

CALGARY, ALBERTA--(Marketwired - Apr 28, 2016) - [Titanium Corporation Inc.](#) (the "Company" or "Titanium") (TSX VENTURE:TIC) today released its results for the second quarter ended February 29, 2016.

In recent months, the Alberta and Federal Governments have announced a series of programs and measures to address climate change, provide stimulus for the Alberta and Canadian economies and foster economic diversification. The announced programs are described in more detail below. The Company believes its Creating Value from Waste technology offers the opportunity to significantly reduce oil sands emissions, increase resource revenues and reduce the industry's cost structure. The Company's proposed minerals projects also represent a near term opportunity for value added economic diversification.

"We welcome the government announcements of new funding programs, particularly at this time when the oil sands industry is challenged by continuing low oil prices," commented Scott Nelson, Titanium's President and Chief Executive Officer. "These programs are key to addressing climate change and our Company will apply to access this new funding as it becomes available."

The oil sands industry has been facing very challenging economic and regulatory environments and these factors have been impacting proposed projects for adoption of new technologies, including the Company's. In response to declining commodity prices for crude oil and bitumen for a protracted period now approaching two years, oil sands operators have been aggressively managing their capital spending, including deferring evaluations and sanctioning of new projects and restricting capital spending to sustaining capital expenditures and existing projects. At the same time, new environmental measures and regulations, which are still under development, are making it difficult for oil sands operators to predict potential operational and financial impacts on the industry.

In light of the industry's economic and regulatory challenges, the Company's strategy to achieve commercial projects includes:

- Working with governments to qualify projects for funding programs aimed at climate change and economic diversification, as these new programs are implemented;
- Enhancing the benefits from the Company's technology and projects including potential recovery of rare earth minerals and recovery of bitumen from legacy pond tailings;
- Expanding the integration of the CVW technology with other tailings remediation processes to eliminate the discharge of froth treatment tailings to tailings ponds;
- Updating engineering cost estimates to incorporate cost efficiencies in areas such as labor and materials;

The following are highlights of progress during the current fiscal year to date:

- The Company has been updating its project plans, cost estimates, communicating the economic and environmental benefits of its technology to industry and Government stakeholders and making submissions to assist the Alberta Government in framing policies to address climate change, tailings management and value-added economic diversification (heavy minerals);
- The Company is developing additional applications of its technology including a testing program for the recovery of bitumen from legacy pond tailings and analysis of the recovery of rare earth minerals and other elements;
- The Company continues to build its patent portfolio with additional patents for solvent recovery and extraction reaching final approval, increasing the Company's intellectual assets to include 13 patents awarded in Canada and the United States and 3 patents under review;
- The Company's technology continues to be featured in leading clean technology and innovation forums. The Company recently participated in Globe 2016, North America's largest sustainable technology business forum held in Vancouver on March 2-4, 2016. The Company also presented at the oil sands focused Canada's Oil Sands Innovation Alliance (COSIA) and Alberta Innovates (AIEES) Water Conference held in Calgary, March 22-23, 2016. The Company's presentation titled "Treatment of Tailings Water and Other Process Affected Water" is posted on the Company's website;
- Titanium has been selected as a finalist for the Global Petroleum Show 2016 Award for Environmental Innovation. Nominees have been judged by an independent panel to have made positive contributions to environmental solutions and the award recognizes technology developments that minimize or eliminate the environmental footprint of the oil and gas industry. The Global Petroleum Show, to be held in Calgary June 7-9, 2016, includes leading oil and gas companies, business partners, media and industry analysts from over 84 countries;
- On October 1, 2015, the Company entered into agreements with Syncrude Canada ("Syncrude") which provide a framework for future bitumen, solvent and minerals recovery projects on Syncrude sites. Under the agreements, Titanium agreed to transfer a 50% interest in one of the Company's oil recovery patents for royalty-free use by Syncrude at Syncrude sites. The Company has full use of the patent at all other oil sands operator sites without involvement by Syncrude. Syncrude granted the Company a first right to propose minerals recovery projects at Syncrude sites under an agreement which sets out the timeframes and other terms;
- During the past six months, the Company has been executing a financial plan to strengthen its balance sheet and cash position including: arranging term loan facilities totaling \$1.5 million; injecting \$0.5 million cash into treasury through the exercise of stock options; and issuing share instruments (RSUs and DSUs) to officers and directors in lieu of \$0.9 million of cash compensation.

The Alberta and Federal Government budgets recently announced specific funding programs to address climate change that the Company believes are relevant to commercialization of its technology:

- The April 2016 Alberta budget announced a number of measures that support Alberta's Climate Leadership Plan to reduce GHG emissions as well as foster innovation and the economic diversification of Alberta's economy. Among these measures in the budget is significantly increased funding to the Climate Change Emissions Management Corporation (CCEMC) which will result from increased Specified Gas Emitters Regulation (SGER) compliance costs. This increased funding results from an increase in the price of carbon in Alberta from the current \$15 per tonne to \$20 per tonne on January 1, 2017 and to \$30 per tonne on January 1, 2018. CCEMC funding is forecast in the budget to increase from \$101 million in 2016/17 to \$146 million in 2017/18 to \$917 million in 2018/19. The CCEMC mandate is to reinvest the funding in projects that help Alberta reduce greenhouse gas emissions and adapt to climate change;
- In its March 2016 budget, the Federal Government announced it will create a Low Carbon Economy Trust Fund and provide \$2 billion in funding. The Fund will support actions that materially reduce greenhouse gas emissions and are incremental to current plans, and achieve significant reductions within the period of Canada's nationally determined emissions reductions target. Resources will be allocated towards those projects that yield the greatest absolute greenhouse gas reductions for the lowest cost per tonne. In addition, the Federal Government intends to invest \$1 billion directly into clean technology in the forestry, mining, energy, fishing and agricultural sectors. The Company's technology is designed to recover hydrocarbons (bitumen and solvents) from oil sands froth treatment tailings streams, thereby preventing methanogenesis and reducing methane emissions from tailings ponds and providing other GHG emission reductions;
- In March, Canada and the US signed an agreement to cut methane emissions by 40-45 percent below 2012 levels by 2025 in the oil and gas sector. Environment Canada announced it plans to regulate methane emissions from new and existing oil and gas sources. Cutting methane emissions is one of the most effective ways to quickly and significantly reduce greenhouse gas (GHG) emissions. Different GHGs persist in the atmosphere for varying lengths of time and have different warming effects. Methane has a global warming effect of 25 times CO₂ on a 100 year basis and 72 times on a 20 year basis.

FINANCIAL OVERVIEW

Titanium is focused on achieving long-term financial success by taking its innovative CVW™ technologies into commercial production. Until a commercial investment is made, a plant built and operating at an oil sands site, the Company expects to incur losses. However, with the completion of extensive pilot testing on its CVW™ technology, research & development investment has been substantially reduced as the Company focuses its resources on commercialization.

Net Loss - Net loss for the three month period ended February 29, 2016 was \$0.8 million compared to \$0.8 million for the three month period ended February 28, 2015. While cash costs have decreased by \$0.2 million in the current quarter over the comparable period in fiscal 2015, the reduction was offset by additional non cash charges related to amortization of fair value associated with warrants issued in connection with the loan facility and non cash deferred compensation costs related to the issuance of DSUs and RSUs during the quarter. Titanium's net loss for the period is in line with expectations as a development stage company.

Research & Development ("R&D") - For the three month period ended February 29, 2016, R&D spending was \$0.2 million and consisted primarily of compensation for technical staff, equity based compensation, rent, equipment storage fees, and patent filing and maintenance fees. R&D spending was consistent with the corresponding period in 2015. Until a commercial arrangement is reached, R&D expenses will continue to be modest.

General & Administrative ("G&A") - G&A expense was \$0.5 million for the three month period ended February 29, 2016 compared to \$0.6 million for the three month period ended February 28, 2015 a decrease of \$0.1 million. G&A costs included \$0.15 million of non cash equity based compensation in the current quarter. With a focus on preserving cash and implementation of equity based compensation plans, the Company reduced its cash G&A expenses by \$0.2 million compared to the corresponding period in fiscal 2015.

Cash Position - The Company had \$0.9 million in cash at February 29, 2016 as compared to \$0.9 million at August 31, 2015. While there was no change in cash over the six month period ended February 29, 2016, the Company received proceeds of \$0.5 million from the exercise of stock options and \$0.5 million from funds advanced under the loan facilities secured on October 9, 2015, that offset its general overhead costs and R&D expenses incurred over the past six months. The Company arranged a \$1.5 million credit facility in the first quarter to ensure access to financial resources to continue to commercialize its technology and was advanced \$0.5 million during the current quarter. The remaining facility available to the Company is \$1.0 million. While these short term measures have improved the capital resources, the Company continues to evaluate longer term funding options to ensure adequate capital resources through the commercialization period.

To view the Company's management discussion and analysis and interim condensed financial statements for the three and six month periods ended February 29, 2016, please visit our website at www.titaniumcorporation.com or SEDAR at www.sedar.com.

About Titanium Corporation Inc.

Titanium Corporation's CVW™ technology provides sustainable solutions to reduce the environmental footprint of the oil sands industry. Our technology reduces the environmental impact of oil sands froth treatment tailings while economically

recovering valuable products that would otherwise be lost. CVW™ recovers bitumen, solvents and heavy minerals from tailings, preventing these commodities from entering tailings ponds and the atmosphere: volatile organic compound and greenhouse gas emissions are materially reduced; hot tailings water is improved in quality for recycling; and residual tailings can be thickened more readily. A new minerals industry will be created commencing with the production and export of zircon, an essential ingredient in ceramics. The Company's shares trade on the TSX-V under the symbol "TIC". For more information please visit the Company's website at www.titaniumcorporation.com.

Disclosure regarding forward-looking information

This news release contains forward-looking statements and information that reflects the current expectations of management about the future results, performance, achievements, prospects or opportunities for Titanium, including statements relating to advantages of the Company's technology and the creation of a mineral sands industry. These statements generally can be identified by use of forward-looking words such as "may", "will", "expect", "estimate", "anticipate", "believe", "project", "should" or "continue" or the negative thereof or similar variations.

Forward-looking information is presented in this news release for the purpose of assisting investors and others in understanding certain key elements of our financial results and business plan, as well as our objectives, strategic priorities and business outlook, and in obtaining a better understanding of our anticipated operating environment. Readers are cautioned that such information may not be appropriate for other purposes.

Forward-looking information, by its very nature, is subject to inherent risks and uncertainties and is based on several assumptions, both general and specific, which give rise to the possibility that actual results or events could differ materially from our expectations expressed in or implied by such forward-looking information and that our business outlook, objectives, plans and strategic priorities may not be achieved. In particular, the forward-looking information contained in this news release is based on the results of our research, pilot programs, studies, and commercialization efforts described in our management's discussion & analysis ("MD&A") under the heading "Titanium's Business". The Company has not commercially demonstrated its technologies and there can be no assurance that such research, pilot programs, and studies will prove to be accurate nor that such commercialization efforts will be successful, as actual results and future events could differ materially from those expected or estimated in such forward-looking statements. As a result, we cannot guarantee that any forward-looking information will materialize and we caution you against relying on any of this forward-looking information. Accordingly, readers should not place undue reliance on forward-looking information.

Additional information on these and other factors are disclosed in our MD&A, including under the heading "Discussion of Risks", and in other reports filed with the securities regulatory authorities in Canada from time to time and available on SEDAR (sedar.com).

The forward-looking information contained in this news release describes our expectations as of April 28, 2016 and, accordingly, are subject to change after such date. Except as may be required by Canadian securities laws, we do not undertake any obligation to update or revise any forward-looking information contained in this news release, whether as a result of new information, future events or otherwise.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Contact

Scott Nelson
President & CEO
Tel: (403) 561-0439
Email: snelson@titaniumcorporation.com
Jennifer Kaufield
Vice President Finance & CFO
Tel: (403) 874-9498
Email: jkaufield@titaniumcorporation.com