

# ANNUAL REPORT

# 2022



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E-mail: [info@titanminerals.com.au](mailto:info@titanminerals.com.au)

Focused on the exploration and development of the rich copper and gold deposits in the prolifically mineralised cordilleras of Southern Ecuador's Andean Terrain.

# CORPORATE DIRECTORY

## BOARD OF DIRECTORS

Mr Peter Cook	Non-Executive Chairman
Mr Matthew Carr	Executive Director
Mr Barry Bourne	Non-Executive Director
Mr Nick Rowley	Non-Executive Director (Resigned 31 March 2023)
Ms Tamara Brown	Non-Executive Director (Resigned 31 March 2023)

## COMPANY SECRETARY

Mr Zane Lewis

## REGISTERED OFFICE

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## SHARE REGISTRY

Automatic Share Registry  
Level 2, 267 St Georges Terrace  
PERTH, WA 6000

## AUSTRALIAN BUSINESS NUMBER

97 117 790 897

## STOCK EXCHANGE LISTING

ASX: TTM

## AUDITORS

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

ANNUAL REPORT

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## MESSAGE

# FROM THE CHAIRMAN

Dear Shareholders,

On behalf of the board, it is my pleasure to present you the Titan Mineral Limited Annual Report for the financial year ending December 31, 2022.

The Company has made great progress in the year on Projects, and most importantly, have vastly improved the organisational, financial, and technical control over the Ecuadorian assets.

We had a forced change in executive management during the year which resulted in Matt Carr stepping up into an interim CEO role, finally filling that role with the appointment of Melanie Leighton, after year-end.

During his time as CEO, Matt and his team did a terrific job in reorganising, refocusing, and re-invigorating our in-country team and the governance of our activities.

Technically, we made good progress at the Copper Duke Project with systematic foundation geological layers now assembled, defining surface anomalism suggestive of porphyry copper style mineralisation across a +7 kilometre long corridor ceded with diorite intrusions.

At the Linderos Project, in our maiden drilling campaign, we drilled what we believe to be the top of a copper-gold-molybdenum porphyry system at the Copper Ridge prospect. Our maiden drilling was also successful in defining an intermediate sulphidation gold vein system at the Meseta Gold prospect, immediately adjacent to the Copper Ridge porphyry prospect.

A thorough technical review at our Dynasty Gold Project and increased geological diligence with the addition of substantial geochemical data began to unravel the ore genesis model for Dynasty. At the Cerro Verde prospect where drilling was designed to validate and extend vein hosted gold mineralisation, we recognised the engine room for ore forming fluids was most likely a cluster of porphyry intrusions to the south of Cerro Verde which were intersected in Titan's drilling in late 2021.

The study of multi-element geochemistry and the relogging of vein textures highlighting the absence of adularia changed the classification of the Dynasty vein swarm to be that of an intermediate sulphidation system. This evolution in our understanding of vein hosted gold mineralisation at Dynasty, has significant implications for potential improved continuity of mineralisation, level of emplacement in relation to the proposed porphyry source, and of course the way that we optimize our exploration efforts to expand the current mineralisation footprint.

We continued to work co-operatively with the purchaser of the Zaruma Project who had struggled to meet the last payments of deferred consideration on its sale due to a deterioration in market conditions deferring its proposed IPO. We revised the final payment schedule and remain confident that the remaining funds owed will filter through.

The Company finds itself well positioned with a dramatically improved geological understanding and multiple high conviction drill ready targets now defined across each of its projects. The year forward promises to be very exciting, as the fruits of the excellent geological work completed by the in-country team begin to advance toward discoveries of significance.

I thank our shareholders for their patience and continued belief in the Company and its exploration and development pursuits in Ecuador.

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**PETER COOK**

**CHAIRMAN**

## MESSAGE

# FROM THE CEO

Dear Shareholders,

The Company has made significant advances in community relations, generating much support from the communities in which we operate, giving us the social license to undertake exploration activities across our projects.

Titan's relationships continue to strengthen, with strong support enjoyed at a local, state, and federal level, with mining set to feature as a large part of Ecuador's economic revitalisation going forward. The strong relationships forged with local communities and government organisations lead to the seamless and rapid approval of our maiden drilling campaign at the Linderos Project.

With exploration advancement hindered by COVID-19 in 2021, the Company was back operating at full capacity across its projects in 2022. Generative exploration work programs were deployed in earnest with significant advances made across all projects in the areas of surface mapping and geochemical sampling, adding important layers of information and identifying high priority targets across our projects.

The Company received the balance of assay results from its 2021 Dynasty drilling program, which has given confidence in the veracity of legacy drill data and the historic foreign resource, while also extending mineralisation at the project. This year the team have been undertaking a comprehensive surface mapping and drill core relogging exercise to facilitate the construction of a 3-dimensional geological model, to be used for targeting extensions to known mineralisation, and to support a robust JORC compliant Mineral Resource Estimate.

Drilling at Dynasty was successful in intersecting broad zones of gold-rich porphyry style mineralisation from shallow depths at the Kaliman Porphyry prospect. The discovery of porphyry mineralisation, overlapping with epithermal gold at Dynasty prompted a refocus in geological efforts to better understand the potential scale and extent of the porphyry. The Anaconda method of geological mapping was introduced to better target porphyry mineralisation, greatly enhancing our understanding of the Kaliman porphyry system, with the Company set to drill test its potential in early 2023.

The team were excited to undertake a maiden drilling

campaign at the Linderos Project, where we tested both the Copper Ridge Porphyry prospect and the Meseta Gold prospect. Pleasingly our drilling has demonstrated the presence of a large-scale copper-gold-molybdenum porphyry system from shallow depths at Copper Ridge, with significant potential to grow substantially- with 6 out of 8 drillholes ending in copper mineralisation! Meseta also returned good widths and grades in intermediate sulphidation vein hosted gold + polymetallic mineralisation from shallow depths, with real potential to add substantial ounces at this prospect.

Exploration activities at Copper Duke continued to advance, with our geological understanding and confidence improving to the point that we now have several drill ready targets which we intend to test in 2023. Several site visits were also hosted for potential strategic partners, with overwhelming feedback being incredibly positive regarding the project potential and the high technical standards of the Titan geology team.

I feel privileged to be presiding over Titan at such an exciting time, where disciplined exploration, and of course a little bit of luck, can lead to a potential transformational Tier 1 discovery. I look forward to our shareholders new and old, being a part of this journey as Titan offers unique exposure to meaningful scale copper and gold in Ecuador, which is emerging as an increasingly attractive mining jurisdiction, and rapidly gaining the attention of the majors.

I am genuinely excited about the potential that Titan offers. Not only are the projects first-class, but I believe that the management and in-country technical capability that has been built will unveil the true potential of our three large-scale projects.

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**MELANIE**

**CHIEF EXECUTIVE OFFICER**

# OUR COMPANY OVERVIEW

The Company's main undertaking is exploration and development of its large-scale gold and copper projects in the Loja Province, southern Ecuador

## PROJECTS

- ➔ The Dynasty Project
- ➔ The Linderos Project
- ➔ The Copper Duke Project
- ➔ The Copper Field Project



Figure 1: Titan Minerals southern Ecuador Projects, the metallogenic belts of Ecuador and peer deposits

The Company's main undertaking is exploration and development of its large-scale gold and copper projects in the Loja Province, southern Ecuador.

The projects lie proximal to a major flexure in the Andean Terrane where porphyry copper and epithermal gold-silver mineralisation are associated with early to late Miocene aged magmatism along the margin of the extensive Cretaceous aged Tangula Batholith.

The majority of porphyry copper and epithermal gold deposits in southern Ecuador are associated with magmatism in this age range, with several of these younger intrusions located along the margin of the extensive Cretaceous aged Tangula Batholith, forming a favourable structural and metallogenic corridor for intrusion activity where Titan minerals holds a significant land position.

Access to the projects is excellent, within close proximity to the Pan American and costal highways, with access via paved regional all-weather roads. Regional airports exist approximately two hours by road from the projects with daily connections to Ecuador's capital city, Quito.

# 2022 KEY HIGHLIGHTS

With exploration advancement hindered by COVID-19 in 2021, the Company was back operating at full capacity with its strengthened technical team across its projects in 2022. Generative exploration work programs were deployed in earnest with significant advances made across all projects in the areas of surface mapping and geochemical sampling, adding important layers of geological information and several high priority targets identified across all projects, which are being prepared for drill testing in 2023.

## Corporate Social Responsibility

- Titan has significantly improved the quality of life for inhabitants of the communities in which it operates through several initiatives and investments
- Community health plans implemented in conjunction with local medical centres, medical assistance provided, and medicines and vitamins supplied for children with chronic malnutrition
- Materials and labour provided for the expansion of local police stations, and maintenance of churches, and Health and Community Centres
- Repowering of potable water treatment plants and maintenance of septic tanks
- Preventive maintenance of access roads
- Donation of grains to local farmers for planting and growing crops
- Christmas donations made across each of the projects
- Relationships in Ecuador further strengthened, and collaboration alliances established with local municipalities, providing permanent support for Titan's activities and implementation of community development plans.
- Significant advances made in community relations, generating support from local communities, with substantial improvements made in land access across our projects
- Communities previously opposed to mining are changing their attitude, after seeing the benefits generated by Titan's presence, through the generation of jobs and community development plans.





# KEY HIGHLIGHTS

## Dynasty Gold Project

- 100% held, 5 concessions totalling 139km<sup>2</sup>, 3 concessions are fully permitted for exploration and small-scale mining
- Advanced stage exploration project with high grade epithermal gold ± base metal and porphyry style gold, silver, copper, and molybdenum mineralisation confirmed by drilling
- Foreign Mineral Resource of 2.1Moz gold and 16.8Moz silver, validated by trial mining and QAQC workstreams undertaken by Titan during 2021-22:
  - Indicated Resources: 6.6Mt @ 4.65g/t Au, 36g/t Ag for 0.99Moz gold and 7.67Moz silver
  - Inferred Resources: 7.8Mt @ 4.42g/t Au, 36g/t Ag for 1.11Moz gold and 9.15Moz silver
- Significant potential to grow resources through exploration and resource definition drilling programs planned for 2023, targeting the 9-kilometre epithermal vein corridor and porphyry mineralisation at the Kaliman, Cola and La Zanja prospects



## Copper Field Project

- Located 42km northeast of Dynasty, 100 % held, 2 concessions totalling 65km<sup>2</sup>
- Greenfields project which has seen limited modern exploration

## Linderos Project

- Located 20km west of Dynasty, 100% held, 4 concessions totalling 143km<sup>2</sup>
- Intermediate stage exploration project with high grade epithermal gold ± base metal and porphyry style copper, gold, silver, and molybdenum mineralisation confirmed by drilling
- Copper Ridge Porphyry and Meseta Gold prospects are the most advanced, where Titan completed maiden drilling campaigns in 2022 confirming broad zones of porphyry mineralisation from very shallow depths to ~500m vertical, and significant scope to grow laterally and at depth
- A pipeline of high priority targets to be progressed through exploration work programs in 2023

## Copper Duke Project

- Located 24km east of Dynasty, 100% held, 13 concessions totalling 130km<sup>2</sup>
- Early-stage exploration project with multi-phase outcropping targets including epithermal gold, breccia copper, and porphyry copper-gold mineral systems
- Large-scale 7km porphyry alteration footprint highlighted by magnetics, soil geochemistry (coincident gold-copper-molybdenum), trenching and surface mapping
- Several high priority targets being progressed and set to feature in drilling programs in 2023



# BOARD OF DIRECTORS

**PETER COOK**  
CHAIRMAN



Mr Cook is a Geologist with over 35 years of experience in the field of exploration, project, operational and corporate management of mining companies. Over the past two decades, Peter has founded or served as Managing Director or Chairman for many successful mining and resource development companies in gold and base metals.

He is currently the Non-Executive Chairman of Westgold Resources Limited (ASX: WGX), where he was previously Executive Chairman before recently deciding to step back from all executive roles. Peter is also the Non-Executive Chairman of Castile Resources Limited (ASX: CST) and served as the Non-executive Chairman of Nelson Resources Limited (ASX: NES) until February 2019.

Over his distinguished career Peter has been recognised by the industry, being awarded the GMJ Mining Executive of the year in 2001, the Asia-Mining Executive of the year awarded at the Mines and Money Conference in Hong Kong in 2015, the Mining News CEO of the Year award in 2018 and the Gavin Thomas Mining Award in 2019

**MATTHEW CARR**  
EXECUTIVE DIRECTOR



Mr Carr has over 10 years experience working in South America and is currently a Director of Titan Minerals Limited, having lead the hostile takeover of Coregold Inc.

Mr Carr is also a founding Director of Private Equity and Financing Company Urban Capital Group. He has experience across debt finance, equity markets and restructuring, with a particular focus on Resources and Property assets.

**BARRY BOURNE**  
NON EXECUTIVE DIRECTOR



Mr Bourne is a Geologist and the Principal Consultant at Terra Resources Pty Ltd which specialises in geophysical survey design, acquisition, processing, modelling, inversion, data integration, interpretation, and drill hole targeting.

Mr Bourne has significant exploration success and strong leadership qualities alongside his technical abilities. Mr Bourne worked for over 12 years with Barrick Gold which included six years in-country experience in developing nations (Papua New Guinea, East/West Africa, South America) and three years working on the Carlin trend in the USA. Prior to Barrick Gold, Mr Bourne was principal geophysicist of Homestake Gold.

Mr Bourne was shortlisted for the Australian innovation Awards in 2012 and was the Advance Global Australian of the Year for Mining and Resources in 2013.

Mr Bourne holds BSc (Hons), is a Fellow of the Australian Institute of Geoscientists, is on the technical advisory committee for UWA Centre for Exploration Targeting, and a member of the Australian Institute of Company Directors.





## OUR COMPANY

# EXECUTIVE MANAGEMENT

### **Melanie Leighton** Chief Executive Officer

Mrs Leighton is a geologist with over 20 years' experience in the resource sector, spanning multiple commodities, deposits and jurisdictions. She is a founding director of Leighton Geoservices Pty Ltd, a consulting firm providing corporate and geological services to the mineral resources sector with the mantra of bridging the gap between technical, corporate and investors. Ms Leighton has held senior management and geological roles with Hot Chili Limited, Harmony Gold, Hill 50 Gold and Northwest Resources, gaining practical and management experience within the areas of exploration, mining, resource development, stakeholder engagement and investor relations.

Mrs Leighton currently serves as Non-executive director for Great Boulder Resources (ASX:GBR) and Industrial Minerals (ASX:IND).

### **Mr Michael Skead** Chief Technical Advisor

Mr Skead is a geologist with over 30 years of international experience in mining exploration and development. He holds a BSc. Honours degree in geology from the University of Cape Town, (RSA) and MSc. in Exploration Geology, from the Rhodes University, Grahamstown, (RSA). Mr Skead most recently worked as the Vice President of Project Development at GT Gold Corp. (TSX-V: GTT) which was recently acquired by Newmont Corp. (NYSE: NEM, TSX, NGT) for C\$393 million. While at GT Gold Corp. Mr Skead delivered the geological model and resource for the gold rich copper porphyry Saddle North Project which

comprised Indicated Resources of 1.81 Blb copper and 3.47 Moz gold and Inferred Resources of 2.98 Blb copper and 5.46 Moz gold.

Prior to his role at GT Gold Corp. Mr Skead was Director of Geoscience at Newmont Corp. and has previously held senior management positions in a number of internationally recognised mining companies including Goldcorp, Randgold Resources (LSE: RRS) and Dundee Precious Metals (TSX: DPM).

### **Mr Freddy Villao** Vice President Government Affairs, Ecuador

Mr Villao is a lawyer with 15 years' experience across several public sector institutions in Ecuador. Mr Villao most recent position was as the Under-Secretary General of Strategic Development and prior to that he was the Under-Secretary of Administration for Hydrocarbon Contracts and Assigned Areas.

He holds a Master's degree in Administrative Law from Austral University in Argentina, a Higher Diploma in Local Government Management in Ecuador, and a Diploma in Mining Management at the Catholic University of Chile.

### **Mr Pablo Morelli** Exploration Manager, Ecuador

Mr. Morelli is a geologist with over 15 years' experience working across various epithermal systems as well as copper-molybdenum, copper-gold and gold-rich style porphyry systems. This experience was gained working with Barrick, Newmont, Kinross and Rio Tinto working in Cretaceous, Palaeocene, Eocene-Oligocene and Miocene Belts of northern and central Chile and Mexico.

Mr. Morelli recently worked as Geology and Exploration Superintendent on the Norte Abierto Project, a joint venture between Newmont and Barrick Gold, evaluating the Cerro Casale and Caspiche copper-gold projects.

### **Fernando Inca** Operations and Administration Manager, Ecuador

Mr. Inca is a civil engineer with 14 years' experience in project management and supervision, public procurement, geotechnical engineering, costing and budgeting. He holds a Master's degree in Industrial Engineering and Productivity from the National Polytechnic School of Ecuador.

He has worked in public and private companies in design, construction and supervision of hydroelectric projects, metal structures and tunnels in Ecuador, Chile, Bolivia and Costa Rica.

As an entrepreneur Mr. Inca founded and managed INCAEC Engineering Corp. for 5 years.

### **Cecilia Peñaherrera** CSR Manager, Ecuador

Ms. Peñaherrera is a senior executive, trilingual, with 25 years of experience in different industries and productive sectors, additionally providing advice and field work in community relations with emphasis on land negotiation and acquisition processes, population resettlement, elaboration, establishment and implementation of community development plans for mining companies, definition of compensation policies, management and control of social conflicts related to industry issues (illegal mining), which has allowed her to generate important strategic alliances with communities, authorities and local governments.



# TITAN'S DYNASTY PROJECT

## QAQC, Infill & Extensional Drilling

Titan Minerals commenced a diamond drilling program in May 2021 with the objective of increasing drill density within the foreign Mineral Resource Estimate to increase confidence and better understand mineralisation controls. As the program progressed it shifted toward targeting mineralisation extensions, as it became evident that the dimensions of the mineral system were yet to be defined, with significant potential for resource growth identified.

Diamond drilling primarily targeted infill and extensions to known epithermal veins, conceptual plunging ore shoots at structural intersections, and the potential for porphyry gold-copper mineralisation at the Cerro Verde prospect, as had been evidenced in surface mapping and geochemistry.

Assay return was impacted by COVID-19 which meant significant delays, with the balance of results from the 2021 Dynasty drilling campaign received during Q1 and Q2 2022.

Titan's drilling at the Cerro Verde prospect was successful in:

- Validating (in some cases substantially improving) and extending historical drilling results - Brecha, Comanche, Estrella, La Herradura, La Colorado, Copetona and Clavo Vein Systems
- Defining new vein systems in areas never previously tested by drilling- Chula-Mula Vein System
- Demonstrating continuity of veins up to 300m depth- Ensillada and Herradura Vein Systems
- Extending surface extremity of main veins along strike and at depth
- Identifying multiple phases of fluid flow and telescoping of mineralisation as highlighted by variable silver to gold ratios - laterally and vertically
- Confirming the presence of a substantial gold-rich porphyry system (Kaliman Porphyry) overlapping with the high-grade epithermal gold system

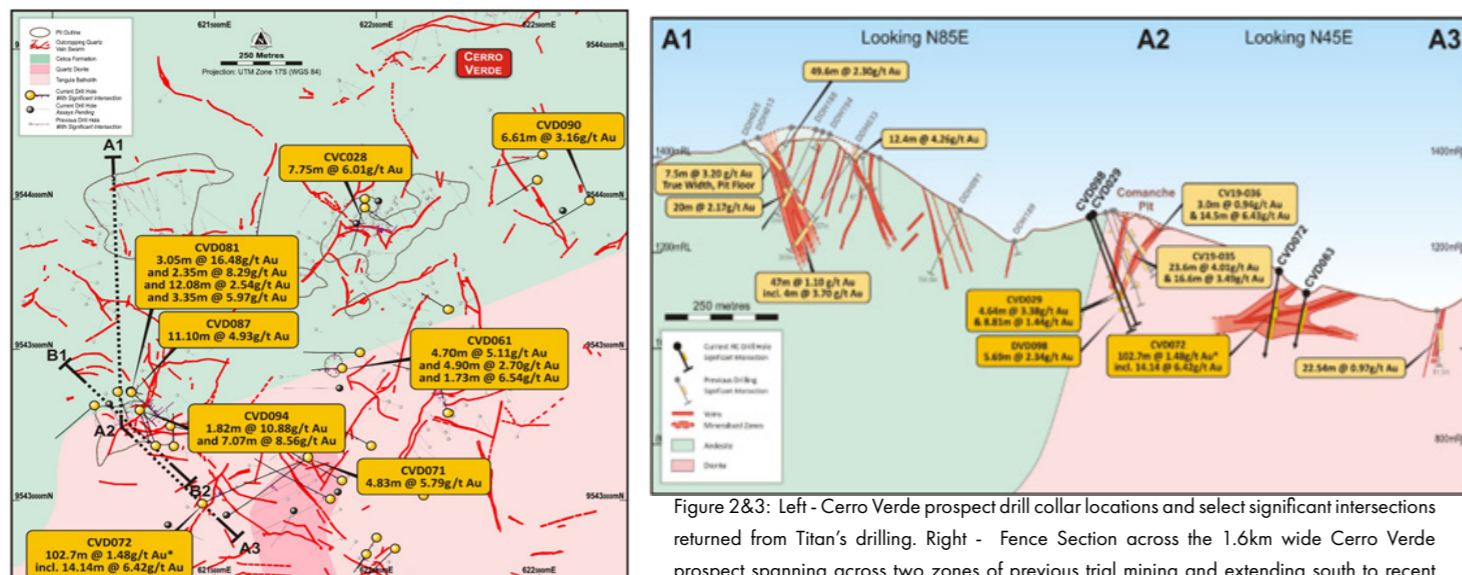


Figure 2&3: Left - Cerro Verde prospect drill collar locations and select significant intersections returned from Titan's drilling. Right - Fence Section across the 1.6km wide Cerro Verde prospect spanning across two zones of previous trial mining and extending south to recent intercepts at CVD072

Hole ID	Azimuth (°)	Dip (°)	Hole Depth (m)	Easting (UTM)	Northing (UTM)	Elevation (m)	From (m)	To (m)	Thickness (m)	Gold (g/t)	Silver (g/t)
CVD057	206	-70	422.05	621,744	9,542,967	1,185	278.61	287.00	8.39	3.45	7.75
							389.52	393.99	4.47	3.07	2.62
CVD060	116	-50	190.05	621,356	9,542,920	1,217	62.20	71.20	9.00	5.22	13.37
CVD080	302	-70	325.62	621,620	9,543,652	1,355	58.66	61.49	2.83	7.92	93.28
							96.09	100.37	4.28	2.48	12.16
							213.10	216.00	2.90	3.76	2.00
CVD089	154	-71	235.12	621,175	9,543,320	1,342	107.92	119.38	11.46	2.58	34.63
							129.56	138.00	8.44	1.91	6.75
							179.93	187.00	7.07	5.90	8.90
CVD095	160	-58	210.99	621,201	9,543,360	1,324	110.65	116.07	5.42	4.05	27.02
							178.19	186.08	7.89	1.39	11.92
CVD099	360	-46	160.85	621,374	9,543,179	1,259	77.15	84.79	7.64	3.24	9.42
CVD061	270	-62	200.18	621,892	9,543,438	1,339	37.72	42.42	4.70	5.11	24.08
							86.90	91.80	4.90	2.70	15.87
							111.78	113.51	1.73	6.45	61.83
CVD065	300	-45	170.39	621,983	9,543,181	1,299	67.19	76.11	8.92	1.30	3.13
CVD067	207	-75	209.8	621,967	9,542,823	1,183	76.58	82.27	5.69	1.95	3.14
CVD071	231	-45	446.45	621,787	9,543,144	1,228	197.17	202.00	4.83	5.79	3.25
							207.63	209.42	1.79	5.20	243.57
CVD072	64	-45	487.11	621,461	9,542,991	1,163	46.50	49.75	3.25	3.13	15.55
							72.82	76.18	3.36	3.14	11.73
							84.94	128.00	43.06	2.56	6.95



# TITAN'S DYNASTY PROJECT

Hole ID	Azimuth (°)	Dip (°)	Hole Depth (m)	Easting (UTM)	Northing (UTM)	Elevation (m)		From (m)	To (m)	Thickness (m)	Gold (g/t)	Silver (g/t)
							<i>including</i>	87.09	101.23	14.14	6.42	16.43
								137.00	143.37	6.37	1.24	2.53
							<i>**with n broader intercept</i>	46.50	149.20	102.7	1.48	4.50
<b>CVD074</b>	299	-45	371.26	621,856	9,543,006	1,192		29.07	30.48	1.41	8.24	11.35
<b>CVD075</b>	360	-45	588.9	621,620	9,543,652	1,354		244.50	246.66	2.16	6.15	33.88
								336.19	343.29	7.10	1.73	10.78
<b>CVD081</b>	135	-61	291.08	621,241	9,543,362	1,308		142.15	145.20	3.05	16.48	61.66
								156.25	158.60	2.35	8.29	4.09
								175.91	186.52	10.61	1.75	6.17
								196.15	208.23	12.08	2.54	7.41
								209.27	213.31	4.04	2.93	5.87
								219.15	222.50	3.35	5.97	15.10
								236.10	240.53	4.43	3.21	6.78
<b>CVD085</b>	192	-46	253.86	621,963	9,544,002	1,230		116.17	121.35	5.18	3.08	54.87
<b>CVD086</b>	270	-45	240.22	621,948	9,543,491	1,389		104.67	108.42	3.75	4.51	3.56
<b>CVD087</b>	99	-77	156.32	621,243	9,543,359	1,307		67.90	79.00	11.10	4.93	30.65
<b>CVD090</b>	235	-47	230.09	622,653	9,543,996	1,101		4.39	11.00	6.61	3.16	11.93
<b>CVD093</b>	343	-45	185.86	621,318	9,543,181	1,272		110.33	116.70	6.37	1.53	12.89
								133.42	143.36	9.94	1.42	21.44
<b>CVD094</b>	135	-66	182.24	621,269	9,543,299	1,304		103.29	105.11	1.82	10.88	34.13
								125.70	132.77	7.07	8.56	95.83
<b>CVD096</b>	163	-58	181.15	621,269	9,543,299	1,304		83.83	87.07	3.24	6.51	38.66
								160.85	164.72	3.87	2.46	16.23
<b>CVD098</b>	160	-68	251.24	621,201	9,543,360	1,324		198.27	203.96	5.69	2.34	3.29
<b>CVD100</b>	346	-45	186.19	622,218	9,543,290	1,388		89.66	94.12	4.46	2.33	13.76

## Exploration Activities & Acquisition of Generative Datasets

Generative exploration work programs completed across the project include 1,133 soil samples, 24 trenches totalling 715 metres and 855 samples, 80 stream sediment samples, 376 rock chips, and 832 hectares of detailed surface mapping completed. The exploration work programs, and geochemical sampling programs were largely directed to the Cerro Verde, Kaliman and La Zanja prospects.

Mapping was focused on the Cerro Verde prospect, where detailed geological mapping was undertaken over the Brecha-Comanche, Foto, Encuentros, Gorda, and Regorda Vein Systems, and also the Kaliman and La Zanja porphyry targets. Key findings from mapping included:

- Shear zones predominantly trend northeast-southwest, with secondary shear zones trending north-south responsible for emplacement of dykes; and east-west extensional veins are observed to host wider mineralised structures.
- The Kaliman Porphyry target exhibits characteristics of the shallow portion of a copper-gold porphyry system, with alteration mapped at surface indicating advanced argillic, phyllic and minor potassic alteration.

Surface mapping is being integrated into the 3D geological model, along with sectional and plan interpretations developed from relogging of drill core.

Stream sediment sampling has been completed across primary and secondary drainage systems across the project, with each sample representing a catchment area of approximately 10 km<sup>2</sup>. The stream sediment survey is aimed at assessing the exploration potential across the entire project area, particularly in the central and southern portion of the project, where no exploration has ever been completed.

Regional soil sampling programs were completed across the southern portion of the Cerro Verde prospect, from Brecha-Comanche target towards the Kaliman Porphyry target and onto the La Zanja prospect in the south.

A LiDAR survey was flown over the Dynasty Project, with the high-resolution imagery and digital elevation model to be used in geological modelling and topographical control for the forthcoming Mineral Resource Estimate.

SWIR (shortwave infrared) and VNIR 8 band (visible and near infrared) multi-spectral data was acquired for the project area, and a multi-spectral study undertaken to refine exploration programs and target generation.

Quantitative and qualitative geological datasets assembled during 2022 have enabled an improved geological understanding of several targets at the Dynasty Project. Given this improved understanding, the Company is now well positioned to test the Brecha-Comanche, Kaliman and La Zanja Porphyry targets.

In addition to field activities, considerable advances have been made in upgrading geological software, data capture and storage systems. The new systems allow for rigorous data validation, streamlined company-wide real-time access to geological information, and enables field mapping to be captured directly into online GIS projects.



# TITAN'S LINDEROS PROJECT

## Maiden Drilling Campaigns Completed

The Company completed a maiden drilling campaign at the Linderos Project following the receipt of all required permits, with drilling considered a significant milestone, being the first drilling undertaken by Titan at the project.

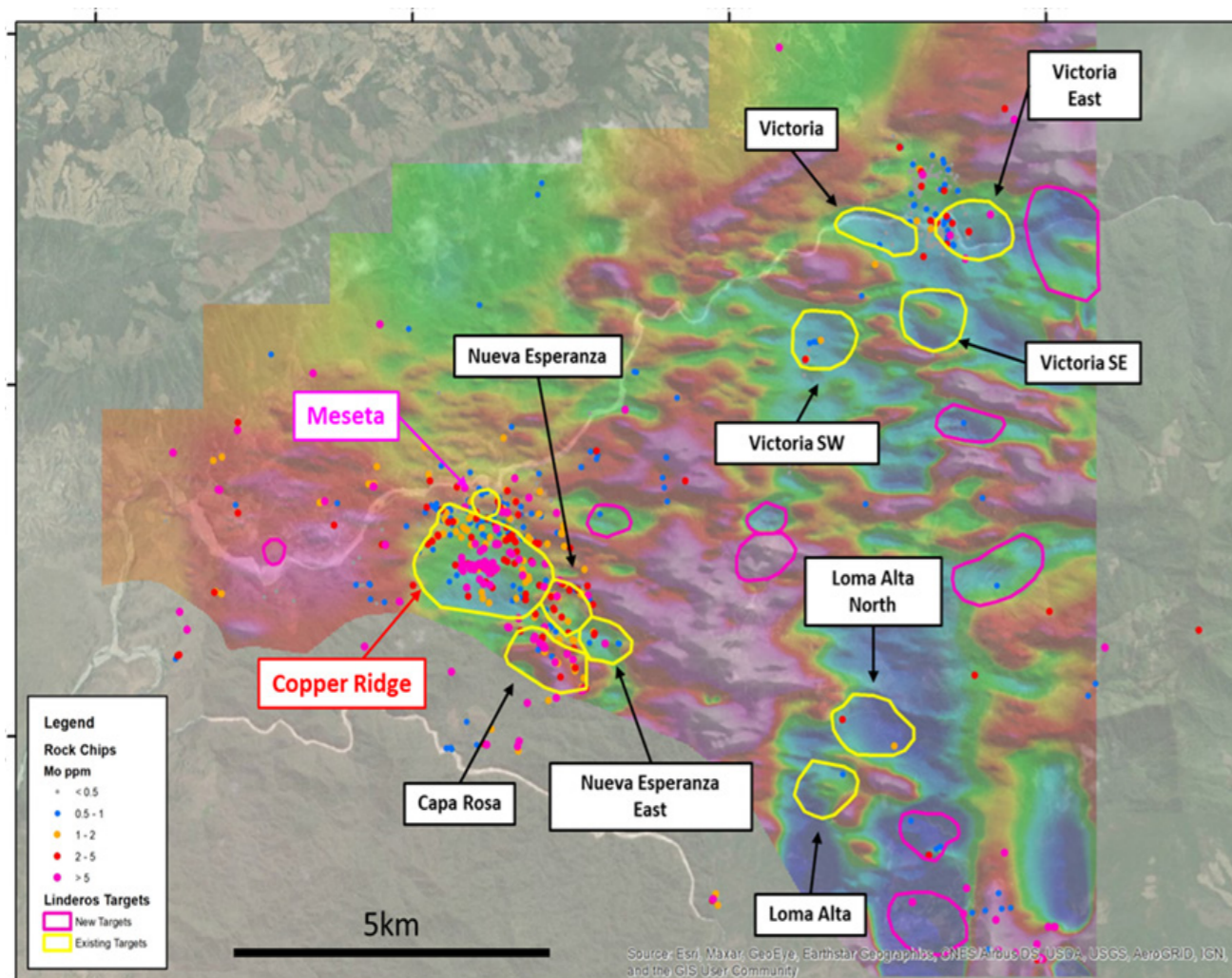


Figure 4: Linderos Project displaying prospects and targets identified by geophysics (TMI RTP image shown) and surface rock chips (Molybdenum)

## Copper Ridge Porphyry Prospect

The Copper Ridge Porphyry prospect features surface copper-molybdenum anomalism highlighted by channel and soil sampling recently completed by Titan. Mapping has confirmed copper-molybdenum mineralisation to be centred on dioritic porphyry intrusions approximately one kilometre in diameter, with these porphyritic intrusions also containing abundant mineralised quartz veining and copper oxide mineralisation at surface.



Figure 5: Hand specimen displaying azurite and malachite copper oxide mineralisation taken from the Copper Ridge prospect, Linderos Project

Eight diamond holes for 3,702 metres were completed to test the potential scale and grade of porphyry mineralisation at Copper Ridge, with assay results confirming the presence of wide intervals of copper-molybdenum±gold±silver from shallow depths down to 500m vertical.

Mineralisation is observed to be hosted within a diorite porphyry, with vein hosted and disseminated chalcopyrite-pyrite-pyrrhotite-molybdenite, and secondary biotite plus green-grey sericite and pervasive quartz-alkali feldspar defining an early to transitional potassic alteration.

Evidence that the Copper Ridge porphyry has the potential to host higher-grade copper and gold mineralisation is supported by intersections including 76m grading 0.5% Cu Eq from 132m in CRDD22-003 and 22m grading 0.5% Cu Eq from 524m in CRDD22-006.

Pleasingly, six out of the eight diamond drillholes were mineralised to the end of hole, highlighting strong potential for lateral and depth extensions. Titan's drilling has confirmed the large-scale porphyry potential at Copper Ridge and gives further confidence to continue targeting porphyry mineralisation, with considerable scope for both lateral and depth extensions.



# TITAN'S LINDEROS PROJECT

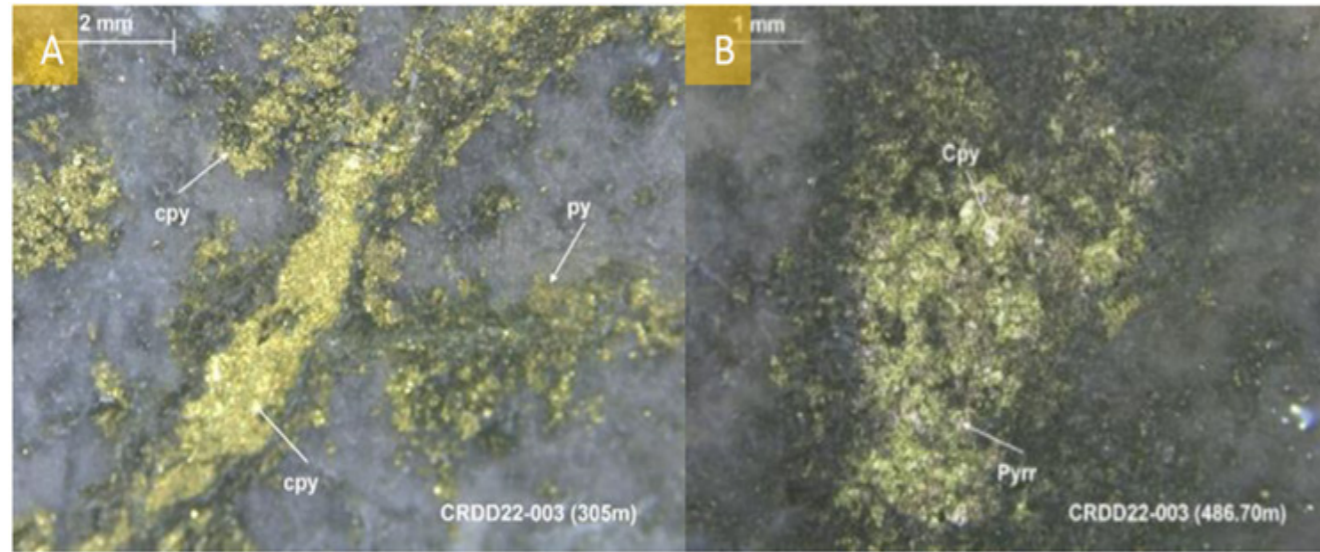


Figure 6: A: CRDD22-003 Diorite porphyry with potassic alteration, disseminated and veinlets of chalcopyrite 1% and pyrite 3%. B: CRDD22-003 (486m) Diorite porphyry with potassic alteration and disseminated chalcopyrite-pyrrhotite 1%.

Pleasingly, six out of the eight diamond drillholes were mineralised to the end of hole, highlighting strong potential for lateral and depth extensions. Titan's drilling has confirmed the large-scale porphyry potential at Copper Ridge and gives further confidence to continue targeting porphyry mineralisation, with considerable scope for both lateral and depth extensions.

#### Copper Equivalent (Cu Eq) values – Requirements under the JORC Code

- Assumed commodity prices for the calculation of Copper Equivalent (Cu Eq) is Cu US\$3.00/lb, Au US\$1,700/oz, Mo US\$14/lb and Ag US\$20/oz
- Recoveries are assumed from similar deposits: Cu = 85%, Au = 65%, Ag = 65%, Mo = 80%
- Cu Eq (%) was calculated using the following formula:  $((Cu\% \times Cu \text{ price } 1\% \text{ per tonne} \times Cu \text{ recovery}) + (Au(g/t) \times Au \text{ price per g/t} \times Au \text{ recovery}) + (Mo \text{ ppm} \times Mo \text{ price per g/t} \times Mo \text{ recovery}) + Ag \text{ ppm} \times Ag \text{ price per g/t} \times Ag \text{ recovery}) / (Cu \text{ price } 1\% \text{ per tonne} \times Cu \text{ recovery})$ .  $Cu \text{ Eq} (\%) = Cu (\%) + (0.54 \times Au (g/t)) + (0.00037 \times Mo (ppm)) + (0.0063 \times Ag (ppm))$
- TTM confirms that it is the Company's opinion that all the elements included in the metal equivalents calculation have a reasonable potential to be recovered and sold.

Hole ID	From (m)	To (m)	Width (m)	Cu (%)	Au (g/t)	Ag (ppm)	Mo (ppm)	Cu Eq (%) <sup>2</sup>	
CRDD22-001	20	46	26	0.09	0.03	0.14	58.02	0.1	
	82	134	52	0.25	0.07	0.80	44.75	0.3	
	436	528	92	0.09	0.01	0.28	56.47	0.1	
CRDD22-003	0	28	28	0.17	0.01	0.82	2.50	0.2	
	54	362	308	0.29	0.08	1.24	29.94	0.4	
	<b>Including:</b>								
	<b>132</b>	<b>208</b>	<b>76</b>	<b>0.39</b>	<b>0.12</b>	<b>1.76</b>	<b>53.28</b>	<b>0.5</b>	
	446	456	10	0.21	0.08	0.66	63.55	0.3	
CRDD22-002	72	190	118	0.20	0.03	0.73	43.01	0.2	
	356	402	46	0.14	0.02	0.64	49.03	0.2	
CRDD22-004	38	382	344	0.14	0.08	0.48	27.79	0.2	
	<b>including:</b>								
	196	382	186	0.17	0.13	0.65	30.72	0.3	
	<b>which also includes a higher-grade zone of:</b>								
	286	366	80	0.22	0.23	0.83	24.69	0.4	
CRDD22-005	74	196	122	0.18	0.04	0.69	8.26	0.2	
CRDD22-006	1	557.6	557	0.19	0.06	0.90	49.39	0.2	
	<b>including:</b>								
	21	93	72	0.30	0.16	1.22	36.84	0.4	
	<b>and including:</b>								
	373	424	51	0.28	0.07	1.62	60.02	0.4	
	<b>and including:</b>								
472	488	16	0.31	0.10	0.76	33.54	0.4		
<b>and including:</b>									
524	546	22	0.36	0.14	1.67	31.75	0.5		
CRDD22-007	196	368	172	0.17	0.04	0.64	69.5	0.2	
	<b>including:</b>								
266	354	88	0.21	0.05	0.76	86.7	0.3		
CRDD22-008	94	106	12	0.20	0.05	0.57	72.88	0.3	
	188	264	76	0.17	0.01	0.90	66.10	0.2	
	314	370	56	0.19	0.03	1.16	35.33	0.2	
	418	489	71	0.16	0.03	0.81	103.1	0.2	



# TITAN'S LINDEROS PROJECT

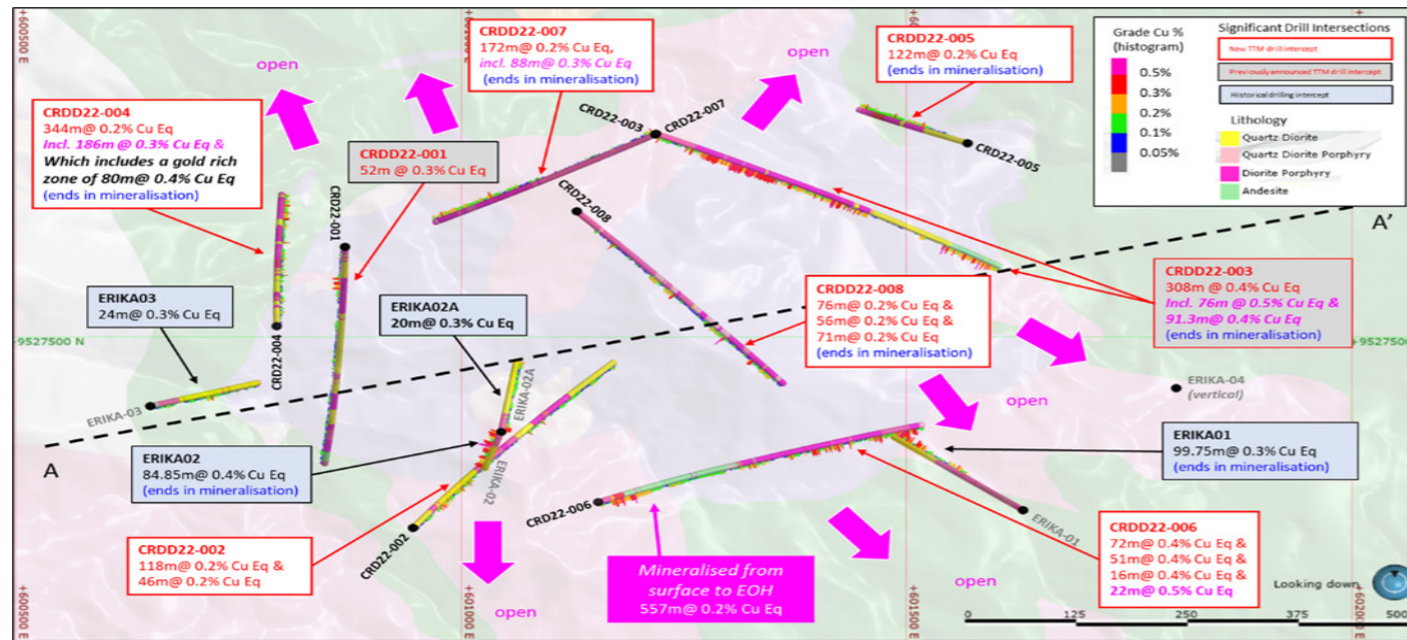
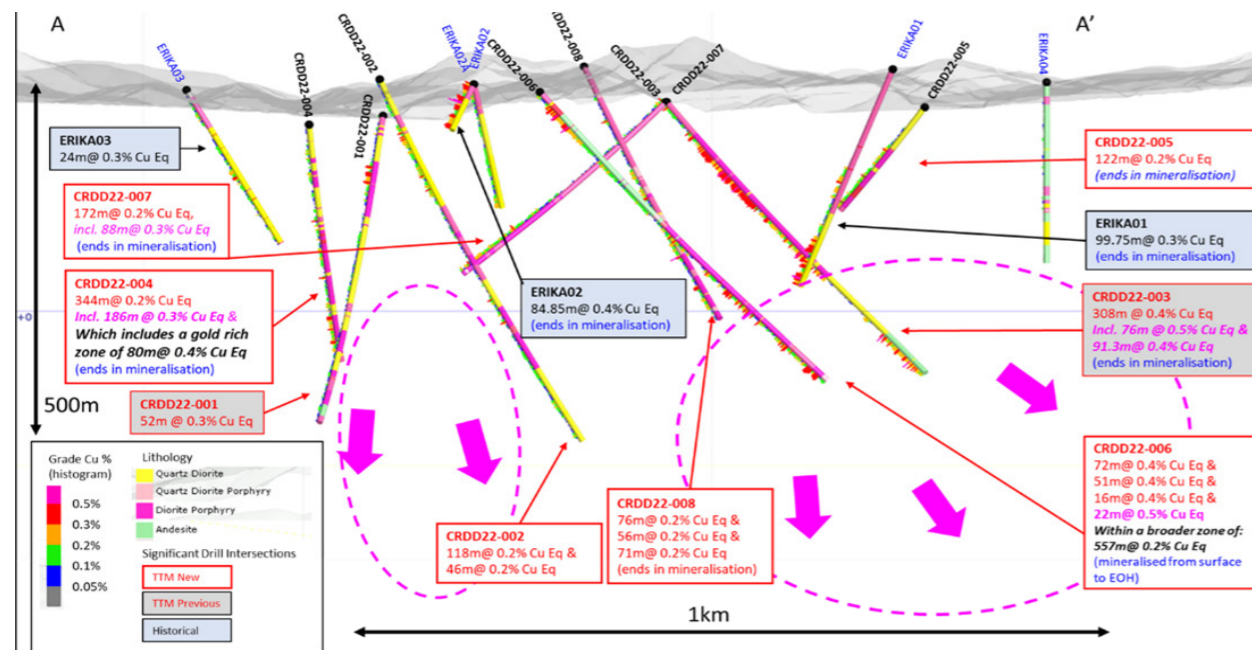


Figure 7: Copper Ridge plan view displaying interpreted geology and drilling displaying geology on drill trace and copper histogram on left, and significant intersections- new and previously announced.



The better tenor mineralisation is predominantly hosted with a diorite porphyry unit, an early-stage intra-mineral porphyry, composed of phenocrysts of plagioclase and hornblende, and crosscut by several later stage dykes of intra-mineral porphyry.

Although the cross-cutting younger intra-mineral porphyry contains a slightly lower tenor of mineralisation, it has the potential to host good mineralisation at depth due to the higher presence of hornblende phenocrysts.

Disseminated chalcopyrite (cpy) is observed to replace mafic minerals. Molybdenite (mo) is observed in disseminated in the groundmass and is also present in the margins of B-type quartz veinlets, and in minor cases as sutures. Pyrrhotite (po) is disseminated and is observed to replace mafic minerals in zones of potassic alteration. Magnetite (mt) is disseminated and observed to be overprinting/ replacing mafic minerals.

Alteration types observed include potassic, phyllic, and intermediate argillic, with several complex phases of alteration overprinting evident in drill core.

Potassic alteration (biotite-green grey sericite-quartz-chlorite±magnetite) is pervasive and overprints both diorite porphyry and andesites. Phyllic alteration (quartz-sericite-pyrite) is seen to overprint potassic alteration. Intermediate argillic alteration (chlorite-smectite-illite±carbonates), is pervasive and occurs as veins, overprinting earlier potassic and phyllic alteration. Vein styles are described below, with higher grade mineralisation closely associated with the presence of A- and B-type quartz veinlets.

- A-type quartz veinlets: usually as stockwork arrays, massive texture, translucent, grey colour, 2 to 6mm wide.
- B-type quartz veinlets: occurring as isolated veinlets, massive texture, translucent, grey colour, 2 to 6mm wide. Veinlets are filled by quartz, molybdenum on edges and chalcopyrite and pyrite in sutures.
- Stockworks of coarse milky quartz veinlets: massive texture, 5 to 30mm wide.
- Isolated sulphide veinlets: 2 mm wide, composed of variable amounts of pyrite and chalcopyrite.
- D-type quartz veinlets: characterized by isolated and sheeted arrays, massive texture, 3mm wide. Fillings of pyrite, quartz, carbonates, with sericite-chlorite halos, ranging 1-2cm in width.

Further surface mapping and sampling is being undertaken to consolidate the understanding of porphyry mineralisation controls at Copper Ridge, and to align surface mapping with logging of recently completed diamond drilling.

Petrographic analysis is planned to determine detailed alteration mineral assemblages and to understand the relationship with associated sulphide occurrences. Once the 3-Dimensional lithological model is complete, a selection of representative units will be sent for age dating to determine the ages of intrusive units and mineralisation events.

The use of an Induced Polarisation (IP) survey to map subsurface sulphide mineralisation is being assessed, and if suitable will be deployed in Q2 2023 prior to undertaking the next phase of drilling at Copper Ride and Meseta.

# TITAN'S MESETA GOLD PROSPECT

To the immediate northeast of Copper Ridge, gold mineralisation at the Meseta Gold prospect is hosted in steep to sub-vertical structures at the margins of the porphyry stock and is associated with strong silicification and oxidation of sulphides. Alteration and sulphide mineralisation features indicate that this is an intermediate sulphidation gold system.

High-grade epithermal gold mineralisation was initially identified at Meseta in 2017, when artisanal workings on a break-away slope were sampled. The slope exposes a stockwork of oxidised veinlets capped by transported boulders forming a plateau of perched alluvial sediments. The alluvial cap covers mineralisation and alteration in the area forming a geochemically blind target beneath a few metres of transported material.

In 2018, diamond drilling confirmed higher grade gold mineralisation in fresh rock. All drill holes intersected extensive hydrothermal related alteration and localised gold mineralisation.

An initial 14-hole program for 1,270 of diamond drilling was completed by Titan Minerals in late 2022 and was designed to test the presence of plunging high-grade ore shoots at interpreted structural intersections.

Multiple, massive sulphide (pyrite-sphalerite-arsenopyrite±galena) veins were intersected in 12 of the 14 holes, with pervasive phyllic (quartz-paragonite±pyrite), grading to intermediate argillic (paragonite-illite) alteration observed in drilling.

Precious (gold-silver) and base metal (copper-zinc-lead) mineralisation in veins occurs as massive pyrite, arsenopyrite, with minor pyrrhotite, chalcopyrite, galena and sphalerite. Polymetallic veins are interpreted to infill shear zones, with thicknesses ranging from 0.5 to 1.65m, and disseminated sulphides also pervasive in the quartz diorite wall rock.

Wall rock mineralisation includes disseminated sulphides, with visual estimates ranging from 1 to 20% pyrite, 0.5 to 80% arsenopyrite, 1 to 5% sphalerite, including several zones of 0.5 to 10% disseminated pyrrhotite, and isolated intervals of 0.5 to 2% chalcopyrite, and 0.5 to 1% galena.

## Exploration Activities & Acquisition of Generative Datasets

Generative exploration work programs completed across the Linderos Project include 2,089 soil samples, 45 trenches totalling 813 metres and 674 samples, 108 rock chips, and 390 hectares of detailed surface mapping.

Exploration activities and geochemical sampling programs were largely directed to the Copper Ridge, Meseta Gold, Capa Rosa, Loma Alta and Nueva Esperanza prospects.

Hole ID	From (m)	To (m)	Width (m)	Au (g/t)	Ag (ppm)	Cu (%)	Zn (%)	Pb (%)	Metals
MGDD22-001	41.5	43.3	1.8	1.08	4.70	0.04	0.45	0.04	Au-Ag-Zn
	51.72	66.34	14.62	2.16	5.62	0.05	0.33	0.06	Au-Ag-Zn
	<i>including:</i>								
	<b>51.72</b>	<b>56.34</b>	<b>4.62</b>	<b>5.00</b>	<b>10.33</b>	<b>0.09</b>	<b>0.39</b>	<b>0.19</b>	Au-Ag-Zn-Pb
	80.78	86.78	6	0.01	5.23	0.00	0.66	0.60	Ag-Zn-Pb
MGDD22-002	45.55	55.48	9.93	0.60	4.08	0.01	0.41	0.00	Au-Ag-Zn
	<i>including:</i>								
	<b>45.55</b>	<b>48.68</b>	<b>3.13</b>	<b>1.00</b>	<b>1.70</b>	<b>0.02</b>	<b>0.17</b>	<b>0.00</b>	Au-Ag-Zn
MGDD22-003	36.54	42.3	5.76	3.72	48.69	0.03	0.25	0.28	Au-Ag-Zn-Pb
	<i>including:</i>								
	37.35	38.08	0.73	11.35	73.30	0.01	0.84	1.24	Au-Ag-Zn-Pb
MGDD22-004	36.4	37	0.6	3.13	2.44	0.04	0.91	0.13	Au-Ag-Zn
	40.1	40.75	0.65	0.59	16.75	0.45	0.26	0.02	Au-Ag-Cu-Zn
	44.37	59	14.63	0.61	3.76	0.02	0.18	0.03	Au-Ag-Zn
	107.2	130.3	23.1	0.32	1.30	0.04	0.13	0.00	Au-Ag-Zn
MGDD22-005	20.25	28.25	8	0.06	6.67	0.01	0.13	0.85	Ag-Zn-Pb
	30.8	94.74	63.94	0.04	3.72	0.02	0.99	0.13	Ag-Zn-Pb
	<i>including:</i>								
	<b>32.19</b>	<b>39.63</b>	<b>7.44</b>	<b>0.02</b>	<b>7.61</b>	<b>0.02</b>	<b>0.82</b>	<b>0.64</b>	Ag-Zn-Pb
	73.6	74	0.4	0.31	18.40	0.07	5.55	0.03	Zn-Ag-Au
MGDD22-006	4	116.3	112.3	0.08	4.09	0.00	0.48	0.03	Ag-Zn
	<i>including:</i>								
	<b>19.49</b>	<b>22.35</b>	<b>2.86</b>	<b>1.60</b>	<b>16.89</b>	<b>0.01</b>	<b>0.63</b>	<b>0.13</b>	Au-Ag-Zn-Pb
<i>and including:</i>									



# TITAN'S COPPER DUKE PROJECT

Hole ID	From (m)	To (m)	Width (m)	Au (g/t)	Ag (ppm)	Cu (%)	Zn (%)	Pb (%)	Metals
	<b>94.49</b>	<b>95.3</b>	<b>0.81</b>	<b>0.80</b>	<b>9.11</b>	<b>0.01</b>	<b>0.16</b>	<b>0.08</b>	Au-Ag-Zn--Pb
MGDD22-007	45.8	80.73	34.93	0.04	6.42	0.01	0.65	0.04	Ag-Zn
MGDD22-009	30.3	32.15	1.85	2.84	4.42	0.05	0.15	0.03	Au-Ag-Zn--Pb
MGDD22-010	0	76.5	76.5	1.41	5.63	0.02	0.27	0.04	Au-Ag-Zn--Pb
	<i>including</i>								
	<b>66.28</b>	<b>73.5</b>	<b>7.22</b>	<b>13.77</b>	<b>12.90</b>	<b>0.15</b>	<b>0.38</b>	<b>0.02</b>	Au-Ag-Cu-Zn
	<i>including</i>								
	<b>68.28</b>	<b>69.2</b>	<b>0.92</b>	<b>31.50</b>	<b>24.30</b>	<b>0.25</b>	<b>0.02</b>	<b>0.01</b>	Au-Ag-Cu
	<i>and including:</i>								
	<b>72.92</b>	<b>73.5</b>	<b>0.58</b>	<b>99.80</b>	<b>89.90</b>	<b>0.98</b>	<b>0.31</b>	<b>0.14</b>	Au-Ag-Cu-Zn-Pb
MGDD22-011	66.5	93.2	26.7	0.02	9.58	0.01	0.22	0.16	Ag-Zn-Pb
MGDD22-012	4.35	50.17	45.82	1.40	2.13	0.02	0.25	0.02	Au-Ag-Zn
	41	45.88	4.88	12.87	6.04	0.11	0.41	0.00	Au-Ag-Cu-Zn
	<i>including</i>								
	<b>44.24</b>	<b>45.88</b>	<b>1.64</b>	<b>33.35</b>	<b>11.28</b>	<b>0.23</b>	<b>0.72</b>	<b>0.01</b>	Au-Ag-Cu-Zn
MGDD22-013	8.8	10.4	1.6	0.52	8.86	0.01	0.04	0.08	Au-Ag

## Exploration Activities & Acquisition of Generative Datasets

Regionally, the Copper Duke Project lies at the northern contact of the Tangula batholith, situated adjacent to Cretaceous volcano-sediments. Local geology comprises outcropping diorite and quartz-diorite composed rocks with small alteration zones. Outcropping copper and gold mineralisation is hosted in veins and tectonic breccias and outcropping copper-gold bearing skarns are located at the contact with the Tangula Batholith and Celica Formation. Exploration deposit models being targeted are porphyry copper gold systems, intrusion related gold and gold bearing skarns.

Work to date has confirmed the project to host multiple porphyritic textured intrusions associated with extensive copper-gold anomalism and quartz hosted gold veining outcropping at surface.

The scale, geometry and extent of geophysical anomalism identified at the Copper Duke Project shows resemblance to many major porphyry districts around the world, with magnetic geophysical surveys revealing clusters of intrusion related anomalism over an area greater than 12km<sup>2</sup>.

## Exploration Activities & Acquisition of Generative Datasets

Several areas of interest have been identified from geophysics, regional soil geochemistry and surface mapping, with these priority areas the focus for additional exploration work programs, including detailed 1:500 scale geological mapping and rock chip sampling, with mapping being completed along roads and streams which provide excellent exposure. A regional soil sampling program on 200m x 100m spaced grid was completed, with an infill 100m x 50m spaced grid commencing across the El Huato prospect late in 2022.

Generative exploration work programs completed across the project include 2,290 soil samples, 42 trenches totalling 1,574 metres and 865 samples, 85 rock chips, and 32 line kilometres of detailed surface mapping. The exploration work programs, and geochemical sampling programs were largely directed to the El Huato, Lumapamba, Blanquillo and Lundanuma prospects.

Three main areas of interest were identified from technical work completed in 2022:

1. El Palton, Barbasco North, Barbasco
2. Malachite, Barbasco Guayacan, Huato Camp, Lumapamba Breccia and
3. Lumapamba South.

The identified target areas will be the subject of a ranking and prioritisation exercise, with the highest priority targets to feature in drilling programs planned for 2023.

Several site visits were also hosted to potential strategic partners at the Copper Duke Project, with the overwhelming feedback being very positive regarding the project's potential and the high technical standards of the Titan geology team.

# OUR COMPANY CORPORATE

## SALE OF ZARUMA MINE

As announced 26 July 2021, Titan completed the sale of the Zaruma Mine concessions and the Portovelo Process Plant assets to Pelorus Minerals Limited (Pelorus).

The consideration of US\$ 15.0 million is payable in staged cash payments. Titan retains a 2% net smelter return royalty (NSR) on future copper production from the Zaruma mine concessions (refer to Quarterly Activities Report 30th July 2021 for Transaction Summary).

In the reporting year Titan had received all the three initial payments totalling US\$7.5 million as contemplated in the agreement. An amount of only US\$600,000 has been received to date and the Pelorus Group has advised that due to adverse market conditions and its planned IPO listing, the payment of outstanding amounts would be delayed.

Further, as advised in Titan's ASX releases, June 2022 Quarterly Report and its subsequent Half Yearly Report, Titan was in discussions with Pelorus to resolve the matter. Titan acknowledges that the Pelorus Group has paid US\$8.1 million to date and has spent a further US\$1.9 million (approx.) on the Zaruma assets to date and it was willing to work in good faith to arrive at a solution.

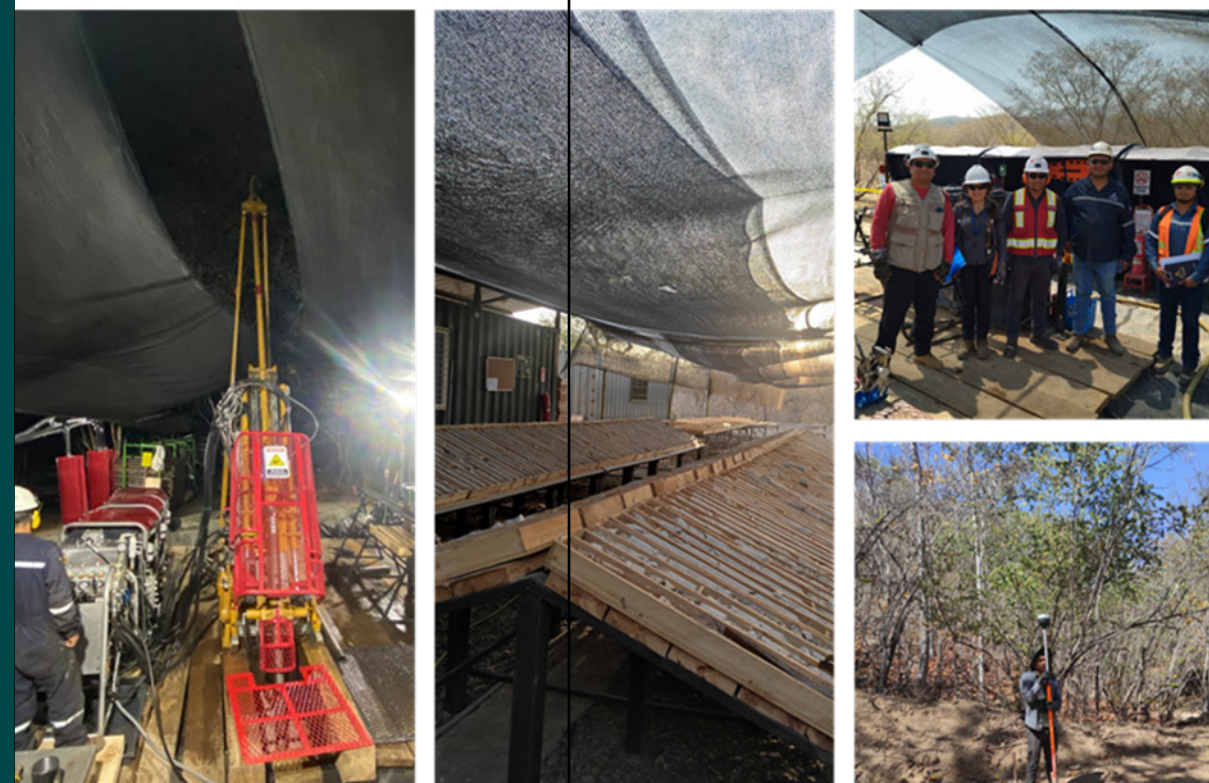
The Board of Titan have agreed to a revised payment schedule amounting to US\$5 million as a full and final settlement. Due dates for these payments are:

- US\$1 million which has now been received;
- US\$2 million payment before the end of October 2022;
- US\$2 million payment by Monday, 19 December 2022;

As at 31 December 2022, the consideration amount receivable is US\$2.9 million and past due.

Other minor matter pertaining to other matters relating to the transaction have also been resolved.

Titan retains full first ranking security over the concessions and assets which will be released once all payments have been received. Subject to receipt of funds, this will be a full and final settlement agreement between the parties which enables both groups to fulfil their respective objectives on the matter without default and further issue.



## KEY APPOINTMENTS

### MELANIE LEIGHTON - CEO

In January 2023 Titan appointed highly experienced mining and resource sector executive Melanie Leighton as the Company's Chief Executive Officer. Mrs Leighton is a geologist with over 20 years' experience in the resource sector, spanning multiple commodities, deposits and jurisdictions. She is a founding director of Leighton Geoservices Pty Ltd, a consulting firm providing corporate and geological services to the mineral resources sector with the mantra of bridging the gap between technical, corporate and investors.

Ms Leighton has held senior management and geological roles with Hot Chili Limited, Harmony Gold, and Hill 50 Gold, gaining practical and management experience within the areas of exploration, mining, resource development, stakeholder engagement and investor relations. Melanie currently serves as Non-executive director for Great Boulder Resources (ASX:GBR) and Industrial Minerals (ASX:IND).



## COMPETENT PERSON'S STATEMENT

The information in this report that relates to Exploration Results is based on and fairly represents information compiled by Ms Melanie Leighton, who is an experienced geologist and a Member of The Australian Institute of Geoscientists. Ms Leighton is a full-time employee at Titan Minerals and has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which she is undertaking to qualify as a Competent Person as defined in the JORC 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources, and Ore Reserves'. Ms Leighton consents to their inclusion in the report of the matters based on this information in the form and context in which it appears.

### Notes to Foreign Mineral Resource Estimate

The information in this document relating to Mineral Resource Estimates for the Dynasty Gold Project have been extracted from the ASX announcement dated 30 April 2020 (Initial Announcement).

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

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

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

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

Titan is well advanced in the comprehensive re-logging campaign and has also completed a large campaign of oriented diamond core drilling to define vein orientations across most areas of foreign resource estimation, with all assays results from drilling received and development of a 3D geological model well advanced.

The foreign resource estimate is comprised of three prospect areas, Cerro Verde, Iguana, and Papayal. Initial drill tests to define vein orientations and continuity over the northernmost areas of the Cerro Verde and Papayal area remain subject to finalising surface access agreements with local community groups and land owners.

Preliminary metallurgical study work has not yet been initiated.

In addition to the exploration activities proposed, the Company has also completed a significant number of bulk density measurements within the drilled areas, and several petrographic samples for lithologic definition and gold deportment studies have been completed.

With completion of a structural analysis and accompanying 3D geological modelling, Titan plans to move ahead with updating the Dynasty Mineral Resource Estimate in accordance with the JORC Code in 2023.

As outlined above, Titan has collected additional information and assay data in relation to the Dynasty Gold Project. Titan confirms however, that results to date do not appear to have a material impact on the reliability of the Foreign Mineral Resource Estimate under the previous estimation methods for the Dynasty Gold Project or the results from previous exploration activity included in the Initial Dynasty Announcement.

## TENEMENT SCHEDULE

Titan held the following tenements as at 31 December 2022

Project	Tenement	Location	Interest
Dynasty Gold	Cecilia 1	Loja, Ecuador	100%
Dynasty Gold	Pilo 9	Loja, Ecuador	100%
Dynasty Gold	ZAR	Loja, Ecuador	100%
Dynasty Gold	ZAR 1	Loja, Ecuador	100%
Dynasty Gold	ZAR 3A	Loja, Ecuador	100%
Linderos	Chorrera	Loja, Ecuador	100%
Linderos	Dynasty 1	Loja, Ecuador	100%
Linderos	Linderos E	Loja, Ecuador	100%
Linderos	Narango	Loja, Ecuador	100%
Copper Duke	Barbasco	Loja, Ecuador	100%
Copper Duke	Barbasco 1	Loja, Ecuador	100%
Copper Duke	Barbasco 2	Loja, Ecuador	100%
Copper Duke	Barbasco 4	Loja, Ecuador	100%
Copper Duke	Carol	Loja, Ecuador	100%
Copper Duke	Catacocha	Loja, Ecuador	100%
Copper Duke	Colanga	Loja, Ecuador	100%
Copper Duke	Colanga 2	Loja, Ecuador	100%
Copper Duke	Gloria	Loja, Ecuador	100%
Copper Duke	Gloria 1	Loja, Ecuador	100%
Copper Duke	Gonza 1	Loja, Ecuador	100%
Copper Duke	LumaPamba	Loja, Ecuador	100%
Copper Duke	LumaPamba 1	Loja, Ecuador	100%
Copper Field	Cooper 1	Loja, Ecuador	100%
Copper Field	Cooper 4	Loja, Ecuador	100%

**CONSOLIDATED**  
FINANCIAL STATEMENTS

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**TITAN MINERALS LIMITED**  
**(ACN 117 790 897)**

**Annual Financial Report**  
**for the year ended 31 December 2022**

**Corporate Directory**

**Directors**

Peter Cook  
Matthew Carr  
Nicholas Rowley  
Barry Bourne  
Tamara Brown

**Company Secretary**

Zane Lewis

**Registered Office**

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**Share Registry**

Automic Share Registry  
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**ASX Code**

TTM

**Principal Place of Business**

Suite 1, 295 Rokeby Road  
Subiaco WA 6008

**Auditors**

Stantons  
Level 2, 40 Kings Park Road  
West Perth  
Western Australia 6005

**Australian Company Number**

ACN 117 790 897

**Australian Business Number**

ABN 97 117 790 897



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## Directors' Report

### 1. Directors' Information

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

### 2. Directors and Company Secretary

Peter Cook, Non-Executive Chairman

Laurence Marsland, Managing Director, resigned 31 March 2022

Matthew Carr, Executive Director and Acting CEO, stepped down as CEO on 12 January 2023

Barry Bourne, Non-Executive Director

Nicholas Rowley, Non-Executive Director

Tamara Brown, Non-Executive Director, appointed 1 April 2022

Zane Lewis, Company Secretary

### 3. Directors' Meetings

Three meetings of the directors of the Company have been held during the financial year ended 31 December 2022.

### 4. Principal Activities

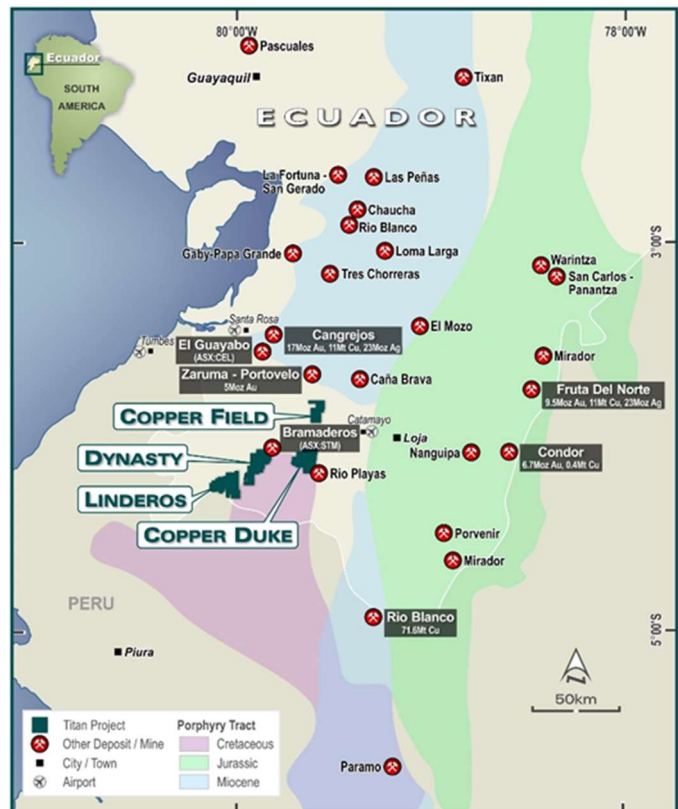
The Company's main undertaking is exploration and development of its gold and copper projects in southern Ecuador.

The Company's main assets are:

1. The Dynasty Project
2. The Linderos Project
3. The Copper Duke Project
4. The Copper Field Project

The projects lie proximal to a major flexure in the Andean Terrane where porphyry copper and epithermal gold-silver mineralisation are associated with early to late Miocene aged magmatism along the margin of the extensive Cretaceous aged Tanguila Batholith.

Access to the projects is excellent, all within close proximity to the Pan American and costal highways, with access via paved regional all-weather roads. Regional airports exist approximately two hours by road from the projects with daily connections to Ecuador's capital city, Quito.



The Company made significant advances in community relations, generating much support from the communities in which we operate, pleasingly gaining the required social license to undertake exploration activities across our projects.

Titan's relationships continued to strengthen, with strong support enjoyed at a local, state, and federal level. The strong relationships forged with local communities and government organisations lead to the seamless and rapid approval of the Company's maiden drilling campaign at the Linderos Project, which was completed in November 2022.

With exploration advancement hindered by COVID-19 in 2021, the Company was back operating at full capacity with its strengthened technical team across its projects in 2022. Generative exploration work



programs were deployed in earnest with significant advances made across all projects in the areas of surface mapping and geochemical sampling, adding important layers of information and identifying high priority targets across all projects which are being prepared for drill testing in 2023.

The Company received the balance of assay results from its 2021 Dynasty drilling program, which have given confidence in the veracity of legacy drill data and the historic foreign resource, while also extending mineralisation. Following receipt of all drill assays the team undertook a comprehensive surface mapping and drill core relogging exercise to facilitate the construction of a 3-dimensional geological model, for the purpose of targeting extensions to known mineralisation, and to support a robust JORC compliant Mineral Resource Estimate.

Drilling at Dynasty was successful in intersecting broad zones of gold-rich porphyry style mineralisation from shallow depths at the Kaliman Porphyry prospect. The discovery of gold-rich porphyry mineralisation overlapping with epithermal gold at Dynasty prompted a refocus in geological efforts to better understand the potential scale and extent of the porphyry. Anaconda style geological mapping was introduced to better target porphyry mineralisation, greatly enhancing the understanding of the Kaliman porphyry system.

Late in the year the Company completed its maiden drilling campaign at the Linderos Project, where both the Copper Ridge Porphyry and Meseta Gold prospects were tested by diamond drilling. Pleasingly, drilling has demonstrated the presence of a large-scale copper-gold-molybdenum porphyry system from shallow depths at Copper Ridge, with significant potential for growth, and 6 out of 8 drillholes ending in mineralisation. Drilling at Meseta returned several strong intersections of gold, silver and base metals, hosted in massive sulphide veins from shallow depths, with good potential to add substantial gold and silver mineralisation.

Exploration activities at Copper Duke continued to advance, with geological understanding and confidence improving to the point that there are several high priority targets set to feature in drilling programs in 2023. Several site visits were also hosted to potential strategic partners, with overwhelming feedback being very positive regarding the project's potential and the high technical standards of the Titan geology team.

Titan is very pleased to have secured the services of key technical experts, Dr Steve Garwin and Dr Scott Halley, to assist in guiding the Company's exploration strategy and aide in identifying vectors towards higher grade copper-gold porphyry mineralisation.

The Company intends to continue its disciplined exploration approach across all projects in 2023, with several high conviction targets set to be drill tested, and Titan edging closer to a potential Tier 1 porphyry discovery, which if discovered could be transformational for the Company.

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

The profit of the Consolidated Entity for the year ended 31 December 2022 amounted to US\$55 thousand (31 December 2021: US\$7,523 thousand profit). This includes profit for discontinuing operations of \$2,120 thousand (31 December 2021: US \$7,644 thousand).

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

### **DYNASTY PROJECT (100%)**

Late in 2021 the Company completed its resource validation and extensional drilling program which totalled 22,400 metres. The majority of this drilling was completed at the Cerro Verde Prospect in the southern part of the Dynasty Project, with a small amount of drilling completed at Iguana and Papayal-Trapichillo prospects.

The balance of assay results from the 2021 drilling campaign were received in the first half of 2022, with lengthy delays experienced due to the effects of COVID-19. Several significant intersections were returned, further validating, and extending previous intersections, with better results including:

- **CVD057:** 8.39m @ 3.45g/t Au and 7.75g/t Ag from 278.61m
- **CVD060:** 9.00m @ 5.22g/t Au and 13.37g/t Ag from 62.20m
- **CVD071:** 4.7m @ 5.11g/t Au and 24.1g/t Ag from 37.72m and 4.83m @ 5.79g/t Au and 3.25g/t Ag from 197.17m

- **CVD080:** 2.83m @ 7.92g/t Au and 93.28g/t Ag from 58.66m
- **CVD081:** 3.05m @ 16.48g/t Au and 61.7g/t Ag from 142.15m, and 2.35m @ 8.29g/t Au and 4.09g/t Ag from 156.25m, and 12.08m @ 2.54g/t Au and 7.41g/t Ag from 196.15m, and 3.35m @ 5.97g/t Au and 15.1g/t Ag from 219.15m
- **CVD087:** 11.10m @ 4.93g/t Au and 30.7g/t Ag from 67.9m
- **CVD089:** 11.46m @ 2.58g/t Au and 34.63g/t Ag from 107.92m, and 7.07m @ 5.90g/t Au and 8.90g/t Ag from 179.93m
- **CVD095:** 1.82m @ 10.88g/t Au and 34.1 g/t Ag from 103.29m, and 5.42m @ 4.05g/t Au and 27.02g/t Ag from 110.65m
- **CVD099:** 7.64m @ 3.24g/t Au and 9.42g/t Ag from 77.15m
- **CVD072:** 102.7m @ 1.48g/t Au and 4.30 g/t Ag from 46.5m (Kaliman Porphyry), including 14.14m @ 6.42g/t gold and 16.40g/t Ag from 87.09m

Trench channel sampling and detailed mapping revealed increased vein density at the Brecha-Comanche prospect and also aided in better understanding structural controls at the Gorda-Foto-Copetona targets. Better results returned from channel sampling include:

- 5.36m @ 4.51g/t Au and 25.03g/t Ag in CVC22-032
- 7.94m @ 4.05g/t Au and 23.54g/t Ag in CVC22-037
- 10.88m @ 5.06g/t Au and 8.80g/t Ag in CVC22-041
- 7.25m @ 4.80g/t Au and 17.61g/t Ag in CVC22-044
- 7.75m @ 6.01g/t Au and 36.5g/t Ag in CVC028
- 4.30m @ 4.9g/t Au and 40.0g/t Ag in CVC031

The geology team completed an extensive core re-logging exercise during the period to ensure consistent logging methodology and geological codification across historical drilling and Titan's new drilling. A focus of this relogging was also to understand the porphyry system and potential at the project, which became evident following the intersection of gold-rich porphyry mineralisation at the Kaliman Porphyry prospect late in 2021. The Anaconda method of mapping was adopted by Titan's geologists in order to log key geological attributes found in porphyry systems, to better understand the scale of the system and how best to vector towards higher-grade porphyry style mineralisation.

Generative exploration work programs continued across the broader project area with 1,133 soil samples, 24 trenches totalling 715 metres and 855 samples, 80 stream sediment samples, 376 rock chips, and 832 hectares of detailed surface mapping completed. The exploration work programs, and geochemical sampling programs were largely directed to the Cerro Verde, Kaliman and La Zanja prospects.

## LINDEROS PROJECT (100%)

Titan's focus at Linderos has been to advance exploration activities by gathering further geological information through surface mapping and geochemical sampling at the Meseta Gold prospect and the Copper Ridge Porphyry prospect.

Copper Ridge features outcropping copper and molybdenum anomalism with subsurface copper mineralisation confirmed by historical drilling. The copper-molybdenum mineralised zone mapped in soil geochemistry is centred on dioritic porphyry intrusions approximately one kilometre in diameter.

The porphyry stock is surrounded by a significant footprint of quartz stockworks and porphyry related alteration halo covering an area greater than 3 square kilometres. At the northern and eastern margins of the porphyry, sizable argillic to advanced argillic alteration zones associated with extensive gold anomalism overprinted by high-grade epithermal related gold mineralisation have been mapped.

Titan's re-logging of historical core, geological mapping and geochemical studies highlight that the higher-grade gold values at Meseta are associated with massive intermediate sulphidation polymetallic veins. Extensive halos of lower grade gold mineralisation is related to the intensely altered wallrock, which hosts extensive quartz veins of varying intensity.



This interpreted overlap of metal deposition at the interface of the Meseta Gold and Copper Ridge porphyry systems has a potential positive economic impact on development of a larger mineralised system. The associated mineralisation types define potential for discovery of higher-grade copper-molybdenum mineralisation at depth beneath both the Copper Ridge and Meseta Gold prospects, suggesting significant size potential in untested extensions to the Copper Ridge porphyry system.

During the year Titan continued to direct most of its exploration efforts to these prospects, with sufficient geological evidence collected to undertake maiden drilling campaigns to test the Copper Ridge and Meseta prospects, following receipt of necessary social and environmental approvals in the second half of the year.

Generative exploration work programs continued across the broader project area with 2,089 soil samples, 45 trenches totalling 813 metres and 674 samples, 108 rock chips, and 390 hectares of detailed surface mapping completed. The exploration work programs, and geochemical sampling programs were largely directed to the Copper Ridge, Meseta Gold, Capa Rosa, Loma Alta and Nueva Esperanza prospects.

### Copper Ridge Prospect

In November 2022, Titan completed a maiden campaign of eight diamond drill holes totalling 3,700m at the Copper Ridge Porphyry prospect. Drilling was designed to target porphyry mineralisation highlighted by surface mapping, soil and channel sample geochemistry, and limited shallow historical drilling undertaken at the prospect.

Assay results have highlighted wide intersections of porphyry-style disseminated and vein hosted copper-molybdenum ± gold ± silver mineralisation from surface to approximately 500 metres vertical. Mineralisation is hosted within a diorite porphyry, with vein hosted and disseminated sulphide including chalcopyrite, pyrite, pyrrhotite and molybdenite, and secondary biotite plus green-grey sericite and pervasive quartz-alkali feldspar defining an early to transitional potassic alteration.

Pleasingly, six out of the eight diamond drillholes were mineralised to the end of hole, highlighting strong potential for lateral and depth extensions.

Evidence that the Copper Ridge porphyry has the potential to host higher-grade copper and gold mineralisation is supported by intersections including 76m grading 0.5% Cu Eq from 132m in CRDD22-003 and 22m grading 0.5% Cu Eq from 524m in CRDD22-006.

Significant drill intersections are detailed below:

- **CRDD22-003:** 308m @ 0.4% Cu Eq from 54m, **including 76m @ 0.5% Cu Eq** from 132m; and 91m @ 0.3% Cu Eq from 484m - *mineralised to end of hole.*
- **CRDD22-006:** 72m @ 0.4% Cu Eq from 21m, and 51m @ 0.4% Cu Eq from 373m, and 16m @ 0.4% Cu Eq from 472m, and 22m @ 0.5% Cu Eq from 524m\*

*\*within a broader intersection of 558m @ 0.2% Cu Eq from surface to end of hole, ending in mineralisation.*

- **CRDD22-004:** 186m @ 0.3% Cu Eq from 196m, **including 80m @ 0.4% Cu Eq** from 286m

*\*within a broader intersection of 344m @ 0.2% Cu Eq from 38m to end of hole, ending in mineralisation.*

- **CRDD22-007:** 88m @ 0.3% Cu Eq from 266m\*

*\*within a broader intersection of 172m grading 0.2% Cu Eq from 196m to end of hole, ending in mineralisation.*

- **CRDD22-005:** 122m @ 0.2% Cu Eq from 74m to end of hole, *ending in mineralisation.*
- **CRDD22-001:** 52m grading 0.3% Copper Eq from 82m
- **CRDD22-002:** 118m grading 0.2% Copper Eq from 72m

Systematic logging of key geological features using the Anaconda mapping method has been a focus for the technical team, with the assembly of these datasets plus geochemical and spectral data providing a solid

foundation for future exploration work programs, which will be designed to test for higher tenor porphyry hosted mineralisation.

Three-dimensional modelling of geological datasets has commenced to improve the understanding on the controls and potential scale of the porphyry mineral system being targeted.

Further surface mapping and sampling is being undertaken by Titan's geologists to consolidate its understanding on porphyry mineralisation controls at Copper Ridge, and to align surface mapping with logging of recently completed diamond drilling.

The Company intends to complete a second phase of drilling at Copper Ridge in 2023 to test compelling lateral and depth extensions highlighted by the first phase of drilling.

### Meseta Gold Prospect

The Meseta Gold prospect displays metal zonation and alteration assemblages typical of intermediate sulphidation systems related to proximal porphyry systems, with outcropping porphyry mineralisation now confirmed by drilling to 500m depth at Copper Ridge, located less than 500 metres south of Meseta.

Meseta is the first of several epithermal gold targets defined by Titan's reconnaissance works within the Linderos Project to be drill tested, with high priority prospects proximal to porphyry copper-gold sources driving epithermal gold mineralisation.

Late in 2022 Titan completed its maiden drilling campaign at the Meseta Gold prospect, with fourteen diamond holes drilled to an average depth of 90 metres, for a total of 1,370 metres. Pleasingly, multiple massive sulphide veins were intersected, with varying amounts of pyrite, sphalerite, arsenopyrite and galena observed, and 12 out of 14 holes returning significant gold and silver ± base metal intersections.

Significant intersections returned from Titan's maiden drilling include.

- **MGDD22-010:** 7.22m @ 13.77g/t Au, 12.90g/t Ag, 0.15% Cu, 0.38% Zn from 66.28m, including **0.92m @ 31.50g/t Au, 24.30g/t Ag, 0.25% Cu** from 66.28m, and **including 0.58m @ 99.80g/t Au, 89.90g/t Ag, 0.98% Cu, 0.31% Zn** from 72.92m.

*\*within a broader intersection of 76.5m grading 1.41g/t Au. 5.63g/t Ag, 0.27% Zn from surface*

- **MGDD22-012:** 4.88m @ 12.87g/t Au, 6.04g/t Ag, 0.11 % Cu, 0.41% Zn from 41.0m, **including 1.64m @ 33.35g/t Au, 11.28 g/t Ag, 0.23% Cu, 0.72% Zn** from 44.24m.

*\* within a broader intersection of 45.82m grading 1.40g/t Au. 2.13g/t Ag, 0.25% Zn from 4.35m*

- **MGDD22-001:** 4.64m @ 5.00g/t Au, 10.33g/t Ag, 0.39% Zn, 0.19% Pb from 51.7m
- **MGDD22-003:** 5.76m @ 3.72g/t Au, 48.69g/t Ag, 0.25% Zn, 0.28% Pb from 36.54m, **including 0.73m @ 11.35g/t Au, 73.30 g/t Ag, 0.84% Zn, 1.24% Pb** from 37.35m

Observations from the best gold intersections are described in further detail below.

**MGDD22-010:** host rock is an equigranular quartz diorite, overprinted by strong phyllic alteration (sericite-pyrite) with abundant manganese carbonate alteration (illite-smectite). The best mineralisation was intersected in two principal structures with strong gold, silver and copper mineralisation returned from moderate to steeply dipping massive sulphide veins, composed of pyrite, arsenopyrite, pyrrhotite and chalcopyrite.

**MGDD22-012:** host rock is a porphyritic quartz diorite, overprinted by strong phyllic alteration (sericite-pyrite), with some areas exhibiting the presence of carbonate minerals (illite), silica and chlorite. The best mineralisation was intersected in two principal structures with strong gold, silver, zinc and copper mineralisation returned from massive sulphide veins composed of pyrite, arsenopyrite, sphalerite and chalcopyrite in a smectite cement.



**COPPER DUKE PROJECT (100%)**

Regionally, the Copper Duke Project lies at the northern contact of the Tangula batholith, which comprises Cretaceous volcano-sediments. Local geology comprises outcropping diorite and quartz-diorite intrusions with small alteration zones. Outcropping copper and gold mineralisation is hosted in veins and tectonic breccias and copper-gold bearing skarns are located at the contact with the Batholith/Celica Formation. Exploration target deposit models are porphyry copper-gold, intrusion related gold and gold bearing skarns.

Regional exploration work programs continued across the Copper Duke Project, further enhancing the Company's understanding on the potential scale and tenor of copper-gold mineralisation observed in outcrop over multiple areas at the project.

Areas of interest identified at the Copper Duke Project are El Palton, Barbasco 1 North, Barbasco 1 Malachite, Barbasco Guayacan, Huato Camp, Lumapamba Breccia and Lumapamba South. The identified target areas will be the subject of a ranking and prioritisation exercise, with the highest priority targets to feature in drilling programs planned to be completed in 2023.

Significant advancement was made by Titan's exploration team, with detailed geological mapping continuing along roads and streams, which have provided excellent exposure to mineralisation. The aim of the geological mapping has largely been to characterise wall rock, porphyry phases, hydrothermal alteration assemblages, vein intensity and geometry, and to better understand the structural framework for mineralised occurrences. As with Titan's other projects, the Anaconda style mapping method is being used at Copper Duke.

A regional soil sampling program on 200m x 100m spaced grid was completed, with an infill 100m x 50m spaced grid commencing across the El Huato prospect late in 2022.

Several high priority areas have now been highlighted by multiple layers of information including soil geochemistry, geophysical data (magnetic and radiometric), detailed mapping and surface trenching and rock chip sampling geochemistry.

Generative exploration work programs across the project area include 2,290 soil samples, 42 trenches totalling 1,574 metres and 865 samples, 85 rock chips, and 32 line kilometres of detailed surface mapping completed. The exploration work programs, and geochemical sampling programs were largely directed to the El Huato, Lumapamba, Blanquillo and Lundanuma prospects.

**JERUSALEM PROJECT (100%)**

No field work was completed at Jerusalem during the year, despite the Company's continued efforts to work with the government to resolve issues of itinerant mining within the tenure. These itinerant mining groups have been active for several years in the region.

Given the very small size of the project (2.5 sq km), and following discussions with the group, late in the year the Company agreed to divest its rights in Jerusalem approximately US\$0.7 million. An initial payment of 50% has been received as at 31 December 2022, with the remainder received after year end.

**COPPER FIELD PROJECT (100%)**

No work was completed on the Copper Field Project during the year, with exploration efforts focused on the more advanced Dynasty, Linderos and Copper Duke Projects.

**6. Share Options and Performance Rights**

As at the date of this report there are 34,000,000 unquoted options to corporate advisors and 47,120,000 incentive options and 9,000,000 performance rights to Directors and employees on issue. Refer Note 14 to the financial statements for further details.

## 7. Indemnification and Insurance of Officers

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

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

The Company has paid premiums to insure each of the directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the company, other than conduct involving a wilful breach of duty in relation to the Company. The amount of the premium was US \$43,550 which was paid during the financial year. No indemnity has been sought for or paid to auditors.

## 8. Events Subsequent to Reporting Date

On 12 January 2023 the Company appointed Melanie Leighton as Chief Executive Officer. As part of her appointment she was issued 9,000,000 Performance Rights to be issued in three tranches of 3,000,000 Performance Rights as follows:

- Tranche 1 will vest upon the Company announcing on the ASX platform a minimum 2,000,000 ounces of gold (Au) or gold equivalent (in accordance with clause 50 of the JORC code) at the Dynasty Gold Project in Ecuador;
- Tranche 2 will vest upon the VWAP of shares being at least \$0.15 for 10 consecutive trading day; and
- Tranche 3 will vest upon the executive remaining employed with the Company for 3 years from the commencement date.

Subsequent to year end, the Company has received a further US \$0.7 million relating to the sale of Zaruma, as well as the final payment for the sale of Jerusalem of US \$0.35 million.

Subsequent to year end, the Company received a AUD \$1.8 million loan from entities associated with Director Matthew Carr. The loan is interest-free with no set date of repayment.

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

## 9. Dividends

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

The directors have recommended that no dividend be paid by the Company in respect of the year ended 31 December 2022.

## 10. Likely developments

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

## 11. Environmental Issues

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

## 12. Proceedings on behalf of Company

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

**13. Information on Directors and Company Secretary****Peter Cook****Director (Non-Executive Chairman)**

## Qualifications and Experience:

Peter Cook is a geologist (B Sc Applied Geology – Ballarat 1983) and a mineral economist (MSc Min. Econ WASM 1995), MAusIMM with more than 35 years experience in mineral exploration, mine development, mining operations and corporate management or resource entities.

Directorships of other listed companies in the 3 years prior to the end of the Financial Year:	Non-Executive Chairman of Westgold Resources Limited (ASX:WGX) Non-Executive Chairman of Castile Resources Ltd (ASX:CST) Non-Executive Chairman of Breaker Resources NL (ASX:BRB)
Interest in shares and options of the Company as at the date of resignation:	14,878,462 Fully Paid Ordinary Shares 9,000,000 Incentive Options
Directors meetings attended (where eligible):	3 of 3 held during the financial year
Appointed:	31 August 2021

**Matthew Carr****Director (Executive Director)**

## Qualifications and Experience:

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

Directorships of other listed companies in the 3 years prior to the end of the Financial Year:	N/A
Interest in shares and options of the Company:	28,034,438 Fully Paid Ordinary Shares 7,000,000 options
Directors meetings attended:	3 of 3 held during the financial year
Appointed:	3 February 2017

**Nicholas Rowley****Director (Non-Executive Director)**

## Qualifications and Experience:

Mr Rowley is an experienced corporate executive with a strong financial background having previously worked in the financial services industry for over 10 years where he gained widespread experience in corporate advisory, M&A transactions and equities markets, advising domestic and international Institutional sales and high net worth individuals. He also advised on the equity financings of numerous ASX and TSX listed companies predominantly in the mining and resources sector. Mr Rowley most recently served 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 Oro X Mining Corp (TSV:OROX) appoint 8 October 2020 – resigned 28 February 2022
Interest in shares and options of the Company:	10,637,460 Fully Paid Ordinary Shares 5,000,000 options
Directors meetings attended:	2 of 3 held during the financial year
Appointed:	9 August 2016

**Barry Bourne****Director (Non-Executive Director)**

## Qualifications and Experience:

Mr. Bourne is an innovator, who has designed, proposed and implemented a full range of initiatives via his experience gained whilst working within the mining industry. He was shortlisted for the Australian Innovation Awards in 2012 and was the Advance Global Australian of the Year for Mining and Resources in 2013. He is



a Fellow of the Australian Institute of Geoscientists and is on the technical advisory committee for UWA Centre for Exploration Targeting.

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:	135,000 Fully Paid Ordinary Shares 5,000,000 options
Directors meetings attended (where eligible):	3 of 3 held during the financial year
Appointed:	19 October 2021

**Tamara Brown**

**Director (Non-Executive Director)**

Qualifications and Experience:

Ms. Brown is a mining professional with over 25 years of experience in the mining and financial sectors. She has a Bachelor of Engineering Degree from Curtin University in Australia and has completed the Chartered Business Valuator course at York University.

She has been an independent director of Superior Gold since 2017 and served as interim CEO for a 12-month period until June 30, 2021. Ms Brown has previously served as Non-executive Director Lundin Gold Inc. and Eastmain Resources Inc. Her distinguished career includes roles as Vice President, Investor Relations and Corporate Development (Americas) for Newcrest Mining, Vice President, Corporate Development and Investor Relations for Primero Mining Corp and Director of Investor Relations for IAMGOLD Corp.

Directorships of other listed companies in the 3 years prior to the end of the Financial Year:	Superior Gold Inc (TSX-V) Lundin Gold Inc (TSX) Eastmain Resources Inc. (TSX)
Interest in shares and options of the Company:	250,000 Fully Paid Ordinary Shares 5,000,000 options
Directors meetings attended (where eligible):	2 of 2 held during the financial year
Appointed:	1 April 2022

**Laurence Marsland (resigned 31 March 2022)**

**Director (Managing Director & Chief Executive Officer)**

Qualifications and Experience:

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

Directorships of other listed companies in the 3 years prior to the end of the Financial Year:	N/A
Interest in shares and options of the Company (at date of resignation):	5,696,154 Ordinary Shares 10,000,000 options
Directors meetings attended:	1 of 1 held during the financial year
Appointed:	15 July 2019
Resigned:	31 March 2022

**Zane Lewis**

**Company Secretary**

Qualifications and Experience:

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

Appointed as company secretary on 11 August 2016.

#### 14. Remuneration Report (Audited)

The Directors present the remuneration report for the Company and the Consolidated Entity for the year ended 31 December 2022. This remuneration report forms part of the Directors' Report and has been audited in accordance with section 300A of the Corporations Act 2001 and details the remuneration arrangements for the key management personnel.

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

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

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

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

Peter Cook	Non-Executive Chairman
Matthew Carr	Executive Director
Nicholas Rowley	Non-Executive Director
Barry Bourne	Non-Executive Director
Tamara Brown	Non-Executive Director (appointed 1 April 2022)
Laurence Marsland	Managing Director (resigned 31 March 2022)
Michael Skead	Executive Vice-President of Exploration (appointed 1 October 2021, ceased to be key management personnel on 30 June 2022)

#### *Service Agreements*

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

Name	Consulting fees / salary (all denominated in AUD unless otherwise stated)	Term of Agreement	Notice Period
Peter Cook	\$120,000	No fixed term	N/A
Matthew Carr	\$180,000 to 31 March 2022 \$240,000 from 1 April 2022	No fixed term	6/12 months <sup>(1)</sup>
Nicholas Rowley	\$72,000	No fixed term	N/A
Barry Bourne	\$72,000	No fixed term	N/A
Tamara Brown	\$72,000	No fixed term	N/A
Michael Skead	\$250,000 CAD per annum	2 years	2 months
Laurence Marsland (resigned 31 March 2022)	\$240,000	4 years	2/12 months <sup>(1)</sup>

(1) Termination benefits:

Mr Matthew Carr:

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

Mr Laurence Marsland:

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

*Details of Remuneration*

**Compensation 12 months to 31 December 2022**

	Short Term Benefits \$ USD	Super- annuation \$ USD	Share based payments \$ USD	Total \$ USD	Percentage of remuneration that is equity based
<b>Compensation of key management based on fees approved by the Board of directors.</b>					
Peter Cook	83,364	-	28,787	112,151	26%
Matthew Carr	156,308	-	43,259	199,567	22%
Nicholas Rowley	50,019	-	30,899	80,918	38%
Barry Bourne	54,187	-	15,993	70,180	23%
Tamara Brown	37,514	-	170,502	208,016	82%
Michael Skead	92,276	-	11,995	104,271	12%
Laurence Marsland (resigned 31 March 2022)	138,940	-	- <sup>2</sup>	138,940	0%
<b>TOTAL COMPENSATION – FOR KEY MANAGEMENT PERSONNEL</b>	<b>612,608</b>	<b>-</b>	<b>301,435</b>	<b>914,043</b>	<b>33%</b>

(1) Included in Mr Marsland's Short Term Benefits are termination benefits totalling \$97,258.

(2) As part of Mr Marsland's resignation, 10,000,000 incentive options were forfeited. The forfeiture resulted in a reversal of share based payment expense of \$242,971.

**Compensation 12 months to 31 December 2021**

	Short Term Benefits \$ USD	Super- annuation \$ USD	Share based payments \$ USD	Total \$ USD	Percentage of remuneration that is equity based
<b>Compensation of key management based on fees approved by the Board of directors.</b>					
Peter Cook (appointed 31 August 2021)	30,058	-	283,847	313,905	90%
Laurence Marsland	180,348	-	102,949	283,297	36%
Matthew Carr	135,261	-	72,064	207,325	35%
Nicholas Rowley	54,104	-	51,474	105,578	49%
Barry Bourne (appointed 19 October 2021)	4,590	-	157,693	162,283	97%
Michael Hardy (resigned 31 August 2021)	54,104	5,207	34,316	93,627	37%
Michael Skead (appointed 1 October 2021)	50,000	-	236,637	286,637	83%
Travis Schwertfeger (resigned 8 June 2021)	83,185	-	16,086	99,271	16%
David Sadgrove (resigned 11 October 2021)	222,032 <sup>1</sup>	19,240	- <sup>2</sup>	241,272	-
<b>TOTAL COMPENSATION – FOR KEY MANAGEMENT PERSONNEL</b>	<b>813,682</b>	<b>24,447</b>	<b>955,066</b>	<b>1,793,195</b>	<b>53%</b>

(1) Included in Mr Sadgrove's Short Term Benefits are termination benefits totalling \$67,030.

(2) During the year, as a result of the cancellation of incentive options, \$43,716 was recognised in the profit or loss as a result of the cancellation.



**Shares and performance rights held by Key Management Personnel**

Shareholdings	1 January 2022 or Appointment	Number of Ordinary Shares		31 December 2022
		Issued as Compensation	Net Change Other	
Peter Cook	13,100,962	-	1,777,500	14,878,462
Laurence Marsland	5,696,154	-	(5,696,154) <sup>2</sup>	-
Matthew Carr	21,051,774	-	6,982,664	28,034,438
Nicholas Rowley	10,157,460	-	480,000	10,637,460
Barry Bourne	-	-	135,000	135,000
Tamara Brown	- <sup>1</sup>	-	250,000	250,000
Michael Skead	-	-	- <sup>2</sup>	-
	50,006,350	-	3,929,010	53,935,360

(1) Number of shares held as at date of appointment.

(2) Number of shares held at date of resignation / date of ceasing to be a key management personnel.

Performance rights / options	1 January 2022 or Appointment	Number of Performance Rights / Options		31 December 2022
		Issued as Compensation	Net Change Other	
Peter Cook	9,000,000	-	-	9,000,000
Laurence Marsland	10,000,000	-	(10,000,000) <sup>2</sup>	-
Matthew Carr	7,000,000	-	-	7,000,000
Nicholas Rowley	5,000,000	-	-	5,000,000
Barry Bourne	5,000,000	-	-	5,000,000
Tamara Brown	- <sup>1</sup>	5,000,000	-	5,000,000
Michael Skead	7,500,000	-	(7,500,000) <sup>2</sup>	-
	43,500,000	5,000,000	(17,500,000)	31,000,000

(1) Number of performance rights/options held as at date of appointment.

(2) Number of performance rights/options held at date of resignation / date of ceasing to be a key management personnel.

For further details on Performance rights and options please refer to Note 24 to the financial statements "Share based payments".

**Other Information**

Refer to Notes 21 and 22 for further detail regarding transactions with Key Management Personnel during the year.

During the year the Company did not engage remuneration consultants to review its remuneration policies.

**End of Remuneration Report (Audited)**

## 15. Business Risks and Uncertainties

There are a number of risks that may have a material and adverse impact on the future operating and financial performance of the Company. These include the risks discussed in Note 23 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. While most risk factors are largely beyond the control of the Company, the Company will seek to mitigate the risks where possible.

## 16. Non-audit Services

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

## 17. Lead Auditor's Independence Declaration

In accordance with the Corporations Act 2001 section 307C the auditors of the Company have provided a signed Auditor's Independence Declaration to the directors in relation to the year ended 31 December 2022. A copy of this declaration appears on page 14.

Signed in accordance with a resolution of the directors.



Matthew Carr  
**Executive Director**  
30<sup>st</sup> day of March 2023  
Perth, Western Australia



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Australia

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www.stantons.com.au

30 March 2023

Board of Directors  
Titan Minerals Limited  
Suite 1, 295 Rokeby Road  
SUBIACO WA 6008

Dear Directors

**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 2022, 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**  
**(An Authorised Audit Company)**

**Samir Tirodkar**  
**Director**





**Directors' Declaration**

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

In the opinion of the directors

- 1) As set out in Note 2, the Directors are of the opinion that the consolidated financial statements:
  - give a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance for the year ended 31 December 2022; and
  - complying with Australian Accounting Standards and the *Corporations Act 2001*;
- 2) The consolidated financial statements and notes also comply with the International Financial Reporting Standards as disclosed in Note 2; and
- 3) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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 2022.

On behalf of the Board of Directors.



Matthew Carr  
**Executive Director**  
30<sup>st</sup> day of March 2023  
Perth, Western Australia

## Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2022

	Note	Consolidated Year ended	
		31-Dec-22 US\$000's	31-Dec-21 US\$000's
<b>CONTINUING OPERATIONS</b>			
<b>Expenses</b>			
General and administration	5(a)	(970)	(1,920)
Salary and wages		(517)	(844)
Professional fees		(751)	(1,688)
Share based payments – directors and employees	24	(71)	(1,070)
<b>(Loss) from operations</b>		<b>(2,309)</b>	<b>(5,522)</b>
Finance costs		(163)	(816)
Impairment of receivables	5(b)	(2,500)	(55)
Foreign exchange gain / (loss)		330	421
Fair value movements of financial assets		(99)	(1,073)
Other income		652	410
Gain / (loss) on extinguishment of financial liabilities	5(c)	-	1,253
Gain on disposal of subsidiaries	5(d)	2,024	5,261
<b>(Loss) before income tax from continuing operations</b>		<b>(2,065)</b>	<b>(121)</b>
Income tax expense	6	-	-
<b>(Loss) after income tax from continuing operations</b>		<b>(2,065)</b>	<b>(121)</b>
<b>Discontinued operations</b>			
Profit for the year from discontinued operations	7	2,120	7,644
<b>Profit for the year</b>		<b>55</b>	<b>7,523</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
- Exchange differences on translating foreign operations		945	1,127
<b>Total comprehensive profit for the year</b>		<b>1,000</b>	<b>8,650</b>
<b>EARNINGS PER SHARE (US cents)</b>			
<b>Basic and diluted earnings per share</b>			
From continuing operations	16	(0.15)	(0.01)
<b>Basic and diluted earnings per share</b>			
From discontinued operations	16	0.15	0.638

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

**Consolidated Statement of Financial Position**

As at 31 December 2022

	Note	Consolidated	
		31-Dec-22 US\$000's	31-Dec-21 US\$000's
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	19(a)	671	8,762
Receivables and prepaid expenses	8	3,642	9,108
Inventories		178	-
Financial assets	9	317	228
Assets classified as held for sale	7	1,024	872
<b>TOTAL CURRENT ASSETS</b>		<b>5,832</b>	<b>18,970</b>
<b>NON-CURRENT ASSETS</b>			
Receivables and prepaid expenses	8	2,397	1,783
Property, plant and equipment	10	235	171
Exploration and evaluation expenditure	11	35,477	28,133
<b>TOTAL NON-CURRENT ASSETS</b>		<b>38,109</b>	<b>30,087</b>
<b>TOTAL ASSETS</b>		<b>43,941</b>	<b>49,057</b>
<b>CURRENT LIABILITIES</b>			
Accounts payable and accrued liabilities	12	2,772	6,552
Loans payable	13	1,016	1,088
Liabilities classified as held for sale	7	108	2,543
<b>TOTAL CURRENT LIABILITIES</b>		<b>3,896</b>	<b>10,183</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions for closure and restoration		494	494
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>494</b>	<b>494</b>
<b>TOTAL LIABILITIES</b>		<b>4,390</b>	<b>10,677</b>
<b>NET ASSETS</b>		<b>39,551</b>	<b>38,380</b>
<b>EQUITY</b>			
Issued capital	14	170,463	170,383
Reserves	15	23,153	22,117
Accumulated losses		(154,065)	(154,120)
<b>TOTAL EQUITY</b>		<b>39,551</b>	<b>38,380</b>

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

## Consolidated Statement of Changes in Equity

For the year ended 31 December 2022

	Issued Capital US \$000's	Foreign currency translation reserve US \$000's	Share Based Payment Reserve US \$000's	Accumulated losses US \$000's	Total Equity US \$000's
<b>Balance at 1 January 2021</b>	150,494	(414)	20,372	(161,643)	<b>8,809</b>
Net loss for the year	-	-	-	7,523	7,523
Other comprehensive income	-	1,127	-	-	1,127
Total comprehensive loss for the year	-	1,127	-	7,523	<b>8,650</b>
<i>Transactions with owners in their capacity as owners</i>					
Issue of shares	20,578	-	-	-	<b>20,578</b>
Capital raising costs	(689)	-	-	-	<b>(689)</b>
Share based payments	-	-	1,032	-	<b>1,032</b>
<b>As at 31 December 2021</b>	<b>170,383</b>	<b>713</b>	<b>21,404</b>	<b>(154,120)</b>	<b>38,380</b>
<b>Balance at 1 January 2022</b>	170,383	713	21,404	(154,120)	<b>38,380</b>
Net loss for the year	-	-	-	55	55
Other comprehensive income	-	945	-	-	945
Total comprehensive loss for the year	-	945	-	55	<b>1,000</b>
<i>Transactions with owners in their capacity as owners</i>					
Issue of shares	80	-	-	-	<b>80</b>
Share based payments	-	-	91	-	<b>91</b>
<b>As at 31 December 2022</b>	<b>170,463</b>	<b>1,658</b>	<b>21,495</b>	<b>(154,065)</b>	<b>39,551</b>

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



## Consolidated Statement of Cash Flows

For the year ended 31 December 2022

		Year ended	
		31-Dec-22 US \$000's	31-Dec-21 US \$000's
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Payments to suppliers and employees		(2,717)	(8,212)
Interest and other costs of finance paid		(55)	(590)
<b>NET CASH (USED IN) IN OPERATING ACTIVITIES</b>	19(b)	<b>(2,772)</b>	<b>(8,802)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for property, plant & equipment		(126)	(133)
Proceeds from the sale of property, plant and equipment		-	273
Proceeds from the sale of financial assets		157	781
Payments of exploration and evaluation costs		(9,170)	(9,759)
Proceeds from the Zaruma sale (including interest)	7	2,700	-
Proceeds from the sale of Peru subsidiary		620	-
Deposits received		350	-
Payment of loans issued		(200)	-
Net cash inflow as a result of disposal of subsidiaries		-	8,850
<b>NET CASH (USED) / PROVIDED BY INVESTING ACTIVITIES</b>		<b>(5,669)</b>	<b>12</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares (net of capital raising costs)		-	13,421
Proceeds from borrowings		347	4,366
Repayment of borrowings		(347)	(3,258)
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>		<b>-</b>	<b>14,529</b>
Net (decrease)/increase in cash and cash equivalents		(8,441)	5,739
Cash and cash equivalents at the beginning of the period		8,762	3,272
Effects of exchange rate changes on the balance of cash held in foreign currencies		350	(249)
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		<b>671</b>	<b>8,762</b>

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

# Notes to the Consolidated Financial Statements

TITAN MINERALS LIMITED – YEAR ENDED 31 DECEMBER 2022

## 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 2022 were authorised for issue in accordance with a resolution of the directors. The Parent Entity is a for-profit company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

Further information on the nature of the operations and principal activities of the Group is provided in the directors’ report. Information on the Group’s structure and other related party relationships are provided in Notes 17 and 22.

The Group’s registered office is Suite 1, 295 Rokeby Road, Subiaco, WA 6008 Australia.

## 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

### a) Statement of compliance

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

### b) Basis of preparation

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

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

### c) Critical accounting judgements and key sources of estimation uncertainty

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Refer to Note 3 for a discussion of critical judgements in applying the entity’s accounting policies and key sources of estimation uncertainty.

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

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2022 (unless otherwise stated). The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

# Notes to the Consolidated Financial Statements

TITAN MINERALS LIMITED – YEAR ENDED 31 DECEMBER 2022

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

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2022 reporting periods and have not been early adopted by the group. These standards, amendments or interpretations are not expected to have a material impact on the Group in the current or future reporting periods.

## f) Going Concern

The consolidated financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activity, realisation of assets and the settlement of liabilities in the normal course of business. The Consolidated Entity incurred a net loss from continuing operations for the 31 December 2022 financial year of \$2,065 thousand (2021: \$121 thousand) and had a net operating cash outflows of \$2,772 thousand (2021: \$8,802 thousand) and net investing cash outflows of \$5,669 thousand (2021: \$12 thousand inflow)

The directors have prepared a cash flow forecast, which indicates that Group will have sufficient cash flows to meet all commitments and working capital requirements for the 12 month period from the date of signing this financial report. Included in the forecast are receipts of consideration receivable expected to be received within the next 12 months, capital raisings and/or partial divestments of exploration projects. Should there be any delays in receiving these funds, the Company may need to raise additional capital through debt or equity raisings.

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

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

## Significant Accounting Policies

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

### g) 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.

# Notes to the Consolidated Financial Statements

## TITAN MINERALS LIMITED – YEAR ENDED 31 DECEMBER 2022

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

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

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

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

### **h) Revenue recognition**

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

### **i) Interest revenue**

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

### **j) 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.

### **k) Trade and other receivables**

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

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

For the purposes of the assessment whether contractual cash flows are solely payments of principal and interest, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined



# Notes to the Consolidated Financial Statements

## TITAN MINERALS LIMITED – YEAR ENDED 31 DECEMBER 2022

as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

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

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

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

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

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

### **l) 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

# Notes to the Consolidated Financial Statements

## TITAN MINERALS LIMITED – YEAR ENDED 31 DECEMBER 2022

the balance sheet. On commencement of production, depreciation is expensed to the Income Statement, and recognised on a units of production basis.

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

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

### Impairment of assets

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

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

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

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

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

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

### m) 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.

# Notes to the Consolidated Financial Statements

TITAN MINERALS LIMITED – YEAR ENDED 31 DECEMBER 2022

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.

## **n) Investments in associates and joint ventures**

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

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

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

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

## **o) 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 acquiree 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;

# Notes to the Consolidated Financial Statements

## TITAN MINERALS LIMITED – YEAR ENDED 31 DECEMBER 2022

- 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.

### **p) 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.

### **q) 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.



# Notes to the Consolidated Financial Statements

TITAN MINERALS LIMITED – YEAR ENDED 31 DECEMBER 2022

## Provision for closure and restoration

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

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

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

## **r) 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.

## **s) Financial assets**

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

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

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

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

# Notes to the Consolidated Financial Statements

TITAN MINERALS LIMITED – YEAR ENDED 31 DECEMBER 2022

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

## Subsequent measurement

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

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

### *Financial assets at amortised cost (debt instruments)*

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

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

### *Financial assets at fair value through OCI (debt instruments)*

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

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

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

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

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

### *Financial assets at fair value through profit or loss*

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

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

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the

# Notes to the Consolidated Financial Statements

TITAN MINERALS LIMITED – YEAR ENDED 31 DECEMBER 2022

definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

## Impairment

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

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

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

## **t) Financial Liabilities**

### Initial recognition and measurement

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

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

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

### Subsequent measurement

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

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

### *Financial liabilities at fair value through profit or loss*

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

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

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

# Notes to the Consolidated Financial Statements

TITAN MINERALS LIMITED – YEAR ENDED 31 DECEMBER 2022

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

## *Financial liabilities at amortised cost (loans and borrowings)*

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

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

This category generally applies to interest-bearing loans and borrowings. For more information, refer to Note 13.

## *Derecognition*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

## **u) 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.

## **v) Foreign currency**

### *Foreign currency transactions*

The individual financial statements of each group entity are presented in its functional currency being the currency of the primary economic environment in which the entity operates. For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in United States dollars.

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

### *Foreign operations*

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

## **w) Goods and services tax**

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

# Notes to the Consolidated Financial Statements

TITAN MINERALS LIMITED – YEAR ENDED 31 DECEMBER 2022

- (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.

## **x) Share-based payments**

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

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.

## **y) 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.



# Notes to the Consolidated Financial Statements

## TITAN MINERALS LIMITED – YEAR ENDED 31 DECEMBER 2022

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.

### **z) Leases**

#### **The Group as lessee**

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

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

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

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

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

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

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

# Notes to the Consolidated Financial Statements

TITAN MINERALS LIMITED – YEAR ENDED 31 DECEMBER 2022

## aa) Rounding of Amounts

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

## 3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

### (a) *Impairment of property, plant and equipment*

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

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

### (b) *Exploration expenditure*

The Group capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage that permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded. Such capitalised expenditure is carried at the end of the reporting period at \$35,477 thousand.

### (c) *Impairment of Exploration expenditure*

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

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

### (d) *Provision for closure and restoration costs*

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

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

The initial estimate of the restoration and rehabilitation provision is capitalised into the cost of the related asset and amortised on the same basis as the related asset, unless the present obligation arises from the production of inventory in the period, in which case the amount is included in the cost of production for the period. Changes in the estimate of the provision for restoration and rehabilitation are treated in the same

# Notes to the Consolidated Financial Statements

TITAN MINERALS LIMITED – YEAR ENDED 31 DECEMBER 2022

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.

(e) *Share based payments*

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of ordinary shares is determined with reference to the Company's share price on the ASX. The Group measures the fair value of options at the grant date using a Black Scholes formula taking into account the terms and conditions upon which the instruments were granted. Where share based payments include market vesting conditions, the Group uses the Hoadleys ESO Model (a Monte Carlo simulation model).

(f) *Impairment of consideration receivable*

The Group has considered the recoverability of the consideration receivable as disclosed in Note 7 and Note 8. While the amounts are past due and payable, the Group has considered the following in assessing the recoverability of the balance:

1. Subsequent receipts of US \$700 thousand after year end; and
2. Discussions with the debtor with regards to their plans to repay the amount outstanding.

The Board considered that no impairment of the consideration receivable is necessary.

## 4. SEGMENT INFORMATION

### Identification of Reportable Segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board (the chief operating decision-maker) in assessing performance and in determining the allocation of resources.

The Group's principal activities is exploration and development of gold and copper assets in Ecuador. These activities are all located in the same geographical area being Ecuador and Peru. Given there is only one segment being in one geographical area, the financial results from this segment are equivalent to the financial statements of the Consolidated Entity as a whole.

# Notes to the Consolidated Financial Statements

TITAN MINERALS LIMITED – YEAR ENDED 31 DECEMBER 2022

## 5. REVENUE AND EXPENSES

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

	<b>Consolidated</b>	
	<b>31-Dec-22</b>	<b>31-Dec-21</b>
	<b>US \$000's</b>	<b>US \$000's</b>
<b>(a) General and Administration expenses</b>		
Compliance expenses	64	117
Insurance costs	102	104
Advertising and investor relations	237	332
Travel and accommodation	196	32
Depreciation and amortisation	62	53
Other Administration costs	309	1,282
	<b>970</b>	<b>1,920</b>

### (b) Impairment

Impairment expense of totalling US \$2,500 thousand relates to impairment relating to the consideration receivable from the Zaruma sale (refer Note 7 for further details). In the 2021 financial year, impairment of \$55 thousand relates to VAT in Ecuador no longer considered recoverable.

### (c) Gain / (loss) on extinguishment of financial liabilities

Loss on extinguishment – issue of Titan Mineral Shares	(i)	-	(1,490)
Gain on extinguishment – issue of financial assets		-	124
Gain on extinguishment – Silverstream liability	(ii)	-	2,619
		-	1,253

- (i) During the prior year, in consideration for the settlement \$4,273 thousand of financial liabilities (being loans and associated accrued fees and interest), Titan Minerals Limited issued 67,218,337 shares. As a result of the settlement of these liabilities in equity, a loss on extinguishment of \$1,490 thousand was recognised representing the difference between the fair value of the shares at settlement and the carrying value of the loans and interest.
- (ii) During the prior year, the Group agreed to a Deed of Settlement with Silverstream SECZ ("Silverstream") whereby liabilities owed by Titan Minerals Limited of \$2,619 thousand (after payment of US \$1,000 thousand) were extinguished in exchange for a gross smelter royalty over four Peru exploration concessions. The Peru exploration concessions had no carrying value at the date of extinguishment.

### (d) Gain on disposal of subsidiaries

During the current year the Company completed the restructuring of dormant subsidiaries, resulting in the disposal of five entities. The sale of the subsidiaries is considered a corporate transaction and resulted in a net gain on disposal of US\$2,024 thousand representing the liabilities at disposal date.

During the prior year the Company completed the restructuring of its Ecuadorian operations. This resulted in the disposal of two Ecuadorian subsidiaries. The Management have determined that the operations of these subsidiaries were within the operations of the group and not material to the group. The sale of the subsidiaries is considered a corporate transaction. As such these have not been reported as discontinued operations.

The net gain on disposal represents the net liabilities of the subsidiaries as at 7 June 2021 of US\$5,261 thousand.

# Notes to the Consolidated Financial Statements

TITAN MINERALS LIMITED – YEAR ENDED 31 DECEMBER 2022

## 6. INCOME TAX EXPENSE

Income tax recognised in profit or loss	Consolidated	
	31-Dec-22 US \$000's	31-Dec-21 US \$000's
Tax expense comprises:		
Current tax expense	-	-
Deferred tax expense	-	-
Total tax expense	-	-

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

(Loss) from continuing operations	(2,065)	(121)
Income tax benefit calculated at 30% (2021: 30%)	620	36
Expenses that are (not deductible) / income that is exempt in determining taxable profit	523	1,886
Effect of different tax rates of subsidiaries operating in other jurisdictions		-
Tax benefit not recognised as recovery not probable	(1,143)	(1,922)
	-	-

The tax rate used in the above reconciliation is the tax rate of 30% (2021: 30%) payable by Australian corporate entities on taxable profits under Australian tax law. The corporate tax rate in Peru is 29.5%, Canada 27.0% and Ecuador 25.0%.

Deferred tax balances as at 31 December 2022 were not recognised in the consolidated statement of financial position.

The deferred tax balances relate to the Parent entity and the Australian tax group.

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

Temporary differences	342	2,427
Tax losses – revenue	11,414	12,346
Tax losses – capital	15,168	16,407
	26,924	31,180

The Peruvian and Ecuadorian tax losses have not been disclosed above.



# Notes to the Consolidated Financial Statements

TITAN MINERALS LIMITED – YEAR ENDED 31 DECEMBER 2022

## 7. DISCONTINUED OPERATIONS

### Assets and liabilities classified as held for sale

	Consolidated	
	31-Dec-22 US \$000's	31-Dec-21 US \$000's
<b>Assets classified as held for sale</b>		
PP&E – Land surface rights: Zaruma & Portovelo <sup>1</sup>	872	872
Exploration and Evaluation Expenditure – Jerusalem	136	-
Other assets – Jerusalem	16	-
<b>Assets classified as held for sale</b>	<b>1,024</b>	<b>872</b>
<b>Liabilities classified as held for sale</b>		
Tax liabilities: Coriorcco and Las Antas	-	(563)
Tax liabilities: Zaruma & Portovelo	-	(756)
Provision for closure and restoration: Zaruma & Portovelo <sup>1</sup>	(108)	(1,224)
<b>Liabilities classified as held for sale</b>	<b>(108)</b>	<b>(2,543)</b>
<b>Net Liabilities classified as held for sale</b>	<b>916</b>	<b>(1,671)</b>

(1) These balances represent the assets and liabilities requiring the legal transfer of title to Pelorus Minerals Limited under the Share Sale Agreement as described below. The transfer process is awaiting completion by the relevant government authorities.

### Profit from discontinued operations

	Consolidated	
	31-Dec-22 US \$000's	31-Dec-21 US \$000's
Zaruma mine & Portovelo plant (Ecuador)	1,557	7,644
Coriorcco and Las Antas	563	-
<b>Profit from discontinued operations</b>	<b>2,120</b>	<b>7,644</b>

There was no tax on discontinuing operations.

A summary of the material terms is as follows:

#### Zaruma mine & Portovel plant (Ecuador)

On 26 July 2021, the Consolidated Group completed the sale of Zaruma mine and Portovelo process plant in Ecuador for US\$15.0 million pursuant to a Share Sale Agreement with Pelorus Minerals Limited.

On 18 October 2022, the Group entered into a revised payment plan for US \$5.0 million as per the following:

- US\$1.0 million received;
- US\$2.0 million by end of October 2022; and
- US\$2.0 million by end of 19 December 2022.

As at 18 October 2022, the amount outstanding was US\$7.5 million, with the difference between the amount outstanding and the revised settlement amount of US\$2.5million impaired.

# Notes to the Consolidated Financial Statements

## TITAN MINERALS LIMITED – YEAR ENDED 31 DECEMBER 2022

As at 31 December 2022, the consideration amount receivable is \$2,900 thousand and past due. No provision for impairment has been made at the reporting date.

<b>Zaruma mine &amp; Portovelo plant (Ecuador)</b>	<b>Year ended 31-Dec-22 US \$000's</b>	<b>Year ended 31-Dec-21 US \$000's</b>
<b>Profit for the year from discontinued operations</b>		
Other expenses	(310)	(1,122)
Other income (extinguishment of liabilities and adjustment to the provisions)	2,430	-
<b>Profit / (loss) before income tax</b>	<b>2,120</b>	<b>(1,122)</b>
Sale consideration	-	15,000
Less: carrying value at disposal and costs to sell	-	(5,300)
Attributable income tax expense	-	(934)
<b>Net gain on disposal</b>	<b>-</b>	<b>8,766</b>
<b>Profit for the year from discontinued operations (attributable to owners of the company)</b>	<b>2,120</b>	<b>7,644</b>
	<b>Year ended 31 Dec 2022 US \$000's</b>	<b>Year ended 31 Dec 2021 US \$000's</b>
<b>Cash flows from discontinued operations</b>		
Proceeds from the sale of Zaruma	2,100	-
Interest received on outstanding proceeds	600	-
Payments to suppliers	-	(1,122)
<b>Net cash outflows from operating activities</b>	<b>2,700</b>	<b>(1,122)</b>

### Coriocco and Las Antas

During the year the Company extinguished liabilities associated with these assets via the disposal of subsidiaries.

### Jerusalen

During the year the Company has agreed to divest its rights in the title to Jerusalen project for US \$700 thousand. An initial payment of 50% has been received as at 31 December 2022 with the transaction completed after year end. As such, at the reporting date the deposit received was recorded as a liability.

# Notes to the Consolidated Financial Statements

TITAN MINERALS LIMITED – YEAR ENDED 31 DECEMBER 2022

## 8. RECEIVABLES AND PREPAID EXPENSES

	Consolidated	
	31-Dec-22	31-Dec-21
	US \$000's	US \$000's
<b>CURRENT</b>		
Other receivables	637	697
Prepayments	105	91
Consideration receivable (refer Note 7)	2,900	8,320
	<b>3,642</b>	<b>9,108</b>
<b>NON CURRENT</b>		
Other receivables <sup>1</sup>	2,397	1,783
	<b>2,397</b>	<b>1,783</b>

The Group does not hold any trade receivables as at 31 December 2022 (2021: nil). None of the receivables disclosed above are past due or impaired, other than as described in Note 7.

- (1) Other receivables (non-current) relate to VAT recoverable from foreign taxation authorities. The recoverability of this VAT is based on the commencement of mining operations and as such, have been classified as non-current assets.

## 9. FINANCIAL ASSETS

	Consolidated	
	31-Dec-22	31-Dec-21
	US \$000's	US \$000's
Shares in listed entities <sup>1</sup>	-	228
Loans receivable <sup>2</sup>	317	-
	<b>317</b>	<b>228</b>

<sup>1</sup> During the year the Group disposed of all shares held in Silver X Mining Corp (TSXV: AGX) (shares held as at 31 December 2021 was 1 million shares).

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

<sup>2</sup> During the year the Company provided a loan to Arkham Metals Limited of US\$301 thousand. Under the terms of the loan, the interest is payable at 20% per annum (default rate of 22%) with a maturity of 27 August 2022.

# Notes to the Consolidated Financial Statements

TITAN MINERALS LIMITED – YEAR ENDED 31 DECEMBER 2022

## 10. PROPERTY, PLANT & EQUIPMENT

Amounts denominated in US \$000's	Plant and Equipment  US \$000's	Land and Buildings  US \$000's	Total
<b>Cost:</b>			
<b>Balance as at 31 December 2020</b>	<b>84</b>	<b>418</b>	<b>502</b>
Additions	133	-	133
Disposed	-	(418)	(418)
<b>Balance as at 31 December 2021</b>	<b>217</b>	<b>-</b>	<b>217</b>
Additions	126	-	126
Disposed	-	-	-
<b>Balance as at 31 December 2022</b>	<b>343</b>	<b>-</b>	<b>343</b>
<b>Accumulated Depreciation and Amortisation:</b>			
<b>Balance as at 31 December 2020</b>	<b>(13)</b>	<b>(17)</b>	<b>(30)</b>
Depreciation and amortisation	(33)	(20)	(53)
Disposed	-	37	37
<b>Balance as at 31 December 2021</b>	<b>(46)</b>	<b>-</b>	<b>(46)</b>
Depreciation and amortisation	(62)	-	(62)
<b>Balance as at 31 December 2022</b>	<b>(108)</b>	<b>-</b>	<b>(108)</b>
<b>Net Book Value</b>			
<b>As at 31 December 2021</b>	<b>171</b>	<b>-</b>	<b>171</b>
<b>As at 31 December 2022</b>	<b>235</b>	<b>-</b>	<b>235</b>

## 11. EXPLORATION AND EVALUATION EXPENDITURE EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated	
	31-Dec-22 US \$000's	31-Dec-21 US \$000's
Capitalised exploration and evaluation expenditure	<b>35,477</b>	<b>28,133</b>
Reconciliation of the carrying amounts of exploration and evaluation assets at the beginning and end of the current financial year:		
Carrying amount at the beginning of the year	28,133	18,374
- additions	7,480	9,814
- transferred to assets classified as held for sale	(136)	-
- impairment	-	(55)
Carrying amount at the end of the year	<b>35,477</b>	<b>28,133</b>

# Notes to the Consolidated Financial Statements

TITAN MINERALS LIMITED – YEAR ENDED 31 DECEMBER 2022

## 12. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	Consolidated	
	31-Dec-22	31-Dec-21
	US \$000's	US \$000's
<b>CURRENT</b>		
Trade payable	1,505	5,948
Government payable – IVA, Taxes, Royalty, Concessions	755	249
Other payables	512	355
	<b>2,772</b>	<b>6,552</b>

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

Other payables include employee liabilities, social security and PAYG.

## 13. LOANS PAYABLE

	Consolidated	
	31-Dec-22	31-Dec-21
	US \$000's	US \$000's
<b>CURRENT</b>		
Sophisticated and professional investors loan	1,016	1,088
	<b>1,016</b>	<b>1,088</b>

### **Sophisticated and professional investors**

In August 2021, the Group entered into an unsecured debt facility with a group of sophisticated and professional investors.

The material terms of the debt facility are:

- Amount: A\$1,500,000
- Repayment date: 1 April 2022 (extended to 31 May 2023)
- Interest: 15% per annum payable at repayment date
- Facility establishment fee: 5%

### **Finance costs:**

#### Sophisticated and professional investors

As at 31 December 2022, A\$225 thousand (US\$153 thousand) of interest was accrued in relation to the current loan from sophisticated and professional investors and recognised as finance costs.



# Notes to the Consolidated Financial Statements

TITAN MINERALS LIMITED – YEAR ENDED 31 DECEMBER 2022

## 14. ISSUED CAPITAL

### (a) Issued capital reconciliation

Issued capital	31 December 2022	
	Number	US \$000's
Ordinary shares fully paid	1,411,273,235	170,463
<b>Movements in shares on issue</b>		
Balance at the beginning of the financial year	1,409,720,582	170,383
Shares issued to suppliers in lieu of cash	1,552,653	80
<b>Balance at end of the year</b>	<b>1,411,273,235</b>	<b>170,463</b>

### 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	Exercise Price AUD \$	Expiry date	Vested
Canaccord Genuity (Australia) Limited	10,000,000	\$0.125	31 Dec 2023	100%
Canaccord Genuity (Australia) Limited	10,000,000	\$0.175	31 Dec 2023	100%
Canaccord Genuity (Australia) Limited	14,000,000	\$0.15	31 Dec 2023	100%
Directors, Management and Consultants	47,120,000	\$0.0001	24 August 2024	0%

As at 31 December 2022, there are 34,000,000 unlisted options issued to corporate advisors, and 47,120,000 incentive options issued to Directors, Managements and Consultants.

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)
<b>Total number of options outstanding as at 1 January 2022</b>	<b>91,120,000</b>
Share options issued	5,000,000
Share options forfeited	(15,000,000)
<b>Total number of options outstanding as at 31 December 2022</b>	<b>81,120,000</b>

No options were exercised during the year.

# Notes to the Consolidated Financial Statements

TITAN MINERALS LIMITED – YEAR ENDED 31 DECEMBER 2022

## 15. RESERVES

	Consolidated	
	31-Dec-22	31-Dec-21
	US \$000's	US \$000's
Share based payments reserve	21,495	21,404
Foreign currency translation reserve	1,658	713
	<b>23,153</b>	<b>22,117</b>
<i>Movements in Share based payments reserve</i>		
At the beginning of the financial year	21,404	20,372
Share based payments for the year	91	1,032
	<b>21,495</b>	<b>21,404</b>

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

### *Movements in Foreign currency translation reserve*

At the beginning of the financial year	713	(414)
Movement	945	1,127
	<b>1,658</b>	<b>713</b>

## 16. EARNINGS PER SHARE

	Consolidated	
	31-Dec-22	31-Dec-21
	Cents	Cents
Basic and diluted loss per share from continuing operations	(0.15)	(0.01)
	<b>US \$000's</b>	<b>US \$000's</b>
Loss from Continuing Operations Attributable to Equity Holders of Titan Minerals Ltd	(2,065)	(121)
	<b>No.</b>	<b>No.</b>
Weighted average number of ordinary shares used in the calculation of basic EPS	1,410,285,450	1,199,032,047
Potential ordinary shares not considered to be dilutive at year end	-	-
	<b>Cents</b>	<b>Cents</b>
Basic and diluted earnings per share from discontinued operations	0.15	0.638
	<b>US \$000's</b>	<b>US \$000's</b>
Profit / (Loss) from Discontinued Operations Attributable to Equity Holders of Titan Minerals Ltd	2,120	7,644
	<b>No.</b>	<b>No.</b>
Weighted average number of ordinary shares used in the calculation of basic EPS	1,410,285,450	1,199,032,047
Potential ordinary shares not considered to be dilutive at year end	-	-

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

# Notes to the Consolidated Financial Statements

TITAN MINERALS LIMITED – YEAR ENDED 31 DECEMBER 2022

## 17. SUBSIDIARIES

Name of entity	Country of incorporation	Ownership interest 2022	Ownership interest 2021	Principal Activity
Mundo Minerals USA Inc	USA	100%	100%	Administrative holding company
Compañía Minera Austrandina S.A.C	Peru	100%	100%	Administrative holding company
Compañía Minera Santa Raquel S.A.C	Peru	100%	100%	Administrative holding company
Compañía Minera Santa Carmela S.A.C	Peru	-%	100%	Administrative holding company
Andina Resources Limited	Australia	100%	100%	Administrative holding company
Mantle Mining S.A.C	Peru	100%	100%	Administrative holding company
Andean Metals S.A.C	Peru	-%	100%	Administrative holding company
Porphyry Assets S.A.C	Peru	100%	100%	Administrative holding company
Helles Mining Corp	Ecuador	100%	100%	Mineral concession holder
Mooro Mining Inc.	Ecuador	100%	100%	Mineral concession holder
Black Flag Minerals Inc.	Ecuador	100%	100%	Mineral concession holder
Cloudstreet International Corp.	Ecuador	100%	100%	Mineral concession holder
Titan Minerals S.A.S.	Ecuador	100%	100%	Operating company for exploration services
NEK Development Corp.	Panama	100%	100%	Mineral concession holder
Core Gold Inc.	Canada	-% <sup>1</sup>	100%	Holding company
Empire Sun Investment Limited	British Virgin Islands	-% <sup>1</sup>	100%	Holding company
Golden Valley Planta S.A.	Ecuador	-% <sup>1</sup>	100%	Plant owner
Greentrade Ecuador Overseas Inc.	Panama	-% <sup>1</sup>	100%	Holding company
Minsupport S.A.(in administration)	Ecuador	-% <sup>1</sup>	100%	General and administration

<sup>1</sup>Refer Note 5(d) for further details.

## 18. CONTINGENCIES AND COMMITMENTS

The Company is currently disputing Canadian legal costs of approximately CAD \$0.46 million. The Company does not consider the amount payable.

The Group has no other significant commitments or contingent liabilities as at 31 December 2022 (2021: nil).

# Notes to the Consolidated Financial Statements

TITAN MINERALS LIMITED – YEAR ENDED 31 DECEMBER 2022

## 19. 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-22	31-Dec-21
	US \$000's	US \$000's
Cash at bank and deposits at call	671	7,377
Cash in transit	-	1,385
	<u>671</u>	<u>8,762</u>

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

Profit / (Loss) for the year	55	7,523
Adjustments for:		
Depreciation and amortisation of non-current assets	62	53
Share based payments	71	1,070
Foreign exchange	(330)	(421)
Finance costs	163	190
Impairment of receivables	2,500	55
Gain/Loss on extinguishment of liabilities	(1,867)	(1,253)
Fair value movement of financial assets	99	1,073
Profit on disposal of property, plant and equipment	-	(399)
Gain on disposal of subsidiaries	(2,024)	(5,261)
<i>(Increase)/decrease in assets:</i>		
Trade and other receivables, prepaid expenses and long-term assets	4,950	(7,920)
Inventories	(178)	95
<i>Increase/(decrease) in liabilities:</i>		
Trade and other payables	(4,954)	(4,363)
Current tax liability	(1,319)	756
Net cash used in operating activities	<u>(2,772)</u>	<u>(8,802)</u>

### (c) Non-cash financing and investing activities

During the year, a total of US \$80 thousand of trade and other payables was settled in equity.

During the year, a total of US \$101 thousand of consideration for a prior year sale of subsidiary was directly paid by the vendor to another party as part of a loan issued by the Group, and \$US \$99 thousand directly paid by the vendor to a supplier as repayment of consultancy fees.

There were no other non-cash financing activities.

# Notes to the Consolidated Financial Statements

TITAN MINERALS LIMITED – YEAR ENDED 31 DECEMBER 2022

## 20. EVENTS AFTER THE REPORTING PERIOD

On 12 January 2023 the Company appointed Melanie Leighton as Chief Executive Officer. As part of her appointment she was issued 9,000,000 Performance Rights to be issued in three tranches of 3,000,000 Performance Rights as follows:

- Tranche 1 will vest upon the Company announcing on the ASX platform a minimum 2,000,000 ounces of gold (Au) or gold equivalent (in accordance with clause 50 of the JORC code) at the Dynasty Gold Project in Ecuador;
- Tranche 2 will vest upon the VWAP of shares being at least \$0.15 for 10 consecutive trading day; and
- Tranche 3 will vest upon the executive remaining employed with the Company for 3 years from the commencement date.

Subsequent to year end, the Company has received a further US \$0.7 million relating to the sale of Zaruma, as well as the final payment for the sale of Jerusalem of US \$0.35 million.

Subsequent to year end, the Company received a AUD \$1.8 million loan from entities associated with Director Matthew Carr. The loan is interest-free with no set date of repayment.

There have not been any other matters or circumstances that have arisen since the end of the financial year, that have 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.

## 21. KEY MANAGEMENT PERSONNEL

	31-Dec-22 US \$000's	31-Dec-21 US \$000's
Remuneration of key management personnel		
Short term employee benefits	515	747
Post-employment benefits	-	24
Share based payments	301	955
Termination benefits	97	67
	<u>913</u>	<u>1,793</u>

The disclosure above represents the full financial years ending 31 December 2022 and 31 December 2021 for the key management personnel of Titan Minerals Limited.

Refer to the Remuneration Report on pages 10 to 12 of the Directors Report for further details.

## 22. 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 17 to the Consolidated Financial Statements. Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in the Note. Details of transactions between the Group and other related parties, if any, are disclosed below.

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

# Notes to the Consolidated Financial Statements

TITAN MINERALS LIMITED – YEAR ENDED 31 DECEMBER 2022

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-22 US \$000's	31-Dec-21 US \$000's
<b>Statement of Financial Position</b>		
Current assets	706	7,772
Non-current assets	416	228
<b>Total assets</b>	<b>1,122</b>	<b>8,000</b>
Current liabilities	2,295	1,929
Non-current liabilities	15,433	14,374
<b>Total liabilities</b>	<b>17,728</b>	<b>16,303</b>
<b>Net Assets</b>	<b>(16,606)</b>	<b>(8,303)</b>
Issued capital	181,890	181,810
Reserves	8,531	7,789
Accumulated losses	(207,027)	(197,902)
<b>Shareholder Equity</b>	<b>(16,606)</b>	<b>(8,303)</b>

	Parent	
	31-Dec-22 US \$000's	31-Dec-21 US \$000's
<b>Statement of Comprehensive Income</b>		
Loss after tax	(9,125)	(23,857)
<b>Total comprehensive loss</b>	<b>(9,125)</b>	<b>(23,857)</b>

c) Expenditure commitments by the parent entity:

Not longer than 1 year	-	-
Longer than 1 year and not longer than 5 years	-	-
	-	-

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

There are no subsequent events, contingencies or commitments relevant to the Parent Company other than as disclosed in this financial report.

d) Other transactions

Director Matthew Carr was appointed as a director of Arkham Metals Limited (parent of Pelorus Minerals Pty Ltd) as per the terms of the Zaruma transaction (refer Note 7). Mr Carr will remain as a director on Arkham Metals Limited until it has completed its obligations to Titan Minerals Limited. Refer Note 7 and Note 9 for transactions during the year between Titan Minerals Limited and Arkham Metals Limited.



# Notes to the Consolidated Financial Statements

TITAN MINERALS LIMITED – YEAR ENDED 31 DECEMBER 2022

## 23. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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

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

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

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

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

	31-Dec-22	31-Dec-21
	US \$000's	US \$000's
<b>Financial Assets</b>		
Cash and Cash Equivalents	671	8,762
Receivables <sup>1</sup>	3,537	9,017
Financial assets	317	228
<b>Total Financial Assets</b>	<b>4,525</b>	<b>18,007</b>
<b>Financial Liabilities</b>		
Trade and other payables	2,772	5,948
Borrowings	1,016	1,088
<b>Total Financial Liabilities</b>	<b>3,788</b>	<b>7,036</b>
<b>Net Exposure</b>	<b>737</b>	<b>10,971</b>

(1) Excludes VAT receivable of \$2,397 thousand (2021: \$1,783 thousand).

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

	31-Dec-22	31-Dec-21
	US \$000's	US \$000's
<i>Receivables maturing as follows:</i>		
Less than 6 months	3,537	9,017
6 months to 1 year	-	-
Later than 1 year but not longer than 5 years	-	-
Over 5 years	-	-
	<b>3,537</b>	<b>9,017</b>
<i>Trade and other payables maturing as follows:</i>		
Less than 6 months	2,772	5,948
6 months to 1 year	-	-
Later than 1 year but not longer than 5 years	-	-
Over 5 years	-	-
	<b>2,772</b>	<b>5,948</b>

# Notes to the Consolidated Financial Statements

TITAN MINERALS LIMITED – YEAR ENDED 31 DECEMBER 2022

	31-Dec-22	31-Dec-21
	US \$000's	US \$000's
<i>Borrowings maturing as follows:</i>		
Less than 6 months	1,016	1,088
6 months to 1 year	-	-
Later than 1 year but not longer than 5 years	-	-
Over 5 years	-	-
	1,016	1,088

## (a) Market Risk

### Foreign Exchange Risk

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

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

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

	Assets		Liabilities	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	US\$ 000's	US\$ 000's	US\$ 000's	US\$ 000's
Australian dollars (AUD)	272	1,992	(1,546)	(1,566)
Canadian dollars (CAD)	-	1	(394)	(2,019)

### 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 2022 was 0.3% (31 December 2021: 0.05%). All trade and other receivables, other financial assets and trade payables are non-interest bearing.

Interest bearing liabilities include short term loans. The interest rate on short term loans payable is currently 15.0% (2021:15%), refer Note 13. A change in interest rate on short term loans of +/- 1.0% would result in an increase (decrease) in interest expenses of US \$10 thousand.

## (b) Credit Risk

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

The group is exposed to credit risk with regard to the consideration receivable from the Zaruma/Portovelo sale totalling US\$2.9 million. Titan has assessed the credit risk of the purchaser and concluded that there is no impairment of the receivable as at 31 December 2022 except for as disclosed in Note 5 and 7.

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.

# Notes to the Consolidated Financial Statements

TITAN MINERALS LIMITED – YEAR ENDED 31 DECEMBER 2022

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

## (c) Liquidity Risk

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

## (d) Capital Risk management

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

## 24. SHARE-BASED PAYMENTS

### Incentive Options

	<b>31 December 2022</b>
	<b>Number</b>
Incentive Options	47,120,000
	<b>47,120,000</b>
<b>Movements in incentive options</b>	
Balance at the beginning of the year	57,120,000
Issued during the year	5,000,000
Forfeited during the year	(15,000,000)
Balance at the end of the year	<b>47,120,000</b>

During the year, the Company issued 5,000,000 incentive options with the following terms to Director Tamara Brown.

Vesting category	Vesting Condition	Options	Exercise Price (AUD)	Expiry Date
A	The Company announcing on its ASX Market Announcements Platform a minimum 2,000,000 ounces of gold (Au) or gold equivalent (in accordance with clause 50 of the JORC code) at the Dynasty Gold Project in Ecuador.	1,250,000	\$0.0001	25 August 2024
B	The Company announcing on its ASX Market Announcements Platform a minimum 2,500,000 ounces of gold (Au) or gold equivalent (in accordance with clause 50 of the JORC code) at the Dynasty Gold Project in Ecuador.	1,250,000	\$0.0001	25 August 2024
C	The VWAP of Company Shares is at least \$0.15 for 10 consecutive trading days	1,250,000	\$0.0001	25 August 2024

# Notes to the Consolidated Financial Statements

TITAN MINERALS LIMITED – YEAR ENDED 31 DECEMBER 2022

D	The VWAP of Company Shares is at least \$0.30 for 10 consecutive trading days or at 24 months after the issue of the Incentive Options.	1,250,000	\$0.0001	25 August 2024
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Below is a summary of the key inputs and valuation methodology of the incentive options issued:

Vesting Category	A	B	C	D
Valuation model	Black-Scholes	Black-Scholes	Hoadleys Hybrid ESO Model	Hoadleys Hybrid ESO Model
Options exercisable at (AUD):	\$0.0001	\$0.0001	\$0.0001	\$0.0001
Grant date	1 April 2022	1 April 2022	1 April 2022	1 April 2022
Expiry date	25 August 2024	25 August 2024	25 August 2024	25 August 2024
Estimated volatility	97%	97%	97%	97%
Risk-free interest rate	1.76%	1.76%	1.76%	1.76%
Fair value (AUD):	\$0.0979	\$0.0979	\$0.0606	\$0.053
Total Fair value (AUD)	\$122,375	\$122,375	\$75,750	\$66,250

## Expenses Arising from Share-based Payment Transactions

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

	31-Dec-22	31-Dec-21
	\$000's USD	\$000's USD
Performance rights	-	20
Incentive options	448	1,050
Cancellation of Incentive options	(377)	-
<b>Total share-based payments expense</b>	<b>71</b>	<b>1,070</b>
Impact of foreign exchange translation	20	(38)
<b>Total share based payments impact on the share based payment reserve</b>	<b>91</b>	<b>1,032</b>

## 25. REMUNERATION OF AUDITORS

	31-Dec-22	31-Dec-21
	\$000's USD	\$000's USD
<i>Auditor of the consolidated entity</i>		
Audit and review of the annual and half year financial report	75	107
<i>Other auditors</i>		
Audit or review of the financial report	61	92

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
TITAN MINERALS LIMITED****Report on the Audit of the Financial Report****Opinion**

We have audited the financial report of Titan Minerals Limited ("the Company"), and its subsidiaries ("the Group"), which comprises the consolidated statement of financial position as at 31 December 2022, 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.

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

- (i) giving a true and fair view of the Group's financial position as at 31 December 2022 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

**Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Material Uncertainty Related to Going Concern**

Without modifying our review conclusion expressed above, attention is drawn to the following matter:

As referred to in Note 2(f) to the financial statements, the financial statements have been prepared on the going concern basis. The Group incurred a loss after tax for the period of US\$2,065,000 and had net cash outflows from operating activities of US\$2,772,000. The Group has net cash outflows from investing activities of US\$5,669,000. At the reporting date, the Group had cash and cash equivalents totalling US\$671,000. These events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

The ability of the Group to continue as a going concern and meet its planned exploration, administration and other commitments is dependent upon the Group raising further working capital, successfully exploiting its mineral assets and/or recovering the receivables from the sale of projects. In the event that the Group is not successful in raising further equity, exploiting its mineral assets or recovering the receivables from the sale of projects, the Group may not be able to meet its liabilities as and when they fall due and the realisable value of the Group's current and non-current assets may be significantly less than the book values.

### ***Emphasis of Matter – Receivables and Prepaid Expenses***

We draw attention to Note 8 of the financial report, which describes the nature of the receivables. The current receivables include US\$2.9 million of consideration receivable from the sale of subsidiaries and projects while the non-current receivables of US\$2.397 million relate to VAT recoverable from foreign taxation authorities. The receivable relating to the sale of subsidiaries and projects was renegotiated during the year, resulting in a reduction in the total consideration and the receivable by US\$2.5 million and is past the agreed due date.

The non-current VAT receivable is recoverable based on the commencement of mining operations and as such, at the reporting date has been classified as non-current.

Our opinion is not modified in respect of this matter.

### ***Key Audit Matters***

In addition to the matters described in the Material Uncertainty Related to Going Concern section and the Emphasis of Matter paragraph above, we have determined the matter described below to be Key Audit Matter to be communicated in our report.

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

Key Audit Matters	How the matter was addressed in the audit
<p><b><i>Carrying Value of Exploration and Evaluation Assets</i></b></p> <p>At 31 December 2022, the Group has capitalised exploration and evaluation expenditure totalling US\$35,477,000 (refer to Note 11).</p> <p>The carrying value of Capitalised Exploration and Evaluation expenditure is a key audit matter due to:</p> <ul style="list-style-type: none"> <li>• The significance of the total balance (81% of total assets);</li> <li>• The necessity to assess management’s application of the requirements of the accounting standard <i>Exploration for and Evaluation of Mineral Resources</i> (“AASB 6”), in light of any indicators of impairment that may be present;</li> <li>• The assessment of significant judgements made by management in relation to the Capitalised Exploration and Evaluation Expenditure.</li> </ul>	<p>Inter alia, our audit procedures included the following:</p> <ol style="list-style-type: none"> <li>i. Assessing the Group’s right to tenure over exploration areas of interest by corroborating the ownership of the relevant licences for mineral resources to government registries and relevant third party documentation;</li> <li>ii. Reviewing the directors’ assessment of the carrying value of the exploration and evaluation expenditure, ensuring the veracity of the data presented and that management has considered the effect of potential impairment indicators, commodity prices and the stage of the Group’s projects against AASB 6;</li> <li>iii. Testing additions to capitalised exploration and evaluation expenditure by evaluating a sample of recorded expenditure for consistency to the underlying records, the capitalisation requirements of the Group’s accounting policy and requirements of AASB 6;</li> <li>iv. Evaluation of Group documents for consistency with the intentions for the continuing of exploration and evaluation activities in certain areas of interest and corroborated with enquiries of management. Inter alia, the documents we evaluated included: <ul style="list-style-type: none"> <li>▪ Minutes of meetings of the board and management;</li> <li>▪ Announcements made by the Company to the Australian Securities Exchange; and</li> <li>▪ Cash forecasts.</li> </ul> </li> </ol>



- v. Consideration of the requirements of accounting standard AASB 6. We assessed the financial statements in relation to AASB 6 to ensure appropriate disclosures are made.

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***Other Information***

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2022, but does not include the financial report and our auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

***Responsibilities of the Directors for the Financial Report***

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

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

***Auditor's Responsibilities for the Audit of the Financial Report***

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

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

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

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

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

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

up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

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

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

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

### ***Report on the Remuneration Report***

#### *Opinion on the Remuneration Report*

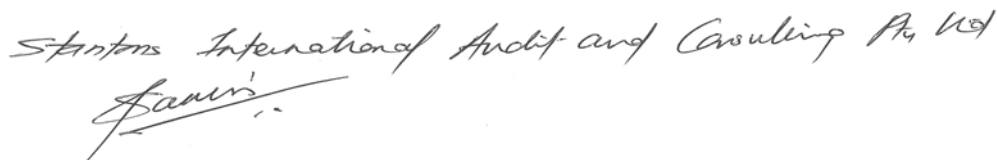
We have audited the Remuneration Report included in pages 10 to 12 of the directors' report for the year ended 31 December 2022.

In our opinion, the Remuneration Report of Titan Minerals Limited for the year ended 31 December 2022 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**  
**(An Authorised Audit Company)**



**Samir Tirodkar**

Director

West Perth, Western Australia

30 March 2023

**ADDITIONAL**  
INFORMATION

## VOTING RIGHTS

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

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

## SHARE REGISTRY

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

Automatic Share Registry  
Level 2, 267 St Georges Terrace  
Perth WA 6000  
Telephone (within Australia): 1300 992 916  
Telephone (outside Australia): +61 3 9315 23

## REGISTERED OFFICE

Suite 1, 295 Rokeby Road Subiaco Western Australia 6008  
Tel: +61 (8) 6555 2950  
Fax: +61 (8) 6166 0261

## COMPANY SECRETARY

The name of the Company Secretary is Zane Lewis.

## TAXATION STATUS

Titan Minerals Limited is taxed as a public company.

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

## CANADIAN SHAREHOLDERS

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

## TOP 20 SHAREHOLDERS

Position	Holder Name	Holding
1	CITICORP NOMINEES PTY LIMITED	168,512,124
2	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	99,377,702
3	BNP PARIBAS NOMS PTY LTD <DRP>	81,638,265
4	BUTTONWOOD NOMINEES PTY LTD	72,015,657
5	UBS NOMINEES PTY LTD	68,376,934
6	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	51,883,932
7	MRS JENNY MARY BAGULEY & MR JOHN RICHARD BAGULEY <BAGULEY FAMILY S/F A/C>	35,964,110
8	TAZGA TWO PTY LTD <TAZGA TWO A/C>	35,017,129
9	MCNEIL NOMINEES PTY LIMITED	34,000,000
10	BLOCK CAPITAL GROUP LIMITED	30,963,522
11	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	27,989,102
12	SAMALUCA HOLDINGS PTY LTD	25,000,000
13	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	24,229,682
14	BACCHUS CAPITAL ADVISERS LIMITED	24,136,491
15	BRISPOT NOMINEES PTY LTD <HOUSE HEAD NOMINEE A/C>	18,441,146
16	LUIS RICARDO REYES DE LA CAMPA	18,135,000
17	MEADOWCROFT INVESTMENTS PTY LTD <THE RIVERSTYLE A/C>	15,994,052
18	AJAVA HOLDINGS PTY LTD	14,878,462
19	OSCAR ALONSO REYES DE LA CAMPA	14,875,799
20	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	14,614,708

## HOLDING DISTRIBUTION

Holding Ranges	Holders	Total Units	% Issued Share Capital
above 0 up to and including 1,000	159	16,846	0.00%
above 1,000 up to and including 5,000	275	1,007,017	0.07%
above 5,000 up to and including 10,000	345	2,814,994	0.20%
above 10,000 up to and including 100,000	994	39,545,932	2.80%
above 100,000	608	1,367,888,397	96.93%
<b>Totals</b>	<b>2,381</b>	<b>1,411,273,186</b>	<b>100.00%</b>

Based on the price per security of \$0.061, number of holders with an unmarketable holding: 607, with total 2,194,794, amounting to 0.16% of Issued Capital