

This is an important document and requires your immediate attention.

Andina Shareholders should also refer to the Independent Expert's Report contained inside this Target's Statement.

If you are in any doubt about how to deal with this document, you should contact your broker, financial advisor or legal advisor immediately.

Andina Resources Limited
(ACN 137 601 159)
(Andina)



ANDINA
RESOURCES LIMITED

Target's Statement

This Target's Statement has been issued in response to the Offer by Titan Minerals Limited (ACN 117 790 897) for all of the Andina Shares.

Your Independent Directors (who are not Interested Directors) have recommended that you accept the Offer in the absence of a Superior Proposal.

Key dates

Date of Titan Minerals Limited Offer	24 May 2018
Date of this Target's Statement	8 June 2018

Offer closes (unless extended or withdrawn)*

5.00pm (WST) on 24 June 2018

*These dates are subject to change. Please also refer sections 9.6 and 9.7 of this Target's Statement for further details regarding the extension or withdrawal of the Offer.

Important notices

Nature of this document

This document is a Target's Statement issued by Andina Resources Limited (**Andina**) under Part 6.5 Division 3 of the Corporations Act in response to the Bidder's Statement and Offer issued by Titan Minerals Limited (**Titan**).

A copy of this Target's Statement was lodged with ASIC on 8 June 2018. Neither ASIC nor its officers take any responsibility for the content of this Target's Statement.

Defined terms

A number of defined terms are used in this Target's Statement. Unless the contrary intention appears, the context requires otherwise or words are defined in section 13, words and phrases in this Target's Statement have the same meaning and interpretation as in the Corporations Act.

No account of personal circumstances

This Target's Statement does not take into account your individual objectives, financial situation or particular needs. It does not contain personal advice. Andina encourages you to seek independent financial and taxation advice before making a decision as to whether or not to accept the Offer.

Disclaimer as to forward looking statements

Some of the statements appearing in this Target's Statement may be in the nature of forward looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement.

You are cautioned not to place undue reliance on any forward looking statement. The forward looking statements in this Target's Statement reflect views held only as at the date of this Target's Statement.

Disclaimer as to Titan information

Andina has prepared the information concerning Titan contained in this Target's Statement using information provided to it by Titan. Andina has not independently verified the information concerning Titan contained in this Target's Statement.

Accordingly, Andina does not make any representation or warranty (express or implied) as to the accuracy or completeness of such information.

Privacy

Andina has collected your information from the Andina register of Andina's Shareholders for the purpose of providing you with this Target's Statement. The type of information Andina has collected about you includes your name, contact details and information on your security holding in Andina. Without this information, Andina would be hindered in its ability to issue this Target's Statement. The Corporations Act requires the name and address of Andina's Shareholders to be held in a public register. Your information may be disclosed on a confidential basis to external service providers (such as print and mail service providers) and may be required to be disclosed to regulators (such as ASIC). If you would like to obtain details of the information held about you by Andina, please contact Andina at the address shown below. A copy of Andina's privacy policy is available on request by contacting Andina on +61 8 6555 2950. Andina's address is Suite 6, 295 Rokeby Road, Subiaco WA 6008.

Andina Shareholder information

Andina Shareholders may contact Andina on +61 8 6555 2950 if they have any queries in relation to the Offer.

Further information relating to the Offer can be obtained from Andina's website at <http://andinaresources.com.au/>.

8 June 2018

Dear Shareholders

Takeover offer for Andina Resources Limited (Andina) by Titan Minerals Limited (Titan)

On 26 March 2018, Titan announced an off-market takeover offer for all of the issued fully paid ordinary shares in Andina (**Offer**). The Offer opened on 24 May 2018 and Titan completed the dispatch of its Bidder's Statement to Andina Shareholders on 25 May 2018.

The consideration under the Offer is 1 Titan Share for every 1.18 Andina Shares you hold.

As an independent director of Andina (who does not have a Relevant Interest in Titan and is not a director of Titan), I recommended that you accept the Offer in the absence of a Superior Proposal.

In deciding whether or not to accept the Offer, it is important that you carefully assess the information regarding Titan set out in the Bidder's Statement which has been previously sent to you by Titan and the Independent Expert's Report which accompanies this Target's Statement.

After careful consideration, the Independent Directors of Andina unanimously recommend that you accept the Offer made to you unless a Superior Proposal emerges. Whilst under the terms of the Bid Implementation Agreement Andina remains free to consider and respond to Superior Proposals should they emerge, the Directors of Andina note that as of the date of this Target's Statement, no such Superior Proposal has been received.

Further discussion of the reasons for the Independent Directors recommendation, as well as other matters that may be relevant to your decision whether to accept the Offer made to you, are set out in this Target's Statement and the Independent Expert's Report.

In considering whether to accept the Offer, I encourage you to:

- read this Target's Statement, the Independent Expert's Report and the Bidder's Statement in their entirety;
- have regard to your individual risk profile, portfolio strategy, tax position and financial circumstances; and
- obtain financial advice from your broker or financial advisor on the Offer and obtain taxation advice on the effect of accepting the Offer.

The Offer is scheduled to close at 5.00pm (WST) on 24 June 2018 (unless extended or withdrawn). To accept the Offer made to you, follow the instructions outlined in section 9.5 of the Bidder's Statement and printed on the acceptance form that accompanies the Bidder's Statement.



If you have any queries in relation to the Offer, please contact Andina on +61 8 6555 2950 between 9.00am and 5.00pm (WST).

Yours faithfully

A handwritten signature in blue ink, appearing to read "Arturo Cavero", is written over a horizontal line.

Arturo Cavero
Director
Andina Resources Limited

Table of Contents

1	Bidder's Statement Information	6
2	Advantages and disadvantages of accepting the Offer	6
3	Frequently asked questions	10
4	Directors' recommendation and intentions	14
5	Your choices as an Andina Shareholder	15
6	Important information for Andina Shareholders to consider	16
7	Other important matters.....	18
8	Risks.....	19
9	Key features of the Offer	20
10	Information relating to Directors	23
11	Additional Information	25
12	Authorisation	27
13	Definitions and interpretation	28

1 Bidder's Statement Information

The Bidder's Statement and this Target's Statement should be read in conjunction with each other.

Andina has contributed to the content of the Bidder's Statement and has consented to the inclusion of the information relating to Andina in the Bidder's Statement.

2 Advantages and disadvantages of accepting the Offer

The Independent Directors have considered the advantages and disadvantages of the Offer and unanimously recommend that you accept the Offer made to you, unless a Superior Proposal emerges.

The reasons for this recommendation are set out below and within the Bidder's Statement.

The Directors acknowledge that there are risks associated with accepting the Offer, which are highlighted in section 8 of this Target's Statement and section 7 of the Bidder's Statement.

ADVANTAGES OF ACCEPTING THE OFFER

2.1 Strengthened financial position to fund future growth

The Combined Entity, being Titan and its Subsidiaries following the acquisition by Titan of all, or a portion of Andina Shares on issue, will be in a stronger financial position than Andina on a standalone basis to maximise shareholder value and to fund and develop Andina's assets.

If Titan is successful in acquiring 100% of Andina, the Combined Entity will have pro-forma cash and cash equivalents of approximately A\$5.5m (as at 31 December 2017). Refer to Section 4.8 of the Bidder's Statement for details of the assumptions incorporated into the pro forma consolidated statement of financial position for the Combined Entity.

This improved financial position is expected to greatly assist the Combined Entity to progress the exploration, development and production of its combined projects, including the completion of Andina's Vista Gold Plant.

Further, the Independent Directors note that Andina will likely be required to raise further capital (by way of either debt or equity, or a combination of both) to complete the construction of its Vista Gold Plant. The likelihood of obtaining debt or equity funding on favourable terms may be difficult as an unlisted entity and given current market factors.

2.2 Establishes a more diverse asset base

The Independent Directors consider that the gold treatment processing assets which Andina holds are complementary to Titan's assets and have the potential to create significant value for Andina Shareholders in the Combined Entity.

The Offer allows the asset portfolio that Andina has assembled to be retained, rather than the likely alternative scenario in the absence of the Offer which may require the divestment of certain assets (or the dilution of current Andina Shareholders interests through a capital raising) in order to fund Andina's ongoing activities.

If Titan is successful in acquiring 100% of Andina, Andina Shareholders will retain an approximate 25% interest in the Combined Entity on an undiluted basis and are expected to retain exposure to all of Andina's existing assets through the Combined Entity.

If the Offer succeeds, Andina Shareholders (through their shareholding in the Combined Entity) will gain exposure to a larger and more diversified pool of assets

and opportunities, including Titan's Torrecillas Gold Project and San Santiago Project located in Peru, and its proposed acquisition of the Mirador Plant located approximately 450km north of Lima, Peru.

A description of Andina's operational activities and assets can be found in section 6.3 of this Target's Statement and section 3.3 of the Bidder's Statement.

A description of Titan's operational activities can be found in section 2.4 of the Bidder's Statement.

2.3 Benefits of a larger Combined Entity

The combined pro forma market capitalisation of Titan, assuming the successful acquisition of 100% of Andina under the Offer, will be approximately \$80,202,234 (based on Titan share prices as at 7 June 2018).

In addition to the more diversified asset base, the prospective increase in the scale of the Combined Entity is anticipated to provide a number of benefits to Andina Shareholders, including but not limited to:

- **enhanced ability to access financing:** the Combined Entity is likely to benefit from an enhanced ability to source debt and equity (and on more favourable terms) as a result of the increased scale and diversified asset base of the Combined Entity;
- **increased liquidity:** if the Offer is successful, Andina Shareholders will receive Titan Shares, which are tradable on the 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.
- **value of Andina could diminish if Titan satisfies earn-in:** Titan and Andina have previously entered into an earn-in agreement pursuant to which Titan may acquire 70% of Andina's Torrecillas Earn-In Concessions 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. If the earn-in is completed, the value of Andina could significantly reduce noting Andina's minority interest in Torrecillas Earn-In Concessions. If Andina Shareholders accept the Offer they will continue to be exposed to 100% of the Torrecillas Earn-In Concessions (albeit with a diluted equity position).

Further information regarding the Combined Entity is set out in section 4 of the Bidder's Statement.

2.4 No Superior Proposal has emerged

Prior to recommending the Offer, the Independent Directors assessed a range of options (including funding and asset transaction opportunities) and have formed the view that the Offer represented the best way to maximise shareholder value for Andina's assets.

To date, no Superior Proposal has emerged and the Independent Directors do not consider that a Superior Proposal is likely to emerge noting the synergies that are unique to Andina's and Titan's asset portfolios, including the proximity to respective plant and projects within Peru.

2.5 CGT rollover relief

If Titan acquires more than 80% of the Andina Shares on issue under the Offer, accepting Andina Shareholders may be entitled to CGT rollover relief. In summary, rollover relief means that the effective sale of your Andina Shares will not crystallise a taxation event, and any potential tax liability will be deferred until such time as you sell the Titan Shares issued to you under the Offer.

Further information regarding taxation is set out in section 7.2 of this Target's Statement and section 6 of the Bidder's statement.

2.6 Sharing of exploration upside

If Titan is successful in acquiring 100% of Andina, existing Andina Shareholders will own approximately 25% (on an undiluted basis) of the issued ordinary shares of the Combined Entity. Accordingly, in those circumstances, former Andina Shareholders will share any future exploration success associated with Andina's assets and projects with the existing Titan shareholders.

Andina Shareholders will gain exposure to the potential returns and upside available from Titan's interests in its Torrecillas Gold Project and Santiago in Peru, as well as benefiting from being a shareholder in an entity that is better placed to meet Andina's capital expenditure requirements, thereby reducing the significant level of funding risk to which Andina Shareholders are currently exposed.

Given the complementary nature of the Andina and Titan assets and the fact that the Board and management team of the Combined Entity is expected to comprise of director and management talent from both organisations, the risks associated with integrating Andina's assets and operations into the Titan Group (including risks relating to loss of key personnel, know-how, relationships and information) are not expected to be material.

2.7 There are risks in not accepting the Offer

The Offer is subject to a number of conditions, including a minimum acceptance condition that Titan acquires a relevant interest in at least of 90% of the Andina Shares. If Titan were to waive the minimum acceptance condition relating to the acquisition of the Andina Shares, then it is possible that control of Andina could pass to Titan without Titan having the ability to compulsorily acquire the remaining Andina Shares. This would mean that Andina Shareholders who did not accept the Offer would remain as minority shareholders of Andina.

For further information on the risks associated with not accepting the Offer and becoming a minority shareholder in Andina, please refer to section 7.1 of this Target's Statement. For further information on the risks associated with the Offer and the Combined Entity generally, please refer to the risks set out in section 7 of the Bidder's Statement.

DISADVANTAGES OF ACCEPTING THE OFFER

2.8 Andina Shareholders will not have the benefit of any subsequent higher offer from any third party

Andina Shareholders who accept the Offer will not be able to accept a potential higher offer from a third party in the future. The Independent Directors have not received and are not aware of any competing proposal or Superior Proposal to the Offer and does not consider that a Superior Proposal will emerge. The Board will keep Andina Shareholders informed of any material developments.

2.9 The Independent Expert has determined that the transaction is not fair

The Independent Expert has determined that the Offer is not fair to the non-associated Andina Shareholders due to the value of an Andina Share prior to the

Offer on a controlling basis is greater than the value of the consideration being offered, being one Titan Share, valued on a minority basis.

The Independent Expert, however, has determined that the Offer is reasonable to Andina Shareholders because the advantages of the Offer to Andina Shareholders are greater than the disadvantages.

Further information regarding the determination of the Independent Expert is set out in the Independent Expert's Report at Annexure A of this Target's Statement.

2.10 Titan Shares are not highly liquid

The Independent Expert has determined that Titan's shares do not trade in a 'deep market' and would be considered illiquid for valuation purposes meaning that the disposal of Titan Shares on the ASX may not be immediately realised. The Independent Expert, however, notes that Titan has recently announced an AUD\$11,000,000 share placement which may further increase the liquidity of Titan Shares.

2.11 Reduction in control of Andina Shareholders

Currently Andina Shareholders control 100% of Andina. If Andina Shareholders accept the Offer they will not own 100% of Titan's Shares and, as such, will reduce their control in ownership in the Combined Entity. If the Offer is accepted, Andina Shareholders will own approximately 25% of Titan's shares.

The Independent Directors note, however, that Andina Shareholders will gain exposure to the potential returns and upside available from Titan's interests in the its Torrecillas Gold Project and Santiago in Peru, as well as benefiting from being a shareholder in an ASX listed entity.

2.12 Uncertainty of recent Titan transactions

The Independent Directors note that Titan is currently in the process of acquiring the Mirador Plant in Peru. Despite the completion of the acquisition being subject to a number of conditions being satisfied or waived by Titan, the potential impact of the acquisition of the Mirador Plant, including unforeseen working capital requirements and or the failure to implement appropriate integration synergies, cannot be determined by the Independent Directors.

For further information regarding the proposed acquisition of the Mirador Plant by Titan please refer to 2.41 of the Bidder's Statement.

3 Frequently asked questions

This section answers some commonly asked questions about the Offer. It is not intended to address all relevant issues for Andina Shareholders. This section should be read together with all other parts of this Target's Statement.

Question	Answer
Who is Titan?	<p>Titan is a Peru-focused minerals exploration and production company, whose ordinary shares are listed on ASX (ASX Code: TTM).</p> <p>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, 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.</p> <p>Refer to Section 2 of the Bidder's Statement for further details of Titan.</p>
What is the implied value of Titan's offer for my Andina Shares?	<p>Based on the 30 day VWAP for Titan Shares up to and including 7 June 2018 of \$0.034 (being the 30 day period up to and including the last Trading Day prior to the lodgement of this Target's Statement with ASIC), the implied value of the Offer is approximately \$0.029 per Andina Share.</p> <p>Based on the last trading price of a Titan Share on 7 June 2018 (the last Trading Day before this Target's Statement was lodged with ASIC) of \$0.033, the Offer represents an implied value of \$0.028 per Andina Share.</p> <p>Based on the last trading price of Titan Shares on 23 March 2018 (the last Trading Day prior to the Announcement Date) of \$0.035, the Offer represents an implied value of \$0.030 per Andina Share.</p> <p>The implied value of the Offer will change as a consequence of changes in the market price of Titan Shares.</p>
What is the Bidder's Statement I have been sent by Titan?	<p>The Bidder's Statement was prepared by Titan and describes the terms of the Offer for your Andina Shares and other information that Titan considers relevant to your decision as to whether or not to accept the Offer made to you.</p> <p>You should read the Bidder's Statement together with this Target's Statement in their entirety and, if required, obtain advice from your legal, financial or other professional adviser.</p>

<p>What choices do I have as an Andina Shareholder?</p>	<p>As an Andina Shareholder, you have the following choices in respect of your Andina Shares:</p> <ul style="list-style-type: none"> • accept the Offer in respect of your Andina Shares; or • sell all or some of your Andina Shares outside of the Offer (unless you have previously accepted the Offer for your Andina Shares). However, as Andina Shares are not listed on any securities exchange, the sale of your Andina Shares may be difficult; or • 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>See section 5 of this Target's Statement for further details.</p>
<p>What are the Directors recommending?</p>	<p>The Independent Directors unanimously recommend that you accept the Offer unless a Superior Proposal emerges.</p> <p>See section 4 of this Target's Statement for more details regarding the reasons for this recommendation.</p> <p>You will be informed if there is a change to this recommendation or any material development in relation to the Offer.</p>
<p>What do the Directors intend to do with their Andina Shares?</p>	<p>Each Director intends to accept the Offer in respect of the Andina Shares they own or control unless a Superior Proposal emerges.</p>
<p>What are the conditions to the Offer?</p>	<p>The Offer is subject to a range of Conditions, including:</p> <ul style="list-style-type: none"> • minimum acceptance of 90% of Andina Shares; • no material adverse change occurring in relation to Andina or its assets; • no prescribed occurrences occurring in relation to Andina; • Titan obtaining shareholder approval for the issue of Titan Shares pursuant to the Offer for the purposes of ASX Listing Rule 10.1; and • other customary conditions, including no regulatory intervention which restrains or prohibits the Offer being made. <p>Details of the Conditions are set out in full in section 9.10 of the Bidder's Statement and</p>

	summarised in section 9.2 of this Target's Statement.
What happens if the Conditions are not satisfied or waived?	<p>If the Conditions are not satisfied or waived before the Offer closes, the Offer will lapse and any acceptances will be cancelled.</p> <p>You would then be free to deal with your Andina Shares even if you had accepted the Offers made to you in respect to any of these securities.</p>
Did Andina engage an independent expert to opine on the Offer?	<p>As Matthew Carr is a director of both Titan and Andina, Andina is required under section 640 of the Corporations Act to commission an independent expert's report in connection with the Offer.</p> <p>The Independent Expert has concluded that the offer is not fair but reasonable to Andina Shareholders as the advantages of the Offer to Andina Shareholders outweigh the disadvantages.</p> <p>Refer to the Independent Expert's Report at Annexure A for further information.</p>
How do I accept the Offer?	To accept the Offer, you should follow the instructions set out in section 9.5 of the Bidder's Statement.
Can I accept the Offer for part of my shareholding?	<p>No.</p> <p>You cannot accept the Offer for part of your shareholding. You may only accept the Offer made to you for all of the Andina Shares held by you.</p>
What are the consequences of accepting the Offer now?	<p>By accepting the Offer whilst it remains conditional, you will give up your right to sell or otherwise deal with any Andina Share you hold whilst the Offer remains open, unless withdrawal rights are available (see below).</p> <p>If you accept the Offer made to you and it becomes unconditional, you will receive 1 Titan Share for every 1.18 Andina Shares you hold.</p>
What is Titan's voting percentage in Andina as at the date of this Target's Statement?	Pursuant to the Corporations Act, Titan has notified Andina that it has received acceptances under the Offer from Andina Shareholders giving rise to Titan holding a voting percentage in Andina above 50%.
If I accept the Offer, when will I be issued Titan Shares?	<p>If you accept the Offer and the Offer becomes unconditional, Titan will issue the Titan Shares to which you are entitled under the Offer to you by the earlier of:</p> <ul style="list-style-type: none"> • 21 days after the end of the Offer Period; or

	<ul style="list-style-type: none"> one month after the later of receipt of your valid acceptance and the date on which the Offer becomes unconditional. <p>See section 9.8 of the Bidder's Statement for further details on when you will be issued Titan Shares.</p>
If I accept the Offer now, can I withdraw my acceptance?	You may only withdraw your acceptance of an Offer in certain prescribed circumstances, such as where Titan varies the Offer in a way that postpones the time when Titan is required to satisfy its obligations by more than one month. See section 9.7 of this Target's Statement for further details.
What are the tax implications of accepting the Offer?	<p>See section 6 of the Bidder's Statement for a general outline of the Australian tax implications of accepting the Offer made to you.</p> <p>As this is a general outline only, Andina Shareholders are encouraged to seek their own specific professional advice as to the taxation implications applicable to their circumstances.</p>
When does the Offer close?	<p>The Offer will close at 5.00pm (WST) on 24 June 2018 (unless extended or withdrawn).</p> <p>Section 9.6 of this Target's Statement provides further details regarding circumstances in which the Offer Period can be extended.</p>
What happens if I do nothing?	<p>You will remain an Andina Shareholder. However, Titan has stated that if it acquires 90% or more of Andina Shares and becomes entitled to compulsorily acquire all Andina Shares, it intends to do so.</p> <p>See section 9.13 of this Target's Statement for more details.</p> <p>If Titan acquires more than 50% but less than 90% of Shares and the Offer becomes unconditional, you will be a minority securityholder in Andina. As at the date of this Target's Statement, Titan has notified Andina that it has received acceptances under the Offer from Andina Shareholders giving rise to Titan holding a voting percentage in Andina above 50%.</p> <p>The implications of being a minority shareholder are described in section 7.1 of this Target's Statement.</p>

4 Directors' recommendation and intentions

4.1 Directors and Company Secretary

As at the date of this Target's Statement, the Directors and Company Secretary are:

- (a) Matthew Carr, Executive Director;
- (b) Arturo Cavero, Non-Executive Director;
- (c) Timothy Neesham, Non-Executive Director; and
- (d) Arron Canicais, Company Secretary.

4.2 Interested Director

Matthew Carr is also a director of Titan and has a Relevant Interest in Titan Shares (**Interested Director**).

As an Interested Director, Matthew Carr has declined to make a recommendation in relation to the Offer.

4.3 Independent Directors' recommendation

Timothy Neesham has a Relevant Interest in 2,465,709 Titan Shares. As at the date of the Bidder's Statement, Timothy Neesham's voting power in Titan equates to 0.15%, which will be further diluted following Titan's completion of its share placement (refer to section 2.7 of the Bidder's Statement) and the acquisition of the Mirador Plant (refer to section 2.4(c) of the Bidder's Statement).

Accordingly, Timothy Neesham has advised the Board that he does not consider his interests in Titan to be material and does not impact his decision to make an independent recommendation to Andina Shareholders in relation to the Offer.

Having considered in detail the advantages, disadvantages and merits of the Offer detailed in this Target's Statement, the Bidder's Statement and the Independent Expert's Report, Arturo Cavero and Timothy Neesham (together, the **Independent Directors**) recommend that you accept the Offer, in the absence of a Superior Proposal for the reasons set out in sections 2.1 to 2.7 of this Target's Statement.

4.4 No Superior Proposal has emerged

As at the date of this Target's Statement, Andina has not received a Superior Proposal and the Independent Directors are not aware that any party has an intention to make such a proposal. The Independent Directors do not consider it likely that a Superior Proposal will emerge.

4.5 Liquidity of Andina Shares

If you do not accept the Offer and Titan declares the Offer free of all Conditions and gains effective control of Andina, but is not entitled to proceed to compulsory acquisition of Andina Shares in respect of which it has not received an acceptance of its Offer, then you will be a minority securityholder of Andina. In those circumstances, you should be aware that as Andina Shares are not listed on any securities exchange, it may be difficult for you to sell your Andina Shares in the future.

For further details of Titan's intentions if it acquires effective control of Andina but less than 90% (by number) of Andina Shares, see section 5.4 of the Bidder's Statement.

4.6 Directors' intentions in relation to the Offer

Each Director who has a Relevant Interest in Andina Shares intends to accept the Offer (in the absence of a Superior Proposal). Details of the Relevant Interests of each Director are set out in section 10.1 of this Target's Statement.

5 Your choices as an Andina Shareholder

As an Andina Shareholder, you have three choices currently available to you in relation to the Offer:

5.1 **Accept the Offer**

This is what the Independent Directors unanimously recommend you do unless a Superior Proposal emerges.

Section 9.5 of the Bidder's Statement contains details of how to accept the Offer made to you.

If you decide to accept the Offer made to you, your acceptance must be received before the close of the Offer Period which is currently scheduled to occur at 5.00pm (WST) on 24 June 2018 unless the Offer Period is extended in accordance with the Corporations Act.

5.2 **Sell all or some of your Andina Shares outside of the Offer**

Andina Shareholders can sell all or some of their Andina Shares outside of the Offer, unless you have previously accepted the Offer for your Andina Shares. However, as Andina Shares are not listed on any securities exchange, the sale of Andina Shares outside of the may be difficult for you to do.

5.3 **Do nothing**

If you do not wish to accept the Offer made to you or sell your Andina Shares outside of the Offer, you can choose to do nothing. By doing nothing you will continue to remain an Andina Shareholder.

Shareholders should note that if Titan acquires 90% of Andina Shares during or at the end of the Offer Period, Titan will be entitled to compulsorily acquire the Shares it does not already own. See section 9.13 of this Target's Statement for more details with respect to the compulsory acquisition of Andina Shares by Titan.

6 Important information for Andina Shareholders to consider

6.1 The value of the Offer

The consideration being offered by Titan under the Offer is 1 Titan Share for every 1.18 Andina Share held.

If you accept the Offer made to you, the value of the consideration you will receive will depend upon the price of Titan Shares at the time those shares are issued to you under the Offer.

As at the last available trading day prior to finalising this Target's Statement, the implied value of the Offer consideration was equivalent to \$0.028 per Andina Share, based on the closing price of Titan Shares on ASX of \$0.033 on 7 June 2018.

Based on the last trading price of Titan Shares on 23 March 2018 (the last Trading Day prior to the announcement date of the Offer) of \$0.035, the Offer represents an implied value of \$0.030 per Andina Share.

You should be aware that the implied value of the Offer will fluctuate with changes in the market price of Titan Shares.

6.2 Information about 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 of the Bidder's Statement for further details of Titan.

6.3 Status of Andina's current operational activities

Andina's operational activities for the past 12 months have been limited due to a number of factors. Primarily, Andina has been under capitalised and has had difficulty accessing capital on favourable terms.

The operational capacity constraints at Andina's Tulin Plant have hindered its ability to process ore and generate revenue required to complete the construction of its Vista Gold Plant.

A summary of Andina's operational results for the 2017 financial year are set out as follows:

- processed 8,592 tonnes of gold ore;
- produced 4,898 oz of gold;
- revenue of \$7,440,779; and
- net loss of \$953,024.

In 2017, Andina conducted a thorough review of its in-country Peru operations to assess how the Andina Group could operate more efficiently and return to profitability. This has led to key changes in the gold processing operations of Andina as outlined below.

Andina has recently implemented a robust technology system that brings the it up to date with the best procedures and practices in the industry and creates accountability throughout the Andina Group.

Further, it was identified that a key ongoing risk of Andina was that its ore was purchased from an area of Peru that is generally not considered a large producer of ore. Andina subsequently identified areas that supply significant amounts of gold ore

which are close to its Tulin and Vista Gold Plants, which has significantly increased and diversified its gold ore supply in 2018.

Another important milestone during the year was replacing its gold stripping process at La Onza, Peru with a new carbon stripping provider in Lima, Peru. The new management team in Peru had identified discrepancies in the gold stripping process at La Onza, which was impacting cost and margins. The change of service provider resulted in significant cost reductions on the gold processing operation and zero discrepancies between gold in carbon and gold recovered.

The new management team also completed a review of the construction of the Vista Gold Plant. The review identified that the stage of completion of the Vista Gold Plant was further behind than expected and the cost to complete was greater than originally advised by previous Andina management.

Significant issues were identified in relation to sourcing grid power to the Vista Gold Plant, requiring the re-routing of planned transmission lines, resulting in cost blow outs and delays, which are only now coming to the point of being resolved.

There were also issues identified with the location of plant tanks and tailing dams which have led to further delays and additional unbudgeted costs to rectify. The additional costs required further significant capital injections, which was achieved by way of convertible note during the year. The Board anticipates that further capital injections will be required to complete the construction and commission of the Vista Plant, along with significant working capital requirements to maintain the Vista Plant.

Refer to section 3 of the Bidder's Statement for further details of Andina.

6.4 Andina's financial position in the absence of the Offer

Andina has significant funding commitments in relation to completing the construction of the Vista Gold Plant. Andina has invested approximately \$4m over four years into the land acquisition, permitting and building of the Vista Gold Plant, which is licenced for 350 TPD of gold ore utilising a CIL process.

As at 31 December 2017, Andina had cash reserves of approximately AUD\$376,000. One of the key advantages of the Offer is that if Titan is successful in acquiring 100% of Andina, the Combined Entity will have pro-forma cash of approximately AUD\$5.5m (as at 31 December 2017). Refer to Section 4.8 of the Bidder's Statement for details of the assumptions incorporated into the pro forma consolidated statement of financial position for the Combined Entity.

Bridging Loan

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 for a term of 18 months and interest is payable at a rate of 12% per annum. 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.

In consideration of Titan providing the Bridging Loan, Vista will grant a mortgage over its property where the Vista Gold Plant is currently being constructed, and or a pledge / movable guarantee over its assets and equipment located on that land.

Financial position of Combined Entity

If the Offer is accepted by Andina Shareholders, the improved financial position of the Combined Entity is expected to greatly assist it to meet upcoming commitments to complete the Vista Gold Plant and to continue to progress the exploration, development and production of its combined projects throughout Peru.

7 Other important matters

7.1 Minority shareholder consequences

The Offer is subject to (amongst other things) Titan acquiring a relevant interest in at least 90% of the Andina Shares on issue. If this Condition is fulfilled (and all other Conditions to the Offer are satisfied or waived), Titan will be entitled to compulsorily acquire all outstanding Andina Shares, which it has indicated in its Bidder's Statement it intends to do.

However, if Titan acquires a relevant interest in more than 50%, but less than 90%, of the Andina Shares on issue then it may still acquire a majority shareholding in Andina if it waives the Conditions to the Offer. Pursuant to the Corporations Act, Titan has notified Andina that it has received acceptances under the Offer from Andina Shareholders giving rise to Titan holding a voting percentage in Andina above 50%.

In these circumstances, Andina Shareholders who do not accept the Share Offer will become minority shareholders in Andina with a new controlling shareholder. This has a number of possible implications, including but not limited to:

- Titan will be in a position to cast the majority of votes at a general meeting of Andina. This will enable it to control the composition of Andina's Board and senior management, determine Andina's dividend policy and control the strategic direction of the businesses of Andina and its subsidiaries; and
- if Titan acquires 75% or more of the Shares it will be able to pass a special resolution of Andina. This will enable Titan to, among other things, change Andina's constitution.

7.2 Taxation consequences of accepting the Offer

The taxation consequences of accepting the Offer depends on a number of factors and will vary depending on each Andina Shareholder's particular circumstances.

Andina Shareholders should refer to section 6 of the Bidder's Statement, which contains detailed information about the possible tax implications of accepting the Offers for Andina Shareholders resident in Australia.

For Australian resident Andina Shareholders, you should note that scrip-for-scrip capital gains tax rollover relief may be available if you accept the Offer. The tax consequences will depend upon your individual circumstances. You should seek your own independent financial and taxation advice, which takes into account your personal circumstances, before making a decision as to whether or not to accept the Offer.

Foreign Andina Shareholders are encouraged to seek their own advice in relation to any financial or taxation consequences in their home country that may arise as a consequence of accepting the Offer.

Neither Andina nor any of its officers or advisers accepts any liability or responsibility in respect of any statement concerning taxation consequences, or in respect to the taxation consequences themselves.

7.3 Foreign Andina Shareholders

Any Andina Shareholder whose address (as recorded in the register of members provided by Andina to Titan) is in a place outside of Australia and its external territories and New Zealand will not be issued with Titan Shares under the Offer, and will instead have those Titan Shares sold and receive the net cash proceeds from that sale.

8 Risks

In considering this Target's Statement, Andina Shareholders should be aware that there are a number of risks, general and specific, which may affect the future operating and financial performance of Titan, the Combined Entity and the value of Titan Shares.

Many of these risks are outside the control of Titan and its board. There can be no certainty that Titan will achieve its stated objectives or that any forward looking statements (if any) will eventuate.

Additional risks and uncertainties not currently known to Titan may have a material adverse effect on Titan's business and the information set out below does not purport to be, nor should it be construed as representing, an exhaustive list of the risks that may affect Titan or Titan Shareholders.

Andina Shareholders should read this Target's Statement in its entirety and carefully consider the following risk factors in deciding whether to accept the Offer. Further risks relating to the Offer and the operational and mining risks related to Titan and the Combined Entity are set in section 7 of the Bidder's Statement.

8.1 Conditions of the Offers

The Offers are subject to a number of Conditions, which have not yet been satisfied as at the date of this Target's Statement. The full terms of these Conditions are set out in section 9.10 the Bidder's Statement. The Conditions must either be satisfied or waived by Titan before accepting Andina Shareholders can receive the consideration under the Offer.

If you accept the Offer whilst they remain subject to Conditions, then subject to any statutory withdrawal rights that may be available to you (see section 9.10 of this Target's Statement for more detail) you will no longer be able to deal with or otherwise dispose of your Andina Shares or withdraw your acceptance of that Offer.

If you accept the Offer and any of the Conditions remain unsatisfied at the end of the Offer Period and are not otherwise waived by Titan, there is no obligation on Titan to issue Titan Shares as consideration for Andina Shares. In those circumstances, any acceptances of the Offer will be cancelled and you would then be free to deal with your Andina Shares.

8.2 Possibility of a Superior Proposal emerging

You may consider that a third party may emerge with a Superior Proposal. Once you have accepted the Offer, you will not be able to accept into any Superior Proposal that may emerge unless the Offer lapses or you are able to withdraw your acceptance due to extensions to the Offer Period. The Independent Directors do not consider that a Superior Proposal is likely to emerge.

8.3 Risks associated with holding Titan Shares

Section 7 of the Bidder's Statement sets out the risks that Andina Shareholders may face when investing in Titan Shares. You should read this section carefully. You should contact your professional adviser if you require further information regarding such risks in order to make a decision as to whether or not to accept the Offer made to you.

9 Key features of the Offer

9.1 Consideration under the Offer

The consideration being offered by Titan under the Offer for your Andina Shares is 1 Titan Share for every 1.18 Andina Share you hold.

9.2 Conditions to the Offer

The Offer is subject to a number of conditions which are set out in full in section 9.10 of the Bidder's Statement.

By way of summary, the conditions to the Offer are:

- Minimum acceptance: Titan obtains a Relevant Interest in at least 90% of Andina Shares on issue.
- Regulatory approvals: Obtaining all approvals and consents required or necessary for the Offers and to ensure material compliance with the Andina Group's contracts, permits, licences and other agreements.
- No material adverse change: No material adverse change has occurred, or is reasonably likely to occur, in relation to the Andina Group.
- No prescribed occurrences: No event that is a prescribed occurrence occurs, such as a member of the Andina Group becoming insolvent or changing its capital structure.
- Titan shareholder approval: Titan obtaining shareholder approval for the issue of Titan Shares pursuant to the Offer for the purposes of ASX Listing Rule 10.1.

As at the date of this Target's Statement, Andina is not aware of any act, omission, event or fact that would result in any of the Conditions to the Offer being triggered (or not being satisfied, as appropriate).

9.3 Implications of Conditions not being satisfied

Any Conditions which are not satisfied (or triggered, as appropriate) may be waived by Titan. If, at the close of the Offer Period, any Condition has not been satisfied (or has been triggered) and has not been waived, the Offer will lapse.

If the Offer lapses, all contracts resulting from acceptance of the Offer and all acceptances that have not resulted in binding contracts are void. In that situation, you will be free to deal with your Andina Shares as you see fit.

9.4 Notice of Status of Conditions

Section 9.14 of the Bidder's Statement indicates that Titan will give a Notice of Status of Conditions to ASX and Andina on 11 June 2018.

Titan is required to set out in its Notice of Status of Conditions:

- whether the Offer is free of any or all of the Conditions;
- whether, so far as Titan knows, any of the Conditions have been fulfilled; and
- Titan's voting power in Andina.

If the Offer Period is extended by a period before the time by which the Notice of Status of Conditions is to be given, the date for giving the Notice of Status of Conditions will be taken to be postponed for the same period. In the event of such an extension, Titan is required, as soon as practicable after the extension, to give a notice to the ASX and Andina that states the new date for the giving of the Notice of Status of Conditions.

If a Condition is fulfilled (so that the relevant Offer becomes free of that Condition) during the Offer Period but before the date on which the Notice of Status of Conditions is required to be given, Titan must, as soon as practicable, give the ASX and Andina a notice that states that the particular Condition has been fulfilled.

As at the date of this Target's Statement, Titan has not given notice that any of the Conditions have been fulfilled.

9.5 Offer Period

The Offer is open for acceptance until 5.00pm (WST) on 24 June 2018 unless otherwise extended or withdrawn.

The circumstances in which Titan may extend or withdraw the Offer made to you are set out in 9.16 of the Bidder's Statement and 9.6 and 9.7 of this Target's Statement.

9.6 Extension of the Offer Period

Titan may extend the Offer Period at any time before giving the Notice of Status of Conditions (referred to in section 9.4 of this Target's Statement) while the Offer is subject to Conditions. However, if the Offer is unconditional (that is, all the Conditions are fulfilled or waived), Titan may extend the Offer Period at any time before the end of the Offer Period.

In addition, there will be an automatic extension of the Offer Period if, within the last 7 days of the Offer Period:

- Titan improves the consideration offered under the Offer; or
- Titan's voting power in Andina increases to more than 50%.

If either of these two events occurs, the Offer Period is automatically extended so that it ends 14 days after the relevant event occurs.

9.7 Withdrawal of the Offer

Titan may not withdraw the Offer made to you if you have already accepted it. Before you accept the Offer made to you in respect of each of your Andina Shares, Titan may withdraw that Offer with the written consent of ASIC and subject to the conditions (if any) specified in such consent.

9.8 Lapse of the Offer

The Offer made to you will lapse if the Conditions are not satisfied or waived by the end of the Offer Period. If the Offer lapses, all contracts resulting from acceptance of the Offer and all acceptances that have not resulted in binding contracts are void. In those circumstances, you will be free to deal with your Andina Shares as you see fit.

9.9 Effect of acceptance

The effect of acceptance of the Offer is set out in section 9.7 of the Bidder's Statement. Andina Shareholders should read these provisions in full to understand the effect that acceptance will have on their ability to exercise the rights attaching to their Andina Shares and the representations and warranties they give by accepting the Offer made to them.

9.10 Your ability to withdraw your acceptance

If you accept the Offer made to you, you will have limited rights to withdraw that acceptance.

You may withdraw your acceptance of the Offer only if Titan varies the Offer in a way that postpones, for more than one month, the time when Titan needs to meet its obligations to issue Titan Shares under the Offer. This will occur if Titan extends the Offer Period by more than one month and the Offer is still subject to the Conditions at the time of your purported withdrawal.

9.11 When you will receive your consideration if you accept the Offers

You will be issued your Titan Shares on or before the later of:

- one month after the date the relevant Offer becomes or is declared unconditional; and
- one month after the date you accept the Offer if the Offer is, at the time of acceptance, unconditional, but, in any event (assuming the Offer becomes or is declared unconditional), no later than 21 days after the end of the Offer Period.

However, there are certain exceptions to the above timetable for the issuing of consideration.

Full details of when you will be issued your consideration are set out in section 9.8 of the Bidder's Statement.

9.12 Effect of an improvement in consideration on Andina Shareholders who have already accepted the Offer

If Titan improves the consideration offered under the Offer, all Andina Shareholders to whom that relevant Offer is made, whether or not they have accepted the Offer before that improvement in consideration, will be entitled to the benefit of that improved consideration should they accept that Offer and that Offer becomes unconditional.

9.13 Compulsory acquisition

(a) Compulsory acquisition following takeover

Titan has indicated in section 4.3 of the Bidder's Statement that if it satisfies the required thresholds, it intends to compulsorily acquire any outstanding Andina Shares.

Titan will be entitled to compulsorily acquire any Shares in respect of which it has not received an acceptance of the Share Offer on the same terms as the Offer if, during or at the end of the Offer Period:

- Titan and its associates have a Relevant Interest in at least 90% (by number) of Andina Shares; and
- Titan and its associates have acquired at least 75% (by number) of the Andina Shares that Titan offered to acquire.

If this threshold is met, Titan will have one month after the end of the Offer Period within which to give compulsory acquisition notices to Andina Shareholders who have not accepted the Offer. Shareholders have statutory rights to challenge the compulsory acquisition, but a successful challenge will require the relevant Andina Shareholder to establish to the satisfaction of a court that the terms of the Offer do not represent 'fair value' for their Andina Shares.

(b) Later compulsory acquisition by 90% holder

Even if Titan does not satisfy the compulsory acquisition threshold referred to in section 9.13(a) of this Target's Statement, it is possible that Titan will, at some time after the end of the Offer Period, become the beneficial holder of 90% of the Andina Shares. Titan would then have rights to compulsorily acquire Andina Shares not owned by it within six months of becoming the beneficial holder of 90% of Andina Shares. Should Titan exercise this right, the price offered under this procedure would be the subject of a report of an independent expert.

10 Information relating to Directors

10.1 Relevant Interests and dealings in Andina and Titan securities

(a) Interests in Andina securities

As at the date of this Target's Statement, the Directors had the following Relevant Interests in Andina Shares:

Director, and/or their Associates	Number of Andina Shares	% of issued Andina Shares
Matthew Carr	73,614,225	11.11%
Arturo Caverio	406,250	0.06%
Timothy Neesham	33,086,751	4.99%

10.2 Benefits and agreements

(a) Benefits in connection with retirement from office

None.

(b) Agreements connected with or conditional on the Offer

Corporate Advisory Services Agreement with BR Corporation Pty Ltd

Andina entered into a corporate advisory services agreement with BR Corporation Pty Ltd (**BR Corporation**) under which BR Corporation and its nominee, Jason Bontempo, will provide corporate advisory services to Andina, including formulating and driving Andina's corporate strategy.

Under the terms of the agreement, BR Corporation will assist with:

- (i) providing Andina with corporate strategic advice on proceeding with any future transaction concerning the acquisition of the Company's securities or assets (as applicable) (a **Proposed Transaction**), consider and advise on corporate structuring and or alternatives, provide a detailed transaction timetable, and assist with due diligence where required;
- (ii) analysing the issues to be considered and addressed in undertaking any transactions in relation to a Proposed Transaction;
- (iii) engaging with and liaising with all relevant consultants and experts, including but not limited to nominated advisers of Andina;
- (iv) if applicable, capital raisings and introducing Andina to, and assisting with the selection of, appropriate equity providers in order to meet capital raising objectives;
- (v) if applicable, introducing Andina to, and assisting with the selection of, appropriate strategic partners to assist with implementing Andina's corporate strategies, including but not limited to a proposed off-market takeover of Andina by a third party; and
- (vi) such other services as are mutually agreed to be appropriate in the circumstances.

In consideration for the services provided under the agreement, BR Corporation (or its nominees) has been issued with 71,009,414 performance rights. The material terms of the performance rights are summarised in section 2.8 of the Bidder's Statement.

With respect to the Offer, if Titan receives acceptances from Andina Shareholders of 50.1% or more, the performance rights may be exercisable, and therefore convertible into Andina Shares, by BR Corporation by notice in writing to Titan.

On 29 May 2018, Andina was given notice that Titan had received acceptances from Andina Shareholders of over 50.1%. As such, the performance rights have now vested and have been converted into Andina Shares.

(c) **Interests of Titan directors in Andina**

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

Titan Director	Andina Shares (%)	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%)	-

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 Condition, refer to Section 9.10 of the Bidder's Statement.

(d) **Interests of directors in contracts with Titan**

Matthew Carr is a director of Titan. Matthew Carr is entitled to remuneration for his role as director of Titan comprising payments of director's fees of \$120,000 (plus GST) per annum.

(e) **Disclosure of interests in Titan**

As at the date of this Target's Statement, Matthew Carr and Timothy Neesham hold the following Relevant Interests in Titan:

Interested Director	Relevant Interests in Titan Shares	Number of Titan Performance Rights
Matthew Carr	5,000,000	23,000,000
Timothy Neesham	2,465,709	-

11 Additional Information

11.1 Consents

The following persons have given and have not, before the date of this Target's Statement, withdrawn their consent:

- (a) to be named in this Target's Statement in the form and context in which they are named;
- (b) for the inclusion of their respective reports or statements (if any) noted next to their names and the references to those reports or statements in the form and context in which they are included in this Target's Statement; and
- (c) for the inclusion of other statements in this Target's Statement which are based on or referable to statements made in those reports or statements, or which are based on or referable to other statements made by those persons in the form and context in which they are included.

Name of person	Named as	Reports or statements
Moore Stephens Perth Corporate Services Pty Ltd	Independent Expert	Independent Expert's Report, and the references to it and its conclusions in this Target's Statement.
The Directors of Andina	Directors or Board	Statements of Opinion and Intention.
Titan Minerals Limited	Titan	Statements of Intention

Each of the above persons:

- (a) does not make, or purport to make, any statement in this Target's Statement other than those statements referred to above and as consented to by that person; and
- (b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Target's Statement other than as described in this section 11.1 with the person's consent.

11.2 No other material information

This Target's Statement is required to include all the information that Andina Shareholders and their professional advisors would reasonably require to make an informed assessment whether to accept the Offer, but:

- (a) only to the extent to which it is reasonable for investors and their professional advisors to expect to find this information in this Target's Statement; and
- (b) only if the information is known to any Director.

Andina is of the opinion that the information that Andina Shareholders and their professional advisors would reasonably require to make an informed assessment whether to accept the Offer is:

- (a) the information contained in the Bidder's Statement (to the extent that the information is not inconsistent or superseded by information in this Target's Statement);
- (b) the information lodged by Andina with ASIC before the date of this Target's Statement; and
- (c) the information contained in this Target's Statement.

Andina has assumed, for the purposes of preparing this Target's Statement, that the information in the Bidder's Statement which does not relate to Andina is accurate.

Andina has consented to the inclusion of Andina Information in the Bidder's Statement. Andina does not take any responsibility for the contents of the Bidder's Statement other than Andina Information.

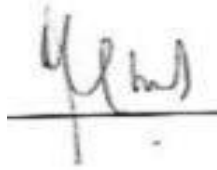
In deciding what information should be included in this Target's Statement, Andina has had regard to:

- (a) the nature of Andina Shares;
- (b) the matters that Andina Shareholders may reasonably be expected to know;
- (c) the fact that certain matters may reasonably be expected to be known to Andina Shareholders' professional advisors; and
- (d) the time available to Andina to prepare this Target's Statement.

12 Authorisation

This Target's Statement has been approved by a resolution passed by the directors of Andina. Each Independent Director of Andina has voted in favour of that resolution.

Signed for and on behalf of Andina Resources Limited (ACN 137 601 159):



A handwritten signature in black ink, appearing to read 'Arturo Cavero', is written above a horizontal line.

Arturo Cavero
Independent Director

Date: 8 June 2018

13 Definitions and interpretation

13.1 Definitions

Terms used in this Target's Statement have the meaning given below (unless the contrary intention appears):

Term	Meaning
Andina	means Andina Resources Limited (ACN 137 601 159)
Andina Group	Andina and its Subsidiaries
Andina Share	a fully paid ordinary share in the capital of Andina.
Andina Shareholder	a person registered in the register of members as a holder of one or more Andina Shares.
Announcement Date	26 March 2018
ASIC	Australian Securities and Investments Commission.
ASX Listing Rules	the official listing rules of ASX from time to time.
Associate	has the meaning given to that term in the Corporations Act.
Bidder's Statement	the bidder's statement of Titan dated 23 May 2018.
Board	the board of directors of Andina.
Combined Entity	means Titan and its Subsidiaries following the acquisition by Titan of all, or a portion of Andina Shares on issue.
Constitution	the constitution of Andina as modified from time to time.
Conditions	the conditions of the Offer set out section 9.10 of the Bidder's Statement.
Corporations Act	the <i>Corporations Act 2001</i> (Cth).
Director	means a director of Andina.
Independent Director	has the meaning given in section 4.3.
Independent Expert	means Moore Stephens Perth Corporate Services Pty Ltd.
Independent Expert's Report	means the report prepared by the Independent Expert annexed at Annexure A.
Interested Directors	has the meaning given in section 4.2.
Notice of Status Conditions	Titan's notice disclosing the status of the Conditions required to be given by subsection 630(3) of the Corporations Act.
Offer	the offer for all of Andina Shares contained in the Bidder's Statement.
Offer Period	the period commencing on 24 May 2018 and (unless the Offer is withdrawn) ending at 5.00pm (WST) on 24 June 2018, or such later date to which the Offer has been extended.
Related Body Corporate	has the meaning given to that term in the Corporations Act.
Relevant Interest	has the meaning given to that term in sections 608 and 609 of the Corporations Act.

Subsidiary	has the meaning given in section 9 of the Corporations Act.
Superior Proposal	means a proposal in respect of Andina which the Independent Director considers to be a superior proposal to the Offer for Andina Shareholders.
Target's Statement	this Target's statement, being the statement of Andina under Part 6.5 Division 3 of the Corporations Act relating to the Offer.
Titan	means Titan Minerals Limited (ACN 117 790 897).
Titan Group	means Titan and its Subsidiaries
Titan Share	a fully paid ordinary share in the capital of Titan.
Torrecillas Earn-In Concessions	has the meaning given in the Bidder's Statement.
Trading Day	has the meaning given in the ASX Listing Rules.
WST	means Australian Western Standard Time.

13.2 Interpretation

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

- (a) words importing the singular include the plural and vice versa and any gender include the other gender;
- (b) "includes" means includes without limitation;
- (c) if a word or phrase is defined in the Corporations Act or the ASX Listing Rules or the ASX Settlement Operating Rules, it bears the same meaning;
- (d) if a word or phrase is defined, other parts of speech and grammatical forms of that word or phrase have corresponding definitions;
- (e) all prices referred to in the Offer are inclusive of GST where applicable;
- (i) a reference to:
 - (i) a person includes a firm, unincorporated association, corporation and a government or statutory body or authority;
 - (ii) a person includes the legal personal representatives, successors and assigns of that person;
 - (iii) a statute, ordinance, code or other law includes regulations and other statutory instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
 - (iv) a right includes a benefit, remedy, direction or power;
 - (v) "\$" or "cents" is a reference to the lawful currency of Australia; and
 - (vi) a section, subsection, paragraph, subparagraph or annexure is to a section, subsection, paragraph, subparagraph or annexure of this Target's Statement.

Annexure A – Independent Expert's Report



Andina Resources Limited

**Independent Expert's Report
and Financial Services Guide
8 June 2018**

The Offer is not fair but reasonable to Non-Associated Shareholders

**Prepared by Moore Stephens Perth Corporate Services Pty Ltd
Australian Financial Services License No. 240773**

MOORE STEPHENS PERTH CORPORATE SERVICES PTY LTD

Australian Financial Services License No. 240773

FINANCIAL SERVICES GUIDE

This Financial Services Guide is issued in relation to our Independent Expert's Report on the proposed takeover by Titan Minerals Limited ("Titan") of Andina Resources Limited ("Andina"), via an off-market takeover offer for all the fully paid ordinary shares in Andina that it does not already own (the "Offer"). Our report has been prepared at the request of the Directors of Andina for inclusion in the Target's Statement to be dated 8 June 2018.

Moore Stephens Perth Corporate Services Pty Ltd

Moore Stephens Perth Corporate Services Pty Ltd ("MSPCS") has been engaged by the directors of Andina to prepare an independent expert's report expressing our opinion as to whether or not the Offer is "fair and reasonable" to the shareholders of Andina.

MSPCS holds an Australian Financial Services Licence – Licence No 240773.

Financial Services Guide

As a result of our report being provided to you we are required to issue to you, as a retail client, a Financial Services Guide ("FSG"). The FSG includes information on the use of general financial product advice and is issued so as to comply with our obligations as holder of an Australian Financial Services Licence.

Financial Services we are licensed to provide

We hold an Australian Financial Services Licence which authorises us to provide reports for the purposes of acting for and on behalf of clients in relation to proposed or actual mergers, acquisitions, takeovers, corporate restructures or share issues, and to carry on a financial services business to provide general financial product advice for securities to retail and wholesale clients.

We provide financial product advice by virtue of an engagement to issue a report in connection with the issue of securities of a company or other entities.

Our report includes a description of the circumstances of our engagement and identifies the party who has engaged us. You have not engaged us directly but will be provided with a copy of our report as a retail client because of your connection with the matters on which our report has been issued. We do not accept instructions from retail clients and do not receive remuneration from retail clients for financial services.

Our report is provided on our own behalf as an Australian Financial Services Licensee authorised to provide the financial product advice contained in this report.

General Financial Product Advice

Our report provides general financial product advice only, and does not provide personal financial product advice, because it has been prepared without taking into account your particular personal circumstances or objectives either financial or otherwise, your financial position or your needs.

Some individuals may place a different emphasis on various aspects of potential investments.

An individual's decision in relation to the Offer may be influenced by their particular circumstances and, therefore, individuals should seek independent advice.

Benefits that we may receive

We will charge fees for providing our report. The basis on which our fees will be determined has been agreed with, and will be paid by, the person who engaged us to provide the report. Our fees have been agreed on either a fixed fee or time cost basis. We estimate that our fees for the preparation of this report will be approximately \$30,000 plus GST.

Remuneration or other benefits received by our employees

All our employees receive a salary. Employees may be eligible for bonuses based on overall productivity and contribution to the operation of MSPCS or related entities but any bonuses are not directly in connection with any assignment and in particular are not directly related to the engagement for which our report was provided.

Referrals

We do not pay commissions or provide any other benefits to any parties or person for referring customers to us in connection with the reports that we are licensed to provide.

Associations and relationships

MSPCS is the licensed corporate advisory arm of Moore Stephens Perth, Chartered Accountants. The directors of MSPCS may also be partners in Moore Stephens Perth Chartered, Accountants.

Moore Stephens Perth, Chartered Accountants is comprised of a number of related entities that provide audit, accounting, tax, and financial advisory services to a wide range of clients.

MSPCS's contact details are set out on our letterhead.

Neither MSPCS nor its related entities have previously provided any professional services to Andina or Titan.

Complaints resolution

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing, addressed to The Complaints Officer, Moore Stephens, PO Box 5785, St George's Terrace, Perth WA 6831.

On receipt of a written complaint we will record the complaint, acknowledge receipt of the complaint and seek to resolve the complaint as soon as practical.

If we cannot reach a satisfactory resolution, you can raise your concerns with the Australian Financial Complaints Limited ("AFC"). AFC is an independent body established to provide advice and assistance in helping resolve complaints relating to the financial services industry. MSPCS is a member of AFC. AFC may be contacted directly via the details set out below.

Australian Financial Complaints Limited
 GPO Box 3
 Melbourne VIC 3001
 Toll free: 1300 78 08 08
 Facsimile: 03 9613 6399
 Email: info@fos.org.au

Contents

1.	INTRODUCTION.....	4
2.	SUMMARY & OPINION	4
3.	SCOPE OF THE REPORT	6
4.	OUTLINE OF THE OFFER	7
5.	PROFILE OF ANDINA.....	8
6.	PROFILE OF TITAN	12
7.	INDUSTRY AND ECONOMIC ANALYSIS.....	20
8.	VALUATION APPROACH ADOPTED.....	22
9.	VALUATION OF ANDINA PRIOR TO THE OFFER	24
10.	VALUATION OF AN ANDINA SHARE IF THE OFFER IS ACCEPTED.....	27
11.	IS THE OFFER FAIR TO ANDINA SHAREHOLDERS?	30
12.	IS THE OFFER REASONABLE?	31
13.	INDEPENDENCE.....	34
14.	QUALIFICATIONS.....	35
15.	DISCLAIMERS AND CONSENTS	36
	APPENDIX A – SOURCES OF INFORMATION	37
	APPENDIX B – VALUATION METHODOLOGIES	38
	APPENDIX C – GLOBAL RESOURCES INDEPENDENT EXPERT REPORT.....	39
	APPENDIX D – TRIONOL INDEPENDENT EXPERT REPORT.....	40
	APPENDIX E - Glossary.....	41

8 June 2018

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The Directors
Andina Resources Limited
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SUBIACO WA 6008

Dear Directors

INDEPENDENT EXPERT'S REPORT

1. INTRODUCTION

- 1.1 On 26 March 2018, Andina Resources Limited ("Andina" or "the Company") and Titan Minerals Limited ("Titan") jointly announced that they had entered into a Takeover Bid Implementation Deed under which it is proposed that Titan will acquire all of the issued shares of Andina by way of a recommended all scrip off-market takeover offer ("the Offer" or "Proposed Transaction"). Under the Offer, Andina shareholders will receive one new Titan share for every 1.18 Andina shares held.
- 1.2 The Offer is subject to a number of conditions including:
- 90% minimum acceptance by Andina shareholders;
 - All applicable regulatory approvals being obtained;
 - Titan shareholders approving the Bid for the purposes of ASX Listing Rule 10.1; and
 - No material adverse change or prescribed occurrence in relation to Andina.
- 1.3 Further details of the Offer are set out in Section 4.

2. SUMMARY & OPINION

Purpose of the Report

- 2.1 The directors of Andina have engaged Moore Stephens Perth Corporate Services Pty Ltd ("MSPCS") to prepare an Independent Expert's Report to express an opinion as to whether or not the Offer is fair and reasonable to the shareholders of Andina other than for associated shareholders of Titan.
- 2.2 This report is prepared pursuant to Section 640 of the Corporations Act 2001 ("the Act"), as Andina and Titan share common directors, to be included in the Target's Statement for Andina, to be sent to all shareholders, to assist them in determining whether or not to accept the Offer. Apart from the purpose stated directly above, this report cannot be used or relied on for any other purpose or by any other person or entity.
- 2.3 Our assessment of the Offer relies on financial information and instructions provided by the Company and the Directors. As instructed, we have not completed any audit or due diligence of the information which has been provided or of the entities which have been valued. This report does not contain any accounting or taxation advice.

Approach

- 2.4 Our report has been prepared having regard to Australian Securities & Investments Commission ("ASIC") Regulatory Guide 111 Content of Expert's Reports ("RG 111") and Regulatory Guide 112 Independence of Expert's ("RG 112")

Approach (continued)

- 2.5 In arriving at our opinion, we have assessed the terms of the Offer, as outlined in the body of our report, by considering the following;
- How the value of an Andina share prior to the Offer on a control basis compares to the value of the consideration offered by Titan for each Andina share;
 - The likelihood of a superior alternative offer being available to Andina;
 - Other factors which we consider to be relevant to the shareholders of Andina in their assessment of the Offer; and
 - The position of the shareholders of Andina should the Offer not be successful.

Opinion

- 2.6 We have considered the terms of the Offer as outlined in the body of our report and have concluded that the Offer is not fair, however we are of the opinion the Offer is reasonable to the Shareholders of Andina.
- 2.7 In our opinion, the Offer is not fair because the value of an Andina share prior to the Offer on a controlling basis is greater than the value of the consideration offered, being one Titan share, valued on a minority basis. We do however consider the Offer to be reasonable because the advantages of the Offer to shareholders of Andina are, in our opinion, greater than the disadvantages.
- 2.8 In assessing if the Offer is reasonable we have given considerable weighting to our view that the takeover will result in the shareholders of Andina benefiting from an increased ability to raise funding for the Company’s projects and by holding shares that can readily be traded on the ASX.

Fairness

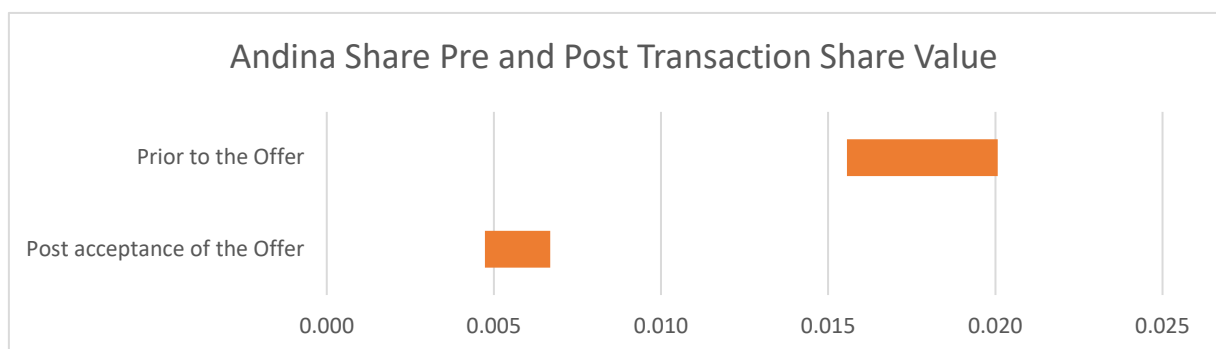
- 2.9 In Section 10 we determined that the Offer consideration compares to the value of an Andina share, as detailed below;

Table 1: Pre and post transaction valuations of an Andina share

	Section	Low \$	Preferred \$	High \$
Assessed Fair Value of an Andina share prior to the Offer	9	0.016	0.018	0.020
Assessed Fair Value of an equivalent Andina share if the Offer is accepted on a minority basis	10	0.005	0.006	0.007

Source: Moore Stephens analysis

Figure 1: Pre and post Offer valuations of an Andina share



Source: Moore Stephens analysis

- 2.10 The above assessment indicates that, in the absence of any other relevant information, the Offer is not fair for Andina shareholders.

Reasonableness

- 2.11 We have considered the analysis in Section 11 of this report, in terms of both;
 - Advantages and disadvantages of the Offer;
 - Other considerations, including the level of control of Andina if the Offer is successful and the position of shareholders of Andina if the Offer is not successful.
- 2.12 In our opinion, if the Offer is successful the position of shareholders is more advantageous than their position if the Offer is not successful. Accordingly, in the absence of a superior offer we believe that the Offer is reasonable for shareholders of Andina.
- 2.13 The advantages and disadvantages considered are summarised below:

Advantages	Disadvantages
As an agreement is already in place for Titan to earn-in 70% of the Torrecillas Project. The value of Andina will diminish as this earn in takes place.	The Proposed Transaction is not fair
Opportunity to realise investment in an otherwise illiquid investment	Reduction in control of Shareholders
Shares in a listed entity allow for greater exposure to funding on future projects and expansion	The Offer is not fair on a minority interest basis
Titan's share price is trading above our valuation price (including a recent capital raising)	Titan Shares are not highly liquid
Shareholders will retain exposure to Peru Gold assets	
Andina owe payment on a loan to Titan	
Access to funding	

3. SCOPE OF THE REPORT

Purpose of the Report

- 3.1 Titan has prepared a Bidder’s Statement in accordance with section 636 of the Act. Under section 633 Item 10 of the Act, Andina is required to prepare a Target’s Statement in response to the Bidder’s Statement.
- 3.2 Section 640 of the Act requires the Target’s Statement to include an independent expert’s report to shareholders if:
 - The bidder’s voting power in the target is 30% or more; or
 - The bidder and the target have a common director or directors.
- 3.3 At the date of our Report, Mr Matthew Carr is a director of both Titan and Andina. Therefore, an independent expert’s report is required for inclusion in the Target Statement. The Independent Directors of Andina have engaged MSPCS to satisfy this requirement.

Regulatory guidance

- 3.4 Neither the Listing Rules nor the Corporations Act defines the meaning of ‘fair and reasonable’. In determining whether the Offer is fair and reasonable, we have had regard to the views expressed by ASIC in RG 111. This regulatory guide provides guidance as to what matters an independent expert should consider to assist security holders to make informed decisions about transactions.
- 3.5 This regulatory guide suggests that where the transaction is a control transaction, the expert should focus on the substance of the control transaction rather than the legal mechanism to affect it.

Regulatory guidance (continued)

- 3.6 In our opinion, the Offer is a control transaction as defined by RG 111 and we have therefore assessed the Offer as a control transaction to consider whether, in our opinion, it is not fair and reasonable to the shareholders of Andina.

Adopted basis of evaluation

- 3.7 RG 111 states that a transaction is fair if the value of the offer price or consideration is greater than the value of the securities subject of the offer. This comparison should be made assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length. Further to this, RG 111 states that a transaction is reasonable if it is fair. It might also be reasonable if despite being 'not fair' the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher bid.
- 3.8 Having regard to the above, MSPCS has completed this comparison in two parts:
- 3.9 A comparison between the value of an Andina share prior to the Offer on a control basis and the value of the consideration offered by Titan for each Andina share on a minority basis (fairness – see Section 10 – Assessment of Fairness); and
- 3.10 An investigation into other significant factors to which Shareholders might give consideration, prior to accepting the Offer, after reference to the value derived above (reasonableness – see Section 11 - Assessment of Reasonableness).
- 3.11 This assignment is also considered to be a Valuation Engagement as defined by Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services' ('APES 225').
- 3.12 A Valuation Engagement is defined by APES 225 as follows:
- 'an Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.'
- 3.13 This Valuation Engagement has been undertaken in accordance with the requirements set out in APES 225.

4. OUTLINE OF THE OFFER

- 4.1 On 26 March 2018, Andina and Titan jointly announced that they had entered into a Takeover Bid Implementation Deed in relation to a proposal in which it is proposed that Titan will acquire all of the issued shares of Andina by way of a recommended off-market takeover offer. Titan proposes to acquire all the fully paid ordinary shares in Andina that it does not already own, offering one new Titan share for every 1.18 Andina share. The transaction is contingent on the following:
- 90% minimum acceptance by Andina shareholders;
 - All applicable regulatory approvals being obtained;
 - Titan shareholders approving the Bid for the purposes of ASX Listing Rule 10.1; and
 - No material adverse change or prescribed occurrence in relation to Andina.

Rationale for the Proposed Transaction

- 4.2 Andina is an unlisted company, which impacts the ability for Shareholders to trade their shares in the company. By accepting the Offer, Shareholders will gain access to a more liquid market for their shareholdings. The Offer will allow shareholders continued exposure to similar assets, containing 100% of existing exploration assets, albeit with a reduced equity interest.

5. PROFILE OF ANDINA

History¹

- 5.1 Andina was founded in 2009 and is based in Subiaco, Australia with an additional office in Peru. The Company is an unlisted gold and base metals exploration company with several gold projects in Peru. The company holds the Torrecillas Project concessions. The company also leases and operates a gold processing plant in Tulin, through its 100% owned subsidiary Tulin Gold S.A.C and is building another plant called the Vista Gold Plant.
- 5.2 The current board of directors are;
- Mr Matthew Carr – Executive Director
 - Mr Tim Neesham – Non Executive Director
 - Mr Arturo Cavero – Non Executive Director
 - Mr Arron Canicais – Company Secretary and Chief Financial Officer

Torrecillas Project

- 5.3 Torrecillas Gold Project is an advanced development and exploration gold project located 640km south of Lima, in south-eastern Peru comprising approximately 15,000 hectares of mineral concessions which contain a number of narrow vein, high-grade mineralised structures.
- 5.4 The Company currently holds ownership of the asset with an agreement in place to allow Titan to earn-in a 70% interest on the Torrecillas Concessions. The earn in is subject to Titan paying annual fees imposed on the Torrecillas Concession over the 2017, 2018 and 2019 calendar years capped at an aggregate amount of A\$450,000
- 5.5 More details of the Torrecillas Project are included in the report attached at Appendix C.

Tulin Gold Plant

- 5.6 Andina leases and operates a toll gold processing plant in Tulin, Peru through its 100% owned subsidiary Tulin Gold S.A.C., the revenue of which will be directed towards building the Vista Gold Plant and exploration expenditure.
- 5.7 Tulin Gold produces and exports fine gold and by product silver from gold ore initially purchased from ore providers.

Vista Gold Plant

- 5.8 Andina is constructing the Vista Gold Plant in southern Peru, located near the San Santiago and Torrecillas Gold Projects. 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.

¹ Source: Andina Management

Table 2: Historical Statement of Financial Position of Andina

Consolidated Statement of Financial Position	Ref	Unaudited 31-Dec-17 \$'000	Audited 31-Dec-16 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	5.10	376	229
Trade and other receivables		2,017	1,900
Inventories		597	336
		2,989	2,465
Non-current assets			
Investments	5.11	2,600	-
Plant and equipment	5.12	3,130	2,132
Exploration and evaluation expenditure		107	316
Deferred tax asset		-	74
Other assets		-	940
		5,837	3,463
Total assets		8,827	5,928
LIABILITIES			
Current liabilities			
Trade and other payables		934	879
Income tax payable		-	-
Provisions		42	54
Financial liabilities		160	88
		1,136	1,020
Non-current liabilities			
Financial liabilities			55
		0	55
Total liabilities		1,136	1,075
NET ASSETS		7,691	4,853
EQUITY			
Share capital		6,763	6,653
Reserves		4,333	651
Foreign currency translation reserve		(3,405)	(2,452)
TOTAL EQUITY		7,691	4,853

Source: 31 December 2017 unaudited management accounts and 31 December 2016 audited financial statements

- 5.9 We note the following in regard to Andina's Financial Position as at 31 December 2017.
- 5.10 Andina have advised that the financial positions has not materially changed since 31 December 2017.
- 5.11 Investments relate to a shareholding of 65 million shares in Titan.
- 5.12 Plant and equipment primarily relates to the Tulin and Vista metallurgical projects. The value of these operations were audited as at 31 December 2016. A subsequent increase in value has occurred due to the Vista Project still being in construction phase.
- 5.13 Financial liabilities have increased due to a loan amount owed in relation to previous leased assets.
- 5.14 Subsequent to the 31 December 2017 accounts Titan has loaned Andina \$500,000.

Table 3: Historical Statement of Comprehensive Income of Andina

	Unaudited 31-Dec-17 \$'000	Audited 31-Dec-16 \$'000
Revenue	7,441	13,144
Cost of sales	(7,018)	(11,240)
Gross profit	423	1,904
Other income	0	12
Other items of expense		
Administrative expenses	(1,659)	(1,397)
Occupancy expenses	(96)	(132)
Interest expense	(203)	0
Impairment expense	150	(11)
Foreign exchange gain/(loss)	47	(16)
Exploration expenditure written off	(191)	(0)
Receipt of shares	650	0
Total Expenses	(1,302)	(1,557)
Profit/(loss) before tax	(879)	359
Income tax benefit/(expense)	(74)	(344)
Profit/(loss) after tax	(953)	14
Sale of Investments	1,950	
Exchange difference on translation of foreign operations	(222)	(86)
Total comprehensive profit /(loss) for the year	774	(72)

Source: 31 December 2017 unaudited management accounts and 31 December 2016 audited financial statements

- 5.15 Andina’s revenue primarily relates to its Peru mineral production operations, specifically the Tulin minerals processing facility. We note that, while the Company has generated positive gross profit, the company is not currently profitable.

Table 4: Group Structure

Name	Proportion (% of ownership interest)	
	31-Dec-17	31 Dec 16
Andean Metals SAC	100%	100%
Vista Gold SAC	100%	100%
Mantle Mining SAC	100%	100%
Tulin Gold Co. SAC	100%	100%
Porphyry Assets Pty Ltd	100%	100%
Porphyry Assets SAC	100%	100%

Capital Structure

5.16 Andina currently has 662,754,534 ordinary shares on issue. Details of the 10 largest shareholders as at 18 April 2018 are as follows:

Table 5: Capital Structure of Andina

Shareholders	Number of Ordinary Shares	% of Total Shares
Merrill Lynch (Australia)	43,636,364	6.58%
Ian Malcolm Carr	33,636,363	5.08%
ML Carr Pty Ltd	31,081,818	4.69%
Alitime Nominees Pty Ltd	26,000,000	3.92%
Centralis Cayman Limited	23,669,805	3.57%
Ratdog Pty Ltd	23,500,000	3.55%
Vonross Nominees Pty Ltd	23,500,000	3.55%
Richsham Nominees Pty Ltd	22,000,000	3.32%
Kero Investments Pty Ltd	21,818,182	3.29%
Vadlamudi (Medical) Pty Ltd	20,000,000	3.02%

Source: Andina's share register

6. PROFILE OF TITAN

History²

- 6.1 Titan (formerly Mundo Minerals Limited (ASX:MUN) and Minera Gold Limited (ASX:MIZ)) was incorporated as a public company on 15 November 2006 in Perth, Western Australia. Titan is listed on ASX and has a number of gold and copper projects located in Peru and the United States. In June 2017 Titan changed its name from Minera Gold Limited to Titan Minerals, effectuated a DOCA in October 2017 and relisted on the ASX.
- 6.2 The current board of directors are;
- Mr Matthew Carr – Executive Director
 - Mr Robert Sckalor – Non-Executive Director
 - Mr Cameron David Henry – Non Executive Director
 - Mr Nicholas Rowley – Non-Executive Chairman
 - Mr Zane Lewis – Company Secretary

San Santiago Gold and Copper Plant

- 6.3 The San Santiago Plant is permitted to operate at 350 TPD in relation to the copper circuits. The San Santiago Plant does not currently have the requisite permits to process gold. The San Santiago Plant, which was permitted in 2006, is contained on seven hectares of land located in an established mining region.
- 6.4 Whilst permitted to operate at 350 TPD, the plant has capacity for 480 TPD (150 TPD CIP gold circuit, 250TPD copper sulphide circuit and 80 TPD copper oxide circuit). The plant is close to infrastructure, bore water, national grid power, sealed roads and ports.

San Santiago Concessions

- 6.5 The San Santiago Project is a copper-gold project comprising of 9,000 hectares of mineral concessions. More information is available on the San Santiago concessions at Appendix C.

Torricellas Concessions

- 6.6 Titan has a right to earn-in a 70% interest on the Torrecillas Earn-in Concessions. This earn in agreement is in place with Andina.

² Source: Titan's publicly available information

History (continued)

Table 6: Board of Directors

Name	Title	Experience
Mr Matthew Carr	Executive Chairman	Mr Carr is an experienced director having founded Urban Capital Group, a private equity company with a focus on property. Mr Carr has been a director of Titan Minerals since February 2017 and was a director of the former Minera Gold Limited from October 2015 until its transition to Titan Minerals.
Mr Nicholas Rowley	Non-Executive Director	Mr Rowley is an experienced corporate executive with a background in the financial services industry, specifically corporate advisory, M&A transactions, equity markets and advice to institutional and high net worth investors. Mr Rowley is also currently a Director of Corporate Development for Galaxy Resources (ASX:GXY).
Mr Cameron Henry	Non-Executive Director	Mr Henry has a background in project development and operations, specialising in minerals processing and oil and gas. My Henry is currently the Managing Director of Primero group, an engineering company that specialises in minerals processing. Mr Henry has tertiary qualifications in engineering and project management and has been a member of the Australian Institute of Company Directors (AICD) for over 5 years.
Robert Sckalor	Non-Executive Director	Mr Sckalor has 30 years of experience working in legal and financial markets. 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 Capital Instincts he was a director and General Counsel for Liquid Capital Markets (LCM), LTD, a London Investment and Financial company. Mr Sckalor obtained his BA from Grinnell College and JD from Washington University, JD.
Mr Zane Lewis	Company Secretary	Mr Lewis has over 20 years of corporate advisory experience with various ASX and AIM listed companies. Mr Lewis is a fellow of Chartered Secretaries Australia and is a Non-Executive Director and Company Secretary for a number of ASX Listed companies.

History (continued)

Table 7: Historical Balance Sheet

Consolidated Statement of Financial Position	Ref	Audited 31-Dec-17 AUD\$	Audited 31-Dec-16 AUD\$
ASSETS			
Current assets			
Cash and cash equivalents	6.10	2,932	52
Trade and other receivables	6.11	290	18
		3,222	70
Non-current assets			
Trade and other receivables		99	
Property, plant and equipment	6.12	1,000	-
Mine assets		173	500
		1,272	500
Total assets		4,494	570
LIABILITIES			
Current liabilities			
Trade and other payables		1,065	8,504
Borrowings	6.14	175	9,581
Provisions		-	1,997
Other Liabilities		-	5,948
		1,240	26,030
Non-current liabilities			
Trade and other payables	6.13	2,205	-
		2,205	-
Total liabilities		3,445	26,030
NET ASSETS		1,049	(25,460)
EQUITY			
Share capital		91,051	78,619
Reserves		2,574	918
Foreign currency translation reserve		(92,576)	(105,009)
TOTAL EQUITY		1,049	(25,472)

Source: Titan's audited financial statements for the years ended 31 December 2016 and 2017.

- 6.7 Titan's auditor (Stantons International) issued no opinion on the audit report for the period ended 31 December 2017, and no opinion for the period ended 31 December 2016. All audit reports following 30 June 2015 have been issued with no opinion. This is due to Titan (then known as Minera Gold Limited) being placed into voluntary administration in August 2015, with the auditors unable to identify sufficient internal controls.
- 6.8 The opinion expressed by the auditor was as follows:
- 6.8.1. "Because of the significance of the matters described in the Basis of Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an Audit Opinion on the financial report. Accordingly, we do not express an opinion on the financial report for the year ended 31 December 2017."

History (continued)

- 6.9 We note the following in relation to Titan's recent financial position:
- 6.10 Cash and cash equivalents increased from \$0.058 million to \$2.932 million, this was due to cash inflows from financing. This financing was performed through the issuance of new shares and borrowings. Per the 31 March Quarterly update, cash and cash equivalents has decreased to \$2.419 million. On 22 May 2018 Titan announced to the market the completion of an AUD\$11 million capital raise which has been conducted at 3.0 cents per share. Of the \$11 million raised, US\$2 million (in addition to potential milestone shares) will be used to acquire the Mirador processing plant.
- 6.11 Trade receivables relate to GST refundable, amounts receivable from sales prior to year-end and advances due for repayment.
- 6.12 The directors approved a fair value of AU\$1,000,000 for the San Santiago plant. On 22 May 2018 Titan conducted a capital raise to acquire Mirador copper and gold processing plant. The plant will be purchased for US\$2 million plus a conditional issue of shares based on certain production capacity.
- 6.13 When the directors resumed custodianship of Titan it was noted that a large portion of the payables in the subsidiaries related to debts owed from the period 2010-2016. Some of which pre-dated Titan's acquisition of the subsidiaries. It is director's expectation that Titan will not settle these outstanding liabilities within the next 12 months as the validity of the liabilities cannot be confirmed, and therefore have classified these liabilities as non-current
- 6.14 As at 31 December 2017, the Titan group owed Andina a total of \$174,637. The terms of the loan are that the loan is payable on demand, is unsecured and has a 0% interest rate.
- 6.15 Subsequent to the 31 December 2017 audited accounts Titan has loaned Andina \$500,000.

History (continued)
Table 8: Historical Statement of Comprehensive Income

Statement of Comprehensive Income	Ref	Audited 31-Dec-17 \$'000	Audited 31-Dec-16 \$'000
Revenue	6.16	639	1,365
Less: Cost of sales		(808)	(1,009)
Gross profit		(169)	356
Other income		3	-
Other items of expense			
Depreciation and amortisation charges		(213)	(109)
Administrative expenses		(1,455)	(623)
Foreign Exchange		(16)	247
Finance expenses		-	(6)
Provision Expense		(22)	-
Reversal of provision of impairment of property, plant & equipment		1,000	-
Loan forgiveness	6.16	17,754	-
DOCA expenses	6.16	(2,350)	-
Share based payments expense		(4)	-
Other Expenses		(259)	(150)
Total Expenses		14,435	(641)
Profit/(loss) before tax from continuing operations		14,269	(285)
Income tax benefit/(expense)		-	-
Discontinued operations			
Loss for the year from discontinued operations		(1,836)	(662)
Profit/(loss) after tax		12,433	(947)
Exchange differences on translating foreign operations		1,652	1,341
Total comprehensive profit for the year		14,085	394

Source: Titan's audited financial statements for the years ended 31 December 2016 and 2017

6.16 We note the following in relation to Titan's recent financial performance;

- Financial Year 17 revenue relates to Titan's toll processing plant. As Titan was in administration as at 31 December 2016 the revenue details could not be obtained.
- As per the terms of the Deed of Company Arrangement ("DOCA") all prior borrowings that were owed by Titan were cleared upon effectuation of the DOCA.
- DOCA expenses relate to the costs associated with the company being placed in administration.
- On 4 October 2017, the shares in the entities that made up the then Minera Gold Limited group of companies were transferred to the Minera Gold Limited Creditors Trust.

History (continued)

Table 9: Group Structure

6.17 Titan’s group structure is as follows;

Entity Year	Proportion (% of ownership interest)	
	31-Dec-17	31-Dec-16
Mundo Minerals USA	100	100
Mundo Peru Gold SAC	-	100
Mundo Minerales SAC	-	100
Golden Empire SAC	-	100
Compania Minera Cobrepampa	100	100
Empresa Miner Cobrepampa	100	100
Grupo Cobrepampa	100	100
Korisumaq SAC	100	100
Derivados Y Concentrados SAC	100	100
Hogans Heros S.A.C	100	0

Table 10: Capital Structure

6.18 Titan currently has 1,868,715,356 fully paid ordinary shares on issue. Details of the 10 largest shareholders as at 5 June 2018 are as follows;

Shareholders	Number of Ordinary Shares	% of Total Shares
Terra Capital Pty Ltd	119,000,000	6.4
Tribeca Investment Partners Pty Ltd	147,420,890	7.9
Tazga Two Trust	84,500,000	4.5
Rockford Inv Fund Pty Ltd	80,000,000	4.3
Silverstream Sezec	75,036,834	4.0
Buswell, Reegan	75,000,000	4.0
Andina Resources Limited	65,000,000	3.5
Wexford Rise Pty Ltd	60,000,000	3.2
Baffigo, Giorgio Ramon-A	40,500,000	2.2
Texbridge Holdings Pty Ltd	27,950,000	1.5

Source: Titan’s Share register

6.19 We note that titan announced to the market on 22 May 2018 that it has conducted a large capital raising event, from which 366,666,666 new shares will be issued. To date, 233,333,333 shares have been issued and 133,333,333 will be issued subject to shareholder approval.

Shares on Issue

6.20 The table below shows Titan’s daily close price and trading volume daily. Titan has been trading on the ASX since October 2017.

Figure 2: Titan price and volume chart

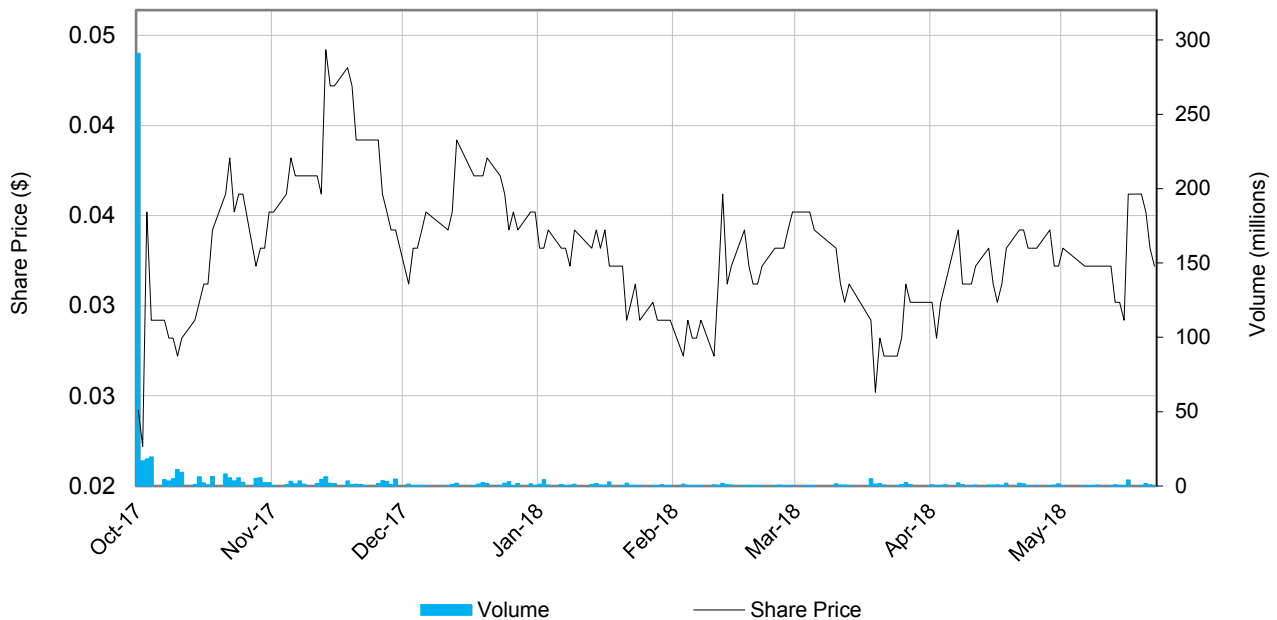


Table 11: Titan trading data

Trading Days	1 Day	5 Day	10 Day	30 Day	60 Day	90 Day	120 Day
VWAP	0.033	0.036	0.035	0.034	0.033	0.033	0.033
Total Volume (millions)	0.30	7.14	8.62	23.63	44.96	69.58	111.54
Total Volume as % of Total Shares	0.02%	0.38%	0.46%	1.26%	2.41%	3.72%	5.97%
Low Price A\$	0.033	0.033	0.030	0.030	0.026	0.026	0.026
High Price A\$	0.033	0.037	0.037	0.037	0.037	0.037	0.044

6.21 In October 2017, Titan relisted on the ASX. Prior to this the company traded as Minera Gold Limited. Upon relisting Titan experienced a significant spike in volume.

6.22 On 20 November 2017, Titan announced its expansion plans, with the share price subsequently having a gradual increase over the last 15 days.

6.23 On 26 March 2018, Titan announced to the market its intention to buy Andina. Following this announcement, the share price dropped. The share price has since recovered.

6.24 We note that to rely on the quoted market price for the valuation of Titan there is a requirement for the securities to trade in a ‘deep’ market. RG111.69 indicates that a ‘deep’ market should reflect a liquid and active market characteristics synonymous with a deep market are:

- Regular trading in a company’s securities;
- An average of 1% of a company’s securities traded on a weekly basis;
- Non-significant spread of the stock;
- A significant spread of ownership of the securities (i.e. the top 10 shareholders do not control more than 50% of the company); and
- There are not regular unexplained movements in the share price.

Shares on Issue (continued)

- 6.25 For a security to be considered 'deep' it should fit with all the above characteristics. Though if it does fail to meet all of the above characteristics it does not automatically characterise the shares as irrelevant for valuation purposes, it means that they should not purely be relied upon.
- 6.26 We note in the case of Titan that we do not consider there to be a deep market for the Titan's shares due to the lack of consistent trading volume.

7. INDUSTRY AND ECONOMIC ANALYSIS

Economic Analysis

7.1 Andina is a gold exploration and mining company. In this section, we have addressed the economic factors impacting Andina.

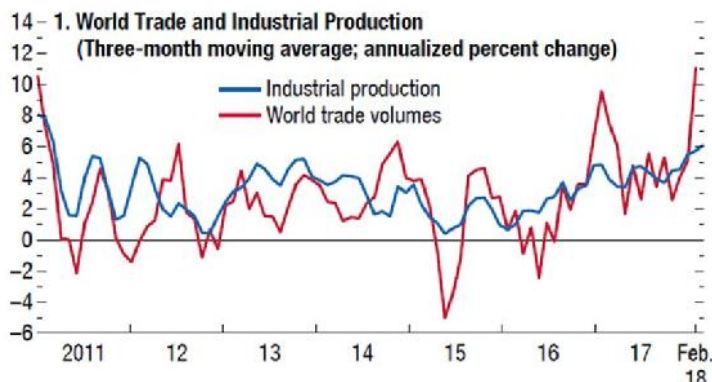
Peru

7.2 Over the last 10 years Peru has become one of the fastest growing economies in Latin America, between 2002 to 2013 average GDP growth was 6.1% p.a. Between 2014-2017 GDP growth has slowed to an average rate of 3.1% annually, primarily due to lower international commodity prices. With strengthening commodity prices of late there is a positive outlook on growth with a recovery in commodity prices leading to further public investment into the region. Interest rates within Peru are expected to stay relatively stable through to 2019, with inflation expected to drop to an average of 2.2% annually over the 2018-19 period.

Global

7.3 Global economic conditions remained strong as we move into the second quarter of 2018, with this growth expected to follow on for the remainder of 2018. Growth has been diversified amongst advanced, developing and emerging markets with Japan, Korea, Germany, China, India and South Africa all registering strong growth figures bolstered by positive global trade.

Figure 3: World Trade and Industrial Production



Source: IMF Outlook April 2018

7.4 A key hurdle facing the world economy moving forward will be the potential for tariffs imposed by the United States on specific imports and regions. This has the potential to spark trade conflicts and damage world trade growth.

7.5 With the 2017 global economy outperforming original International Monetary Fund (IMF) forecast by 0.2%, achieving a growth rate of 3.8%, there is an expectation for this growth to climb further with forecasts predicting 3.9% annual growth.

Financial markets

7.6 Global financial markets have seen a positive sustained increase in asset prices and overall very low volatility. Low long-term bond yields and narrow credit spreads have contributed to expansionary financial conditions. The jump in equity prices at the start of 2018 has been reversed but in comparison to this time last year equity prices on the whole are higher.

Industry Analysis

Gold

- 7.7 Gold is both a commodity and an international store of monetary value. Being regarded as a store of value during periods of weak economic growth and political turbulence, gold is turned to as a commodity to preserve wealth.
- 7.8 Gold mine production reached a record high of approximately 3,270 tonnes during 2017, 3,100 tonnes in 2016 while full year gold demand gained 2% on 2015 reaching a 3-year high of 4,252t. Demand for gold has consistently exceeded supply over the last 10 years, and the escalated level of economic and financial uncertainty during recent years has caused investors to move capital from risky assets to gold assets.
- 7.9 Prices contracted in December 2011 reaching a low of AUD\$1,527 per ounce followed by a recovery in 2012, reaching AUD\$1,757 per ounce on 4 October 2012. Gold prices were on a steady decline over 2013 to 2015, hitting a low during the period of US\$1,326.
- 7.10 More recently, gold prices from March 2017 through to April 2018 have averaged AUD\$1,655 per ounce, ranging from a low of AUD\$1,613 per ounce on 15 March 2017 to a high of AUD\$1,827 per ounce on 25 January 2018. Gold prices have maintained historically high levels.
- 7.11 The gold price was AUD\$1,726 as of 28 May 2018.

8. VALUATION APPROACH ADOPTED

8.1 There are a number of methodologies which can be used to value a business or shares in a company. The principal methodologies which can be used are as follows:

- Capitalisation of future maintainable earnings ('FME')
- Discounted cash flow ('DCF')
- Quoted market price basis ('QMP')
- Net asset value ('NAV')
- Market approach method (Comparable market transactions)
- Sum of Parts ('SOP')

8.2 A summary of each of these methodologies is outlined in Appendix B.

8.3 Different methodologies are appropriate in valuing particular companies, based on the individual circumstances of that company and available information.

8.4 In assessing whether the Offer is fair for shareholders of Andina, we have assessed the Offer as follows:

8.5 A comparison between the value of Andina shares on a control basis prior to the Offer and the value of the consideration offered on a minority basis, being 1 Titan share for every 1.18 Andina share held.

Valuation of Andina shares prior to the Offer

8.6 In our assessment of the value of Andina shares prior to the Offer we have chosen to employ the methodology 'Sum of Parts' as our primary approach.

8.7 We have chosen this methodology because Andina is a mineral processing company that holds metallurgical, exploration and development assets. We have instructed Global Resources & Infrastructure Pty Ltd ("Global Resources") to act as independent specialist and provide an independent market valuation of the Company's mineral assets in accordance with the Australian Code for Public Reporting of technical Assessments and Valuations of Minerals Assets ('the Valmin Code 2015') and the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ('JORC Code 2012'). Global Resources full report may be found in Appendix D. We have considered this in the context of Andina's other assets and liabilities on a NAV basis;

8.8 As a secondary valuation method we have assessed the issue price of shares of a historical capital raising event by Andina. This capital raising event was the issuance of \$250,000 in convertible loans which converted to shares at a price of \$0.011. The Note has since converted to equity.

8.9 The QMP basis is not a relevant methodology to consider as Andina shares are not listed on the ASX. This means there is not a regulated and observable market where Andina's shares can be traded.

8.10 Andina does not generate regular trading profits. Therefore, there are no historic profits that could be used to represent future earnings. This means that the FME valuation approach is not appropriate;

8.11 Andina has no reliable cash flow forecasts and therefore the application of the DCF valuation approach is not appropriate. Under RG111, it is considered that it is only appropriate to use DCF to value a mining asset where we have reasonable grounds to do so.

Valuation of a Titan share following the Offer

- 8.12 When assessing non-cash consideration in control transactions, RG 111.31 suggests that a comparison should be made between the value of the securities being offered as consideration (allowing for a minority discount) and the value of the target entity's securities, assuming 100% of the securities are available for sale (i.e. on a control basis). This comparison reflects the fact that:
- a) the acquirer is obtaining or increasing control of the target; and
 - b) the security holders in the target will be receiving scrip constituting minority interests in the combined entity.
- 8.13 In our assessment of the value of a Titan share following the Offer, we have adopted the Sum-of-Parts methodology.
- 8.14 As Titan is a mineral processing company that holds metallurgical, exploration and development assets. We have instructed Global Resources & Infrastructure Pty Ltd ("Global Resources") to act as independent specialist and provide an independent market valuation of the Company's mineral assets in accordance with the Australian Code for Public Reporting of technical Assessments and Valuations of Minerals Assets ('the Valmin Code 2015') and the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ('JORC Code 2012'). Global Resources full report may be found in Appendix D. We have also instructed Trinol Pty Ltd ("Trinol") to prepare a valuation of the production assets held by Titan, being the San Sanitago plant We have considered this in the context of Andina's other assets and liabilities on a NAV basis;
- 8.15 We have employed the Sum-of-Parts methodology in estimating the fair market value of the Merged Entity, by aggregating the estimated fair market values of its underlying assets and liabilities, having consideration to:
- The value of the other assets and liabilities of Andina;
 - The value of Titan. In our valuation of Titan, we have considered the Sum of Parts methodology (other valuation methods have been disregarded for the same reasons as set out for Andina in Section 8.6).
 - The number of shares on issue following the Offer which will include the issue of one new Titan share for every 1.18 Andina share that Titan does not already own.

9. VALUATION OF ANDINA PRIOR TO THE OFFER

Sum of Parts Valuation of Andina

- 9.1 We have employed the Sum-of-Parts method in estimating the fair market value of an Andina share on a control basis prior to the Transaction by using the net assets of Andina and the expert geologist valuation prepared by Global Resources on the Torrecillas Concession.
- 9.2 The value of Andina’s shares under a Sum of Parts valuation basis is reflected in our valuation below:

Table 12: Value of an Andina prior to the Offer

	Low \$'000	Preferred \$'000	High \$'000
Torrecillas Concession (100%)	4,800	5,400	6,000
Shares in Titan	342	1,276	2,210
Other assets of Andina	5,091	5,091	5,091
Total Value of Andina on a control basis	10,233	11,806	13,301
Total Shares	662,754,534	662,754,534	662,754,534
Value per Share (\$)	0.015	0.018	0.020

Source: MSPCS analysis

- 9.3 The Statement of Financial Position has been extracted from the unaudited financial statements of Andina at 31 December 2017. We have been advised that there has not been a significant change in the net assets of Andina since 31 December 2017. The table above indicates the sum of parts value of an Andina share is between \$0.015 and \$0.020.
- 9.4 We have included Andina’s interest in the shares of Titan at a range of values. The low range value is our preferred value of a Titan share per our valuation in section 10 (Titan’s assets only) and a high value of the current share price of Titan on the ASX. Titan shares are considered illiquid thus we have included this range, as if Andina tried to sell their current stock holding on market it is unlikely they would be able to sell them at the current market price in a single trade. However, we note that Titan recently completed a capital raising at \$0.03 per share and an orderly disposal of shares might be possible. As a preferred value we have taken the midpoint of these two values.
- 9.5 Global Resources was instructed to provide an independent market valuation of the Torrecillas Concessions. Global Resources considered a number of different valuation methodologies when assessing the value of the Torrecillas Gold Project.
- 9.6 Global Resources applied the Comparable Market Transaction Method and Joint Venture Terms method when forming an opinion on the value of the Torrecillas Concessions.
- 9.7 For the Market Comparable Transaction Method assessment Global Resources reviewed recent market transactions for early stage exploration assets. Two transactions were identified as appropriate. As the concessions are minerals exploration concessions and there is a lack of information regarding resource/reserve estimations, Global Resources have chosen a Dollar Value per Hectare (\$/Ha) to determine the values.
- 9.8 Global Resources Independent Technical Specialist’s Report is attached in Appendix D.
- 9.9 There have been no adjustments to the other net assets of Andina as we are of the opinion that their book values represent a reasonably accurate assessment of asset value of the Company on a going concern basis. We have been advised by the management of Andina that there has not been a material change in the book value of these assets subsequent to 31 December 2017 unaudited management accounts.

Sum of Parts Valuation of Andina (continued)

- 9.10 We note that the Tulin and Andean Projects in particular have been included at book value used in the 31 December 2017 unaudited management accounts. We have accepted that the book values reflect reasonably accurate assessments of their value to the company and certainly, based on operating performance to date, there is no evidence to suggest that their market value would exceed book value. Further, the Vista Gold project is still in construction and we are of the opinion that the cost of the project as per book value is the most appropriate measure of value at present.
- 9.11 The other assets of Andina have been calculated based on net asset value less book value of Shares in Titan. We have not adjusted for the recent loan from Titan because the impact on the balance sheet would be nil, as the loan results in an increase in cash and an increase in loan payable.

Control Premium

- 9.12 In using the SOP method (containing NAV and a geological expert valuation) to value an Andina share implies a premium for control has already been factored into the share value.
- 9.13 Therefore, our calculation of the fair market value of an Andina share has been prepared on a control basis.

Assessment of Andina Value including control premium

- 9.14 The assessed value of Andina’s sum of parts valuation, results in the following share value per Andina share including a premium for control:

Table 13: Value of an Andina share prior to the Offer on a control basis

	Low \$	Preferred \$	High \$
Value of an Andina share on a controlling interest basis prior to the Offer	0.015	0.018	0.020

Source: MSPCS analysis

- 9.15 Therefore, our valuation of an Andina share based on the Sum of Parts method and including a premium for control is between \$0.015 and \$0.020, with a preferred value of \$0.018

Market Transactions of Andina Shares

- 9.16 We have considered prior capital raisings by Andina as a cross check to our sum of parts valuation. Andina has completed a number of capital raisings via share issues or convertible notes in the last six months. All of these capital raisings were completed at a price of \$0.011 per share.
- 9.17 These capital raisings reflect a minority interest so a control premium must be applied to the value of the shares issued.
- 9.18 In determining a control premium most appropriate for Andina, we considered a number of factors. The principal influencing factor we considered is that Andina is a mineral processing and exploration company.
- 9.19 Having reviewed the control premiums paid in recent years by companies listed on the ASX. There is significant variability in control premiums paid which are affected by such factors as:
 - Quality of management;
 - Nature and magnitude of business opportunities/assets not currently being exploited;
 - Industry sector;
 - Degree and confidence in future synergies;
 - Level of pre-announcement speculation of the transaction;
 - Level of liquidity in the trade of the acquiree’s securities; and
 - The stage in the economic cycle.

Market Transactions of Andina Shares (continued)

9.20 A review of control premiums paid by acquirers of companies listed on the ASX in recent years indicates a range of premiums between 25% and 35% is reasonable.³

Table 14: Prior capital raising price of Andina

	Ref	Low \$	Preferred \$	High \$
Prior capital raising price per share		0.011	0.011	0.011
Control Premium		25%	30%	35%
Total Value of an Andina share on a control basis		0.014	0.014	0.015

Valuation summary and conclusion

9.21 A summary of our assessed values of an ordinary Andina share on a control basis, pre- the Proposed Transaction, derived under the two methodologies, is set out in the table below.

Table 15: Preferred value of Andina prior to the Offer.

	Ref	Low \$	Preferred \$	High \$
Sum of Parts valuation		0.015	0.018	0.020
Recent Transaction valuation		0.014	0.014	0.015
Preferred Value		0.015	0.018	0.020

9.22 In our opinion, the sum of parts valuation provides a better indicator of the Fair Value of Andina as we consider the recent capital raisings have been to mostly related parties. However, we note that the recent transactions provide some support for our preferred valuation range.

9.23 Therefore, in our opinion, the Fair Value of an Andina Share prior to the Offer is between \$0.015 and \$0.020 on a controlling basis.

³<https://www.rsm.global/australia/insights/consulting-insights/rsm-control-premium-study-2017>

10. VALUATION OF AN ANDINA SHARE IF THE OFFER IS ACCEPTED

10.1 For our valuation of an Andina share if the Offer is accepted, we have adopted a Sum of Parts methodology.

Sum of Parts Valuation

10.2 We have assessed the value of an Andina share on a minority basis to be between \$0.005 and \$0.007 per share if the Offer is accepted, based on the sum of parts valuation methodology, as summarised in the table below:

Table 16: Value of an Andina share if the Offer is accepted

	Ref	Low \$'000	Preferred \$'000	High \$'000
San Santiago Concessions	10.4	130	320	380
San Santiago Metallurgical Plant Assets	10.9	1,303	1,303	1,303
Mirador Copper and Gold processing plant	10.14	0	1,321	2,642
Total Value of Titan's mineral assets		1,443	2,944	4,325
NAV of Titan Minerals - 31-Dec-17	10.15	(124)	(124)	(124)
Add: Increase in Titan Cash	10.16	7,711	7,711	7,711
Total Value of Titan's assets		9,020	10,531	11,912
Add: Value of Andina Pre- Transaction		10,233	11,767	13,301
Equity value of Titan on a control basis		19,253	22,298	25,213
Minority discount		26%	23%	20%
Equity value of Titan on a minority basis		14,247	17,169	20,270
Number of Existing Titan Shares on Issue		1,868,715,356	1,868,715,356	1,868,715,356
New shares yet to be issued under the recent capital raising		133,333,333	133,333,333	133,333,333
Number of Shares issued to Andina Shareholders		561,656,385	561,656,385	561,656,385
Value per Titan share A\$		0.006	0.007	0.008
Value per original Andina Share		0.005	0.006	0.007

Source: Moore Stephens analysis

10.3 The range of values for the exploration projects have been extracted from Global Resources and Trinol's valuation reports and are noted below:

10.4 Global Resources was instructed to provide an independent market valuation of the San Santiago Concessions. Global Resources considered a number of different valuation methodologies when assessing the value of the San Santiago Concessions.

10.5 Global Resources applied the Comparable Market Transaction Method and Joint Venture Terms method when forming an opinion on the value of the San Santiago Concessions.

10.6 For the Market Comparable Transaction Method assessment Global Resources reviewed recent market transactions for early stage exploration assets. Three transactions were identified as appropriate. As the concessions are minerals exploration concessions and there is a lack of information regarding resource/reserve estimations, Global Resources have chosen a Dollar Value per Hectare (\$/Ha) to determine the values.

10.7 Global Resources Independent Technical Specialist's Report is attached in Appendix D.

Sum of Parts Valuation (continued)

10.8 The range of values for the San Santiago concessions have been extracted from Global Resources valuation report and are noted below:

Concession	Comparative Transaction	Price Range/Ha (\$)	Multiplier	Area (Ha)	Value Range (\$)	Preferred Value (\$)
San Santiago	Pinaya, Circum Pacific, San Mateo	149-449	0.15	5,754	0.13m – 0.038m	0.032m

Source: Global Resources valuation report

10.9 Trinol was instructed to provide an independent market valuation of the San Santiago Metallurgical Plant (Gold and Copper Circuits). Plant and equipment valuations are based on a database of costs of similar equipment purchased in Brazil and WA within the last two years.

10.10 In the case of the San Santiago assets the Copper sulphide and Gold circuits were seemingly in good conditions. As such, Trinol have applied a 30% to 35% value factor for the equipment price depending on the equipment type. For the oxide copper plant, which is reported to be in not as good condition, but still serviceable, a 20% current valuation factor has been used.

10.11 Trinol’s Independent Technical Specialist’s Report is attached in Appendix E.

10.12 The range of values for the San Santiago metallurgical projects have been extracted from Trinol’s valuation report and are noted below:

Circuit	Combined Circuit Value	
	Estimated Value New	Estimated Realisable used value
Copper	2,750,000	776,400
Gold	1,640,000	526,100
Combined	4,390,000	1,302,500
Estimated Plant Replacement Cost (3x equipment multiplier)	13,170,000	

Source: Trinol valuation report

10.13 In our opinion the Estimated Realisable used value is the most appropriate value to use in our analysis as this is a reflection of the current value of the plant and equipment that Andina shareholders will be exposed to.

10.14 On 17 April 2018 Titan announced to the market a planned acquisition of Mirador’s copper and gold processing plant for a cost of US\$2 million plus the issue of conditional shares. Titan announced to the market on 22 May 2018 that it had conducted a capital raising event to in part fund this acquisition. This acquisition has been valued at a range of NTA (low value) to cost (high value) with a midpoint as an average of the two. We note that this transaction has not completed. However, Titan has raised the funds to acquire Mirador and has completed due diligence. As such, we consider it appropriate to include in our analysis.

10.15 The net assets of Titan have been reduced to reflect the restated value of the San Santiago plant.

10.16 We have made an adjustment to the cash levels of Titan based on the 31 March 2018 quarterly update. From the update it displayed lower cash levels than the 31 December 2017 accounts. An adjustment for this difference of \$513,000 is required as a result. In addition, per Titan’s announcement on 17 April 2018, they have paid a US\$100,000 deposit for a new plant potential acquisition. As such, we have also made an AUD\$134,000 adjustment to the final cash levels. Therefore, total cash adjustments made from 31 December 2017 balances total a decrease of AUD\$647,000. Titan announced to the market on 22 May 2018 it had completed an AUD\$11 million capital raising event. We have included the cash proceeds of this capital raising event less US\$2 million (AU\$2.64 million) assigned to the acquisition of Mirador’s copper and gold processing plant.

Sum of Parts Valuation (continued)

- 10.17 We have included the value of Andina's shares in Titan on the assumption that Andina can dispose of the shares on market and convert that value to cash.
- 10.18 A minority interest discount is the inverse of a premium for control and is calculated using the formula $1 - [1 / (1 + \text{control premium})]$. Based on the premium for control included in Section 9, the minority interest discount is 20% - 26%.

11. IS THE OFFER FAIR TO ANDINA SHAREHOLDERS?

11.1 Our assessed values of an Andina share, are summarised in the table and figure below.

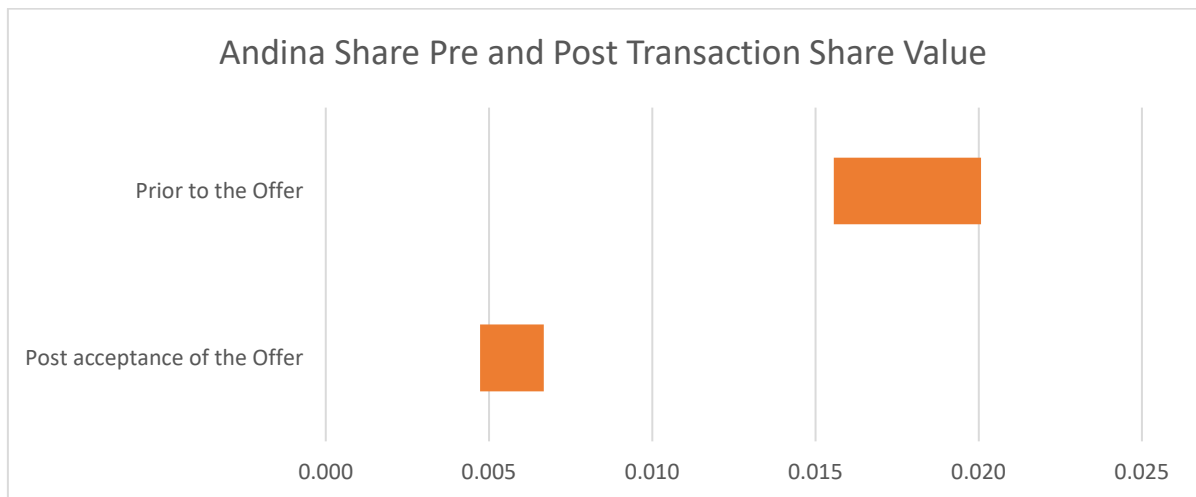
Table 17: Assessed values of an Andina share pre and post offer acceptance

	Section	Low \$	Preferred \$	High \$
Assessed Fair Value of an Andina share prior to the Offer	9	0.016	0.018	0.020
Assessed Fair Value of an equivalent Andina share if the Offer is accepted on a minority basis	10	0.005	0.006	0.007

Source: Moore Stephens analysis

11.2 In accordance with the guidance set out in ASIC RG 111, and in the absence of any other relevant information, for the purposes of complying with Section 640 of the Corporations Act 2001, we consider the Offer to be not fair to the Non-Associated Shareholders of Andina, as the preferred value of an Andina share is higher prior to the Offer than if the Offer is accepted.

Figure 4: Pre and post Offer valuations of an Andina share



Source: Moore Stephens analysis

Key Assumptions:

11.3 We have included the impact of the capital raising event announced by Titan on 22 May 2018. \$4 million of the capital raising event must still be approved by shareholders. We have assumed that this motion is approved. We have included all capital raised, less the cost of acquisition announced on 17 April 2018. As per the capital raising event we have increased total shares on issue by 366,666,66 (133,333,333 shares have been brought in post transaction due to the requirement for shareholder approval).

11.4 We included any impact of the potential acquisition announced by Titan on 17 April 2018. The acquisition has been funded by the capital raising event announced on 22 May 2018. We have included the acquisition at cost and have assumed none of the milestone shares are issued (this does not have a material impact on our conclusion).

12. IS THE OFFER REASONABLE?

12.1 RG111 establishes that an Offer is reasonable if it is fair. If an Offer is not fair it may still be reasonable after considering the specific circumstances applicable to it. In our assessment of the reasonableness of the Offer, we have given consideration to:

- The future prospects of Andina if the Offer is not accepted; and
- Other commercial advantages and disadvantages to the Non-Associated Shareholders as a consequence of accepting the Offer.

Future prospects of Andina if the Offer is not accepted

12.2 If the Offer is not accepted, the Company will continue operations as normal. The Vista project will likely need funding to become operational in the short to medium term, this will potentially increase revenues of the business but will require additional funding. As per the earn-in agreement with Titan, Andina will concede 70% of its ownership of the Torrecillas concessions as at 30 June 2019 to Titan, if Titan fulfils its obligations on the agreement. Further Andina does not have significant cash reserves and owes a debt to Titan. It may need to raise funds in the future which can be difficult as an unlisted entity.

Advantages and disadvantages

12.3 In assessing whether the Non-Associated Shareholders are likely to be better off if the Offer is accepted, than if it is not, we have also considered various advantages and disadvantages that are likely to accrue to the Non-Associated Shareholders.

Advantages of accepting the Offer

12.4 Advantage 1 - As an agreement is already in place for Titan to earn-in 70% of the Torrecillas Project. The value of Andina could diminish as this earn in takes place.

An earn-in agreement in relation to ownership of the Torrecillas concessions has been agreed upon by Andina and Titan. This earn-in agreement will diminish Andina's ownership in the Torrecillas Project to 30% upon the completion of the agreement. As Andina will be conceding 70% of the Torrecillas concessions subsequent to 30 June 2019, the value of the company could reduce significantly after this point. If Andina shareholders accept the Offer then they will continue to be exposed to 100% of the Torrecillas Project, albeit with a diluted equity position.

12.5 Advantage 2 - Opportunity to realise investment in an otherwise illiquid investment

Andina shares are currently unlisted and illiquid. By approving the transaction shareholders will be able to access shares on a public market and have greater potential to realise value on their shareholdings. However, we note that we do not consider Titan's shares to fall within the term of a 'deep' market and as such the shares of Titan would be considered illiquid for valuation purposes.

12.6 Advantage 3 – Titan share price

As of 28 May 2018, Titan was trading at a share price of \$0.033. This trading price is a premium to the value we place on Andina in section 9 of this report and Titan in section 10 of this report. As the current share price of Titan is higher than our current valuation of Andina, it results in an uplift of values per share for Andina Shareholders. Although we consider Titan shares to be illiquid, we note that the value uplift is approximately 2 times greater than the preferred value of an Andina share. As such, the Titan share price could fall approximately 50% before Andina shareholders are disadvantaged. As such, the quantum of uplift Andina shareholders could receive from accepting the Offer could offset the liquidity risk in Titan shares.

Advantages and disadvantages (continued)

12.7 Advantage 4 - Shares in a listed entity

If shareholders accept the Offer they will obtain shares in a listed entity. Typically shares in a listed entity trade at a premium to private companies. Other such benefits of a listed entity include greater and easier exposure to capital raising and debt funding.

12.8 Advantage 5 – Shareholders will retain exposure to Peru Gold assets

If Andina shareholders accept the Offer they will continue to hold exposure to its assets. This allows Andina shareholders to retain their current portfolio of assets in the region while also gaining access to the cash reserves of Titan.

Disadvantages of accepting the Offer

12.9 Disadvantage 1 – The Offer is not fair

The Offer is not considered to be fair.

12.10 Disadvantage 2 - Reduction in control

Currently Andina shareholders control 100% of the Company. If Andina shareholders accept the Offer they will not own 100% of Titans shares. As such they will reduce their control in ownership. Post acquisition Andina shareholders will own approximately 22% of Titan’s shares.

12.11 The table below outlines the impact of control within a company.

Table 18: Controlling interest influence on a Company

Interest	Influence on Company
>5%	ability to requisition a general meeting of the Company
>10%	ability to prevent a compulsory acquisition
>25%	ability to block special resolutions
>50%	ability to pass general resolutions
>75%	ability to pass special resolutions

12.12 Disadvantage 3 – The Offer is not fair on a minority interest basis

RG 111 states that an expert’s assessment of whether a takeover bid is fair must be based on a comparison between the value of the share on a control basis prior to the offer, compared to the offer consideration. The value of the share subject to the takeover offer is assessed on a controlling interest basis because the acquirer should be expected to pay a premium to acquire a controlling interest. Therefore, by accepting a takeover bid, the minority interest shareholder is forgoing the opportunity to receive a control premium in the future. However, given that all current Shareholders are minority interest holders, we consider it relevant for us to also compare the Offer consideration to the minority interest value of an Andina share. A minority interest is the inverse of a premium for control and is calculated using the formula $1 - (1 \div (1 + \text{Control Premium}))$. As discussed in Section 10.14, we consider an appropriate control premium for Andina to be in the range of 25% to 35%, giving rise to a minority interest discount in the range of 20% to 26%.

The minority interest value of an Andina share is set out below.

Table 19: Value of Andina share pre offer on a minority basis

Value of Andina share on a minority interest basis	Low \$	Preferred \$	High \$
Value of an Andina share on a controlling interest basis prior to the Offer	0.015	0.018	0.020
Minority interest discount	26%	23%	20%
Value of a Andina share on a minority interest basis prior to the Offer	0.011	0.014	0.016

Conclusion on Reasonableness

- 12.13 In our opinion, the position of the Non-Associated Shareholders if the Offer is approved is more advantageous than the position if it is not accepted. Therefore, in the absence of any other relevant information and/or a superior offer, we consider that the Offer is reasonable for the Non- Associated Shareholders of Andina.
- 12.14 When considering reasonableness, we have placed a considerable weighting on Andina Shareholders being able to sell their shares (or equivalent Titan shares) on the ASX. A key assumption is that Titan’s share price remains at or around current levels and that Andina shareholders are able to sell shares without significantly impacting the share price. As Titan’s shares are not highly liquid, any trade may impact on the value of a Titan shares and there is a chance that Titan’s share price could decline. We note, however, that the current Titan share price is significantly higher than our value of an Andina share.
- 12.15 An individual Andina shareholder’s decision in relation to the Offer may be influenced by his or her individual circumstances. If in doubt, Andina shareholders should consult an independent advisor.

13. INDEPENDENCE

Moore Stephens Perth Corporate Services Pty Ltd is entitled to receive a fee of approximately \$30,000, excluding GST and reimbursement of out of pocket expenses. Except for this fee Moore Stephens Perth Corporate Services Pty Ltd has not received and will not receive any pecuniary or other benefit whether direct or indirect in connection with the preparation of this report.

Prior to accepting this engagement Moore Stephens Perth Corporate Services Pty Ltd has considered its independence with respect to Andina, and any of their respective associates with reference to RG 112, Independence of Expert's Reports. It is the opinion of Moore Stephens Perth Corporate Services Pty Ltd that it is independent of Andina and their respective associates.

Moore Stephens Perth Corporate Services Pty Ltd has not had at the date of this report any relationship which may impair their independence.

We have held discussions with management of Andina regarding the information contained in this report. We did not change the methodology used in our assessment as a result of discussions and our independence has not been impaired in any way.

14. QUALIFICATIONS

Moore Stephens Perth Corporate Services Pty Ltd is a professional practice company, wholly owned by the Perth practice of Moore Stephens, Chartered Accountants. The firm is part of the National and International network of Moore Stephens independent firms, and provides a wide range of professional accounting and business advisory services.

Moore Stephens Perth Corporate Services Pty Ltd holds an Australian Financial Services License to provide financial product advice on securities to retail clients (by way of experts reports pursuant to the listing rules of the ASX and the Corporations Act) and its principals and owners are suitably professionally qualified, with substantial experience in professional practice.

The director responsible for the preparation and signing of this report is Mr Peter Gray who is a director of Moore Stephens Perth Corporate Services Pty Ltd. Mr Gray is a Chartered Accountant and is RG146 compliant. Mr Gray has approximately 15 years' experience in capital markets and corporate finance, and has significant experience in the preparation of independent expert's reports, valuations, valuation methodology and related advice.

At the date of this report neither Mr Gray, nor any member or Director of Moore Stephens Perth Corporate Services Pty Ltd, has any interest in the outcome of the Offer.

15. DISCLAIMERS AND CONSENTS

Moore Stephens Perth Corporate Services Pty Ltd has been requested to prepare this report, to be included in the Target's Statement which will be sent to Andina's shareholders.

Moore Stephens Perth Corporate Services Pty Ltd consents to this report being included in the Target's Statement to be sent to shareholders of Andina. This report or any reference thereto is not to be included in, or attached to any other document, statement or letter without prior consent from Moore Stephens Perth Corporate Services Pty Ltd.

Moore Stephens Perth Corporate Services Pty Ltd has not conducted any form of audit, or any verification of information provided to us, and which we have relied upon in regard to Andina, however we have no reason to believe that any of the information provided, is false or materially incorrect.

The statements and opinions provided in this report are given in good faith and in the belief that they are not false, misleading or incomplete.

Neither Moore Stephens Perth Corporate Services Pty Ltd nor Mr Gray take any responsibility for, nor have they authorised or caused the issue of, any part of this report for any third-party other than the shareholders of Andina in the context of the scope and purpose defined in section 4 of this report.

With respect to taxation implications it is recommended that individual shareholders obtain their own taxation advice, in respect of the Offer, tailored to their own specific circumstances. The advice provided in this report does not constitute legal or taxation advice to shareholders of Andina or any other party.

The statements and opinions expressed in this report are given in good faith and with reliance upon information generated both independently and internally and with regard to all of the circumstances pertaining to the Offer.

In regard to any projected financial information noted in this report, no member or director of Moore Stephens Perth Corporate Services Pty Ltd has had any involvement in the preparation of the projected financial information.

Furthermore, we do not provide any opinion whatsoever as to any projected financial or other results prepared for Andina, and in particular do not provide any opinion as to whether or not any projected financial results referred to in the report will or will not be achieved.

Yours faithfully



Peter Gray
Director

Moore Stephens Perth Corporate Services Pty Ltd

APPENDIX A – SOURCES OF INFORMATION

In preparing this report we have relied upon the following principal sources of information:

- Titan financial statements for the years ended 30 June 2017, 30 June 2016 and the period ended 31 December 2017.
- Titan 31 March 2018 quarterly update
- Andina unaudited financial information for the period ended 31 December 2017
- Andina audited financial information for the period ended 31 December 2016
- Earn-in and joint venture agreement between Titan and Andina
- Titan’s announcement on the Offer to Andina
- Information provided by Andina management through meetings and correspondence;
- Capital IQ, IBIS World and other financial databases and subscription services; and
- Publicly available information including ASX announcements.
- IBIS World
- IMF April Update
- RBA May Update

Valuation Methodologies and Approaches

Discounted Cash Flow Method

Discounted cash flow methods estimate fair market value by discounting a company's future cash flows to their net present value. These methods are appropriate where a forecast of future cash flows can be made with a reasonable degree of confidence. Discounted cash flow methods are commonly used to value early stage companies or projects with a finite life.

Capitalisation of Maintainable Earnings Method

The capitalisation of maintainable earnings method estimates "fair market value" or "enterprise value", by estimating a company's future maintainable earnings and dividing this by a market capitalisation rate. The capitalisation rate represents the return an investor would expect to earn from investing in the company which is commensurate with the individual risks associated with the business.

It is appropriate to apply the capitalisation of maintainable earnings method where there is an established and relatively stable level of earnings which is likely to be sustained into the foreseeable future.

The measure of earnings will need to be assessed and can include, net profit after taxes, (NPAT), earnings before interest and taxes (EBIT and earnings before interest, taxes, depreciation and amortisation (EBITDA).

The capitalisation of maintainable earnings method can also be considered a market based methodology as the appropriate capitalisation rate or 'earnings multiple' is based on evidence of market transactions involving comparable companies.

An extension of the capitalisation of maintainable earnings method involves the calculation of share value of an entity. This process involves the calculation of the enterprise value, which is then adjusted for the net tangible assets of the entity.

Net Assets Value Method (Orderly Realisation of Assets)

The net assets value method (assuming an orderly realisation of assets) estimates fair market value by determining the amount that would be distributed to shareholders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the company is wound up in an orderly manner.

Liquidation of assets - The Liquidation method is similar to the orderly realisation of asset method except the liquidation method assumes the assets are sold in a shorter time frame.

Net assets – The net assets method is based on the value of the assets of a business less certain liabilities at book values, adjusted to a market value.

The asset based approach, as a general rule, ignores the possibility that a company's value could exceed the realisable value of its assets as they ignore the value of intangible assets such as customer lists, management, supply arrangements, and goodwill.

The asset based approach is most appropriate when companies are not profitable, a significant proportion of assets are liquid, or for asset holding companies.

Cost Based Approach - The cost based approach involves determining the fair market value of an asset by deducting the accumulated depreciation from the asset's replacement cost at current prices.

Like the asset based approach, the cost based approach has a number of disadvantages, primarily that the cost of an asset does not necessarily reflect the assets ability to generate income. Accordingly this approach is only useful in limited circumstances, usually associated with intangible asset valuation.

Quoted Market Price Methodology

The method relies on the pricing benchmarks set by sale and purchase transactions in a fully informed market the ASX which is subject to continuous disclosure rules aimed at providing that market with the necessary information to make informed decisions to buy or to sell.

Consequently, this approach provides a "fair price", independently determined by a real market. However the question of a fair price for a particular transaction requires an assessment in the context of that transaction taken as a whole.

In taking a quoted market price based assessment of the consideration to both parties to the proposed transaction, the overall reasonableness and benefits to the non-participating shareholders must be carefully evaluated.

Market Approach Method

The market based approach estimates a company's fair market value by considering the market prices of transactions in its shares or the market value of comparable assets.

This includes, consideration of any recent genuine offers received by the target for an entire entity's business, or any business units or asset as a basis for the valuation of those business units or assets, or prices for recent sales of similar assets

VALUATION OF THE
TORRECILLAS GOLD & SAN SANTIAGO COPPER-GOLD PROJECTS,
SOUTHERN PERU

for

ANDINA RESOURCES LIMITED

Prepared for

Moore Stephens Australia Pty Ltd

By

Global Resources & Infrastructure Pty Ltd

This report has been prepared at the request of Moore Stephens Australia Pty Ltd. The report's purpose is to provide information relating to the Concessions that form the Torrecillas and San Santiago Projects, located in southern Peru, to Moore Stephens Australia Pty Ltd to assist that company in providing an Independent Expert's Report on the fairness and reasonableness to non-associated shareholders of the proposed transaction between Titan Minerals Ltd and Andina Resources Limited that will result in the issue of approximately 652 million fully paid ordinary shares in Titan Minerals Ltd to a Related Party. In return, the Related Party will provide to Titan Minerals Ltd ownership of Andina Resources Limited, a corporation registered in Australia, that owns minerals exploration concessions in the Torrecillas Gold Project, Peru.

This report, prepared by Global Resources & Infrastructure Pty Ltd, has estimated the valuation range for the exploration Concessions that form the Torrecillas Gold Project and the San Santiago Copper/Gold Project. These valuations have been based on information supplied by management, directors and staff of, and consultants to, Andina Resources Limited and Titan Minerals Ltd, from Moore Stephens Australia Pty Ltd and RSM Corporate Australia Pty Ltd and from reports prepared by Mining-Plus personnel based in South America, who have assisted Global Resources & Infrastructure Pty Ltd with technical investigations into the two projects. Additionally, publicly available information and reviews of other projects of this type in Peru and elsewhere have been utilised.

This report may accompany commentary provided by Moore Stephens Australia Pty Ltd on their opinions with regard to the transaction.

The report has been completed in accordance with the terms and conditions described herein and set forth in our agreement with Titan Minerals Ltd.

23 May 2018

CONTENTS

1.	INTRODUCTION.....	3
1.1.	Overview	3
1.2.	Purpose Of The Report	3
2.	SUMMARY AND VALUATION	5
2.1.	Executive Summary	5
2.2	Valuation	6
3.	METHODOLOGY AND APPROACH	7
3.1.	Introduction.....	7
3.2.	Project Valuation Methods	8
3.2.1.	Summary.....	8
3.2.2.	Net Present Value Of Future Cash Flows Method - (NPV)	8
3.2.3.	Exploration Expenditure Multiples Method - (EEM)	9
3.2.4	Joint Venture Terms - (JVT)	9
3.2.5	In Situ Values Method – (ISV).....	9
3.2.6	Comparable Transactions Method – (CT).....	9
3.3	Material Issues.....	10
3.4	Other Matters.....	10
3.5	Reliance on Other Consultants	10
4	LOCATION, TENURE, PERMITTING AND TECTONIC SETTING	11
4.2	Infrastructure and Access	12
4.3	Permitting Requirements.....	12
4.4	Mining Law	13
4.5	Tectonic Setting	14
5	TORRECILLAS GOLD PROJECT.....	16
5.1	Introduction.....	16
5.2	Project Description, Concessions and Location.....	16
5.3	Accessibility and Climate	19
5.4	Exploration and Development History	19
5.5	Project History	21
5.6	Geological Setting and Mineralisation.....	22
5.6.1	Regional Geology.....	22
5.6.2	Local Geology	22
5.7	Economic Minerals	24
6.	SAN SANTIAGO COPPER/GOLD PROJECT	26
6.1	Introduction.....	26
6.2	Project Description, Location, Infrastructure and Concessions	26
6.3	Geological Setting and Mineralisation.....	29
6.4	Historic Workings	31
6.5	Exploration and Development.....	32
6.6	Operations and Production	32
6.6.1	Musiris and Alvarez Calderon Concessions	33
7.	VALUATION	34
7.1	Introduction.....	34
7.2	Comparable Transactions method.....	34
7.3	Prospectivity and Risks	40
7.3.1	Mineral Resources.....	40
7.3.2	Future Prices and Global Economy.....	41
7.3.3	Operating Costs	41
7.3.4	Concessions and Licenses Extension	41

8.	GENERAL.....	42
8.1	Qualifications.....	42
8.2	Fees	42
8.3	Compliance.....	42
8.4	Declaration	43
8.5	Consent	43
8.6	Limitation	43
8.7	Factual and Confidentiality Review	43
APPENDIX I	– REFERENCES.....	I

1. INTRODUCTION

1.1. OVERVIEW

Titan Minerals Ltd (“**Titan**”) proposes to issue 561,656,385 million fully paid ordinary shares to acquire all of the issued capital of Andina Resources Limited (“**Andina**” or “**the Company**”) an Australian unlisted public company. Andina is partly owned by Related Parties to Titan and as such Andina has requested Moore Stephens Australia Pty Ltd (“**Moore Stephens**”) to provide an Independent Expert’s Report (“**IER**”) to consider the ‘fairness and reasonableness’ to non-associated shareholders of the proposed issue of fully paid ordinary shares in consideration for the acquisition of the Company. The Related Party is identified in the IER.

Titan’s plan to acquire Andina will enable Titan to re-consolidate ownership of the Torrecillas Gold Project and expand Titan’s presence as a gold and basemetals production and exploration company. The combined group will have significant growth potential and enable Titan to obtain the critical mass necessary to continue to develop its business and provide strong growth for shareholders.

The transaction will provide an opportunity for Titan to develop its current Peruvian assets, the San Santiago Copper-Gold Project and the earn-in rights to the Torrecillas Gold Project and allow it to operate Andina’s complementary assets, the Tulin Gold Plant and the Vista Gold Plant.

If the bid is successful, Titan:

- will be able to take advantage of the Vista Gold Plant to avoid building its own mill facilities, saving approximately US\$4 million in capital expenditure, and avoiding the three to four years required to obtain the gold plant licencing approvals;
- Ore can be transported from the Torrecillas Gold project to the Vista Gold Plant via the Pan American Highway, which provides a direct route from mine to mill;
- Any discovery and subsequent mining operations at the San Santiago concessions can also transport ore to the Vista Gold Plant for processing, a distance of less than 100km;
- Significant administration and corporate overhead savings as Andina has established an experienced in country operational team with a strong standing in the community, strong plant and technical capabilities in both operating and exploration that will be invaluable to Titan.

Moore Stephens has requested GRI, in the role of Specialist, to undertake an independent assessment and valuation of the Minerals Exploration Concessions of the Torrecillas and San Santiago concessions for its use in developing the IER, and for attachment to its IER.

GRI’s report will focus only on the values of the minerals exploration concessions that form Andina’s and Titan’s potential production assets. In this instance, the minerals exploration concessions are contained within two projects:

1. **Torrecillas Gold Project** - consists of 29 Minerals Exploration Concessions totalling 15,667.68 hectares, for which Titan holds an earn-in right for 70%.
2. **San Santiago Copper-Gold Project** - consists of 21 Minerals Exploration Concessions totalling 5,753.69 hectares.

1.2. PURPOSE OF THE REPORT

Titan is listed on the Australian Securities Exchange (“**ASX**”) and is considering the opportunity to issue 561,656,385 million shares to acquire all of the ordinary shares in Andina and thereby provide Titan with ownership of Andina’s Peruvian based Torrecillas Gold Project and its Tulin and Vista Gold Plants and retain its San Santiago Copper-Gold Project. Both projects have been shown to contain gold mineralisation and the San Santiago project also contains copper mineralisation.

Andina has engaged Moore Stephens to provide an Independent Expert's Report ("IER") to consider the 'fairness and reasonableness' to non-associated shareholders of the proposed issue of fully paid ordinary shares in consideration for the acquisition of the Company. The related party is identified in the IER.

Moore Stephens has requested Global Resources & Infrastructure Pty Ltd ("GRI"), in the role of Specialist, to undertake an independent assessment and provide a valuation for the concessions that form the Torrecillas and San Santiago projects for use in developing the IER, and to provide to them the following:

- An Independent Valuation Report ("IVR") on the Market Value of the concessions and a statement as to what defines Market Value;
- A statement of compliance in the IVR that GRI's work and report is prepared in accordance with the relevant codes;
- Information on all key assumptions underpinning GRI's assessment and our consent to allow Moore Stephens to refer to and rely on the IVR to assist them to determine the value of the assets and to allow the IVR to be appended to the IER for which will become a public document.

2. SUMMARY AND VALUATION

2.1. EXECUTIVE SUMMARY

Both the San Santiago and Torrecillas Projects are located in Caravelí Province, Arequipa Region of Peru. Combined, the two projects account for 50 separate concessions covering a total area of 21,421.37 hectares or 214.2 km².

Andina currently treats gold ore from artisanal miners at its Tulin and Vista beneficiation plants, which are located in the vicinity of the City of Nazca. Andina also controls the Torrecillas Minerals Exploration Concessions. When Andina mined mineralised material at the Torrecillas Project it trucked this material to local toll treatment facilities.

While Andina holds the rights to the Torrecillas Gold Project, Titan holds a 70% right to earn-in after expending monies on exploration and development.

The acquisition of Andina will allow Titan to take control of the Torrecillas concessions without being obliged to undertake the earn-in expenditures and could process the mineralised material at its San Santiago beneficiation plant once it has secured the necessary permits.

In addition, Titan will acquire the Tulin and Vista gold plants from Andina, where it can use pre-existing mill facilities to save approximately US\$4 million and avoid three to four years of approvals for new mills.

Andina, through its various wholly owned subsidiaries, Mundo Minerals S.A.C., Golden Empire S.A.C., and Mundo Peru Gold S.A.C., currently holds 29 concessions at Torrecillas representing a total area of 15,667.68 hectares.

For the San Santiago Project, Titan's local subsidiary, Musiris, owns 2,309.88 Ha held in 5 concessions with options on a further 18 concessions owned by Alvarez Calderon.

Titan owns the San Santiago copper-gold beneficiation plant, which is fully permitted for copper with a 530 tonnes per day (TPD) installed processing capacity through a combination of its three circuits. These circuits include (i) a 200 TPD CIP gold circuit; (ii) 250 TPD copper sulphide circuit; and (iii) 80 TPD copper oxide circuit. At this time, while the copper circuits are available for production, the gold circuit has not been permitted and therefore Titan cannot produce gold in its circuits. The company intends to pursue the various permits necessary to enable operation of the gold circuit.

Prior to entering into administration, Andina focused its activities on developing the Torrecillas Gold Project. However, exploration activities were limited during 2014 to trial mining, which focused exclusively on production from the three mineral vein structures identified. Although the Torrecillas Gold Project previously had an estimated Mineral Resource in line with NI 43-101 (Canadian requirement), this is not compliant with either NI-43-101 or JORC (2012) as the necessary economic evaluations have not been undertaken. Furthermore, with the trial mining program in place from 2012 to the end of 2014, a definitive reconciliation of the remaining resources against those originally estimated prior to the trial mining period has not satisfactorily verified the resources still in place. This lack of definitive evaluation may be due to changes in the Company's management during its period in administration and the time that has elapsed since the Company last reported its mineral resources.

In December 2014, Andina placed the Torrecillas Gold Project on a care and maintenance program and no activities have been carried out since then.

The Torrecillas Gold Project comprises 29 mining concessions, covering a total area of 15,667.68 hectares. Upon completion of the transaction Titan will own all of the Torrecillas Concessions.

Titan proposes to issue 562 million fully paid ordinary shares at a ratio of 1 Titan share for every 1.18 Andina shares, to acquire all of the issued capital of Andina, the major owner of the Torrecillas Gold project.

Andina is owned and controlled by Related Parties to Titan and as such Titan has requested RSM Corporate to provide an IER to consider the 'fairness and reasonableness' to non-associated shareholders of the proposed issue of fully paid ordinary shares in consideration for the acquisition of Andina.

2.2 VALUATION

GRI has undertaken an assessment of the San Santiago and Torrecillas Concessions and estimated the value range of these assets and provided our estimation of the preferred value for each.

Our valuation of the **San Santiago Copper-Gold Project**, using the Comparable Transactions (“CT”) method and in consideration of several modifying factors as outlined in our report, as at the date of this report, to be in the range **\$0.13 million to \$0.38 million, with a preferred value of \$0.32 million.**

Likewise, we have estimated the value of the **Torrecillas Gold Project**, using the Comparable Transactions (“CT”) method and in part the Joint Venture Terms method and after consideration of several modifying factors as outlined in our report, as at the date of this report, to be in the range **\$4.8 million to \$6.0 million, with a preferred value of \$5.4 million.**

Table 1 provides our valuation estimates and the valuation method for the San Santiago and Torrecillas Concessions.

Table 1: Summary - Valuation of San Santiago and Torrecillas Concessions.

Project	Basis of Valuation	Valuation Method	Value		
			Low	High	Preferred
San Santiago	100%	CT	\$0.13m	\$0.38m	\$0.32m
Torrecillas	100%	CT/JVT	\$4.8m	\$6.0m	\$5.4m

3. METHODOLOGY AND APPROACH

3.1. INTRODUCTION

Both Titan's and Andina's minerals exploration concessions are located in Caravelí Province, Arequipa Region of Peru. Andina, is an unlisted public company and holds numerous minerals exploration concessions that form the Torrecillas Project area; it also owns two gold beneficiation plants, Tulin and Vista, that are located further north in the vicinity of the City of Nazca. In this report, only the minerals exploration concessions have been valued, the valuations of the various plants do not form part of this report and have been excluded from the valuations obtained by GRI.

The Torrecillas Gold Project, which has been described as an advanced development and exploration gold project, is located 640km south of Lima, in south-eastern Peru and comprises 29 individual concessions covering an area of approximately 15,667 hectares. These minerals concessions contain narrow vein, high-grade mineralised structures. In 2012, a Mineral Resource was estimated but further exploitation of the mineralisation was undertaken during the period 2012 -2014. Mining-Plus reviewed the remaining mineral resource during 2016 and produced an estimation of how much mineralised material was mined and determined how much remains based on subtracting the mined-out stopes from what was originally estimated in 2012. No economic evaluation has been completed on this project since the study by BMGS in 2012.

The San Santiago Project is owned by Titan and is regarded as being an early-stage copper-gold project. It is located approximately 570 kilometres south east of the Peruvian capital of Lima, and approximately 22 kilometres east of the Panamerican Sur along the road to Bella Union. Comprised of 21 individual minerals exploration concessions, covering an area of 5,753.69 hectares, the project is further contained within an area of approximately 20km x 25km on the plateau to the North-West of the township of Acari known as Cobrepampa, which lies within the Jurassic – Cretaceous Iron Oxide Copper Gold (IOCG) Belt in Southern Peru. There is a processing plant that is fully permitted for copper with 530 tonnes per day (TPD) installed capacity through a combination of three circuits. This plant has not been permitted for gold processing and GRI has not included its value in this valuation report.

Titan proposes to acquire all the issued shares in Andina by issuing 561,656,385 million fully paid ordinary shares in Titan Minerals Ltd.

The independent Directors of Andina have requested Moore Stephens to provide an IER to consider the fairness and reasonableness to non-associated shareholders of the proposed transaction. The related party is identified in the IER. GRI, in the role of Specialist, has been requested by Moore Stephens to provide to it, for use in developing their IER, a technical assessment and valuation of the minerals concessions held by Titan and Andina for the two projects.

In providing our estimation of the value range of the San Santiago and Torrecillas Projects, which includes fifty (50) mineral exploration concessions covering a combined area of approximately twenty-four thousand hectares, GRI has adhered to the requirements of the Valmin Code (2015) of the Australasian Institute of Mining and Metallurgy ("**The AusIMM**").

In general, a valuation is derived by considering a technical value, reflecting the assessed future net economic benefit of the project, which can be adjusted by way of a premium or discount, for given market and other conditions presently applicable to determine a market value. With this in mind, the application of standard valuation methodologies, while possible, may not indicate a realisable value, as the ability of a potential purchaser to use the asset for commercial advantage or other gain from its ownership, may not be achievable.

In particular, in reviewing the value of mineral exploration concessions, GRI recognises that the "value or market value" as defined in the Valmin Code (2015) is very difficult to determine, as the potential value of these assets are totally dependent on the successful exploration for, and identification of, an orebody or orebodies of sufficient size and quality to justify its/their commercial development. Accordingly, while it is feasible to apply valuation methods that are generally used for early-stage exploration projects, it is

important to recognise that those methods do not, nor are they intended to, identify the potential commerciality of a development of that asset.

For the purposes of this report, since the Andina and Titan concessions are located in southern Peru, GRI has relied to a large extent on the technical information and site visits provided by Consultant Geologists from Mining-Plus, Lima, Peru and from Titan's Peruvian subsidiary. These geologists are named in the section 3.5 of this report and have worked on the Torrecillas Project for several years and have knowledge of the San Santiago Project. Additionally, a report on a field trip undertaken by a consultant geologist to Titan and provided to GRI was used to evaluate the San Santiago Project. All of these geologists have agreed to the use of their work by GRI for inclusion in this report.

The Valmin Code (2015) states that within each Valuation Approach, there are Valuation Methods that share a common rationale or basis but differ in how they are calculated.

Three widely accepted Valuation Approaches are:

- (a) Market-based, which is based primarily on the notion of substitution. In this Valuation Approach the Mineral Asset being valued is compared with the transaction value of similar Mineral Assets under similar time and circumstance on an open market.
- (b) Income-based, which is based on the notion of cashflow generation. In this Valuation Approach the anticipated benefits of the potential income or cash flow of a Mineral Asset are analysed.
- (c) Cost-based, which is based on the notion of cost contribution to Value. In this Valuation Approach the costs incurred on evaluating the Mineral Asset are the basis of analysis.

3.2. PROJECT VALUATION METHODS

3.2.1. SUMMARY

The commonly used valuation methods for mineral assets that GRI has considered, and/or adopted where appropriate, to determine the value of the Andina concessions, include:

- The Net Present Value of Future Cash Flows Method
- The Exploration Expenditure Multiples method
- Joint Venture Terms method
- In Situ Values method
- Comparable Transactions method

3.2.2. NET PRESENT VALUE OF FUTURE CASH FLOWS METHOD - (NPV)

The Net Present Value method is based on the premise that the value of a business is the net present value of its future discounted cash flows. In the mining business, this method requires assessment of:

- mineral reserves and resources;
- the appropriate mining and processing methods to exploit and market those reserves; and
- analyses of future levels and timing of production, production costs, market prices, cash flows, capital requirements and capital costs for the life of the potential reserves.

This technique is particularly appropriate for a minerals investment with defined reserves and resources and is the most common approach to valuation in the minerals industry. GRI determined that this methodology was not appropriate for deriving a valuation for these projects as the use of this method for ASX companies requires that as a minimum a JORC (2012) compliant resource be identified and that a Pre-Feasibility Study also be completed. As the concessions forming the San Santiago project have received

little formal exploration studies and no exploration target has been identified then this method cannot be used. Despite the mining activities being undertaken at Torrecillas there is still issues with the verification of minerals resources and no financial evaluation has been undertaken. Furthermore, some minor exploration drilling activities have been completed and while mineralisation has been recognised no exploration targets have been developed. Hence, at this stage the concessions at Torrecillas must also be considered to be immature exploration projects with no JORC (2012) compliant resources and no Pre-feasibility available. Therefore, no estimation of value was attempted using this method.

3.2.3. EXPLORATION EXPENDITURE MULTIPLES METHOD - (EEM)

GRI reviewed the available information with the view to use the “Exploration Expenditure Multiples” method to estimate the realisable (market) value of the project. This method is commonly used to assess value for “grass-roots” or immature exploration assets where no JORC classifiable resource has been identified. With this method, the total historical costs of acquiring and exploring the permit up to the present, plus committed and approved future exploration expenditure, is taken as the base. To this is applied an “Exploration Effectiveness Multiplier”, a measure of the usefulness of the expenditure to the development of future exploration programmes and the effective equity interest.

The result is adjusted by applying a “Prospectivity Enhancement Multiplier” (PEM) representing the valuer’s opinion of the company’s potential success (or otherwise) in upgrading the prospectivity of the permit. This factor would normally lie in the range of 0 to 3, with zero representing a write-off, and a value greater than one applying where exploration had successfully upgraded the permit. The selection of the appropriate enhancement factor is subjective and dependent on the valuer’s experience and judgement. Unfortunately, it was impossible to provide a reasonable estimation of any past exploration expenditures with any expectation of accuracy. Despite these concessions having been worked for many years there is little information regarding exploration expenditures, budgets or examples of exploration programmes that would enable the determination of value using this method. Accordingly, this method was not used.

3.2.4 JOINT VENTURE TERMS - (JVT)

The terms of a joint venture agreement or proposed agreement indicate the value placed on a permit by a (usually) knowledgeable incoming partner who is prepared to invest in the property to earn an interest. This method has to take into consideration the full details of the agreement, particularly the terms under which the incoming partner can withdraw. GRI has used this method in conjunction with the Comparable Transactions method to estimate value for the Torrecillas project that was the subject of two separate joint venture agreements separated by a period of approximately three years.

3.2.5 IN SITU VALUES METHOD – (ISV)

Where some data on tonnage and grade is available, a discounted subjective profit margin per unit of production is sometimes used, based on the valuer's experience and judgement. This works best for simple situations such as gold deposits, however as we have no identified JORC (2012) compliant resources, which may have several mining and processing options and for which there is currently no understanding of the project economics, GRI determined that this method was not appropriate.

3.2.6 COMPARABLE TRANSACTIONS METHOD – (CT)

Comparable transactions relate to the values of reasonably recent transactions for other properties that are judged to be similar and/or in the same region and/or of comparable geology as the property in question. As such transactions are often of a joint-venture nature, it is necessary to discount the apparent value for time and for the probability of the earning expenditure being completed or adjust them for other payments such as royalties to be triggered by successful exploration.

GRI evaluated a significant number of transactions for minerals properties in Peru and Chile that contained elements similar to the Torrecillas and San Santiago projects, including those involving: similar minerals assemblages, property sizes, maturity of exploration activities, location with respect to infrastructure, etc., to determine whether they were comparable. Based on the information obtained from these transactions, GRI determined that there was sufficient cause to value the Concessions using this method.

3.3 MATERIAL ISSUES

All prices quoted in this report are in Australian Dollars (A\$).

Unless otherwise noted, the units used in this report include:

Currency – AUS dollars

Dates – DD/MM/YYYY

Distance – Meters

Area – Square kilometres

Tonnes – metric tonnes (the historic reports on the property use both ton and tonne)

t – metric tonne

g/t – grams per metric tonne

% - percent

3.4 OTHER MATTERS

This report has been prepared in accordance with the requirements of the Australasian Institute of Mining and Metallurgy and Australian Institute of Geoscientist's VALMIN (2015) Code and the Australasian Institute of Mining and Metallurgy's JORC (2012) Code.

3.5 RELIANCE ON OTHER CONSULTANTS

The exploration history and mineralogical information presented in this report has been extracted from reports prepared by various geologists who have undertaken assignments on these concessions. Mr Paul Murphy, Manager South America for Mining-Plus, a geologist and Competent Person provided technical and in-country support, Mr David Seers, MAusIMM CP (Geo), Senior Exploration Geologist, Mining-Plus South America, was responsible for preparing several maps used in this report and has visited the exploration concessions and Dr Andrew Fowler, a geologist provided further technical data and checked the validity of the concessions against the Peruvian Government's mining information site.

The valuations contained in this report have been prepared by Ian Buckingham, who is employed by GRI, is a qualified geologist and has sufficient experience, which is relevant to his ability to provide a value estimation for the assets being considered, to qualify as a Specialist as defined in the 2015 Edition of the 'Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports (The VALMIN Code).

4 LOCATION, TENURE, PERMITTING AND TECTONIC SETTING

4.1 LOCATION AND TENURE

The Concessions considered in this valuation report are divided into two main projects as shown in Figure 1.

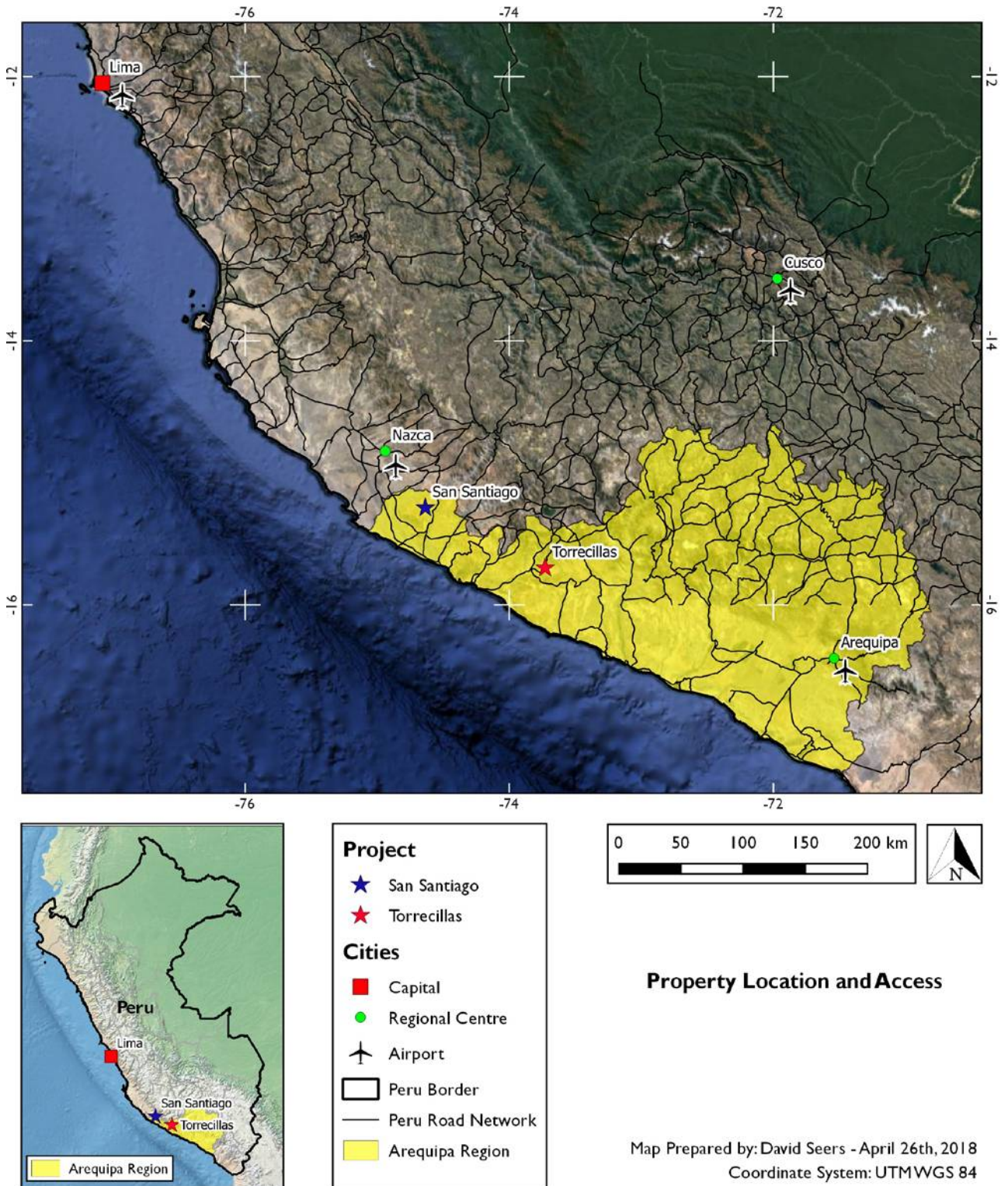


Figure 1- Location of the Torrecillas and San Santiago Projects

Both projects are situated in the Caravelí Province of the Arequipa Region of Peru. Andina’s concessions form the Torrecillas Gold Project and are located in the Chaparra and Quicacha Districts and Titan’s

concessions form the San Santiago Copper-Gold Project and are located in the Bella Union and Acari Districts, approximately 545km and 440km to the southeast of the capital city Lima, respectively (Figure 2).

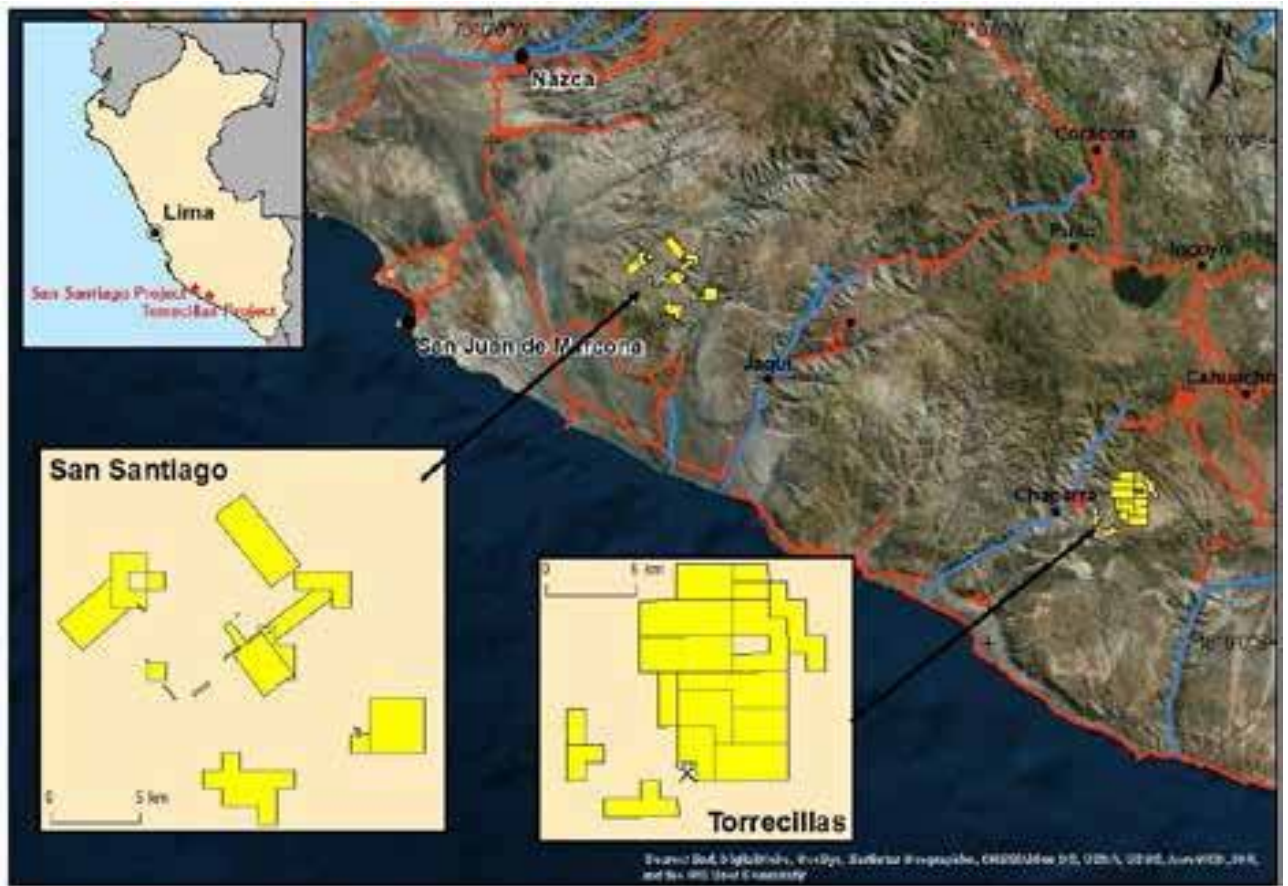


Figure 2 - Location of the Company's mineral properties in Peru

Andina's Torrecillas Gold Project comprises 29 concessions covering a total area of 15,667.68 hectares (Table 2). The tenements are held by the Company via several wholly-owned Peruvian subsidiaries as listed in Table 2. As far as GRI could ascertain, the tenure is in good standing, with no impediments to any future exploration work by the Company.

Titan's San Santiago Copper-Gold Project comprises 21 concessions covering a total area of 5,753.69 hectares (Table 6). The tenements are held by the Company via several wholly-owned Peruvian subsidiaries as listed in Table 6. As far as GRI could ascertain, the tenure is in good standing, with no impediments to any future exploration work by the Company.

4.2 INFRASTRUCTURE AND ACCESS

The San Santiago and Torrecillas projects can be accessed from Lima via the Panamericana Sur (*South Pan American*) highway, with the final access to both projects from the highway via unpaved roads for relatively short distances (approximately 20 - 45km). At the Torrecillas Project, accommodation, food, water, basic supplies and mining materials can all be sourced in the nearby town of Chala. At the San Santiago Project, accommodation, along with food, water and basic supplies, is in the village of Otapara.

4.3 PERMITTING REQUIREMENTS

There are two types of mining permit in Peru:

Small Miner Permit - To extract ore from a concession under the small mining provisions a person or Company must hold several of the following permits:

- Being holder or operator of the concession, they must register the concession or the contract in Public Records;

- Be accredited to use surface plots of lands where mining activities are executed;
- Have documented Environmental Certification accrediting the environmental feasibility of the mining project by way of an Environmental Impact Statement (DIA) is necessary for the concessions that comprise the mining project;
- A Certificate establishing that the area where the mining activities will be executed does not have any archaeological remains.
- Permits authorising the use of explosives;
- Authorisations for the use of Water, to Start/Restart mining operations, to operate as a small miner, to allow the disposal of domestic and industrial wastewater to water sources,
- to store fuel for their own use, and
- Special Record of Gold Suppliers and Processors – Mandatory record for all operators buying, selling and refining gold.

Once the mining concession is granted through the corresponding resolution or through a contract authorising the concession's operation, they must be registered in Public Records in order to take effect before the required permits can be requested.

Under the Peruvian mining system rents are payable on tenure with the initial rate set at US\$3 per hectare. This payment is an obligation that must be paid annually in order to keep the tenure on a good standing status. Taking into account that tenements (also known as concessions in Peruvian laws) are irrevocable, the referenced payment must be made every year. On the other hand, if the mining producer is qualified as a small-scale mining producer, the rent payable consists of US\$1 per hectare.

Unlimited Mining Licence Permitting - The permitting required is as for a small miner, with the exception of the Environmental Certification. For unlimited mining licences a detailed Environmental Impact Assessment (EIA) is required, the characteristics of which are related on the scale of activity to be undertaken. The EIA process is an extensive process of community, archaeological, hydrogeological, and geotechnical studies that form a full assessment of a mining project. It will consider the potential negative environmental impacts, with those considered significant requiring thorough analysis and proposal of a management strategy.

4.4 MINING LAW

Mining in Peru is primarily regulated by national laws and regulations enacted by the Peruvian Congress and the executive branch of government. The principal legal framework on mining is set forth in the 1992 General Mining Law and its amendments. The mining sector is regulated by its Law and Regulations on Organization and Functions, pursuant to which the Ministry of Energy of Mines (the MEM) was created. It is the principal government entity that, together with its various offices, departments and agencies, is responsible for the mining sector in Peru. The MEM is a member of the Executive Branch of government, and it is responsible for putting in place specific policies and rules governing the matters in its jurisdiction, namely energy, hydrocarbon and mining activities.

The MEM is also responsible for decentralising and transferring some of its responsibilities to the local governments. Local governments may put in place rules regarding mining to be applicable in their respective jurisdiction, so long as such rules and local laws do not conflict with MEM rules or other laws and regulations.

The Peruvian laws have attempted to ensure more-favourable minerals and crude oil and gas exploration and production contract terms for investors. Individuals and private companies are allowed to hold mining permits in Peru. In the legal framework for investment and taxation, no distinction is made among domestic and foreign investors, corporations, joint ventures, and consortia formed in Peru or abroad. The remittance of dividends, depreciation, and royalties abroad has no restrictions. Contracts can be signed by investors, and the Government guarantees the stability of legal commitments and taxes.

Peru offers legal stability agreements that can be entered into by private investors with the Peruvian government for 10 or 15-year terms to protect their investments and enjoy a number of benefits. Mining investors with stability agreements will benefit from tax stability (including income, export, labour, and

certain tax exemptions), free disposition of currency generated by exports, non-discrimination with respect to the exchange rate, accelerated depreciation for certain assets and the option of maintaining accounting in a foreign currency. Also, mining concession title-holders that have projects in the exploration stage may apply to have the right of early recovery of sales tax paid during the exploration phase.

4.5 TECTONIC SETTING

The San Santiago and Torrecillas Projects both lie within the Pisco-Chala Structural Domain in a corridor between two regional-scale fault structures striking northwest-southeast known as the Nazca – Ocoña metallogenic belt, with the northern-most tenements of the Torrecillas Project crossing over the eastern structure and into the Western Cordillera Domain (Figure 3).

The regional geology is dominated by Mesozoic volcanic and sedimentary rocks that were intruded by igneous plutons in the Late Cretaceous. These rocks were formed in a Mariana-type subduction environment with several cycles of compression and extension that marked the beginning of the Andean Cycle. Later Tertiary and Quaternary volcanic and sedimentary rocks, which are more dominant in the western part of the region moving away from the Cordillera and down towards the present-day coast, subsequently formed as the tectonic setting changed to the current Andean-type continental margin.

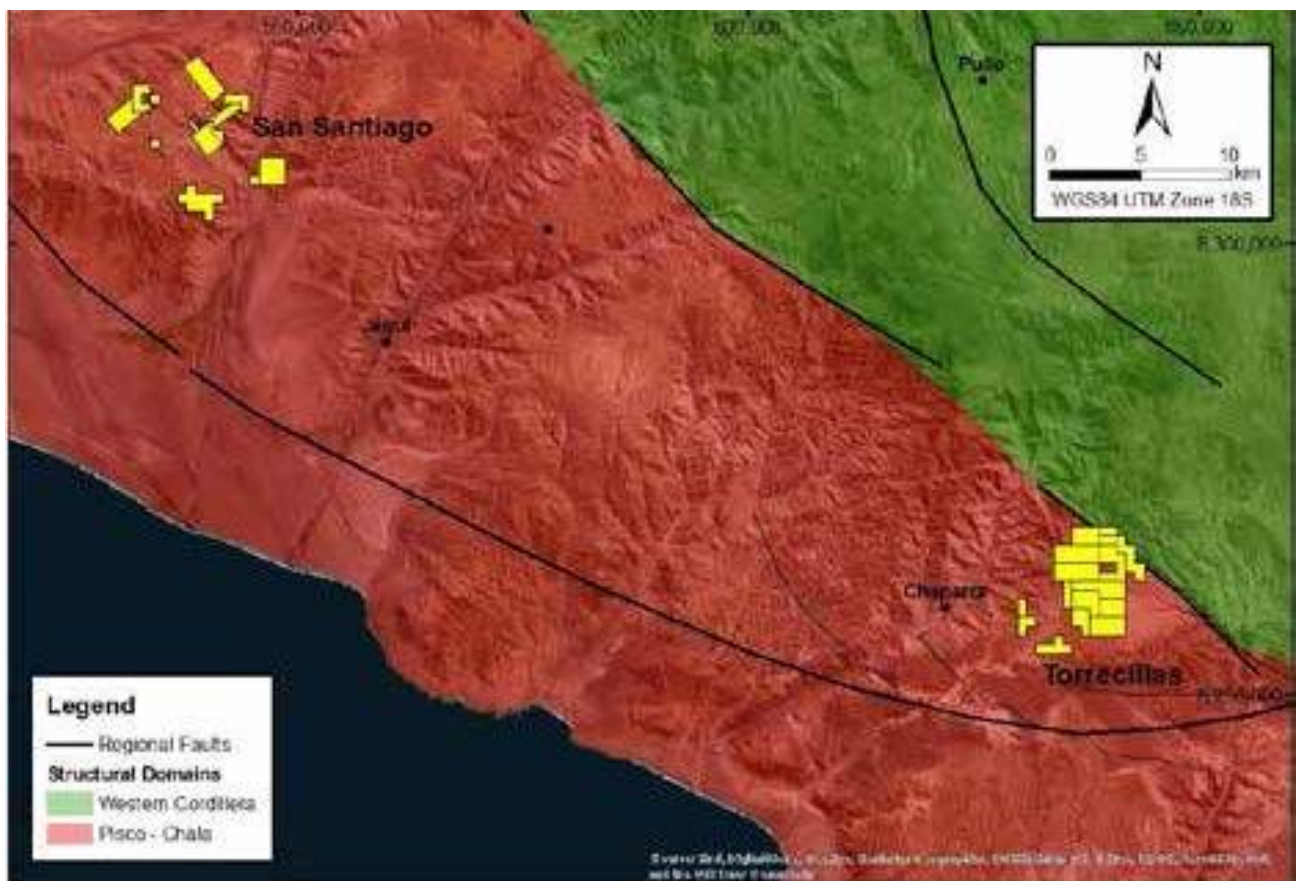


Figure 3 - Project locations in relation to the Structural Domains in Peru (Source: Platel, 2017)

The San Santiago Project is located 110km northwest of the Torrecillas Project within the Marcona Iron Oxide - Copper - Gold (IOCG) province, which is one of the biggest sources of iron ore in the central Andes and plays host to numerous large copper (\pm gold \pm silver) - rich IOCG deposits. The project area lies within the Acari-Cobrepampa district of the province and hosts copper – silver – gold mineralised vein systems. Like the Torrecillas Project, the mineralisation in this region is believed to be related to the mid-Cretaceous intrusions of intermediate to felsic plutons that together formed the Coastal Batholith. However, in contrast to the Torrecillas Project, in the San Santiago Project area, much of the Mesozoic geology has been subsequently overlain by Cenozoic sediments and volcanic units (Figure 4). Mineralisation occurs as

mesothermal vein systems, which have infilled faults and other structures such as offsets and hydrothermal breccias caused by subsequent faulting and reactivation of existing faults. The predominant orientation is again northwest-southeast.

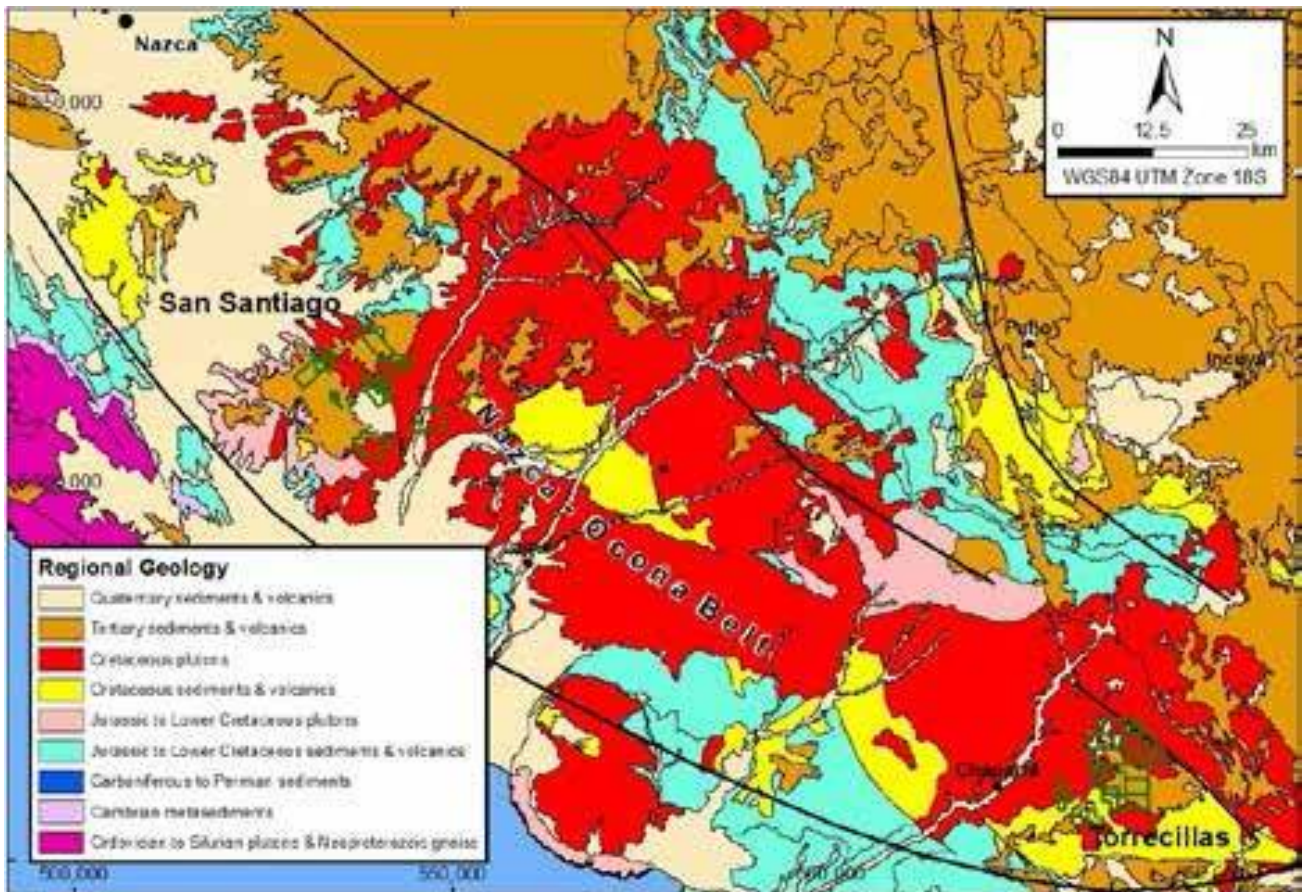


Figure 4 - Regional geology of the San Santiago and Torrecillas Projects

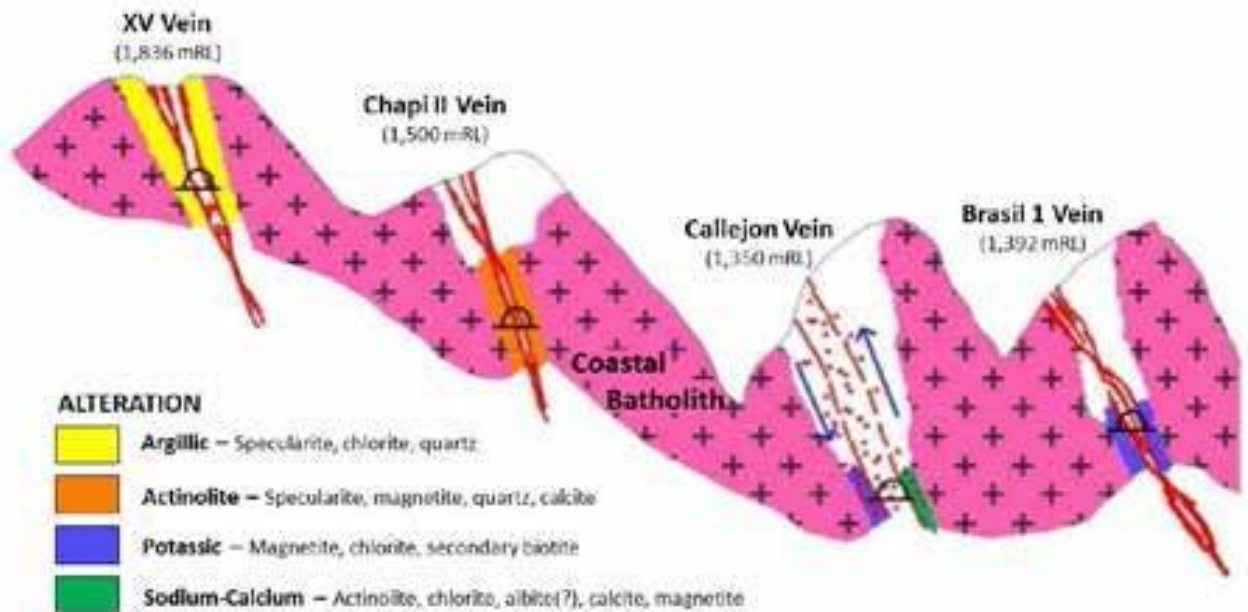


Figure 5 - Schematic cross-section across the San Santiago Project area highlighting the different alteration assemblages (adapted from Minera 2015b)

5 TORRECILLAS GOLD PROJECT

5.1 INTRODUCTION

The 12 concessions that originally comprised the Torrecillas Project were pegged by the Peruvian company Sociedad Minera Surex S.A.C. between 1997 and 2005, all of which were then acquired by Minera Gold Limited (“Minera”) in 2007. Minera acquired the Torrecillas Project as an operating mine, however at the time of acquisition it did not have a Mineral Resource estimate. Minera subsequently compiled a Mineral Resource estimate for the project however, it did not complete a feasibility study demonstrating the economic viability of the Mineral Resources in order to generate Mineral Reserves. Minera subsequently added a further 17 concessions to the Torrecillas Project tenure to bring the total to 29 concessions covering 15,667.68 hectares. Minera holds the rights to the project through its various wholly owned subsidiaries, Golden Empire S.A.C., Mantle Mining Peru S.A.C. and Mundo Minerals S.A.C. These concessions can be split into two distinct locations; the Retorno block which consists of 24 concessions representing an area of approximately 12,800 hectares and hosts the Torrecillas operation; and the Tumi block, consisting of five tenements representing an area of approximately 2,868 hectares, located to the west nearby to the coast.

5.2 PROJECT DESCRIPTION, CONCESSIONS AND LOCATION

Table 2 and Figure 6 set out the details of the Torrecillas concessions.

Table 2 – Torrecillas Concessions

Holder	No.	Code	Tenement	Title	Public Record			Area (Ha.)	Zone
					Electronic Title	File	Sheet		
Mundo Minerals S.A.C.	1	010358707	RETORNO XX	00549962	12194410	0001	-----	100.00	
Golden Empire S.A.C.	1	010147196	RETORNO-II	00102577	02029583	0008	296302	400.00	Retorno
	2	010265596	RETORNO -IV	00102569	02030083	0007	297307	500.00	
	3	010375996	RETORNO VI	00102561	02030084	0005	297308	200.00	
	4	010232798	RETORNO VII	00102559	02031612	0003	300410	500.00	
	5	010133999	RETORNO VIII	00102557	11699848	0004	-----	700.00	
	6	010116000	RETORNO IX	00102554	02033131	0002	300404	288.83	
	7	010118701	RETORNO X	00102551	11716949	0002	-----	200.00	
	8	010193402	RETORNO XIV	00102549	11853108	0003	-----	500.00	
	9	010036005	RETORNO XV	00102548	11870690	0002	-----	500.00	
	10	010603307	RETORNO XXVI	00517234	12187773	0001	-----	300.00	
	11	010358807	RETORNO XXV	00877618	12744253	0001	-----	200.00	
	12	010256408	RETORNO XXVII	00162935	12449917	0001	-----	200.00	
	13	010015811	RETORNO XXXI 2011		INGEMMET ISSUE OF CONSENT PUBLISHED 15 MAY			600.00	
	14	010015711	RETORNO XXXII 2011		INGEMMET CERTIFICATION PENDING			1,000.00	
	15	010015611	RETORNO XXXIII 2011	00056353	12785507	0001	-----	700.00	
	16	010188811	RETORNO XXXIV 2011	00993401	12759902	0002	-----	1,000.00	
	17	010188911	RETORNO XXXV 2011	00993400	12759916	0002	-----	900.00	
	18	010189011	RETORNO XXXVI 2011	00993372	12759959	0002	-----	900.00	
	19	010189111	RETORNO XXXVII 2011	00993373	12759963	0002	-----	600.00	
	20	010189211	RETORNO XXXVIII 2011	00993371	12759966	0002	-----	800.00	
	21	010935195	TUMI I	00102521	02030885	0006	299122	414.96	Tumi
	22	010935395	TUMI III	00061296	20003538	0008	007184 - AQP	1,000.00	
	23	010249098	SUSTITUCION	00102546	11603525	0004	-----	399.40	
	24	010042602	SUSTITUCION IV	00102542	11603533	0003	-----	500.00	
	25	010028003	SUSTITUCION V	00102535	11612686	0003	-----	500.00	
Mundo Peru Gold S.A.C.	1	010142796	RETORNO-I	00102578	02029723	0007	-----	200.00	Retorno
	2	010221096	RETORNO-III	00102574	02029718	0008	-----	800.00	
	3	010265696	RETORNO-V	00102566	02030191	0007	-----	764.49	
Total								15,667.68	

The Torrecillas Project is located in the Chala district, Caravelí Province, in the Arequipa region, approximately 545 kilometres south east of the Peruvian capital of Lima, and approximately 50 kilometres east of the nearest major town of Chala. The project can be accessed from Lima using the Lima-Chala highway, Panamericana Sur. It is geographically located in the Central region of the Western Cordillera of the Andes between elevations of 2,500 to 3,200 metres above sea level (MASL). Table 3 provides detailed information regarding the Torrecillas Project.

The Torrecillas deposit was exploited on a small-scale exploration or trial mining basis between 2012 to end 2014 but since then has been on a care and maintenance basis. This approach was initially sufficient to fulfil the objective of generating sufficient cash flow via production to cover the operating costs of the project. In an effort to move away from the earlier approach of generating resources by development (a common process in similar scale South American gold mines), Minera (Andina) commenced systematic exploration via targeted drilling programs with the intention of generating compliant Mineral Resource estimations.

Table 3 – Location references.

Reference geographical coordinates	Reference UTM coordinates
15 45' 25" South latitude	8,258,400 North
73 45' 12" West longitude	634,050 East
	Zone: 18S, Datum: PSAD 56

Regional topography and geology of INGEMMET at 1:100,000 scale is located on the published Chaparra (sheet 320) map sheet.

A royalty agreement is applicable to the 17 tenements obtained from Surex; that is those tenements numbered 1-9 and 21-25 listed as held by Golden Empire S.A.C and those tenements numbered 1-3 listed as held by Mundo Peru Gold S.A.C. in Table 2. This agreement dictates a payment of US\$8 per ounce of gold produced after total production exceeds 90,000 ounces. This royalty relates only to the tenure purchased from Surex. In addition, Minera is required to pay a 2% net smelter return (NSR) on any metals produced from the concessions other than gold.

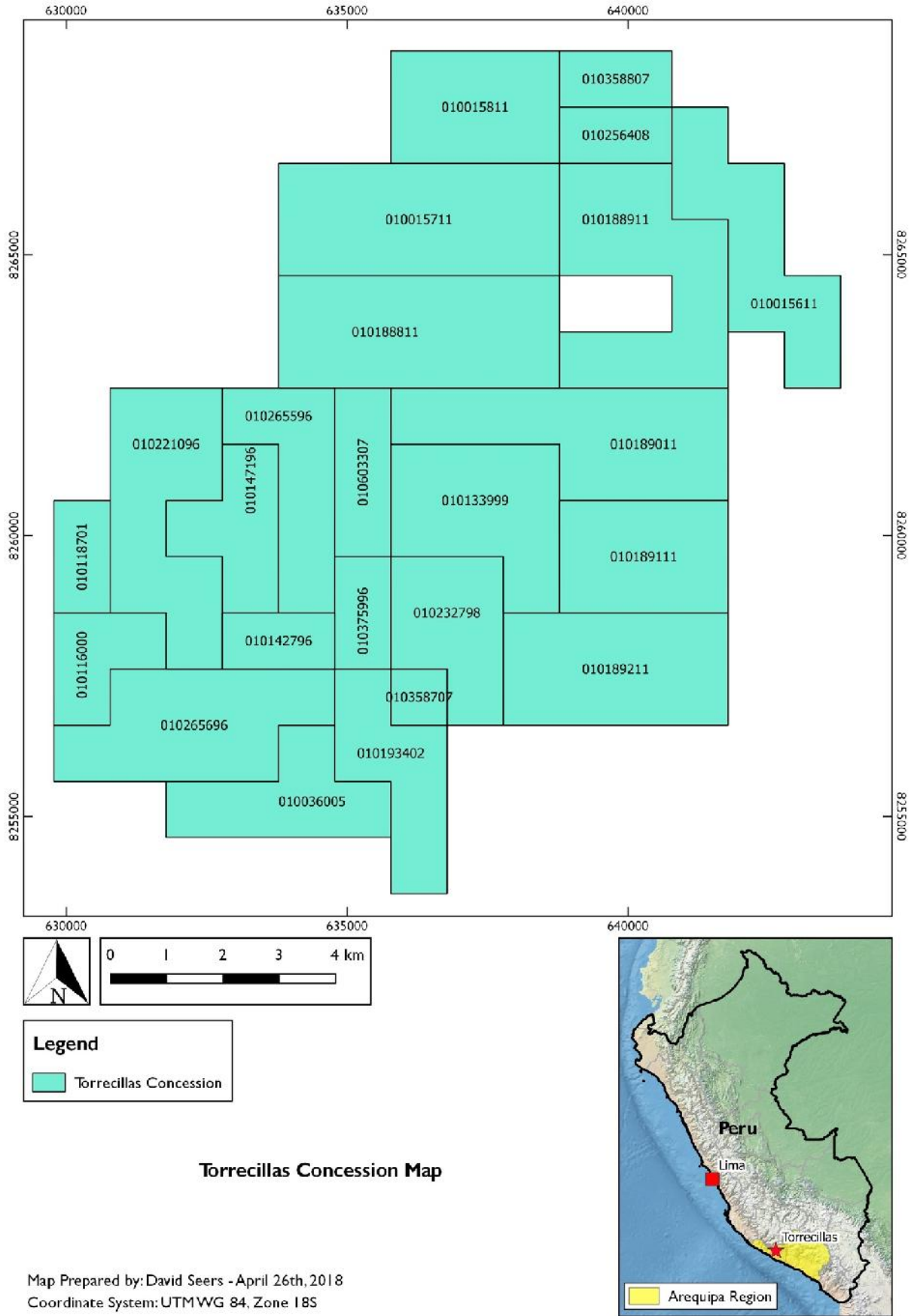


Figure 6 – Torrecillas Location Map and Concessions

5.3 ACCESSIBILITY AND CLIMATE

The work area is characterised by its small mountains, hills and rock formations with little slope, being arid and rocky. The bottoms of the ravines are soft at the upper levels, generally becoming narrow and rocky towards the bottom, generally full of alluvial gravel. Rocky outcrop exposure is approximately 80% with the remaining 20% covered by quaternary sand, alluvial, and colluvial material. Flora is scarce with sporadic presence of cactus.

The Torrecillas project weather is generally dry creating arid areas, with warm days and cool nights. The annual weather ranges from 10° to 30°C, and the majority of rainfall occurs from January to March with few and light rains, sometimes together with dense fog. The project is capable of operating all year round, without a prescribed operating season.

5.4 EXPLORATION AND DEVELOPMENT HISTORY

Between 2012 and the end of 2014, the Torrecillas deposit was exploited as a small-scale exploration or trial mining project. Material was mined using the cut and fill technique, a method of short hole mining used in steeply dipping or irregular mineralisation zones. The material was mined in horizontal slices, and then filled with unconsolidated waste rock. Cut and fill mining is a selective method, with low ore loss and dilution. Mineralisation recovered during mining was hauled to a nearby plant facility where it was processed under a toll treatment arrangement.

The mineralised structures at the Torrecillas Project correspond to filling of faults which generated “pinch and swell”, stressed and sigmoid type vein structures, mainly filled by quartz accompanied by moderate to intense chlorite and epidote alteration in the walls, generally with fine pyrite disseminations. Generally, quartz injection has not been enough to fill all of the structure, leaving barren zones of altered and fractured rock.

These mineralised structures strike east–west and dip to the north. NNW-SSE post mineralisation faults divided and displaced the structures by 15 to 20 metres. Based on the mineralogical behaviour Torrecillas can be classified as a mesothermal deposit of quartz-pyrite with sericitic alteration halos. The mineralisation includes fine pyrite with a friable texture, and quartz. On the surface, the presence of haematite is an indicator associated with erratic values of gold. At depths of approximately 40 metres the sulphide area begins and there is an irregular presence of gold. At the wider areas of the fault coarse pyrite is observed together with mass chalcopyrite concentrations.

In 2011 a diamond drilling program was undertaken to test for extensions to mineralisation below the current development to depths between 2,400 RL and 2,300 RL (levels 17 to 20), approximately 300-400 metres below surface. This drilling was completed from June to November 2011 and involved the drilling of 31 diamond holes for a total of 4,786.2 metres. This information, together with sample data obtained by channel sampling of exposed faces within stopes and drives underground, was utilised for the Torrecillas Gold Mineral Resource estimate for the project (BMGS, 2012) and was reported in accordance with Canadian National Instrument 43-101 (NI 43-101).

The mineralisation was modelled and resulted in three distinct mineralised zones, referred to as the Torrecillas “Footwall” vein, Torrecillas “Hanging wall” vein, and a small splay termed the “Ramal Level 15” vein, being identified. A Mineral Resource estimate was classified into the Measured, Indicated and Inferred resource classes considering a range of geological, statistical and local factors including sample density, interpretation confidence, and proximity to existing development. The results of the Mineral Resource estimation are presented in Table 4. No Mineral Reserves were declared for the Torrecillas Project. Inferred Mineral Resources were estimated from geological evidence and limited sampling and as such were treated with a lower level of confidence than Measured and Indicated Mineral Resources. The application of a 5g/t Au cut-off for reporting of the Mineral Resources was stated by BMGS (2012) to reflect the local standards for similar operations and aligned well with the current operating costs and margins applicable at that time.

Table 4 – Torrecillas Mineral Resource Estimation (NI 43-101) Results above a 5g/t Au Cut-Off

Mineral Resource Category	Tonnes	Grade (Au g/t)	Ounces
Measured	69,000	18.1	40,100
Indicated	55,000	14.7	26,000
Total Measured and Indicated	124,000	16.6	66,100
Inferred	73,200	15.3	36,000
Total Inferred	73,200	15.3	36,000

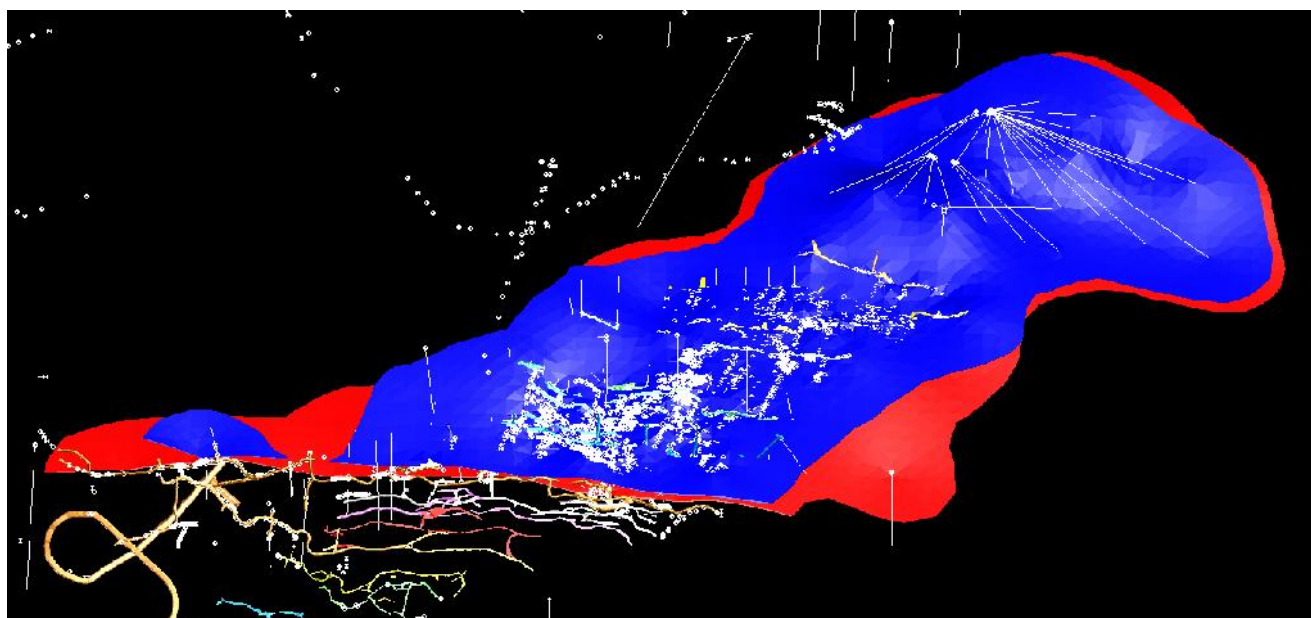


Figure 7 – Plan View showing the Footwall and Hanging wall Veins

Although the Torrecillas Project had a maiden reported Mineral Resource, mining development described above as trial mining continued until the end of 2014. During September 2016, Mining-Plus was engaged to prepare and execute a plan to recommence mining at the Torrecillas Gold Project, described as a narrow-vein, mesothermal deposit hosted in the Bella Union Igneous Complex. As shown in Figure 7, the deposit comprises two main mineralised structures; the “Piso” (floor) and “Techo” (roof) veins.

Mining Plus updated the Mineral Resource Estimate for Torrecillas as of April 2014 by coding the updated mined areas into the 2012 BMGS block model as described previously and reported the Mineral Resource for both the mined and in situ resource inventory.

They determined that the resource depletion derived using data for the period November 2011 and 2014 was significantly greater than the reported depletion based on the monthly reports. Mining-Plus is reported to consider that:

- The primary reason for the over-estimation of tonnes is the leapfrog modelling process interpreting continuity where there may not in fact be continuity, especially in the Techo vein; and
- The over-estimation of grade is due to the grades associated with a cluster of high grade data points from channel sampling in the upper levels effectively smearing this high grade into areas defined as lower grade by the drilling at lower levels in the deposit.

Applying reconciliation factors as applicable, Mining-Plus have provided a realistic estimate of what resources are likely to remain. They have stated that theirs is a conceptual estimate but that the veins will need to be remodeled.

Mining Plus estimates at this preliminary stage that it is likely that the in-situ ounces left in the current known resource is in the range of 2,000 to 20,000 ounces of gold.

Exploration activities have helped identify several potential targets within the concession areas in addition to those already being evaluated.

5.5 PROJECT HISTORY

The 17 tenements comprising the tenements numbered 1-9 and 21-25 held by Golden Empire S.A.C. and numbered 1-3 held by Mundo Peru Gold S.A.C. in Table 2, represent the original land holding of the Torrecillas Project and was originally pegged by Sociedad Minera Surex S.A.C., all of which were subsequently acquired by Minera. The remaining 12 tenements were subsequently pegged following Minera's acquisition of the Torrecillas Project.

In April 2005, Hampton Mining carried out a geological study producing a report titled "Torrecillas Mine and Surrounds" (Sinclair, 2005). The area studied lies entirely within the Torrecillas Project. A detailed regional geological map was prepared at a scale of 1:20,000 to place the mineralised veins geology in several contexts and comments were made regarding the erratic gold mineralisation with grade approximate values of 20 g/t Au. No faults were found at the mineralisation limits. The Ady vein was reported to be smaller in width than the Torrecillas Vein with 14.3 g/t Au grades increasing at depth in four defined mineralised shoots. For the Magaly, 5 de November and Torre Chico veins, Sinclair determined that it was not necessary to carry out any further exploration work at this stage.

In April 2005, Hampton Mining carried out a study interpreting satellite images and found that gold mineralisation is erratic within or adjacent to all pre-Oligocene rocks and is structurally controlled within the fragile-ductile zone along the corridor that runs 3 kilometres by 500 metres of Torrecillas.

Historical sampling was principally obtained from existing underground developments, together with surface sampling of trenches and outcrops. Details of the nature of this sampling such as the sampling techniques, analysis procedures, the QA-QC processes applied, and the survey control are not clearly known, and therefore not considered reliable. Historical production records available for the period of 2001 to 2006 (Minera Surex SAC, 2006), during which time the operation was run by Surex. Production records are also available for the 2009 and 2010 calendar years when Minera was the operating entity (Mundo Minerales SAC, 2012). These figures are presented in Table 5. Production records for the 2007 and 2008 years could not be located.

Table 5 – Summary of Historical Production (Source: Saunders, 2012)

Operator	Year	Tonnes	Grade (Au g/t)	Ounces Au
Surex	2001	1,945	33.63	2,103
	2002	2,466	35.00	2,999
	2003	1,680	32.82	1,772
	2004	2,154	31.18	2,160
	2005	1,800	31.77	1,839
	2006	2,120	20.91	1,425
Minera	2009	8,704	20.83	5,830
	2010	11,033	15.96	5,663
	Total	31,903	23.20	23,791

While minor production occurred from the small localised workings from historic artisanal miners, the vast majority of the previous work completed was focused on the concessions containing the Torrecillas Gold Mine and surrounding Julia, Rebecca and Ady veins, all of which are not available to Titan for earn-in rights. Nevertheless, the work completed on these concessions is relevant to the mineral potential of the tenure that Titan does have earn-in rights to, as in our opinion there are reasonable chances of finding similar vein systems or continuations of the existing vein systems.

5.6 GEOLOGICAL SETTING AND MINERALISATION

5.6.1 REGIONAL GEOLOGY

The Torrecillas gold deposit is located in the metallogenic district known as the Nazca-Ocoña belt containing numerous gold deposits along more than 100 kilometres characterised by silver, copper and gold veins. Within the regional geological framework, the Torrecillas mine is located within the Bella Unión complex, proximal to the contact of a large tonalite-granodiorite pluton, belonging to the “Batholith of the Coast” of Cretaceous age (Figure 8).

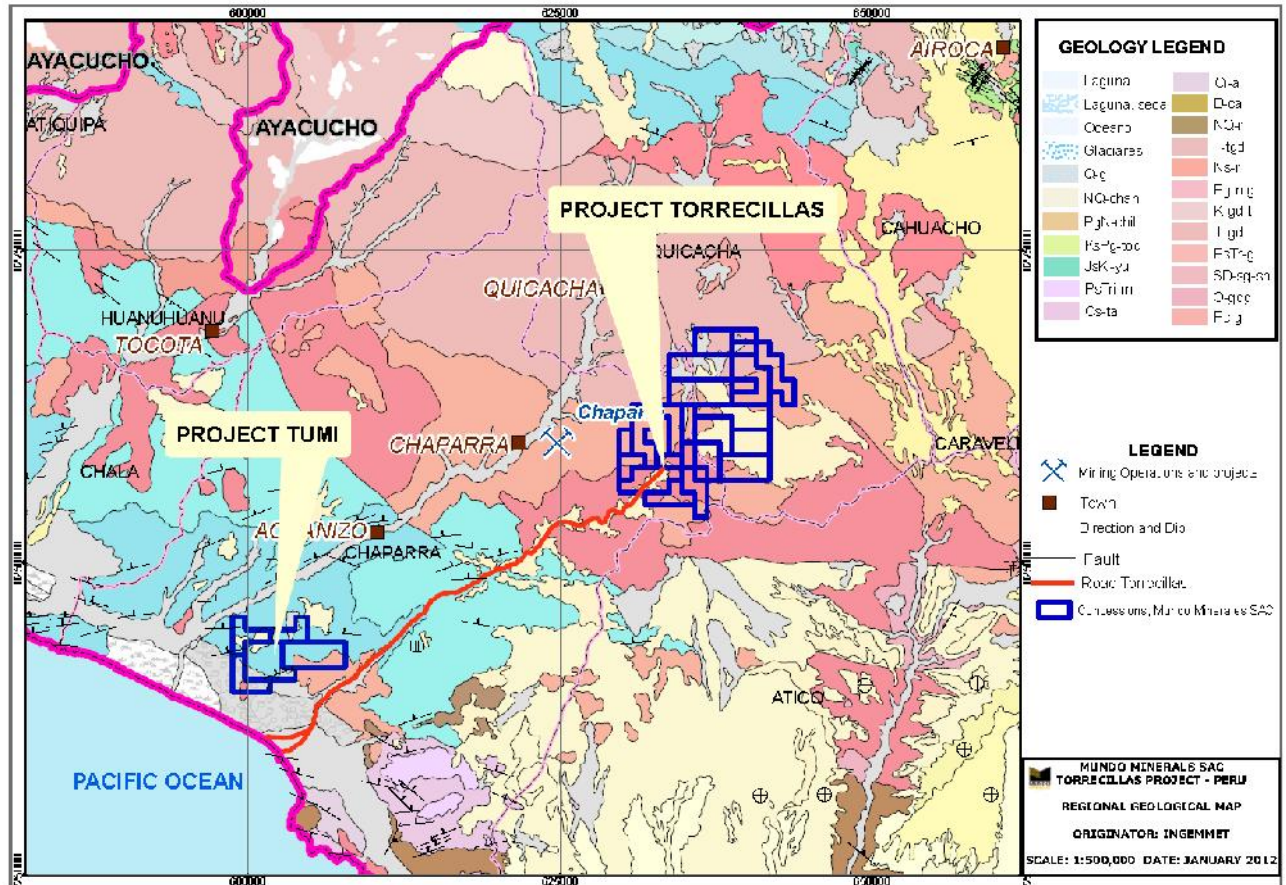


Figure 8 – Regional Geology Map

5.6.2 LOCAL GEOLOGY

Locally, the Torrecillas Project is located within the Bella Union Complex, on the edge of a large tonalite-granodiorite pluton that forms part of the larger Coastal Batholith. The Complex formed during the Cretaceous and subsequently suffered many cycles of deformation and intrusions, resulting in widespread hydrothermal and low-grade (hornfelsic) metamorphism. The dominant orientation for nearly all rock units, structures (faults) and veins is northwest-southeast, although the major structures become more east-west and more north-south to the south and north of the project area, respectively (Figure 9).

Mineralisation within the project area, as for the whole of the 100+ km-long Nazca – Ocoña metallogenic belt, occurs as mesothermal vein systems. These quartz ± sulphides veins have infilled faults and other structures and caused strong chlorite – epidote ± pyrite alteration in the surrounding host rock, with subsequent faulting and reactivation of existing faults causing localised offsets and breccias. Gold primarily occurs as free grains associated with pyrite and/or chalcopryite, with remobilisation existing locally. The veins are typically thin (<5m thick), but extensive in both strike and dip, and the gold grades are typically high (>10 g/t Au) and in localised zones can be extremely high (>>1oz/t).

Besides the above-mentioned rocks, in the lower section of the hills, near Torrecillas ravine, there are large isolated outcrops of rhyo-dacitic ignimbrites that represent a huge volcanic strip covering the Torrecillas ancient ravine.

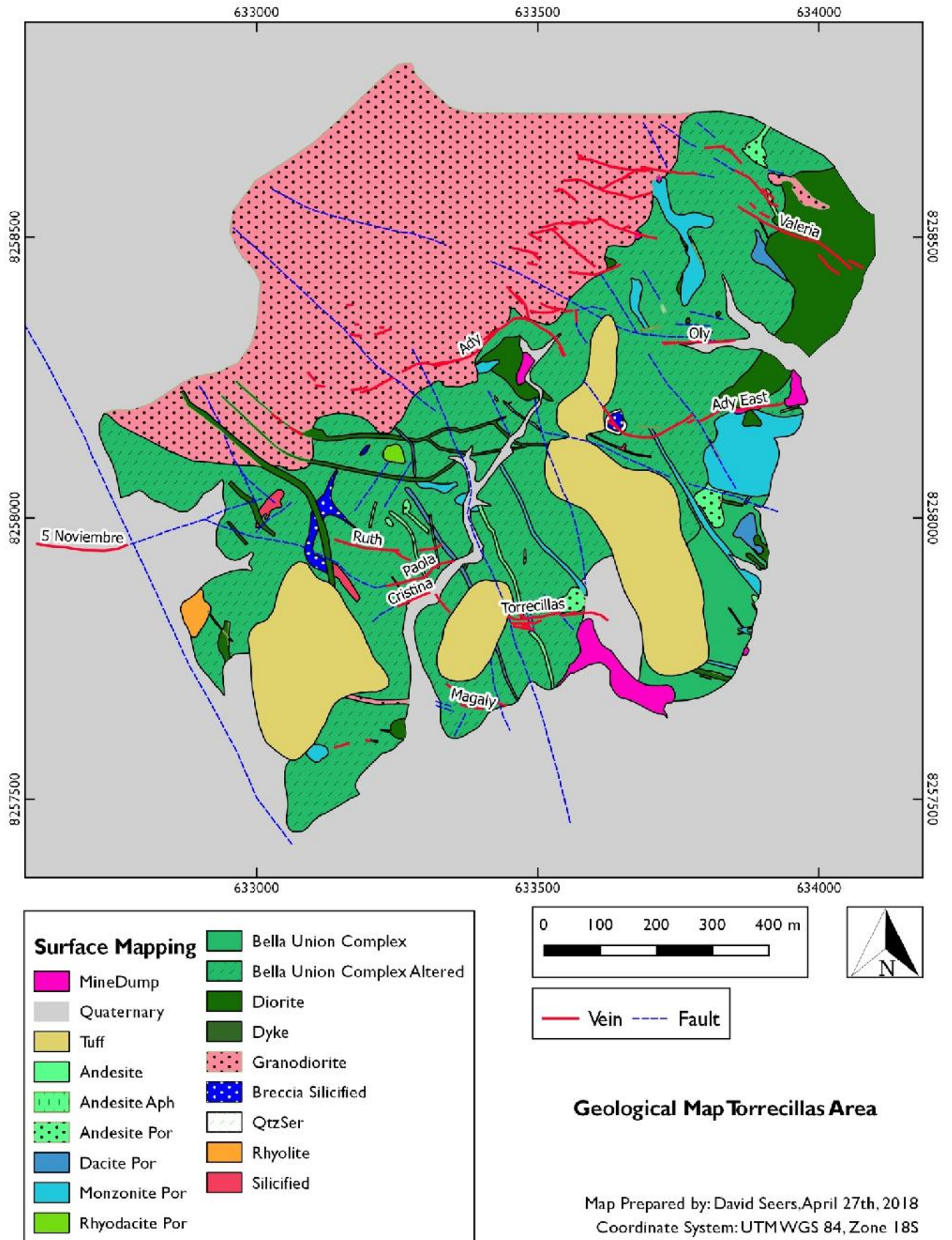


Figure 9 – Geological Map of the Torrecillas Project (Source: Mining-Plus, 2018)

Structurally, the Torrecillas mine is located where regional faults make a notable inflexion and show in plan view as a deep curve where Torrecillas is located towards its concave area. To the south, faults have WNW-ESE strike and to the west the same faults show NW-SE strike. The most conspicuous faults are Pan de Azúcar and Los Médanos, located seven and 12 kilometres from the mine respectively. A minor fault, parallel to the above-mentioned faults crosses the mine.

In general, almost every dyke, fault and stock strikes in an NW-SE direction (i.e. along the mountain range). In addition, there is another plunge defining the strike of some dykes and faults which controls the alignment of two of the large rhyolite stocks. All the veins, almost without any exception, continue this E-W strike.

5.7 ECONOMIC MINERALS

The mineralised structures at Torrecillas correspond to filling of faults, which generated “pinch and swell”, stressed and sigmoid type vein structures, mainly filled by quartz accompanied by moderate to intense chlorite and epidote alteration in the walls, generally with fine pyrite disseminations. Generally, quartz injection has not been enough to fill all of the structure, leaving barren zones of altered and fractured rock. After the deposition of auriferous quartz, there was a reactivation of host faults evidenced by crushing of the quartz in fragments of up to 2cm.

These mineralised structures strike east–west and dip to the north. NNW-SSE post mineralisation faults divided and displaced the structures by 15 to 20 metres. Based on the mineralogical behaviour Torrecillas can be classified as a mesothermal deposit of quartz-pyrite with sericitic alteration halos. The best mineralisation of the Torrecillas Vein is delimited by the Torrecillas and Campamento faults, along a plunge developed between the same. To the west of the Torrecillas Fault, this vein presents numerous splays. To the east of the Campamento Fault, the Torrecillas Vein weakens and transforms into a sterile structure.

The mineralisation includes fine pyrite with a friable texture, and quartz. On the surface, the presence of haematite is an indicator associated with erratic values of gold. At depths of approximately 40 metres the sulphide area begins and there is an irregular presence of gold. At the wider areas of the fault coarse pyrite is observed together with mass chalcopyrite concentrations.

The mineralised structure exposed in development completed to date at the Torrecillas Project extends approximately 300 metres vertically and 200 metres in width. Within this mineralised structure there are zones of higher grade material associated with “shoots” which vary in strike extent between 30 to 60 metres and can be traced down dip over distances of 75 to 100 metres. Recent drilling that tested the down dip extent of the mineralisation has confirmed the presence of the mineralised structure, demonstrating continuity approximately 100 metres past the deepest current development.

Systematic detailed surface mapping and channel-sampling undertaken in 2012 identified numerous high-grade gold vein systems within the Torrecillas concessions. Six new target areas – Rebeca, Tessie, Linda Julia, Sandra and 5 Noviembre West – were noted, (and remain unexplored), in addition to the previously identified vein systems of Torre Chico, Ady-Oly, 5 Noviembre and Brecha Toropampa (Figure 10).

The vein systems are structurally controlled and vary in strike between east-west to north-northwest to south-southeast, in accordance with the regional trend. Dip is also variable but is typically steep. Significantly, the identified strike lengths of these veins systems are all greater than 300m and up to 850m, in comparison to the vein system at the Torrecillas mine which has less than 200m of strike and had a Mineral resource of over 100,000oz (Au). The historic channel-samples with their high-grade Au results have validated the strategy of exploring and mobilizing drilling rigs in 2018.

Andina anticipates initially undertaking geophysical surveys and further channel-sampling during the first half of 2018 and subsequently expects to identify priority drilling targets. A 30,000m diamond drilling program on the new vein systems is planned for the second half of 2018 once the review of the Torrecillas concessions is completed by its geological team.

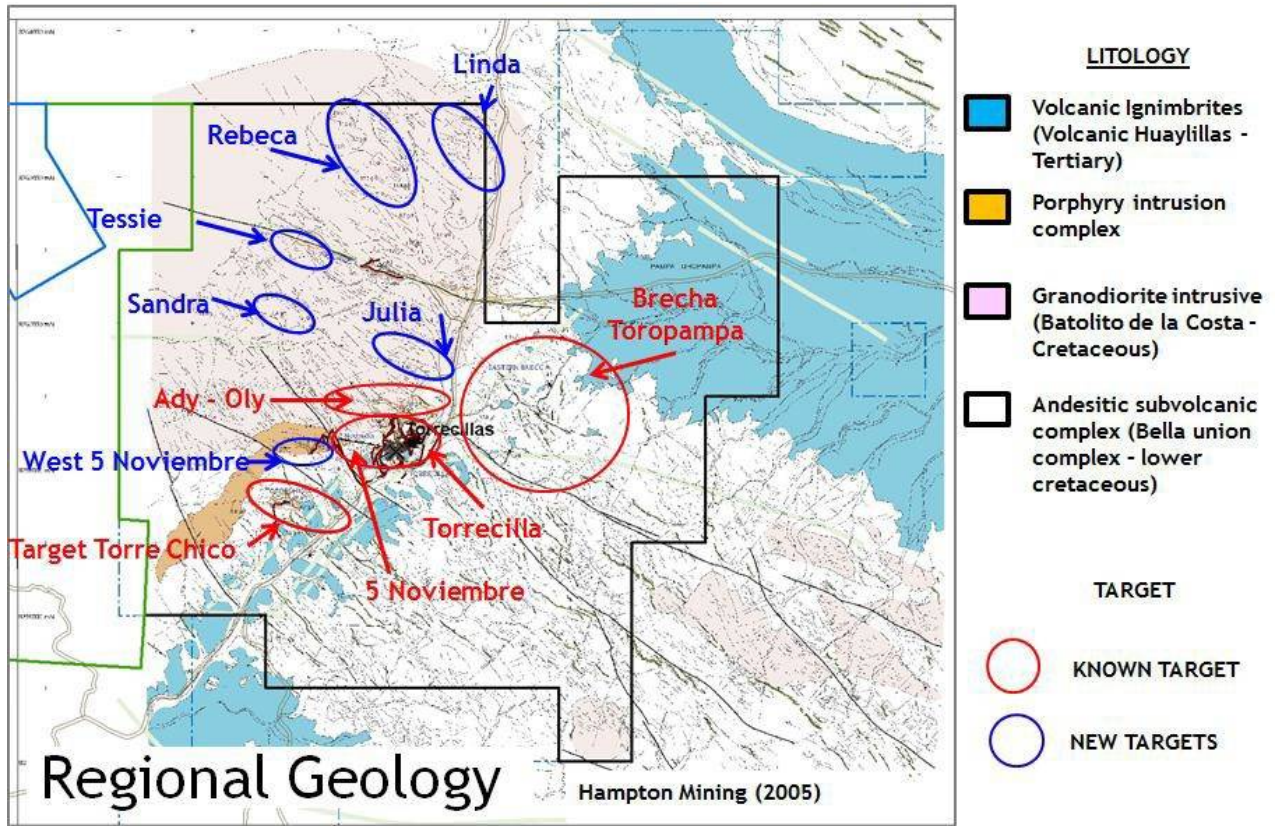


Figure 10 – Exploration target features. (Titan, 2017)

Future exploration programs will also be planned to further test the down-dip mineralisation, while also testing the strike extent, and infilling areas in the upper levels of the current operations, which have not been fully closed off through development activity.

6. SAN SANTIAGO COPPER/GOLD PROJECT

6.1 INTRODUCTION

The San Santiago Copper-Gold Project consists of 21 concessions covering an area of 5,753.69 hectares. Titan also owns the San Santiago Copper-Gold beneficiation plant, but the valuation of this plant is not addressed in this report. The project is located approximately 10 km northeast of Jinzhao Mining's Pampa De Pongo project, one of the largest copper, gold and iron projects under development in Peru at present. Channel sampling has returned grades greater than 5% Cu, 2 g/t Au and 7 g/t Ag. The Marcona Mine, operating since 1953, is approximately 50km to the west and the deep-water port of San Juan approximately the same distance.

6.2 PROJECT DESCRIPTION, LOCATION, INFRASTRUCTURE AND CONCESSIONS

The San Santiago Project is located in the Cobrepampa district, Caravelí Province, in the Arequipa region, approximately 570 kilometres south east of the Peruvian capital of Lima, and approximately 22 kilometres east of the Panamerican Sur along the road to Bella Union (Figure 11). The concessions are located in an area of approximately 20km x 25km on the plateau to the North-West of Acari known as Cobrepampa within the Jurassic – Cretaceous Iron Oxid-Copper-Gold Belt in Southern Peru. It is geographically located in the Central region of the Western Cordillera of the Andes between elevations of 2,500 to 3,200 metres above sea level (MASL). Table 6 provides detailed information regarding the concessions that comprise the San Santiago Project.

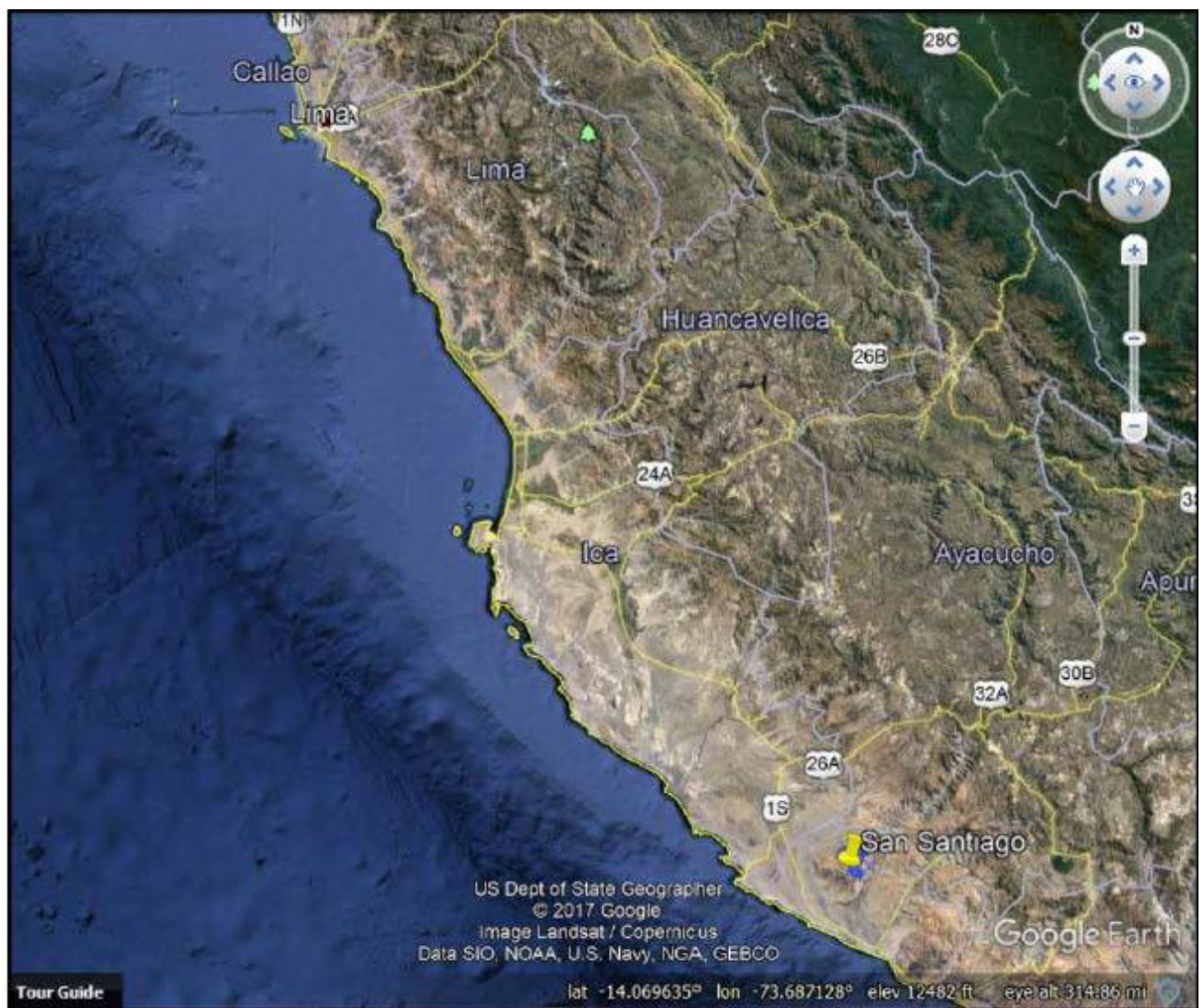


Figure 11 – San Santiago Location

Titan, through its local subsidiary, Musiris, owns 2,309.88 Ha in 5 concessions with options on a further 18 concessions owned by Alvarez Calderon (Figure 12).

The Project area lies within the desert coastal tract of southern Peru, which is a northward continuation of the Atacama Desert of northern Chile. It is extremely arid, receives little annual rainfall (<1 cm/year) and is virtually devoid of vegetation, except in irrigated river valleys.

Table 6 – San Santiago Project Concessions

Code	Concession name	Hectares	Concession Holder
P540000110	San Santiago De Acari (Beneficiation Concession)	300.0000	Derivados Y Concentrados SAC
010226104	Virgen Del Carmen 2004 P	99.7012	Derivados Y Concentrados SAC
010227907	Don Ivan 31N-1	10.1777	Derivados Y Concentrados SAC
010485706	Don Tomasito De Acari	1000.0000	Derivados Y Concentrados SAC
540002311	Camila VII	900.0000	Derivados Y Concentrados SAC
10102504	Virgen Del Carmen I 2004	116.6853	Insumos Mineros Fenix S.A.C.
10139104	Virgen Del Carmen 2004 A	800.001	Insumos Mineros Fenix S.A.C.
10164804	Virgen Del Carmen 2004 H	0.8911	Insumos Mineros Fenix S.A.C.
10164004	Virgen Del Carmen 2004 L	9.9867	Insumos Mineros Fenix S.A.C.
10163804	Virgen Del Carmen 2004 M	6.0000	Insumos Mineros Fenix S.A.C.
10163904	Virgen Del Carmen 2004 N	9.4151	Insumos Mineros Fenix S.A.C.
10277904	Virgen Del Carmen 2004 S	9.9856	Insumos Mineros Fenix S.A.C.
10277804	Virgen Del Carmen 2004 T	43.863	Insumos Mineros Fenix S.A.C.
10199506	Virgen Del Carmen 2006 A	998.7285	Insumos Mineros Fenix S.A.C.
10164704	Virgen Del Carmen 2004 J	4.9936	Grupo Minero Fenix S.A.C.
10278004	Virgen Del Carmen 2004 R	21.2957	Grupo Minero Fenix S.A.C.
10164204	Virgen Del Carmen 2004 Q	27.6826	Grupo Minero Fenix S.A.C.
10087805	Virgen Del Carmen 2005a	88.7535	Grupo Minero Fenix S.A.C.
10142605	Virgen Del Carmen 2005 B	75.9339	Grupo Minero Fenix S.A.C.
10000226y01	Acari Trigesimo	579.2593	Grupo Minero Fenix S.A.C.
O10341005	Virgen Del Carmen 2005 C	399.4930	Grupo Minero Pampacolca S.A.C.
O10138807	Virgen Del Carmen 2007 A	250.8418	Grupo Minero Pampacolca S.A.C.
	Total	5,753.69	

The closest major community is the town of Nazca, which is located approximately 50km north of the property. Nazca is located on the Pan American Highway about a 5-hour drive south of Lima and has most amenities and services available. The small rural community of Bella Union is located 18km by road to the southeast. The Project is readily accessible by a series of secondary asphalted and graded roads that lead from the highway to the abandoned Acari mine site.

The deep-water port of San Juan is located approximately 50km by road from the San Santiago beneficiation plant. The Peruvian authorities are developing the port of San Juan, which would become the largest port in Peru. The port is a naturally sheltered bay, with a current water depth of 8m at a distance of 15m from shore and a depth of 21m at a distance of 380m from shore. Proposed developments include multiple loading facilities.

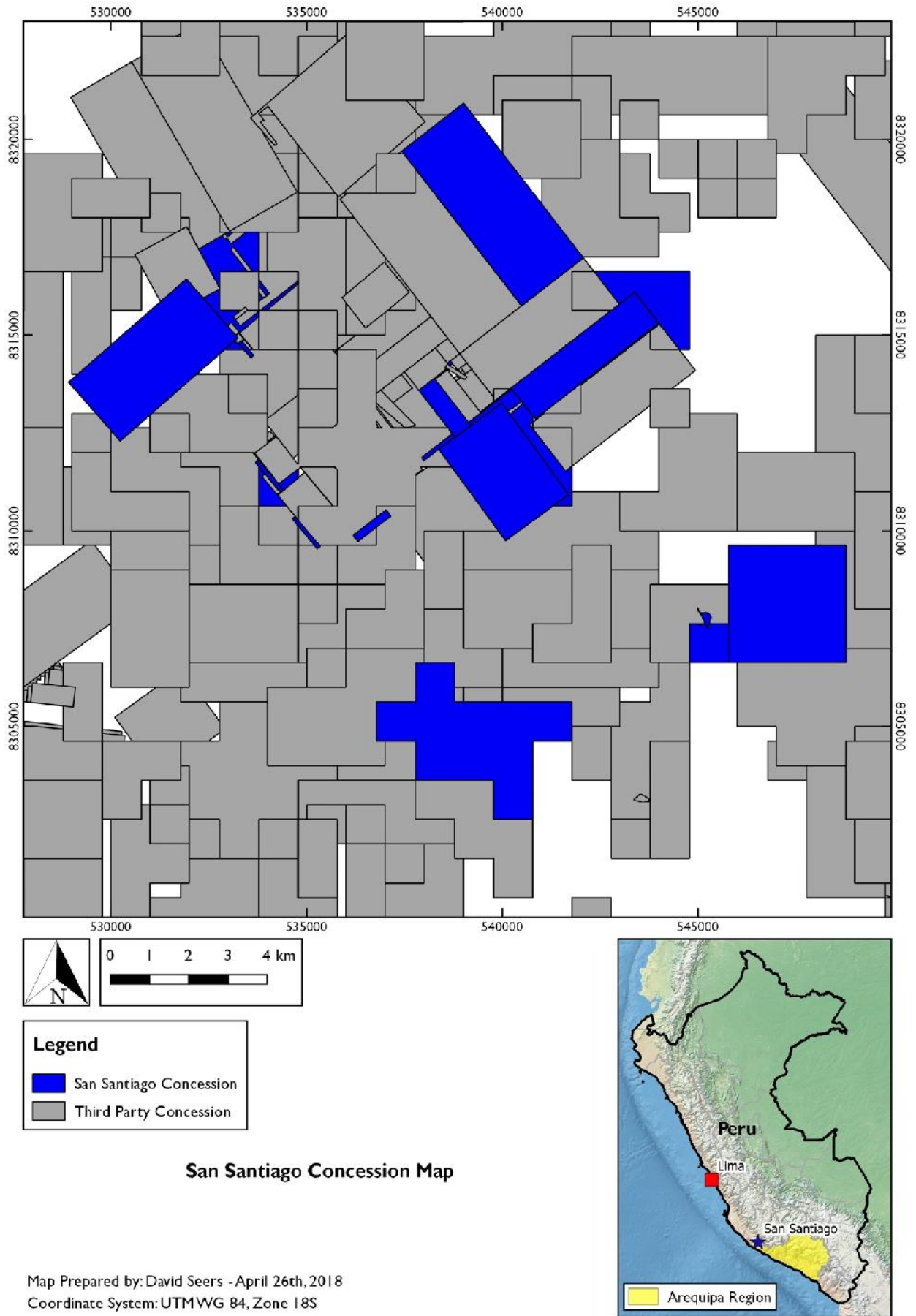


Figure 12 – San Santiago Concession Map

6.3 GEOLOGICAL SETTING AND MINERALISATION

The San Santiago deposit is located in the Marcona (Fe-Cu-Au) District, named after the Marcona Iron mine, which has operated continuously since 1953 (Figure 13). The Marcona IOCG province hosts one of the biggest and largest concentrations of iron oxide in the central Andes. Shougang Hierro Peru (a Shougang Group subsidiary) operates the Marcona open-pit mine that contains 1.4bt of ore @ 55.4% Fe, whilst the Nanjingzhao Group owns the Pampa de Pongo magnetite project, containing approximately 950Mt @ 44%Fe, which is located about 30km to the southeast of the Marcona mine. And about 10 km from the San Santiago project. These iron-rich IOCG deposits are thought to have formed in the Middle Jurassic in a shallow marine environment along northeast-striking fault systems that were active as major andesitic-dacitic volcanic activity took place.

In the same province, there is also the mid-Cretaceous IOCG copper-rich style mineralisation. The best-known project is Marcobre's Mina Justa, located about 5 km northeast of the Marcona mine, which has a JORC (2012) compliant Indicated Resource of 346.6 Mt @ 0.71% Cu, 3.8 g/t Ag and 0.03 g/t Au at a cut-off grade of 0.3% Cu. Copper mineralisation at Mina Justa occurs in hydrothermal breccia fillings and stockworks of copper sulphides that post-date the emplacement of the magnetite lenses, within low-angle faults that transgress the host volcanoclastic stratigraphy. GRI understands that similar features have been observed in some of the vein systems at the San Santiago Project.

In addition to the IOCG mineralisation, there are more than two hundred Cu-Ag-Au mineralised vein systems within the Province, including the San Vicente-Trancas; Acari-Cobrepampa; La Loza and Machaynioc. The main vein systems in the Acari-Cobrepampa district are La Argentina, Brasil, Purisma, San Juan, La Verde, Santa Rosa and Maria del Carmen.

The local geology in the Acari-Cobrepampa region consists of monzonite, monzogranites and granodiorites cut by aplitic dykes. In some areas, these rocks have intruded Jurassic and andesite and dacite volcanic rocks or volcanoclastic sediments. They are all mostly overlain by rhyodacitic pyroclastic sediments, eluvium and alluvial sand and conglomerate deposits for the majority of the area of interest.

The oldest rocks exposed are Precambrian in age and part of the Coastal Basal Complex, consisting of gneisses, potassium-rich granites and migmatites that underlie the western and southern parts of the Marcona area. At the Mina Justa Deposit – Marcona mine area, this basement metamorphic complex is overlain by carbonates and pelitic sediments of the Lower Paleozoic Marcona Formation together with marine andesitic to basaltic volcanics (and associated, hypabyssal intrusives), volcanoclastics and sediments of the middle to Upper Jurassic Rio Grande Formation and Bella Union Volcanics. Small remnants of the Upper Jurassic Jahuay Formation (mixed volcanics and sediments) and Lower Cretaceous Jauca Formation (sediments) cap the Jurassic succession.

Major intrusives include the San Nicolas Batholith, which predates the Jurassic sequence and underlies a large tract south and west of the Marcona mine area. The more extensive Lower Cretaceous Coastal Batholith underlies large areas east of the Pampa de Pongo project area. Abundant intra-mineral and post-mineral andesitic dykes, sills and small stocks referred to as "*ocöite*" are intimately associated with the main deposits in the Marcona district and are inferred to signify long-lived thermal activity associated with high heat flow and transfer of hydrothermal fluids centered over magmatic sources at depth.

The majority of the mineralisation at the Marcona mine is hosted by carbonates of the Marcona Formation. The Pampa de Pongo deposit is hosted by the younger Jurassic Jahuay Formation. Lithologies, seen in drill core at the fringes of the deposit, include coarse volcanoclastics, conglomerates, banded siltstones, shales, sandstones and carbonate-rich sediments. Within the massive magnetite replacement body, unmineralized remnants are extremely rare. The intersection of basement gneisses in some drillholes suggests that the underlying Marcona Formation and Rio Grande Formation may have been eroded in this part of the district.

The principal vein systems recognised in the San Santiago Project area are Brasil, Callejon, Chapi and San Juan (XV), although there are several other major systems in the district and over 200 major systems in total in the Marcona Province. The veins are typically thin (<2m thick), but can be extensive in both strike and dip, and copper grades can be relatively high (>10 %Cu) in the fresh rock. However, much of the mining in the area to-date has concentrated on the oxidised, supergene and transitional ores, with a copper-

enrichment zone commonly occurring at the base of the supergene alteration. Copper mineralisation in these near-surface ores is predominantly in the form of copper oxides (e.g. malachite) and copper carbonates (usually chrysocolla), which then transition with depth and less oxidation to the copper sulphide minerals of covellite, chalcocite, bornite and chalcopyrite. In the completely unoxidized rocks the vein composition is commonly quartz + chalcopyrite + magnetite ± pyrite ± gold. Different wall-rock alteration assemblages also occur for the different vein systems which occur at different depths in the stratigraphic profile.

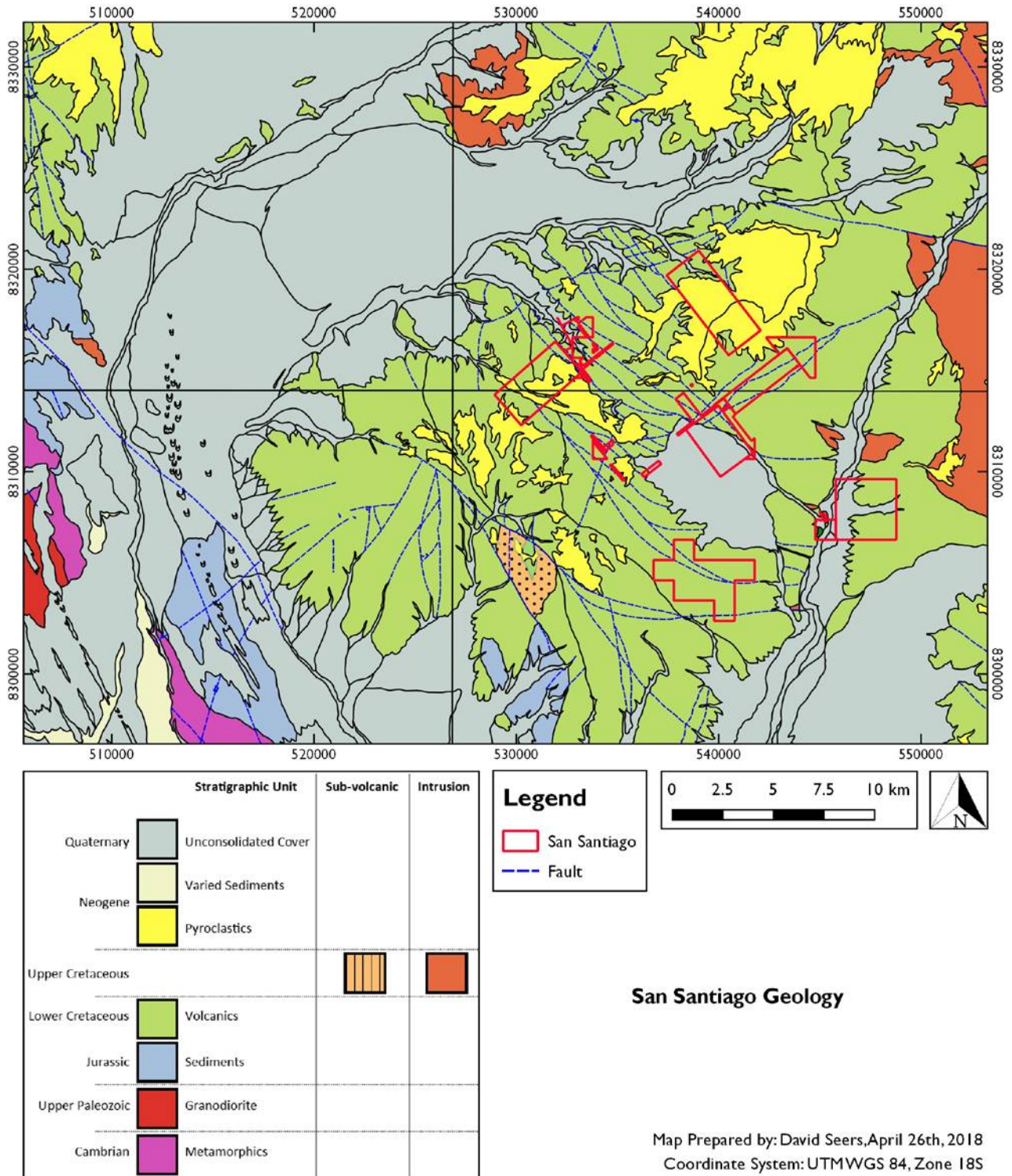


Figure 13 - San Santiago Geology

6.4 HISTORIC WORKINGS

The San Santiago concessions were acquired by Minera in 2014 from local Peruvian mining companies. The concessions contained several existing (but idle) partially-developed underground mines that were capable of mechanised mining, such as the XV and Brasil mines, as well as many small old open-pits and trenches that were historically mined for copper oxide ores by artisanal miners. Minera undertook systematic mapping (1:500 scale) and channel sampling, both at surface and in the existing underground workings, in order to map out the vein systems and confirm the copper (\pm gold \pm silver) potential of the tenure. Results from underground of over 5 %Cu were achieved (e.g. 0.85m @ 7.68 %Cu, 2.08 g/t Au & 5.6 g/t Ag (Minera 2015a)) and the mapped extension of the vein systems within the concessions is shown in Figure 14, thus highlighting the potential for economic copper-gold mineralisation within the tenure. Furthermore, as far as the author is aware, although a regional-scale aeromagnetics survey exists for the area, the proposed project-scale magnetics survey intended to define the vein system at depth as never completed, nor as drill-testing of any of the targets at depth.

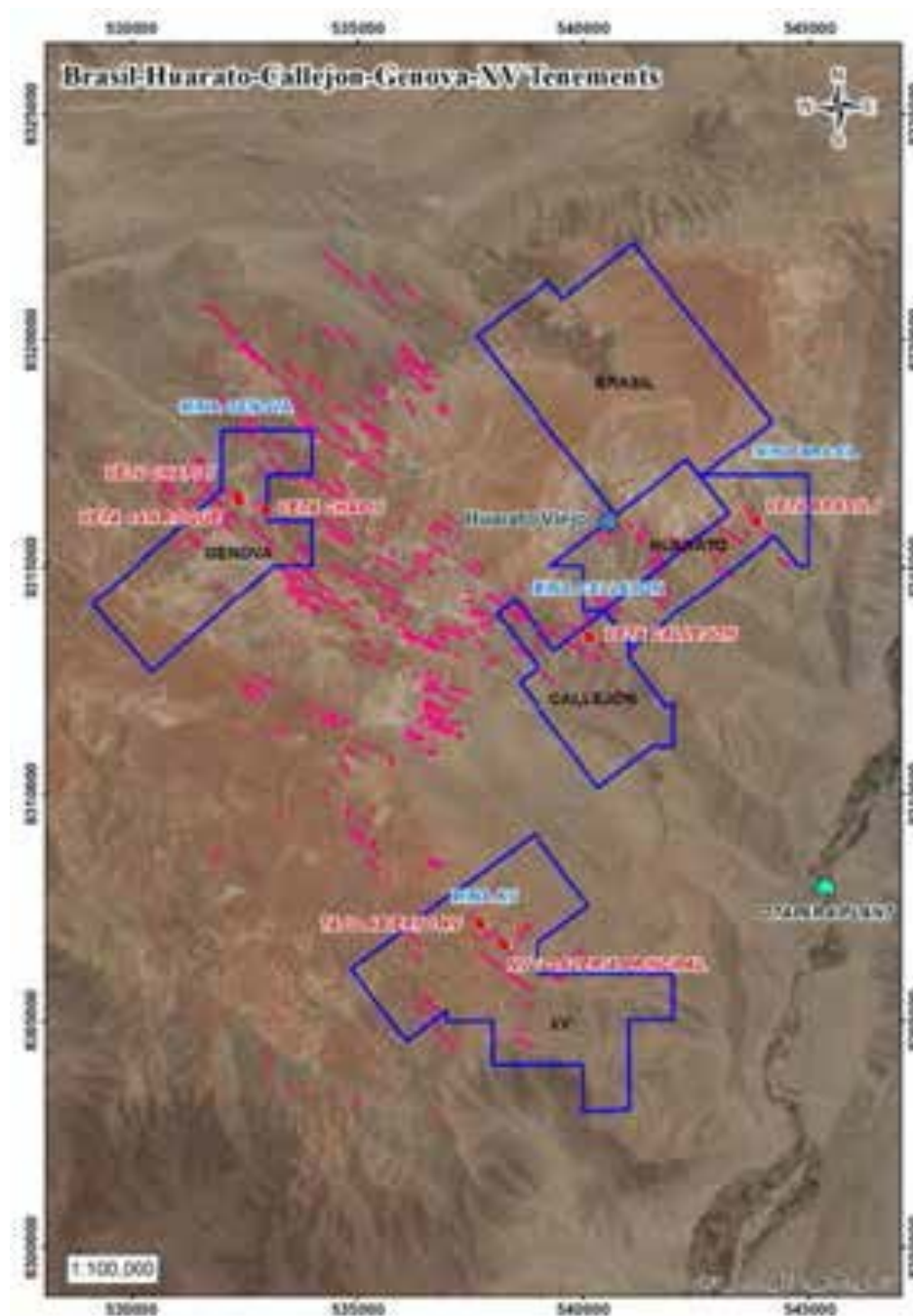


Figure 14 - Mapped vein systems in relation to the San Santiago Project tenure (Source: Minera 2015a)

6.5 EXPLORATION AND DEVELOPMENT

Titan has implemented a strategic review of San Santiago historical exploration data including an extensive evaluation of the mineralisation obtained in channel sampling activities. Systematic mapping (1:500 scale) and channel-sampling of historic workings undertaken in 2015 revealed veins of massive chalcopyrite, pyrite and magnetite, with minor bornite in lenses and disseminated in the wall rocks. The alteration in the wall rocks is mostly secondary biotite and chlorite.

The original sampling work was focused on the ore shoot known as “Brasil Vein I”, which forms part of a much larger vein system in the Brasil/Huarato concession. Systematic detailed mapping and channel - sampling was also undertaken over a second mineralised vein system known as the “Callejon Vein System”, which confirmed strong results including 1.36 m grading 3.53% Cu, 0.215 g/t Au and 4.3 g/t Ag.

There are dozens of mines and workings of various sizes scattered around the Cobrepampa District. Near surface, the veins have been oxidized with malachite, crisicola and other secondary copper minerals. At depth the primary mineralogy is magnetite, chalcopyrite (covellite, bornite and other copper sulphides), calcite and actinolite. Grades are typically in the range of 3-4% Cu.

Mina Verde Mine is worked on three levels. There is one principal vein with over 2km of strike length trending 120° with dip varying from vertical to 70-80° to the North-East. The main vein pinches and swells with splays and branches but averages 1-2m wide and locally up to 3-4m. The mineralogy, at least at the lowest level appeared to be all sulphide with the main metallic minerals being chalcopyrite with magnetite and specularite (Figure 15). The principal gangue minerals are calcite and actinolite. Grades vary but are in the range 3-3.5% Cu (Titan Field Visit, 2017)



Figure 15 – Main vein, lowest level Mina Verde mine. Massive magnetite and chalcopyrite with calcite and actinolite. Note banding and filling of earlier voids with minerals (Source: Titan Field Trip, 2017)

6.6 OPERATIONS AND PRODUCTION

The Cobrepampa district appears to be controlled by a few major concession holders such as: Agromin, Cobrena, Pickman, Mina Verde who then lease out to third parties. Based on conversations with these third parties Titan have found that they often contract miners, truckers, etc., for their operations. Due to the multi-tiered operations it is difficult to assess total production for the district, but it was estimated that it would be in the order of 400-600 TPD of which at least a third is being trucked to Nazca for processing.

6.6.1 MUSIRIS AND ALVAREZ CALDERON CONCESSIONS

As part of its recent field trip, Titan endeavoured to ascertain the prospectivity of its concessions and undertaking this exercise they considered two fundamental points:

1. The concessions are underlain by intrusives of the Coastal Batholith, not the volcanic and sedimentary sequences that host the classic IOCG deposits closer to the coast. It is unlikely that any of the concessions host undiscovered large scale IOCG mineralisation.
2. All the reported mineralisation in the district is fault controlled veins and almost certainly has workings on it. Most of the structures are exposed at least some point and local miners have been very proficient at tracing these veins under more recent volcanic cover. No activity from local miners means there is probably no mineralisation.

What the field trip did confirm was that most of the concessions show no sign of mining operations of any size however, there are three concessions that do exhibit significant signs of mining activities.

- Firstly, in the extreme northern corner of the main Genova concession block optioned from Alvarez Calderon, there are a number of veins with visible workings, dumps and buildings. The total extension of the veins is several kilometres but only about 1-1.5km of that total actually lies within the concession boundaries. The field party did not directly visit these workings due to time constraints but observed that the scale of the dumps, number and size of buildings and lack of well used roads suggested that the veins in this concession are of a smaller scale than those developed in the district. The largest operations in this region (Agromin, Mina Verde, Cobreña) are producing 100-200 TPD from many kilometres of veins in various operations. The team opined that the veins on this concession would be limited (10's TPD). The most significant workings on these structures are located 0.5km to the northwest and off the concession.
- The second area consists of some 400m of camp and infrastructure along the boundary between the Callejon and Brasil concessions. In this area there is a notable gap of approximately 10m between the two concessions which may mean that Alvarez Calderon may not hold title. In this "no-mans" land area, which on the surface exhibits a short strike length, lack of parallel veins and limited waste dumps may have limited potential.
- The final area is located in the extreme northeast of the Brasil concession. It consists of around 100m of workings with small dumps and minor infrastructure and described as being located at the end of a very tortuous access road.

Based on observations made from the field trip the authors determined that the underlying geology (intrusives of the Coastal Batholith) and the known styles of mineralisation (fault-controlled veins) make it unlikely that the approximately 5,754 hectares, are going to host significant bulk tonnage IOCG mineralisation of the type seen at Pampa de Pongo and Mina Justa. This however does not negate the potential for veins carrying significant mineralisation at depth.

7. VALUATION

7.1 INTRODUCTION

GRI has reviewed the available methodologies to provide an estimate of value for the project and has determined that the most appropriate method applicable in this instance is the Comparable Transactions (CT) method. We have reviewed other valuation methods and found one project where we could use the Joint Venture Terms method but, in general we rejected several methods on the following grounds:

- (i) that there is no information relating to previous exploration programmes or expenditures available, hence any cost-based methods were not appropriate;
- (ii) that a budget for future exploration activities has not been approved. Mining-Plus (2016) has undertaken two technical studies on the Torrecillas Gold Project with the first study (14 September 2016) an updated evaluation of the "Status of the Mined Areas" with the second report (11 November 2016) a review and commentary on the preparation and execution of a plan to recommence mining at the Torrecillas Gold Project, but at this stage no further work has been budgeted for by Andina;
- (iii) no JORC (2012) compliant resources have been developed at Torrecillas but, NI-43-101 Resource Statements have been developed and as described in (ii) above recent re-estimations were undertaken in 2016 after approximately two-years of production had taken place however, no estimates of production costs associated with operating in such an environment are available that would be sufficient to enable modelling of the project to determine an NPV; and
- (iv) there is no information relating to previous operating costs, nor has there been a pre-feasibility study undertaken on either the Torrecillas or San Santiago projects, nor do we have any financial data for any other local projects available that would allow an income-based valuation method to be used.

As we were able to identify several financial transactions containing gold and copper-gold projects in Peru, although not necessarily from the same geological province, we determined that use of a market-based valuation method - Comparable Transactions - was the most appropriate method available to us in this case and with two transactions that occurred three years apart on generally the same property we used the Joint Venture Terms method. GRI's approach has been to use the information obtained from these other transactions to determine whether a pricing trend or general price rule could be developed, which would then enable us to apply these to each project as necessary.

GRI has estimated the value of the Torrecillas and San Santiago Mineral Exploration Concessions and they are contained in Table 7.

Table 7: Valuation of San Santiago and Torrecillas Concessions, at 23 May 2018

Concession	Valuation Method	Value		
		Low	High	Preferred
San Santiago	CT	\$0.13m	\$0.38m	\$0.32m
Torrecillas	CT/JV	\$4.8m	\$6.0m	\$5.4m

7.2 COMPARABLE TRANSACTIONS METHOD

Four comparable transactions and two Joint Venture Terms transactions involving the sale or part sale of exploration properties in Peru have been identified as being similar, in that they contain the same minerals assemblages to the Torrecillas and San Santiago Mineral Exploration Concessions. A couple of these transactions have gold as the primary target mineral assemblage while the remainder are dominantly copper-gold mineral assemblages. Of primary concern to us in using this method is that while these transactions dominantly involve similar minerals assemblages, the style of mineralisation varies greatly, which means that the volume, form and mineralogy of the orebody, the mining methods to be used, the

mining equipment required, the metallurgical processing requirements and even the methods of transportation required can vary significantly and therefore the associated costs.

In reviewing the transactions that we could identify as being generally of the same minerals assemblages and in the same general geographic region as our two projects, we recognised that most of the transactions that we identified related to projects that were in geologic terms regarded as being porphyry deposits, meaning that they were of large volumes, exhibited low minerals grades and required bulk mining methods to extract the ores. In the case of the Torrecillas and San Santiago projects, they are located in a region where the shape of the orebodies are controlled by faulting and as such they tend to be linear and relatively narrow, contain significantly lower tonnages but higher grades and are exploited using different mining equipment, hence their cost structures are very different.

Additionally, while each transaction is located in Peru, which satisfies the similar legislative regime requirement for a Comparable Transaction method to be used, each project was technically more mature than either of the projects being valued being regarded as mature stage exploration projects or early stage development projects. While we did undertake considerable research for transactions involving projects at similar stages of evaluation as the Torrecillas and San Santiago projects we determined that the exploitation processes of minerals projects in Peru involved significant “value adding” through exploration efforts before a project was made available for sale or joint venture. In our opinion, the Torrecillas and San Santiago projects are less mature than the transactions identified and as such we expect that they would hold less value than a more technically mature project.

In determining the concession’s values, we have sought to bring each transaction back to a standard indicator that would allow us to compare each property on a like for like basis. As these concessions are minerals exploration concessions and lack defined resources and reserves, we have chosen a Dollar Value per Hectare (\$/Ha) to enable us to determine the values. We have then reviewed the geologic parameters for the transactions and for the two projects and against each of the comparative criteria we have subjectively applied multipliers, either positive or negative. These have then been multiplied together and the resulting factor applied to the \$/Ha value obtained from the identified transactions.

The values of the Comparable Transactions evaluated by GRI range from \$149/Ha to \$2,562/Ha however, the high value (\$2,562/Ha) was determined from the Joint Venture Terms method on a project that we also identified was transacted three years earlier when its trade value was determined to be \$982/Ha. This example clearly illustrates the case that targeted exploration development does have the capacity to increase the value of a minerals property. We regard this high-end value to be an outlier as it represents a project far more advanced than either San Santiago or Torrecillas at their current levels of development.

Of significance however is that mineralogy alone of a project, does not appear to be a strong indicator of value. Of far greater significance is the timing of the transaction and how it coincides with global market fluctuations. We have not undertaken a detailed review of this phenomenon but acknowledge that commodity prices can move rapidly in a positive or negative direction and that values of properties will move in line with these variations.

Note: All monetary amounts shown in the table below represent Australian Dollars. All transactions were made in Canadian Dollar terms but as the Australian and Canadian Dollars have traded virtually on par during the period that these transactions took place we have assumed that within the levels of accuracy for this report that A\$1=C\$1.

Table 8: Recent Comparable Transactions and Joint Ventures

Transaction	Exploration Information	Value
<p>1. Lupaka Gold Corp (TSX-V: LPK) ('Lupaka') announced on 19 September 2017 that it had signed a definitive sales agreement to sell 100% of its interests in the Crucero Gold Project to GoldMining Inc. Pursuant to the Agreement, GoldMining acquired all of the shares of a wholly owned subsidiary of Lupaka, which will hold a 100% interest in Crucero. Total consideration payable by GoldMining under the transaction is 3,500,000 common shares of Goldmining and \$750,000 in cash. The project area is 4,600 Ha and lies within the Department of Puno, in southeastern Peru.</p>	<p>The Crucero project is located 150 km northeast of the City of Juliaco. The project is accessible by paved road from Juliaca to the town of Crucero, with the remaining 50 km to site by gravel road. High voltage electrical power lines pass within 8 km of the project. The project has been the focus of exploration and drilling programs from 1996 to 2012.</p> <p>The Project is comprised of three mining and five exploration concessions. Production is subject to certain net smelter return royalties of 1-5%, based on monthly gold prices.</p> <p>Historic exploration programs have focused on the A1 deposit, however geophysical and geochemical surveys have identified 10 additional targets (A2 to A11) for follow-up exploration. at depth and along strike to the northwest and southeast. The orogenic gold mineralisation is associated with sulphide veins hosted within strongly deformed metasedimentary rocks. The A1 deposit was the subject of a resource estimate published by Lupaka in 2013, which is treated as a historic estimate by GoldMining.</p>	<p>GoldMining acquired 100% interest in the project by issuing 3,500,000 shares and paying \$750,000 in cash. The price of the shares at the date of the transaction was \$1.41/share. Therefore, the consideration for the project was 3,500,000 x \$1.41 + \$750,000 = \$5,685,000.</p> <p>Total = \$5,685,000</p> <p>OR</p> <p>\$1,236 per hectare</p>
<p>2. Kaizen Discovery Inc. (TSXV: KZD) announced on 26 October 2015 that it had finalised its acquisition agreement with AM Gold Inc. (TSXV: AMG) for 100% interest in the Pinaya Copper Project in Peru's Caylloma and Lampa provinces.</p> <p>AM Gold received 15,384,615 common shares of Kaizen - representing approximately 8.8% of Kaizen's issued and outstanding common shares, on an undiluted basis, a cash payment of \$500,000 and a \$264,822 reimbursement for certain property-maintenance payments made by AM Gold. Kaizen also closed a concurrent agreement with Rokmaster Resources Corp., which previously had entered into an option and joint-venture agreement with AM Gold. Rokmaster agreed that as consideration, Kaizen issue 2,000,000 common shares of Kaizen and paid C\$300,000 to Rokmaster.</p>	<p>The Pinaya Project covers 19,200 hectares and includes more than 25 kilometres of strike length within the Andahuaylas-Yauri Porphyry Belt in southeastern Peru. This belt hosts numerous productive and world-class porphyry and skarn systems, including Las Bambas, Tintaya, Constanca and Haqira. Project infrastructure consists of a fully equipped exploration camp and drill rig. The project contains Mineral Resources within three zones that are essentially contiguous over a 1.7-kilometre strike in the central part of the property. The Western and Northwestern porphyry zones hold estimated Measured and Indicated Resources of 32.3 million tonnes at 0.39% copper and 0.44 grams per tonne (g/t) of gold, for contained metal of 280 million pounds of copper and 452,000 ounces of gold. These porphyry zones also have additional Inferred Resources of 35.4 million tonnes grading 0.40% copper and 0.27 g/t gold, containing 314 million pounds of copper and 307,000 ounces of gold. The Gold Oxide Skarn Zone has additional Measured and Indicated Resources of 6.4 million tonnes at 0.80 g/t gold and 0.092% copper, containing 164,000 ounces of gold and 13.0 million pounds of copper. This zone also has an Inferred Resource of 2.38 million tonnes grading 0.60 g/t of gold and 0.081% copper, containing 46,000 ounces of gold and 4.3 million pounds of copper. Previous drilling on the property was focused mainly on defining the current resources and much less on systematic regional exploration. Regional soil geochemical and geophysical surveys have identified multiple, untested targets along and across strike of the resource.</p>	<p>Kaizen acquired a 100% interest in the Pinaya copper project and surrounding concessions by paying a total consideration of C\$4,845,271 to the vendors, consisting of \$499,117 cash and 17,384,615 shares on signing the agreement. GRI has estimated that the share price of Kaizen ordinary fully paid shares was approximately \$0.45 on the date of the Agreement. GRI used this price in our estimations whereby the consideration paid by Kaizen was 17,384,615 x \$0.45 + \$499,117 = \$8,322,194</p> <p>Total= \$8,322,194</p> <p>OR</p> <p>\$433 per hectare</p>

Transaction	Exploration Information	Value
<p>3. Ashburton Minerals Ltd announced on 29 July 2013 that it had entered into a conditional non-binding term sheet to acquire unlisted Australian explorer Platypus Resources Limited. Platypus holds rights to acquire approximately 23,450 ha of ground prospective for copper-gold-base metal mineralisation in the San Mateo Mining District, situated 100 km east of Lima, Peru, in the western cordillera of the Andes. Ashburton will seek shareholder approval to issue approx. 1,750 million Ashburton shares to the shareholders of Platypus to acquire all of the issued shares in the capital of Platypus such that Platypus would become a wholly owned subsidiary of the Company.</p>	<p>The primary property being acquired in Peru is situated central to the historical mining area in the San Mateo Mining District, which contains numerous historical gold, copper, silver and base metal mines, including the Pacococha, Millotingo, Silveria, Germania, Chanape and Shullac mines, among others, several of which persisted as artisanal operations into the early 1990s. The district has been variously explored in the past, mainly by Canadian companies, and is today marked by the presence of a number of explorers, including ASX-listed Inca Minerals (ASX: ICG) which is exploring its Chanape project, and Sandfire Resources (ASX: SFR) who holds adjacent ground. Inca recently reported some outstanding drilling results at Chanape that confirmed the presence of porphyry-style copper mineralisation (220 m @ 0.13% Cu and 120 ppm Mo, from 380 m to end of hole at 600 m) beneath a shallower zone of epithermal gold mineralisation (108 m @ 2.0 g/t Au and 413 g/t Ag from surface) that was initially identified by previous workers, with the alteration in the Inca intercept confirmed by consultants to be typical of porphyry-style mineralisation. These results have significantly enhanced the prospectivity of the San Mateo district, having opened up the potential for the discovery of giant copper deposits in addition to the epithermal-style gold-silver- base metal deposits that are known in the area. The central Platypus tenement block (3,450 ha) entirely surrounds the Inca Minerals Chanape project area (805 ha) and contains extensions of geological, geophysical and geochemical trends seen in the central Chanape area.</p>	<p>Ashburton acquired a 100% interest in Platypus that held large concessions in the San Mateo Mining District. Ashburton issued 1,750 million shares to Platypus and advanced a loan of A\$100,000 to enable Platypus to conduct its business in the period through to completion of the Acquisition. No cash payment was made. At the same time as this Acquisition was proceeding Ashburton also undertook a capital raising issuing 225 million shares at 0.2 cents per share. We therefore consider that the 1,750,000,000 shares issued to Platypus should have been at the same price. Therefore, the consideration should be $1,750,000,000 \times \\$0.002 = \\$3,500,000$.</p> <p>Total= \$3,500,000</p> <p>OR</p> <p>\$149 per hectare</p>

Transaction	Exploration Information	Value
<p>4. BCGold Corp (TSXV:BCG) – announced on 5 August 2016 that it had closed its Peru Transaction, previously announced on April 14th 2016, whereby it had acquired 100% interest in the "Peru Properties" by acquiring the shares of Circum Pacific Holdings Ltd. a closely held British Columbia company, which is the majority owner of the shares of Minera Chanape SAC and Cima de Oro S.A.C., the holders of the Peru Properties and directly acquiring the balance of the shares of Chanape and Cima not owned by Circum-Pacific. The overall consideration paid totals 30,000,000 shares of BCGold and a cash payment of \$60,000. The total land package to be acquired consists of 5,785 hectares of contiguous mineral concessions.</p>	<p>The Chanape and Pucacorrall Properties lie within the historic Chanape and San Mateo exploration and mining district, 100 kilometres east of Lima, Peru. The Properties overlay gold-silver epithermal systems associated with mineralised hydrothermal veins and breccias that are postulated to be related to concealed porphyry copper centres in a prolific mining district that has been actively mined for silver, gold and copper since colonial times. The Properties include the Veta Fulvia and the San Mateo silver-copper-gold mines, and completely surround the recent high-grade Chanape porphyry / breccia hosted Cu-Au-Ag discovery formerly owned by Inca Minerals Ltd. - ASX, ("Inca"), which has been demonstrated to extend onto BCGold's Chanape property. Inca has spent approximately A\$7 million in exploration on the Chanape discovery during the past 4 years. Past Chanape drilling by Inca returned high-grade intercepts in near-surface epithermal breccias that includes 55 metres averaging 2.3% Cu, 0.6 g/t Au, 42.9 g/t Ag and 108 metres averaging 2.0 g/t Au, 41.0 g/t Ag from surface, including 42 metres averaging 3.3 g/t Au, 34.9 g/t Ag. Sufficient information has not been received to report true widths. Historic and artisanal mines acquired by BCGold will be evaluated for third party mining and processing at nearby facilities, such as Nyrstar's Coricancha mine and milling complex, currently being evaluated by Great Panther Silver Ltd., 15 kilometres distant. The properties are proximal to the giant Toromocho Cu-Mo-Ag deposit, 30 kilometres to the north. Exploration work will include geological mapping, sampling and an I.P. geophysical survey to further define bulk-tonnage breccia gold-copper-silver drill targets. The Company will also be actively seeking and evaluating additional copper-gold-silver exploration opportunities in Peru.</p>	<p>BCGold acquired a 100% interest in Circum Pacific and the remaining holders of the Peru Properties. BCGold issued 30 million shares and paid A\$60,000 in cash. Our evaluation of the BCGold stock price at the time of this transaction was approximately \$0.07. The consideration should therefore be 30,000,000 x \$0.07 + \$60,000 = \$2,160,000.</p> <p>Total= \$2,160,000 OR \$373 per hectare</p>
<p>5. Eloro Resources Ltd, (TSX-V: ELO) announced on 4 February 2014 that it had signed a letter of agreement with Tartisan Resources Corp. (CSE: TTC), granting Eloro an option to acquire a 50% interest in La Victoria property, consisting of 8 mineral concessions totalling 3,360 ha. The Property is held by a Peruvian-based Tartisan subsidiary and is located in Huandoval District, Pallasca Province, Ancash Department, in the North-Central Mineral Belt of Peru. Under the terms of the Agreement, Eloro could earn a 50% interest in the Property, at the Company's option, by expending \$1.5 million in staged exploration and work expenditures on the Property and making cash payments to Tartisan totalling \$150,000 – all over a 4-year period.</p>	<p>La Victoria is a royalty-free property, wholly-owned by Tartisan, consisting of eight claims and located in northern Ancash Department, Peru. The property has good infrastructure with access to road, water and electricity. It is located at an altitude that ranges 3,100m to 4,200m above sea level. The project is located within 50 km of several producing mines including: La Arena owned by Rio Alto Mining Ltd., Lagunas Norte (Alto Chicama) owned by Barrick Gold Corporation and Santa Rosa owned by Compañía Minera Aurífera Santa Rosa (COMARSA). The Property has seen over US\$800,000 spent to date by Tartisan in connection with exploration and infrastructure development. This exploration work includes: topographic, ground magnetic and Induced Polarization geophysical surveys; over 600 samples taken for Geochemistry; construction of access roads; and, completion of a National Instrument 43-101-compliant Technical Report The property has numerous historical adits and surface workings. The NI 43-101 Technical Report concludes that La Victoria possesses excellent potential for finding high-grade oxide and sulphide epithermal Au-Ag vein systems and low-grade, large-tonnage, disseminated Cu-Au-Ag (porphyry-type) mineralisation.</p>	<p>The terms enable Eloro to acquire a 50% interest in the project by spending \$1,500,000 on staged exploration work and pay cash to Tartisan of an amount of \$150,000. These exploration expenditures and cash payments are to occur over a period of 4 years. The consideration amounts of \$1,650,000 represent the value of 50% of the project. Since both parties have agreed this amount it indicates that they are of the opinion that the total value of the property at that date is \$3,300,000 OR \$982 per hectare.</p> <p>Total= \$3,300,000 OR \$982 per hectare</p>

Transaction	Exploration Information	Value
<p>6.Eloro Resources Ltd. (TSX-V: ELO) announced on 30 March 2017, that it had signed a Definitive Option and Joint Venture Agreement with Cott Oil and Gas Limited (ASX: CMT), granting Cott an option to acquire up to a 25% interest in Eloro's wholly-owned La Victoria Gold Silver Project by completing up to C\$5 million in expenditures by July 31, 2018, the details of which were announced by Eloro on March 3, 2017. The Property covers approximately 8,040 hectares and is held by a Peruvian-based Eloro subsidiary and is located in Pallasca Province, Ancash Department, in the prolific North-Central Mineral Belt of Peru.</p>	<p>Same project as above however, Eloro has acquired the total project (we do not know how much or when) and added more concessions. We have assumed that more exploration work has been undertaken since Eloro Resources acquired its original 50% interest and that it has acquired the remaining 50% that was held by Tartisan. As Eloro is now offering a 25% interest in the property, it is assumed that Eloro's original exploration work provided sufficient interest for them to acquire the total project and add further concessions, i.e., original size of the property was 3,360 ha and the company is now offering a total concession package of 8,040 ha an extra 4,680 ha has been added. Eloro will retain 75% of its current holding and has offered to Cott a 25% interest.</p>	<p>The terms enable Cott to acquire a 25% interest in the project by spending \$5,000,000 on staged exploration work and pay cash to Tartisan of an amount of \$150,000. These exploration expenditures and cash payments are to occur over a period of 4 years. The consideration amounts of \$5,150,000 represent the value of 25% of the project at its current level of development. Since both parties have agreed this amount it indicates that they are of the opinion that the total value of the property at that date is \$20,600,000 OR \$2,562 per hectare.</p> <p>Total= \$20,600,000 OR \$2,562 per hectare</p>

Table 9: Comparable Transactions on a \$ per hectare

Project	Area (Ha)	Consideration (\$)	\$/Ha
Crucero Gold	4,600	5,685,000	1,236
Pinaya Copper	19,200	8,322,194	433
San Mateo Mining District Property	23,450	3,500,000	149
Circum Pacific's Peru Properties	5,785	2,160,000	373
La Victoria (2014)	3,360	1,650,000 ¹	982
La Victoria (2017)	8,040	5,150,000 ²	2,562
		Average	956

NOTE:

1. 50% interest in 2014
2. 25% interest in 2017

Table 10: Comparative evaluation of Transaction with Torrecillas Concessions

Transactions	Torrecillas Gold Project	Multiplier
Porphyry deposit	Vein-type	1.00
Large Volume/Low grade	Low Volume/high grade	0.90
Bulk mining	Narrow vein/selective mining	0.90
Pit operations	Underground operations	0.75
Large scale mining equipment	Smaller handheld equipment	0.85
Large scale plant metallurgical processing	Small scale processing plant	1.20
Identified resources	Lack of identified resources	0.50
		0.31

Table 11: Comparative evaluation of Transaction with San Santiago Concessions

Transactions	San Santiago	Multiplier
Porphyry deposit	Vein-type	1.00
Large Volume/Low grade	Low Volume/high grade	0.90
Bulk mining	Narrow vein/selective mining	0.90
Pit operations	Underground operations	0.75
Large scale mining equipment	Smaller handheld equipment	0.85
Large scale plant metallurgical processing	Small scale processing plant	1.20
Identified resources	Lack of identified resources	0.25
		0.15

Having subjectively determined the appropriate multiplier to apply to the values of the transactions we then reviewed the mineralogical assemblages for each and identified those that most closely matched the Torrecillas and San Santiago Projects. We determined that the mineral assemblages associated with the Torrecillas Gold project could be aligned with the Crucero Gold and La Victoria (2014) projects. We used the multiplier that had been determined for the Torrecillas Project (0.31) and multiplied it by the value ranges for the transactions that most closely aligned with this project. We determined that the value range for the Torrecillas Gold Project lie in the range \$4.8 million to \$6.0 million. We selected the mid-point of the range to represent our preferred value, which is \$5.4 million.

Similarly, we identified the transactions that most closely matched the San Santiago Project. We determined that the minerals assemblages of the Pinaya Copper, Circum Pacific and San Mateo projects could be aligned with this project and used the multiplier that had been determined for it (0.15) and multiplied it by the value ranges for the transactions that most closely aligned with this project. We determined that the value range for the San Santiago Copper-Gold Project lie in the range \$0.13 million to \$0.38 million. We selected the \$/Ha value estimated for Circum Pacific's Peru Properties to represent our preferred value (\$373/Ha), which is \$0.32 million.

Table 12: Valuation of Torrecillas and San Santiago Concessions

Concession	Comparative Transaction	Price Range/Ha (\$)	Area (Ha)	Area (Ha)	Value Range (\$)	Preferred Value (\$)
Torrecillas	Crucero Gold, La Victoria (2014)	982 – 1,236	0.31	15,668	4.8m – 6.0m	5.4m
San Santiago	Pinaya, Circum Pacific, San Mateo	149 – 449	0.15	5,754	0.13m – 0.38m	0.32m

7.3 PROSPECTIVITY AND RISKS

The prospectivities and risk factors for both Titan and Andina have been considered in determining the valuation:

7.3.1 MINERAL RESOURCES

San Santiago Project – GRI reviewed the discussion contained in the notes of the field trip undertaken by Titan's geologist over the concessions during December 2017. The author's opinion that the underlying geology (intrusives of the Coastal Batholith) and the known styles of mineralisation (fault-controlled veins) make it unlikely that the concessions are likely to host significant bulk tonnage IOCG mineralisation of the type seen at

Pampa de Pongo and Mina Justa although the potential for vein-hosted mineralisation is apparent. The author observed that there is excellent exposure in the Cobrepampa area and that where mineralisation has been identified it is currently being exploited by illegal miners or it has been exploited in the past. The author noted that with the exception on the Genova, Callejon and Brasil claims, under option from Alvarez Calderon, all the other concessions show no signs of mining activity and on this basis concluded that they are therefore unlikely to host significant mineralisation. It was noted that the veins on the Alvarez Calderon concessions have a strike length of 1.5 to 2km and from the scale of these workings, dumps and infrastructure that while Titan does control a number of veins that these veins are smaller than average for the area with limited production.

Torrecillas – Difficulties in identifying when mining operations and mineral resource estimations were undertaken and how much ore remains after the Trial Mining period from 2012 to 2014, presents a complex issue for Andina. A study undertaken by Mining-Plus during 2016, proved inconclusive as to tonnages and grades of ore remaining and that available for exploitation, plus the lack of economic data available on the mine including potential costs. Estimates of reserves and resources may change significantly when new information becomes available or new factors arise once new studies are undertaken. Variations in grade will impact the total tonnages produced and the costs incurred. Interpretations and deductions of the geology and controls on the mineralisation on which the reserve and resource estimates would be based (i.e. past drilling, sampling and similar examination) may potentially be found to be inaccurate when further drilling or the commencement of actual production take place. Any adjustment could affect the development and mining plans, which could materially and adversely affect the revenues and the valuation of the Mineral Assets. There can be no assurance that the recovery from exploration assay tests will be the same under on-site conditions or in production-scale operations.

7.3.2 FUTURE PRICES AND GLOBAL ECONOMY

Revenues of the Mineral Assets depend on future prices in general and they are highly sensitive to price fluctuations, both positively and negatively. A huge fall in prices would substantially reduce the valuations. The worst case is that the Mineral Assets would become uneconomical.

7.3.3 OPERATING COSTS

The mining business is capital intensive and the development and exploitation of reserves and resources, the depreciation and unavailability of equipment and machineries, and the expansion of production capacity will require substantial capital expenditures. There may be significant increases in operating costs which arise from unforeseen operating complexities such as increases in fuel prices or global or local inflation. Operations may not be completed within the scope of the time planned, original budgets may be exceeded, and the intended economic results or commercial viability may not be achieved. All of which could have a material adverse effect on the results of operations and the business.

7.3.4 CONCESSIONS AND LICENSES EXTENSION

The exploration concessions form the basis for determining the value of the Mineral Assets. There are risks that the applications necessary to undertake work activities may be delayed or not issued.

8. GENERAL

8.1 QUALIFICATIONS

Global Resources & Infrastructure Pty Ltd (“GRI”) is a management consulting and advisory company that specialises in providing its services to the resources and infrastructure industries.

Ian Buckingham, Managing Director of GRI is GRI’s lead consultant in preparation of this opinion for [RSM/Moore Stephens]. Mr. Buckingham has worked on over three hundred valuation assignments. Specific valuation assignments undertaken by Mr. Buckingham include: providing Specialist’s advice to Grant Samuel when that company provided an Independent Expert’s Report to Aberfoyle Limited in relation to the takeover offer by Western Metals NL; providing Specialist’s advice to Grant Samuel and to KPMG Corporate Finance when both of those organisations provided the Independent Expert’s Reports on the takeover offer by Rio Tinto for North Limited and Ashton Mining Limited respectively. As Project Director he managed the project team that undertook a review of the mining, environmental, legal and economic issues associated with the Ok Tedi Mine, PNG; working in support to Roma Appraisals Limited he evaluated the purchase by China Precious Metal Resources Holdings Co., Ltd of two gold mines, Bianfushan and Shangzhui, both located in Yunan Province, PRC., he reviewed and valued the coal assets of PT Kideco, a 12 million tonne per annum Indonesian based coal mining and exporting company, reviewed and valued the assets of both Aulron Energy Limited and Yarrabee Coal Company Pty Ltd as part of the purchase by Aulron Energy Limited of all of the shares in Yarrabee Coal Company through the issue of shares in Aulron Energy Limited; participated in the strategic review team that evaluated and valued the WMC Corridor Sands Project, Mozambique; reviewed and valued the minerals assets and Stuart Oil Shale Project of Southern Pacific Petroleum; valued the Australian coal assets of Kumagai Australia; prepared and completed the “Competent Person’s” Report for the listing of Zeehan Zinc Limited, an Australian base metals company on the Alternative Investment Market (AIM) of the London Stock Exchange. More recently, he has reviewed, evaluated and valued Jinchangxi-Bize Gold Project, prepared information; held discussions with QST executives, reviewed and prepared valuation report and liaised with the Independent Expert. Mr. Buckingham has also undertaken a number of strategic development assignments evaluating several minerals commodities on behalf of global mining groups.

Ian Buckingham holds Associateship and Fellowship Diplomas in Geology (RMIT) with extra studies in mining engineering and primary metallurgy, B.App.Sc.(Applied Geology) and MBA from RMIT University. Mr. Buckingham is a Fellow Australasian Institute of Mining & Metallurgy (FAusIMM), Member PESA and AAPG and Member AAPG Energy Minerals Division.

Commencing his career as a base metals, gold and diamonds exploration geologist he moved into gas engineering and petroleum exploration and development before establishing himself as a resources analyst in stock broking and investment banking. As an analyst he evaluated and developed financial models for major mining and energy companies and has worked on a significant number of resources projects where his knowledge and expertise in areas such as due diligence, valuation, commercial and technical analyses, concept and strategic development, financial modeling and general mining management have been required. Since establishing GRI he has carried on his work in the resources and infrastructure industries focusing on project development, strategic analysis and project evaluation.

Ian was a member of the committee that re-wrote the VALMIN Code (2005).

8.2 FEES

GRI will be paid a total professional fee of A\$21,000.00 plus reasonable expenses for the preparation of this report. The fee is not contingent on the conclusions set out in the report.

8.3 COMPLIANCE

This report has been prepared in accordance with the requirements of the “Code and Guidelines for Technical Assessment and/or Valuation of Mineral and Petroleum Assets and Mineral and Petroleum Securities for independent Expert Reports” (The VALMIN Code, 2015).

8.4 DECLARATION

GRI has not previously worked on any assignment associated with Andina or any companies associated with that company.

GRI does not have any business relationship with Andina or with any companies associated with that company that could reasonably be regarded as being prejudicial to its ability to give an unbiased and independent assessment.

There is no present agreement, arrangement or understanding that GRI will at any time in the future undertake any assignment for Andina or any company or organisation associated with Andina.

Other than as set out herein, neither GRI nor Ian Buckingham has any interest in the companies that are the subjects of this report.

8.5 CONSENT

GRI has given its written consent to the inclusion of this report in Moore Stephen's IER to be provided to Andina's independent directors, management or shareholders, pursuant to Australian regulatory requirements. As of this date, GRI has not withdrawn its consent. GRI has not been involved in the preparation of or authorised or caused the issue of any other part of the documentation to be provided to Andina's shareholders, other than this report.

Neither the whole, nor any part of this report, nor any reference thereto, may be included in or with, or attached to any document or used for any other purpose without the prior written consent of GRI to the form and context in which it appears and the purpose of its use.

All of the persons involved in the preparation of this report have consented to the use of this assessment report, for the purpose stated above and, in the form, and context in which it appears.

8.6 LIMITATION

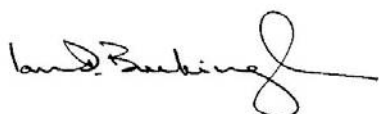
The statements and opinions contained in this report are given in good faith and, to a considerable extent; reliance has been placed on the information provided by Titan and Mining-Plus. All such information has been presented in a professional manner and GRI believes, on reasonable grounds, that it is true, complete as to material details, and not misleading. The work undertaken for the purpose of this report in no way constitutes a technical audit of any of the assets or records reviewed, and GRI does not warrant that its inquiries have realised all of the matters that an audit might disclose. GRI in no way guarantees or otherwise warrants the achievability of any forecasts of future production and costs used in valuations in this report.

8.7 FACTUAL AND CONFIDENTIALITY REVIEW

A draft copy of this report was provided to officers of Moore Stephens and Andina for comments as to confidentiality issues, errors of fact or misinterpretation, or substantive disagreements on the assumptions that GRI has adopted. While GRI has included minor corrections and amendments in this final report as a result of comments received, neither the methodology nor conclusions were amended.

GRI gratefully acknowledge the assistance provided by the Directors and officers of Moore Stephens, Andina, Titan and Mining-Plus, South America in facilitating the preparation of this report.

GLOBAL RESOURCES & INFRASTRUCTURE PTY LTD



IAN BUCKINGHAM
Managing Director

APPENDIX I – REFERENCES

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VALUATION OF SAN SANTIAGO METALLURGICAL PLANT ASSETS

CONTENTS

1 EXECUTIVE SUMMARY3

2 SCOPE4

3 REFERENCE MATERIALS4

4 PLANT VALUES4

 4.1 COPPER CIRCUIT4

 4.2 GOLD CIRCUIT6

 4.3 COMBINED ASSET VALUE.....8

DISCLAIMER

This document and all information contained herein is confidential and intended for **Moore Stephens (WA) Pty Ltd (MS)** for use in the preparation of an Independent Experts Review (IER) on behalf of Andina Resources Limited. Trinol has given consent to the issue of this report in the IER included in the form and context in which it appears. Trinol has only been involved in the preparation of this valuation report and not in the preparation of any other part of the IER. Trinol specifically disclaims liability to any person in respect of statements included elsewhere in the IER.

The opinions expressed in this document are addressed only to **MS** for its benefit with respect to the **San Santiago Plant Valuation** project. Trinol accepts no liability whatsoever for any loss or damage (including consequential or economic loss damage) arising as a result of reliance on the information presented herein for any party.

Trinol has exercised reasonable care in accordance with standards normally exercised within our profession in the completion of this document. Trinol has relied on information provided by Titan Minerals. Although Trinol has exercised reasonable care in reviewing this data, Trinol makes no representation or warranty with respect to the accuracy or veracity of the data that it has relied upon.

1 EXECUTIVE SUMMARY

Trinol were instructed by Moore Stephens to prepare a valuation report for inclusion in an IER on behalf of Andina Resources Limited and it is a high-level estimate of the replacement cost and realisable value of the copper and gold plant assets at the San Santiago processing facility located in the Nazca Province of Peru.

Trinol have not visited the site in Peru for the preparation of this report nor previously for the preparation of the preliminary Condition Assessment Report referred to in 3b) below, but has relied on information supplied by Titan Minerals and their engineering consultants and advisors.

The order of magnitude valuation estimate in US dollars (USD) has been prepared by identifying the major mechanical items of plant and estimating costs for that equipment. Where items of equipment have not been identified, then an assumed item has been included and sized based on typical design factors for that equipment. Various factors, stated in the tables below, have then been applied to arrive at the realisable value of the used assets if they were offered for sale on the open market. These factors are derived from experience of purchasing similar used plant in WA and the values may be higher in Peru if the said items are not freely available on the local market.

The Table 1-1 below summarises the estimated values.

Combined Circuit Value		
Circuit	Estimated Value New	Estimated Realisable used value
Copper	\$ 2,750,000	\$ 776,400
Gold	\$ 1,640,000	\$ 526,100
Combined	\$ 4,390,000	\$ 1,302,500
Estimated Plant Replacement Cost (3x equipment multiplier)	\$ 13,170,000	

Table 1-1 : Combined Copper and Gold Plant Estimated Value

2 SCOPE

This desktop study report provides an estimated value of the combined copper and gold plant assets at the San Santiago processing facility in the Nazca Province of Peru. Trinol has not visited the site, and the report has been compiled by identifying and estimating the costs associated with new major mechanical items of equipment for both the copper and gold circuits and applying an industry acceptable 3 times multiplier to obtain an all in constructed price. This factor is derived from experience in constructing numerous metallurgical plants internationally and supported by the internationally recognised Lang factor method of Capital Cost estimation:

<http://prjmgrcap.com/langfactorestimating.html>

Peruvian depreciation rates were not available, but in the case of mining equipment the valuation is often driven by condition and maintenance/operating practices, rather than by age and how many tonnes have been treated. In the case of the San Santiago assets the Copper sulphide and Gold circuits are seemingly in good condition and thus a 30% to 35% value factor has been provided for the used equipment price depending on equipment type. For the oxide copper plant, which is reported to be in not in as good condition, but is still very serviceable, a 20% current valuation factor has been used.

It also needs to be considered that with any new plant, a significant portion of the costs are not recoverable if the equipment is to be sold and relocated. For example, a Run of Mine retaining wall for the crusher installation will cost more than the crusher, but has no commercial re-sell value, other than in its installed location, as it cannot be relocated. Major mechanical equipment can be relocated if it is in suitable condition to be of interest to other parties.

Plant equipment valuations are based on a database of costs of similar equipment purchased in Brazil and WA within the last two years.

Finally, this report has been written without detailed consideration of the used equipment market in Peru due to time constraints on understanding the used equipment market or any tax implications on imported items in Peru, which may affect the realisable value. Local factors could affect the valuation and items that may have little value elsewhere, may have significant value in Peru if they are hard to find. Such factors have not been taken into account in this valuation.

3 REFERENCE MATERIALS

The documents provided as source data for the investigation are:

- | | |
|----------------------------|---|
| a) Titan Minerals Limited | Internal Memo - Site visit and Desktop Assessment |
| b) Trinol Pty Ltd | Preliminary condition assessment of San Santiago dated Aug 2017 |
| c) Karios Peru Sac Capital | List of Machine and Equipment |

4 PLANT VALUES

4.1 COPPER CIRCUIT

The copper sulphide circuit was refurbished in 2014 and is seemingly in good operational condition. The plant comprises of a single crushing circuit with two parallel processing streams one for sulphide ore and one for oxide ore.

The simplified circuit layout is shown below in Figure 4-1 with the estimated values in Table 4-1 following.

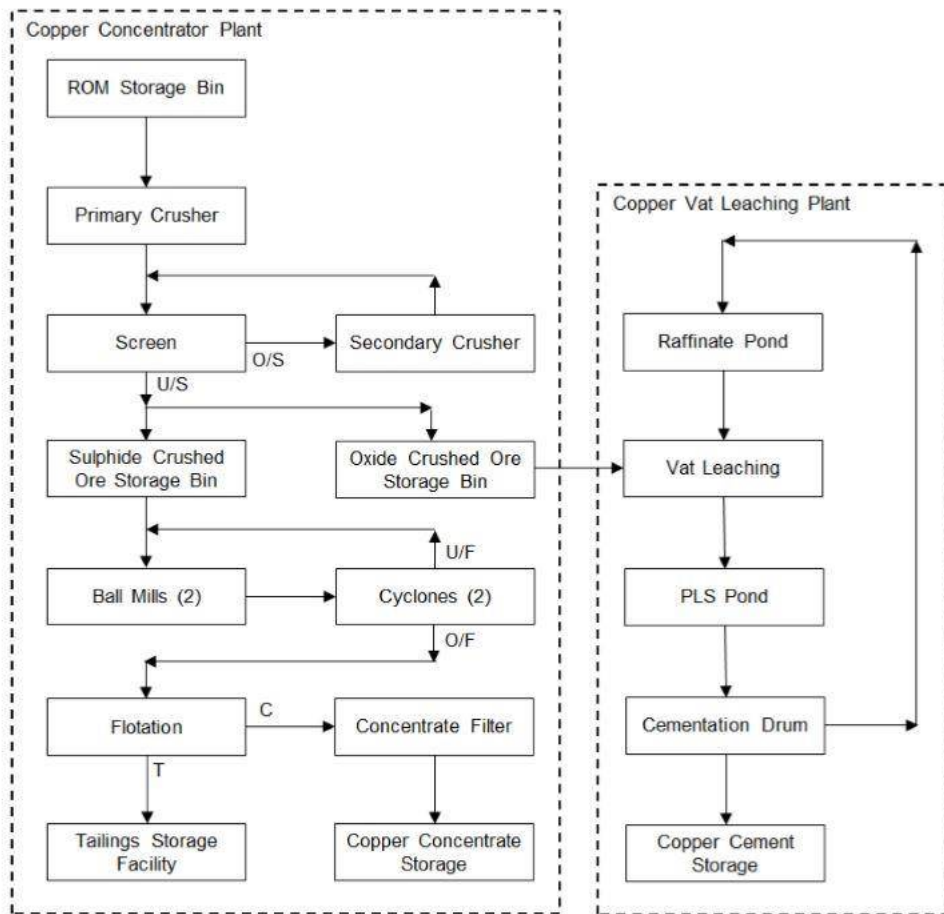


Figure 4-1 : Simplified Copper Circuit Flowsheet - Source Trinol Report

The following photos in Figure 4-2, provided by Titan Minerals, depict typical copper plant condition.



Figure 4-2 : Copper Mills and Copper Flotation Cells

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VALUATION OF SAN SANTIAGO METALLURGICAL PLANT ASSETS

Copper Circuit Estimated Value						
Copper Circuit	Item	Description	Source	Estimated Value New	Used Value Factor	Estimated Realisable used value
Crushing	Primary Crusher	250x500 Jaw	Trinol Report	\$ 185,000	35%	\$ 64,800
Crushing	Secondary Crusher	914mm Cone	Trinol Report	\$ 275,000	35%	\$ 96,300
Crushing	Product Screen	4x18' Double deck	Assumed	\$ 65,000	30%	\$ 19,500
Crushing	Crushing Conveyors	3 Conveyors 14" x 80m total length	Assumed	\$ 125,000	30%	\$ 37,500
Sulphide	Fine ore bin	270T Ore Capacity	Trinol Report Assume 30T bin	\$ 210,000	30%	\$ 63,000
Sulphide	Mill Feed Conveyor	14"x8m	Equipment List	\$ 30,000	30%	\$ 9,000
Sulphide	Ball Mill	6'x6' with 125HP drive	Trinol Report	\$ 300,000	35%	\$ 105,000
Sulphide	Ball Mill	6'x6' with 125HP drive	Trinol Report	\$ 300,000	35%	\$ 105,000
Sulphide	Mill Discharge Pumps	3" duty standby	Equipment List	\$ 30,000	30%	\$ 9,000
Sulphide	Cyclones	4" and 6"	Equipment List	\$ 35,000	30%	\$ 10,500
Sulphide	Rougher/Scavenger Flot Cells	Bank of 6 Denver	Trinol Report	\$ 190,000	35%	\$ 66,500
Sulphide	Cleaner Flot Cells	Bank of 4 Denver	Trinol Report	\$ 150,000	35%	\$ 52,500
Sulphide	Concentrate filter	30 tpd	Trinol Report	\$ 75,000	35%	\$ 26,300
Sulphide	Tails Pumps	2.5" Duty Standby	Equipment List	\$ 30,000	30%	\$ 9,000
Oxide	Fine Ore Bin	Unknown. Assume 270T capacity	Trinol Report	\$ 210,000	35%	\$ 73,500
Oxide	Conveyor distribution system	14"x20m	Photos	\$ 35,000	20%	\$ 7,000
Oxide	Concrete Vat Leaching	Assumed 5mx5mx2mx12off	Photos	\$ 395,000	0%	\$ -
Oxide	Cementation Drum	Unknown	Provisional Sum	\$ 80,000	20%	\$ 16,000
Oxide	Various Pumps	Unknown	Provisional Sum	\$ 30,000	20%	\$ 6,000
				Total		\$ 776,400
				Plant Replacement Cost (3x equipment multiplier)	\$ 8,250,000	

Table 4-1 : Estimated Copper Circuit Value

4.2 GOLD CIRCUIT

The Gold circuit was also assumed to be in good operational condition and is reported to have been upgraded in 2014.

The circuit consists of Primary crushing, closed circuit Secondary crushing followed by Milling from which the slurry is pumped to a typical CIL/CIP circuit and then to tails. Loaded carbon is screened out at the plant and sent to Lima for final gold extraction. No final gold recovery is done on site.

The photos below ,supplied by Titan Minerals,in Figure 4-3 show the general condition of the gold circuit and Table 4-2 presents the estimates of the value (USD) of the plant.



Figure 4-3 : Gold Circuit Photos

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VALUATION OF SAN SANTIAGO METALLURGICAL PLANT ASSETS

Gold Circuit Estimated Value						
Gold Circuit	Item	Description	Source	Estimated Value New	Used Value Factor	Estimated Realisable used value
Crushing	Primary Crusher	400x600 Jaw	Trinol Report	\$ 195,000	35%	\$ 68,300
Crushing	Secondary Crusher	600mm Cone	Trinol Report	\$ 175,000	35%	\$ 61,300
Crushing	Product Screen	4x18' Double deck	Assumed	\$ 65,000	30%	\$ 19,500
Crushing	Crushing Conveyors	3 Conveyors 14" x 80m total length	Assumed	\$ 125,000	30%	\$ 37,500
Milling	Fine ore bin	30T Ore Capacity	Trinol Report Assume 10T bin	\$ 75,000	30%	\$ 22,500
Milling	Mill Feed Conveyor	14"x8m	Equipment List	\$ 30,000	30%	\$ 9,000
Milling	Ball Mill	6'x8' with 180HP drive	Trinol Report	\$ 350,000	35%	\$ 122,500
Milling	Mill Discharge Pumps	2" duty standby	Equipment List	\$ 30,000	30%	\$ 9,000
Milling	Cyclones	2 x 3"	Equipment List	\$ 25,000	30%	\$ 7,500
Leaching	CIL/CIP Tanks	5 off 6.1m x 6.1m. Estimated 9.5T Ea	Trinol Report	\$ 400,000	30%	\$ 120,000
Leaching	Agitators	5 off 15 kW	Assumed	\$ 85,000	30%	\$ 25,500
Leaching	Carbon Pumps	5 off x 2 kW	Assumed	\$ 35,000	30%	\$ 10,500
Leaching	Tails Pumps	2" Duty Standby	Equipment List	\$ 30,000	30%	\$ 9,000
Leaching	Loaded carbon vessel	Unknow - Assume 2T capacity	Assumed	\$ 20,000	20%	\$ 4,000
Total				\$ 1,640,000		\$ 526,100
Plant Replacement Cost (3x equipment multiplier)				\$ 4,920,000		

Table 4-2 : Estimated Gold Circuit Value

4.3 COMBINED ASSET VALUE

The below Table 4-3 presents the estimated asset value (USD) of the combined plant at the San Santiago site.

Combined Circuit Value		
Circuit	Estimated Value New	Estimated Realisable used value
Copper	\$ 2,750,000	\$ 776,400
Gold	\$ 1,640,000	\$ 526,100
Combined	\$ 4,390,000	\$ 1,302,500
Estimated Plant Replacement Cost (3x equipment multiplier)	\$ 13,170,000	

Table 4-3 : Combined Asset Value

APPENDIX E - GLOSSARY

In this report, unless the context requires otherwise:

Term	Meaning
ASIC	Australian Securities and Investments Commission
Associated Director	Mr Matthew Carr
ASX	Australian Securities Exchange or ASX Limited ACN 008 624 691
Business Day	has the meaning given in the Listing Rules
Control Basis	As assessment of the Fair Value on an equity interest, which assumes the holder or holders have control of entity in which the equity is held
Fair Value	Unbiased estimate of the potential market price of a good, service, or asset.
Global Resources	An independent engaged to value the Torrecillas and San Santiago concessions
IER	This Independent Expert Report
Income Tax Assessment Act	the <i>Income Tax Assessment Act 1936</i> and the <i>Income Tax Assessment Act 1997</i>
Listing Rules	the official listing rules of ASX and includes the business rules of ASX
Minority Basis	As assessment of the Fair Value on an equity interest, which assumes the holder or holders do not have control of entity in which the equity is held
Moore Stephens or MSPCS	Moore Stephens Perth Corporate Services Pty Ltd
RG 111	ASIC Regulatory Guide 111 Contents of Expert's Reports
RG 112	ASIC Regulatory Guide 112 Contents of Expert's Reports
S&P Capital IQ	An entity of Standard and Poors which is a third party provider of company and other financial information.
The Bidder	Titan Mierals Limited
The Offer	The offer from Titan to Andina shareholders as defined in section 4.
The Target	Andina Resources Limited
Trinol	An independent engaged to value the San Santiago metallurgical plant.
VWAP	Volume weighted average share price

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