



# Annual Report

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# 2023

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for the year ended 31  
December 2023

(ACN 117 790 897)



# Corporate Directory

<b>DIRECTORS</b>	Peter Cook Matthew Carr Barry Bourne
<b>CHIEF EXECUTIVE OFFICER</b>	Melanie Leighton
<b>COMPANY SECRETARY</b>	Zane Lewis
<b>REGISTERED OFFICE</b>	Suite 1, 295 Rokeby Road Subiaco WA 6008  Telephone: +61 8 6555 2950 Facsimile: +61 8 6166 0261
<b>PRINCIPAL PLACE OF BUSINESS</b>	Suite 1, 295 Rokeby Road Subiaco WA 6008
<b>SHARE REGISTRY</b>	Automatic Share Registry Level 5 191 St Georges Terrace Perth WA 6000
<b>AUDITORS</b>	Stantons Level 2, 40 Kings Park Road West Perth Western Australia 6005
<b>AUSTRALIAN COMPANY NUMBER</b>	ACN 117 790 897
<b>AUSTRALIAN BUSINESS NUMBER</b>	ABN 97 117 790 897
<b>ASX CODE</b>	TTM

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# Message FROM THE CEO

## Dear Shareholders

Despite prevailing market conditions for junior explorers over the past few years, Titan has remained steadfast in its strategy, continuing to advance, and add considerable value to our copper and gold projects in southern Ecuador during the year.

Subsequent to year end, our dedicated efforts were rewarded by a JV earn-in agreement with Hancock Prospecting subsidiary company Hanrine, whereby Hanrine can earn up to 80% of our Linderos Copper Project by spending up to US\$120 million. We believe that this deal is transformational for the Company and sets the tone for our continued success in Ecuador.

The JV deal provides a look-through value for the Linderos project, but more importantly it provides strong endorsement in our belief in the Linderos Project's potential to host a substantial copper porphyry deposit. We are very happy to be partnering with Hancock who have the balance sheet and capability to fully explore and develop Linderos.

We have a strong belief in the potential of our projects and our team's technical capability to deliver discovery success, with Linderos being the first of three of our 100% held copper projects, in the under explored Andean copper belt in southern Ecuador, that we have done a deal on.

Another significant milestone achieved, was the completion of a maiden JORC compliant Mineral Resource Estimate at our 100% owned flagship Dynasty Gold Project. We now have contained resources of 3.1Moz gold and 22Moz silver at the development ready Dynasty Gold Project, with the resource providing a strong foundation for growth, particularly when considering that only half of the gkm long Dynasty epithermal corridor has been effectively explored.

We are confident in our ability to grow resources at Dynasty, given our improved understanding on mineralisation controls and several new targets, identified in highly prospective areas of land that have only recently been accessed through our dedicated CSR efforts.

Gratitude must also go to our shareholders, who have continued to support us, united in the belief in the opportunity that Ecuador represents to meet future predicted copper supply shortages and rising demand and pricing for gold and silver.

I would also like to thank our committed team in Ecuador, for their tireless efforts and hard work to unveil the opportunity and achieve discovery success, without them this would not be possible.

We look forward to a busy 2024 where we will continue to advance our exploration and development efforts, with many workstreams underway and a steady flow of news and results to be delivered. It is a truly exciting treasure hunt that we are on, and we are pleased to have you with us on this journey of discovery and growth!

**Melanie Leighton**  
CEO, Titan Minerals

# 2023 KEY HIGHLIGHTS

## Dynasty Gold Project

- Indicated and Inferred Mineral Resource Estimate of 43.54 Mt at 2.23 g/t Au & 15.7 g/t Ag for a contained 3.12 million ounces of gold and 21.98 million ounces of silver

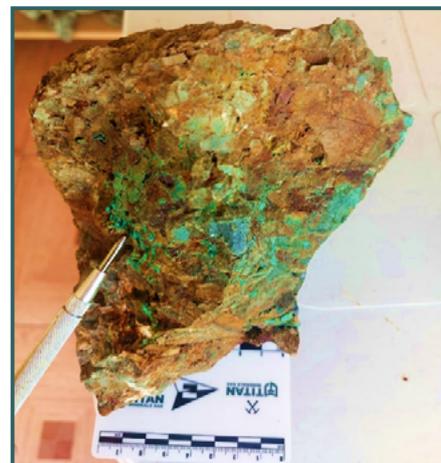


A diamond core sample from the Dynasty Brecha-Comanche drilling.

- Cerro Verde prospect: 28.8Mt @ 2.08 g/t Au, 13.00 g/t Ag for 1.92 Moz Au, 12.04 Moz Ag
- Iguana prospect: 10.9Mt @ 2.02 g/t Au, 13.68 g/t Ag for 0.71 Moz Au, 4.81 Moz Ag
- Trapichillo prospect: 2.9Mt @ 3.80 g/t Au, 39.31 g/t Ag for 0.36 Moz Au, 3.71 Moz Ag
- Papayal prospect: 0.9Mt @ 4.54 g/t Au, 50.85 g/t Ag for 0.13 Moz Au, 1.43 Moz Ag
- High-grade resources of 17.3Mt @ 3.77 g/t Au, 24g/t Ag for a contained 2.09 million ounces of gold and 13.33 million ounces of silver
- 52% of resources contained within 100m from surface, 82% contained within 200m from surface
- 39% Indicated and 61% Inferred resources
- Significant scope to rapidly grow high grade resources

## Copper Duke Project

- Extensive copper-gold porphyry mineralisation and well-developed stockwork veining revealed in trenches, highlighting priority target areas
- Channel sampling returned impressive results from the El Huato and Lumapamba prospects, with copper and gold mineralisation confirmed over extensive areas. Significant channel results include:
  - 4m @ 2.36 g/t Au & 1,400 ppm Cu within broader zone of 20m @ 0.90 g/t Au & 2,100 ppm Cu.
  - 10m @ 1.20 g/t Au & 1,300ppm Cu within broader zone of 20m @ 0.72 g/t Au & 1,000 ppm Cu.



Copper Oxide present on a Copper Duke sample.

## Copper Duke Project (Cont.)

- 10m @ 0.48 g/t Au & 1,100ppm Cu within broader zone of 50m @ 0.16 g/t Au & 900 ppm Cu.
  - 14m @ 0.45 g/t Au & 5,800ppm Cu within broader zone of 28m @ 0.28 g/t Au & 4,000 ppm Cu.
  - 10m @ 0.35 g/t Au & 700ppm Cu within broader zone of 38m @ 0.14 g/t Au & 600 ppm Cu.
  - 8m @ 0.52 g/t Au & 16m @ 0.30 g/t Au within broader zone of 76m @ 0.19 g/t Au.
- Age dating confirms mineralisation as Palaeocene (61 Ma) – the same age as mega copper-molybdenum porphyry deposits in Peru
  - Review of geochemistry indicates Copper Duke magma to have same geochemical signature as all global Tier 1 porphyry copper deposits

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## Linderos Copper Project

- Subsequent to year end, indicative terms were executed with Hancock Prospecting subsidiary (Hanrine) whereby they can earn up to 80% of the Linderos Copper Project by investing up to US\$120m.
  - Copper Ridge diamond drilling returned wide intersections of porphyry mineralisation from surface to approximately 500 metres vertical, with a better intercept of 308m @ 0.4% copper equivalent, including 76m @ 0.5% copper equivalent. 6 out of 8 drillholes ended in mineralisation, giving supporting for good lateral and depth extensions for porphyry mineralisation.
- Drilling at Meseta Gold prospect proves intermediate-sulphidation type epithermal gold system from shallow depths, adjacent to the Copper Ridge Porphyry system.
  - Significant drill intercepts returned from Meseta include 7.22m @ 13.77g/t Au, 12.9g/t Ag from 66.3m, 4.88m @ 12.9g/t Au, 6.04g/t Ag from 41m and 4.64m @ 5.0g/t Au, 10.33g/t Ag from 51.7m.
  - IP geophysical survey suggests that Copper Ridge porphyry mineralisation is open laterally and at depth, with chargeability inversion modelling indicating a 2km porphyry alteration footprint that extends under Meseta.



*The Titan technical team reviewing Linderos core samples.*

# Board of Directors

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**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.

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# 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).

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**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.

**Cecilia Penaherrera**

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.

**Johana Yunga**

Environment &  
OHS Manager, Ecuador

Ms Yunga is a Chemical engineer, with a master's degree in environmental management and a specialization in mining safety.

Ms. Yunga is a professional with considerable experience in the application of environmental regulations for Mining Operations in Ecuador.

**Kathy Skead**

Database & GIS Manager

Ms Skead is an experienced GIS Specialist and Spatial Data Scientist with a demonstrated history of working in the geoscience industry.

Ms Skead holds a Masters of Applied Science in Spatial Analysis for Public Health from Johns Hopkins University.

# Review of OPERATIONS

## Overview

Titan Minerals Limited (**ASX: TTM**) (**Titan** or **the Company**) has been focused on advancing its flagship, development ready, Dynasty Gold Project while also continuing exploration across its portfolio of quality copper projects in southern Ecuador in 2023.

Significant advances were made in exploration programs across Titan's portfolio of projects, with work primarily directed to the flagship Dynasty Gold Project followed by the Copper Duke and Linderos Projects.

Exploration work programs completed across the projects included diamond drilling, trenching, channel sampling, soil, rock chip and stream sediment sampling. Other work completed and datasets collected included petrographic analysis, age dating, geological mapping, spectral data collection and analysis from drill core and trench samples. Geophysical surveys and data acquired included an Induced Polarisation (IP) survey at the Linderos Project and the acquisition of Bouger Gravity data for the region.

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# Projects

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## Dynasty Gold Project

- Substantial, high-grade gold and silver depth extensions confirmed by diamond drilling at the Brecha-Comanche target, Cerro Verde prospect confirming depth extension potential across the entire 9-kilometre epithermal gold corridor.
- Cerro Verde prospect significant drill results include:
  - CVDD23-101:
    - 4.97m @ 2.12 g/t Au, 6.91 g/t Ag from 299.1m,
    - 11.0m @ 2.67 g/t Au, 19.23 g/t Ag from 396m.
  - CVDD23-102:
    - 5.88m @ 4.64 g/t Au, 9.22 g/t Ag from 203m,
    - 11.95m @ 3.25 g/t Au, 10.52 g/t Ag from 218.5m,
    - 9.65m @ 2.29 g/t Au, 19.93 g/t Ag from 250m,
    - 6.95m @ 10.84 g/t Au, 25.22 g/t Ag from 337.85m,  
**including 3.4m @ 20.53 g/t Au, 43.09 g/t Ag from 340.2m.**
  - CVDD23-104:
    - 5.75m @ 1.55 g/t Au, 2.38 g/t Ag from 50.13m,
    - 11.07m @ 3.13 g/t Au, 19.00 g/t Ag from 118.24m,  
**including 2.76m @ 8.52 g/t Au, 45.99 g/t Ag from 118.24m,**
    - 4.31m @ 4.46 g/t Au, 4.86 g/t Ag from 284.35m.

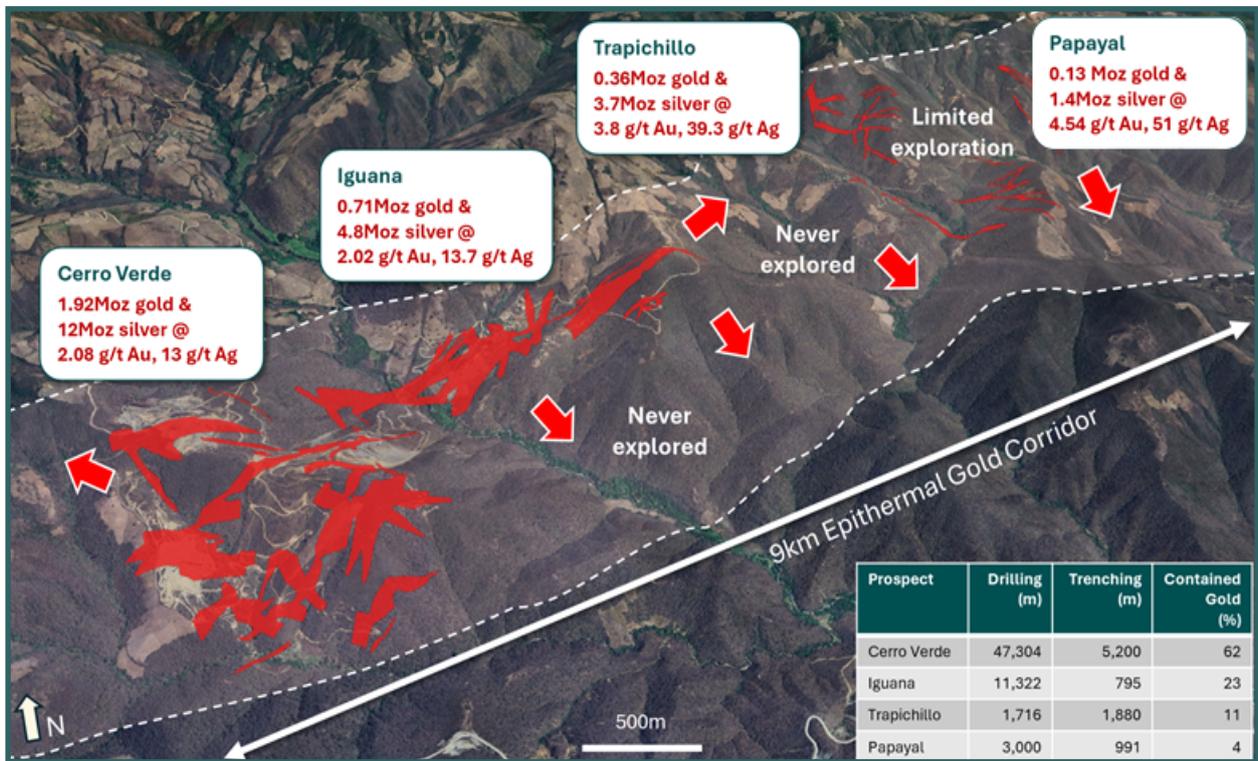


*Aerial view of the Titan Dynasty Project.*

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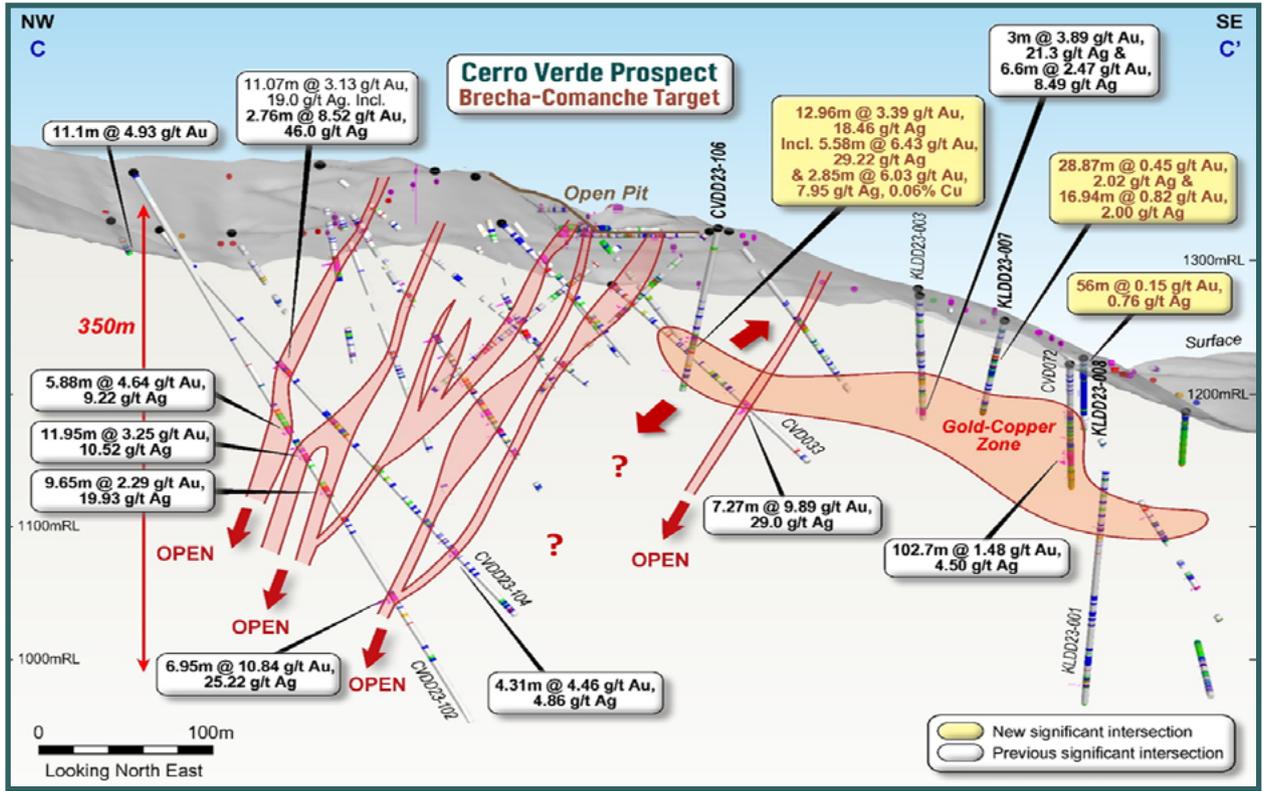
- Successful completion of the maiden JORC Compliant Mineral Resource in July 2023 for the Dynasty Gold Project:
  - Indicated and Inferred Mineral Resources of **43.54 Mt at 2.23 g/t Au & 15.7 g/t Ag** for a contained **3.1Moz gold and 22Moz silver**
  - Mineral Resources reported by area:
    - **Cerro Verde:** 28.8Mt @ 2.08 g/t Au, 13 g/t Ag for 1.9 Moz Au, 12 Moz Ag
    - **Iguana:** 10.9Mt @ 2.02 g/t Au, 13.7 g/t Ag for 0.7 Moz Au, 4.8 Moz Ag
    - **Papayal:** 2.9Mt @ 3.80 g/t Au, 39.3 g/t Ag for 0.4 Moz Au, 3.7 Moz Ag
    - **Trapichillo:** 0.9Mt @ 4.54 g/t Au, 50.8 g/t Ag for 0.1 Moz Au, 1.4 Moz Ag
  - Significant high-grade component of **17.3Mt @ 3.77 g/t Au, 24 g/t Ag** for a contained **2.1Moz gold and 13.3Moz of silver**
  - **Over half Mineral Resources contained within 100 metres** from surface:
    - 52% of resources (1.62Moz) within top 100m
    - 82% of resources (2.55Moz) within top 200m
  - 39% Indicated, 61% Inferred
  - 19% oxide, 19% Transitional, 62% Fresh
  - Cerro Verde prospect contains 51% Indicated Resources with preliminary pit optimising to depths of 350-400 metres
  - Substantial depth and lateral extensions to the epithermal gold vein system identified
  - Several areas highlighted for rapid resource addition with minimal drilling required
- Resource growth drilling completed at Papayal prospect in late 2023, confirmed the project's amenability to rapidly growing resources. Work completed at Papayal, confirms that Titan is on track to unlock the scale and ultimate value of the Dynasty Gold Project through systematic exploration and targeted drilling programs.
- Significant drill results returned from Papayal include:
  - 29m @ 0.95 g/t Au, 33.4 g/t Ag from 12m in PPDD23-002,
    - **including 2.00m @ 5.29 g/t Au, 32.4 g/t Ag** from 12m &
    - **3.22m @ 2.77 g/t Au, 120 g/t Ag, 3.10% Pb** from 28m
  - **5.27m @ 3.53 g/t Au, 72.3 g/t Ag** from 85.8m in PPDD23-001, including
    - **0.66m @ 25.1 g/t Au, 492 g/t Ag, 0.42% Cu, 0.66% Pb, 0.54% Zn** from 88.6m
  - **2.02m @ 2.98 g/t Au, 84 g/t Ag** from 75.1m in PPDD23-010, including
    - **0.51m @ 9.34 g/t Au, 275 g/t Ag** from 76m
  - **0.40m @ 3.5 g/t Au, 107 g/t Ag** from 58.4m &
  - **0.40m @ 65.5 g/t Au, 83.2 g/t Ag** from 81.6m in PPDD23-013

- The Company continued to make significant advances in community engagement, generating strong support from communities at our projects. Several new access agreements have recently been executed opening up highly prospective parts of the Dynasty Project, enabling exploration to be completed in areas never previously explored. This is a significant milestone in Titan's strategy to apply systematic exploration in order to demonstrate the potential of the entire 9-kilometre epithermal corridor.
- A total of 37 diamond drillholes for 6,036 metres were completed across the Cerro Verde and Papayal prospects, with 4,156 drill core samples submitted to ALS for gold and multielement analysis. A further 357 metres of trenching was developed with 254 samples collected and submitted to ALS for gold and multielement analysis.
- Extensive surface mapping was also completed, and the Dynasty 3D geological model continued to evolve and improve with added layers of data collected by Titan's geologists.

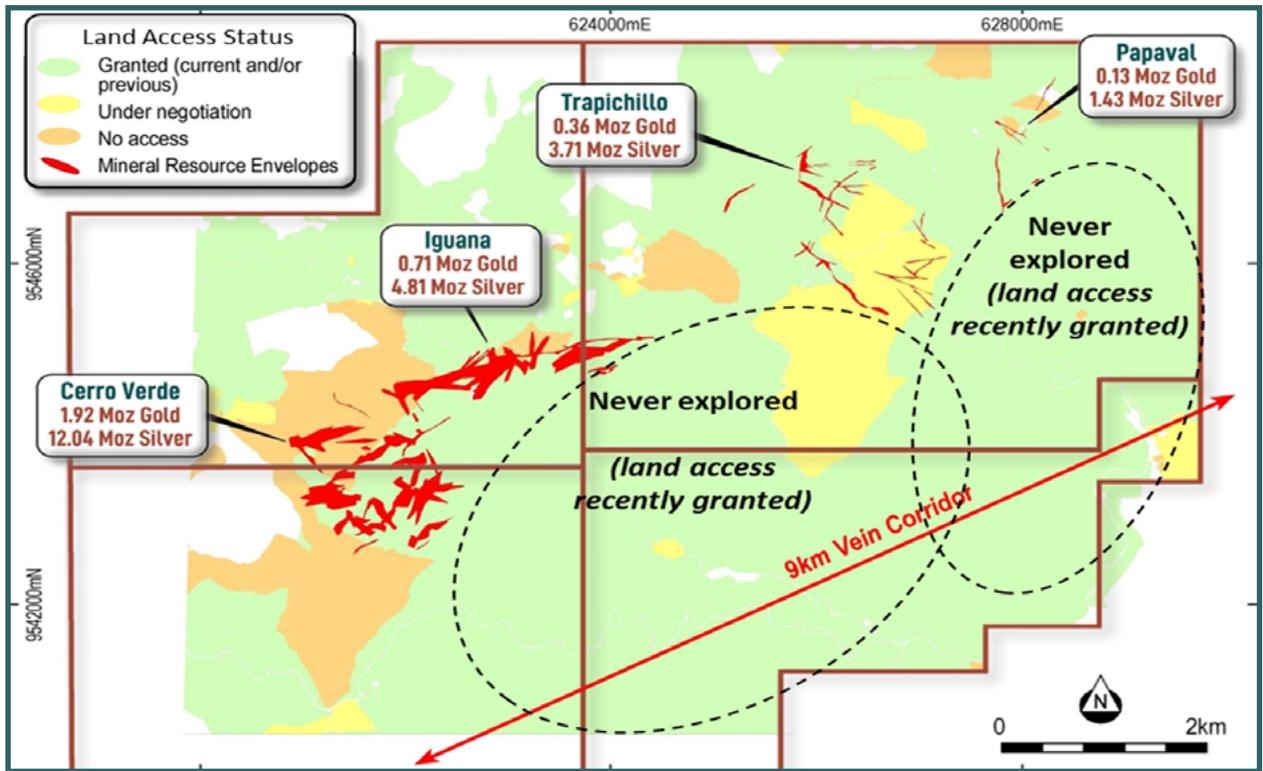


Oblique view of Dynasty Indicated and Inferred Mineral Resources projected to surface.

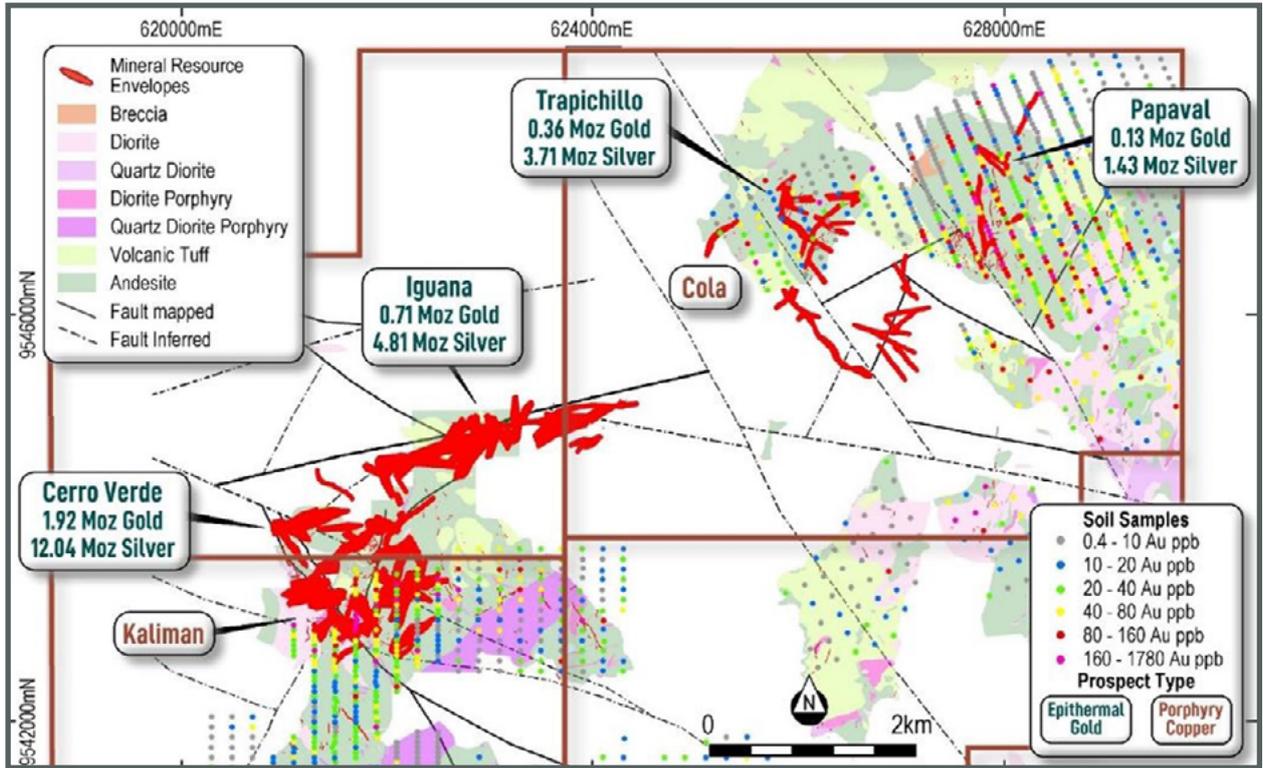




Cerro Verde prospect type section displaying drilling, significant intercepts and interpreted mineralisation.



Dynasty land access map displaying areas accessible for exploration (green) in relation to currently defined mineral resources.



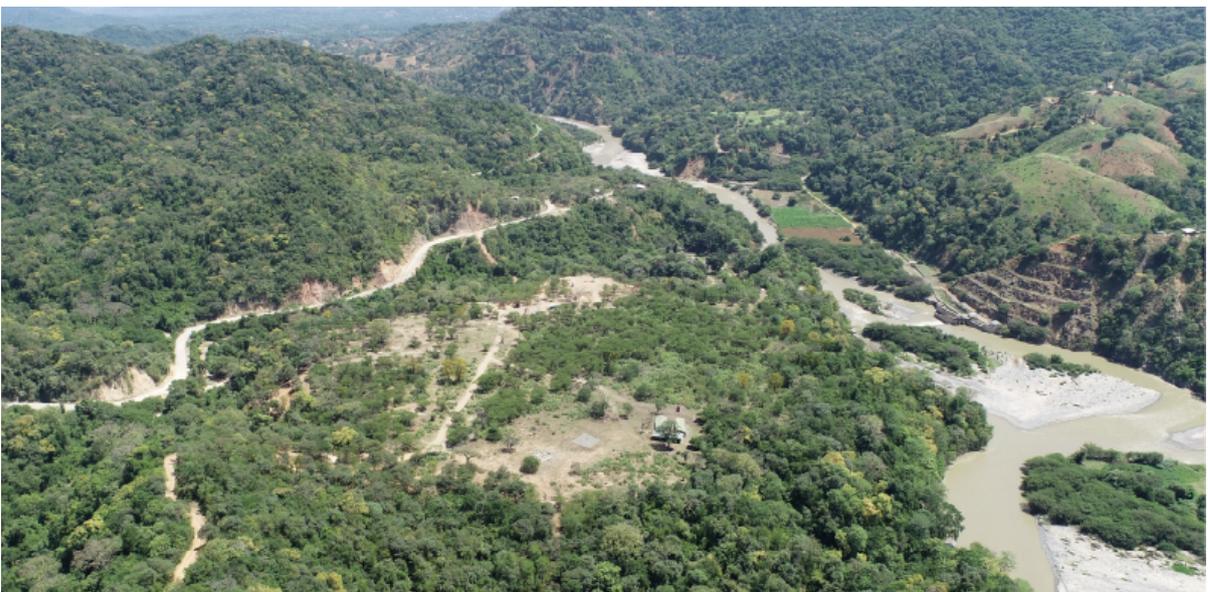
Plan view displaying extent of geological mapping and soil geochemical sampling (Au ppb) in relation to existing Mineral Resources.



Sunrise over the Papayal prospect, Dynasty Gold Project

## Linderos Project

- Subsequent to year end, a letter of offer and indicative terms were executed with Hancock Prospecting Pty Ltd (Hancock) subsidiary Hanrine Ecuadorian Exploration and Mining S.A. (Hanrine) for up to US\$120m investment to acquire up to an 80% ownership interest in the Linderos Copper Project.
- The Joint Venture Earn-in deal with Hanrine has given endorsement to the quality of the Linderos Copper Project and supports the Company's view that Linderos has the potential to host a Tier 1 copper deposit.
- The balance of results from 2022 Linderos diamond drilling were returned early in 2023, with the Copper Ridge prospect drilling intersecting wide intervals of porphyry copper-gold-molybdenum mineralisation from shallow depths. Significant results include:
  - 72m grading 0.4% Cu Eq from 21m, and
  - 51m grading 0.4% Cu Eq from 373m, and
  - 22m grading 0.5% Cu Eq from 524m in hole CRDD22-006
  - 186m grading 0.3% Cu Eq from 196m, including a gold rich zone of 80m grading 0.4% Cu Eq from 286m in CRDD22-004
  - 88m grading 0.3% Cu Eq from 266m in CRDD22-007
- Potential for higher copper-gold tenor porphyry mineralisation demonstrated at Copper Ridge in CRDD22-003 (76m grading 0.5% Cu Eq) and CRDD22-006 (22m grading 0.5% Cu Eq)
- Most drilling at Coper Ridge ended in mineralisation, with significant opportunity to define further porphyry copper mineralisation by testing lateral and depth extents

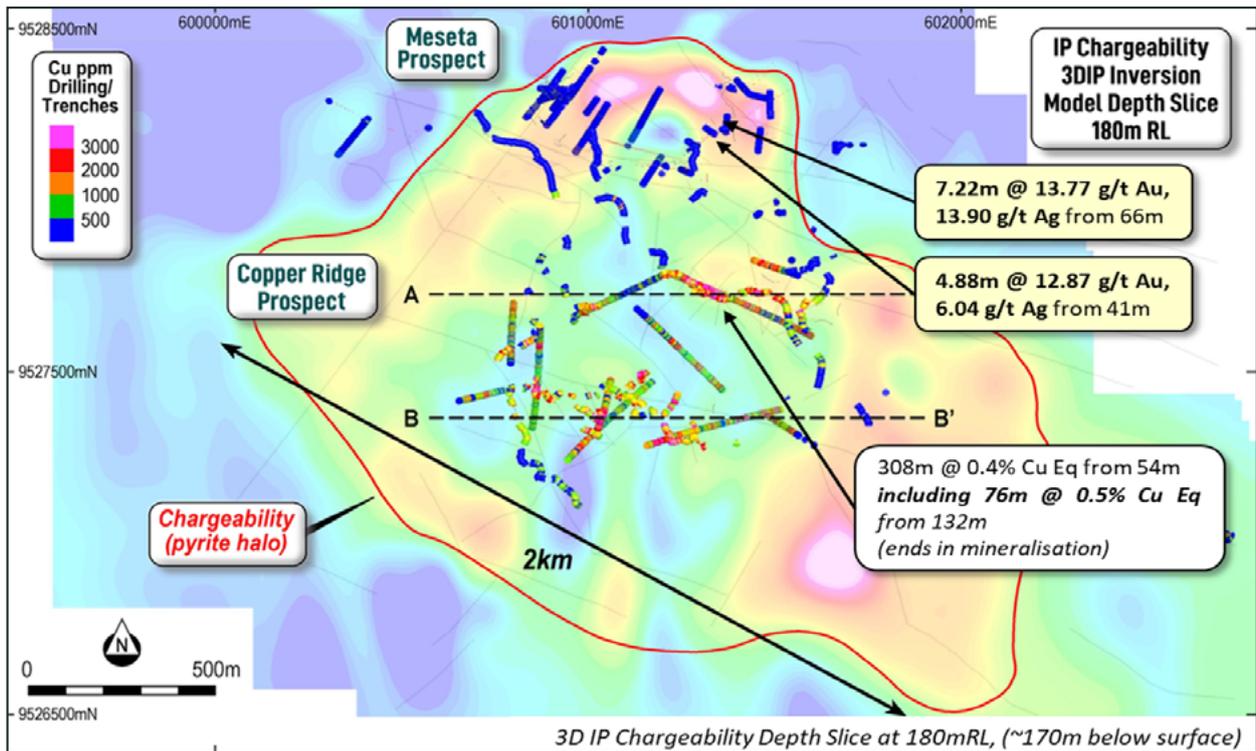


*Looking over Copper Ridge & Meseta at the Linderos Project.*

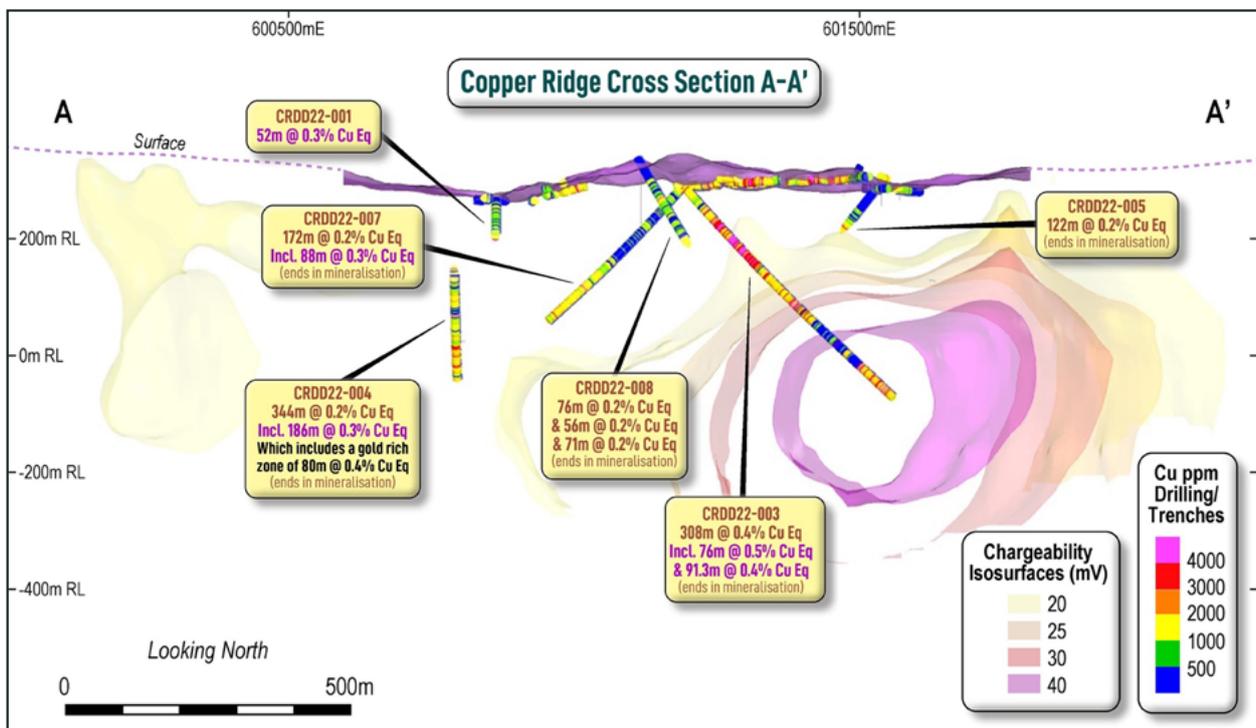
- Drilling at the Meseta Gold prospect confirmed a near-surface intermediate-sulphidation gold system adjacent to Copper Ridge Porphyry system, where several high-grade gold, silver and base metal massive sulphide veins were intersected, with significant results including:
  - 7.22m grading 13.77g/t Au, 12.90g/t Ag, 0.15% Cu, 0.38% Zn from 66.28m, including higher grade intercepts of:
    - 0.92m grading 31.50 g/t Au, 24.30 g/t Ag, 0.25% Cu from 68.28m: and
    - 0.58m grading 99.80 g/t Au, 89.90 g/t Ag, 0.98% Cu, 0.31% Zn in MGDD22- 010
  - 4.88m grading 12.87 g/t Au, 6.04 g/t Ag, 0.11 % Cu, 0.41% Zn from 41.0m, including a higher-grade intercept of:
    - 1.64m grading 33.35 g/t Au, 11.28 g/t Ag, 0.23% Cu, 0.72% Zn from 44.24m in MGDD22-012
- An Induced Polarisation (IP) pole-dipole geophysical survey was completed at the Linderos Project over the Copper Ridge, Meseta, Nueva Esperanza and Capa Rosa prospects. The final 3D IP inversion model confirmed the hypothesis that the Copper Ridge porphyry and Meseta epithermal gold mineral systems are intimately associated.
- The IP survey and subsequent 3D inversion modelling was successful in unveiling a much larger porphyry system than previously recognised in surface mapping, geochemistry, and drilling. It is evident from the IP survey that the Copper Ridge Porphyry system continues to the northeast and manifests beneath the Meseta Gold prospect. This is an exciting revelation and confirms the Company's view that Linderos has the potential to host a much larger porphyry system.
- A total of 768 metres of trenches were developed across the Copper Ridge and Meseta prospects, with 413 trench samples collected and submitted to ALS for gold and multielement analysis. Further surface mapping was completed, and a 3D geological model was generated following the completion of sectional and plan view interpretations.



*Titan geologists at the Copper Ridge porphyry prospect*



Linderos IP Chargeability 3D Inversion Model depth slice ~ 170m below surface, drilling coloured by Cu ppm, and significant intercepts.



Copper Ridge E-W Cross Section showing 3D IP chargeability isosurfaces, drillholes and trenches displaying copper, and significant intercepts.

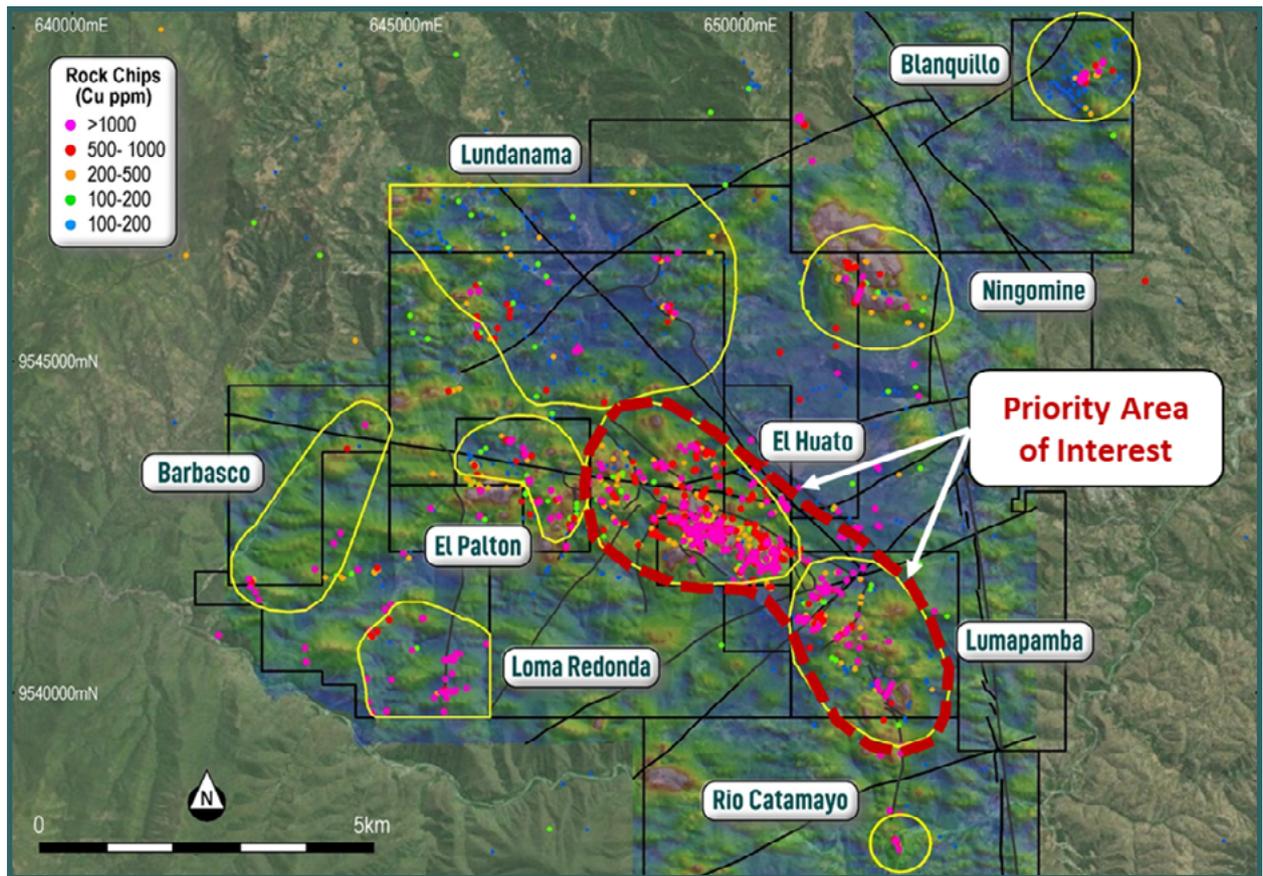
## Copper Duke Project

- Multi-phase outcropping targets including epithermal gold, breccia copper, and porphyry copper-gold mineral systems have been identified at Copper Duke, with Titan's mapping and trenching uncovering diorite porphyry units with abundant A+B+D stockwork and sheeted porphyry veins and strong copper oxide and iron oxide mineralisation from surface.
- Considerable progress was made on work programs over the high priority El Huato and Lumapamba prospects, with exploration activities including trenching and detailed mapping.
- Geological mapping was conducted mainly along roads and streams, with excellent exposure for detailed mapping. The aim of the geological mapping has been to characterise intrusive phases, hydrothermal alteration assemblages, vein intensity and geometry.
- Mapping of the El Huato prospect has confirmed the presence of Diorite and Quartz Diorite porphyry intrusions, which are affected by selective propylitic and potassic alteration, with superimposed chlorite-sericite alteration in specific areas. Potassic alteration comprises magnetite replacing mafics (15-20%), traces of secondary biotite (1-5 %).
- Mapping at the Lumapamba prospect has confirmed the area to be dominated by potassic alteration exhibiting secondary biotite, green-grey sericite and magnetite (25-75% intensity) which is observed to overprint both porphyry "Lumapamba" and intrusive breccia units. The Lumapamba prospect also hosts a Hornblende Diorite Porphyry which exhibits propylitic alteration.
- Exploration work programs completed at Copper Duke included infill soil sampling, trenching and mapping.

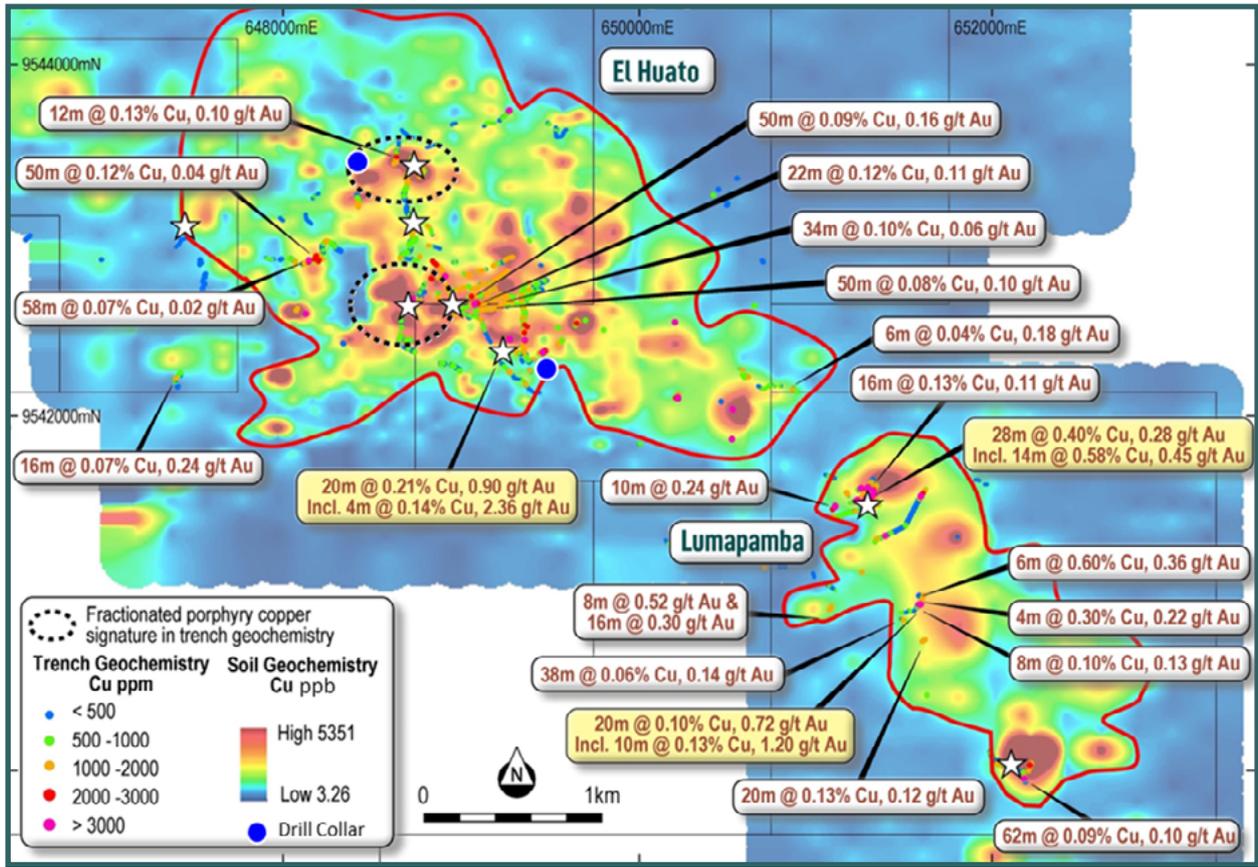


*Looking down valley at the Titan Copper Duke Project.*

Significant trench and channel results for EL Huato prospect	Significant trench and channel results for Lumapamba prospect
<ul style="list-style-type: none"> <li>20m @ 0.90 g/t Au, 0.21 % Cu in HTC22-050 <b>including 4m @ 2.36 g/t Au, 0.14 % Cu</b></li> </ul>	<ul style="list-style-type: none"> <li>20m @ 0.72 g/t Au, 0.10 % Cu in HTC22-037 <b>including 10m @ 1.20 g/t Au, 0.13 % Cu</b></li> </ul>
<ul style="list-style-type: none"> <li>50m @ 0.16 g/t Au, 0.09 % Cu in HTT23-003 <b>including 10m @ 0.48 g/t Au, 0.11 % Cu</b></li> </ul>	<ul style="list-style-type: none"> <li>76m @ 0.19 g/t Au, 0.02 % Cu in HTC22-022 <b>including 8m @ 0.52 g/t Au, 0.03 % Cu, &amp; including 16m @ 0.30 g/t Au, 0.01 % Cu</b></li> </ul>
<ul style="list-style-type: none"> <li>64m @ 0.07 g/t Au, 0.07 % Cu in HTT23-004 <b>including 22m @ 0.11 g/t Au, 0.12 % Cu</b></li> </ul>	<ul style="list-style-type: none"> <li>28m @ 0.28 g/t Au, 0.40 % Cu in HTC22-054 <b>including 14m @ 0.45 g/t Au, 0.58 % Cu</b></li> </ul>
<ul style="list-style-type: none"> <li>50m @ 0.10 g/t Au, 0.08 % Cu in HTT23-005 <b>including 18m @ 0.12 g/t Au, 0.10 % Cu</b></li> </ul>	<ul style="list-style-type: none"> <li>38m @ 0.14 g/t Au, 0.06 % Cu HTC22-028 <b>including 10m @ 0.35 g/t Au, 0.07 % Cu</b></li> </ul>
<ul style="list-style-type: none"> <li>100m @ 0.06 g/t Au, 0.09 % Cu in HTC22-042 <b>including 12m @ 0.10 g/t Au, 0.13 % Cu</b></li> </ul>	<ul style="list-style-type: none"> <li>6m @ 0.36 g/t Au, 0.60 % Cu in HTC22-034</li> </ul>
<ul style="list-style-type: none"> <li>124m @ 0.04 g/t Au, 0.07 % Cu in HTC22-044 <b>including 34m @ 0.06 g/t Au, 0.10 % Cu</b></li> </ul>	<ul style="list-style-type: none"> <li>62m @ 0.10 g/t Au, 0.09 % Cu in HTC23-077 <b>including 30m @ 0.15 g/t Au, 0.12 % Cu</b></li> </ul>



Copper Duke Location map showing aeromagnetic image (analytic signal), regional structures, rock chips (Cu ppm), Titan concessions and prospects.



Plan View of El Huato and Lumapamaba prospects displaying soil and trench sample geochemistry and significant channel/ trench sample results (Cu ppm)



El Huato Trench HTT23-001: 22-24m- Diorite Porphyry with Stockwork B and D type veinlets.

## Competent Person's Statements

Exploration results referred to in this report have been previously reported by Titan in ASX announcements. Titan confirms that it is not aware of any new information or data that materially affects the information included in that announcement. The Competent Person for the report was Melanie Leighton. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

The information in the report that relates to the Estimation and Reporting of the Dynasty Mineral Resources has been compiled and reviewed by Ms Elizabeth Haren of Haren Consulting

Pty Ltd who is an independent consultant to Titan Minerals Limited and is a current Member and Chartered Professional of the Australasian Institute of Mining and Metallurgy and Member of the Australian Institute of Geoscientists. Ms Haren has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code). Ms Haren consents to the inclusion in this report of the matters based on her information in the form and context in which it appears.

## Tenement Schedule

Project	Tenement	Location	Interest	Expiry
Dynasty Gold	Cecilia 1	Loja, Ecuador	100%	12/11/2034
Dynasty Gold	Pilo 9	Loja, Ecuador	100%	13/10/2034
Dynasty Gold	ZAR	Loja, Ecuador	100%	2/12/2034
Dynasty Gold	ZAR 1	Loja, Ecuador	100%	5/12/2034
Dynasty Gold	ZAR 3A	Loja, Ecuador	100%	11/12/2034
Linderos	Chorrera	Loja, Ecuador	100%	13/10/2034
Linderos	Dynasty 1	Loja, Ecuador	100%	11/06/2035
Linderos	Linderos E	Loja, Ecuador	100%	27/07/2034
Linderos	Narango	Loja, Ecuador	100%	27/09/2034
Copper Duke	Barbasco	Loja, Ecuador	100%	5/10/2034
Copper Duke	Barbasco 1	Loja, Ecuador	100%	22/11/2034
Copper Duke	Barbasco 2	Loja, Ecuador	100%	10/11/2034
Copper Duke	Barbasco 4	Loja, Ecuador	100%	19/11/2034
Copper Duke	Carol	Loja, Ecuador	100%	17/04/2035
Copper Duke	Catacocha	Loja, Ecuador	100%	25/05/2034
Copper Duke	Colanga	Loja, Ecuador	100%	19/09/2034
Copper Duke	Colanga 2	Loja, Ecuador	100%	13/11/2034
Copper Duke	Gloria	Loja, Ecuador	100%	12/11/2034
Copper Duke	Gloria 1	Loja, Ecuador	100%	7/11/2034
Copper Duke	Gonza 1	Loja, Ecuador	100%	16/01/2035
Copper Duke	LumaPamba	Loja, Ecuador	100%	31/10/2034
Copper Duke	LumaPamba 1	Loja, Ecuador	100%	31/10/2034
Copper Field	Cooper 1	Loja, Ecuador	100%	10/11/2034
Copper Field	Cooper 4	Loja, Ecuador	100%	19/12/2034

# DIRECTORS' REPORT

## 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:

<b>Peter Cook</b>	Non-Executive Chairman, Appointed 31 August 2021
<b>Matthew Carr</b>	Executive Director, Appointed 3 February 2017
<b>Barry Bourne</b>	Non-Executive Director, Appointed 19 October 2021
<b>Melanie Leighton</b>	Chief Executive Officer, Appointed 12 January 2023
<b>Nicholas Rowley</b>	Non-Executive Director, Resigned 31 March 2023
<b>Tamara Brown</b>	Non-Executive Director, resigned 31 March 2023
<b>Zane Lewis</b>	Company Secretary

## Directors' Meetings

Five meetings of the directors of the Company have been held during the financial year ended 31 December 2023.

## 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 Gold Project	2. The Linderos Project
3. The Copper Duke Project	4. The Copper Field Project

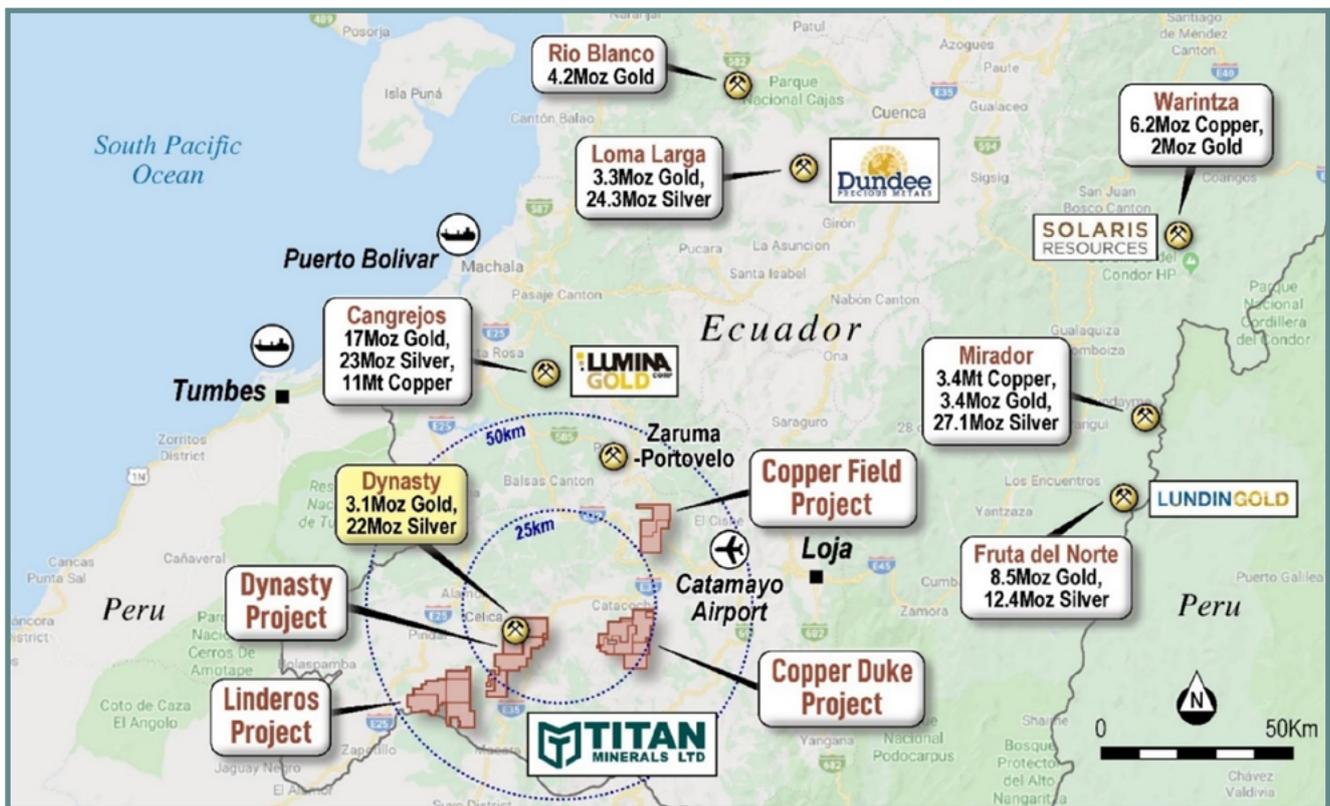
The Company's main undertaking is exploration and development of its large-scale gold and copper projects in the Loja Province, southern Ecuador.

The projects lie proximal to a major flexure in the Andean Terrane where porphyry copper and epithermal gold and 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 coastal highways, with access via paved regional all-weather roads. Regional airports are located approximately two hours by road from the projects with daily connections to Ecuador's capital city, Quito.

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Titan Minerals southern Ecuador Projects, peer deposits and surrounding infrastructure

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

The loss of the Consolidated Entity for the year ended 31 December 2023 amounted to US\$1,441 thousand (31 December 2022: US\$55 thousand profit). This includes profit for discontinuing operations of \$148 thousand (31 December 2022: US \$2,120 thousand).

## Share Options and Performance Rights

As at the date of this report there are 44,620,000 incentive options, and 6,000,000 performance rights to Directors, consultants and employees on issue. Refer Note 14 to the financial statements for further details.

## 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 \$23 thousand which was paid during the financial year. No indemnity has been sought for or paid to auditors.

## Events Subsequent to Reporting Date

On 21 March 2024, the Company announced the completion of the placement of the shortfall totalling A\$2.85m under the Entitlement Offer under its prospectus dated 29 November 2023 in respect of an accelerated non-renounceable entitlement offer. The Company also received firm commitments for an additional \$A0.55m of shares under the same terms and conditions as described in the prospectus.

On 11 April 2024 a letter of offer and indicative terms were executed with Hancock Prospecting Pty Ltd (Hancock) subsidiary Hanrine Ecuadorian Exploration and Mining S.A. (Hanrine), for up to US\$120m investment to acquire up to an 80% ownership interest in the Linderos Copper Project.

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.

## 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 2023.

## 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.

## 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.

## 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.

## 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	17,358,206 Fully Paid Ordinary Shares  12,719,616 Options
Directors meetings attended (where eligible):	5 of 5 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:	32,706,844 Fully Paid Ordinary Shares  14,008,609 options
Directors meetings attended:	5 of 5 held during the financial year
Appointed:	3 February 2017

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**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:	3,074,167 Fully Paid Ordinary Shares 3,158,751 options
Directors meetings attended (where eligible):	5 of 5 held during the financial year
Appointed:	19 October 2021

**Nicholas Rowley (resigned 31 March 2023)**

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)
Interest in shares and options of the Company (at date of resignation):	10,637,460 Fully Paid Ordinary Shares 5,000,000 options
Directors meetings attended:	1 of 1 held during the financial year
Appointed:	9 August 2016

**Tamara Brown (resigned 31 March 2023)**

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, 2022. 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 (at date of resignation):	250,000 Fully Paid Ordinary Shares 5,000,000 options
Directors meetings attended (where eligible):	1 of 1 held during the financial year
Appointed:	1 April 2022

**Melanie Leighton**

Chief Executive Officer

**Qualifications and Experience:**

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.

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

Appointed as Chief Executive Officer on 12 January 2023.

**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.

**Remuneration Report (Audited)**

The Directors present the remuneration report for the Company and the Consolidated Entity for the year ended 31 December 2023. 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:

<b>Peter Cook</b>	Non-Executive Chairman
<b>Matthew Carr</b>	Executive Director
<b>Barry Bourne</b>	Non-Executive Director
<b>Melanie Leighton</b>	Chief Executive Officer
<b>Nicholas Rowley</b>	Non-Executive Director (Resigned 31 March 2023)
<b>Tamara Brown</b>	Non-Executive Director (Resigned 31 March 2023)

## 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
<b>Peter Cook</b>	\$120,000	No fixed term	N/A
<b>Matthew Carr</b>	\$240,000	No fixed term	6/12 months <sup>(1)</sup>
<b>Barry Bourne</b>	\$72,000	No fixed term	N/A
<b>Melanie Leighton</b>	\$240,000	No fixed term	3 months
<b>Nicholas Rowley</b>	\$72,000	No fixed term	N/A
<b>Tamara Brown</b>	\$72,000	No fixed term	N/A

**(1) Termination benefits:**

**Mr Matthew Carr:** The agreement may be terminated at any time by the company by giving a 12 month notice in writing and without the company having to give any reason.

The agreement may be terminated at any time by Mr Carr by giving a six months written notice to the company and without having to give any reason for the termination. In this case, he is also entitled to receive an additional 1 months' salary for each full year of continuous service since the commencement date plus prorata for any part of a year of continuous service provided by him.

**Ms Melanie Leighton:** In the case of termination without cause by the Company Ms Leighton is entitled to receive 3 months' salary.

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## Details of Remuneration

	Compensation 12 months to 31 December 2023				
	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	79,729	-	175,528	255,257	69%
Matthew Carr	159,457	-	162,663	322,120	50%
Barry Bourne	47,837	-	97,516	145,353	67%
Melanie Leighton	154,742	17,022	212,071	383,835	55%
Nicholas Rowley (resigned 31 March 2023)	11,959	-	116,188	128,147	91%
Tamara Brown (resigned 31 March 2023)	11,959	-	102,165	114,124	90%
<b>Total compensation – For Key Management Personnel</b>	<b>465,683</b>	<b>17,022</b>	<b>866,131</b>	<b>1,348,836</b>	<b>64%</b>

	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>1</sup>	-	- <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.

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## Shares and performance rights held by Key Management Personnel

Shareholdings	Number of Ordinary Shares			
	1 January 2023 or Appointment	Issued as Compensation	Net Change Other	31 December 2023
Peter Cook	14,878,462	-	2,479,744	17,358,206
Matthew Carr	28,034,438	-	4,672,406	32,706,844
Barry Bourne	135,000	-	2,939,167	3,074,167
Melanie Leighton	-	-	3,000,000	3,000,000
Nicholas Rowley	10,637,460	-	-	10,637,460 <sup>1</sup>
Tamara Brown	250,000	-	-	250,000 <sup>1</sup>
	53,935,360	-	13,091,317	67,026,677

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

Performance rights / options	Number of Performance Rights / Options			
	1 January 2023 or Appointment	Issued as Compensation	Net Change Other	31 December 2023
Peter Cook	9,000,000	-	3,719,616	12,719,616
Matthew Carr	7,000,000	-	7,008,609	14,008,609
Barry Bourne	5,000,000	-	(1,841,249)	3,158,751
Melanie Leighton	-	9,000,000	(3,000,000)	6,000,000
Nicholas Rowley	5,000,000	-	-	5,000,000 <sup>1</sup>
Tamara Brown	5,000,000	-	-	5,000,000 <sup>1</sup>
	31,000,000	9,000,000	5,886,976	45,886,976

\*With regard to the above table, securities held by Melanie Leighton are performance rights. All other holdings by other key management personnel are options.

1. 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)

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## Business Risks and Uncertainties

The proposed future activities of the Consolidated Entity are subject to a number of risks and other factors which may impact its future performance. Some of these risks can be mitigated by the use of safeguards and appropriate controls. However, many of the risks are outside the control of the directors and management of the Company and cannot be mitigated. An investment in the Company is not risk free and should be considered speculative.

This section provides a non-exhaustive list of the risks faced by the Consolidated Entity or by investors in the Company. The risks should be considered in connection with forward looking statements in this Annual Report. Actual events may be materially different to those described and may therefore affect the Consolidated Entity in a different way.

Investors should be aware that the performance of the Consolidated Entity may be affected by these risk factors and the value of its Shares may rise or fall over any given period. None of the directors or any person associated with the Consolidated Entity guarantee the Consolidated Entity's performance.

### Future Capital Needs and Additional Funding

The Company's growth through its proposed and future exploration activities will require additional expenditure. As a mineral exploration company, the Company has no operating revenue and is unlikely to generate any operating revenue unless and until its projects are successfully explored, evaluated, developed and production commences.

The Company will require further funding in the future to finance ongoing operations and activities. The future capital requirements of the Company (both in respect to timing and quantum) will depend on many factors, including the results of the Company's exploration activities and the future exploration work programs and budgets for each of its projects.

No assurances can be given that the Company will be able to raise additional funding and the Company's ability to obtain additional funding will depend on investor demand, its performance and reputation, market conditions and other factors. The Company may seek to raise further funds through equity or debt financing or other means. The Company's failure to raise capital, if and when required, could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities and could affect the Company's ability to continue as a going concern or remain solvent.

### Foreign Operations

The Company's operations are located in Ecuador, which is considered to be a developing country and, as such, is subject to emerging legal and political systems compared with the system in place in Australia.

Possible sovereign risks include, without limitation, changes to the terms of mining legislation including renewal and continuity of tenure of permits, transfer of ownership of acquired permits to the Company, changes to royalty arrangements, changes to taxation rates and concessions, restrictions on foreign ownership and foreign exchange, changing political conditions, changing mining and investment policies and changes in the ability to enforce legal rights.

Future operations and profitability in Ecuador may be affected by changing government regulations with respect, but not limited, to restrictions on production, price controls, export controls, currency remittance,

income taxes, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use, mine safety and government and local participation. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral tenure and development could result in the loss, reduction or expropriation of entitlements. The occurrence of these and other various factors cannot be accurately predicted and could have an adverse effect on the Company's future operations and profitability.

Any of these factors may, in the future, adversely affect the financial performance of the Company and the market price of its Shares. No assurance can be given regarding the future stability in these or any other country in which the Company may have an interest.

## Results of Studies

On 6 July 2023, the Company announced a mineral resource estimate (MRE), reported in accordance with the JORC Code on the Dynasty Project. On 2 November 2023, the Company announced that it had commenced drilling at the Papayal prospect at the Dynasty Project. The drilling is designed to target high-grade, high margin gold resource growth, following recent mapping and surface geochemical sampling which was successful in expanding the epithermal gold vein footprint well beyond existing defined resources at Papayal. In addition, the Company is operating a second drill rig at the Cerro Verde prospect at the Dynasty Project. On 23 November 2023, the Company announced that drilling at the Cerro Verde prospect is now complete. The drilling represented potential high- grade resource additions, further validating the Company's strategy of targeting shallow high grade, high margin ounces. The Company anticipates that assays from drilling at the Cerro Verde and the first holes from the Papayal will be completed by year end. The Company experienced some delays with earthworks required for drill access and drill platforms and anticipates that the resource growth drilling campaign will be completed by Q1 2024, and a resource update is planned for Q2 2024 following receipt of all results.

The Company intends to continue its drilling programs, and subject to the results of any future exploration and testing programs, the Company may progressively undertake a number of studies with respect to the Dynasty Project or any new projects. These studies may include scoping studies, pre-feasibility studies and bankable feasibility studies.

If these studies are completed, they would be prepared within certain parameters designed to determine the economic feasibility of the relevant project within certain limits. There can be no assurance that any of the studies will confirm the economic viability of the Dynasty Project or the results of other studies undertaken by the Company (e.g. the results of a feasibility study may materially differ to the results of a scoping study).

Further, even if a study determines the economics of the Company's projects, there can be no guarantee that the projects will be successfully brought into production as assumed or within the estimated parameters in the feasibility study, once production commences including but not limited to operating costs, mineral recoveries and commodity prices.

## Drilling Risks

The Company's future drilling operations may be curtailed, delayed or cancelled due to a number of factors including weather conditions, mechanical difficulties, shortage or delays in the delivery of rigs and/or other equipment and compliance with governmental requirements. While drilling may yield some resources there can be no guarantee that the discovery will be sufficiently productive to justify commercial development or cover operating costs.

## Government Legislation and Regulation

The Company's activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, environmental compliance and rehabilitation, taxation, health and worker safety, waste disposal, protection of the environment and other matters. The Company requires permits related to exploration, development and mining activities.

Whilst the Company believes that it is in substantial compliance with all material current laws and regulations, changes in how laws and regulations are enforced or regulatory interpretation could result in changes in legal requirements or in the terms of existing permits and agreements applicable to the Company or its future projects. This could have a material adverse impact on the Company's future and planned operations in respect to its projects.

Obtaining the necessary permits can be a time consuming process and there is a risk that the Company will not be able to obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project or the operation or development of a mine. Any failure to comply with applicable laws and regulations or permits, could result in fines, penalties or other liabilities.

## Dependence on Key Personnel

The success of the Company will to an extent depend on the Directors' and key management personnel's ability to successfully manage the Company's performance and exploit new opportunities. The loss of one or more of these key contributors could have an adverse impact on the business of the Company. It may be difficult for the Company to continue to attract and retain suitably qualified and experienced people.

## Metal Price Volatility

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

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

## Shortages and Price Volatility

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

## Foreign Exchange Risk

The Company's operations are located in Ecuador, where the currency is United States dollars. Costs will mainly be incurred by its business in United States dollars and Australian dollars. As most in-country expenditure will be incurred in United States dollars and given that the Company typically raises funds in Australian dollars, the Company is exposed to foreign exchange risk.

The Company intends to convert some or all of the Australian dollar proceeds raised pursuant to the Entitlement Offer into United States dollars. There can be no assurance that fluctuations in foreign exchange rates will not have a material adverse effect upon the Company's financial performance and results of operations.

## 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

## 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 2023. A copy of this declaration appears on page 21.

Signed in accordance with a resolution of the directors.



**Matthew Carr**  
Executive Director

28<sup>th</sup> day of March 2024  
Perth, Western Australia

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# 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 2023 and of its performance for the year ended 31 December 2023; 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 2023.

On behalf of the Board of Directors.



**Matthew Carr**  
Executive Director

28<sup>th</sup> day of March 2024  
Perth, Western Australia

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# FINANCIAL STATEMENTS

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2023

	Note	Consolidated Year ended	
		31-Dec-23 US\$000's	31-Dec-22 US\$000's
<b>CONTINUING OPERATIONS</b>			
<i>Expenses</i>			
General and administration	5(a)	(864)	(970)
Salary and wages		(514)	(517)
Professional fees		(953)	(751)
Share based payments	24	(1,260)	(71)
Finance costs		(315)	(163)
Impairment	5(b)	(1,458)	(2,500)
Foreign exchange gain / (loss)		(75)	330
Fair value movements of financial assets		-	(99)
Other income	5(c)	3,850	652
Gain on disposal of subsidiaries	5(d)	-	2,024
<b>(Loss) before income tax from continuing operations</b>		<b>(1,589)</b>	<b>(2,065)</b>
Income tax expense	6	-	-
<b>(Loss) after income tax from continuing operations</b>		<b>(1,589)</b>	<b>(2,065)</b>
<b>Discontinued operations</b>			
Profit for the year from discontinued operations	7	148	2,120
<b>(Loss)/profit for the year</b>		<b>(1,441)</b>	<b>55</b>
<b>Other comprehensive income</b>			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations		338	945
<b>Total comprehensive (loss)/profit for the year</b>		<b>(1,103)</b>	<b>1,000</b>
<b>EARNINGS PER SHARE (US cents)</b>			
<b>Basic and diluted earnings per share</b>			
From continuing operations	16	(0.11)	(0.15)
<b>Basic and diluted earnings per share</b>			
From discontinued operations	16	0.01	0.15

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 2023

	Note	Consolidated	
		31-Dec-23 US\$000's	31-Dec-22 US\$000's
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	19(a)	1,941	671
Receivables and prepaid expenses	8	3,582	3,642
Inventories		-	178
Financial assets	9	392	317
Assets classified as held for sale	7	-	1,024
<b>TOTAL CURRENT ASSETS</b>		<b>5,915</b>	<b>5,832</b>
<b>NON-CURRENT ASSETS</b>			
Receivables and prepaid expenses	8	2,986	2,397
Property, plant and equipment	10	224	235
Exploration and evaluation expenditure	11	42,979	35,477
<b>TOTAL NON-CURRENT ASSETS</b>		<b>46,189</b>	<b>38,109</b>
<b>TOTAL ASSETS</b>		<b>52,104</b>	<b>43,941</b>
<b>CURRENT LIABILITIES</b>			
Accounts payable and accrued liabilities	12	3,222	2,772
Loans payable	13	1,026	1,016
Liabilities classified as held for sale	7	-	108
<b>TOTAL CURRENT LIABILITIES</b>		<b>4,248</b>	<b>3,896</b>
<b>NON-CURRENT LIABILITIES</b>			
Loans payable	13	1,265	-
Provisions for closure and restoration		494	494
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,759</b>	<b>494</b>
<b>TOTAL LIABILITIES</b>		<b>6,007</b>	<b>4,390</b>
<b>NET ASSETS</b>		<b>46,097</b>	<b>39,551</b>
<b>EQUITY</b>			
Issued capital	14	177,090	170,463
Reserves	15	24,513	23,153
Accumulated losses		(155,506)	(154,065)
<b>TOTAL EQUITY</b>		<b>46,097</b>	<b>39,551</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 2023

	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 2022</b>	<b>170,383</b>	<b>713</b>	<b>21,404</b>	<b>(154,120)</b>	<b>38,380</b>
Net loss for the year	-	-	-	55	55
Other comprehensive income	-	945	-	-	945
Total comprehensive loss for the year	-	945	-	55	1,000
Transactions with owners in their capacity as owners					
Issue of shares	80	-	-	-	80
Share based payments	-	-	91	-	91
<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>

	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 2023</b>	<b>170,463</b>	<b>1,658</b>	<b>21,495</b>	<b>(154,065)</b>	<b>39,551</b>
Net loss for the year	-	-	-	(1,441)	(1,441)
Other comprehensive income	-	338	-	-	338
Total comprehensive loss for the year	-	338	-	(1,441)	(1,103)
Transactions with owners in their capacity as owners					
Issue of shares	6,324	-	-	-	6,324
Conversion of incentive options	303	-	(303)	-	-
Share based payments	-	-	1,359	-	1,359
Reversal of Share based payments	-	-	(34)	-	(34)
<b>As at 31 December 2023</b>	<b>177,090</b>	<b>1,996</b>	<b>22,517</b>	<b>(155,506)</b>	<b>46,097</b>

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

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## CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2023

		Year ended	
		31-Dec-23 US \$000's	31-Dec-22 US \$000's
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Payments to suppliers and employees		(3,122)	(2,717)
Interest and other costs of finance paid		-	(55)
<b>NET CASH (USED IN) IN OPERATING ACTIVITIES</b>	<b>19(b)</b>	<b>(3,122)</b>	<b>(2,772)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for property, plant & equipment		(63)	(126)
Proceeds from the sale of financial assets		-	157
Payments of exploration and evaluation costs		(6,024)	(9,170)
Proceeds from the Zaruma sale (including interest)		3,250	2,700
Proceeds from the sale of Peru subsidiary		--	620
Deposits received		-	350
Payment of loans issued		-	(200)
<b>NET CASH (USED IN ) INVESTING ACTIVITIES</b>		<b>(2,837)</b>	<b>(5,669)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares (net of capital raising costs)		5,711	-
Proceeds from borrowings		2,784	347
Repayment of borrowings		(1,555)	(347)
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>		<b>6,940</b>	<b>-</b>
Net increase/(decrease) in cash and cash equivalents		981	(8,441)
Cash and cash equivalents at the beginning of the period		671	8,762
Effects of exchange rate changes on the balance of cash held in foreign currencies		289	350
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		<b>1,941</b>	<b>671</b>

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

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 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 2023 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 2023 (unless otherwise stated). The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

#### **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 2023 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 2023 financial year of \$1,589 thousand (2022: \$2,065 thousand) and had a net operating cash outflows of \$3,122 thousand (2022: \$2,772 thousand) and net investing cash outflows of \$2,837 thousand (2022: \$5,669 thousand outflow).

On 21 March 2024, the Company announced the completion of the placement of the shortfall totalling A\$2.85m under the Entitlement Offer under its prospectus dated 29 November 2023 in respect of an accelerated non-renounceable entitlement offer. The Company also received firm commitments for an additional \$A0.55m of shares under the same terms and conditions as described in the prospectus.

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. 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.

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 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 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.

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;
- 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.

##### **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.

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 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.

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:

- 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.

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.

#### 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 \$42,979 thousand.

## c) Impairment of Exploration expenditure

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

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

## d) Provision for closure and restoration costs

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

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

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

## 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. Discussions with the debtor with regards to their plans to repay the amount outstanding; and
2. Considering the Group's options with regards to the security held in the underlying asset

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. 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.

## 5. REVENUE AND EXPENSES

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

	Consolidated	
	31-Dec-23 US \$000's	31-Dec-22 US \$000's
<b>(a) General and Administration expenses</b>		
Compliance expenses	72	64
Insurance costs	109	102
Advertising and investor relations	139	237
Travel and accommodation	63	196
Depreciation and amortisation	74	62
Other Administration costs	407	309
	<b>864</b>	<b>970</b>

### (b) Impairment

Impairment expense of totalling US \$1,458 thousand relates to the following:

3. US \$1,256 thousand relating to default interest on Zaruma consideration (refer Note 8 for further details); and
4. US \$201 thousand relating to capitalised exploration and evaluation expenditure.

<b>(c) Other income</b>		
Reversal of impairment – consideration	2,500	-
Default interest recognised	1,256	600
Other	94	52
	<b>3,850</b>	<b>652</b>

#### **(d) Gain on disposal of subsidiaries**

During the prior 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.

## **6. INCOME TAX EXPENSE**

Income tax recognised in profit or loss	Consolidated	
	31-Dec-23 US \$000's	31-Dec-22 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	(1,589)	(2,065)
Income tax benefit calculated at 30% (2022: 30%)	477	620
Expenses that are (not deductible) / income that is exempt in determining taxable profit	(1,256)	523
Effect of different tax rates of subsidiaries operating in other jurisdictions		
Tax benefit not recognised as recovery not probable	779	(1,143)
	-	-

The tax rate used in the above reconciliation is the tax rate of 30% (2022: 30%) payable by Australian corporate entities on taxable profits under Australian tax law. The corporate tax rate in Ecuador is 25.0%.

Deferred tax balances as at 31 December 2023 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	382	342
Tax losses – revenue	17,495	11,414
Tax losses – capital	14,506	15,168
	<b>32,383</b>	<b>26,924</b>

The Ecuadorian tax losses have not been disclosed above.

## 7. DISCONTINUED OPERATIONS

### Assets and liabilities classified as held for sale

	Consolidated	
	31-Dec-23 US \$000's	31-Dec-22 US \$000's
Assets classified as held for sale		
PP&E – Land surface rights: Zaruma & Portovelo <sup>1</sup>	-	872
Exploration and Evaluation Expenditure – Jerusalem	-	136
Other assets – Jerusalem	-	16
<b>Assets classified as held for sale</b>	<b>-</b>	<b>1,024</b>
Liabilities classified as held for sale		
Provision for closure and restoration: Zaruma & Portovelo <sup>1</sup>	-	(108)
<b>Liabilities classified as held for sale</b>	<b>-</b>	<b>(108)</b>
<b>Net Liabilities classified as held for sale</b>	<b>-</b>	<b>916</b>

### Profit from discontinued operations

	Consolidated	
	31-Dec-23 US \$000's	31-Dec-22 US \$000's
Zaruma mine & Portovelo plant (Ecuador)	(269)	1,557
Coriorcco and Las Antas	-	563
Jerusalem	417	-
<b>Profit from discontinued operations</b>	<b>148</b>	<b>2,120</b>

*There was no tax on discontinuing operations.*

A summary of the material terms is as follows:

#### Zaruma mine & Portovelo 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.

Refer Note 8 for further details regarding the amount outstanding at 31 December 2023 of US \$2.5 million.

#### Jerusalem

During the 31 December 2022 financial year the Company has agreed to divest its rights in the title to Jerusalem project for US \$700 thousand. An initial payment of 50% has been received as at 31 December 2022 with the transaction completed during the 31 December 2023 financial year. A profit on sale of the asset of US \$417 thousand was recognised in the current year.

## 8. RECEIVABLES AND PREPAID EXPENSES

	Consolidated	
	31-Dec-23 US \$000's	31-Dec-22 US \$000's
<b>CURRENT</b>		
Other receivables	523	637
Share applications receivable <sup>1</sup>	403	-
Share applications receivable - related party <sup>2</sup>	156	-
Prepayments	-	105
Consideration receivable <sup>3</sup>	2,500	2,900
	<b>3,582</b>	<b>3,642</b>
<b>NON CURRENT</b>		
Other receivables <sup>4</sup>	2,986	2,397
	<b>2,986</b>	<b>2,397</b>

The Group does not hold any trade receivables as at 31 December 2023 (2022: nil). None of the receivables disclosed above are past due or impaired, other than as described below.

- Share applications receivable relate to funds raised under the Entitlement Offer that are receivable as at 31 December 2023. Funds relating to this capital raising were received subsequent to year end.
- As at 31 December 2023, the following amounts relating to the Entitlement Offer were receivable from Directors:

Peter Cook	US\$50,884
Matthew Carr	US\$ 95,877
Barry Bourne	US\$ 9,012

- As described in Note 7, 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.

As at 31 December 2022, the consideration amount receivable was \$2,900 thousand and past due.

On 30 March 2023, due to the failure of the other party to meet its obligations under the revised payment plan, the Company issued a letter of default to Pelorus Minerals Limited nullifying the reduced settlement agreement. As a result of the default notice, consideration of US\$2.5 million and interest on delayed payments of US\$1.25 million was recognised during the period.

During the year, the Company received US\$2.9 million of the outstanding consideration, with the amount receivable of US \$2.5 million as at 31 December 2023.

	31 December 2023 US \$000's
Consideration receivable movement	
Opening at the beginning of the period	2,900
Default notice – recognition of consideration receivable	2,500
Default notice – recognition of default interest	1,256
Receipts – consideration received during the period	(2,900)
Provision for impairment – default interest	(1,256)
Closing at the end of the period	2,500

While the Directors are confident in the recoverability of the US\$2.5 million consideration, there is uncertainty in the recoverability of the US\$1.25 million of interest. As a result, it has recognised a provision for non-recoverability for the total interest amount.

The Company notes that it retains its security over the Zaruma mine and Portovelo Plant.

- 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-23 US \$000's	31-Dec-22 US \$000's
Loans receivable	392	317
	<b>392</b>	<b>317</b>

During the previous 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. The loan receivable balance is past the due date, the directors are confident that the amount will be recovered in the near future and hence not impaired,

## 10. PROPERTY, PLANT & EQUIPMENT

Amounts denominated in US \$000's	Plant and Equipment US \$000's	Total
<b>Cost:</b>		
<b>Balance as at 31 December 2021</b>	<b>217</b>	<b>217</b>
Additions	126	126
Balance as at 31 December 2022	343	343
Additions	62	62
<b>Balance as at 31 December 2023</b>	<b>405</b>	<b>405</b>
<b>Accumulated Depreciation and Amortisation:</b>		
<b>Balance as at 31 December 2021</b>	<b>(46)</b>	<b>(46)</b>
Depreciation and amortisation	(62)	(62)
<b>Balance as at 31 December 2022</b>	<b>(108)</b>	<b>(108)</b>
Depreciation and amortisation	(73)	(73)
<b>Balance as at 31 December 2023</b>	<b>(181)</b>	<b>(181)</b>
<b>Net Book Value</b>		
As at 31 December 2022	235	235
As at 31 December 2023	224	224

## 11. EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated	
	31-Dec-23 US \$000's	31-Dec-22 US \$000's
Capitalised exploration and evaluation expenditure	42,979	35,477

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	35,477	28,133
- additions	7,703	7,480
- transferred to assets classified as held for sale		(136)
- impairment	(201)	-
Carrying amount at the end of the year	<b>42,979</b>	<b>35,477</b>

## 12. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	Consolidated	
	31-Dec-23 US \$000's	31-Dec-22 US \$000's
<b>CURRENT</b>		
Trade payable	3,061	1,505
Government payable – IVA, Taxes, Royalty, Concessions	161	755
Other payables	-	512
	<b>3,222</b>	<b>2,772</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.

## 13. LOANS PAYABLE

	Consolidated	
	31-Dec-23 US \$000's	31-Dec-22 US \$000's
<b>CURRENT</b>		
Sophisticated and professional investors loan – August 2021	1,026	1,016
	<b>1,026</b>	<b>1,016</b>
<b>NON-CURRENT</b>		
Sophisticated and professional investor loan – July 2023	1,265	-
	<b>1,265</b>	-

### Sophisticated and professional investors – August 2021

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: AUD \$1,500,000
- Repayment date: 31 December 2023 (extended to 1 July 2024)
- Interest: 15% per annum
- Facility establishment fee: 5%

## Sophisticated and professional investor – July 2023

In July 2023, 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: AUD \$1,850,000
- Repayment date: 31 December 2026
- Interest: 15% per annum

### Finance costs:

#### Sophisticated and professional investors

During the 31 December 2023 financial year, A\$355 thousand (US\$236 thousand) of interest was accrued in relation to the loans from sophisticated and professional investors and recognised as finance costs

## 14. ISSUED CAPITAL

### a) Issued capital reconciliation

	31 December 2023	
	Number	US \$000's
<b>Issued capital</b>		
Ordinary shares fully paid	1,691,269,394	177,090
<b>Movements in shares on issue</b>		
Balance at 1 January 2022	1,409,720,582	170,383
Shares issued to suppliers in lieu of cash	1,552,653	80
<b>Balance at 31 December 2022</b>	<b>1,411,273,235</b>	<b>170,463</b>
Share placement	100,000,000	3,238
Shares issued to suppliers in lieu of cash	15,666,410	415
Exercise of options/performance rights	5,500,000	292
Entitlement offer <sup>1</sup>	158,829,749	3,132
Capital raising costs	-	(450)
<b>Balance at 31 December 2023</b>	<b>1,691,269,394</b>	<b>177,090</b>

1. As part of the issue under the entitlement offer as described in the Prospectus dated 29 November 2023, a total of 166,316,088 attaching options and 83,158,119 bonus options were issued (refer below for details).

## 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
Directors, Management and Consultants	44,620,000	\$0.0001	25 August 2024	50%
Consultants options	5,000,000	\$0.06	14 August 2026	100%
Attaching options	166,316,088	\$0.035	31 January 2025	100%
Bonus options	83,158,119	\$0.07	31 January 2027	0%

As at 31 December 2023, there are 44,620,000 incentive options issued to Directors, Managements and Consultants.

During the year, the Company issued the following:

- 5,000,000 options with an exercise price of \$0.06 expiring 14 August 2026 for corporate advisory services;
- 166,316,088 attaching options pursuant to the entitlement offer described in the Company's Prospectus dated 29 November 2023, with an exercise price of \$0.035 expiring 31 January 2025; and
- 83,159,119 Attaching options pursuant to the entitlement offer described in the Company's Prospectus dated 29 November 2023, with an exercise price of \$0.07 expiring 31 January 2027. As described in the Prospectus, each bonus option will only vest and become exercisable if the Eligible Shareholder exercises two Attaching options on or before the Attaching Option expiry date.

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 2023</b>	<b>81,120,000</b>
Share options issued	254,474,207
Share options exercised	(2,500,000)
Share options forfeited /expired	(34,000,000)
<b>Total number of options outstanding as at 31 December 2023</b>	<b>299,094,207</b>

### c) Performance Rights

During the year, Melanie Leighton was appointed as Chief Executive Officer. Ms Leighton was also issued 9,000,000 performance rights (further details in Note 24).

Since the issue of the performance rights, 3,000,000 of the performance rights vested and were exercised, with 3,000,000 fully paid ordinary shares issued to Ms Leighton.

As at 31 December 2023, 6,000,000 performance rights remain on issue.

## 15. RESERVES

	Consolidated	
	31-Dec-23 US \$000's	31-Dec-22 US \$000's
Share based payments reserve	22,517	21,495
Foreign currency translation reserve	1,996	1,658
	<b>24,513</b>	<b>23,153</b>
Movements in Share based payments reserve		
At the beginning of the financial year	21,495	21,404
Share based payments for the year	1,359	91
Share based payments reversals	(34)	-
Exercise of share based payments	(303)	-
	<b>22,517</b>	<b>21,495</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	1,658	713
Movement	338	945
	<b>1,996</b>	<b>1,658</b>

The foreign currency translation reserve was used to record the exchange differences arising from the translation of functional currencies to the presentation currency.

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## 16. EARNINGS PER SHARE

	Consolidated	
	31-Dec-23 Cents	31-Dec-22 Cents
Basic and diluted loss per share from continuing operations	(0.11)	(0.15)
	<b>US \$000's</b>	<b>US \$000's</b>
Loss from Continuing Operations Attributable to Equity Holders of Titan Minerals Ltd	(1,589)	(2,065)
	<b>No.</b>	<b>No.</b>
Weighted average number of ordinary shares used in the calculation of basic EPS	1,462,575,656	1,410,285,450
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	0.01	0.15
	<b>US \$000's</b>	<b>US \$000's</b>
Profit / (Loss) from Discontinued Operations Attributable to Equity Holders of Titan Minerals Ltd	148	2,120
	<b>No.</b>	<b>No.</b>
Weighted average number of ordinary shares used in the calculation of basic EPS	1,462,575,656	1,410,285,450
Potential ordinary shares not considered to be dilutive at year end	-	-

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

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## 17. SUBSIDIARIES

Name of entity	Country of incorporation	Ownership interest 2023	Ownership interest 2022	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
Andina Resources Limited	Australia	100%	100%	Administrative holding company
Mantle Mining S.A.C	Peru	100%	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	- <sup>1</sup>	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

<sup>1</sup> This entity was sold as part of the sale of Jerusalem described in Note 7

## 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.

During the year, Silverstream SECZ has commenced proceedings against Titan Minerals Limited with regard to a royalty agreement relating to exploration concessions in Peru. Titan considers the claim to be without merit.

The Group has no other significant commitments or contingent liabilities as at 31 December 2023 (2022: nil).

## 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-23 US \$000's	31-Dec-22 US \$000's
Cash at bank and deposits at call	1,941	671
	1,941	671

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

Profit / (Loss) for the year	(1,441)	55
Adjustments for:		
Depreciation and amortisation of non-current assets	74	62
Share based payments	1,260	71
Foreign exchange	75	(330)
Finance costs	315	163
Impairment	1,458	2,500
Other income	(3,850)	
Gain/Loss on extinguishment of liabilities	-	(1,867)
Fair value movement of financial assets	-	99
Gain on disposal of subsidiaries	-	(2,024)
(Increase)/decrease in assets:		
Trade and other receivables, prepaid expenses and long-term assets	(1,070)	4,950
Inventories	-	(178)
Increase/(decrease) in liabilities:		
Trade and other payables	57	(4,954)
Current tax liability	-	(1,319)
Net cash used in operating activities	(3,122)	(2,772)

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

During the year, a total of US \$272 thousand of trade and other payables was settled in equity.

There were no other non-cash financing activities.

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## 20. EVENTS AFTER THE REPORTING PERIOD

On 21 March 2024, the Company announced the completion of the placement of the shortfall totalling A\$2.85m under the Entitlement Offer under its prospectus dated 29 November 2023 in respect of an accelerated non-renounceable entitlement offer. The Company also received firm commitments for an additional \$A0.55m of shares under the same terms and conditions as described in the prospectus.

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-23 US \$000's	31-Dec-22 US \$000's
Remuneration of key management personnel		
Short term employee benefits	466	515
Post-employment benefits	17	-
Share based payments	866	301
Termination benefits	-	97
	1,349	913

The disclosure above represents the full financial years ending 31 December 2023 and 31 December 2022 for the key management personnel of Titan Minerals Limited.

Refer to the Remuneration Report on pages 14 to 17 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.

## 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-23 US \$000's	31-Dec-22 US \$000's
<b>Statement of Financial Position</b>		
Current assets	5,086	706
Non-current assets	597	416
<b>Total assets</b>	<b>5,683</b>	<b>1,122</b>
Current liabilities	2,467	2,295
Non-current liabilities	19,877	15,433
<b>Total liabilities</b>	<b>22,344</b>	<b>17,728</b>
<b>Net Assets</b>	<b>(16,661)</b>	<b>(16,606)</b>
Issued capital	188,516	181,890
Reserves	9,510	8,531
Accumulated losses	(214,687)	(207,027)
<b>Shareholder Equity</b>	<b>(16,661)</b>	<b>(16,606)</b>

	Parent	
	31-Dec-23 US \$000's	31-Dec-22 US \$000's
<b>Statement of Comprehensive Income</b>		
Loss after tax	(7,558)	(9,125)
<b>Total comprehensive loss</b>	<b>(7,558)</b>	<b>(9,125)</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 previously 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.

## 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-23 US \$000's	31-Dec-22 US \$000's
<b>Financial Assets</b>		
Cash and Cash Equivalents	1,941	671
Receivables <sup>1</sup>	3,582	3,537
Financial assets	392	317
<b>Total Financial Assets</b>	<b>5,915</b>	<b>4,525</b>
<b>Financial Liabilities</b>		
Trade and other payables	3,222	2,772
Borrowings	2,291	1,016
<b>Total Financial Liabilities</b>	<b>5,513</b>	<b>3,788</b>
<b>Net headroom</b>	<b>402</b>	<b>737</b>

<sup>1</sup> Excludes VAT receivable of \$2,986 thousand (2022: \$2,397 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-23 US \$000's	31-Dec-22 US \$000's
<b>Receivables maturing as follows:</b>		
Less than 6 months	3,582	3,537
6 months to 1 year	-	-
Later than 1 year but not longer than 5 years	-	-
Over 5 years	-	-
	3,582	3,537
<b>Trade and other payables maturing as follows:</b>		
Less than 6 months	3,222	2,772
6 months to 1 year	-	-
Later than 1 year but not longer than 5 years	-	-
Over 5 years	-	-
	3,222	2,772
<b>Borrowings maturing as follows:</b>		
Less than 6 months	1,026	1,016
6 months to 1 year	-	-
Later than 1 year but not longer than 5 years	1,265	-
Over 5 years	-	-
	2,291	1,016

## 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-23	31-Dec-22	31-Dec-23	31-Dec-22
	US\$ 000's	US\$ 000's	US\$ 000's	US\$ 000's
Australian dollars (AUD)	5,086	272	(3,330)	(1,546)
Canadian dollars (CAD)	-	-	(387)	(394)

## 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 2023 was 1.3% (31 December 2022: 0.3%). 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% (2022:15%), 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 \$22 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\$2.5 million. Titan has assessed the credit risk of the purchaser and concluded that there is no impairment of the receivable as at 31 December 2023 except for as disclosed in Note 8.

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

Cash in Australia is held with National Australia Bank Limited which is an appropriate financial institution with an external credit rating of 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

		31 December 2023 Number
<b>Share based payment securities</b>		
Options		60,849,510
Performance Rights		6,000,000
		<b>66,849,510</b>
<b>Movements in options</b>		
Balance at the beginning of the year		47,120,000
Issued during the year		16,229,510
Exercised during the year		(2,500,000)
Balance at the end of the year		<b>60,849,510</b>
<b>Movements in performance rights</b>		
Balance at the beginning of the year		-
Issued during the year		9,000,000
Exercised during the year		(3,000,000)
Balance at the end of the year		<b>6,000,000</b>

### Options

During the year, the Company issued the following options as share based payments:

- 5,000,000 options with an exercise price of \$0.06 expiring 14 August 2026 for corporate advisory services. A total of USD \$101 thousand as an expense;
- As described in the Company's Prospectus dated 29 November 2023, the lead manager could elect to receive securities in lieu of cash fees under the same terms of the entitlement offer. As a result of this election, the lead manager received 7,486,339 attaching options and 3,743,171 bonus options. The options issued have been recognised as a capital raising cost totalling USD \$70 thousand.

The options issued were valued using the below inputs:

Option category	Corporate Advisory	Lead manager – Attaching	Lead manager – Bonus
Valuation model	Black-Scholes	Black-Scholes	Black-Scholes
Grant date	1 July 2023	22 December 2023	22 December 2023
Expiry date	14 August 2026	31 January 2025	31 January 2027
Exercise price	\$0.06	\$0.035	\$0.07
Share price at grant date	\$0.05	\$0.028	\$0.028
Estimated volatility	91%	91%	91%
Risk-free interest rate	3.86%	3.74%	3.74%
Fair value (AUD):	\$0.0306	\$0.0087	\$0.0113

## Performance Rights

During the year, Melanie Leighton was appointed as Chief Executive Officer with fixed annual remuneration of AUD \$240,000 (exclusive of superannuation). Ms Leighton was also issued 9,000,000 performance rights as follows:

Vesting category	Vesting Condition	Performance Rights	Expiry Date
Tranche 1	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.	3,000,000	11 January 2026
Tranche 2	Tranche 2 will vest upon the VWAP of shares being at least \$0.15 for 10 consecutive trading day	3,000,000	11 January 2026
Tranche 3	Tranche 3 will vest upon the executive remaining employed with the Company for 3 years from the commencement date.	3,000,000	11 January 2026

The Tranche 1 and 3 performance right vesting conditions are non-market conditions, therefore the valuation of those performance rights are based on the share price at the date of grant (AUD \$0.07 per share).

The Tranche 2 performance rights were valued using the below inputs:

Vesting Category	Tranche 2
Valuation model	Hoadleys Hybrid ESO Model
Grant date	11 January 2023
Expiry date	11 January 2026
Estimated volatility	91%
Risk-free interest rate	3.27%
Fair value (AUD):	\$0.0427

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## Expenses Arising from Share-based Payment Transactions

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

	31-Dec-23 US \$000's	31-Dec-22 US \$000's
Options / Performance rights	1,269	448
Shares	25	-
Cancellation of Incentive options	(34)	(377)
<b>Total share-based payments expense</b>	<b>1,260</b>	<b>71</b>
Share based payments recognised as capital raising costs	70	
Impact of foreign exchange translation	(5)	20
<b>Total share based payments impact on the share based payment reserve</b>	<b>1,325</b>	<b>91</b>

## 25. REMUNERATION OF AUDITORS

	31-Dec-23 US \$000's	31-Dec-22 US \$000's
Auditor of the consolidated entity		
Audit and review of the annual and half year financial report	113	104
Other auditors		
Audit or review of the financial report	56	61

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# INDEPENDENT AUDIT REPORT



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Australia

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## 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 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- (i) giving a true and fair view of the Group's financial position as at 31 December 2023 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 Group 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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this report.

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 audit opinion, 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. At 31 December 2023, the Group had cash and cash equivalents totalling US\$1,941,000. For the year ended 31 December 2023, the Group had net cash outflows from operating activities of US\$3,122,000 and net cash outflows from investing activities of US\$2,837,000 and incurred a loss before tax from continuing operations of US\$1,589,000.

These events or conditions, along with other matters as set forth in Note 2(f), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

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The Group's ability to continue operations is dependent upon directors raising additional funding either through the issue of equity or debt, realising its receivable balances in full, and/or through the sale of assets.

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

We draw attention to Note 8 to the financial statements, which describes the nature of the receivables. The current receivables include US\$2,500,000 of consideration receivable from the sale of projects while the non-current receivables of US\$2,986,000 relate to VAT recoverable from foreign taxation authorities.

The receivable relating to the sale of projects was renegotiated during the year 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>Carrying Value of Exploration and Evaluation Assets</b></p> <p>At 31 December 2023, the Group has capitalised exploration and evaluation expenditure totalling US\$42,979,000 (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 (82% 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 flow forecasts</li> </ul> </li> </ol>

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- 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.

#### Key Audit Matters

#### How the matter was addressed in the audit

##### **Share-based payments**

As disclosed in note 24 to the financial statements, the Company granted options to consultants/external third parties and performance rights to the CEO of the Company. Share-based payments expense recognized for the year ended 31 December 2023 amounted to US\$1,260,000.

- The Company accounted for these shares and performance rights in accordance with its accounting policy and the accounting standard AASB 2 - Share-based Payment.
- Measurement of share-based payments was a key audit matter due to estimates used in determining the fair value of the equity instruments granted, the grant date, vesting conditions and vesting periods.

Inter alia, our audit procedures included the following:

- i. Obtaining an understanding of the underlying transactions, reviewing agreements, minutes of the Board meeting and ASX announcements.
- ii. Verifying the terms and conditions of the share-based payments including the vesting period and other key assumptions used in valuing these share-based payments;
- iii. Assessing the accounting treatment and its application in accordance with AASB 2; and
- iv. Assessing the adequacy of disclosure made by the Group in the financial report.

##### **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 2023, 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*

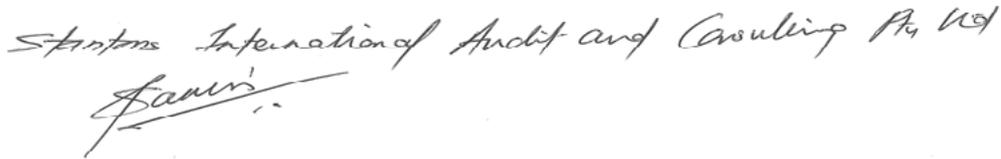
We have audited the Remuneration Report included in the directors' report for the year ended 31 December 2023.

In our opinion, the Remuneration Report of Titan Minerals Limited for the year ended 31 December 2023 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)



*Stantons International Audit and Consulting Pty Ltd*  
*Samir*

**Samir Tirodkar**  
Director  
West Perth, Western Australia  
28 March 2024

# AUDITOR'S INDEPENDENCE DECLARATION



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28 March 2024

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 2023, 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**  
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**Samir Tirodkar**  
Director



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# 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.

## 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.

## SHARE REGISTRY

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

### AUTOMIC SHARE REGISTRY

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

### REGISTERED OFFICE OF THE COMPANY

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.

## HOLDING RANGES AND UNMARKETABLE PARCELS

**Security class** : TTM - ORDINARY FULLY PAID SHARES  
**As at date** : 24-Apr-2024  
**Price per security** : \$0.0320

Holding Ranges	Holders	Total Units	% Issued Share Capital
above 0 up to and including 1.0	157	15,712	0.00%
above 1,000 up to and including	237	844,062	0.05%
above 5,000 up to and including	306	2,481,130	0.14%
above 10,000 up to and includi	1,145	46,491,412	2.57%
above 100,000	808	1,759,514,686	97.25%
Totals	2,653	1,809,347,002	100.00%

Based on the price per security, number of holders with an unmarketable holding: 882, with total 5,735,779, amounting to 0.32% of Issued Capital

**Security class** : TTM - ORDINARY FULLY PAID SHARES  
**As at date** : 25-Apr-2024  
**Display top** : 20

Position	Holder Name	Holding	% IC
1	CITICORP NOMINEES PTY LIMITED	212,900,725	11.77%
2	MCNEIL NOMINEES PTY LIMITED	95,000,000	5.25%
3	UBS NOMINEES PTY LTD	90,946,083	5.03%
4	BNP PARIBAS NOMS PTY LTD	82,205,812	4.54%
5	BUTTONWOOD NOMINEES PTY LTD	70,707,855	3.91%
6	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	56,082,419	3.10%
7	TAZGA TWO PTY LTD <TAZGA TWO A/C>	52,519,984	2.90%
8	BLOCK CAPITAL GROUP (INT) PTY LTD	43,963,522	2.43%
9	MRS JENNY MARY BAGULEY & MR JOHN RICHARD BAGULEY <BAGULEY FAMILY S/F A/C>	35,964,110	1.99%
10	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	34,865,191	1.93%
11	MR JOHN VIEIRA & MRS TRACEY LOIS VIEIRA <BAYVIEW RETIREMENT PLAN A/C>	30,144,523	1.67%
12	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	28,131,759	1.55%

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Position	Holder Name	Holding	% IC
13	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	27,221,766	1.50%
14	ILWELLA PTY LTD	26,666,667	1.47%
15	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	24,399,282	1.35%
16	BACCHUS CAPITAL ADVISERS LIMITED	24,136,491	1.33%
17	MR MICHAEL HOOMAN MOGHIMI	19,100,000	1.06%
18	LUIS RICARDO REYES DE LA CAMPA	18,135,000	1.00%
19	AJAVA HOLDINGS PTY LTD	17,358,206	0.96%
20	ARALAD MANAGEMENT PTY LTD <THE TRK SUPER FUND A/C>	16,041,667	0.89%
	<b>Total</b>	<b>1,006,491,062</b>	<b>55.63%</b>
	<b>Total issued capital - selected security class(es)</b>	<b>1,809,347,002</b>	<b>100.00%</b>

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