

CALGARY, ALBERTA--(Marketwired - Jul 21, 2016) - [Titanium Corporation Inc.](#) (the "Company" or "Titanium") (TSX VENTURE:TIC) today released its results for the third quarter ended May 31, 2016. The Company has completed development of a commercially-ready sustainable technology for the oil sands industry which would significantly reduce air emissions and other environmental impacts from froth treatment tailings streams while recovering valuable lost resources, creating jobs and growing Canada's economy. The Company is now focused on working with government and industry to qualify a potential first project for government funding programs aimed at climate change and economic development. The Company's strategies for commercialization and the details of the new government programs are described in the Company's third quarter 2016 Management Discussion and Analysis.

Titanium Corporation recently received the 2016 Environmental Innovation Award at the Global Petroleum Show, announced the award of significant patents in Canada and the United States and a third party engineering cost study reported capital cost reductions in the range of 10% for full scale implementation of the Company's technology. "These awards and achievements confirm the significant value our technology would create for all stakeholders," commented Scott Nelson, Titanium's President and Chief Executive Officer. "Titanium's technology is an excellent fit with new government initiatives and funding programs designed to support innovation, clean technology, create jobs and grow the economy."

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

- The Company and its technology received the Global Petroleum Show 2016 Award for Environmental Innovation which recognizes technological developments that minimize or eliminate the environmental footprint of the oil and gas industry. Alberta's Minister of Energy, The Honourable Margaret McCuaig-Boyd commented, "I applaud Titanium Corporation for developing a made-in-Alberta technology that supports responsible development. The success of Creating Value from Waste^{™} technology demonstrates the innovative and entrepreneurial spirit that will make sure Alberta remains a global energy leader, one that will continue to grow, adapt and generate prosperity for generations to come." The Global Petroleum Show, held in Calgary in June 2016, brings together leading oil and gas companies, business partners and industry analysts from over 84 countries and the international awards recognize leaders who drive change and evolution in the energy industry through technology, corporate social responsibility and excellence.
- On June 23, 2016, the Company announced the award of two patents covering key aspects of its technologies. Canadian Patent 2,839,509 protects innovations in solvent extraction technologies to recover bitumen from froth treatment tailings through measured control of immiscible phases in counter-current decantation circuits. Enhanced control enables a higher quality diluted bitumen product, minimizes bitumen losses while improving reliability through flexible handling of interphase material that is considered problematic in the oil sands industry. United States Patent 9,314,713 describes a novel and advanced process to recover 'lighter' hydrocarbons, such as solvent, diluent or naphtha, from process waste streams, including oil sands tailings. The technology's recovery efficiency lies in optimizing the process kinetics and exploiting the vapour liquid equilibrium of the tailings to provide significantly enhanced performance compared to technologies currently employed.
- During the quarter, the Company engaged an independent engineering firm to conduct a feasibility cost savings study, updating earlier Class IV capital cost estimates for full scale construction of the Company's CVW^{™} technology. The results of the engineering study confirmed cost saving in the range of 10% from earlier capital cost estimates.
- The Company is developing additional value added applications of its technology. A new project is under way, in collaboration with industry and university researchers, to test the effectiveness of the Company's technology in the removal and recovery of bitumen from legacy pond tailings. The remediation of tailings ponds is impaired by the presence of bitumen that has been accumulating in tailings ponds over time and removing this bitumen has the potential to improve remediation efficiency and reduce costs.
- On July 14, 2016 the Alberta Energy Regulator (AER) announced new requirements that target oil sands tailings ponds requiring performance reporting and ensuring progressive reclamation. The announcement described the newly issued Directive 085: Fluid Tailings Management for Oil Sands Mining Projects as a phased approach which supports the Government of Alberta's Tailings Management Framework. AER stated the new rules focus on outcomes and industry accountability to address environmental effects of tailings and management of new and existing tailings through progressive reclamation. The approach considers the net environmental effect of tailings management, considering consequences to air, land use, water and the ecosystem. Formal sub-objectives in the directive include minimizing the effect the deposit has on the surrounding environment and ensuring that it will not compromise the ability to reclaim to a locally common, diverse and self sustaining ecosystem. Sub-objective examples included design features that control water movement such as drainage control systems or management of risks associated with deposit characteristics such as treated froth fluid fine tailings, acidification, specific additives and gas formation. A second phase of the directive, which will be developed once applications are submitted by industry, will ensure strict surveillance and compliance requirements.
- In July, the Alberta Government also announced it is establishing an Oil Sands Advisory Group (OSAG) composed of members from industry, environmental organizations, the Indigenous and non-Indigenous communities to advise government on the oil-sands aspects of its Climate Leadership Plan and ensure that its initiatives are effective and widely supported. The OSAG will report to government with advice on three important areas: implementing the legislated annual GHG emission limit of 100 megatonnes; best investments in innovation to reduce GHG emissions intensity in oil sands production; and developing durable structures and processes to address local and regional environmental issues (i.e., air, land, water, biodiversity, cumulative effects).
- 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 nine months, the Company has been executing a financial plan to strengthen its balance sheet and cash position including: arranging term loan facilities totally \$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 \$1.0 million of cash compensation.

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 May 31, 2016 was \$0.8 million compared to \$0.5 million for the three month period ended May 31, 2015. While cash costs have decreased by \$0.3 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, stock based compensation related to the issuance of stock options and 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 May 31, 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 May 31, 2016 compared to \$0.3 million for the three month period ended May 31, 2015 an increase of \$0.2 million that included \$0.15 million of non cash stock based compensation and \$0.2 million of deferred compensation expense 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 \$0.1 million compared to the corresponding period in fiscal 2015.

Cash Position - The Company had \$0.6 million in cash at May 31, 2016 compared with \$0.9 million at August 31, 2015. The reduction of \$0.3 million over the nine month period ended May 31, 2016 relates to general overhead costs associate with a publicly traded company and R&D expenses, offset by the funds received from the loan facility (\$0.5 million) and proceeds (\$0.5 million) received from the exercise of 700,000 stock options. As at July 21, 2016, \$1.0 million of principal amount of the Loans are outstanding, and based on the Company's current cash flow forecast, it is expected that the Loans will be fully drawn by October 2016. 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.

The Company also announced that it has awarded its Vice President, Process Development \$134,700 of compensation which the executive has agreed to accept in restricted share units of the Company ("RSUs") under the Company's shareholder approved RSU plan. The Company will issue an aggregate number of RSUs equal to \$134,700 divided by the higher of the weighted average price per share at which the common shares of the Company have traded on the TSX Venture Exchange during the last five trading days prior to the award date of the RSUs and the closing price of such shares on the award date of the RSUs. The RSUs will be awarded immediately following the expiry of the pricing period for such RSUs. The RSUs will vest immediately and entitle the holder to acquire one common share of the Company underlying each such RSU by delivering a notice of acquisition to the Company and paying the required award price and withholding taxes, all in accordance with the RSU plan.

To view the Company's management discussion and analysis and interim condensed financial statements for the three and six month periods ended May 31, 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 July 21, 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.

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