



# Titan Resources Limited

ABN 77 007 247 154

1st Floor 24 Outram Street West Perth P.O. Box 1073 West Perth 6872 Western Australia

Telephone: +61 8 9481 6040 Fax: +61 8 9481 6035

Internet: <http://www.titanresources.com.au> Email: [titan@titanresources.com.au](mailto:titan@titanresources.com.au)

---

RO/ASXTIR/ann09/27:04

27 April 2006

The Manager  
Company Announcements Office  
Australian Stock Exchange Limited  
4th Floor, 20 Bridge Street  
SYDNEY NSW 2000

**By ASX Online**

**Pages: 15**

Dear Sir

## **REPORT ON ACTIVITIES FOR THE QUARTER ENDED 31 MARCH 2006**

Please find following a report on activities for the third quarter ended 31 March 2006.

*Yours faithfully*

**Jeffrey Gresham**  
**MANAGING DIRECTOR**

# **Report on Activities**

## **for the quarter ended 31 March 2006**

### **Summary**

#### ***Exploration***

- RC and diamond drilling programs completed on four prospects at Widgiemooltha. Drilling for the quarter totalled 3,172 metres.
- Munda gold resource of **512,000t @ 2.80 g/t Au** defined. Further encouragement from deeper drilling of Munda nickel with **6m @ 3.66% Ni** (including **3.18m @ 5.67% Ni**) in hole WDD123.
- Widgie Townsite drilling returned highly encouraging intersections in the NO2 lens of **13m @ 2.75% Ni** in WDD125 and **5.6m @ 1.96% Ni** in WDD124.
- The Widgie Townsite resource has been upgraded to **2.08 million tonnes @ 1.89% Ni for 39,300 tonnes** of contained nickel metal, at a 1% Ni cutoff. This represents a 20% increase in contained nickel metal compared to the previously reported July 2005 resource estimate.
- Scoping studies completed on Widgie Townsite and in progress on 132N, utilising latest drilling data and updated resource models. Widgie Townsite scoping study indicates a potentially viable underground project based on the upper 200m of the deposit, with a pre-tax cash value of \$14.8 million at a nickel price of \$17,000/t. Excellent potential exists to considerably expand the project.
- At Carr Boyd Yilgarn Mining Ltd carried out two shallow reverse circulation drilling programs totalling 5,145m in 48 holes and one deep diamond drill hole to 579.9m during the quarter.

#### ***Corporate***

- On 28 March, Consolidated Minerals Ltd made an off market takeover offer for Titan Resources Limited. The offer was for 1 Consolidated share for every 35 Titan shares. There is no minimum subscription requirement.
- A letter, dated 31 March, was sent to all shareholders updating them on the Company's activities and advising them to take no action until they receive the Target's Statement which should be mailed to shareholders in mid May.
- At the end of the quarter Titan had cash of \$2.097m.

## **Exploration**

### **1. Introduction**

Exploration drilling was carried out at the Widgiemooltha North, Central Widgiemooltha and Munda Joint Venture projects. Metres drilled for the quarter were 2,147.7m of RC drilling and 1,024.3m of NQ diamond drilling for a total of 3,172 metres at the Munda, Widgie Townsite, O'Grady and 132N prospects.

A 5,700m RC and diamond drilling program was completed at the Carr Boyd project during the quarter by joint venture partners Yilgarn Mining Ltd.

Significant assay results received for the quarter are presented in Table 1 below.

### **2. Central Widgiemooltha Project (TIR 100%)**

#### **Widgie Townsite**

The results from the February 2006 drilling program have been highly encouraging with intersections in the NO2 lens of **13m @ 2.75% Ni** in WDD125 and **5.6m @ 1.96% Ni** in WDD124. Narrower, higher grade intersections of **1.7m @ 3.03% Ni** in WDD124 and **1.4m @ 3.77% Ni** in WDD125 were recorded in the NO1 lens, located 5-10 m west of the NO2 lens.

The drilling results returned from drilling programs completed over the past six months have lead to an update of the resource model. The resource model update, completed by independent consultants Hellman and Schofield has resulted in a JORC classified resource of 2.08 million tonnes @ 1.89% Ni for 39,300 tonnes of contained nickel metal, at a 1% Ni cutoff (Table 2). This represents an increase of 20% in contained Ni metal compared to the previously reported July 2005 resource estimate. The recent Titan drilling has also resulted in an upgrade in resource classification, with 63% of the resource tonnes now reporting into the higher confidence Measured and Indicated categories.

Utilising this updated resource model, a preliminary economic scoping study evaluating the economics of underground development of higher grade zones within the NO1 and NO2 lenses in the upper 200m of the Widgie Townsite deposit has been completed by consultant engineers Rapallo. The scoping study indicates a potentially viable underground project with a pre-tax cash value of \$14.8 million, based on a nickel price of \$17,000/t. At a nickel price of \$20,400/t the project has a pre-tax cash value of \$26.4 million. The study assumes a decline access and combination of mechanised and hand held mining methods and treatment at the BHPB Kambalda concentrator under the terms defined in the BHPB offtake agreement. The study suggests that there is significant potential to expand the project through mining of incremental tonnes located immediately along strike and down dip of the higher grade mining blocks.

Table 2: Widgie Townsite Mineral Resource as at March 2006 (1% Ni Cutoff)

<b>Measured</b>		<b>Indicated</b>		<b>Inferred</b>		<b>Total</b>	
Tonnes	Grade (%Ni)	Tonnes	Grade (%Ni)	Tonnes	Grade (%Ni)	Tonnes	Grade (%Ni)
<b>232,800</b>	<b>2.17</b>	<b>1,081,300</b>	<b>1.83</b>	<b>763,600</b>	<b>1.89</b>	<b>2,078,000</b>	<b>1.89</b>

*Note: The calculation, verification and classification of the above resource figures were undertaken by independent resource consultants Hellman and Schofield of Perth, under the supervision of Mr Peter McMickan. Mr McMickan is a full time employee of Titan Resources Ltd, and satisfies the requirements of a Competent Person as defined by the 2004 JORC Code, in the activities undertaken. The resources calculated by Hellman and Schofield have been estimated using ordinary kriging, and are reported at a 1% Ni cutoff.*

### 3. Munda Joint Venture (CSM 50%; TIR 50%, Manager)

#### Munda Nickel

The program of drilling completed in February 2006 was designed to test both nickel and gold targets. One hole (WDD123) was drilled to test an electromagnetic (EM) conductor down plunge of high grade mineralisation on the main nickel lens approximately 300m below surface. This hole intersected sulphides on the ultramafic-mafic contact approximately 80m to the east of the deepest intersection previously drilled at Munda (MND1705A - 5.5m @ 3.87% Ni).

The results from WDD123 have been highly encouraging with an intersection of **6m @ 3.66% Ni** (including **3.18m @ 5.67% Ni**).

The nickel intersection in WDD123 extends the main lens of mineralisation approximately 60m below the previous resource estimate, and is one of the thickest and highest grade intersections recorded to date in Titan drilling. Down hole EM surveying of this hole indicates a conductor in the interpreted down plunge position of the main mineralised lens.

#### Munda Gold

The results returned from drilling programs completed on the Munda gold deposit over the past six months initially lead to a revised structural interpretation of the mineralised lenses and subsequently a new resource model. The resource model, completed by independent resource consultants Hellman and Schofield has resulted in a JORC classified resource of **512,000 tonnes @ 2.80 g/t Au for 46,300** contained ounces of gold, at a 1g/t Au cutoff (Table 3) to approximately 130 metres depth.

A scoping study has commenced with consulting engineers Rapallo evaluating both the nickel and gold resources at Munda.

Table 3: Munda Mineral Resource as at March 2006 (1g/t Au Cutoff)

Measured		Indicated		Inferred		Total	
Tonnes	Grade (g/t Au)	Tonnes	Grade (g/t Au)	Tonnes	Grade (g/t Au)	Tonnes	Grade (g/t Au)
				512,000	2.80	512,000	2.80

*Note: The calculation, verification and classification of the above resource figures were undertaken by independent resource consultants Hellman and Schofield of Perth, under the supervision of Mr Peter McMickan. Mr McMickan is a full time employee of Titan Resources Ltd, and satisfies the requirements of a Competent Person as defined by the 2004 JORC Code, in the activities undertaken. The resources calculated by Hellman and Schofield have been estimated using ordinary kriging with a top cut appropriate to each domain, and are reported at a 1g/t Au cutoff.*

### 4. Widgiemooltha North Project (TIR 100%)

#### 132N

The drilling program completed during the quarter was directed towards better definition of the upper and lower limits to the high grade nickel mineralisation north of the existing open pit. Better results from this drilling include 4.4m @ 2.82% Ni in hole WDD115 and 2m @ 2.70% Ni in hole WDD116.

Consulting engineers Rapallo have commenced a scoping study looking at the potential for both open pit mining or decline access underground mining of the upper 150 metres of the higher grade zone located immediately north and down plunge of the existing open pit.

## **O'Grady**

The O'Grady prospect was discovered by International Nickel Australia Ltd (INAL) in the early 1970's. Western Mining Corporation Ltd (WMC) acquired the prospect as part of a larger tenement package in 1980 and completed a number of drilling programs over the ensuing 15 years. Following acquisition of the Widgiemooltha North project from WMC in late 2001, Titan completed limited RC and diamond drilling programs with mixed success.

In September 2005 Titan obtained a number of historic geophysical surveys (ground and down hole electromagnetic (EM), and ground magnetic data) from WMC, including single component down hole EM data from O'Grady. Re-processing of these data indicated an untested EM anomaly off drill hole WID2398.

Re-entry of this hole, and re-surveying using three component down hole EM confirmed the anomaly and positioned it on the ultramafic-mafic contact, below previous drilling.

An existing RC drill hole was re-entered and extended by RC and diamond drilling in February 2006 to intersect the EM anomaly and the basal ultramafic-mafic contact. This drill hole (WDD069) intersected 0.6m of massive sulphide on the basal contact, and has returned a highly encouraging intercept of **1.76m @ 4.27% Ni** (including **0.58m @ 9.83% Ni**) from 316.52m down hole.

Subsequent down hole EM surveying of WDD069 indicates an anomaly adjacent to the hole and plunging to the north. The anomaly source is interpreted to be significant in size and very conductive. Follow up drilling of the EM target is planned next quarter.

## **5. Widgiemooltha Regional (TIR 100%)**

Ground SQUID EM surveying completed earlier in the year over two of the priority exploration areas located west of Munda and south of Widgie 3 prospects has identified three high priority drill targets. These targets are located on an ultramafic-mafic contact along strike west of the Munda prospect, and will be drill tested next quarter.

Further ground EM surveys, and first pass reconnaissance RAB/aircore drilling of regional targets at Mt Eaton and Pioneer are planned for the next quarter.

## **6. Carr Boyd Rocks (TIR 100%, Yilgarn Mining earning 51%)**

Joint venture partner Yilgarn Mining Ltd carried out two shallow reverse circulation drilling programs totalling 5,145m in 48 holes and one deep diamond drill hole to 579.9m during the period.

The RC drilling was carried out in the south western section of the Carr Boyd mafic-ultramafic intrusive complex, including the Tregurtha prospect area (where previous drilling has intersected 12m of disseminated sulphide mineralisation grading 1.0% Ni, 0.4% Cu and 1.2ppm PGE).

The first phase of drilling tested several target areas at the Tregurtha prospect. The best result obtained was **10m @ 0.86% Ni and 0.58% Cu** from 10m depth in hole CBC097, at the eastern end of the Tregurtha lode.

The second phase of drilling targeted anomalous copper geochemistry coincident with the base of a dunite (overlying a pyroxenite unit), again indicating potential for Ni-Cu sulphide mineralisation. This drilling encountered only moderately anomalous results in the bedrock, the best result being **5m @ 0.81% Ni and 0.22% Cu** from 35 to 40m in hole CBC117.

The diamond drill hole was drilled in the Carr Boyd "Mine Area" where previous mining of Ni-Cu sulphide ore shoots has been carried out (in the 1970's) and the existing Ni-Cu sulphide resources occur. The hole was drilled with the objective of drilling parallel to the interpreted "axis" of the known sulphide shoots and continuing well beyond within an interpreted "favourable corridor" for sulphide shoots.

The hole encountered zones of low grade disseminated nickel and copper sulphide which were proximal to known sulphide shoots. Assay results are awaited.

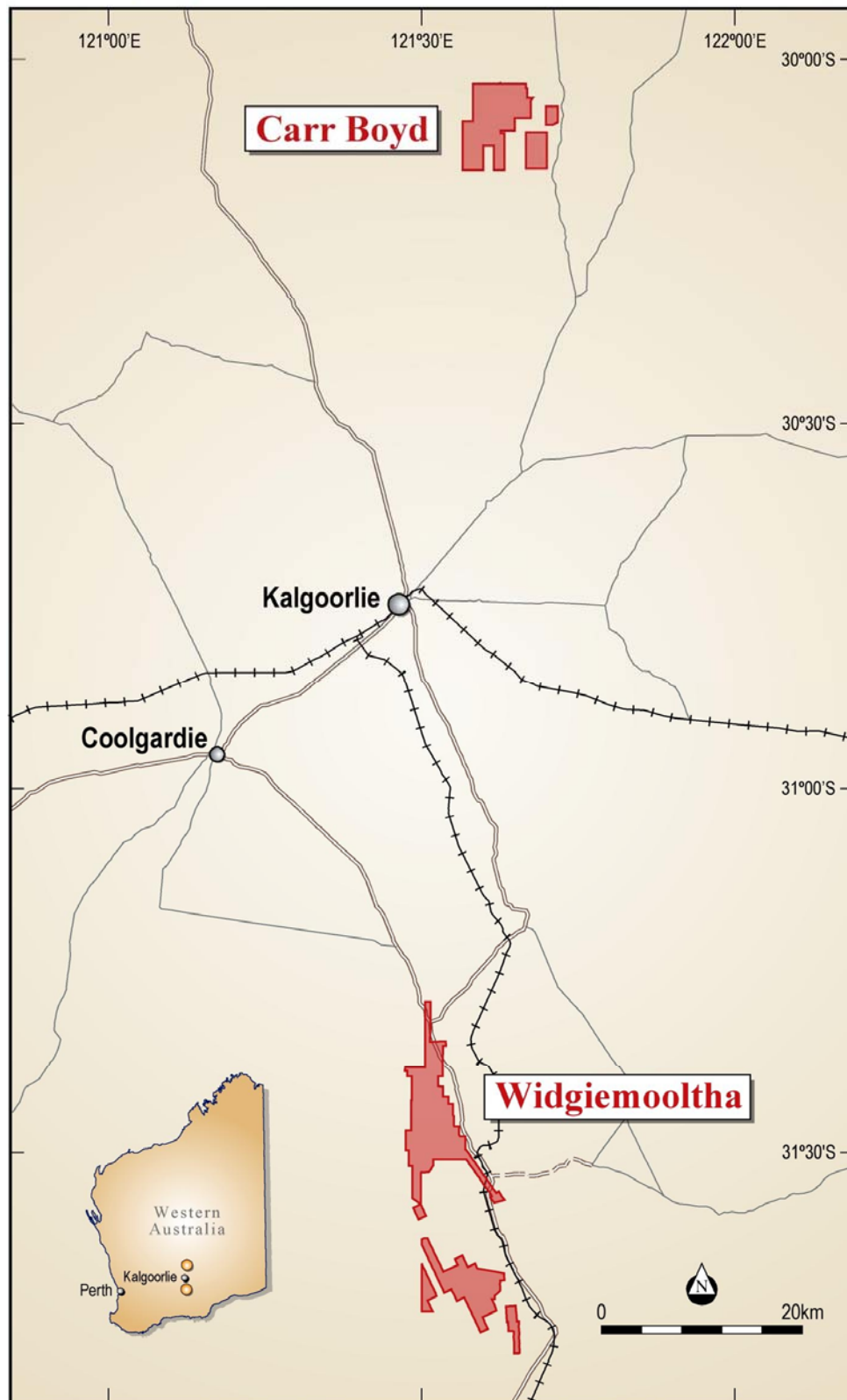
The hole was abandoned at 579.9m down-hole depth following a rod jam. Down hole EM surveys detected a highly conductive body, slightly south-east of the hole, from about 380m downhole. The upper part of this anomaly corresponds with previously drilled intersections of the "No. 4 Shoot" (previous intersections from this shoot include 7.1m @ 2.37% Ni and 0.53% Cu and 20m @ 1.58% Ni and 0.29% Cu). The EM survey suggests that this shoot persists for at least 130 metres down-plunge. This is well beyond the limit of past drilling and indicates that deeper holes are warranted. Further modelling and interpretation of the EM is in progress.

Yilgarn considers the Mine Area, with the existing sulphide ore shoots, to be highly prospective and will continue to test that area at depth beneath existing drill holes and will almost certainly require deep drilling, at least to 1,000m depth.

**Table 1: Summary of Drilling Results for March Quarter**

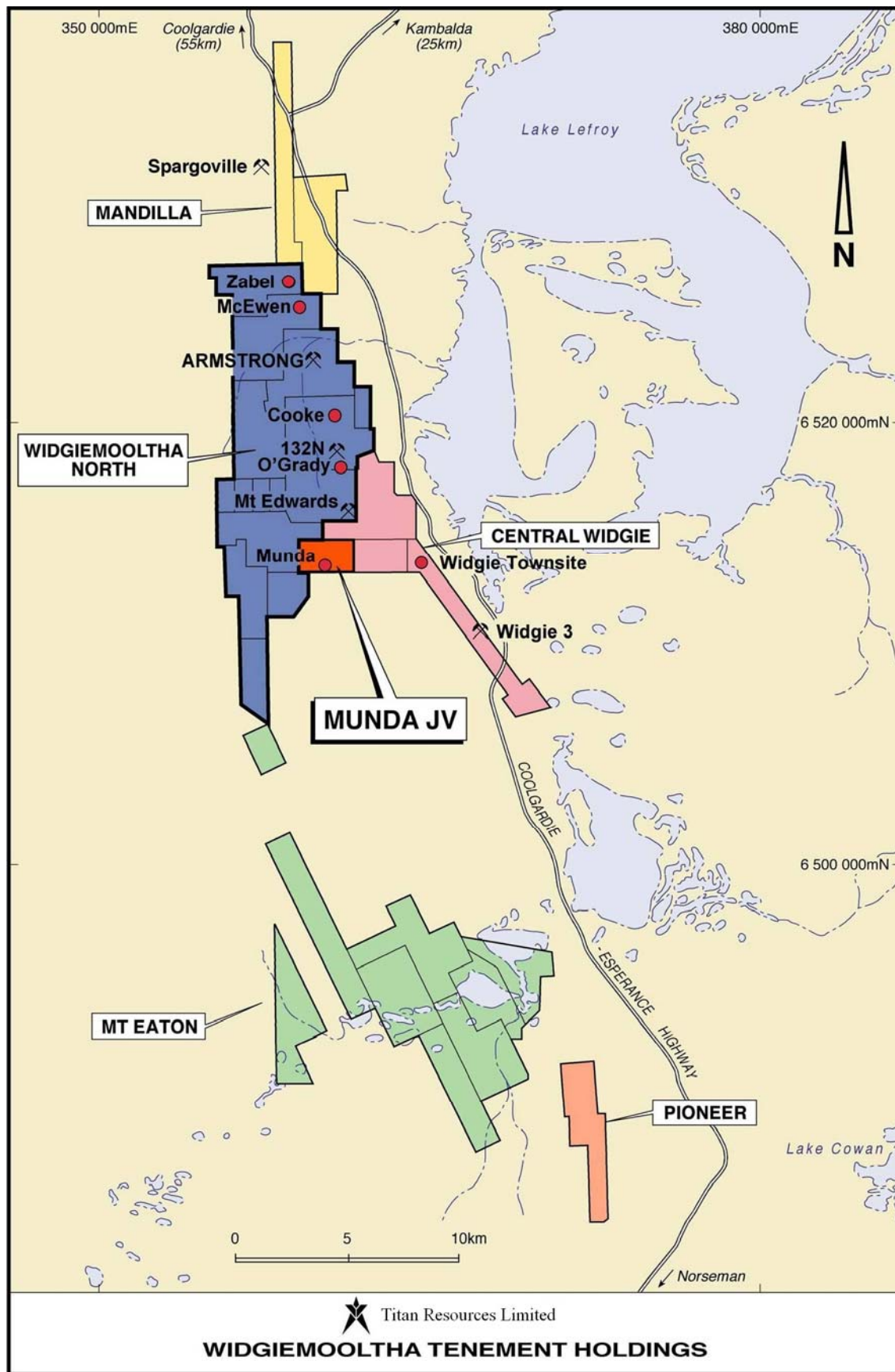
Drilling							Significant Assays				
Hole No	N	E	Dip/Az	Depth (m)		Total	From (m)	To (m)	Intersection (m)	Ni (%)	Au (ppm)
				RC/RC Precollar	DD						
132N											
WDC292	6518910	361150	-60/90	70	0	70	31	33	2	1.59	
WDC293	6518965	361127	-60/90	95	0	95	58	61	3	1.34	
WDD115	6518935	361137	-60/90	41.9	44.1	86	44	48.4	4.4	2.82	
WDD118	6518915	361020	-60/90	191.9	70.1	262	239	240.08	1.08	1.72	
WDD117	6518960	361035	-60/90	167.93	82.07	250	212.65	214	1.35	0.82	
WDD116	6519060	361206	-60/270	110	100	210	164	166	2	2.70	
Munda											
WDC294	6511800	366081	-50/270	55	0	55					NSA
WDC296	6511900	366084	-50/270	100	0	100	59	60	1		1.44
WDD123	6514115	360445	-80/180	200	180	380	338	344	6	3.66	
						incl	340.82	344	3.18	5.67	
WDD121	6513820	360512.5	-70/180	84	46	130	106	108	2		1.97
WDD119	6513821	360480	-76/180	72	40	112	84.53	86.4	1.87	5.16	
							93.75	94.1	0.35		26.20
							109	110	1		2.55
WDD122	6513905	360492	-75/180	130	50	180					NSA
WDD120	6513794	360406	-80/180	42	48	90	62	65	3		1.36
							72	73	1		3.19
							76	77	1		1.12
O'Grady											
WDD069	6518142	360939.4	-65/90	228	127	355	316.52	318.28	1.76	4.27	
						incl	317.7	318.28	0.58	9.83	
Widgie Townsite											
WDD125	6513966	364483	-60/225	150	85	235	40	48	8*	2.04	
							68	72	4*	1.33	
							184	197	13	2.75	
							204	205.4	1.4	3.77	
WDD124	6513968	364542	-60/225	180	152	332	52	56	4*	1.39	
							186.9	188.2	1.3	2.99	
							276.4	282	5.6	1.96	
							291.3	293	1.7	3.03	

\* 4m composite sampling



Tenement Location Map





## **Corporate**

On 28 March, Consolidated Minerals Ltd made an off market takeover offer for Titan Resources Limited. The offer was for 1 Consolidated share for every 35 Titan shares. There is no minimum subscription requirement.

A letter, dated 31 March, was sent to all shareholders updating them on the Company's activities and advising them to take no action until they receive the Target's Statement which should be mailed to shareholders in mid May.

At the end of the quarter Titan had cash of \$2.097 million.



*Jeffrey Gresham*  
**MANAGING DIRECTOR**  
27 April 2006

---

*For further information on these matters and on Titan Resources Limited in general please contact:*

*Mr Jeffrey Gresham, Managing Director / Chief Executive Officer*  
*Titan Resources Limited*  
*PO Box 1073*  
*West Perth WA 6872*

*Telephone: +61 8 9481 6040*

*Facsimile: +61 8 9481 6035*

Note: "The information in this report that relates to exploration results, mineral resources or ore reserves is based on information compiled by Mr Peter McMickan, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr McMickan is a full time employee of Titan Resources Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr McMickan consents to the inclusion in the report of the matters based on his information in the form and context in which it appears."

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

**TITAN RESOURCES LIMITED**

ABN

**77 007 247 154**

Quarter ended ("current quarter")

**MARCH 2006**

### Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (9 months) \$A'000
1.1	Receipts from product sales and related debtors	1	3
1.2	Payments for (a) exploration and evaluation	(651)	(2,290)
	(b) development	(3)	(34)
	(c) production	-	-
	(d) administration	(350)	(1,584)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	40	107
1.5	Interest and other costs of finance paid	(2)	(14)
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
	<b>Net Operating Cash Flows</b>	<b>(965)</b>	<b>(3,812)</b>
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(2)	(42)
1.9	Proceeds from sale of:		
	(a) prospects	140	3,640
	(b) equity investments	-	-
	(c) other fixed assets	-	84
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	310
	Deconsolidation of subsidiary	-	(1,059)
	<b>Net investing cash flows</b>	<b>138</b>	<b>2,933</b>
1.13	Total operating and investing cash flows (carried forward)	<b>(827)</b>	<b>(879)</b>

1.13	Total operating and investing cash flows (brought forward)	(827)	(879)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	(39)	39
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	(13)	(39)
	<b>Net financing cash flows</b>	(52)	-
	<b>Net increase (decrease) in cash held</b>	(879)	(879)
1.20	Cash at beginning of quarter/year to date	2,976	2,976
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	2,097	2,097

**Payments to directors of the entity and associates of the directors**  
**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	86
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	
	Non Executive Directors fees and consultants fees paid to Executive Director	

**Non-cash financing and investing activities**

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

**Financing facilities available**

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-
3.2	Credit standby arrangements	-

## Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	1,000
4.2 Development	-
<b>Total</b>	<b>1,000</b>

## Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	2,097	2,976
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter</b> (item 1.22)	<b>2,097</b>	<b>2,976</b>

## Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	-	-	-	-
6.2 Interests in mining tenements acquired or increased	-	-	-	-

## Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.


		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	<b>Preference *securities</b> (description)	-	-		
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-		
7.3	<b>*Ordinary securities</b>	373,543,738	373,543,738		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	-	-		
7.5	<b>*Convertible debt securities</b> (description)	-	-		
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-	-		
7.7	<b>Options</b> (description and conversion factor)	500,000 1,440,000 400,000 3,100,000 3,300,000 8,740,000	- - - - - -	Exercise price \$0.37 \$0.39 \$0.10 \$0.069 \$0.069	Expiry date 8 June 2007 29 June 2009 31 Dec 2009 21 June 2010 21 June 2010
7.8	Total Options Issued during quarter	-	-		
7.9	Exercised during quarter	-	-		
7.10	Expired during quarter	-	-		
7.11	<b>Debentures</b> (totals only)	-	-		
7.12	<b>Unsecured notes</b> (totals only)	-	-		

## Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

2 This statement does give a true and fair view of the matters disclosed.

Sign here:

  
(Company secretary)

Date: 27 April 2006

Print name: Rob Orr

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

== == == == ==