



**TITAN MINERALS LIMITED
ACN 117 790 897**

Bidder's Statement

**in relation to an offer by Titan Minerals Limited to acquire ALL
of your shares in**

**ANDINA RESOURCES LIMITED
ACN 137 601 159**

for 1 Titan Share for every 1.18 Andina Shares you own

**The Andina Independent Directors unanimously recommend
that you ACCEPT the Offer and intend to accept, or procure the
acceptance of the Offer in respect of any Andina Shares that
they, or their associates own or control, in the absence of a
Superior Proposal and subject to the Independent Expert
concluding the Offer is fair and reasonable to Andina
Shareholders**

This Offer is dated 24 May 2018 and closes at 5.00pm (WST) on 24 June 2018, unless extended or withdrawn. To accept the Offer, simply follow the instructions on the enclosed personalised Acceptance Form.

This is an important document and requires your immediate attention. If you are in doubt as to how to deal with this document, you should consult your financial or other professional adviser immediately.

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IMPORTANT INFORMATION

Bidder's Statement

This document (**Bidder's Statement**), dated 23 May 2018, is issued by Titan Minerals Limited ACN 117 790 897 (**Titan**) under Part 6.5 of the Corporations Act in relation to an off-market offer by Titan to acquire all Andina Shares (**Offer**) and sets out certain disclosures required by the Corporations Act. A copy of this Bidder's Statement was lodged with ASIC on 23 May 2018. Neither ASIC nor any of its officers take any responsibility for the content of this Bidder's Statement.

Investment Risks

There are a number of risks that may have a material impact on the value of the Offer, the future performance of Titan and the value of Titan Shares. These are detailed in Section 7.

Foreign Jurisdictions

This Bidder's Statement and the Offer are subject to Australian disclosure requirements, which may be different from those applicable in other jurisdictions. This Bidder's Statement and the Offer do not in any way constitute an offer in any place which, or to any person to whom, it would not be lawful to make such an offer.

This Bidder's Statement is intended to be distributed in Australia. The distribution in other jurisdictions may be restricted by law or regulation. Persons who come into possession of this Bidder's Statement should inform themselves of, and observe, these restrictions.

If you are an Ineligible Overseas Shareholder, you will not be issued Titan Shares. Any Titan Shares that you would otherwise be entitled to receive if you accept the Offer will be issued to a nominee who will sell them and remit the proceeds of that sale to you. Refer to Section 9.9 for further details of the sale process for Ineligible Overseas Shareholders.

Disclosure Regarding Forward-Looking Statements

This Bidder's Statement includes forward-looking statements that have been based on Titan's current expectations and predictions about future events, including Titan's intentions (which include those detailed in Sections 2 and 5), the operations of Titan and Andina and the economic and regulatory environment in which Titan and Andina will operate in the future. Forward-looking statements may generally be identified by the use of forward looking verbs such as aim, anticipate, believe, estimate, expect, foresee, intend or plan, by words denoting uncertainty such as likely, may, potential or should, or by derived or similar words. These forward-looking statements are, however, subject to inherent risks, uncertainties and assumptions that are specific to the industry in which Titan and Andina operate as well as general economic conditions, prevailing exchange rates and conditions in the financial market. These factors (which include the risks identified in Section 7) could cause the actual results, performance and achievements of Titan, Andina and the Combined Entity to differ materially from the expectations and predictions, expressed or implied in such forward-looking statements. All forward-looking statements should be read in light of such risks, uncertainties and assumptions.

Subject to applicable law, none of Titan, its officers, persons named in this Bidder's Statement with their consent nor any person involved in the preparation of this Bidder's Statement makes any representation or warranty (express or implied) as to the accuracy or likelihood of any forward-looking statements. You are cautioned not to place reliance on these statements in the event that the outcome is not achieved.

The forward-looking statements in this Bidder's Statement reflect views held only at the date of this Bidder's Statement. Except as required by law, Titan and its officers, employees and advisers disclaim any obligation to revise or update any forward-looking statements after the date of this Bidder's Statement to reflect any change in the assumptions or expectations on which those statements are based.

Information Regarding Andina and the Combined Entity

In preparing the information relating to Andina and the Combined Entity contained in this Bidder's Statement, Titan has relied on publicly available information relating to Andina and made available by Andina as at the date of this Bidder's Statement, which Titan and the Titan Independent Directors have not independently verified. Risks may exist in relation to Andina (which will affect the Combined Entity) of which Titan is unaware. If any material risks are known to Andina, they must be disclosed in the Target's Statement to be

issued by Andina. Accordingly, subject to applicable law, Titan makes no representations or warranties (express or implied) as to the accuracy and completeness of such information.

Further information on Andina may be included in the Target's Statement that Andina is required to provide to all Andina Shareholders in response to this Bidder's Statement.

Value of Titan Shares

The implied value of the Offer will vary with the market price of Titan Shares. Further information on the implied value of the Offer is detailed in this Bidder's Statement. Before accepting the Offer, Andina Shareholders should obtain advice on the value of Titan Shares from their financial or other professional adviser.

In addition, all references to the implied value of the Offer are subject to the effects of rounding.

Investment Advice

The information in this Bidder's Statement is general information only and does not take into account your individual objectives, financial situation or needs. You should consider whether the information in this Bidder's Statement is appropriate for you in light of your objectives, financial situation and needs. You should consider seeking independent financial and taxation advice before making a decision as to whether or not to accept the Offer.

Privacy

Titan has collected your information from Andina's register of members for the purposes of making the Offer and, if accepted, administering your acceptance over your holding of Andina Shares. The Corporations Act requires the names and addresses of Andina Shareholders to be held in a public register. The personal information collected includes the names and addresses of Andina Shareholders and details of their holdings of Andina Shares.

Titan and its share registry may use your personal information on a confidential basis in the course of making and implementing the Offer. Titan and its share registry may also disclose your personal information to their Related Bodies Corporate and external service providers and may be required to disclose such information to regulators, such as ASIC.

If you would like details of information about you held by Titan, please contact Automic Registry Services on 1300 288 664 (from within Australia) or +61 2 9698 5414 (from outside Australia).

Defined Terms

A number of defined terms are used in this Bidder's Statement. Unless expressly specified otherwise, defined terms have the meaning given in Section 11.

Websites

Titan maintains a website, the URL location of which is www.titanminerals.com.au. Andina maintains a website, the URL location of which is www.andinaresources.com.au. Information contained in or otherwise accessible through these websites are not part of this Bidder's Statement. All references to these sites in the Bidder's Statement are for information purposes only.

Estimates and Assumptions

Unless otherwise indicated, all references to estimates, assumptions and derivations of the same in this Bidder's Statement are references to estimates, assumptions and derivations of the same by Titan's management. Management estimates reflect and are based on views as at the date of this Bidder's Statement, and actual facts or outcomes may materially differ from those estimates or assumptions.

Effect of Rounding

Figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Bidder's Statement may be subject to the effect of rounding. Accordingly, the actual figures may vary from those included in this Bidder's Statement.

Currencies

In this Bidder's Statement, references to "Australian dollars", "AUD", "A\$" or "\$" are to the lawful currency of Australia, and references to "USD" or "US\$" are references to the lawful currency of the United States of America.

This Bidder's Statement may contain conversions of relevant currencies to other currencies for convenience. These conversions should not be construed as representations that the relevant currency could be converted into the other currency at the rate used or at any other rate.

Maps and Diagrams

Any diagrams and maps appearing in this Bidder's Statement are illustrative only and may not be drawn to scale. Unless stated otherwise, all data contained in charts, maps, graphs and tables is based on information available at the date of this Bidder's Statement.

Queries

You should contact your legal, financial or professional adviser if you are unsure about how to deal with this Bidder's Statement. If you have any enquires about the Offer, please contact Titan on +61 8 6555 2950 between 9.00am and 5.00pm (WST) Monday to Friday or contact your legal, financial or other professional adviser.

LETTER FROM TITAN'S INDEPENDENT DIRECTORS

Dear Andina Shareholder

On behalf of the Independent Directors of Titan Minerals Limited (**Titan**), I am pleased to enclose an offer by Titan to acquire all of your shares in Andina Resources Limited (**Andina**).

The Offer provides an opportunity for Andina Shareholders to join with Titan Shareholders and for both shareholder groups to benefit from the formation of a diversified portfolio of Peruvian gold and base metals production and exploration assets, which Titan believes will deliver operational activity and milestones in the coming months and years.

By accepting the Offer you will, subject to the terms and conditions of the Offer, receive 1 Titan Share for every 1.18 of your Andina Shares.

Who is Titan?

Titan is a Peru-focused minerals exploration and production company, whose ordinary shares are listed on ASX (ASX Code: TTM). Titan has an interest in two Peruvian projects, being the San Santiago Project and the Torrecillas Gold Project. Titan has also entered into a binding heads of agreement to acquire the producing Mirador Plant, strategically located 450km north of Lima, along with six wholly owned mineral concessions located in a prospective area, subject to the satisfaction or waiver (by Titan) of a number of conditions precedent.

Refer to Section 2 for further details of Titan.

About the Offer

Completion of the Offer will create a Combined Entity listed on ASX with enhanced scale and positioned for further growth as a significant Peruvian gold and base metals exploration and production company. The Titan Independent Directors consider that:

- (a) the Combined Entity will benefit from the consolidation of ownership of the Torrecillas Gold Project, and will be positioned to exploit the synergies achieved through the operation of Titan's San Santiago Project and Mirador Plant (subject to the completion of the acquisition of this asset) with Andina's complementary gold assets, the Vista Gold Plant and Tulin Gold Plant; and
- (b) the Offer will provide various benefits for Andina Shareholders, including providing value for your Andina Shares and creating a Combined Entity that has greater access to capital to fund its projects.

The Offer values each Andina Share at \$0.028, as at the date of this Bidder's Statement.¹ In addition, you will enjoy ASX trading liquidity of Titan Shares and you may be entitled to Australian capital gains tax rollover relief.

The Andina Independent Directors have unanimously recommended that Andina Shareholders accept the Offer in the absence of a Superior Proposal and subject to the Independent Expert concluding the Offer is fair and reasonable to Andina Shareholders.

Mr Matthew Carr is a director of Titan and Andina, and therefore considers it inappropriate to make a recommendation.

The Andina Independent Directors also intend to accept the Offer in respect of all Andina Shares they own or control within 10 Business Days from dispatch of the Target's Statement. The Andina Independent Directors together hold or control 5.66% of the Andina Shares on issue at the date of this Bidder's Statement.

¹ Based on the 30 day VWAP of \$0.0319 for Titan Shares up to and including the Last Practicable Date. Refer to Section 8.9 for further details of the implied value of the Offer.

Several Andina Shareholders, together holding 19.83% of the Andina Shares on issue at the date of this Bidder's Statement, have also entered into binding Pre-Bid Acceptance Agreements, pursuant to which they have agreed to accept the Offer in the absence of a Superior Proposal.

The full terms and conditions of the Offer are detailed in Section 9.

Please read this Bidder's Statement carefully, including the risk factors detailed in Section 7. The Offer is open for your acceptance until 5.00pm (WST) on 24 June 2018, unless extended or withdrawn. To accept the Offer, please follow the instructions in the Acceptance and Transfer Form enclosed with this Bidder's Statement.

If you require any assistance, please contact Titan on +61 8 6555 2950 between 9.00am and 5.00pm (WST) Monday to Friday or contact your legal, financial or other professional adviser.

I encourage you to accept the Offer and look forward to welcoming you as a Titan Shareholder.

Yours faithfully

A handwritten signature in black ink, appearing to read 'N Rowley', is positioned above the printed name and title.

**Nicholas Rowley
Non-Executive Director
Titan Minerals Limited**

CORPORATE DIRECTORY

Company Details

ASX Code: TTM
ACN: 117 790 897
ABN: 97 117 790 897
www.titanminerals.com.au

Registered Office

Suite 6, 295 Rokeby Road
Subiaco WA 6008
Telephone: +61 8 6555 2950
Facsimile: +61 8 6166 0261

Legal Adviser

DLA Piper Australia
Level 31, Central Park
152-158 St Georges Terrace
Perth WA 6000

Directors

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

Share Registry

Automatic Registry Services
Level 2, 267 St Georges Terrace
Perth WA 6000
Telephone (domestic): 1300 288 664
Telephone (international): +61 2 9698 5414

Auditors

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

KEY DATES

Event	Date
Announcement Date	26 March 2018
Record Date	23 May 2018
Bidder's Statement lodged with ASIC and served on Andina	23 May 2018
Dispatch of Bidder's Statement to Andina Shareholders	24 May 2018
Offer Period commences	24 May 2018
Offer Period closes (unless extended or withdrawn)	24 June 2018

** Andina has given its consent to Titan dispatching this Bidder's Statement to persons registered as Andina Shareholders on 24 May 2018, being a date earlier than would otherwise apply under section 633 of the Corporations Act.*

WHY YOU SHOULD ACCEPT THE OFFER

Titan believes you should **ACCEPT** the Offer for the following reasons:

1. **You will receive value for your Andina Shares.**
2. **The Combined Entity will have significant growth potential through the consolidation of ownership of and combination of complementary assets.**
3. **Titan Shares issued as consideration will have ASX trading liquidity.**
4. **The Combined Entity will be listed on ASX, providing improved access to capital.**
5. **The Andina Independent Directors unanimously recommend that you accept the Offer.**
6. **The Offer has the support of Andina Shareholders together holding 19.83% of the Andina Shares on issue.**
7. **No Superior Proposal or alternative offer has emerged and there is no guarantee that a Superior Proposal will arise in the future.**
8. **You may be eligible for capital gains tax relief.**

The above is only a headline summary of some of the reasons why you should accept the Offer. Each of the reasons why Titan believes you should **ACCEPT** the Offer are explained in further detail below.

If you wish to accept the Offer, you must return the signed Acceptance and Transfer Form by 5.00pm (WST) on 24 June 2018.

1. **You will receive value for your Andina Shares.**

The Offer comprises 1 Titan Share for every 1.18 of your Andina Shares, which values your Andina Shares at:

- \$0.027 each, based on the 30 day VWAP of \$0.0318 for Titan Shares up to and including the Last Practicable Date;
- \$0.028 each, based on the last trading price of \$0.033 per Titan Share on the Last Practicable Date; and
- \$0.030 each, based on the last trading price of \$0.035 per Titan Share on 23 March 2018 (the last Trading Day prior to the Announcement Date).

Refer to Section 8.9 for further details of the implied value of the Offer.

2. **The Combined Entity will have significant growth potential through the consolidation of ownership of and combination of complementary assets.**

The consolidation of ownership of the Torrecillas Gold Project in Titan and the acquisition of Andina's Vista Gold Plant and Tulin Gold Plant creates a Combined Entity that can take advantage of the following synergies:

- the Combined Entity will be able to transport ore from the Torrecillas Gold Project to the Vista Gold Plant via the Pan American Highway, which provides an efficient transport route from mine to mill;
- any discovery and subsequent mining operations at the San Santiago Concessions by the Combined Entity can also transport ore to the Vista Gold Plant for processing, which is located less than 100km away; and
- other potential significant administration and corporate overhead savings.

These synergies will cement the Combined Entity's footprint in Peru as a significant gold and base metals exploration and production company.

The acquisition of the Mirador Plant by Titan (which currently remains subject to a number of conditions), if completed, will further expand the base of complementary Peru assets and the potential benefits to Shareholders of the Combined Entity.

If the Offer is successful, it will create a larger gold exploration and development company, with a broader shareholder base and improved ability to raise new capital, which will provide a much-improved platform for additional growth opportunities to be considered by the Combined Entity, including providing greater financial flexibility to expand its portfolio of Peru projects.

3. Titan Shares issued as consideration will have ASX trading liquidity.

If the Offer is successful, Andina Shareholders will receive Titan Shares. Titan Shares are expected to be substantially more liquid than Andina Shares because Titan is listed on ASX. Andina Shares are currently not listed on any securities exchange, and accordingly, the ability of Andina Shareholders to trade their Andina Shares may be limited.

4. The Combined Entity will be listed on ASX, providing improved access to capital.

The merger of Titan and Andina will result in Andina Shareholders sharing in the many advantages that are anticipated to come from being a shareholder in a larger company with increased liquidity and visibility listed on ASX.

Andina Shareholders will benefit from exposure to trading of Titan Shares on ASX. In addition to anticipated benefits of improved liquidity and improved valuation to be driven by having an investment listed on ASX, Andina Shareholders may also benefit from having exposure to a much deeper pool of capital available to a listed entity that may not otherwise invest in an unlisted resources company such as Andina. This will impose a reduced reliance on the existing Andina Shareholders to continue funding Andina's business through the creation of a more diverse shareholder base. There is also likely to be an enhanced ability to source equity and debt funding on better terms than may otherwise be available to Andina on a stand-alone basis due to the greater scale, greater liquidity and greater depth of project portfolio of the Combined Entity.

5. The Andina Independent Directors unanimously recommend that you accept the Offer.

The Andina Independent Directors have made this recommendation subject only to there being no Superior Proposal and Independent Expert concluding that the Offer is fair and reasonable to Andina Shareholders.

Mr Matthew Carr is a director of Titan and Andina, and therefore considers it inappropriate to make a recommendation.

Each Andina Independent Director has also stated their intention to accept the Offer in respect of all Andina Shares they own or control within 10 Business Days from dispatch of

the Target's Statement. The Andina Independent Directors together hold or control Shares representing 5.66% of the Andina Shares on issue as at the date of this Bidder's Statement.

Mr Matthew Carr also intends to accept the Offer in respect of the 73,614,225 Andina Shares he owns or controls, being 12.44% of the Andina Shares on issue at the date of this Bidder's Statement or 11.11% of Andina following conversion of the Andina Performance Rights.

6. The Offer has the support of Andina Shareholders together holding 19.83% of the Andina Shares on issue.

Andina Shareholders, together holding 19.83% of the Andina Shares on issue, have entered into Pre-Bid Acceptance Agreements pursuant to which they have agreed to accept the Offer, in the absence of a Superior Proposal.

Refer to Section 8.1 for further details of the Pre-Bid Acceptance Agreements.

7. No superior proposal or alternative offer has emerged.

Since Titan's announcement of the Offer on 26 March 2018, no Superior Proposal has emerged as the date of this Bidder's Statement.

There remains the possibility that a Third Party may make a Competing Proposal (which may or may not be a Superior Proposal) prior to completion of the Offer. However, given the complementary nature of Titan and Andina's assets being the Torrecillas Gold Project, San Santiago Project and the Vista Gold Plant and Tulin Gold Plant, a Competing Proposal may be less likely to arise.

8. You may be entitled to capital gains tax relief.

Provided Titan achieves ownership of more than 80% of the issued Andina Shares, eligible Andina Shareholders may be entitled to rollover relief from capital gains tax on the consideration they receive under the Offer. However, Andina Shareholders may be subject to capital gains tax a result of a later taxable event (such as a disposal) occurring in respect to the Titan Shares received as the Offer Consideration. Please refer to Section 6 for more information. You should consult a qualified tax adviser for further taxation advice.

POSSIBLE REASONS WHY YOU MAY CHOOSE NOT TO ACCEPT THE OFFER

1. You may disagree with the recommendation of the Andina Independent Directors.

You may disagree with the unanimous recommendation of the Andina Independent Directors that you should accept the Offer in the absence of a Superior Proposal.

2. You may consider that the Offer Consideration undervalues your Shares.

You may believe that your Andina Shares are worth more than the Offer Consideration.

3. You may consider that there is the potential for a Superior Proposal to be made.

You may believe there is a possibility that a Superior Proposal could be made. Once you accept the Offer, you have limited rights of withdrawal and may not be able to accept any Superior Proposal that may be forthcoming.

1. Summary of the Offer

The information in this Section 1 is a summary of the Offer only and is qualified by, and should be read in conjunction with, the information detailed in the remainder of this Bidder's Statement. Detailed terms of the Offer are in Section 9.

You should read this Bidder's Statement in its entirety and the Target's Statement (which will be sent to you directly by Andina) before deciding how to deal with your Andina Shares.

The information in this Section 1 is organised as responses to a series of questions. Titan believes this is the most informative way to provide the information.

If you have any enquires about the Offer, please contact Titan on +61 8 6555 2950 between 9.00am and 5.00pm (WST) or contact your legal, financial or other professional adviser.

1.1 Overview of the Offer

Question	Answer	Further Information
What is this Bidder's Statement?	Titan prepared this Bidder's Statement for distribution to Andina Shareholders. It contains information about the Offer and other information relevant to your decision whether to accept the Offer. If you are in any doubt as to how to deal with it, you should consult your legal, financial or other professional adviser immediately.	Important Information
What is Titan offering to buy?	Titan is offering to buy all Andina Shares on the terms detailed in this Bidder's Statement. You may only accept the Offer in respect of all (and not some) of the Andina Shares that you hold.	Summary of the Offer
What will I receive if I accept the Offer?	If you accept the Offer, subject to satisfaction of the Offer Conditions (refer below and Section 9.10), you will receive one Titan Share for every 1.18 Andina Shares you hold. If you do not hold a multiple of 1.18 Andina Shares, any fractional entitlement to Titan Shares will be rounded up or down to the nearest whole number, with fractional entitlements of 0.5 and above of a Titan Share being rounded up.	Section 9.8

Question	Answer	Further Information
<p>What is the implied value of the Offer Consideration?</p>	<p>The implied value of the Offer is approximately</p> <ul style="list-style-type: none"> (a) \$0.027 per Andina Share, based on the 30 day VWAP of \$0.0318 for Titan Shares up to and including the Last Practicable Date; (b) \$0.028 per Andina Share, based on the last trading price of \$0.033 per Titan Share on the Last Practicable Date; (c) \$0.030 per Andina Share, based on the last trading price of \$0.035 per Titan Share on 23 March 2018 (the last Trading Day prior to the Announcement Date). <p>The implied value of the Offer will change as a consequence of changes in the market price of Titan Shares.</p>	<p>Section 8.9</p>
<p>How long will the Offer remain open?</p>	<p>The Offer opens on 24 May 2018. Unless withdrawn or extended in accordance with the Corporations Act, the Offer is scheduled to close at 5.00pm (WST) on 24 June 2018.</p>	<p>Section 9.2</p>
<p>Can the Offer Period be extended?</p>	<p>The Offer Period can be extended at Titan's election, up to a maximum Offer Period of 12 months. Andina Shareholders will be sent written notice of any extension of the Offer Period.</p>	<p>Section 9.2</p>
<p>What choices do I have as an Andina Shareholder?</p>	<p>Andina Shareholders have the following choices in respect of your Andina Shares:</p> <ul style="list-style-type: none"> (a) accept the Offer; (b) sell all or some of your Andina Shares outside of the Offer, unless you have previously accepted the Offer for your Andina Shares (but as Andina Shares are not listed on any securities exchange, this may be difficult for you to do); or (c) reject the Offer by doing nothing. <p>There are implications in relation to each of the choices above. If you are in doubt as to how to act, you should consult your legal, financial or other professional adviser immediately.</p>	
<p>How do I accept the Offer?</p>	<p>To accept the Offer, you should follow the instructions detailed in this Bidder's Statement and in the enclosed Acceptance and Transfer Form. Your acceptance must be received in sufficient time to be processed before the end of the Offer Period.</p>	<p>Section 9.5</p>
<p>Can I accept the Offer for part of my holding?</p>	<p>No, you must accept the Offer for all of your Andina Shares.</p>	<p>Section 9.4</p>

Question	Answer	Further Information
<p>What if I am an Ineligible Overseas Shareholder?</p>	<p>Titan will not allot Titan Shares as Offer Consideration to Ineligible Overseas Shareholders, being Andina Shareholders whose address on the Andina Share register on the date allotment calculation is performed is in a jurisdiction other than Australia and its external territories.</p> <p>Any Ineligible Overseas Shareholder who accepts the Offer will have the Titan Shares to which they would otherwise be entitled issued to a nominee, who will sell those Titan Shares on ASX, and remit the proceeds of that sale to the Ineligible Overseas Shareholder.</p>	<p>Sections 9.3 and 9.9</p>
<p>If I accept the Offer, can I withdraw my acceptance?</p>	<p>You cannot withdraw or revoke your acceptance unless a withdrawal right arises under the Corporations Act. A withdrawal right will arise if, after you have accepted the Offer, Titan varies the Offer in a way that postpones, for more than one month, the time that Titan has to meet its obligations under the Offer (for example, if Titan extends the Offer Period for more than one month while the Offer remains subject to the Offer Conditions).</p>	<p>Section 9.7</p>
<p>What happens if I do not accept the Offer?</p>	<p>Subject to the explanation below, you will remain an Andina Shareholder and will not receive the Offer Consideration.</p> <p>If you do not accept the Offer and Titan acquires a Relevant Interest in at least 90% of Andina Shares, and the Offer Conditions are satisfied or waived, Titan intends to proceed to compulsorily acquire the outstanding Andina Shares. If Titan compulsorily acquires your Andina Shares, it will be on the same terms as the Offer. However, you will receive the Offer Consideration later than the Andina Shareholders who choose to accept the Offer.</p> <p>If the Offer becomes unconditional but Titan does not become entitled to compulsorily acquire your Andina Shares under the Corporations Act, unless you sell your Andina Shares, you will remain a shareholder of Andina. In these circumstances and, depending on the number of Andina Shares acquired by Titan, you may be a minority Andina Shareholder.</p>	<p>Section 5</p>
<p>What happens if Titan improves the Offer Consideration?</p>	<p>If Titan improves the Offer Consideration, all the Andina Shareholders who accept the Offer (whether or not they have accepted the Offer before or after such improvement) will be entitled to the benefit of the improved Offer Consideration, should the Offer become or be declared unconditional.</p>	<p>Section 9.2</p>

Question	Answer	Further Information
Are there conditions to the Offer?	Yes, the Offer is subject to the Offer Conditions, which are: (a) 90% minimum acceptance; (b) all applicable regulatory approvals being obtained; (c) there being no material adverse change or prescribed occurrence in relation to Andina; and (d) Titan Shareholders approving the acquisition of Andina Shares for the purposes of ASX Listing Rule 10.1.	Section 9.10
What if the Offer Conditions are not satisfied or waived?	If the Offer closes and the Offer Conditions are not satisfied or waived, the Offer will lapse, and your acceptance will be void. In other words, you will continue to hold your Andina Shares (unless you otherwise sell them). Titan will inform you of whether the Offer Conditions have been satisfied or waived during the Offer Period in accordance with its obligations under the Corporations Act.	Section 9.10
What if I hold convertible securities in Andina?	Titan has extended the offer to Andina Shares that are issued as a result of the conversion of Andina Performance Rights during the period from the Record Date to the end of the Offer Period.	Sections 9.3

1.2 Overview of Titan

Question	Answer	Further Information
Who is Titan?	Titan is a Peru-focused minerals exploration and production company. Titan Shares are listed on the official list of ASX (ASX Code: TTM). Titan has an interest in two Peruvian projects, being the San Santiago Project and the Torrecillas Gold Project. Titan has also entered into a binding heads of agreement to acquire the Mirador Plant, subject to the satisfaction or waiver (by Titan) of certain conditions precedent.	Section 2
What rights and liabilities will attach to my new Titan Shares?	The new Titan Shares issued as Offer Consideration will be issued fully paid, and will, from the time of issue, rank equally with existing Titan Shares.	Section 2.14

Question	Answer	Further Information
<p>Who are the Titan Directors and what experience do they have?</p>	<p>The Titan Directors are:</p> <p>(a) Matthew Carr (Executive Chairman);</p> <p>(b) Nicholas Rowley (Non-Executive Director);</p> <p>(c) Robert Sckalor (Non-Executive Director); and</p> <p>(d) Cameron Henry (Non-Executive Director).</p> <p>Mr Carr is a successful and experienced company director having founded Urban Capital Group, is a private equity company with a strong focus on property backed investment and security.</p> <p>Mr Rowley is an experienced corporate executive with a strong financial background having previously worked in the financial services industry for over 10 years gaining widespread experience in corporate advisory, M&A transactions and equities markets.</p> <p>Mr Sckalor has 30 years of experience working in the legal and financial markets worldwide and has worked on capital market and financial transactions on five continents.</p> <p>Mr Henry comes from a project development and operational background specialising in minerals processing and oil and gas projects across the globe.</p>	<p>Section 2.3</p>
<p>Do the Titan Directors have any securities in, or potential conflicts of interest in relation to, Andina?</p>	<p>Matthew Carr is a director of Titan and Andina.</p> <p>Matthew Carr, Nicholas Rowley and Cameron Henry hold Andina Shares.</p> <p>Titan will seek approval from Titan Shareholders for the acquisition of Andina Shares from Messrs Carr, Rowley and Henry for the purposes of ASX Listing Rule 10.1 at a meeting that Titan will convene and arrange to hold.</p>	<p>Section 8.7</p>

1.3 Overview of Risks

Question	Answer	Further Information
<p>Are there risks if I accept the Offer?</p>	<p>Yes. If you accept the Offer and the Offer Conditions are satisfied or waived, Titan will issue you with Titan Shares, and you will become a Titan Shareholder.</p> <p>You will continue to be indirectly exposed to the risks associated with the investment in Andina, because Titan will hold Andina Shares. You will also be exposed to the risks associated with an investment in Titan and additional risks relating to the Offer and the Combined Entity.</p> <p>The business activities of Titan and the Combined Entity are subject to various risks that may affect the future performance of Titan and the Combined Entity. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of Titan and the Combined Entity, and cannot be mitigated.</p>	<p>Section 7</p>

1.4 Other Relevant Questions

Question	Answer	Further Information
<p>When will I receive my consideration if I accept the Offer?</p>	<p>If you accept the Offer, Titan will provide the Offer Consideration for your Andina Shares on or before the earlier of:</p> <p>(a) one month after you accept the Offer or one month after the Offer Conditions have been waived or fulfilled (whichever is the later); and</p> <p>(b) 21 days after the end of the Offer Period (provided that the Offer has become unconditional prior to the end of the Offer Period).</p>	<p>Section 9.8</p>
<p>Will I need to pay any transaction costs if I accept the Offer?</p>	<p>You will not incur any brokerage fees or be obliged to pay stamp duty or GST in connection with your acceptance of the Offer.</p>	<p>Section 6.7</p>
<p>What are the taxation implications of accepting the Offer?</p>	<p>A general summary of the Australian taxation consequences for Andina Shareholders who accept the Offer is detailed in Section 6.</p> <p>This summary is expressed in general terms only and is not intended to provide taxation advice for your specific circumstances. Andina Shareholders should seek their own independent taxation advice in relation to the Offer.</p>	<p>Section 6</p>

Question	Answer	Further Information
<p>Where do I go for further information?</p>	<p>If you have any enquires about the Offer, please contact Titan on +61 8 6555 2950 between 9.00am and 5.00pm (WST) or contact your legal, financial or other professional adviser.</p> <p>Any further material information relating to the Offer will be lodged with ASX and included on the Titan website at www.titanminerals.com.au.</p>	<p>Corporate Directory</p>

2. Profile of Titan

2.1 Overview of Titan

Titan is an Australian public company that has been listed on the official list of ASX since 15 November 2006 (ASX: TTM).

Titan's principal activities are exploration on copper and gold concessions and the development and production of a portfolio of medium sized gold projects in Peru.

Titan's key assets comprise:

- (a) a copper-gold project located comprising of 6,000 hectares of mineral concessions together with a beneficiation plant that historically toll-treats copper ores from nearby artisanal miners, currently on care and maintenance pending a tailings dam upgrade) (**San Santiago Project**), detailed in Section 2.4(b); and
- (b) the right to earn-in a 70% interest in Andina's Torrecillas gold project , an advanced development and exploration gold project, which is located 640km south of Lima, in south-eastern Peru comprising approximately 13,000 hectares of mineral concessions, which contain a number of narrow vein, high-grade mineralised structures (**Torrecillas Gold Project**), detailed in Section 2.4(a).

Both projects are situated in the Caravelí Province of the Arequipa Region of Peru. The concessions comprising the San Santiago Project are located in the Bella Union and Acari Districts, and the concessions comprising the Torrecillas Gold Project are in the Chaparra and Quicacha Districts, approximately 440km and 545km to the southeast of the capital city Lima, respectively.

On 25 August 2015, Titan (then known as Minera Gold Limited) was placed into voluntary administration. On 30 June 2016, Titan entered into a deed of company arrangement (**DOCA**) in respect of a restructure and recapitalisation. Titan successfully completed the recapitalisation and was reinstated to the Official List on 17 October 2017, and since then, it has:

- (a) initiated and commenced a detailed review of the historical exploration data for the Torrecillas Gold Project;
- (b) commenced mapping of the Torrecillas Earn-in Concessions which cover 13,000 hectares with a view to undertaking a geophysical survey and further channel samples of the Torrecillas Earn-in Concessions to identify priority targets for drilling. Titan estimated that this process will commence in Q3 of 2018;
- (c) commissioned an independent review of the San Santiago Plant by Primero Group, which has made a number of recommendations around increasing the facilities throughput to allow for a significant increase of copper and gold production;
- (d) commenced a detailed review of the historical exploration data covering 6,000 hectares of the San Santiago Concessions. However, having regard to significant costs and time that will be required to be incurred in order to complete a geological study of this project, Titan has determined that it will prioritise the Torrecillas Gold Project over the San Santiago Project for detailed exploration and drilling work;
- (e) appointed Dr Owen Miller as exploration manager to oversee the future drilling and exploration programs at the Torrecillas Gold Project and, in due course, the San Santiago Project; and

- (f) announced its plans to bolster its portfolio of Peru projects with the entry into a binding heads of agreement to acquire the Mirador Plant, further details of which are included in Section 2.4(c).

2.2 Corporate Information

Titan's former names include Mundo Minerals Limited (ASX: MUN) and Minera Gold Limited (ASX: MIZ).

Titan has the following Subsidiaries:

Name	Country of Incorporation	Principal Activity
Mundo Minerals USA	USA	Administrative holding company
Compania Minera Cobrepampa	Peru	Copper exploration
Empresa Miner Cobrepampa	Peru	Copper exploration
Grupo Cobrepampa	Peru	Copper exploration
Korisumaq SAC	Peru	Copper exploration
Derivados Y Concentrados SAC	Peru	Processing plant operator
Hogans Heros S.A.C	Peru	Administrative holding company

The corporate structure of the Titan Group is shown in the diagram below.



2.3 Titan Directors

Each of the Titan Directors joined the Titan Board after Titan (then Minera Gold Limited) entered voluntary administration, as part of the DOCA and restructure and recapitalisation proposal as detailed in Section 2.1.

A brief summary of each of the Titan Directors follows.

Mr Matthew Carr

Mr Carr was appointed as a director of Titan on 3 February 2017. Mr Carr is a successful and experienced company director having founded Urban Capital Group. Urban Capital Group is a private equity company with a strong focus on property backed investment and security. Matthew is also the Non-Executive Chairman of Andina.

Mr Nicholas Rowley

Mr Rowley was appointed as a director of Titan on 8 August 2016. Mr Rowley is an experienced corporate executive with a strong financial background having previously worked in the financial services industry for over 10 years where he gained widespread experience in corporate advisory, M&A transactions and equities markets, advising domestic and international institutional sales and high net worth individuals. He also advised on the equity financings of numerous ASX and TSX listed companies predominantly in the mining

and resources sector. Mr Rowley currently serves as Director of Corporate Development for Galaxy Resources Ltd (ASX: GXY).

Mr Robert Sckalor

Mr Sckalor was appointed as a director of Titan on 7 August 2017. Mr Sckalor has 30 years of experience working in the legal and financial markets worldwide and has worked on capital market and financial transactions on five continents. Currently he is Co-Founder and President of Capital Instincts, a Private Equity and Venture related investment company he founded 14 years ago while in London. Prior to founding Capital Instincts, Mr Sckalor was a director and General Counsel for Liquid Capital Markets (LCM), LTD, a London Investment and Financial company. Mr Sckalor assisted with the expansion of the firm from its single office in London to offices in Seoul and Sydney. Previously, Mr Sckalor worked as General Counsel, IDEAglobal Ltd in New York, Singapore and London. At the time, IDEAglobal was the world's largest independent economic research company specializing in fixed income, equity, capital market and currency analysis. Mr Sckalor started his career practicing law, and has been a partner at The Simons Firm and Simons, Cuddy and Friedman. Mr Sckalor obtained his BA from Grinnell College and JD from Washington University, JD.

Mr Cameron Henry

Mr Henry was appointed as a director of Titan on 8 August 2017. Mr Henry comes from a project development and operational background specialising in minerals processing and oil and gas projects across the globe. Mr Henry is from a technical background with tertiary qualifications in engineering and project management and has advised for several ASX listed companies on development, acquisitions and execution strategies at a number of levels. Mr Henry is currently Managing Director of Primero Group Limited, an engineering and construction company that specialises in minerals processing and has been a member of the Australian Institute of Company Directors (AICD) for over five years.

2.4 Projects

(a) Torrecillas Gold Project

Titan acquired the Torrecillas Gold Project in July 2006.

The Torrecillas Gold Project comprises 24 mining concessions and applications, comprising a total area of over 13,000 hectares.

Geographically, the Torrecillas Gold Project is located in the Western Cordillera of the South American Central Andes at elevations of 2,500 to 3,200 metres above sea level.

Geologically, the Torrecillas Gold Project is located in the Mesozoic Coastal Batholith Belt, which extends for 1,200km along the Pacific Ocean coast of Peru. In a local perspective, Torrecillas lies within Nazca-Ocoña gold belt of southern Peru. The Nazca-Ocoña gold belt extends for approximately 350km in length and is up to 40km in width. Mineral deposits within the Nazca-Ocoña gold belt are generally characterised by narrow gold, silver and copper-bearing quartz veins of hypothermal to mesothermal affiliation. The veins typically range in width from 0.3m to 6.0m and are generally hosted by a monotonous sequence of andesitic volcanic and sedimentary units that have been intruded by late Cretaceous granitic rocks of the Coastal Batholith.

Whilst the vein deposits crosscut both the andesitic volcanics and granitic rocks, the highest gold grades are typically found associated with diorite, tonalite and andesite rather than granodiorite. East-west trending faults displaced by north-trending faults commonly control the vein-hosted gold mineralisation at many of the important mines nearby, including the Arirahua, Calpa and Ocoña mines.

The mineralised vein structures at Torrecillas consist of mesothermal, “pinch and swell”, sigmoid-type fault zones filled with ore and gangue minerals, mainly quartz, chlorite and epidote alteration with fine pyrite disseminations flanked by sericitic alteration halos (Figure 1).

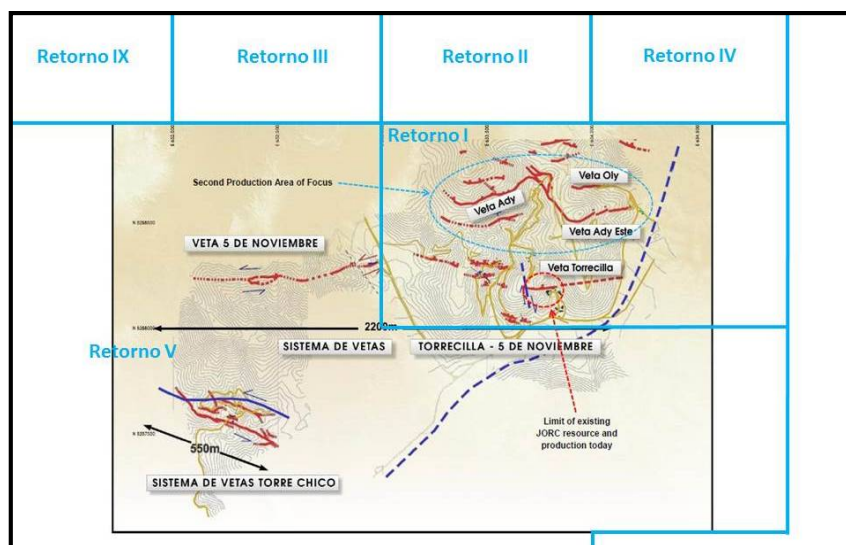


Figure 1: Relative location of main individual veins at the Torrecillas Earn-In Concessions.

The vein structures strike in an east–west direction and dip to the north. NNW-SSE post-mineralisation faults divided and displaced the structures by 15 to 20 metres. On surface, hematite associated with erratic values of gold is an indicator and occurs down to 40 metres depth.

The Torrecillas Gold Project deposits have been discontinuously exploited in a small-scale, underground operation at a rate of up to 1,400 tonnes of ore per month, using a cut and fill, short-hole technique, typically applied to steeply dipping or irregular ore veins, which is very appropriate for selective ore extraction with limited ore losses and grade dilution. Mineralisation recovered during mining was processed in nearby plant facilities under a toll treatment arrangement.

Prior to entering into administration, Titan focused on the development of the Torrecillas Gold Project. However, exploration activities were limited during 2014 (due to trial mining and a focus on the three mineral vein structures in production) and Titan continued to incur operating losses in respect to the Torrecillas Gold Project. In December 2014, Titan placed the Torrecillas Gold Project on a care and maintenance program.

On completion of the DOCA, the Torrecillas Gold Project was transferred to a wholly owned subsidiary of Andina. Titan has a right to earn-in a 70% interest on 16 of the 24 concessions, shown in Table 1 (**Torrecillas Earn-In Concessions**).

Code	Concession Name	Hectares
10232798	Retorno VII	500.00
010133999	Retorno VIII	700.00
010116000	Retorno IX	288.83
010118701	Retorno X	200.00
010036005	Retorno XV	500.00
010358807	Retorno XXV	200.00
010256408	Retorno XXVII	200.00

Code	Concession Name	Hectares
010603307	Retorno XXVI	300.00
010015811	Retorno XXXI 2011	600.00
010015711	Retorno XXXII 2011	1,000.00
010015611	Retorno XXXIII 2011	700.00
010188811	Retorno XXXIV 2011	1,000.00
010188911	Retorno XXXV 2011	900.00
010189011	Retorno XXXVI 2011	900.00
010189111	Retorno XXXVII 2011	600.00
010189211	Retorno XXXVIII 2011	800.00

Table 1: Torrecillas Earn-in Concessions.

Titan's right to earn a 70% interest in the Torrecillas Earn-In Concessions will take effect upon, and be subject to, Titan paying the annual fees imposed in respect of each of the Torrecillas Earn-In Concessions during the 2017, 2018 and 2019 calendar years capped at an aggregate amount of \$450,000, of which Titan has currently paid \$150,000.

However, if the Offer is successful, Titan will not need to earn its interest in the Torrecillas Earn-In Concessions, instead acquiring them indirectly through its ownership of Andina.

Titan intends to commence operations at the Torrecillas Gold Project in Q4 of 2018.

(b) **San Santiago Project**

The San Santiago Project is located in the highly prospective Cobrepampa areas surrounding the Acari region, which has been producing copper, gold and silver for more than 40 years.

San Santiago Plant

The San Santiago plant is fully permitted for copper with a 530 tonnes per day (TPD) installed processing capacity through a combination of its three circuits, comprising:

- (i) 200 TPD carbon-in-pulp (CIP) gold circuit;
- (ii) 250 TPD copper sulphide circuit; and
- (iii) 80 TPD copper oxide circuit (currently idle),

(the **San Santiago Plant**).

The San Santiago Plant remains in care and maintenance whilst Titan's operational team continues its assessment for the restart and expansion of the plant's operations.

The San Santiago Plant is permitted to operate at 350 TPD in relation to the copper circuits and is not currently permitted to process gold

If the Offer is successful and Titan obtains Control of Andina, subject to the Strategic Review detailed in Section 5, Titan does not intend to pursue permitting of the gold circuit or starting the gold circuit at the San Santiago Plant. Instead,

Titan proposes that gold will be processed at Andina's Vista Gold Plant and the San Santiago Plant will be run as a copper plant only. Titan may seek to permit the San Santiago Plant to process gold if the Offer is not successful.

The San Santiago Plant (shown in Figure 2), which was permitted in 2006, is contained on seven hectares of land located in an established mining region. Importantly, the San Santiago Plant has access to:

- (i) the national grid power supply;
- (ii) water supply from four licensed onsite bores; and
- (iii) tailings disposal (although expansion is required).

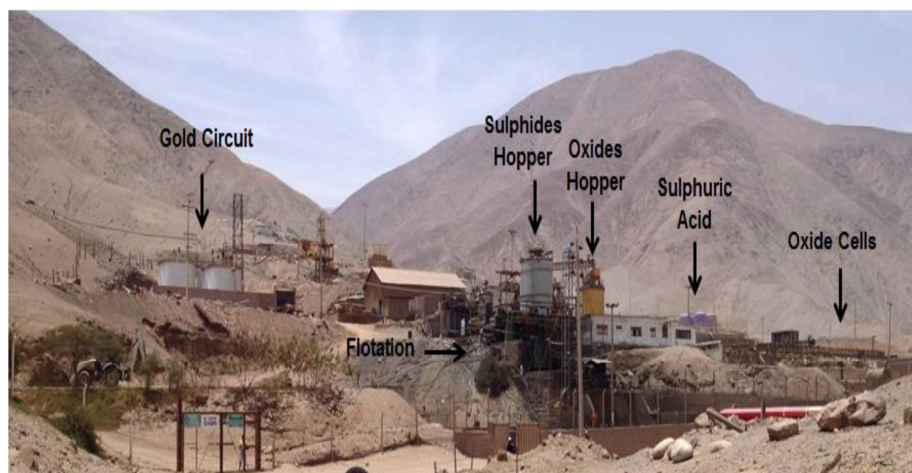


Figure 2: San Santiago Plant

San Santiago Concessions

Table 2 below provides details of the concession names, the registration codes, hectares and the name of the entity which holds the concession (together, **the San Santiago Concessions**). The San Santiago Plant is located within the San Santiago Concessions.

Code	Concession Name	Hectares
P540000110	San Santiago De Acari (Beneficiation Concession)	300.00
010226104	Virgen Del Carmen 2004 P	99.7012
010227907	Don Ivan 31N-1	10.1777
010485706	Don Tomasito De Acari	1,000.00
540002311	Camila VII	900.0000
10102504	Virgen Del Carmen I 2004	116.6853
10139104	Virgen Del Carmen 2004 A	800.001
10164804	Virgen Del Carmen 2004 H	0.8911
10164004	Virgen Del Carmen 2004 L	9.9867
10163804	Virgen Del Carmen 2004 M	6.0000
10163904	Virgen Del Carmen 2004 N	9.4151
10277904	Virgen Del Carmen 2004 S	9.9856
10277804	Virgen Del Carmen 2004 T	43.863

Code	Concession Name	Hectares
10199506	Virgen Del Carmen 2006 A	998.7285
10164704	Virgen Del Carmen 2004 J	4.9936
10278004	Virgen Del Carmen 2004 R	21.2957
10164204	Virgen Del Carmen 2004 Q	27.6826
10087805	Virgen Del Carmen 2005A	88.7535
10142605	Virgen Del Carmen 2005 B	75.9339
10000226y01	Acari Trigesimo	579.2593
O10341005	Virgen Del Carmen 2005 C	399.4930
O10138807	Virgen Del Carmen 2007 A	251.0145

Table 2: San Santiago Project

The San Santiago Concessions are located in the Marcona Iron Oxide-Copper-Gold (IOCG) province, one of the biggest sources of iron or in the central Andes and host to numerous large copper (±gold ± silver) – rich IOCG deposits. The project area lies within the Acari-Cobrepampa district of the province, which comprises copper-silver-gold mineralised vein systems.

Within the area of the San Santiago Concessions, there are three small-scale copper deposits - Purisima and the smaller Brasil and Decimo Quinto. These provide feed for the flotation circuit of the San Santiago Plant and have contributed to existing copper oxide ore stockpiles. Currently, these deposits are the subject of artisanal mining. These three targets feature similar geological settings, containing repeat parallel vein systems. The majority of the tenure has already been mapped and sampled in detail.

(c) **Mirador Plant**

Titan announced on 17 April 2018 that it had executed a binding heads of agreement to acquire Peruvian companies Kairos Capital Peru S.A.C (**Kairos**) and M&S Transportes y Servicios Generales S.R.L (**Mirador**), subject to, among other things, completion of due diligence enquiries to the satisfaction of Titan (**Mirador Acquisition**).

The major assets held by Kairos and Mirador include:

- (i) the 100% owned Mirador processing plant located in Chimbote, Peru (**Mirador Plant**); and
- (ii) six 100% owned mineral concessions (**Mirador Concessions**).

The Mirador Plant is fully operational and has feedstock stockpiled and ready for processing through its flotation circuit. The plant also features a carbon in pulp gold circuit, which is currently on standby. Subject to the results of Titan's due diligence, completion of the Mirador Acquisition and the results of the Strategic Review, Titan plans to upgrade the carbon in leach (**CIL**) circuit. The Mirador Plant is strategically located 450km north of Lima in Chimbote whereas the majority of the toll mill processing facilities are focused in the south of the country in the Chala and Nazca districts.



Figure 3: Mirador Plant

About the Mirador Processing Plant

The Mirador Plant is a hybrid conventional style processing facility comprising of a sulphide flotation circuit with current capacity at 150 TPD and a 50 TPD CIP gold circuit configured to treat gold oxide ore. The Mirador Plant is well laid out for this type of circuit and is currently undergoing 'stage 1' expansion to double capacity of both the sulphide flotation and CIP circuits to 300 TPD and 100 TPD respectively. This will allow flexibility to be able to ensure the 'dual train' facility can produce up to the permitted capacity with various tonnage configurations on both streams. As part of an overall engineering review, several potential improvements have already been noted to increase plant efficiency and recoveries within the circuits. These will also coincide with the stage 1 works currently underway. The 'stage 2' expansion plans due to be completed during CY 2019 will render the capacity of the CIP circuit at 200 TPD, which after application and granting of an upgraded permitting approval will enable both circuits to be operated at full throughput capacity.

Material Terms of the Mirador Acquisition

Titan proposes to acquire 100% of Kairos and Mirador from Kairos Capital Holding Limited, Mr Wong Sang Moon and Mr Gyo Hee Kim (**Mirador Vendors**), subject to completion of satisfactory due diligence and the satisfaction (or waiver by Titan) of agreed conditions precedent:

- (i) Titan has paid a non-refundable deposit of US\$100,000 in connection with the Mirador Acquisition;
- (ii) Kairos, Mirador and the Mirador Vendors have agreed to not, and to ensure that their respective related bodies corporate and representatives do not, solicit, encourage or otherwise engage in discussions in respect of a competing proposal with any third party;
- (iii) completion of the Mirador Acquisition is conditional on the satisfaction (or waiver by Titan) of, among other things:
 - (A) completing its due diligence enquiries in respect of Kairos, Mirador and the Mirador Plant and being satisfied, in its sole and absolute discretion, with the results of the due diligence;
 - (B) Titan undertaking an equity capital raising to raise a minimum of US\$3,000,000;

- (C) Titan obtaining all requisite regulatory and shareholder approvals, waivers and confirmations (including a waiver of ASX Listing Rule 7.3.2 to permit the issue of the share consideration over a period of more than three months, if required); and
 - (D) no material adverse change occurring in respect of Kairos or Mirador; and
- (iv) in the event that Titan proceeds to complete the Mirador Acquisition, the Mirador Vendors will receive, in aggregate:
- (A) US\$2,000,000 cash;
 - (B) 131,768,112 Titan Shares to be issued in the three tranches:
 - (1) 43,992,704 to be issued on the earlier of completion of maximum machine capacity of CIP of 100 TPD or 30 June 2019;
 - (2) 43,992,704 to be issued on the earlier of completion of maximum machine capacity of CIP of 200 TPD or 31 December 2019; and
 - (3) 43,992,704 to be issued on completion of a maximum machine capacity flotation of 300 TPD and CIP 50 TPD on or before 30 June 2021.

Shareholders should take into account that the Mirador Acquisition remains subject to the conditions precedent detailed above. If the conditions precedent are not satisfied or waived by Titan, the Mirador Acquisition will not proceed.

The condition requiring Titan to undertake an equity capital raising to raise a minimum of US\$3,000,000 is expected to be satisfied by Titan completing the Placement detailed in Section 2.7.

2.5 Competent Person Statement

The information in this Bidder's Statement that relates to the Torrecillas Gold Project and the San Santiago Concessions is based on information compiled and conclusions derived by Mr Aidan Platel and fairly represents this information. Mr Platel has over 17 years' experience in the minerals industry, in both mining and exploration roles across a wide range of commodities. Since 2014, he has worked as an independent consultant with a focus on project evaluation and mineral exploration, and spent 12 years based in South America. Mr Platel has a Bachelor of Science with Honours in Geology from the University of Western Australia, and a Masters of Business Administration with Distinction from the Curtin Graduate School of Business. He is also a Graduate Member of the Australian Institute of Company Directors (AICD) and a Member of the Australasian Institute of Mining and Metallurgy (AUSIMM). Mr Platel has the relevant qualifications, experience and independence to be considered a "Competent Person" as defined by the JORC Code (2012). Mr Platel consents to the inclusion in the Bidder's Statement of the matters based on his information and has reviewed all statements pertaining to this information in the form and context in which it appears. Mr Platel has not withdrawn his consent prior to the lodgement of this Bidder's Statement with ASIC.

The information in this Bidder's Statement that relates to the San Santiago Plant is based on information compiled and conclusions derived by Mr Noel O'Brien and fairly represents this information. Mr O'Brien is not employee of Titan, but is employed as a contract consultant. Mr O'Brien is a Fellow of the Australasian Institute of Mining and Metallurgy and has the relevant qualifications, experience and independence to be considered a "Competent Person" as defined by the JORC Code (2012). Mr O'Brien consents to the inclusion in the

Bidder's Statement of the matters based on his information and has reviewed all statements pertaining to this information in the form and context in which it appears. Mr O'Brien has not withdrawn his consent prior to the lodgement of this Bidder's Statement with ASIC.

2.6 Material Contracts

(a) Bridging Loan to Andina

On 22 May 2018, Titan entered into a loan agreement with Andina, under which it, or its Subsidiary, Hogan Heroes S.A.C. must lend to Andina, or its Subsidiary, Vista Gold S.A.C (**Vista**) US\$500,000 (**Bridging Loan**) to assist Andina to meet its working capital requirements.

The Bridging Loan is subject to the following additional material terms:

(i) Security

Vista will grant a mortgage over its property named "Gustavo I", located in Sector Pampas de Chauchilla, Distrito de Vista Alegre, Provincia de Nasca y Departamento de Ica, registered in Card N° 11040006 of the Real Estate Registry of Ica (Zona Registral N° XI Sede Ica, Oficina Registral Nazca, Sección Especial de Predios Rurales), where its mining processing plant is being constructed, and or a pledge/movable guarantee over its assets and equipment located on that land.

(ii) Interest

Interest is payable on the Bridging Loan at a rate of 12% per annum.

(iii) Repayment

The Bridging Loan is for a term of 18 months.

At the end of the term, Titan has the right to make an election for repayment or capitalisation of the Bridging Loan (in whole or in part) and the issue of Andina Shares to Titan.

(iv) Expenses

All expenses and taxes arising in connection with the Bridging Loan are assumed by Andina.

(v) Governing Law

The Bridging Loan is subject to the laws of Peru.

(b) SilverStream Royalty Deed

Titan is a party to a gross smelter return royalty deed between SilverStream SEZC (**SilverStream**) and the San Santiago Project Companies (**SilverStream Royalty Deed**), pursuant to which:

(i) Titan will pay to SilverStream a royalty of:

(A) 3.75% of the gross smelter on gold generated from the San Santiago Plant or the San Santiago Project commencing on and including the date the Royalty Deed is entered into (**Effective Date**) and ending on the date which is six years after the Effective Date (**6th Anniversary**);

- (B) 4.5% of the gross smelter on gold generated from the San Santiago Plant or the San Santiago Project commencing on and including the date which is the day after the 6th Anniversary and ending on and including the date which is seven years after that date (**13th Anniversary**); and
 - (C) 5.25% of the gross smelter on gold generated from the San Santiago Plant or the San Santiago Project commencing on and including the date which is the day after the 13th Anniversary and ending on and including the date which is seven years after that date;
 - (ii) SilverStream will have the right to elect to purchase an amount of gold or silver in full substitution for payment of the royalty; and
 - (iii) the San Santiago Project Companies will guarantee to SilverStream the due performance of Titan's obligations under the SilverStream Royalty Deed.
- (c) **DCF Royalty Deed**

Titan is a party to a gross smelter return deed between DCF Capital LLC (**DCF**) and the San Santiago Project Companies (**DCF Royalty Deed**), pursuant to which:

- (i) Titan will pay to DCF a royalty of:
 - (A) 1.25% of the gross smelter on gold generated from the San Santiago Plant or the San Santiago Project commencing on and including the Effective Date and ending on the 6th Anniversary;
 - (B) 1.5% of the gross smelter on gold generated from the San Santiago Plant or the San Santiago Project commencing on and including the date which is the day after the 6th Anniversary and ending on and including the 13th Anniversary; and
 - (C) 1.75% of the gross smelter on gold generated from the San Santiago Plant or the San Santiago Project commencing on and including the date which is the day after the 13th Anniversary and ending on and including the date which is seven years after that date;
 - (ii) DCF will have the right to elect to purchase an amount of gold or silver in full substitution for payment of the royalty; and
 - (iii) the San Santiago Project Companies will guarantee to DCF the due performance of Titan's obligations under the DCF Royalty Deed.
- (d) **Earn-In and Joint Venture Agreement**

Titan is a party to an earn-in and joint venture agreement with Mantle Mining Peru S.A.C (**Mantle**), a wholly owned subsidiary of Andina (**Earn-In and Joint Venture Agreement**), pursuant to which Mantle has granted Titan the right to earn a 70% interest in the Torrecillas Earn-In Concessions which will take effect upon, and be subject to, Titan paying the annual fees imposed in respect of each of the Torrecillas Earn-In Concessions during the 2017, 2018 and 2019 calendar years capped at an aggregate amount of \$450,000, of which Titan has currently paid \$150,000.

Following completion of the earn-in, Titan and Mantle will form an unincorporated joint venture in relation to the Torrecillas Earn-in Concessions.

If the Offer is successful, Titan will not need to earn its interest in the Torrecillas Earn-In Concessions, instead acquiring them indirectly through its ownership of Andina.

(e) **Consultancy Agreement**

Titan has entered into a consultancy agreement with Ripperday Pty Ltd and Mr Matthew Carr (**Consultancy Agreement**).

Under the Consultancy Agreement, Ripperday Pty Ltd is engaged by Titan to provide consultancy services to Titan. Mr Matthew Carr will be engaged by Ripperday Pty Ltd to provide the consultancy services, including acting as an executive director of Titan. Ripperday Pty Ltd will be paid a consulting fee of A\$120,000 (excluding GST) per annum and will also be reimbursed for reasonable expenses incurred in the performance of its duties.

The Consultancy Agreement continues indefinitely unless terminated (**Termination Date**). Titan may terminate the Consultancy Agreement:

- (i) with immediate effect if:
 - (A) Ripperday Pty Ltd or Mr Carr are guilty of gross misconduct;
 - (B) Mr Carr becoming incapacitated by illness or accident for an accumulated period of six months in any 12 month period;
 - (C) Ripperday Pty Ltd or Mr Carr committing any breach of the Consultancy Agreement which is not rectified to the reasonable satisfaction of Titan within 10 business days of prior notice;
 - (D) for so long as Mr Carr is a Titan Director, Mr Carr:
 - (1) being removed, or being disqualified from acting as a Titan Director;
 - (2) resigning, retiring or failing to be re-elected as a Titan Director;
 - (E) Ripperday Pty Ltd or Mr Carr failing to provide the consultancy services pursuant to the Consultancy Agreement;
 - (F) Mr Carr dying or becoming permanently incapacitated;
 - (G) Ripperday Pty Ltd or Mr Carr failing to comply with any of the obligations and covenants contained in the Consultancy Agreement; or
 - (H) Ripperday Pty Ltd or Mr Carr committing any other act or omission which is referred in the Consultancy Agreement as giving Titan the right to terminate; or
- (ii) in any other circumstance, 12 months' notice.

Ripperday Pty Ltd may terminate the Consultancy Agreement:

- (i) on notice of breach or non-performance by Titan, and failure by Titan to remedy or adequately respond to the breach or non-performance within 10 business days; or
- (ii) in any other circumstance, six months' notice.

(f) **Deeds of Indemnity and Insurance**

Titan has entered into standard deeds of indemnity, access and insurance with each of the Titan Directors. Pursuant to those deeds, Titan has undertaken, consistent with the Corporations Act, to indemnify each Titan Director in certain circumstances and to maintain directors' and officers' insurance cover in favour of the Titan Director during the period of their appointment and for seven years after the Titan Director has ceased to be a Titan Director. Titan has further undertaken with each Titan Director to maintain a complete set of Titan's board papers and to make them available to the Titan Director for seven years after the Titan Director has ceased to be a Titan Director.

(g) **Non-Executive Director Appointment Letters**

Titan has entered into non-executive director appointment letters with each of Messrs Nicholas Rowley, Robert Skalor and Cameron Henry on the following key terms:

- (i) each non-executive director will receive remuneration of A\$6,000 (inclusive of superannuation) per month;
- (ii) appointment shall cease if the non-executive director:
 - (A) resigns;
 - (B) is disqualified under the Corporations Act or the Constitution from being a company director; or
 - (C) is removed as a director in accordance with the Corporations Act or the Constitution.

(h) **Bid Implementation Agreement**

Section 8.1 contains a summary of the material terms of the Bid Implementation Agreement.

2.7 Placement

On 22 May 2018, Titan announced that it had received firm commitments for a two tranche placement of an aggregate 366,666,666 Titan Shares at \$0.030 each to raise \$11m (before costs) (**Placement**).

The first tranche of 233,333,333 Titan Shares (\$7,000,000) (**Tranche 1 Placement Shares**) expected to be issued on or about 25 May 2018 using Titan's placement capacity under Listing Rule 7.1, subject to Titan issuing a cleansing prospectus.

The second tranche of the Placement, being the remaining 133,333,333 Titan Shares (\$4,000,000) (**Tranche 2 Placement Shares**), will be issued following receipt of approval from Titan Shareholders at a general meeting in early July.

2.8 Capital Structure

The effect of the Offer, the Mirador Acquisition and the Placement on the capital structure of Titan as at the date of this Bidder's Statement is as follows:

Securities	Titan Shares	Titan Performance Rights ⁴
Current securities on issue ¹	1,635,381,023 (60.67%)	80,500,000 (100%)

Securities	Titan Shares	Titan Performance Rights ⁴
Titan Shares issued pursuant to the Offer ²	561,656,385 (20.84%)	-
Tranche 1 Placement Shares	233,333,333 (8.66%)	
Tranche 2 Placement Shares	133,333,333 (4.95%)	
Titan Shares issued as consideration for the Mirador Acquisition ³	131,768,112 (4.89%)	-
Total	2,695,472,186 (100%)	85,000,000 (100%)

Notes:

1. Assumes that Titan does not issue any other Titan Shares and no Titan Performance Rights convert into Titan Shares.
2. Assumes 100% acceptance of the Offer, including acceptances by Andina Shares issued on the vesting of 71,009,414 Andina Performance Rights. The Andina Performance Rights vest on a third party making an off-market takeover offer for Andina within 12 months of 1 March 2018, subject to acceptances of the takeover offer of 50.1% or more. The actual number of Titan Shares to be issued under the Offer may vary due to rounding.
3. Assumes the completion of the Mirador Acquisition and all deferred or performance-based consideration consisting of Titan Shares is issued, as detailed above.
4. The 80,500,000 Titan Performance Rights on issue are comprised of:
 - (a) 24,500,000 Class A Performance Rights, with a milestone of Titan Shares achieving a daily VWAP of greater than \$0.05 for a period of 10 consecutive Trading Days and expiring on 29 December 2019;
 - (b) 27,125,000 Class B Performance Rights, with a milestone of Titan Shares achieving a daily VWAP of greater than \$0.06 for a period of 10 consecutive Trading Days and expiring on 29 December 2019; and
 - (c) 28,875,000 Class C Performance Rights with a milestone of Titan Shares achieving a daily VWAP of greater than \$0.07 for a period of 10 consecutive Trading Days and expiring on 29 December 2019.

If the milestone attaching to Titan Performance Rights is satisfied prior to the relevant expiry date, each Titan Performance Right will vest and convert into 1 Titan Share. If the respective milestone is not achieved by the expiry date, then all of the Titan Performance Rights held by each holder of Titan Performance Rights will convert into 1 Titan Share.

Further details of the terms and conditions of the Performance Rights can be found in Schedule 2 to Titan's notice of meeting dated 14 November 2017.

2.9 Financial Information

(a) Basis of Presentation of Historical Financial Information

The historical financial information below relates to Titan and its Subsidiaries on a stand-alone basis, and accordingly, does not reflect the impact of the Offer. It is a summary only and has been extracted from the audited consolidated financial report of Titan (including the notes therein) for the years ending 31 December 2017 and 31 December 2016 and the half-year ended 30 June 2017. Copies of these annual reports are available at www.titanminerals.com.au and the ASX website.

The historical financial information relating to Titan has been prepared in accordance with Australian Accounting Standards and its accounting policies as detailed in those annual reports.

The past performance of Titan is not a guarantee of future performance.

(b) **Consolidated Statement of Financial Position**

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

(c) **Consolidated Statement of Comprehensive Income**

	31-Dec-17	Audited 31-Dec-16
	\$'000s	\$'000s
CONTINUING OPERATIONS		
Revenue	639	1,365
Cost of sales	(808)	(1,009)
Gross loss	(169)	356
Other revenue	3	-
Occupancy expenses	-	-
Employee benefits expense	-	-
Depreciation and amortisation charges	(213)	(109)
Administration expenses	(1,455)	(623)

	31-Dec-17	Audited 31-Dec-16
	\$'000s	\$'000s
Foreign Exchange	(16)	247
Finance costs	-	(6)
Provision expense	(22)	-
Reversal of provision of impairment of property, plant & equipment	1,000	-
Loan forgiveness	17,754	-
DOCA expenses	(2,350)	-
Share based payments expense	(4)	-
Other expenses	(259)	(150)
PROFIT/ (LOSS) BEFORE INCOME TAX EXPENSE	14,269	(285)
Income tax expense / (benefit)	-	-
PROFIT/ (LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	14,269	(285)
Discontinued operations		
Loss for the year from discontinued operations	(1,836)	(662)
Profit/ (Loss) for the year	12,433	(947)
OTHER COMPREHENSIVE INCOME		
<i>Items that may not be reclassified subsequently to profit or loss</i>		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Exchange differences on translating foreign operations	1,652	1,341
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX	1,652	1,341
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	14,085	394
EARNINGS PER SHARE		
Basic earnings per share		
From continuing operations	3.588	(9.1)
Diluted earnings per share		
From continuing operations	3.588	(9.1)
Basic earnings per share		
From discontinued operations	-0.462	-
Diluted earnings per share		
From discontinued operations	-0.462	-

Titan was under external administration from 25 August 2015 to 4 October 2017. Accordingly, the Company did not have sufficient information to allow the level of disclosure of expenditure commitments by Titan required for the year ended 31 December 2016 and 31 December 2017.

2.10 Forecast Information

Titan's future financial performance is dependent on a range of factors, many of which are beyond Titan's control. Accordingly, the Titan Independent Directors have concluded that forecast financial information would be misleading to provide, as a reasonable basis does not exist for providing forecasts that would be sufficiently meaningful and reliable as required by applicable Australian law, policy and market practice.

Further information on Titan's financial performance is available from its financial reports. Copies of these reports are available from Titan's website, www.titanminerals.com.au.

2.11 Corporate Governance

The Titan Board seeks, where appropriate, to provide appropriate accountability levels based on the ASX Corporate Governance Council's Principles and Recommendations.

Details of Titan's corporate governance procedures, policies and practices can be found on Titan's website, www.titanminerals.com.au.

2.12 Recent Performance of Titan Shares

Relevant trading prices of Titan Shares on ASX are detailed in the following table:

Trading Period	A\$
Highest trading price on ASX in the 4 months prior to the date this Bidder's Statement was lodged with ASIC	\$0.038
Lowest trading price on ASX in the 4 months prior to the date this Bidder's Statement was lodged with ASIC	\$0.025
Last available closing sale price of Titan Shares (as at 22 May 2018) on ASX prior to the date this Bidder's Statement was lodged with ASIC	\$0.033
30-day VWAP of Titan Shares before the Announcement Date	\$0.031

2.13 Quotation of Offer Consideration

Titan Shares are admitted to trading on the Official List of ASX. Titan will lodge an application for admission to quotation of the Titan Shares comprising the Offer Consideration to trading on ASX. Quotation will not be automatic and will depend on ASX exercising its discretion. Nothing in this Bidder's Statement is to be taken to state or imply that the Titan Shares issued as the Offer Consideration will be quoted on ASX. However, quotation is expected in the ordinary course as Titan is already admitted to the Official List of ASX.

Titan, as an entity listed on ASX, is subject to the ASX Listing Rules.

2.14 Rights and Liabilities Attaching to Titan Shares

The Titan Shares comprising the Offer Consideration are fully paid ordinary shares in the capital of Titan, and from the date of their issue, will rank equally with existing Titan Shares and have the same rights and liabilities attaching to them.

The following is a summary of the more significant rights and liabilities attaching to Titan Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Titan Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Titan Shares are detailed in Titan's constitution, a copy of which is available for inspection at Titan's registered office during normal business hours or can be obtained from Titan's website at www.titanminerals.com.au.

(a) General Meetings

Titan Shareholders are entitled to be present in person, or by proxy or attorney to attend and vote at general meetings of Titan.

Titan Shareholders may requisition meetings in accordance with section 249D of the Corporations Act.

(b) **Voting Rights**

Subject to any rights or restrictions for the time being attached to any class or classes of Titan Shares, at general meetings of Titan Shareholders or classes of Titan Shareholders:

- (i) each Titan Shareholder entitled to vote may vote in person or by proxy or attorney;
- (ii) on a show of hands, every person present who is a Titan Shareholder or a representative of a Titan Shareholder has one vote in respect of each Titan Share carrying the right to vote; and
- (iii) on a poll, every person present who is a Titan Shareholder or a proxy, attorney or representative of a Titan Shareholder shall, in respect of each Titan Share held by him or her, or in respect of which he or she is appointed a proxy, attorney or representative, have one vote for each Titan Share held, but in respect of partly paid Titan Shares shall have a fraction of a vote equivalent to the proportion which the amount paid up bears to the total issue price of the Titan Share.

(c) **Dividend Rights**

The Titan Directors alone may declare a dividend to be paid to Titan Shareholders. The dividend is payable at a time determined in the Titan Directors' discretion. No dividend may be declared or paid except as allowed by the Corporations Act. No interest is payable in respect of unpaid dividends.

(d) **Winding Up**

If Titan is wound up, the liquidator may, with the authority of a special resolution, divide among Titan Shareholders in kind the whole or any part of the property of Titan, and may for the purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between Titan Shareholders or different classes of Titan Shareholders.

(e) **Shareholder Liability**

Titan Shares issued as Offer Consideration are fully paid shares and not subject to any calls for money by the Titan Directors and will therefore not become liable to forfeiture.

(f) **Transfer of Shares**

Generally, Titan Shares are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(g) **Variation of Rights**

Pursuant to section 246B of the Corporations Act, Titan may, with the sanction of a special resolution passed at a meeting of shareholders, vary or abrogate the rights attaching to Titan Shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not Titan is being wound up, may be varied or abrogated by a special resolution of Titan and either the consent in writing of the holders of three quarters of the issued shares of that class, or a special resolution passed at a separate meeting of the holders of the shares in that class.

(h) **Changes to the Constitution**

Titan's constitution can only be amended by a special resolution passed by at least 75% of Titan Shareholders present and voting at the general meeting. In addition, at least 28 days' written notice specifying the intention to propose the resolution as a special resolution must be given.

2.15 Dividend History

Titan has not previously and does not currently pay dividends.

2.16 Publicly Available Information about Titan

Titan is a disclosing entity for the purposes of section 111AC(1) of the Corporations Act and as such, is subject to regular reporting and disclosure obligations. Broadly, these obligations required Titan to:

- (a) prepare and lodge with ASX both yearly and half-yearly financial statements accompanied by a directors' statement and report and an audit or review report; and
- (b) immediately notify ASX of any information concerning Titan of which it is, or becomes, aware and which a reasonable person would expect to have a material effect on the price or value of securities in Titan, subject to certain limited exceptions relating mainly to confidential information.

Copies of documents lodged at ASIC in relation to Titan may be obtained from or inspected at an office of ASIC. Copies of documents lodged with ASX in relation to Titan may be obtained from the ASX website (www.asx.com.au).

3. Profile of Andina

3.1 Disclaimer

This overview of Andina and all financial information concerning Andina contained in this Bidder's Statement has been prepared by Titan based using publicly available information and information provided by Andina management.

The information in this Bidder's Statement concerning Andina has not been independently verified. Titan and the Titan Independent Directors do not, subject to applicable law, make any representation or warranty, express or implied, as to the accuracy or completeness of this information. The information on Andina is not considered comprehensive. For more details regarding Andina, you should refer to the Target's Statement, which Andina will send to Andina Shareholders as required by the Corporations Act.

3.2 Overview of Andina

Andina Resources Limited was incorporated on 11 June 2009 and is an unlisted public company.

Andina is a Peru focused gold toll treatment company that:

- (a) operates a CIP gold production plant (**Tulin Gold Plant**), located approximately 250km north of the Torrecillas Gold Project; and
- (b) is completing construction of a second gold plant (**Vista Gold Plant**) approximately 200km north of the Torrecillas Gold Project. The Pan American highway links the Torrecillas Gold Project and the Vista Gold Plant.

In addition, Andina owns the Torrecillas Gold Project, including the Torrecillas gold mine and the Torrecillas Earn-In Concessions (to which Titan has the right to earn-in to 70%) as detailed in Section 2.4(a).

During the financial year:

- (a) ending 30 June 2014, Andina processed 15,700 tonnes of ore averaging 15.7 grams/tonne and achieved a profit before tax of A\$1,938,225;
- (b) ending 31 December 2015, Andina processed 12,115 tonnes of ore averaging 20.5 grams/tonne and achieved a profit before income tax of A\$612,002; and
- (c) ending 31 December 2016, Andina processed 13,500 tonnes of ore to produce 7,629 oz of gold averaging 17.4 grams / tonne and achieved a profit before income tax of A\$358,613.

During the financial year ended 31 December 2017, Andina processed 8,592 tonnes of ore averaging 17.7 grams/tonne. Andina does not anticipate deriving a profit for that financial year on the basis that its working capital was directed to the construction of the Vista Gold Plant and the existence of tailings dam capacity restrictions at the Tulin Gold Plant, amongst other things.

3.3 Overview of Andina's Assets

(a) **Tulin Gold Plant**

Tulin Gold SAC, a Subsidiary of Andina, leases and operates the Tulin Gold Plant located in the industrial area of the small town of Tulin in the Nasca Province in Peru.

Andina has successfully refurbished, upgraded and operated the plant on a commercial basis since 2013, generating revenue of circa US\$13.144m per annum and EBITDA of circa US\$1.223m in 2016. Revenue and profits have reduced significantly in FY 2017 due to a lack of working capital as funds were diverted to the construction of the Vista Gold Plant, and tailings dam capacity restrictions at the Tulin Gold Plant.

The Tulin Gold Plant is licensed for 70 TPD and averaged approximately 30 TPD in FY 2016 with all ore being purchased from licensed artisanal gold miners in the local mining district.



Figure 4: Tulin Gold Plant and CIL circuits.

The Tulin Gold Plant has profitably milled over 50,000 tons of ore grading approximately 17-20 grams per ton since 2014 and has produced approximately 7,500 oz to 8,600 oz of refined gold per annum, excluding the financial year ended 31 December 2017 (as explained above).

(b) **Vista Gold Plant**

Andina has invested in excess of approximately \$3.5m and four years into the land acquisition, permitting and building of the Vista Gold Plant.

The Vista Gold Plant will be licenced for 350 TPD of gold ore utilising a CIL process. Initially, the plant will be commissioned for 200 TPD, with minimal capital required to increase capacity to 350 TPD.

The plant location is located 13 km south of Nasca and less than 10km from the Pan Pacific Highway with critical access to grid power and significant water reserves, which ensure best of breed low cost operating conditions. In addition, the location of the Vista Gold Plant is at a highly active gold mining region and centrally located to attract artisanal gold ore deliveries from seven mining districts in southern Peru.



Figure 5: Vista Carbon & Leaching Tanks, with Tailings Dam in the distance.

Andina is targeting Q3 2018 for completion of construction of the Vista Gold Plant. When complete, the Vista Gold Plant will provide the combined group with significant cash flow opportunity in the near term. The team intends to acquire and process high grade ore from licensed artisanal miners in the region and utilise the Vista Gold Plant to process any ore mined at the Torrecillas gold mine and/or San Santiago Concessions, providing significant synergies to the group. When complete and licensed, the Vista Gold Plant will have a nameplate capacity of 200 tons per day, more than double the operating capacity of the existing Tulin Gold Plant. The Vista Gold Plant has been designed to increase its capacity to 350 tons per day with minimal capital outlay, when warranted by supply of ore. Andina aims to have the Vista Gold Plant commissioned for operation in Q4 2018, subject to timely receipt of all requisite permits and approvals.

3.4 Andina's Board of Directors

At the date of this Bidder's Statement, the Andina Directors are:

- (a) Matthew Carr;
- (b) Arturo Caverro; and
- (c) Timothy Neesham.

3.5 Information about Andina Securities

At the date of this Bidder's Statement, Andina's issued securities consisted of:

- (a) 591,745,120 Andina Shares; and
- (b) 71,009,414 Andina Performance Rights.

The Andina Performance Rights vest on a third party making an off-market takeover offer for Andina within 12 months of 1 March 2018, subject to receiving acceptances of the takeover offer of 50.1% or more.

3.6 Titan's Interests in Andina's Securities

At the date of the Bidder's Statement, Titan has a relevant interest in 117,377,252 (19.83%) Andina Shares pursuant to Pre-Bid Acceptance Agreements entered into with Andina Shareholders.

Refer to Section 8.1 for further details of the Pre-Bid Acceptance Agreements.

3.7 Publicly Available Information

Andina maintains a website, www.andinaresources.com.au, which contains further information about Andina and its operations.

Andina is required to lodge various documents with ASIC. Copies of documents lodged with ASIC by Andina may be obtained from, or inspected at, an ASIC office.

Further information about Andina will be contained in its Target's Statement.

4. Combined Entity

4.1 Approach

This Section 7 provides an overview of the Combined Entity following the successful completion of the Offer, and the effect of the Offer on Titan and Andina.

4.2 Disclaimer

In preparing the information relating to Titan and the Combined Entity contained in this Bidder's Statement, Titan has relied on publicly available information relating to Andina and information provided by Andina management. Risks may exist in relation to Andina (which may affect the Combined Entity) of which Titan is unaware. If any material risks are known to Andina, these must be disclosed in the Target's Statement issued by Andina.

Accordingly, subject to any applicable laws, Titan makes no representations or warranties (express or implied) as to the accuracy and completeness of the information in this Section 7. The information relating to Andina contained in this Bidder's Statement is not considered comprehensive.

4.3 Effect of the Offer

If the Offer is successful, Andina Shareholders will receive one Titan Share for every 1.18 Andina Shares held by them, and accordingly, will become Shareholders in the Combined Entity.

After the Offer, if Titan becomes entitled to compulsorily acquire outstanding Andina Shares in accordance with Part 6A.1 of the Corporations Act, it intends to proceed with the compulsory acquisition of those shares and all of Andina's Shareholders (including Andina Shareholders who have received Titan Shares pursuant to the Offer) will be shareholders in the Combined Entity.

Shareholders of the Combined Entity will be exposed to the risks of the Combined Entity detailed in Section 7.

4.4 Profile of the Combined Entity

If the Offer is successful, Titan will obtain effective control of Andina and all of Andina's Shareholders will become shareholders in the Combined Entity.

The Combined Entity will provide a simplified single ownership structure and operational management of assets being the Torrecillas Gold Projects and the Vista Gold Plant and Tulin Gold Plant.

If the Offer is successful and Titan obtains Control of Andina, Titan will continue to develop its current Peruvian assets, the Torrecillas Gold Project and the San Santiago Project, in addition to operating Andina's complementary assets comprising the Tulin Gold Plant and the Vista Gold Plant.

Titan currently has the right to earn-in a 70% interest in the Torrecillas Gold Project. The Offer, if successful, will re-consolidate Titan's ownership of the Torrecillas Gold Project without Titan having to earn-in. The consolidation of ownership of the Torrecillas Gold Project in Titan and the acquisition of the Tulin and Vista Gold Plants has several key benefits:

- (a) Titan will be able to take advantage of the Vista Gold Plant to avoid building its own mill facilities, saving circa US\$4m in capital expenditure, and avoiding the three to four years required to achieve the gold plant licensing approvals;

- (b) ore can be transported from the Torrecillas Gold Project to the Vista Gold Plant via the Pan American Highway, which provides an efficient transport route from mine to mill;
- (c) any discovery and subsequent mining operations at the San Santiago Concessions can also transport ore to the Vista Gold Plant for processing, which is located less than 100km away; and
- (d) significant administration and corporate overhead savings.

These synergies will cement Titan’s footprint in Peru as a major gold and base metals exploration and production company.

Andina has established an experienced in country operational team having operated in Peru for over 8 years with, most importantly, a strong standing in the community. In addition, the Andina Peru management team provide a wealth of local relationships, plant and technical capabilities in both operating and exploration that will be invaluable to Titan as it expands its operations in Peru.

The merged Board and management team is highly credentialed and experienced with strong connections in the key South American and North American markets.

4.5 Combined Entity Structure

The effect of the Offer on the capital structure of Titan as at the date of this Bidder's Statement is detailed in Section 2.6.

If the Offer is successful, the corporate structure of the Combined Entity will be as shown in the diagram below.

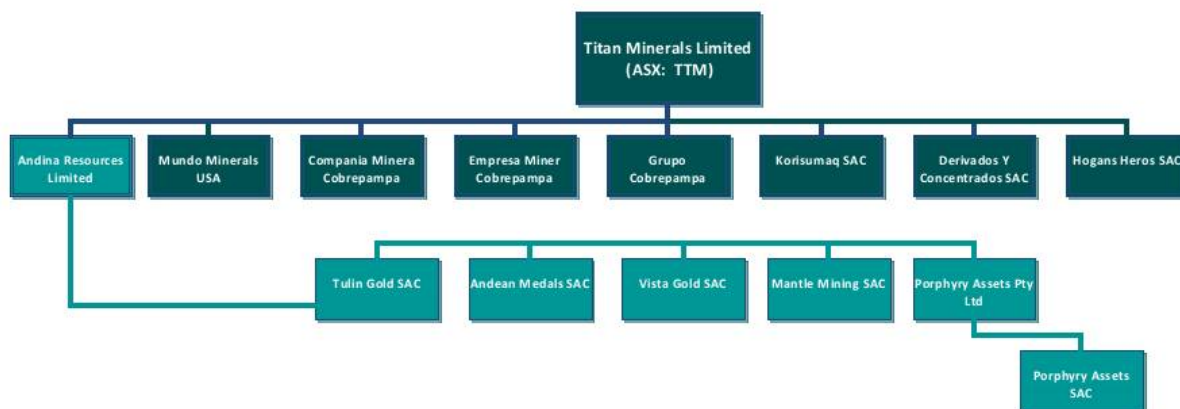


Figure 6: The organisational structure of the Combined Entity, showing Andina and its Subsidiaries that Titan will acquire if the Offer is successful.

4.6 Basis for Preparation of the Unaudited Pro Forma Consolidated Statement of Financial Position

The unaudited pro forma consolidated statement of financial position has been prepared in connection with the proposed acquisition of Andina by Titan. The unaudited pro forma consolidated statement of financial position has been prepared for illustrative purposes only and gives effect to the acquisition by Titan pursuant to the assumptions detailed in Section 4.8. The unaudited pro forma consolidated statement of financial position as at 31 December 2017 gives effect to the transaction as if it had occurred as of 31 December 2017.

The unaudited pro forma consolidated statement of financial position is not necessarily indicative of the financial position that would have been achieved if the transaction had been

completed on the dates or within the periods presented, nor do they purport to project the results of operations or the financial position of the consolidated entities for any future period or as of any future date. The unaudited pro forma consolidated statement of financial position does not reflect any special items such as integration costs or operating synergies that may be incurred or achieved because of the acquisition.

The unaudited pro forma adjustments and allocations of the purchase price for the proposed acquisition of Andina is based on a preliminary determination that the fair value of net assets acquired will be allocated to the exploration and evaluation assets. The final purchase price allocation will be completed after the transaction is complete.

The unaudited pro forma consolidated statement of financial position has been prepared in accordance with Australian Accounting Standards. In preparing the Combined Entity unaudited pro forma consolidated statement of financial position, the following historical information was used:

- (a) the audited financial report of Titan (including the notes therein) for the years ending 31 December 2017; and
- (b) the unaudited management accounts of Andina as at 31 December 2017.

In preparing the unaudited pro forma consolidated statement of financial position, no alignment has been made between the accounting policies of Andina and Titan. The Titan Independent Directors are not aware of any material differences that would arise on such an alignment.

In preparing pro forma financial information on the Consolidated Entity, financial information regarding Andina was required. For the purposes of this Bidder's Statement, that information has been prepared based on unaudited management accounts provided by Andina. Titan does not make any representation or warranty, express or implied, as to the accuracy or completeness of that information. Andina may release updated financial information in any target's statement which is sent to Andina Shareholders.

4.7 Pro Forma Consolidated Statement of Financial Position for the Combined Entity

	Audited Titan 31-Dec-17 \$'000s	Unaudited Andina 31-Dec-17 \$'000s	Pro Forma 31-Dec-17 \$'000s
CURRENT ASSETS			
Cash and cash equivalents	2,932	376	5,583
Trade and other receivables	290	2,016	1,940
Prepayments	-	-	-
Inventories	-	597	597
TOTAL CURRENT ASSETS	3,222	2,989	8,120
NON-CURRENT ASSETS			
Trade and other receivables	99	-	99
Available for Sale investments	-	2,600	-
Property, plant and equipment	1,000	3,130	4,130
Mine assets	173	-	173
Deferred exploration and evaluation expenditure	-	107	5,107
Intangible Asset	-	-	6,910
TOTAL NON-CURRENT ASSETS	1,272	5,837	16,419
TOTAL ASSETS	4,494	8,826	24,539

	Audited Titan 31-Dec-17 \$'000s	Unaudited Andina 31-Dec-17 \$'000s	Pro Forma 31-Dec-17 \$'000s
CURRENT LIABILITIES			
Trade and other payables	1,065	934	1,808
Other liability	-	-	-
Financial liabilities	175	160	160
Provisions	-	42	42
TOTAL CURRENT LIABILITIES	1,240	1,136	2,010
NON-CURRENT LIABILITIES			
Trade and other payables	2,205	-	2,205
Financial liabilities	-	-	-
TOTAL NON-CURRENT LIABILITIES	2,205	-	2,205
TOTAL LIABILITIES	3,445	1,136	4,215
NET ASSETS	1,049	7,690	20,324
EQUITY			
Issued capital	91,051	6,763	110,651
Reserves	2,574	4,332	2,249
Accumulated losses	(92,576)	(3,405)	(92,576)
TOTAL EQUITY	1,049	7,690	20,324

4.8 Effect of the Transaction on the Pro Forma Consolidated Statement of Financial Position

The pro forma consolidated statement of financial position incorporates the following pro forma assumptions in relation to Titan's proposed acquisition of Andina:

- (a) the issue of 560,000,000 Titan shares to Andina Shareholders as the Offer Consideration, at a notional price of \$0.035 per Titan Share, based on the closing price of Titan Shares on ASX on 14 May 2018 (refer to Section 9.1); and
- (b) an on-market sale of the 65,000,000 Titan shares held by Andina (refer to Section 5.8).

The pro forma consolidated statement of financial position does not incorporate:

- (a) the Mirador Acquisition (refer to Section 2.4);
- (b) the Placement to be conducted by Titan (refer to Section 2.7); or
- (c) the Bridging Loan provided to Andina (refer to Section 2.6).

4.9 Outlook for the Combined Entity

The Bidder's Statement does not include any financial forecasts or projections for revenue or profit in relation to Titan, Andina or the Combined Entity.

Titan has given careful consideration as to whether there is a reasonable basis to produce reasonable and meaningful forecast financial information for the Combined Entity. However, the Titan Independent Directors have concluded that as the date of this Bidder's Statement, it would be misleading to provide forecast financial information of the Combined Entity.

5. Rationale for the Offer and Intentions of Titan

5.1 Disclosure Regarding Forward-Looking Statements

This Bidder's Statement includes forward-looking statements that have been based on Titan's current expectations and predictions about future events, including Titan's intentions (including those detailed in this Section 5). These forward-looking statements are, however subject to inherent risks, uncertainties and assumptions that could cause actual results, performance or achievements of Titan, Andina and the Combined Entity to differ materially from the expectations and predictions, expressed or implied, in such forward-looking statements. These factors include, amongst other things, those risks identified in this Bidder's Statement.

None of Titan, its officers, nor persons named in this Bidder's Statement with their consent or any person involved in the preparation of this Bidder's Statement makes any representation or warranty (express or implied) as to the accuracy or likelihood of any forward-looking statements. You are cautioned not to place reliance on these statements in the event that the outcome is not achieved. These statements reflect views and opinions as at the date of this Bidder's Statement.

5.2 Qualification to Titan's Intentions

This Section 5 details Titan' intentions in relation to:

- (a) the continued operation of Andina;
- (b) any major changes to be made to the operations of Andina, including any redeployment of Andina's property; and
- (c) the future employment of the present employees of Andina.

These intentions are based on the information concerning Andina, its business and the general business environment that is known to Titan at the time of preparing this Bidder's Statement.

At the date of this Bidder's Statement and to the knowledge of Titan, there are no employees of Andina. The current management of Andina (being the Andina Directors) provide management services to Andina through their respective services companies pursuant to services contracts.

Final decisions regarding these matters will only be made by Titan based on information and circumstances at the relevant time. Accordingly, the statements in this Section 5 are statements of Titan's current intentions only, which may change as new information becomes available to Titan or as circumstances change.

5.3 Rationale for the Offer

Titan believes that there are a number of key strategic and financial benefits that will arise from the successful acquisition of Andina by Titan. These include:

- (a) Following completion of the Offer, the Company will continue to develop its current Peruvian assets, the Torrecillas Gold Project and the San Santiago Project in addition to Andina's remaining complementary assets comprising the Tulin Gold Plant, the Vista Gold Plant and the Torrecillas Gold Project. The Offer will re-consolidate Titan's ownership of the Torrecillas Gold Project and otherwise enhance Titan's footprint in Peru as a major gold and base metals exploration and production company.

- (b) Andina has established an experienced in country operational team, with a strong standing in the community. In addition, the Andina Peru management team provide a wealth of local relationships, plant operating and exploration expertise, which will be invaluable to Titan as it expands its operations in Peru, especially given Titan lost, many of its key personnel during its reconstruction.
- (c) The cost of toll treatment of ore in Peru is recognised as significant cost to all miners. By consolidating the Torrecillas Gold Project, Tulin Gold Plant and the Vista Gold Plant into one entity, Titan will be uniquely positioned to mill its own ore while retaining the ability to exploit artisanal miners' requirement to process small batches of high-grade ore.
- (d) Titan also envisages that in the future the lower grade ore from the Torrecillas Gold Project (which would be commercially unviable to process without a company owned mill) will be blended with high-grade ore acquired from artisanal miners, to smoothen the average head grade at the Vista Gold Plant, thereby increasing overall recovery efficiencies and profitability.
- (e) Consolidation of the ownership of the Torrecillas Gold Project will ensure that any future discoveries will be able to be exploited by Titan exclusively, with minimal additional capital expenditure by utilising existing heavy equipment, personnel and senior management. In addition, Titan will not require the significant capital investment to build in its own mill facilities due the availability and location of the Vista Gold Plant, saving circa US\$4m capital expenditure, and avoiding the three to four years required to achieve the gold plant licensing approvals.
- (f) Transportation of any ore to the Vista Gold Plant is via the Pan American Highway, providing an efficient transport route from mine to mill.
- (g) The San Santiago Concessions are prospective for gold and it is envisaged any discovery and subsequent mining operations would transport ore to the Vista Gold Plant for processing as it is located less than 100km from San Santiago Concessions.

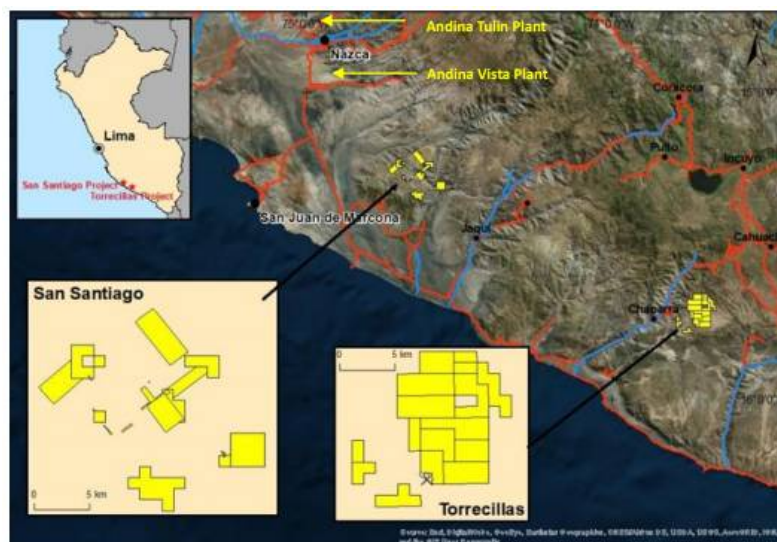


Figure 7: Relative location of the San Santiago Project and the Torrecillas Gold Project and Andina's Vista Gold Plant and Tulin Gold Plant.

5.4 Titan's Intentions Generally Regarding Andina

Titan has reviewed information that has been publicly released in relation to Andina, its current activities and its plans for the future. Titan does not currently have knowledge of all material information, facts and circumstances that are necessary to assess the operational, commercial, taxation and financial implications of its current intentions.

It is Titan's current intention:

- (a) on the basis of the information concerning Andina which is known to Titan and the existing circumstances affecting the business of Andina as at the date of this Bidder's Statement; and
- (b) subject to:
 - (i) the Strategic Review (detailed in Section 5.5(a));
 - (ii) any variations that Titan considers necessary in light of its technical and operational experience and expertise and the resources of the Combined Entity; and
 - (iii) Titan's intentions detailed in Sections 5.5 and 5.6 (as applicable),

that:

- (c) the business of Andina will otherwise be continued in substantially the same manner as it is presently being conducted;
- (d) no major changes will be made to the business of Andina; and
- (e) there will not be any redeployment of the fixed assets of Andina.

5.5 Intentions of Titan if it Acquires 90% or More of Andina Shares

If Titan acquires a Relevant Interest in 90% or more of Andina Shares under the Offer, and so becomes entitled to proceed to the compulsory acquisition of outstanding Andina Shares in accordance with Part 6A.1 of the Corporations Act, Titan's intentions are as follows:

(a) **Strategic Review**

Subject to what is disclosed elsewhere in this Section 5, Titan intends to undertake a detailed review of Andina's activities, assets and liabilities to evaluate its prospects, strategic relevance, funding requirements and financial performance (**Strategic Review**). This may lead to modification of some of Andina's existing projects and activities. The Strategic Review will provide the main platform for Titan to identify and assess the specific areas that may provide benefits to Titan and the expected costs and timeframes.

(b) **Composition of Andina Board**

Under the Bid Implementation Agreement, if Titan acquires a Relevant Interest in at least 50.1% of Andina Shares and the Offer is declared unconditional, Andina must within 5 Business Days of receiving a request from Titan:

- (i) take all actions necessary to cause the appointment of Titan's nominees to the Andina Board;
- (ii) ensure that all directors on the Andina Board, other than Titan's nominees, resign and unconditionally and irrevocably release the Andina from any claims they may have against Andina (without limitation to any accrued rights they may have under any deed of access and indemnity or policy of directors and officers insurance); and
- (iii) take all actions to ensure that all directors on the boards of Andina Subsidiaries resign and unconditionally and irrevocably release Andina and such Subsidiaries from any claims they may have against any of them, and to cause the appointment Titan's nominees to those boards

(without limitation to any accrued rights they may have under any deed of access and indemnity or policy of directors and officers insurance).

At the date of this Bidder's Statement, Titan has not determined which members of the Andina Board will be replaced. Titan will seek to appoint a management team and board that have both the relevant capabilities and experience to execute Titan's revised strategy for Andina.

(c) **Compulsory Acquisition**

Titan intends to proceed with the compulsory acquisition/buy-out of all Andina Shares not acquired under the Offer in accordance with the provisions of Chapter 6A.1 of the Corporations Act.

(d) **Corporate Office and Employees**

Subject to the Strategic Review Titan intends to continue to conduct Andina's business. At the date of this Bidder's Statement and to the knowledge of Titan, there are no employees of Andina. However, if any employees are identified and Titan considers staff changes appropriate, Titan may retain or redeploy any employees identified in line with applicable employment laws.

(e) **Elimination of Duplication**

To the extent that activities and functions presently carried out by Titan and Andina will be duplicated, such duplication will be eliminated where it is economically efficient to do so.

(f) **Balance Sheet Date and Accounting Policy**

Titan intends to conduct a review of Andina's accounting policies. It is expected that this review will result in the adoption of Titan's accounting policies.

5.6 Intentions of Titan if it Acquires More than 50% but Less Than 90% of Andina Shares

If Titan has not received acceptances enabling it to acquire a Relevant Interest in such number of Andina Shares that represent at least 90% of the aggregate of all Andina Shares on issue at the end of the Offer Period, the Offer Condition in Section 9.10(a) will not have been satisfied. Accordingly, the Offer will not proceed and Titan will not acquire any Andina Shares under the Offer, unless Titan decides to waive the Offer Condition.

If Titan were to waive the Offer Condition in Section 9.10(a) and acquire less than 90% of the Andina Shares, Titan would not immediately become entitled to compulsorily acquire any outstanding Andina Shares under Part 6A.1 of the Corporations Act.

(a) **General**

Titan will implement the intentions detailed in Section 5.5 above to the extent that it is commercially and economically feasible and subject to the requirements of the Corporations Act and any applicable law. These intentions specifically include those in respect of the Strategic Review, corporate matters, corporate office, elimination of duplication and general business integration.

(b) **Active Major Shareholder**

Subject to the Corporations Act, Titan intends to become actively involved in determining Andina's capital management policies and controlling the strategic direction of Andina's business.

Titan intends (subject to the Corporations Act and Andina's constitution) to procure the appointment of a majority of Titan's nominees to the Andina Board so that the proportion of Titan's nominees is at least in line with Titan's voting power in Andina.

Additionally, if Titan receives acceptances under the Offer that bring its shareholding to more than 75% of Andina Shares, it will be in a position to cast the votes required for a "special resolution" at a meeting of Andina Shareholders. This would enable it to pass resolutions, for example, to amend Andina's constitution.

(c) **Other Intentions**

Titan reserves the right to, at some later time, acquire further Andina Shares in a manner consistent with the Corporations Act and Andina's constitution.

It is possible that, even if Titan is not entitled to proceed to compulsory acquisition of any outstanding Andina Shares under Part 6A.1 of the Corporations Act, Titan may subsequently become entitled to exercise rights of general compulsory acquisition under Part 6A.2 of the Corporations Act, for example, as a result of acquisitions of Andina Shares pursuant to the "3% creep" exception in item 9 of section 611 of the Corporations Act. If so, Titan may exercise those rights of compulsory acquisition. Under this scenario, after completion of the compulsory acquisition of the outstanding Andina Shares, Titan intends to implement the intentions in Section 5.5, to the extent that is economically feasible and subject to the requirements of the Corporations Act and any applicable law.

5.7 Intentions of Titan if it Acquires Less Than 50% of Andina Shares

Titan does not intend to waive the Offer Condition in Section 9.10(a) if it has not received acceptances enabling it to acquire a Relevant Interest in such number of Andina Shares that represent at least 50.1% of the aggregate of Andina Shares on issue at the end of the Offer Period. In these circumstances, the Offer will not proceed (and Titan will not acquire any Andina Shares).

5.8 Andina's Holding in Titan

At the date of this Bidder's Statement, Andina holds 65,000,000 Titan Shares.

If the Offer is successful and Titan obtains Control of Andina, Titan will investigate the most appropriate method for Andina to divest its Titan Shares within 12 months, in accordance with section 259D of the Corporations Act.

5.9 Limitation on Intentions

There may be limitations to Titan's ability to give effect to its intentions as outlined in this Section 5 due to the legal obligations of the Andina Directors to have regard to the best interests of Andina and Andina Shareholders, including the rights of minority shareholders and the requirements of the Corporations Act. Titan may require legal and financial advice before deciding what action to take in connection with the intentions detailed in this Section 5, including in relation to any requirements for Andina Shareholder approval.

6. Australian Tax Considerations

6.1 Introduction

The following is a general description of the Australian income and capital gains tax (**CGT**) consequences that may arise for certain Andina Shareholders on disposing of their Andina Shares (through acceptance of the Offer) in return for Titan Shares. The Australian taxation consequences for Andina Shareholders will depend on their individual circumstances. Andina Shareholders should make their own enquiries and seek independent professional advice on their circumstances.

The information below is relevant only to those Andina Shareholders who hold their Andina Shares on capital account for the purpose of investment and who do not (or would not) hold those securities on revenue account. These comments relate to Andina Shares only and not to options or other rights held over Andina Shares.

Certain Andina Shareholders (such as those engaged in a business of trading or investment, those who acquired their Andina Shares for the purpose of resale at a profit or those which are banks, insurance companies, tax exempt organisations or superannuation funds) will or may be subject to special or different tax consequences particular to their circumstances. Andina Shareholders should obtain their own Australian tax advice specific to their own relevant circumstances.

Andina Shareholders who are not resident in Australia for tax purposes should also take into account the tax consequences under the laws of their country of residence, as well as under Australian law, of the disposal of Andina Shares under the Offer.

6.2 Australian Resident Andina Shareholders

Acceptance of the Offer will involve the disposal by you of your Andina Shares for Australian CGT purposes.

The disposal of Andina Shares that are held on capital account will generally have CGT implications. Such disposal will constitute a CGT event for CGT purposes.

The date of disposal for CGT purposes will be the date the contract to dispose of the Andina Shares is entered into.

If an Andina Shareholder does not dispose of their Andina Shares under the Offer and their Andina Shares are compulsorily acquired in accordance with Part 6A.1 of the Corporations Act, those Andina Shareholders will also be treated as having disposed of their Andina Shares for CGT purposes. The date of disposal for CGT purposes will be the date when Titan becomes the owner of the Andina Shares.

Australian resident Andina Shareholders may make a capital gain or capital loss on the disposal of their Andina Shares under the Offer.

Capital gains and capital losses of a taxpayer in a year of income are aggregated to determine whether there is a net capital gain. If so, that net capital gain is included in assessable income and is subject to income tax. However, a "CGT discount" may be available to reduce the net capital gain for certain Andina Shareholders (see further below).

Capital losses may not be deducted against other income for income tax purposes, but may be offset against capital gains realised in the same income year or be carried forward to be offset against future capital gains.

In general, a capital gain arising on the disposal of an Andina Share under the Offer will be calculated on the basis of the difference between the capital proceeds of the disposal (i.e. the Offer Consideration received from Titan) and the cost base of the Andina Share. A

capital loss will be calculated based on the difference between the capital proceeds and the reduced cost base of the Andina Share.

The cost base of Andina Shares is generally their cost of acquisition. Certain other incidental costs associated with acquisition and disposal, such as brokerage or stamp duty (that are not deductible to the Andina Shareholder), may be added to the cost base. The cost base or reduced cost base may have been reduced by any "tax deferred" or other non-assessable distributions that you have received in respect of the Andina Shares.

An Andina Shareholder who is an individual, complying superannuation entity or trustee of a trust, may claim a "CGT discount" if they acquired (or are deemed to have acquired) their Andina Shares 12 months or more before the time of disposal. This means that:

- (a) in the case of an individual (and, generally speaking, a trustee of a trust), only one-half of their net capital gain on those securities (after deducting available capital losses) would be taxable; and
- (b) in the case of a complying superannuation entity, only two-thirds of their net capital gain on those securities (after deducting available capital losses) would be taxable.

However, the methodology for trustees is complex, and such Andina Shareholders should obtain specific advice in this regard, including in relation to the tax consequences of distributions attributable to discounted capital gains.

Andina Shareholders should note that any available capital losses must be deducted from the gross capital gain before the "CGT discount" is applied.

The "CGT discount" is not available to companies, nor does it apply to Andina Shares owned (or deemed to be owned) for less than the relevant 12 month period.

6.3 Non-Australian Resident Andina Shareholders

The application of the Australian CGT rules to non-residents is a highly complex area of the law and therefore Titan recommends that non-Australian resident holders of Andina Shares seek their own advice on the Australian CGT implications of a disposal of the Andina Shares.

An Andina Shareholder who is not a resident of Australia for taxation purposes will not make a taxable capital gain on the disposal of Andina Shares under the Offer unless their Andina Shares are taxable Australian property.

Broadly, Andina Shares held by a foreign resident should generally not be taxable Australian property unless:

- (a) both of the following requirements are satisfied:
 - (i) the foreign resident (together with its associates) holds 10% or more of the issued Andina Shares or the foreign resident (together with associates) held a 10% or more interest in the issued Andina Shares for a continuous 12 month period during the two years prior to the disposal of the Andina Shares under the Offer; and
 - (ii) the total market value of Andina's direct and indirect interests in Australian real property assets (including any mining, quarrying or prospecting rights for minerals, petroleum or quarry minerals which are situated in Australia) is more than 50% of the total market value of Andina's assets;
- (b) the Andina Shares were used at any time by the foreign resident in carrying on a business through a permanent establishment in Australia; or

- (c) the foreign resident was previously a resident of Australia and chose to disregard a capital gain or loss on the Andina Shares on ceasing to be a resident.

An Andina Shareholder that, together with its associates, owns, or has for any continuous 12 month period within two years owned, 10% or more of the issued Andina Shares should obtain specific advice as to the tax implications of disposal, including the capital gains withholding tax implications and whether any protection from Australian taxation will be available under a relevant double tax treaty.

A foreign resident Andina Shareholder who was previously a resident of Australia and chose to disregard a capital gain or loss on ceasing to be a resident will be subject to Australian CGT consequences on disposal of the Andina Shares as detailed in Section 6.2.

6.4 Acceptance of the Takeover Offer where Rollover Relief is Available and is Elected

Australian-resident Andina Shareholders may be entitled to 'scrip for scrip' CGT rollover relief in respect of the consideration referable to Titan Shares where the exchange of the shares would otherwise realise an assessable capital gain. Broadly speaking, rollover relief is available to Andina Shareholders who exchange shares in one company for shares in another company where the transaction is made pursuant to a takeover bid and provided certain qualifying conditions are satisfied.

In broad terms, these qualifying conditions include the requirement that Titan must make an offer to all shareholders in Andina to acquire their voting shares on substantially the same terms and Titan must become the owner of at least 80% of the voting shares in Andina because of the Takeover Offer.

If the qualifying conditions are satisfied and an Andina Shareholder elects for rollover relief to apply, the rollover relief is available.

The effect of the rollover relief is that the Andina Shareholder's total capital gain will be deferred until a disposal of the Titan Shares occurs.

The CGT cost base of the new Titan Shares acquired in the exchange is determined by reasonably attributing to it the CGT cost base of the Andina Shares for which a rollover was obtained. For example, the CGT cost base for one Andina Share will be apportioned to the one Titan Share received. Further, the Andina Shareholders will be taken to acquire their Titan Shares at the time they originally acquired their Andina Shares (for determining any entitlement to a discount on an otherwise assessable capital gain in relation to a subsequent dealing in their new Titan Shares).

Rollover relief will only be available if the qualifying conditions are satisfied and Andina Shareholders elect to apply for it. Further, rollover relief is not available if Andina Shareholders realise a capital loss on the disposal of their Andina Shares.

Scrip for scrip rollover relief does not apply automatically and must be elected. The election to utilise scrip for scrip rollover relief is evidenced by the manner in which the tax return for the relevant income year is prepared although it may be prudent to keep a written record of that election with your tax records.

Given the complexity of the provisions governing rollover relief and the various qualifying conditions that need to be satisfied, Andina Shareholders should seek independent taxation advice regarding their particular circumstances.

6.5 Acceptance of the Takeover Offer Where Rollover Relief is Not Available or is Not Elected

If Andina Shareholders do not elect to obtain rollover relief (or if it is not available), they will need to calculate whether they make a capital gain or capital loss on the disposal of their

shares in Andina. This will involve a calculation of their cost base and capital proceeds for their shares in Andina.

Where the amount of capital proceeds received by an Andina Shareholder in respect of the disposal of their Andina Shares is greater than the cost base of those Andina Shares, then the shareholder should realise a capital gain for Australian CGT purposes.

Where the amount of capital proceeds received by an Andina Shareholder in respect of the disposal of their Andina Shares is less than the reduced cost base of those Andina Shares, then the Andina Shareholder should realise a capital loss for Australian CGT purposes.

Where it is expected that a capital gain will result, if an Andina Shareholder does not elect for rollover relief, or that relief is not available, then individuals, complying superannuation funds and trusts, may be eligible for the CGT discount. Companies that hold shares in Andina are not eligible for the CGT discount.

Specifically, where Andina Shares have been held for at least 12 months (not including the day of acquisition and the day of disposal) before their disposal, an Andina Shareholder who is an individual, a complying superannuation entity or the trustee of a trust should be able to reduce the capital gain arising from the disposal of Andina Shares by the CGT discount (see below).

Subject to the Andina Shareholder having any available capital losses from previous income years or net capital losses in the tax year in which they dispose of their Andina Shares, where the CGT discount is available, eligible Andina Shareholders which are individuals or trustees of trusts (excluding complying superannuation entities) will reduce the capital gain arising on the disposal of Andina Shares by one-half. For individuals, this reduced gain should be assessed at the Andina Shareholder's marginal tax rate. Trustees should seek specific advice regarding the tax consequences of distributions attributable to discounted capital gains and whether the beneficiaries of such trust distributions may be eligible to receive a CGT discount on any net capital gain distributed.

Subject to the Andina Shareholder having any available capital losses from previous income years or net capital losses in the tax year in which they dispose of their Andina Shares, where Andina Shares are held by a complying superannuation entity and the CGT discount is available, the discount will reduce the nominal capital gain on the disposal of the shares by one-third.

The CGT discount is generally applied after taking into account any available capital losses or revenue losses from previous income years or net capital losses or revenue losses in the tax year in which they dispose of their Andina Shares. Andina Shareholders having any capital losses or revenue losses from previous income years or net capital losses or revenue losses in the tax year in which they dispose of their Andina Shares should seek independent advice in relation to the potential availability of the CGT discount.

6.6 Andina Shareholders who are Companies will not be Entitled to the CGT Discount

Companies are not entitled to the CGT discount. The capital gain or capital loss will be calculated with reference to the capital proceeds less the cost base or reduced cost base of the shares. Where a company realises a capital gain, it may be eligible to reduce that gain with capital losses from previous income years, net capital losses in the tax year in which they dispose of their Andina Shares or revenue losses (subject to satisfying certain tax loss integrity measures). We recommend that companies seek advice from their professional tax advisor in relation to the availability and deductibility of any tax losses.

6.7 Stamp Duty and GST

No stamp duty or GST is payable by you on the sale of your Andina Shares to Titan pursuant to the Offer.

7. Risks

If the Offer becomes unconditional, Andina Shareholders who accept the Offer will become Titan Shareholders. In those circumstances, Andina Shareholders will:

- (a) continue to be exposed to the risks associated with the investment in Andina as a result of their indirect interest in Andina through Titan;
- (b) be exposed to the risks which are specific to an investment in Titan; and
- (c) be exposed to additional risks relating to the Offer and the Combined Entity.

These risks are explained below. Andina Shareholders should read this Bidder's Statement carefully and consult their professional advisers before deciding whether to accept the Offer. By accepting the Offer, Andina Shareholders will be investing in Titan.

The business activities of Titan and the Combined Entity are subject to various risks that may affect the future performance of Titan and the Combined Entity. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of Titan and the Combined Entity, and cannot be mitigated.

Accordingly, an investment in the Combined Entity carries no guarantee with respect to the payment of dividends, return of capital or price at which shares will trade and should be considered speculative. The principal risk factors include, but are not limited to the following.

7.2 Risks Relating to the Offer

(a) Issue of Titan Shares as the Offer Consideration

Titan is offering Andina Shareholders a specific number of Titan Shares as the Offer Consideration. As a result, the value of the Offer Consideration will fluctuate depending on the market value of Titan Shares at any given time.

(b) Rollover relief

It is an Offer Condition that the level of acceptances must result in Titan obtaining a Relevant Interest in at least 90% of all Andina Shares. However, Titan reserves the right to free the Offer from the 90% minimum acceptance Offer Condition.

If Titan does not acquire a relevant interest in at least 80% of Titan Shares, scrip-for-scrip CGT rollover relief will not be available to Andina Shareholders.

Refer to Section 6 above for further details.

(c) Acquisition of less than 90% of Andina Shares

If Titan decides to waive the 90% minimum acceptance Offer Condition, it is possible that Titan could acquire a Relevant Interest in less than 90% of Andina Shares under the Offer. The existence of a minority interest in Andina may have an adverse effect on the operations of the Combined Entity, although this effect will depend on the ultimate level of Andina ownership acquired by Titan.

(d) Limited withdrawal rights

Andina Shareholders may only withdraw their acceptances of the Offer in limited circumstances, as detailed in Section 9.7. Otherwise, Andina Shareholders will be unable to withdraw their acceptances, even if the value of the Titan Shares to be issued to Andina Shareholders varies from the date of their acceptances.

(e) **Duty and government charges**

Duty and other government charges may be payable by Titan in relation to the Offer. The amount of these duties and charges may be material.

(f) **Dilution risk**

The Offer Consideration is Titan Shares as detailed in this Bidder's Statement. If the Offer is completed, there will be a dilution for current Titan Shareholders due to Titan issuing the Offer Consideration.

7.3 Risks Relating to the Combined Entity

(a) **Synergies**

There is a risk that the synergies expected to arise from the combination of Titan and Andina fail to materialise or take longer than expected to materialise. This may affect the future earnings performance of the Combined Entity.

(b) **Re-rating**

Post-merger Titan may not achieve an improved re-rating of its share price or an improved credit profile. Due to the occurrence of adverse changes in the business or unforeseen circumstances, Titan Shares may decline in value.

(c) **Timing delays**

There is a risk that the Combined Entity will not achieve its financial and strategic goals due to delays or difficulties occurring during the integration of the two businesses.

(d) **Increased costs**

Titan may incur greater than anticipated implementation costs during the integration of the businesses of Titan and Andina.

(e) **Insurance**

The Combined Entity will have various insurances covering its business. However, certain risks are not covered by insurance due to limitations or exclusions in insurance policies or because the Combined Entity will have decided not to insure against certain risks because of high premiums or for other reasons. Insurance against all risks associated with mineral exploration and production is not always available or affordable. Although Titan maintains insurance to protect against certain risks in amounts it considers reasonable, Titan's insurance may not adequately cover all potential risks. Such events, to the extent not covered by insurance, could have a significant effect on the profitability of the Combined Entity.

(f) **Financing**

The net funds of the Combined Entity may not be sufficient for expenditure that may be required to integrate the operations of Titan and Andina or to expand its operations or projects or for other capital expenditure, further exploration or feasibility studies or otherwise in the Combined Entity's operations. The Combined Entity may need to raise additional debt or equity funds in the future. There is no assurance that the Combined Entity will be able to obtain additional debt or equity funding when required in the future, or that the terms associated with such funding will be acceptable to the Combined Entity, particularly having regard to the current uncertain economic environment and the effect that metal prices may have on future production and earnings performance. This may have an adverse effect on the Combined Entity's financial results.

(g) **Cash position**

While the Combined Entity is expected to have greater revenue than Titan or Andina as standalone entities, it will also have higher overall expenditure levels due to its increased scale, operations and development and exploration projects. There is no guarantee that the Combined Entity will be able to maintain a sufficient cash balance following the acquisition by Titan of all Andina Shares.

(h) **Market for shares in the Combined Entity**

There can be no guarantee that a liquid market in Titan Shares will exist after the Offer. There may be relatively few, or many, potential buyers or sellers of Titan Shares on ASX at any given time. This may affect the prevailing market price at which Titan Shareholders are able to sell their shares. This may result in Andina Shareholders receiving a market price for their Titan Shares that is less or more than the current market price at which shares trade on ASX.

(i) **Incomplete records**

Titan's shares were suspended from trading on ASX from 19 August 2015, and Titan was placed into voluntary administration on 25 August 2015. This resulted in the previous Titan Directors and officers ceasing to have control of Titan's activities. The current Titan Directors consider that Titan's corporate records may be incomplete for the period surrounding the commencement of the voluntary administration because of, amongst other things, the turnover of previous staff and officers and the appointment of administrators to Titan.

Consequently, there may be actions that were taken by the previous directors and officers of Titan or its subsidiaries of which the current Titan Directors are unaware. While the current Titan Directors consider that the DOCA process has dealt with any outstanding liabilities relating to Titan, there is a risk that previous unknown actions may adversely affect the operations and financial position of Titan or its Subsidiaries.

7.4 Operational Risks

(a) **Uncertainty and future profitability**

Titan has incurred significant losses in the past, ultimately resulting in the appointment of administrators, and the DOCA recapitalisation detailed in Section 2. It is not possible to evaluate Titan's future prospects based on past performance. The past performance should not affect the future opportunities of Titan. While the Titan Independent Directors have confidence in the future revenue-earning potential of Titan, there can be no certainty that Titan will achieve or sustain profitability or achieve or sustain positive cash flow from its operating activities.

(b) **Contract risks**

Titan may enter into agreements and undertakings with third parties from time to time. If Titan is unable to satisfy the conditions of these agreements and undertakings, or if it defaults on its obligations under these agreements and undertakings, Titan's interest in their subject matter may be jeopardised. Further, if the third parties default on their obligations under the agreements and undertakings, Titan may be adversely affected.

(c) **Title risk**

Titan's mining and exploration activities are dependent upon the maintenance (including renewal) of the mineral concessions in which Titan has or acquires an interest. Maintenance of Titan's concessions is dependent on, among other things, Titan's ability to meet the licence conditions imposed by the relevant authorities including compliance with Titan's work program requirements that, in turn, are dependent on Titan being sufficiently funded to meet those expenditure requirements. Although Titan has no reason to think that the concessions

in which it currently has an interest and the Torrecillas Earn-In Concessions will not be renewed, there is no assurance that such renewals will be given as a matter of course and there is no assurance that new conditions will not be imposed by the relevant granting authority.

(d) Acquisitions

Titan may also review and consider other business opportunities. Consequently, this strategy may result in Titan making acquisitions of, or significant investments in, complementary or alternative companies or assets. Any such transactions would be accompanied by the risks inherent in making acquisitions of companies and assets. For example, there may be liabilities in connection with such acquisitions that are not identified in Titan's due diligence or the acquisitions may not prove to be successful. Further, risks associated with such acquisitions will also arise from Titan's ability to execute the acquisition and then to correctly manage the business operations and growth strategies moving forward. In addition, any acquisition may be subject to all or any shareholder and regulatory approvals, which may include re-compliance with chapters 1 & 2 of the ASX Listing Rules.

(e) Dependence on key personnel

The success of Titan will to an extent depend on the Titan Directors' and key management personnel's ability to successfully manage Titan's performance and exploit new opportunities. The loss of service of these personnel could have an adverse effect on the proposed operations of Titan.

(f) Operational and technical risks

A range of operational and technical factors, including mechanical failure of operating plant/mines and equipment, adverse weather conditions, industrial and environmental accidents, industrial disputes and other force majeure events, may affect the future operations of Titan.

(g) Environmental licence risks

Titan may need to reapply for some or all of the environmental licences held by Titan or its Subsidiaries. It is possible that those applications for environmental licences could be unsuccessful, in whole or in part. In the event that the environmental licences applied for are not granted, Titan may not be able to continue mining activities that require environmental licenses.

(h) Going concern

The ability of the Titan Group to continue as a going concern is dependent on ongoing management of the Titan Group's level of development and exploration expenditure in Peru as well as corporate costs in line with funds available to the Titan Group, and the ability of Titan and Group to secure additional debt/equity funding if required.

(i) Future capital requirements

Titan's ongoing activities may require substantial further financing in the future for its business activities. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the current market price or may involve restrictive covenants that limit Titan's operations and business strategy.

Although the Titan Directors believe that additional capital may be obtained, no assurances can be made that appropriate capital or funding, when needed, will be available on terms favourable to Titan or at all. If Titan is unable to obtain additional financing as needed, it may be required to reduce, delay or suspend its operations and this could have a material adverse effect on Titan's activities and could affect Titan's ability to continue as a going concern or remain solvent.

(j) **Sovereign risk**

Titan has projects located in Peru, which is a less developed country than Australia and has associated political, economic, legal and social risks. There can be no assurance that the systems of government and the political systems in Peru will remain stable. Further, there can be no assurance that government regulations relating to foreign investment, repatriation of foreign currency, taxation and the mining industry in Peru will not be amended or replaced in the future to the detriment of Titan's business and/or projects. The Titan Independent Directors are unaware of any such proposals as at the date of this Bidder's Statement.

(k) **Gold price and exchange rate fluctuations**

The revenue derived through the sale of gold exposes the potential income of Titan to gold price and exchange rate risks. Gold prices fluctuate and are affected by numerous factors beyond the control of Titan. These factors include world demand for gold, forward selling by producers and the level of production costs in major gold-producing regions. Moreover, gold prices are also affected by macroeconomic factors such as expectations regarding inflation, interest rates and global and regional demand for, and supply of, gold.

Furthermore, the international price of gold is denominated in United States dollars, whereas the income and expenditure of Titan are and will be taken into account in Australian and South American currencies, exposing Titan to the fluctuations and volatility of the rates of exchange between the United States dollar, the Australian dollar and South American currencies as determined in international markets

(l) **Insurance**

Insurance against all risks associated with mineral exploration and production is not always available or affordable. Titan will maintain insurance where it is considered appropriate for its needs. However, insurance coverage against all risks may not be undertaken because either such cover is not available or because the Titan Directors consider that the associated premiums are excessive having regard to the benefits from the cover.

The occurrence of an event that is not covered or is only partially covered by insurance could have a material adverse effect on the business, financial condition and results of the operations of Titan. There is no assurance that Titan will be able to maintain adequate insurances in the future at rates that the Titan Directors consider reasonable.

7.5 Mining Risks

(a) **Exploration risks**

The success of Titan depends on the delineation of economically minable reserves and resources, access to required development capital, movement in the price of commodities, securing and maintaining title to Titan's exploration and mining concessions and obtaining all consents and approvals necessary for the conduct of its exploration activities.

Exploration on Titan's existing exploration and mining concessions may be unsuccessful, resulting in a reduction of the value of those concessions, diminution in the cash reserves of Titan and possible relinquishment of the exploration and mining concessions.

(b) **Resource estimates**

Resource estimates are expressions of judgment based on knowledge, experience and industry practice. These estimates were appropriate when made, but may change significantly when new information becomes available.

There are risks associated with such estimates. Resource estimates are necessarily imprecise and depend to some extent on interpretations, which may ultimately prove to be

inaccurate and require adjustment. Adjustments to resource estimates could affect Titan's future plans and ultimately its financial performance and value.

(c) **Ability to exploit successful discoveries**

It may not always be possible for Titan to exploit successful discoveries that may be made in areas in which Titan has an interest. Such exploitation would involve obtaining the necessary licences or clearances from relevant authorities that may require conditions to be satisfied and/or the exercise of discretions by such authorities. It may or may not be possible for such conditions to be satisfied. Further, the decision to proceed to further exploitation may require participation of other companies whose interests and objectives may not be the same as Titan's.

(d) **Mining and development risks**

Profitability depends on successful exploration and/or acquisition of reserves, design and construction of efficient processing facilities, competent operation and management and proficient financial management.

Mining and development operations can be hampered by force majeure circumstances, environmental considerations and cost overruns for unforeseen events

(e) **Title risks**

Interests in mineral concessions in Peru are governed by legislation in their respective jurisdictions and are evidenced by the granting of mining concessions. Consequently, Titan could lose title to or its interest in concessions if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

(f) **Environmental risks**

The operations and activities of Titan in Peru are subject to environmental laws and regulations. Like most exploration projects and mining operations, Titan's operations and activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. Titan attempts to conduct its operations and activities to the highest standard of environmental obligation, including compliance with all environmental laws.

(g) **Joint venture parties, agents and contractors**

There is a risk of financial failure or default by a participant in any joint venture to which Titan is or may become a party or the insolvency or managerial failure by any of the contractors used by Titan in any of its activities or the insolvency or other managerial failure by any of the other service providers used by Titan for any activity.

(h) **Competition**

Titan competes with other companies, including major mining companies in Australia and internationally. Some of these companies have greater financial and other resources than Titan has and, as a result, may be in a better position to compete for future business opportunities. There can be no assurance that Titan can compete effectively with these companies.

(i) **Key personnel**

Recruiting and retaining qualified personnel are important to Titan's success. The number of persons skilled in the exploration and development of mining properties is limited and competition for such persons is strong.

(j) **Other mining industry risks**

Other risk factors include those normally found in conducting business, including litigation resulting from the breach of agreements or in relation to employees (through personal injuries, industrial matters or otherwise) or any other cause, strikes, lockouts, loss of service of key management or operational personnel, uninsurable risks, delay in resumption of activities after reinstatement following the occurrence of an insurable risk and other matters that may interfere with the business or trade of Titan.

7.6 General Risks

(a) **Stock market conditions**

Like all stock market investments, there are risks associated with an investment in Titan. Titan Share prices may rise or fall and the price of Titan Shares might trade below the price paid for those Titan Shares.

General factors that may affect the market price of Titan Shares include economic conditions in both Australia and internationally, investor sentiment and local and international share market conditions, changes in interest rates and the rate of inflation, variations in commodity prices, the global security situation and the possibility of disturbances, changes to government regulation, policy or legislation, changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws, changes to the system of dividend imputation in Australia, and changes in exchange rates.

(b) **Liquidity risk**

There cannot be any guarantee that there will continue to be an active market for Titan Shares or that the price of Titan Shares will increase. There may be relatively few buyers or sellers of shares on ASX at any given time. This may affect the volatility of the market price of Titan Shares. It may also affect the prevailing market price at which Shareholders are able to sell Titan Shares held by them. This may result in Shareholders receiving a market price for their Titan Shares that is less or more than the price paid for the Titan Shares.

(c) **Securities investment risk**

Applicants should be aware that there are risks associated with any securities investment. Securities listed on the stock market, and in particular, securities of mining and exploration companies have experienced extreme price and volume fluctuations that have often been unrelated to the operating performances of such companies. These factors may materially affect the market price of the securities regardless of Titan's performance.

(d) **Changes in legislation and government regulation**

Government legislation in Peru, or any other relevant jurisdiction in which Titan may operate in the future, such as changes to the taxation system, foreign investment regulations and the mining regulatory system, may affect future earnings and relative attractiveness of investing in Titan. Changes in government policy or statutory changes may affect Titan and the attractiveness of an investment in it.

8. Additional Information

8.1 Bid Implementation Agreement

Titan and Andina are parties to the Bid Implementation Agreement. A full copy of the Bid Implementation Agreement was released to ASX on 26 March 2018.

A summary of the key terms of the Bid Implementation Agreement appears below. The Bid Implementation Agreement otherwise contains provisions standard for an agreement of this nature.

(a) **Exclusivity Arrangements**

The Bid Implementation Agreement includes certain exclusivity arrangements in favour of Titan, with an exclusivity period applying from the date of the Bid Implementation Agreement until termination, or the end of the Offer Period (whichever is earlier).

(b) **No Shop**

Andina must not, and must ensure that certain persons related to it do not solicit or invite any inquiries, proposals or discussions that would reasonably be expected to encourage or lead to the making of a Competing Proposal, or communicate an intention to do any of those things.

(c) **No Talk**

Andina must not, and must ensure that certain persons related to it do not:

- (i) participate in any negotiations or discussions, or provide any information that may lead to a person making a Competing Proposal;
- (ii) accept or enter into an agreement or understanding regarding a Competing Proposal, or offer to do so;
- (iii) disclose any non-public information about the business or affairs of Andina to a third party (other than to a government agency, in the ordinary course of business or as required by law); or
- (iv) communicate to any person an intention to do any of the above,

unless the Andina Board determines in good faith, after receiving written advice from its external legal advisers, that failing to do any of the above would be likely to constitute a breach of the Andina Directors' fiduciary or statutory duties.

(d) **Notification of Approaches**

Andina must notify Titan as soon as possible if it, or certain persons related to it become aware of:

- (i) negotiations or discussions, approaches regarding or attempts to initiate the same, or an intention to make such an approach or an attempt in relation to a Competing Proposal;
- (ii) a proposal made to Andina or certain persons related to Andina in respect of any exploration or completion of a Competing Proposal; or
- (iii) the provision by Andina or certain persons related to Andina of any non-public information concerning the business or operations of Andina to any third party in connection with a Competing Proposal.

(e) **Matching Right**

Andina:

- (i) must not enter into a legally binding agreement, arrangement or understanding pursuant to which a third party proposes to undertake or give effect to a Competing Proposal; and
- (ii) must use its best endeavours to ensure that no Andina Director changes their recommendation in favour of the Offer to recommend a Competing Proposal (or recommend against the Offer);

unless:

- (iii) the Andina Board acting in good faith, determines that the Competing Proposal would be, or would likely to be a Superior Proposal;
- (iv) Andina has provided Titan with the material terms and conditions of the Competing Proposal, including the price and identity of the third party making the Competing Proposal;
- (v) Andina has given Titan at least 5 Business Days to amend the terms of the Offer (a **Counterproposal**); and
- (vi) Titan has not made a Counterproposal within the 5 Business Day period.

If Titan makes a Counterproposal, Andina must act reasonably and consider the Counterproposal in good faith.

If Andina determines that the Counterproposal, taken as a whole, would provide an equivalent or superior outcome for Andina Shareholders:

- (i) Titan and Andina must use all reasonable endeavours to enter into updated documentation to give effect to the Counterproposal as soon as reasonably practicable; and
- (ii) Andina must use all reasonable endeavours to ensure that the Andina Independent Directors recommend the Counterproposal.

The matching right protection under the Bid Implementation Agreement has successive application, such that Titan has the right (but not the obligation) to make a Counterproposal to each successive Competing Proposal.

(f) **Break Fee Payable by Titan to Andina**

A break fee of \$100,000 is payable by Titan to Andina if there is a material breach of the Bid Implementation Agreement by Titan and that breach is not remedied within 10 Business Days after Andina gives Titan written notice requesting the cessation or remedy of the breach.

There is no right conferred on Andina to trigger the break fee payment by Titan other than based on a breach by Titan. Andina cannot trigger a termination event resulting in the payment of the break fee by Titan as a consequence of Andina's own inaction. The break fee is only payable by Titan following receipt of a written demand from Andina and termination of the Bid Implementation Agreement.

Termination of the Bid Implementation Agreement following the occurrence of an event that gives rise to Titan's obligation to pay the break fee precludes Andina from seeking any other remedy against Titan in relation to the circumstances giving rise to the obligation to pay the break fee, unless Titan has wilfully or intentionally breached its obligations.

(g) **Break Fee Payable by Andina to Titan**

A break fee of \$100,000 is payable by Andina to Titan if any of the following circumstances occur during the exclusivity period:

- (i) any Andina Independent Director fails to recommend that Andina Shareholders accept the Offer in the absence of a Superior Proposal or, having made such a recommendation, makes a public statement which withdraws, revises, or qualifies that recommendation, except:
 - (A) in circumstances where Andina has validly terminated the Bid Implementation Agreement; or
 - (B) the Independent Expert fails to conclude that the Offer is fair and reasonable (or having given a report that, in the opinion of the Independent Expert, the Offer is fair and reasonable, gives a report changing that opinion for any reason to conclude that the Offer is not fair and reasonable);
- (ii) the Andina Board or any Andina Director recommends that Andina Shareholders accept, vote in favour of or otherwise support (including support by way of accepting or voting, or by way of stating an intention to accept or vote, in respect of Andina Shares that an Andina Director owns, controls or otherwise has a relevant interest in) a Competing Proposal of any kind which is announced (whether or not such proposal is stated to be subject to any pre-conditions) during the exclusivity period;
- (iii) a Competing Proposal of any kind is announced (whether or not such proposal is stated to be subject to any pre-condition) and within 6 months from the date of such announcement, the third party:
 - (A) completes a Competing Proposal that involves acquiring control of Andina, or otherwise directly or indirectly:
 - (1) acquiring or merging with Andina, or having the right to so acquire or merge with; or
 - (2) acquiring a significant economic interest in all or a significant part of the business or assets of Andina;
 - (B) acquires, either alone or together with any associates, a relevant interest in more than 50% of the Andina Shares;
- (iv) Andina or any of the Andina Directors does (or omits to do) anything (whether or not it may be permitted by the terms of the Bid Implementation Agreement) which results in any of the Offer Conditions being breached or incapable of being fulfilled and Titan declares the Offer free of the breached conditions (which Titan is under no obligation to do); or
- (v) there is a material breach of the Bid Implementation Agreement by Andina and that breach is not remedied within 10 Business Days after Titan gives Andina written notice requesting the cessation or remedy of the breach.

(h) **Conduct of Andina**

From the Announcement Date until the end of the Offer Period, Andina will (and will procure that each other member of the Andina Group will):

- (i) not knowingly take any action which causes a breach of the agreed bid terms;
- (ii) conduct its business in its usual and ordinary course and on a basis consistent with past practice or as may be required in order to satisfy a specific requirement of a government agency;
- (iii) maintain its current liabilities at existing levels and discharge current liabilities as they fall due;
- (iv) not incur additional liabilities (to those as at the date of the Bid Implementation Agreement) in excess of \$50,000;
- (v) not acquire, dispose of or create any encumbrance over, or agree to acquire or dispose of or create any encumbrance over an asset or assets, the value or aggregate value of which would be material;
- (vi) not acquire or dispose of one or more assets, entities or businesses for an amount in aggregate of more than \$50,000;
- (vii) provide Titan, as soon as reasonably practicable, with copies of any correspondence received by it from any government agency or stakeholder in respect of any mining rights in which Andina has an interest;
- (viii) not, other than in the ordinary course of business:
 - (A) contact or correspond (directly or indirectly); or
 - (B) make or lodge any submission, report or application (whether formal or informal),

with any government agency or any stakeholder in respect of any mining rights in which Andina has an interest without obtaining Titan's prior written consent as to the form and content of any relevant contact, correspondence, submission, report or application, such consent not to be unreasonably withheld;
- (ix) not relinquish, surrender or otherwise dispose of any right or interest in any mining rights in which Andina has an such a right or interest;
- (x) not enter into any new:
 - (A) farm-in, joint venture, joint operating partnership, option agreement or similar arrangements; or
 - (B) royalty, off-take, marketing or similar arrangements,

in respect of any of any mining rights in which Andina has an interest;
- (xi) not incur or commit to incur capital expenditure (other than the ordinary course of business) and not to undertake, or commit to undertake any exploration, development or capital investment activities in respect of any mining rights in which Andina has an interest other than those activities that are required to comply with the conditions of the mining rights;
- (xii) not alter the terms of engagement or remuneration or benefits provided to any Andina Directors, employees or consultants;
- (xiii) not appoint any person as a director of Andina;

- (xiv) not:
 - (A) convert any of the Andina Shares into a larger or smaller number of Andina Shares;
 - (B) resolve to reduce its share capital in any way;
 - (C) enter into any buy-back agreement or resolve to approve the terms of any buy-back agreement;
 - (D) issue Andina Shares, grant an option to subscribe for Andina Shares or agree to make such an issue or grant such an option;
 - (E) agree to issue convertible notes or any other instruments convertible into Andina Shares; or
 - (F) resolve to be wound up,
 except:
 - (G) pursuant to the vesting (including by way of acceleration of vesting) in any director, officer, employee or consultant (or their nominee) of performance rights on issue as at the date of the Bid Implementation Agreement, in accordance with the relevant terms of issue; or
 - (H) as expressly contemplated in the Bid Implementation Agreement or otherwise agreed by Titan in writing.

In complying with the above restrictions, Andina is not required to do or omit to be done anything that would, in its reasonable opinion:

- (i) disrupt or adversely affect the day to day operations of Andina or member of the Andina Group; or
- (ii) prevent or hinder Andina or a member of the Andina Group from meeting its legal or contractual obligations in the ordinary course of business.

(i) **Andina Board Changes**

If Titan acquires a relevant interest in at least 50.1% of Andina Shares and the Offer is declared unconditional, Andina must:

- (i) take all actions necessary to cause the appointment of the nominees of Titan to the Andina Board;
- (ii) ensure that all directors on the Andina Board, other than Titan's nominees, resign and unconditionally and irrevocably release Andina from any claims they may have against Andina (without limitation to any accrued rights they may have under any deed of access and indemnity or policy of directors and officers insurance); and
- (iii) take all actions to ensure that all directors on the boards of Andina Subsidiaries resign and unconditionally and irrevocably release Andina and such Subsidiaries from any claims they may have against any of them, and to cause the appointment of nominees of Titan to those boards (without limitation to any accrued rights they may have under any deed of access and indemnity or policy of directors and officers insurance),

on or before the date that is 5 Business Days after the receipt of a written notice from Titan requesting the same.

8.2 Titan's Interest in Andina Shares

At the date of the Bidder's Statement, Titan has a Relevant Interest in 117,377,252 Andina Shares by virtue of Pre-Bid Acceptance Agreements entered into with the following Andina Shareholders:

Shareholder	Number of Andina Shares	% ¹
Regal Emerging Companies Fund	43,636,364	7.37%
Richsham Nominees Pty Ltd	33,086,751	5.59%
Alitime Nominees Pty Ltd	22,000,000	3.72%
Paul Gabriel Sharbanee	13,654,167	2.31%
Heelmo Holdings Pty Ltd	5,000,000	0.84%
Total	117,377,282	19.83%

Notes:

1. Based on the Andina Shares on issue at the date of this Bidder's Statement. The Andina Performance Rights are expected to vest if the Offer is successful. Refer to Section 3.5 for details of the terms and conditions of Andina Performance Rights.

Under the terms of Pre-Bid Acceptance Agreements, the Andina Shareholder agrees to accept the Offer within 10 Business Days of the Offer being open for acceptance, subject to there being no Superior Proposal having been made prior to that date. The Andina Shareholders also agree not to:

- dispose of their Andina Shares; or
- solicit, encourage or approach any person in relation to the acquisition of Andina Shares or a takeover bid or other change of control transaction in relation to the Andina prior to the close of the Offer.

The Pre-Bid Acceptance Agreements also contain a matching right clause, requiring the Andina Shareholders to accept if Titan amends the Offer by increasing the Offer Consideration such that the revised Offer matches or exceeds the value of the consideration in any Superior Proposal.

The Pre-Bid Acceptance Agreements terminate if:

- Offers are not dispatched within 2 months of the Announcement Date;
- a Superior Proposal is made but not matched by Titan within 10 Business Days;
- the Bid Implementation Agreement is terminated;
- the Offer lapses; or
- a Court or the Takeovers Panel declares that the Offer involves unacceptable circumstances.

8.3 Acquisition of Andina Shares by Titan and its Associates

Titan and its Associates have not given, offered to give or agreed to give, a benefit to another person that was likely to induce the other person, or an Associate of that person, to accept the Offer which is not offered to all Andina Shareholders under the Offer during the period beginning four months before the date of this Bidder's Statement and ending thereon, or during the period between the date of this Bidder's Statement and the date of the Offer.

Titan and its Associates have not acquired any Andina securities during the period beginning four months before the date of this Bidder's Statement and ending thereon, or during the period between the date of this Bidder's Statement and the date of the Offer.

8.4 No Escalation Agreements

Neither Titan nor any Associate of Titan has entered into any escalation agreement that is prohibited by section 622 of the Corporations Act.

8.5 Collateral Benefits

(a) Previous Four Months

Neither Titan nor any Associate of Titan is a party to any valid and subsisting agreement or arrangement (entered into during the period beginning four months before the date of this Bidder's Statement and ending on the day immediately before the date of this Bidder's Statement) whereby either of them offers, gives, or agrees to give a benefit to another person that was likely to induce the other person, or an Associate of that person, to:

- (i) accept the Offer; or
- (ii) dispose of their Andina Shares,

and which is not offered to all holders of Andina Shares under the Offer.

(b) Period Before Offer

During the period starting on the date of this Bidder's Statement and ending on the date immediately before the date of the Offer, neither Titan nor any Associate of Titan will give, offer to give or agree to give, a benefit to another person that is likely to induce the other person, or an Associate of that person, to:

- (i) accept the Offer; or
- (ii) dispose of their Andina Shares,

and which is not offered to all holders of Andina Shares under the Offer.

8.6 Offer Extends to Andina Shares Issued On the Conversion of Andina Performance Rights

The Offer extends to any Andina Shares Andina Shares that are issued as a result of the conversion of Andina Performance Rights during the period from the Record Date to the end of the Offer Period.

8.7 Disclosure of Interests of Titan Directors

(a) Conflicted directors

Mr Matthew Carr is a director of both Titan and Andina. Accordingly, Mr Carr considers it inappropriate to, and refrains from recommending the Offer to Andina Shareholders.

(b) Interests in Titan securities

The Titan Directors have the following interests in Titan securities and Andina securities (either held directly or by their related parties and associates) as at the date of this Bidder's Statement:

Titan Director	Titan Shares	Titan Performance Rights
Matthew Carr	5,000,000	23,000,000 ¹
Nicholas Rowley	5,000,000	23,000,000 ¹
Robert Sckalor	-	11,500,000 ²
Cameron Henry	-	11,500,000 ²
Total	10,000,000	69,000,000

Notes:

1. Comprised of 7,000,000 Class A Performance Rights, 7,750,000 Class B Performance Rights and 8,250,000 Class C Performance Rights.
2. Comprised of 3,500,000 Class A Performance Rights, 3,875,000 Class B Performance Rights and 4,125,000 Class C Performance Rights.

(c) Interests in Andina securities

The Titan Directors have the following interests in Titan securities and Andina securities (either held directly, or by their related parties and associates) as at the date of this Bidder's Statement:

Titan Director	Andina Shares (%) ¹	Andina Performance Rights
Matthew Carr	73,614,225 (11.11%)	-
Nicholas Rowley	21,818,182 (3.29%)	-
Robert Sckalor	-	-
Cameron Henry	50,000 (0.01%)	-
Total	95,482,407 (14.41%)	-

Notes:

1. On a fully diluted basis, i.e. including Andina Shares to be issued on the vesting of 71,009,414 Andina Performance Rights. The terms and conditions attaching to Andina Performance Rights are summarised in Section 2.8.

Titan requires approval from Titan Shareholders to acquire the Andina Shares from Messrs Carr, Rowley and Henry under the Offer for the purposes of ASX Listing Rule 10.1.

The Offer is conditional on Titan obtaining the approval of Titan Shareholders for the purposes of ASX Listing Rule 10.1. For more information on this Offer Condition, refer to Section 9.10.

ASX has classified Andina and the Andina Shares as a 'classified asset' (within the meaning of the ASX Listing Rules), requiring any Titan Shares issued to Messrs Carr, Rowley and Henry as Offer Consideration to be 'restricted securities' (within the meaning of the ASX Listing Rules).

Messrs Carr, Rowley and Henry have each entered into restriction agreements in respect of the Titan Shares they may receive under the Offer (**Restriction Agreements**). The Restriction Agreements are subject, as a condition precedent, to ASX determining that Andina or Andina Shares are a 'classified asset' within the meaning of the ASX Listing Rules. This condition precedent has been satisfied by ASX's determination. Accordingly, the Titan Shares received by Messrs Carr, Rowley and Henry will be 'escrowed', i.e. restricted from trading and transfer for a period of 12 months as required by ASX and under the terms of the Restriction Agreements.

Titan will prepare and dispatch a notice convening an extraordinary general meeting of Titan Shareholders for the purposes of obtaining this approval.

8.8 Consents

(a) Statements in this Bidder's Statement

Each of the parties referred to in this Section 8.8:

- (i) make no representation regarding, and to the maximum extent permitted by law, expressly excludes any liability or responsibility for, any statements in or omissions from any part of the Bidder's Statement other than a reference to its name and a statement included in this Bidder's Statement with the consent of that party as specified in this Section 8.8; and
- (ii) other than Mr Matthew Carr, have not authorised or caused the issue of this Bidder's Statement or the making of the Offer.

The following parties have given their written consent to be named in this Bidder's Statement in the form and context in which they are named and have not withdrawn such consent prior to the lodgement of this Bidder's Statement with ASIC:

- (i) the Andina Independent Directors, in relation to their support of and intention to accept the Offer;
- (ii) Mr Matthew Carr, in relation to his intention to accept the Offer;
- (iii) Messrs Aidan Platel and Noel O'Brien, in relation to the Competent Person statements in Section 2.5;
- (iv) DLA Piper Australia, as the legal adviser to Titan in relation to the Offer; and
- (v) Automic Share Registry, as Titan's share registry; and
- (vi) Stantons International Audit and Consulting Pty Ltd, as Titan's auditor.

(b) Consents not Required Under ASIC Class Orders

This Bidder's Statement includes statements that are made in, or based on statements made in, documents lodged with ASIC or given to ASX. Under the terms of ASIC Class Order 13/521, the parties making those statements are not

required to consent to, and have not consented to, inclusion of those statements in this Bidder's Statement.

ASIC Class Order 13/521 requires this Bidder's Statement to state that Titan will provide, within two Business Days of a request made during the Offer Period, a copy of the document containing the statements (or the relevant parts of the document) to any Andina Shareholders free of charge.

If you would like to receive a copy of any of those documents, or the relevant parts of the documents, please contact Titan on +61 8 6555 2950.

ASIC Corporations (Consents to Statements) Instrument 2016/72 (**Corporations Instrument 2016/72**) permits this Bidder's Statement to include or be accompanied by certain statements which:

- (i) fairly represent what purports to be a statement by an official person; or
- (ii) are a correct and fair copy of, or extract from, what purports to be a public official document; or
- (iii) are a correct and fair copy of, or extract from, a statement which has already been published in a book, journal or comparable publication

8.9 Implied Value of the Offer

Based on the 30 day VWAP of \$0.0319 for Titan Shares up to and including the Last Practicable Date, the implied value of the Offer is approximately \$0.027 per Andina Share.

Based on the closing price of \$0.035 per Titan Share on ASX on 23 March 2018 (the last Trading Day before the Announcement Date), the implied value of the Offer is approximately \$0.030 per Andina Share.

Based on the closing price of \$0.033 per Titan Share on ASX on the Last Practicable Date, the implied value of the Offer is approximately \$0.028 per Andina Share.

The following table may assist Andina Shareholders to determine the implied value of the Offer at different Titan Share price levels. This table is not an indication of prices at which Titan Shares may trade. Titan Shares may trade within this range or at higher or lower levels.

Price of a Titan Share	Implied value of an Andina Share	Implied offer price for 100% of the Andina Shares ¹
\$0.033	\$0.028	\$18,534,661
\$0.034	\$0.029	\$19,096,317
\$0.035	\$0.030	\$19,657,973
\$0.036	\$0.031	\$20,219,630
\$0.037	\$0.031	\$20,781,286

Notes:

1. Includes acceptances by Andina Shares issued on the vesting of 71,009,414 Andina Performance Rights and is subject to rounding. The terms and conditions attaching to Andina Performance Rights are summarised in Section 2.8.

The implied value of the Offer will change as a consequence of changes in the market price of Titan Shares from time to time.

8.10 Date for Determining Holders

The date for determining the people to whom this Bidder's Statement is sent is the Record Date.

8.11 ASIC Modifications and Exemptions

ASIC has published various "Class Order" instruments providing for modifications and exemptions that apply generally to all persons, including Titan, in relation to the operation of Chapter 6 of the Corporations Act. Titan may rely on this "Class Order" relief.

8.12 Other Material Information

There is no other information material to the making of a decision by a holder of Andina Shares whether to accept the Offer being information that is known to Titan and which has not previously been disclosed to Andina Shareholders other than as is contained elsewhere in this Bidder's Statement.

9. Terms of the Offer

9.1 General Terms

Titan offers to acquire all of your Andina Shares, together with all Rights attached to them, on the terms and conditions detailed in this Section 9.

The Offer Consideration being offered by Titan for the acquisition of all of your Andina Shares is one Titan Share per 1.18 Andina Shares, subject to the terms and conditions detailed in this Section 9 and elsewhere in this Bidder's Statement.

The Offer is dated 24 May 2018.

9.2 Offer Period

Unless withdrawn, the Offer will remain open for acceptance during the period commencing on the date of the Offer and ending at 5.00pm (WST) on the later of:

- (a) 24 June 2018; or
- (b) any date to which the Offer Period is extended, in accordance with the Corporations Act.

Titan reserves the right, exercisable in its sole discretion, to extend the Offer Period in accordance with the Corporations Act.

If, within the last 7 days of the Offer Period, either of the following events occurs:

- (a) the Offer is varied to improve the Offer Consideration; or
- (b) Titan's voting power in Andina increases to more than 50%,

then the Offer Period will automatically be extended so that it ends 14 days after the relevant event referred to in (a) or (b) in accordance with section 624(2) of the Corporations Act.

9.3 Who May Accept the Offer

- (a) An Offer in this form and bearing the same date is being made to each person registered as a holder of Andina Shares on Andina's register of members at 5.00pm (WST) on the Record Date.
- (b) The Offer also extends to each person who, during the period from the Record Date until the end of the Offer Period, becomes registered as a holder of Andina Shares or is entitled to be registered as the holder of Andina Shares during the Offer Period.
- (c) Titan has elected, in accordance with and subject to section 617 of the Act, to extend the Offer to Andina Shares that are issued as a result of the conversion of Andina Performance Rights during the period from the Record Date to the end of the Offer Period.
- (d) A person who:
 - (i) is able during the Offer Period to give good title to a parcel of Andina Shares; and
 - (ii) has not already accepted the Offer which relates to those Andina Shares,

may accept as if an Offer from Titan on terms identical with the Offer had been made to that person in relation to those Andina Shares.

- (e) If, at the time the Offer is made to you, or at any time during the Offer Period, another person is registered as the holder of some or all of your Andina Shares, then:
 - (i) a corresponding offer on the same terms and conditions as the Offer will be deemed to have been made to that other person in respect of those Andina Shares;
 - (ii) a corresponding offer on the same terms and conditions as the Offer will be deemed to have been made to you in respect of any other Andina Shares you hold to which the Offer relates; and
 - (iii) the Offer will be deemed to have been withdrawn immediately at that time.
- (f) If at any time during the Offer Period you are registered as the holder of one or more parcels of Andina Shares as trustee or nominee for, or otherwise on account of, another person, you may accept as if a separate and distinct offer on the same terms and conditions as the Offer has been made in relation to each of those parcels and any parcel you hold in your own right. To validly accept the Offer for each distinct parcel, you must comply with the procedure in section 653B of the Corporations Act.
- (g) If, for the purposes of complying with that procedure, you require additional copies of this Bidder's Statement and/or the Acceptance and Transfer Form, please contact Titan on +61 8 6555 2950 to request those additional copies.
- (h) The Offer is not registered in any jurisdiction outside Australia (unless an applicable Foreign Law treats it as registered as a result of the Bidder's Statement being lodged with ASIC). It is your sole responsibility to satisfy yourself that you are permitted by any Foreign Law applicable to you to accept the Offer and to comply with any other necessary formality and to obtain any necessary governmental or other consents.
- (i) If, at the time this Offer is made to you, you are an Ineligible Overseas Shareholder, you will not receive Titan Shares. Instead, you are offered and will receive a cash amount determined in accordance with Section 9.9.
- (j) If your Andina Shares are registered in the name of a broker, investment dealer, bank, trust company or other nominee you should contact that nominee for assistance in accepting the Offer.

9.4 Offer for all Andina Shares

Subject to Sections 9.3(e) and 9.3(f), you may only accept the Offer in respect of all (and not a lesser number) of your Andina Shares. For example, if you have 10,000 Andina Shares and you wish to accept the Offer, you may only accept the Offer in respect of 10,000 Andina Shares.

You may accept the Offer at any time during the Offer Period.

9.5 How to Accept the Offer

The Acceptance and Transfer Form forms part of the Offer. You may accept the Offer by completing and returning the Acceptance and Transfer Form in accordance with the requirements on that form.

For your acceptance to be valid you must ensure that your Acceptance and Transfer Form (including any documents required by the terms of the Offer and the instructions on the Acceptance and Transfer Form) are posted, delivered or emailed in sufficient time for it to be received in accordance with the instructions detailed on the Acceptance and Transfer Form.

The transmission of the Acceptance and Transfer Form and other documents is at your own risk.

When accepting the Offer, you must also forward for inspection:

- (a) if the Acceptance and Transfer Form is executed by an attorney, a certified copy of the power of attorney; and
- (b) if the Acceptance and Transfer Form is executed by the executor of a will or the administrator of the estate of a deceased Andina Shareholder, the relevant grant of probate or letters of administration.

9.6 Validity of Acceptances

Subject to the matters in this Section 9.6, your acceptance of the Offer will not be valid unless it is made in accordance with Section 9.5.

Titan may, in its sole discretion, at any time deem any Acceptance and Transfer Form it receives to be a valid acceptance in respect of your Andina Shares even if a requirement for acceptance has not been complied with.

Titan may at any time in its sole discretion:

- (a) treat the receipt by it of an Acceptance and Transfer Form during the Offer Period as a valid acceptance notwithstanding that one or more of the other requirements for a valid acceptance have not been complied with and without further communication to you; and
- (b) where you have satisfied the requirements for acceptance in respect of only some of your Andina Shares, treat the acceptance as a valid acceptance in respect of all of your Andina Shares.

In respect of any part of an acceptance treated by it as valid, Titan will provide you with the relevant Offer Consideration in accordance with Section 9.8 and the exercise of Titan's rights under this Section 9.6 will be conclusive and only evidenced by its so doing. The payment of Offer Consideration in accordance with the Offer may be delayed until any irregularity has been resolved or waived and any other documents required to procure registration have been received by Titan.

None of the matters detailed in this Section 9.6 constitute conditions of the Offer.

9.7 The Effect of Acceptance

- (a) Once you have accepted the Offer, you will be unable to revoke your acceptance and the contract resulting from your acceptance will be binding on you. In addition, you will be unable to withdraw your acceptance of the Offer or otherwise dispose of your Andina Shares, except as follows:
 - (i) if, by the times specified in Section 9.7(b) below, the Offer Conditions have not been satisfied or waived, the Offer will automatically terminate and your Andina Shares will be returned to you; or
 - (ii) if the Offer is varied in accordance with the Corporations Act in a way that postpones for more than one month the time when Titan has to meet its obligations under the Offer, and, at the time, the Offer is subject to the

Offer Conditions, you may be able to withdraw your acceptance in accordance with section 650E of the Corporations Act.

- (b) The relevant times for the purposes of Section 9.7(a)(i) are:
- (i) in relation to the Offer Conditions in Section 9.10(d) (but only to the extent that the Offer Conditions are the same as the conditions set out in section 652C(1) or (2) of the Corporations Act), the end of the third Business Day after the end of the Offer Period; and
 - (ii) otherwise, the end of the Offer Period.
- (c) By following the procedure detailed in Section 9.5, you will be deemed to have:
- (i) accepted the Offer (and any variation to it) in respect of the Andina Shares registered in your name to which the Offer relates, regardless of the number of Andina Shares specified in the Acceptance and Transfer Form;
 - (ii) agreed to the terms of the Offer and, subject to the Offer Conditions being satisfied or waived, agreed to transfer to Titan all of your Andina Shares and all of the Rights attached to those Andina Shares;
 - (iii) irrevocably authorised Titan to complete the Acceptance and Transfer Form by correcting any errors in or omissions from the Acceptance and Transfer Form as may be necessary:
 - (A) to make the Acceptance and Transfer Form an effective acceptance of the Offer; and/or
 - (B) to enable registration of the transfer to Titan of your Andina Shares;
 - (iv) irrevocably authorised and directed Andina to pay to Titan or to account to Titan for all dividends and other distributions and entitlements which are declared, paid or which arise or accrue after the date of the Offer in respect of your Andina Shares (subject to Titan accounting to you for any dividends, distributions or entitlements received by it if your acceptance of the Offer is validly withdrawn pursuant to section 650E of the Corporations Act or the contract resulting from that acceptance becomes void);
 - (v) represented and warranted to Titan that:
 - (A) Titan will acquire good title to and beneficial ownership of all of your Andina Shares free from all mortgages, charges, liens, Encumbrances (whether legal or equitable) and other Third Party interests of any kind;
 - (B) you have paid Andina all amounts which are due in respect of your Andina Shares;
 - (C) all of your Andina Shares are fully paid; and
 - (D) you have full power and capacity to accept the Offer and to sell and transfer the legal and beneficial ownership of your Andina Shares (together with all Rights attached to them) to Titan;
 - (vi) represented and warranted to Titan that the making by Titan to you, and your acceptance, of the Offer is lawful under any Foreign Law which

applies to you, to the making of the Offer, and to your acceptance of the Offer;

(vii) with effect from the later of acceptance of the Offer and the date that any contract resulting from that acceptance becomes, or is declared, unconditional, appointed (and agreed not to revoke that appointment) Titan and each of its directors, secretaries and other officers from time to time severally as your agent and true and lawful attorney, with power to do all things which you could lawfully do concerning your Andina Shares or in exercise of any right or power derived from the holding of your Andina Shares including, without limitation:

- (A) attend and vote in respect of your Andina Shares at any and all meetings of Andina;
- (B) requisition or join with other holders of Andina Shares in requisitioning and/or convening a meeting of the members of Andina;
- (C) demand a poll for any vote to be taken at any meeting of Andina Shareholders;
- (D) propose or second any resolutions to be considered at any, and all meetings of Andina Shareholders;
- (E) execute all forms, transfers, assignments, notices, instruments (including instruments appointing a director of Titan as a proxy in respect of all or any of your Andina Shares and a transfer form for your Andina Shares), proxies, consents, agreements and resolutions relating to your Andina Shares;
- (F) request Andina to register in the name of Titan or its nominee your Andina Shares which you hold on any register of Andina; and
- (G) do all things incidental or ancillary to the foregoing,

and to have agreed that in exercising the powers conferred by that power of attorney, the attorney shall be entitled to act in the interests of Titan as the beneficial owner and intended registered holder of your Andina Shares in respect of which you have accepted the Offer and to have further agreed to do all such acts, matters and things that Titan may require to give effect to the matters the subject of this paragraph (including the execution of a written form of proxy to the same effect as this paragraph which complies in all respects with the requirements of the constitution of Andina) if requested by Titan. This appointment is irrevocable and terminates upon registration of a transfer to Titan of your Andina Shares;

(viii) with effect from the later of acceptance of the Offer and the date that any contract resulting from that acceptance becomes, or is declared, unconditional, agreed not to vote in person at any general meeting of Andina or to exercise (or purport to exercise) in person, by proxy or otherwise, any of the powers conferred on Titan and the directors, secretaries and other officers of Titan by paragraph (vii) above;

(ix) with effect from the later of acceptance of the Offer and the date that any contract resulting from that acceptance becomes, or is declared, unconditional, irrevocably authorised Titan to notify Andina on your behalf that your place of address for the purposes of serving notices in respect of your Andina Shares is the address specified by Titan in the notification;

- (x) represented and warranted to Titan that, unless you have notified it in accordance with Section 9.3, your Andina Shares do not consist of a separate parcel of shares; and
- (xi) agreed, subject to the Offer Conditions being satisfied or waived, to execute all such documents, transfers and assurances, and do all such acts, matters and things that Titan may consider necessary or desirable to convey your Andina Shares registered in your name and Rights to Titan.

The representations, warranties, undertakings and authorities detailed in this Section 9.7 will (unless otherwise stated) remain in force after you receive the Offer Consideration for your Andina Shares and after Titan becomes registered as the holder of your Andina Shares.

9.8 Payment of Offer Consideration

- (a) Subject to Sections 9.9 and 9.10, the terms of the Offer and the Corporations Act, Titan will provide the Offer Consideration for your Andina Shares on or before the earlier of:
 - (i) one month after the date of your acceptance or, if the Offer remains subject to the Offer Conditions when you accept the Offer, within one month after the Offer becomes unconditional; and
 - (ii) 21 days after the end of the Offer Period;
- (b) Under no circumstances will interest be paid on the Offer Consideration to which you are entitled, regardless of any delay in providing the consideration or any extension of the Offer.
- (c) Where the Acceptance and Transfer Form requires an additional document to be given with your acceptance (such as a power of attorney):
 - (i) if that document is given with your acceptance, Titan will provide the Offer Consideration in accordance with Section 9.8(a):
 - (ii) if that document is given after acceptance and before the end of the Offer Period while the Offer remains subject to the Offer Conditions, Titan will provide the Offer Consideration due to you on or before the earlier of:
 - (A) one month after the Offer becomes unconditional; or
 - (B) 21 days after the end of the Offer Period;
 - (iii) if that document is given after acceptance and before the end of the Offer Period while the Offer is not subject to the Offer Conditions, Titan will provide the Offer Consideration due to you on or before the earlier of:
 - (A) one month after the document is given; or
 - (B) 21 days after the end of the Offer Period;
 - (iv) if that document is given after acceptance and after the end of the Offer Period, and the Offer is not subject to the Offer Conditions, Titan will provide the Offer Consideration within 21 days after that document is given to Titan; and
 - (v) if that document is given after your acceptance and after the end of the Offer Period, and the Offer is still subject to the Offer Conditions, Titan

will provide the Offer Consideration for you within 21 days after the Offer becomes unconditional.

- (d) If you have accepted the Offer and you are an Ineligible Foreign Shareholder, you will receive your share of the proceeds from the sale of the Andina Shares in accordance with Section 9.9.
- (e) Subject to Sections 9.9 and 9.10, Titan's obligation to issue and allot any Titan Shares to which you are entitled under the Offer will be satisfied by Titan:
 - (i) entering your name on the register of members of Titan; and
 - (ii) dispatching or procuring the dispatch to you by pre-paid post to your address recorded in Andina's register of members at 5.00pm (WST) on the Record Date, an uncertificated holding statement in your name. If your Andina Shares are held in a joint name, an uncertificated holding statement will be issued in the name of, and forwarded to, the holder whose name appears first in Andina's register of members at 5.00pm (WST) on the Record Date.
- (f) If Titan becomes entitled to any Rights as a result of your acceptance of this Offer, it may require you to give to Titan all documents necessary to vest title to those Rights in Titan, or otherwise to give Titan the benefit or value of those Rights. If you do not do so, or if you have received or are entitled to receive (or any previous holder of your Andina Shares has received or is entitled to receive) the benefit of those Rights, Titan will be entitled to deduct the amount (or an amount equal to the value, as reasonably assessed by Titan) of those Rights from any consideration otherwise payable to you under this Offer. If Titan does not, or cannot, make such a deduction, you must pay that amount to Titan, except to the extent that Titan elects to waive its entitlement to those Rights.
- (g) If any amount (the withholding amount) is required, under any Australian law or by any Government Agency, to be:
 - (i) withheld from any consideration otherwise payable to you under this Offer and paid to a Government Agency; or
 - (ii) retained by Titan out of any consideration otherwise payable to you under this Offer,the payment or retention by Titan of the withholding amount (as applicable) will constitute full discharge of Titan's obligation to pay the consideration to you to the extent of the withholding amount.
- (h) If, at the time you accept the Offer, any of the following:
 - (i) *Banking (Foreign Exchange) Regulations 1959* (Cth);
 - (ii) *Charter of the United Nations (Dealing with Assets) Regulations 2008* (Cth);
 - (iii) *Charter of the United Nations (Sanctions - Al-Qaida and the Taliban) Regulations 2008* (Cth);
 - (iv) *Charter of the United Nations (Sanctions - Iraq) Regulations 2008* (Cth);
or
 - (v) any other law of Australia,

require that an authority, clearance or approval of the Reserve Bank of Australia, the Australian Taxation Office or any other government authority be obtained before you receive any Offer Consideration for your Andina Shares, or would make

it unlawful for Titan to provide any Offer Consideration to you for your Andina Shares, you will not be entitled to receive any Offer Consideration for your Andina Shares until all requisite authorities, clearances or approvals have been received by Titan.

9.9 Ineligible Overseas Shareholders

- (a) If you are an Ineligible Overseas Shareholder, you will not be entitled to receive Titan Shares as consideration for Andina Shares as a result of accepting this Offer, and Titan will:
- (i) arrange for the issue to a nominee approved by ASIC (**Nominee**) of the number of Titan Shares to which you and all other Ineligible Foreign Shareholders would have been entitled but for Section 9.3(i) and the equivalent provision in each other offer under the Offer;
 - (ii) cause the Titan Shares so issued to be offered for sale by the Nominee on ASX as soon as reasonably practicable and otherwise in the manner, at the price and on such other terms and conditions as are determined by the Nominee (at the risk of Ineligible Overseas Shareholders); and
 - (iii) pay to you the amount ascertained in accordance with the formula:

$$\frac{N \times YS}{TS}$$

where:

- (A) **N** is the amount which is received by the Nominee upon the sale of all Titan Shares under this Section 9.9 less any fees, taxes and sale expenses;
 - (B) **YS** is the total number of Titan Shares which Titan would, but for Section 9.3(i), otherwise have issued to you; and
 - (C) **TS** is the total number of Titan Shares allotted to the Nominee under this Section 9.9.
- (b) You will receive your share of the net proceeds of the sale of Titan Shares calculated in accordance with Section 9.9(a) in Australian currency.
- (c) Payment will be made by cheque posted to you at your risk by ordinary mail (or in the case of overseas shareholders, by airmail) at the address provided on your Acceptance Form within the period required by the Corporations Act.
- (d) Under no circumstances will interest be paid on your share of the net proceeds of the sale of Titan Shares by the Nominee, regardless of any delay in remitting these proceeds to you.
- (e) The Nominee may sell the Titan Shares in such manner, at such price or prices and on such terms as the Nominee determines, and at the risk of the Ineligible Overseas Shareholders. The Nominee will sell the Titan Shares on ASX following the issue of those shares to it.
- (f) The market price of Titan Shares will be subject to change from time to time, and the sale price of the Titan Shares sold by the Nominee and the proceeds of those sales cannot be guaranteed. Neither Titan nor the Nominee gives any assurance as to the price that will be achieved by the sale of the Titan Shares by the Nominee.

- (g) The Nominee will be appointed by, and will provide the Nominee services to Titan. In acting as Nominee, the Nominee will not be acting as agent or sub-agent of any Ineligible Overseas Shareholder, does not have any duties or obligations (fiduciary or otherwise) to any Ineligible Overseas Shareholder and does not underwrite the sale of Titan Shares.
- (h) If Titan determines, acting reasonably and in good faith, that it must pay an amount to the Commissioner of Taxation pursuant to Subdivision 14-D of Schedule 1 of the *Taxation Administration Act 1953* (Cth) (**TAA**) with respect to the acquisition of the Andina Shares from an Andina Shareholder, Titan will, for any such Andina Shareholder:
 - (i) determine the amount to be paid to the Commissioner (**Payment Amount**);
 - (ii) procure that Titan remits the Payment Amount to the Commissioner within the time required under the TAA; and
 - (iii) reduce the amount of consideration payable by Titan to the Andina Shareholder by the Payment Amount for the purposes of this Offer.

For the avoidance of doubt, where the conditions in this Section 9.9(h) are satisfied, Titan will, for the purposes of this Offer, be deemed to have satisfied its obligations to pay the consideration to an Andina Shareholder if the amount paid to the Andina Shareholder is the amount of the consideration that would otherwise have been payable to the Andina Shareholder pursuant to the Offer, less the Payment Amount for that Andina Shareholder.

9.10 Conditions to the Offer

The Offer and any other contract that results from acceptance of the Offer are subject to the following conditions (together, the **Offer Conditions**):

(a) Minimum Acceptance

At or before the end of the Offer Period, Titan has a Relevant Interest in at least 90% of the Andina Shares on issue at the end of the Offer Period.

(b) Regulatory Approvals

Before the end of the Offer Period, all approvals or consents that are required by any applicable law, by any Government Agency or by any other Third Party as are necessary to permit:

- (i) the Offer to be lawfully made to and accepted by Andina Shareholders;
- (ii) the transactions contemplated by the Bidder's Statement to be completed; and
- (iii) Andina to be in material compliance with each of its and its Subsidiaries' contracts, permits, licences and other agreements,

are granted, given, made or obtained on an unconditional basis, remain in full force and effect in all respects, and do not become subject to any notice, intimation or indication of intention to revoke, suspend, restrict, modify or not renew the same.

(c) Material Adverse Change

Between the Announcement Date and the end of the Offer Period (each inclusive) none of the following occurs:

- (i) an event, change, condition, matter or thing occurs or will or is reasonably likely to occur;
- (ii) information is disclosed or announced by Andina concerning any event, change, condition, matter or thing that has occurred or is reasonably likely to occur; or
- (iii) information concerning any event, change, condition, matter or thing that has occurred or is reasonably likely to occur becomes known to Titan (whether or not becoming public),

(each of 9.10(c)(i), 9.10(c)(ii) and 9.10(c)(iii) being a **Specified Event**) which, whether individually or when aggregated with all such events, changes, conditions, matters or things of a like kind that have occurred or are reasonably likely to occur, has had or would be considered reasonably likely to have a material adverse effect on the business, assets, liabilities, financial or trading position, profitability or prospects of Andina Group taken as a whole.

Without limiting the generality of the above, the effect of a diminution in the value of the consolidated net assets of the Andina Group, taken as a whole, by at least \$200,000 against what it would reasonably have been expected to have been but for such Specified Event, other than:

- (iv) an event, matter, change or circumstance caused, or materially contributed to, by Titan;
- (v) anything required or permitted to be done or not done under the bid implementation agreement or otherwise required to be done in connection with the legal obligations for the implementation of the Offer; or
- (vi) any event, matter, change or circumstance:
 - (A) fairly disclosed by Andina to Titan, a related Body Corporate of Titan, an adviser of Titan or a Related Body Corporate of Titan, or an officer or employee of any such adviser or Related Body Corporate prior to the date of this Agreement;
 - (B) disclosed prior to the date of the bid implementation agreement in public filings by Andina to ASIC; or
 - (C) otherwise known by Titan, a related Body Corporate of Titan, an adviser of Titan or a Related Body Corporate of Titan, or an officer or employee of any such adviser or Related Body Corporate at any time prior to the date of this Agreement.

(d) **No Prescribed Occurrences**

Between the Announcement Date and the end of the Offer Period (each inclusive), none of the following prescribed occurrences occurs:

- (i) Andina converting all or any of the Andina Shares into a larger or smaller number of shares;
- (ii) Andina or any of its Subsidiaries resolving to reduce its share capital in any way;
- (iii) Andina or any of its Subsidiaries entering into a buyback agreement or resolving to approve the terms of a buyback agreement under section 257C(1) or 257D(1) of the Corporations Act;

- (iv) Andina making an issue of Andina Shares or granting an option over the Andina Shares or agreeing to make such an issue or grant such an option;
 - (v) Andina or any of its Subsidiaries issuing, or agreeing to issue, convertible notes or any other securities;
 - (vi) Andina or any of its Subsidiaries disposing or agreeing to dispose, of the whole, or a substantial part, of its business or property;
 - (vii) Andina or any of its Subsidiaries granting, or agreeing to grant, a security interest in the whole, or a substantial part, of its business or property;
 - (viii) Andina or any of its Subsidiaries resolving to be wound up;
 - (ix) the appointment of a liquidator or provisional liquidator of Andina or any of its Subsidiaries;
 - (x) the making of an order by a court for the winding up of Andina or any of its Subsidiaries;
 - (xi) an administrator of Andina or any of its Subsidiaries being appointed under section 436A, 436B or 436C of the Corporations Act;
 - (xii) Andina or any of its Subsidiaries executing a deed of company arrangement; or
 - (xiii) the appointment of a receiver, receiver and manager, other controller (as defined in the Corporations Act) or similar official in relation to the whole, or a substantial part, of the property of Andina or any of its Subsidiaries.
- (e) **Titan Shareholder Approval**

Titan obtaining Titan Shareholder approval for the issue of Titan Shares pursuant to the Offer for the purposes of ASX Listing Rule 10.1.

9.11 Freeing the Offer of the Offer Conditions

Titan may free the Offer, and any contract resulting from its acceptance, from an Offer Condition by giving notice to Andina declaring the Offer to be free from the relevant Offer Condition specified in accordance with section 650F of the Corporations Act. This notice may be given:

- (a) in the case of the Offer Condition referred to in Section 9.10(d) (but only to the extent that the Offer Conditions are the same as the conditions set out in section 652C(1) or (2) of the Corporations Act), not later than three Business Days after the end of the Offer Period; and
- (b) in the case of all the other Offer Conditions in Section 9.10, not less than seven days before the end of the Offer Period.

9.12 Nature of Offer Conditions

Subject to Section 9.11, the Offer Conditions are conditions subsequent to the formation of a binding contract upon your acceptance of this Offer. The Offer Conditions do not prevent a contract to sell your Andina Shares resulting from your acceptance of this Offer, but:

- (a) a breach of an Offer Condition entitles Titan to rescind that contract by written notice to you; and

- (b) non-fulfilment of any of the Offer Conditions at the end of the Offer Period will have the consequences in Section 9.13.

9.13 Contract Void if Offer Condition Not Satisfied

If, at the end of the Offer Period, any Offer Condition has not been satisfied and Titan has not declared the Offer (or it has not become) free from the Offer Condition, all contracts resulting from the acceptance of the Offer will be automatically void.

Subject to the provisions of the Corporations Act, Titan alone will be entitled to the benefit of the Offer Conditions and any breach or non-fulfilment thereof may be relied upon only by Titan.

9.14 Notice of Status of Offer Conditions

The date for giving the notice required by section 630(1) of the Corporations Act is 11 June 2018, subject to extension in accordance with section 630(2) if the Offer Period is extended.

9.15 Withdrawal of Offer

Titan may withdraw the Offer at any time before you accept it, but only with the consent in writing of ASIC (which consent may be given subject to such conditions, if any, as are imposed by ASIC). If ASIC gives such consent, Titan will give notice of the withdrawal to Andina and comply with any other conditions imposed by ASIC.

9.16 Variation

Titan may vary the Offer in accordance with section 650D the Corporations Act.

9.17 Stamp Duty or Other Costs

All costs and expenses of the preparation, dispatch and circulation of the Offer and any stamp duty payable in respect of the transfers will be paid by Titan.

If your Andina Shares are registered in your name and you deliver them directly to Titan, you will not incur any brokerage in connection with your acceptance of the Offer (unless you are an Ineligible Overseas Shareholder).

9.18 Governing Law

The Offer and any contract that results from your acceptance of the Offer is governed by the laws in force in Western Australia.

9.19 Date of Offer

The Offer is dated 24 May 2018.

10. Authorisation of Bidder's Statement

This Bidder's Statement is dated 23 May 2018 and was approved pursuant to a unanimous resolution of the Titan Directors.

A handwritten signature in black ink, appearing to read 'N. Rowley', is positioned above the printed name and title.

Signed for and on behalf of Titan Minerals Limited
Nicholas Rowley
Non-Executive Director

11. Definitions and Interpretation

11.1 Definitions

In this Bidder's Statement, unless the context otherwise requires:

6th Anniversary has the meaning given in Section 2.6(b).

13th Anniversary has the meaning given in Section 2.6(b).

Acceptance and Transfer Form means the form of acceptance for the Offer enclosed with this Bidder's Statement.

Andina means Andina Resources Limited ACN 137 601 159.

Andina Board means the board of Andina Directors.

Andina Director means a director of Andina as at the date of this Bidder's Statement.

Andina Group means Andina and its Related Bodies Corporate.

Andina Independent Director means an Andina Director other than Mr Matthew Carr.

Andina Performance Right means a performance right issued by Andina.

Andina Share means a fully paid ordinary share in the capital of Andina.

Andina Shareholders means all registered holders of Andina Shares.

Announcement Date means the date the Offer was announced, being 26 March 2018.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 or the Australian Securities Exchange (as the context requires).

ASX Listing Rules means the official listing rules of ASX.

ASX Settlement means ASX Settlement Pty Limited ABN 49 008 504 532.

ASX Settlement Operating Rules means the operating rules of ASX Settlement.

ASX Settlement Participant means an ASX Settlement Participant under the ASX Settlement Operating Rules.

Bid Implementation Agreement means the agreement between Titan and Andina with respect to the conduct of the Offers.

Bidder's Statement means this document.

Bridging Loan has the meaning given in Section 2.6(a).

Business Day means a day on which banks are open for business in Perth, other than a Saturday, Sunday or public holiday.

CGT has the meaning given in to that term in Section 6.1.

CIL means carbon in leach.

CIP means carbon in pulp.

Combined Entity means Titan and its Subsidiaries following the acquisition by Titan of all, or a portion of Andina Shares on issue.

Competing Proposal means any expression of interest, proposal, offer, transaction or arrangement by or with any person pursuant to which, if the expression of interest, proposal, offer, transaction or arrangement is entered into or completed substantially in accordance with its terms, would result in a Third Party:

- (a) directly or indirectly acquiring an interest, a Relevant Interest in or becoming the holder of more than 20% or more of the Andina Shares;
- (b) acquiring Control of Andina; or
- (c) otherwise directly or indirectly:
 - (i) acquiring or merging with Andina, or having the right to so acquire or merge with; or
 - (ii) acquiring a significant economic interest in all or significant part of the business or assets of Andina,

in each case whether by way of takeover bid, scheme of arrangement, security holder-approved acquisition or resolution, reverse takeover bid, capital reduction, security buy-back, sale or purchase of assets, joint venture, dual listed company and/or trust structure, or other transaction or arrangement.

Completion means completion of the Offer.

Consultancy Agreement has the meaning given in Section 2.6(e).

Control has the meaning given in section 50AA of the Corporations Act.

Corporations Act means the Australian *Corporations Act 2001* (Cth).

DCF has the meaning given in Section 2.6(c).

DCF Royalty Deed has the meaning given in Section 2.6(c).

DOCA means the deed of company arrangement in respect of Titan and Titan's restructure and recapitalisation executed on 15 October 2015, as varied from time to time.

Earn-In and Joint Venture Agreement has the meaning given in Section 2.6(d).

Effective Date has the meaning given in Section 2.6(b).

Encumbrance means any mortgage, charge, pledge, lien, encumbrance, title retention, preferential right, trust arrangement, contractual right of set-off, or any security agreement or arrangement in favour of any person, whether registered or unregistered, including a Security Interest (as defined in section 12 of the *Personal Property Securities Act 2009* (Cth)).

Expiry Date means the date of expiry of a Titan Performance Right.

Figure means a figure in this Bidder's Statement.

Foreign Law means a law of a jurisdiction other than Australia.

Government Agency means any government or any governmental, administrative, monetary, fiscal or judicial body, department, commission, authority, tribunal, agency or entity in any part of the world.

GST means Goods and Services Tax within the meaning of the *A New Tax System (Goods and Services Tax) Act 1999* as amended from time to time.

Independent Director means an Andina Independent Director or Titan Independent Director, as the context requires.

Independent Expert means the independent expert, Moore Stephens, engaged by Andina.

Ineligible Overseas Shareholder means an Andina Shareholder whose address as shown in the register of members of Andina is a jurisdiction other than Australia or its external territories unless Titan otherwise determines (in its absolute discretion) after being satisfied that it is not unlawful, unduly onerous or impracticable to make the Offer to an Andina Shareholder in the relevant jurisdiction and to issue Titan Shares to such an Andina Shareholder on acceptance of the Offer, and that it is not unlawful for such an Andina Shareholder to accept the Offer in such circumstances in the relevant jurisdiction.

JORC Code means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012) as amended from time to time.

Kairos means Kairos Capital Peru S.A.C.

Last Practicable Date means 18 May 2018.

Mantle has the meaning given in Section 2.6(d).

Mineral Resource has the meaning given to that term in 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

Mirador means M&S Transportes y Servicios Generales S.R.L.

Mirador Acquisition has the meaning given in Section 2.4(c).

Mirador Concessions has the meaning given in Section 2.4(c).

Mirador Plant has the meaning given in Section 2.4(c).

Mirador Vendors has the meaning given in Section 2.4(c).

Nominee has the meaning given in Section 9.9(a)(i).

Offer means the off-market takeover offer by Titan for all of the Andina Shares that it does not already own on the terms and conditions detailed in this Bidder's Statement.

Offer Conditions means the conditions of the Offer detailed in Section 9.10.

Offer Consideration means one Titan Share for every 1.18 Andina Shares.

Offer Period means the period during which the Offer is open for acceptance in accordance with this Bidder's Statement.

Official List means the official list of ASX.

Payment Amount has the meaning given in Section 9.9(h)(i).

Placement has the meaning given in Section 2.7.

Pre-Bid Acceptance Agreements has the meaning given in Section 8.1.

Q means quarter.

Record Date means the date set by Titan under section 633(2) of the Corporations Act, being 23 May 2018.

Related Body Corporate has the meaning given in section 50 of the Corporations Act.

Related Person means in relation to either Titan or Andina:

- (a) a Related Body Corporate;
- (b) its advisers of an advise of a Related Body Corporate; or
- (c) an officer or employee of any entity referred to in paragraphs (a) or (b) above.

Relevant Interest has the meaning given to that term in section 9 of the Corporations Act.

Restriction Agreements has the meaning given in Section 8.7.

Rights means all accreditations, benefits and rights attaching to or arising from Andina Shares directly or indirectly at or after the Announcement Date (including, but not limited to, all dividends and all rights to receive dividends and to receive or subscribe for shares, stock units, notes or options declared, paid, or issued by Andina).

San Santiago Concessions means the concessions comprising the San Santiago Project as detailed in Table 2 of Section 2.4(b).

San Santiago Plant has the meaning given in Section 2.4(b).

San Santiago Project has the meaning given in Section 2.1.

San Santiago Project Companies means Derivados y Concentrados S.A.C., Compañía Minera Cobrepampa S.A.C., Grupo Cobrepampa S.A.C., E.M. Cobrepampa S.A.C., and Korisumaq S.A.C., companies incorporated under the laws of Peru.

Section means a section in this Bidder's Statement.

SilverStream has the meaning given in Section 2.6(b).

SilverStream Royalty Deed has the meaning given in Section 2.6(b).

Specified Event has the meaning given in Section 9.10(c).

Strategic Review has the meaning given in Section 5.5(a).

Subsidiary has the meaning given in the Corporations Act.

Superior Proposal means a Competing Proposal that the Andina Independent Directors determine in good faith (based on the written opinion of external financial and legal advisors) is:

- (a) reasonably capable of being valued and completed in a timely manner, taking into account all aspects of the Competing Proposal and the person making it; including without limitation, having regard to legal, financial and regulatory matters and conditions precedent reasonably capable of being completed; and
- (b) more favourable to Andina Shareholders as a whole than the Offer, taking into account all the terms and conditions of the Competing Proposal.

TAA has the meaning given in Section 9.9(h).

Table means a table in this Bidder's Statement.

Takeovers Panel means the body called the Takeovers Panel continuing in existence under section 261 of the *Australian Securities and Investments Commission Act 2001* (Cth) and given various powers under Part 6.10 of the Corporations Act.

Target's Statement means the target's statement in relation to the Offer, to be issued by Andina in compliance with Part 6.5 of the Corporations Act.

Termination Date has the meaning given in Section 2.6(e).

Third Party means a party other than Andina, Titan and any of their Subsidiaries.

Titan means Titan Minerals Limited ACN 117 790 897.

Titan Board means the board of Titan Directors.

Titan Director means a director of Titan as at the date of this Bidder's Statement.

Titan Group means Titan and its Related Bodies Corporate.

Titan Independent Director means a Titan Director other than Mr Matthew Carr.

Titan Performance Right means a performance right issued by Titan.

Titan Share means a fully paid ordinary share in the capital of Titan.

Torrecillas Gold Project has the meaning given in Section 2.1.

Torrecillas Earn-In Concessions means the concessions in respect of which Titan has the right to earn-in a 70% interest, as detailed in Table 1 of Section 2.4(a).

TPD means tonnes per day.

Trading Day has the meaning given to that term in the ASX Listing Rules.

Tranche 1 Placement Shares has the meaning given in Section 2.7.

Tranche 2 Placement Shares has the meaning given in Section 2.7.

Tulin Gold Plant has the meaning given in Section 3.2.

Vista has the meaning given in Section 2.6(a).

Vista Gold Plant has the meaning given in Section 3.2.

VWAP means volume weighted average price of "on-market" trades on ASX (i.e. normal trades, cross trades, stabilisation trades and short sell trades).

11.2 Interpretation

The following rules of interpretation apply unless intention appears or the context requires otherwise:

- (a) a reference to a time is a reference to Australian Western Standard Time (WST) time, unless otherwise stated;
- (b) headings are for convenience only and do not affect interpretation;

- (c) the singular includes the plural and conversely;
- (d) a gender includes all genders;
- (e) where a word or phrase is defined, the other grammatical forms have a corresponding meaning;
- (f) \$, AUD, A\$ or cents is a reference to the lawful currency in Australia, unless otherwise stated;
- (g) a reference to a person includes a body corporate, an unincorporated body or other entity and conversely;
- (h) a reference to a person includes a reference to the person's executors, administrators, successors, substitutes (including persons taking by novation) and assigns;
- (i) a reference to any legislation or to any provision of any legislation includes any modification or re-enactment of it, any legislative provision substituted for it and all regulations and statutory instruments issued under it;
- (j) a reference to any instrument or document includes any variation or replacement of it;
- (k) capitalised terms used in this Bidder's Statement, which are not specifically defined in this Bidder's Statement, have the meanings given to them (if any) in the Corporations Act;
- (l) a reference to a right or obligation of any two or more persons confers that right, or imposes that obligation, as the case may be, jointly and individually;
- (m) a reference to "you" is to a person to whom the Offer is made; and
- (n) the words 'include', 'including', 'for example' or 'such as' are not used as, nor are they to be interpreted as, words of limitation, and, when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind.

