

Titanium Corporation Reports Third Quarter September 30, 2018 Results and Provides Operational Update

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CALGARY, Nov. 21, 2018 - [Titanium Corporation Inc.](#) (the "Company" or "Titanium") (TSX-V: TIC) today released its results for the three and nine-month periods ended September 30, 2018. The Company changed its year end to December 31 from August 31 on January 24, 2018 and, as a result, is reporting its third quarter end as at September 30, 2018 in the new fiscal year.

The Company has continued to make excellent progress on commercialization of its CVW™ technology at [Canadian Natural Resources Ltd.](#)'s ("Canadian Natural") Horizon oil sands site. Front End Engineering Design ("FEED"), the first step in project planning and engineering is well advanced and the Company has successfully completed Milestone 3 under the contribution agreement entered into with Emission Reduction Alberta ("ERA") on October 19, 2017 (the "ERA Contribution Agreement"). The Federal and Alberta governments continue to prioritize climate change reduction, innovation, clean technology and economic diversification with a number of announced funding programs. The Company is in the process of qualifying for a number of these provincial and federal funding programs for ongoing phases of the project.

Highlights for the three and nine-month periods ended September 30, 2018 and recent months include:

- The Company continued with the project execution phase working with Canadian Natural and the engineering firms Stantec and IHC Robbins on the FEED and associated studies. Third-party engineering commenced in April 2018 and is expected to be completed by the end of 2018 with the overall FEED project to be completed in early 2019. The Company has also retained consultants and technical firms to assist with other aspects of the engineering design and associated planning including project management, regulatory approvals, aboriginal engagement and minerals marketing.
- On October 30, 2018, the Company announced the achievement of Milestone 3 of the FEED phase of its CVW™ Horizon project. ERA funding is provided in stages during the project as the Company meets and reports against predetermined milestones established under the ERA Contribution Agreement. Direct project and in-kind costs incurred up to September 30, 2018 were \$6.4 million. ERA and Canadian Natural contributions for their share of eligible project expenditures was \$5.5 million, of which \$0.6 million represents a 20% ERA holdback payable upon the completion of the project and final project reporting. The holdback will be received by the Company upon completion of agreed milestones outlined in the ERA Contribution Agreement. Project activities during the Milestone 3 period included the completion of full mechanical equipment lists including datasheets and specifications with the identification of long lead equipment listings for both the primary concentrator plant ("CP") and the minerals separation plant ("MSP"). Piping and instrumentation diagrams (P&IDs) were completed and the relevant control system architecture for each of the CP and MSP were issued for review. The Company previously announced the successful achievement of Milestones 1 and 2 on May 15, 2018 and August 17, 2018, respectively.
- The Company commissioned and has received an independent minerals market study and has been actively engaged with the minerals industry including meeting industry participants and prospective customers and participating in the Zircon Industry Association 2018 Conference held in Bangkok in September 2018 and the titanium and zircon minerals industry TZMI 2018 Congress held in Singapore in November 2018.
- The Company has been meeting with Canadian investment banks regarding their potential participation in the structuring and financing of the project and their support of the Company in financial markets. The Company, in consultation with outside experts, is executing an active investor outreach campaign to communicate the Company's investment story to a wider investor audience.

- The Company has an active program to communicate its technology and project to, and engage with, government, industry, the public and the investment community. Most recently, the Company participated by invitation in the Canadian Chamber of Commerce 2018 Hill Day in Ottawa in October 2018, where Canada's business community, parliamentarians and federal officials came together for the shared goal of building a Canada that wins. The discussions included innovation, climate sector policy and resource competitiveness and international trade diversification, trade and transportation infrastructure, economic capacity building for indigenous peoples and tax competitiveness. Earlier in the year, the Company participated by invitation in several technology and business forums including: the Federal Government Economic Strategy Table on "Innovation and Growing Firms to Scale" which focused on the support and financing of clean technologies; the Globe 2018 Forum which featured a Leadership Summit for Sustainable Business and an Innovation Expo; B7 meetings in Quebec City, where roundtables of business leaders from all of the G7 countries included the topics Scaling up Small Business and Climate Change and Resource Efficiency; the OCE Discovery Conference in Toronto, Canada's leading innovation-to-commercialization conference to showcase leading edge technology and bring together key players from industry, academia, government and the investment community.
- During the first nine months of the 2018 fiscal year, there were further stock option and warrant transactions that resulted in cash proceeds of \$1.2 million to the Company. On January 10, 2018, management exercised 450,000 stock options set to expire in April 2018 for proceeds to the Company of \$450,000. On February 16, 2018, Mossco Capital Inc., an affiliated Canadian resident corporation controlled by Mr. Moss Kadey, exercised in full its 1,000,000 non-transferable common share purchase warrants at a price of \$0.70 per share which resulted in the issuance of 1,000,000 common shares of Titanium for proceeds of \$700,000 to the Company.
- The Company is continuing cash conservation programs including those under which certain executive officers receive a portion of their compensation in restricted share units of the Company and all directors have elected to receive their annual retainers and meeting fees in deferred share units of the Company, to both conserve cash and further align themselves with shareholder interests.

NEXT STEPS

Implementing Titanium's technology would require concentrator facilities to be built at an oil sands site which integrate with existing oil sands operations. Separate minerals separation facilities would be constructed to process heavy mineral concentrates into final minerals products. The facilities may be jointly owned and operated along with oil sands operators or other strategic partners. The Company has advanced proposals and flexible business models whereby customers may elect to license technology and build certain aspects of the facilities or elect to have the Company, together with partners, build and operate these facilities.

The Company is acting as the lead proponent and overall project manager for the FEED project, working in close collaboration with Canadian Natural and ERA. In this role, the Company is responsible for contracting with the outside engineering and other firms required for the project, managing and funding these outside contracts, project controls, reporting progress against agreed milestones and collecting partner funding contributions upon milestone achievement from ERA and Canadian Natural.

The engineering design is at an advanced stage and is expected to be completed by the end of 2018 with the overall FEED project to be completed in early 2019. During the engineering design phase, the Company and Canadian Natural have undertaken a number of related commercialization activities including: pursuing available Federal and Alberta government funding programs and other sources of funding for the potential construction phase of the project; working with the Alberta government to develop a competitive fiscal structure for the project including new minerals products; minerals market development activities, and working with potential partners interested in participating in the project. Following completion of the FEED project in early 2019, post-FEED project activities are expected to include the continuation of minerals evaluation and testing; engineering optimization, including refining the project scope, and the evaluation of capital and operating costs. The Company expects to file regulatory applications for the proposed project and continue engagement with Indigenous communities. Subject to the successful completion and evaluation of results from the FEED project and post-FEED project activities, the Company and Canadian Natural's next steps would include making a final investment decision, including finalizing the business model, potential partners, commercial structure and financing plans and proceeding with the potential detailed engineering and construction of the facilities that would take approximately 30 months. Commercial structuring and financing for the project in 2019 will include the finalization of government due diligence related to grant applications and pursuing project financing from Government agencies.

FINANCIAL OVERVIEW

Titanium is focused on achieving long-term financial success by implementing its innovative CVW™ technologies for commercial operations at oil sands sites. The Company is now working on engineering design for potential implementation of its technology at Canadian Natural’s Horizon site. However, until commercial arrangements and investment decisions are made, and facilities are constructed and operating, the Company expects to continue to incur losses.

Net Loss – Net loss for the three-month period ended September 30, 2018 was \$2.0 million, or \$0.02 per share, compared to \$0.7 million, or \$0.01 per share, for the three-month period ended August 31, 2017. Net loss for the nine-month period ended September 30, 2018 was \$6.6 million compared to \$2.3 million for the nine-month period ended August 31, 2017. The net loss was higher in both the three and nine-month periods ended September 30, 2018 compared to the three and nine-month periods ended August 31, 2017 due to project and staffing costs for the engineering design project underway at Canadian Natural’s Horizon site that commenced in October 2017. The Company recognized \$1.8 million of government and partner contributions during the three-month period ended September 30, 2018 and \$2.3 million for the nine-month period ending September 30, 2018 for the engineering design project. In addition, \$1.2 million was received from ERA on November 16, 2018 for its contribution related to the costs incurred up to September 30, 2018 for the successful completion of Milestone 3 of the project. The funding contributions from ERA and Canadian Natural are recognized as a recovery of project costs upon achievement of the agreed milestones contained in the ERA Contribution Agreement and collection of cash. For a development stage company, the net loss was in line with expectations.

Research & Development (“R&D”) – For the three-month period ended September 30, 2018, R&D expenses net of recoveries was \$1.4 million compared to \$0.3 million higher by \$1.1 million due to the engineering design project compared to the corresponding three-month period ended August 31, 2017. While total expenses were higher due to increased staffing and the Company’s contribution towards engineering design for Canadian Natural’s Horizon site, the Company will recover an estimated \$2.1 million of the direct project and staffing costs incurred up until September 30, 2018 with the achievement of Milestone 3 which will reduce the net overall R&D expenditures in the next quarter.

General & Administrative (“G&A”) – G&A expense was \$0.5 million for the three-month period ended September 30, 2018 as compared to \$0.5 million for the three-month period ended August 31, 2017. While there was no change in G&A expenses overall there were some increases in certain categories related to compensation and benefits for management where the board has reinstated cash compensation for contracted salaries and portions of incentive pay. This increase in cash compensation was offset by a decrease in deferred compensation as the amount of annual incentive estimated for settlement with restricted share units is expected to be offset by an increase in cash compensation. In addition, investor relations expense was higher for the three-month period ended September 30, 2018 compared to the three-month period ended August 31, 2017 as the Company commenced an active program in February 2018 with Loderock Advisors Inc. to communicate its technology and the project to the public and the investor community. G&A costs included \$0.2 million of non-cash equity-based compensation for the three-month period ended September 30, 2018 consistent with the three-month period ended August 31, 2017. The Company continued its equity in lieu of cash compensation plans for directors and certain officers during the current period.

Cash Position – The Company had \$2.2 million of cash consisting of interest-bearing cash accounts at September 30, 2018 as compared to \$5.0 million at December 31, 2017. The decrease in cash of \$2.8 million relates to funding project costs in advance of collecting government and partner contributions in addition to the Company’s contribution for its share of project costs. In addition to the \$2.3 million recognized as project cost recovery for the nine-month period ended September 30, 2018, the Company will receive \$2.1 million for costs incurred during the third milestone period ended on September 30, 2018. On October 30, 2018, the Company announced the successful completion of Milestone 3 and received \$1.2 million on November 16, 2018 from ERA as its share of project costs incurred up to September 30, 2018. The balance of \$0.9 million in project cost recovery is expected to be received in the next quarter. During the nine-month period ended September 30, 2018, proceeds of \$1.2 million were received from the exercise of warrants (\$0.7 million) and the exercise of stock options (\$0.5 million). The Company has sufficient cash and funding contribution commitments from ERA and Canadian Natural to fund the remainder of the engineering design project commitment. The Company is currently evaluating financing options including the outstanding common share purchase warrants that are due to expire December 21, 2018 to provide further cash proceeds to support the Company through a final investment decision for a commercial project.

To view the Company’s management discussion and analysis and financial statements for the three

and nine-month periods ended September 30, 2018 and for the four-month period ended December 31, 2017 and year ended August 31, 2017, please visit our website at www.titaniumcorporation.com or SEDAR at www.sedar.com.

The Company completed a change of financial year-end from August 31 to December 31 to align the Company's financial reporting and enable it to streamline its annual budgeting and operations with the calendar year which is consistent with other peer companies. For details regarding the length and ending dates of the financial reporting periods, including the comparative periods, for the interim and annual financial statements to be filed for the Company's transition year and its new financial year, reference should be made to the Notice of Change of Year-End which is available on the Company's SEDAR profile 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, heavy minerals and water 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 within the meaning of applicable Canadian securities laws (collectively, "forward-looking information") that reflect 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; the timing expectations for completion of the FEED project and completion of the post-FEED project activities; the scope of activities remaining within the FEED project and the scope of activities that will be undertaken in the post-FEED project; the timing expectation for making a final investment decision and proceeding with a potential detailed engineering and construction of facilities; the expected contributions from each of ERA and Canadian Natural; the Company's ongoing engagement with indigenous communities and other stakeholders; the Company's ongoing investor outreach campaign and discussions with Canadian investment banks; the Company's continuing cash conservation program; and the expected next steps for the Company as described in this news release under the heading "Next Steps". 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 many 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 addition to other factors and assumptions which may be identified in this news release and in our MD&A, assumptions have been made regarding, among other things: the success of the current FEED study project activities and post-FEED study project activities; the ability of the Company to enter into commercial contracts with oil sands producers and to achieve commercialization of the CVW® technology, including the anticipated scope of such commercial contracts; the ability of the Company to enter into commercial contracts with other strategic partners in relation to building and operating facilities, as required; the ability of the Company to retain qualified staff; the ability of the Company to obtain financing on acceptable terms; the translation of the results from the Company's research, pilot programs, FEED project activities, post-FEED study project

activities and studies into the results expected on a commercial scale; future oil and zircon prices and the impact of lower prices on activity levels and cost savings of oil sands producers; the impact of increasing competition; the general stability of the economic and political environment in which the Company operates; the ability to obtain and maintain the Company's intellectual property; currency, exchange and interest rates; the regulatory framework regarding royalties, taxes and environmental matters in the jurisdictions in which the Company operates; and the ability of the Company to successfully market its CVW™ technology. The forward-looking information contained in this news release is based on the results of our research, pilot programs, FEED project activities, post-FEED project activities and related studies and commercialization efforts described in our management's discussion & analysis ("MD&A") under the headings "Titanium's Business", "Update" and "Next Steps". The Company has not commercially demonstrated its technologies and there can be no assurance that such research, pilot programs, FEED project activities, post-FEED project activities and related 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 November 21, 2018 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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