31 December 2017.**

Notes to the Consolidated Financial Statements

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-17 $'000s	**31-Dec-16 $'000s**
Cash at bank and deposits at call	2,932	58
(b) Reconciliation of loss for the year to net cash flows used in operating		
Loss for the year	12,433	(947)
Adjustments for:		
Depreciation and amortisation of non-current assets	213	-
Equity-settled share based payments	4	-
Foreign exchange	16	(247)
Loan forgiveness	(17,754)	-
DOCA expenses	2,350	-
Provision expense	22	-
Non cash financing activities:	-	-
Reversal of provision of impairment of property, plant & equipment	(1,000)	-
Changes in net assets and liabilities:		
(Increase)/decrease in assets:		
Trade and other receivables	289	18
Increase/(decrease) in liabilities:		
Trade and other payables	342	-
Taxation liabilities	-	-
Provisions	-	61
Net cash used in operating activities	(3,085)	(1,115)

(c) Non-cash financing activities

The following non-cash financing activities occurred during the year:

Offer	Date issued	No of shares	$ '000
Shares issued under the Employee Offer	5 October 2017	70,000,000	700
Shares issued under the Broker Offer	5 October 2017	316,032,382	3,160
Shares issued under the SilverStream Offer	5 October 2017	350,000,000	3,500
Shares issued under the Unsecured Creditor Offer	5 October 2017	53,967,618	540
Shares issued under the Andina Offer	5 October 2017	235,000,000	2,350
Total		1,025,000,000	10,250

All cash balance contained in the above table was available for use by the Group as at 31 December 2017.

*** The Company was under External administration from 25 August 2015 to 4 October 2017, consequently the Company did not have sufficient information to allow the level of disclosure required for the year ended 31 December 2016 and 31 December 2017.**

23. EVENTS AFTER THE REPORTING PERIOD

There has not been any matter or circumstance 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, other than:

On the 8 February 2018, 209,357 unlisted options expired.

On the 26 March 2018 Titan Minerals Limited entered into a bid implementation agreement (BIA) with Andina Resources Limited, by which Titan will acquire all of the issued share capital in Andina via an off-market takeover bid. Andina is a Peru focussed unlisted public company incorporated in Australia. Under the bid, Andina shareholders will receive 1 fully paid ordinary share in the capital of Titan for every 1.18 Andina shares held (for a total of 561,656,385 Titan shares to be issued should 100% of Andina shareholders accept the bid).

24. KEY MANAGEMENT PERSONNEL

Refer to the Remuneration Report on pages 5-7 of the Directors Report.

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 18 to the 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.

As at 31 December 2017 the Group had unsecured loans with Andina Resources Limited, a director related entity with Mr Matthew Carr, of a payable position $174,637 and Vista Gold SAC (a subsidiary of Andina Resources Limited, in a receivable position $98,340).

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-17	31-Dec-16
Statement of Financial Position	**$ '000**	**$ '000**
Current assets	3,009	1
Non-current assets	-	21,771
Total assets	**3,009**	**21,772**
Current liabilities	112	19,255
Non-current liabilities	-	-
Total liabilities	**112**	**19,255**
Net Assets	**2,897**	**2,517**
Issued capital	91,051	78,619
Reserves	2,826	2,821
Accumulated losses	(90,980)	(78,923)
Shareholder Equity	**2,897**	**2,517**

	31-Dec-17	31-Dec-16
Statement of Comprehensive Income	**$ '000**	**$ '000**
Loss after tax	(12,057)	22
Total comprehensive loss	**(12,057)**	**22**

c) Expenditure commitments by the parent entity:

	31-Dec-17	31-Dec-16
	$ '000	**$ '000**
Not longer than 1 year	-	*
Longer than 1 year and not longer than 5 years	-	-
	-	*

*** The Company was under External administration from 25 August 2015 to 4 October 2017, consequently the Company did not have sufficient information to allow the level of disclosure required for the year ended 31 December 2016 and 31 December 2017.**

26. FINANCIAL INSTRUMENTS

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) Financial assets at fair value through profit and loss;
(iii) Receivables; and
(iv) Accounts payable.

The carrying values of the Group's financial instruments are as follows:

	31-Dec-17	31-Dec-16
	$ '000	$ '000
Financial Assets		
Cash and Cash Equivalents	2,932	58
Trade and Other Receivables	389	-
Total Financial Assets	**3,321**	**58**
Financial Liabilities		
Trade and other payables	3,270	8,504
Other liability	-	5,948
Borrowings	175	9,581
Provisions	-	1,997
Total Financial Liabilities	**3,445**	**26,030**
Net Exposure	**(124)**	**(25,972)**

(a) Market Risk

Foreign Exchange Risk

The Group operates internationally and is exposed to foreign exchange risk arising primarily from its subsidiaries, primarily with respect to the US dollar.

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.

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-17	31-Dec-16	31-Dec-17	31-Dec-16
	$'000	$'000	$'000	$'000
US dollars	284	*	2,462	*

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 2017 was 0.5% (31 December 2016: -%). All receivables, other financial assets and payables are non-interest bearing.

(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 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 the US was held with First Republic Bank which is considered to be an appropriate financial institution with an external credit rating of A.

(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.

*** The Company was under External administration from 25 August 2015 to 4 October 2017, consequently the Company did not have sufficient information to allow the level of disclosure required for the year ended 31 December 2016 and 31 December 2017.**

27. SHARE-BASED PAYMENTS

Ordinary Shares

As part of the Prospectus dated 18 August 2017, Titan Minerals Limited issued the following shares as part of the various offers noted in the disclosure document:

Offer	**No of shares**	**$ '000**
Shares issued under the Employee Offer	70,000,000	700
Shares issued under the Broker Offer	316,032,382	3,160
Shares issued under the SilverStream Offer	350,000,000	3,500
Shares issued under the Unsecured Creditor Offer	53,967,618	540
Shares issued under the Andina Offer	235,000,000	2,350
Total	1,025,000,000	10,250

Performance Rights

At the General Meeting held on 18 December 2016, shareholders approved to grant 80,500,000 performance rights as remuneration (Class A, B, C). The rights entitled the directors and company secretary to shares in Titan Minerals Limited on achievement of market conditions. Under the plan, the participant was granted performance rights which only vest if certain market conditions are met.

The amount of rights that will vest depends on the achievement of three market-based conditions. The three conditions are market-based condition related to achieving a 10-day volume weighted average price of shares on the ASX of greater than $0.05, $0.06 and $0.07 respectively.

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

Set out below is the summary of rights granted and approved by shareholders. Management have assessed the likelihood of the rights vesting and have estimated that Class A, B and C market conditions are expected to be achieved prior to expiry.

(i) Fair value of performance rights granted
Set out below is the assessed fair value at grant date of performance rights granted during the year ended 31 December 2017.

Performance rights:

	Fair value at grant date
Class A – market	$0.032
Class B – market	$0.032
Class C – market	$0.032

Expenses Arising from Share-based Payment Transactions

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

	31-Dec-17 $ '000	31-Dec-16 $ '000
Shares Issued under the Employee Offer	(700)	-
Shares Issued under the Broker Offer	(3,160)	-
Shares Issued under the SilverStream Offer	(3,500)	-
Shares Issued under the Unsecured Creditor Offer	(540)	-
Shares Issued under the Andina Offer	(2,350)	
Performance Rights issued to directors and staff	(5)	-
Total share-based payments	**(10,255)**	**-**

28. REMUNERATION OF AUDITORS

	Consolidated	
	31-Dec-17 $ '000	31-Dec-16 $ '000
Auditor of the parent entity		
Audit or review of the financial report	67	40
Tax services	45	*
	112	40
Other auditors – associate firms of the auditor of the parent entity in Brazil, USA and Peru		
Audit or review of the financial report	-	*

The auditor of Titan Minerals Limited for the financial year ended 31 December 2016 and 2017 was Stantons International.

*** The Company was under External administration from 25 August 2015 to 4 October 2017, consequently the Company did not have sufficient information to allow the level of disclosure required for the year ended 31 December 2016 and 31 December 2017.**

Stantons International Audit and Consulting Pty Ltd
trading as
Stantons International
Chartered Accountants and Consultants

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

Report on the Audit of the Financial Report

Disclaimer of Opinion

We were engaged to audit the financial report of Titan Minerals Limited (formerly known as Minera Gold Limited), the Company and its subsidiaries ("the Group"), which comprises the consolidated statement of financial position as at 31 December 2017, the consolidated statement of 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.

Because of the significance of the matters described in the Basis of Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an Audit Opinion on the financial report. Accordingly, we do not express an opinion on the financial report for the year ended 31 December 2017.

Basis for Disclaimer of Opinion

During the period 1 January 2017 to 4 October 2017, the Company was subject to a Deed of Company Arrangement ("DOCA") and therefore under external administration. On 4 October 2017 the recapitalisation of the Company was completed and the DOCA was fully effectuated. Accordingly, on 4 October 2017 the Company exited external administration and the control of the Company was passed to the Company directors.

As disclosed in Note 2 to the financial statements, the directors of the Company did not have control of the company until control was transferred to them on the effectuation of the DOCA on 4 October 2017. Consequently, the financial information relating to the period from 1 January 2017 to 4 October 2017 was not subject to the same accounting and internal control processes, which includes the implementation and maintenance of internal controls that are relevant to the preparation and fair presentation of the financial report, Whilst the books and records of the Group have been reconstructed to the maximum extent possible, we were unable to satisfy ourselves as to the completeness of the general ledger and financial records as well as the relevant disclosures in the financial report.

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In preparing the financial report, management is 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 management either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to conduct an audit of the financial report in accordance with Australian Auditing Standards and to issue an auditor's report. However, because of the matter described in the *Basis for Disclaimer of Opinion* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial report. We are independent of the Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Report on the Remuneration Report

Disclaimer of Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 5 to 7 of the directors' report for the year ended 31 December 2017.

Because of the existence of the limitation on the scope of our work, as described in the Basis of Disclaimer of Opinion, and the effects of such adjustments, if any, as might have been determined to be necessary had the limitation not existed, we are unable to, and do not express, an opinion on the remuneration report of Titan Minerals Limited for the year ended 31 December 2017 and whether it 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)

Stantons International Audit & Consulting Pty Ltd

Martin Michalik

Martin Michalik
Director

West Perth, Western Australia
29 March 2018

ANALYSIS OF HOLDINGS OF LISTED SHARES AND OPTIONS IN THE COMPANY

	Ordinary Shares
1 — 1,000	2,060
1,001 — 5,000	339
5,001 — 10,000	75
10,001 — 100,000	241
100,001 — and over	419
Total number of holders	3,134
Holdings of less than a marketable parcel	2,474

REGISTERED OFFICE OF THE COMPANY

Suite 7, 295 Rokeby Road
Subiaco Western Australia 6005

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

STOCK EXCHANGE LISTING

Quotation has been granted for 1,635,381,023 ordinary shares and on the Australian Stock Exchange Ltd. The State Office of the Australian Stock Exchange Ltd in Perth, Western Australia has been designated the Home Branch of Titan Minerals Limited.

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

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.

SHARE REGISTRY

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

Security Transfer Australia Pty Limited
770 Canning Hwy
Applecross WA 6153

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

Rank	Holder Name	Designation	Securities	%
1	JP MORGAN NOM AUST LTD	CASH INCOME A/C	127,896,378	7.82%
2	TAZGA TWO PL	TAZGA TWO A/C	84,500,000	5.17%
3	ROCKFORD INV FUND PL	ROCKFORD INV A/C	80,000,000	4.89%
4	SEZC SILVERSTREAM		75,036,834	4.59%
5	J STIMPSON PL	HOEK A/C	75,000,000	4.59%
6	BUSWELL REEGAN	HAS BEEN INV A/C	75,000,000	4.59%
7	ANDINA RES LTD		65,000,000	3.97%
8	K-CRAFT NOM PL	K-CRAFT INV A/C	63,532,382	3.88%
9	WEXFORD RISE PL	WEXFORD RISE PENSI	60,000,000	3.67%
10	UBS NOM PL		54,198,459	3.31%
11	CITICORP NOM PL		51,428,681	3.14%
12	BAFFIGO GIORGIO RAMON A		40,500,000	2.48%
13	FISKE NOM LTD		40,000,000	2.45%
14	VONROSS NOM PL	VONROSS FAM A/C	30,000,000	1.83%
15	TEXBRIDGE HLDGS PL	M & B MCCARTHY FAM	27,950,000	1.71%
16	RANGWELL BOYS PL	RANGA FAM A/C	25,000,000	1.53%
17	MATYSEK PAUL		23,800,000	1.46%
18	CRANLEY CONS PL	CRANLEY CONS A/C	22,300,000	1.36%
19	ROVON INV PL		20,900,000	1.28%
20	IONA RES LTD		20,000,000	1.22%
	ALL OTHER SHAREHOLDERS		573,338,289	35.06
	TOTAL		1,635,381,023	100%

SUBSTANTIAL SHAREHOLDERS

Date Announced	Holder Name	Designation	Securities
19/10/2017	TAZGA TWO PL	TAZGA TWO A/C	84,500,000

Consistency with business objectives - ASX Listing Rule 4.10.19

In accordance with Listing Rule 4.10.19, the Group states that it has used the cash and assets in a form readily convertible to cash that it had at the time of admission in a way consistent with its business objectives. The business objective is primarily exploration for natural resources and acquisition of resource based projects. The Group believes it has used its cash in a consistent manner to which was disclosed under the Prospectus dated 18 August 2017.

TENEMENTS

Code	Concession name	Has.	Concession Holder
P540000110	San Santiago De Acari (Beneficiation Concession)	23.6207	Derivados Y Concentrados S.A.C.
010226104	Virgen Del Carmen 2004 P	99.7012	Derivados Y Concentrados S.A.C.
010227907	Don Ivan 31N-1	10.1777	Derivados Y Concentrados S.A.C.
010485706	Don Tomasito De Acari	891.4900	Derivados Y Concentrados S.A.C.
540002311	Camila VII	900.0000	Derivados Y Concentrados S.A.C.
10102504	Virgen Del Carmen I 2004	116.6853	Korisumaq S.A.C.
10139104	Virgen Del Carmen 2004 A	800.001	Korisumaq S.A.C.
10164804	Virgen Del Carmen 2004 H	0.8911	Korisumaq S.A.C.
10164004	Virgen Del Carmen 2004 L	9.9867	Korisumaq S.A.C.
10163804	Virgen Del Carmen 2004 M	6.0000	Korisumaq S.A.C.
10163904	Virgen Del Carmen 2004 N	9.4151	Korisumaq S.A.C.
10277904	Virgen Del Carmen 2004 S	9.9856	Korisumaq S.A.C.
10277804	Virgen Del Carmen 2004 T	43.863	Korisumaq S.A.C.
10199506	Virgen Del Carmen 2006 A	998.7285	Korisumaq S.A.C.
10164704	Virgen Del Carmen 2004 J	4.9936	Grupo Cobrepampa Sac
10278004	Virgen Del Carmen 2004 R	21.2957	Grupo Cobrepampa Sac
10164204	Virgen Del Carmen 2004 Q	27.6826	Grupo Cobrepampa Sac
10087805	Virgen Del Carmen 2005a	88.7535	Grupo Cobrepampa Sac
10142605	Virgen Del Carmen 2005 B	75.9339	Grupo Cobrepampa Sac
10000226y01	Acari Trigesimo	579.2593	Grupo Cobrepampa Sac
O10341005	Virgen Del Carmen 2005 C	399.4930	Compañía Minera Cobrepampa S.A.C.
O10138807	Virgen Del Carmen 2007 A	251.0145	Compañía Minera Cobrepampa S.A.C.

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 – 3rd 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.