

Titanium Corporation Reports Results for the First Quarter Ended March 31, 2021 and Provides Project Update

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CALGARY, May 26, 2021 - [Titanium Corporation Inc.](#) (the "Company" or "Titanium") (TSX-V: TIC) today released its results for the three months ended March 31, 2021.

During the first quarter of 2021, the joint project team for the Company and [Canadian Natural Resources Ltd.](#) ("Canadian Natural") continued work towards the implementation of Titanium's Creating Value from Waste ("CVW") technology at Canadian Natural's Horizon oil sands site (the "Project" or the "CVW Horizon Project"). The Project work included finalizing engineering reviews of the concentrator facility, engineering redesign of the minerals and transload facilities and updating engineering cost estimates. The results of the engineering work are currently under review, including Project cost estimates, economic analysis and environmental benefits.

"The first quarter of 2021 was a very active period marked by the completion of a large minerals engineering program, the signing of agreements with government funding agencies and our partner, and as well as the collection of a number of grant milestone payments," commented Scott Nelson, Titanium's President and CEO. "The joint project team is now focused on review of the Class 3 engineering cost estimates, associated economic analysis and planning the next phase of the Project."

Highlights for the three months ended March 31, 2021.

- In January 2021, the Company and Natural Resources Canada ("NRCan") signed a Non-Repayable Contribution Agreement ("the NRCan Agreement"), under the Clean Growth Program, for \$1.96 million of funding for eligible expenditures of a work program for the period April 1, 2020 to March 31, 2021, as part of the engineering phase of the CVW Horizon Project. The Clean Growth Program is a Government of Canada collaborative approach to advance clean technologies toward commercial readiness, so that natural resources operations can better reduce their impacts on air, land, and water, while enhancing competitiveness and creating jobs. The work program includes validation engineering for the Project facilities, including the concentrator plant and tailings thickener, minerals plant and transload facility, and associated Class 3 capital cost estimates. The 2020 engineering phase was conducted jointly by Titanium and Canadian Natural, under the 2020 Project Coordination Agreement ("2020 PCA") announced in December 2020, whereby costs and grant funding is shared 30% and 70%, respectively. During the first quarter of 2021, the engineering work focused on minerals sample testing, minerals process engineering work to validate the resizing of the minerals plant and the front-end engineering design of a transload facility for rail shipment of minerals products.
- In March 2021, the Company received the first milestone funding of \$392,000 less a 10% holdback, under the NRCan Agreement for the engineering phase of the Project, with respect to the period April 1, 2020 to December 31, 2020.
- Also in March 2021, the Company received the first milestone funding of \$800,000 less a 20% holdback, from Emissions Reduction Alberta ("ERA") for the engineering phase of the Project. This ERA payment is the first under the \$5 million ERA Contribution Agreement announced in September 2020. The payment is with respect to 2020 joint Project costs totaling \$5.4 million incurred by Titanium and Canadian Natural (shared \$1.6 million and \$3.8 million respectively), with a net payment of \$640,000 also allocated on a 30% and 70% basis under the 2020 PCA.
- Subsequent to quarter end, in April 2021, the Company announced signing of a \$10 million Project Funding Agreement ("PFA") with Sustainable Development Technology Canada ("SDTC"). The SDTC funding award was previously announced in December 2020 and was subject to the successful negotiation of the PFA. The effective date for the SDTC funding is December 1, 2020. The PFA allows for advances of funding for eligible costs, paid in advance of each milestone, whereby the Company is required to complete required reports at each milestone, as the Project advances. SDTC will retain a 10% holdback from each advance until the Project is completed.

- In April 2021, the Company received the first SDTC milestone advance payment of \$815,264 less a 10% holdback.
- The Company and Canadian Natural signed a 2021 Project Coordination Agreement ("2021 PCA") which governs the January 1, 2021 to April 30, 2021 engineering phase of the Project (the "2021 Program"). Announced in April 2021, the 2021 PCA sets out the rights and responsibilities of Titanium and Canadian Natural. The 2021 Program includes completion of validation and optimization of the overall plant design and the updating of the capital and operating cost estimates for the concentrator plant, tailings thickener and associated utilities. The 2021 Program also includes the engineering redesign and updating of the capital and operating cost estimates for the mineral separation plant, associated utilities and the minerals product transload facility. The PCA provides that Canadian Natural and Titanium shall be responsible for 70% and 30%, respectively, of the total cost of the 2021 Program and the government grant proceeds related to the 2021 Program shall be shared between the parties on the same ratio. The 2021 PCA provides that ownership of the 2021 Program and any intellectual property rights developed during the program shall be jointly owned pro rata in accordance with each party's contribution. The 2021 PCA also sets out the management structure, responsibilities, administration and certain other customary terms and conditions for the conduct of the 2021 Program.
- In addition to advancing the Project with Canadian Natural and securing additional government funding for the Project, the Company continues to focus on protecting its balance sheet by reducing costs and conserving cash by reducing compensation, travel and other discretionary expenses. All the compensation paid to Company directors and a portion of management compensation is settled through the Company's equity-based plans instead of cash compensation.

Titanium has not received funding from the various government programs designed to support companies and workers during the COVID-19 pandemic in 2020 and 2021. As a development stage company without revenues, Titanium was not eligible for these government programs.

FINANCIAL OVERVIEW

Titanium is focused on achieving long-term financial success by implementing its CVW™ technologies in commercial operations at oil sands sites. The Company is working with Canadian Natural on the engineering phase of the Project including engineering validation, optimization, economics and planning for the potential implementation at Canadian Natural's Horizon site. However, until these Project activities are completed to the satisfaction of the parties, the commercial arrangements and investment decisions are made, and the facilities are constructed and operating, the Company expects to continue to incur losses. Currently, quarterly losses are comprised of research and development ("R&D"), engineering costs, and general and administrative ("G&A") expenditures. Changes in quarterly results are dependent on the level of commercialization, project activity, and the timing of payments related to project cost recovery.

Net Loss - For the three months ended March 31, 2021, the Company reported net loss of \$0.9 million or \$0.01 loss per share, comparable to the net loss for the comparable quarter ended March 31, 2020, of \$0.9 million or \$0.01 loss per share. The net loss consisted of G&A (\$0.4 million) and R&D (\$0.5 million) expenses in the current period.

Research & Development - R&D spending in the current quarter consisted primarily of compensation for technical staff, on-going minerals testing and evaluations, optimization engineering work and updating of cost estimates. Project costs were higher by \$1.1 million for the three months ended March 31, 2021 compared to the same period in 2020, mainly due to higher engineering activities related to the redesign of the minerals and transload facilities and optimization and costing activities for the concentrator facility. Total R&D costs for the quarter of \$1.7 million were reduced by the receipt of \$1.1 million of government funding related to 2020 Project costs. Based on the level of post-FEED project work, R&D costs were in line with expectations.

General & Administrative - G&A expenses for the three months ending March 31, 2021 were lower at \$0.37 million, as compared to \$0.53 million for the three months ended March 31, 2020. The significant reductions were made in almost all expense categories through continuing cost control measures initiated in early 2020.

Cash Position - The Company's aggregate cash position was \$1.7 million at March 31, 2021, as compared to \$2.7 million at December 31, 2020. The decrease in cash of \$1.0 million is the result of funding the Company's engineering programs and general and administrative expenses during the quarter versus the timing of receiving grant funding amounts. The Company did not report any activities from investing or

financing. Cash used in operating activities for the three months ended March 31, 2021 was \$1.0 million, compared to a use of cash of \$0.9 million for three-month ended March 31, 2020.

With cost reduction initiatives and receipt of government grant funding in the second quarter of 2021, the Company believes its current cash position will support it through the next 12-month period for current operations. Once a decision to proceed with the next phase of the Project is made, the timing and amount of capital required will be evaluated for future cash requirements.

To view the Company's management discussion and analysis and interim unaudited financial statements for the three month period ended March 31, 2021, please visit our website at www.titaniumcorporation.com or SEDAR at www.sedar.com.

Annual Shareholder Meeting

The Company confirms that it will hold its annual and special meeting (the "Meeting") as a virtual only Meeting, via live audio online webcast at <https://virtual-meetings.tsxtrust.com/1135> on Thursday, June 17, 2021 at 11:00 a.m. (Toronto time).

The Company notes that the Notice-and-Access Notification to Shareholders that was mailed to beneficial shareholders contained a reference to the Meeting time as 10:00 a.m. (Toronto time) under the heading "Meeting Date and Location". The Notice of Meeting, Information Circular, Proxy and Notice-and-Access Notification to Shareholders available on SEDAR at www.sedar.com and <https://docs.tsxtrust.com/2116> all correctly reference the Meeting time as 11:00 a.m. (Toronto time).

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 would 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 the occurrence and timing of future steps with respect to the CVW™ Horizon Project, including the Project activities and the factors that are expected to affect such occurrence and timing; the continued effective collaboration between the Company and Canadian Natural; the Company's ongoing engagement with its business partners and government funding agencies; the ability of the Company to continue to make steady progress with the joint team on the optimization/validation engineering phase of the Project, despite the decline in economic activity in 2020 and into 2021 and the cancellation or suspension of many new oil sands projects; the Company's continuing cash conservation program; the Company's ongoing evaluation of financing opportunities, including grant and financing opportunities from applicable government programs; the terms of agreements entered into with certain government agencies; the effect of market conditions and the COVID-19 pandemic on the Company; and the

advantages of the Company's technology in assisting with the recovery of the energy industry in Alberta and Canada. This forward-looking information 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 forward-looking 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. Macro-economic conditions, including public health concerns (including the impact of the COVID-19 pandemic and subsequent waves) and other geopolitical risks, the condition of the global economy and, specifically, the condition of the crude oil and natural gas industry including the volatility of global crude oil prices, other commodity prices and the decrease in global demand for crude oil as a result of the ongoing COVID-19 pandemic, and the ongoing significant volatility in world markets may adversely impact oil sands producers' program plans, including proceeding with an investment decision in further Project activities or any final investment decision with respect to commercialization, which could materially adversely impact the Company. Additional information on these and other factors are disclosed in our most recently filed management's discussion and analysis, 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).

In addition to other factors and assumptions which may be identified in this news release, assumptions have been made regarding, among other things: the condition of the global economy, including trade, public health (including the impact of the COVID-19 pandemic) and other geopolitical risks, including the fact that any estimates of Project next steps, as well as the detailed engineering and construction period may be affected by the COVID-19 pandemic, condition of the global economy and commodity prices, in particular crude oil prices; the stability of the economic and political environment in which the Company operates; the success of the Project activities, including the expected assessment of engineering validation and optimization reviews for next steps as part of the 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, including available grant and financing opportunities from government programs and finalizing funding agreements for such government programs; the translation of the results from the Company's research, pilot programs, Project activities during the FEED, engineering validation and optimization and studies into the results expected on a commercial scale; the belief that the Company's technology will provide important environmental and economic benefits that will assist with the recovery of a resilient and sustainable energy industry in Alberta and Canada; the anticipated timing for the completion of detailed engineering and construction once all Project activities are completed and a final decision to proceed has been made; future crude oil and minerals prices and the impact of lower prices on activity levels and cost savings of oil sands producers; the impact of increasing competition; the ability to protect 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 Company has not commercially demonstrated its technologies and there can be no assurance that our research, pilot programs, Project activities during the FEED, engineering validation and optimization 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 information. 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.

The forward-looking information contained in this news release describes our expectations as of May 26, 2021 and, accordingly, is 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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