TITANIUM CORPORATION

CREATING VALUE FROM WASTE™

2019 Annual Report

A New Sustainable Technology for Alberta and Canada

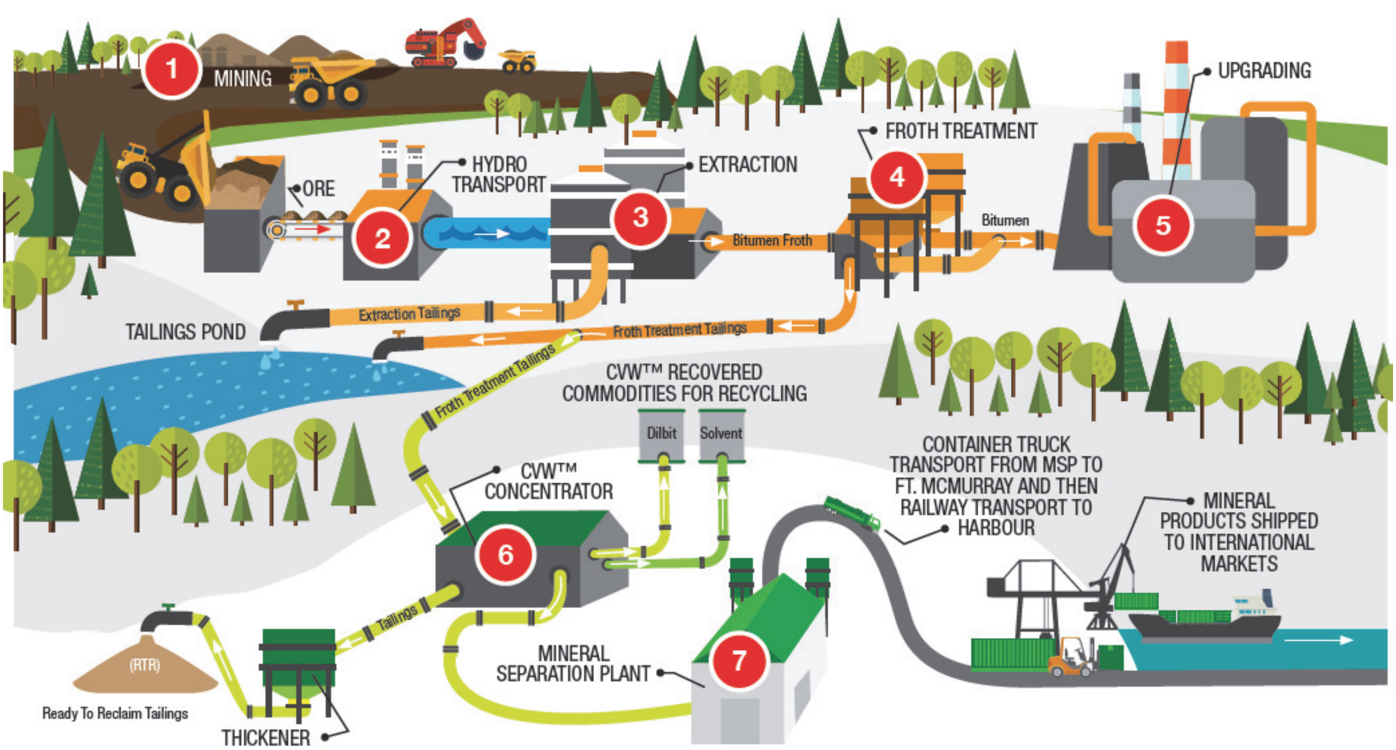
Titanium Corporation's Creating Value from Waste™ (CVW™) technology provides sustainable solutions to reduce the environmental footprint of the oil sands mining sector while creating growth, jobs and diversification for Alberta and Canada's economies and attractive returns for our shareholders.

Titanium's patent-protected CVW™ technology reduces the environmental impact of oil sands froth treatment tailings while recovering valuable products that would otherwise be lost in tailings ponds. CVW™ recovers lost bitumen, solvents and valuable 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, after CVW™ processing, can be remediated more readily.

A new, high value minerals industry will be created with the production and export of zircon and titanium-bearing minerals which are essential ingredients in ceramics, coatings and many other every day products that improve people's lives.

Titanium and Canadian Natural Resources Limited ("Canadian Natural") are working together to advance the CVW™ Horizon project towards the first commercial scale facilities using Titanium's technology. The project design entails building new facilities next to existing froth treatment plants and applying a secondary stage of treatment before the waste from froth treatment enters the tailings pond.

The illustration below shows the facilities at a typical oil sands mining extraction operation and illustrates the proposed integration of the Company's CVW™ technology (6 and 7) with them:



About Titanium Corporation

With the completion of front end engineering design ("FEED") in 2019, which is the first engineering phase of such large complex projects, Titanium and Canadian Natural are now working on post-FEED activities including engineering optimization, economic modeling, financing and business structuring toward reaching a final project investment decision. Governments have been highly supportive, recently awarding a total of $50 million in grant funding to Titanium toward the construction of the project.

Titanium Corporation is an associate member of the Resource Diversification Council ("RDC"); Canada's Oil Sands Innovation Alliance ("COSIA"), a member of the Alberta Chamber of Resources ("ARC"), the Canadian Chamber of Commerce and the Zircon Industry Association ("ZIA"). The Company's shares are listed on the TSX Venture under the symbol "TIC".

Titanium Corporation wishes to gratefully acknowledge past funding from Emissions Reduction Alberta ("ERA"), Sustainable Development Technology Canada ("SDTC"), the Government of Alberta and the National Research Council Canada and the recent grant funding awards Environment and Climate Change Canada's Low Carbon Economy Fund, Natural Resources Canada's Clean Growth Program and continuing funding by ERA.

Annual Meeting: The Company will hold its annual and special meeting (the "Meeting") as a virtual only meeting via live audio webcast online at https://web.lumiagm.com/242557530 on Thursday, June 25, 2020 at 10:00 a.m. (Toronto time).

Head Office: Suite 800 -736 8th Ave. SW, Calgary, Alberta, T2P 1H4 **T:** 587-392-5375 **F:** 403-770-8233

Investor Relations: Scott Nelson 403-561-0439 snelson@titaniumcorporation.com
Jennifer Kaufield 403-874-9498 jkaufield@titaniumcorporation.com

Message to Shareholders

The COVID-19 pandemic is a global health and economic shock unprecedented in modern times. As a result of government action to slow and contain it, the COVID19 pandemic has produced the sharpest decline in global economic activity ever recorded. Its duration and ultimate magnitude remain highly uncertain, yet we already know its human and economic costs will be enormous.

For the oil industry, including Canada's oil sands, the financial implications are extreme. The collapse in oil demand caused by economic and social lockdowns as well as the surge in supply from OPEC+ in March and April has seen oil prices suffer steep declines and storage rapidly fill, forcing industry to take aggressive mitigation actions including cutting capital spending, production, salaries and staff, and dividends and share buybacks. In this environment, the outlook and timing of new projects, including our CVW™ Horizon Project (the "Project"), is highly uncertain. While we continue to work with Canadian Natural, we have also taken measures to reduce costs and conserve cash to bridge the uncertainty ahead. This includes voluntary salary reductions by the management team in the range of 15% to 20%. A significant portion of management compensation and 100% of Board compensation continues to be non-cash under share award programs which were implemented in 2015. External project costs are also being minimized, with the joint Project team using internal resources to continue engineering reviews and optimization of the Project in 2020 until industry and economic conditions improve.

In 2019, the Company achieved a number of significant milestones including the completion of FEED, the receipt of the balance of the $5 million Emissions Reduction Alberta funding grant, the award of an additional $50 million of government grant funding toward the engineering, procurement and construction phase of the Project, an equity raising to strengthen our balance sheet and the addition of a seasoned executive with minerals expertise to our Board.

Following the completion of FEED, the Company and Canadian Natural were working toward a joint decision on the commercial project. However, the Company and Canadian Natural determined that further engineering work was required related to post-FEED optimization in areas that have the potential to reduce costs and improve efficiency. During the 2019 year, the Company also initiated minerals products testing with international customers which has now been interrupted by the COVID-19 pandemic until economies reopen. The Company has continued ongoing minerals testing programs for minerals content in Horizon's froth treatment tailings as well as analyzing minerals content in drill cores from Canadian Natural's winter drilling programs at Horizon South.

Government support and funding continues to be critical to progressing the Project, particularly in light of the COVID-19 crisis and the collapse of oil demand and prices.

The Company continues to engage with the government funding agencies who made awards to our Project, working to adjust plans that have been affected by the 2020 events and finalize funding agreements for phases of the Project as each moves forward. The Company is also reviewing new programs that governments are creating to support jobs and businesses during the COVID-19 pandemic and new programs to support the restart of the economy by spurring investment.

The Company believes our CVW™ technology and the Project will provide important environmental and economic benefits that will help Canada with the recovery of a resilient and sustainable energy industry.

We are all experiencing extremely challenging times which require the collective support of our industry partner, governments, our employees and our shareholders. Our Board wishes to thank each of you for your ongoing support and we hope that you are all staying well.

Sincerely,

David Macdonald	Scott Nelson
Chairman	President and Chief Executive Officer

Cautionary Notice

Certain statements made in this annual report are forward-looking statements and information (forward-looking statements) that reflect the current expectations of management about the future results, performance, achievements, prospects or opportunities for Titanium Corporation Inc. (Titanium or the Company). Forward-looking statements, by their very nature, are subject to inherent risks and uncertainties and are 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 statements.

The Company has not commercially demonstrated Creating Value from Waste™ (CVW™) technology and there can be no assurance that the Company's research, pilot programs, and FEED studies will prove to be accurate as actual results and future events could differ materially from those expected or estimated in such forward-looking statements. Unless otherwise noted, the data and anticipated future benefits contained in this annual report are based on results from the Company's demonstration piloting and have not been proven otherwise.

As a result, we cannot guarantee that any forward-looking statements will materialize, and we caution you against relying on any of these forward-looking statements. Accordingly, readers should not place undue reliance on forward-looking statements.

For a description of the assumptions and risks underlying the forward-looking statements in this annual report, refer to the end of this annual report under the heading "Disclaimer" and consult Titanium's management's discussion and analysis for the year ended December 31, 2019 dated April 27, 2020 included in this annual report and in other reports filed with the securities regulatory authorities in Canada from time to time and available on SEDAR (www.sedar.com)

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Titanium Corporation Inc. ("Titanium" or the "Company") has prepared the following management's discussion and analysis ("MD&A") to provide information to assist investors and others in understanding the financial results for the year ended December 31, 2019. This MD&A should be read in conjunction with Titanium's audited financial statements as at and for the years ended December 31, 2019 and 2018 (the "Financial Statements"). This MD&A is dated as of April 27, 2020. The Company is a development stage company whose common shares are listed on the TSX Venture Exchange under the symbol "TIC".

The above referenced material is available on Titanium's website at www.titaniumcorporation.com. The material can also be found, along with additional information about Titanium, on the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com.

The Financial Statements have been prepared in accordance with Canadian generally accepted accounting principles as set out in the Handbook of the Chartered Professional Accountants of Canada ("CPA Handbook") which incorporates International Financial Reporting Standards ("IFRS"). All amounts included in this MD&A are in Canadian dollars, unless otherwise specified.

This MD&A 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 discussion of Titanium's research and development and commercialization plans under the heading "Titanium's Business"; the advantages of the Company's technology and the creation of a mineral sands industry; the timing expectations for completion of the post-Front End Engineering and Design ("FEED") project activities; the scope of activities that will be undertaken in the post-FEED project; the timing expectation for making an investment decision and proceeding with potential detailed engineering and construction of facilities; 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; the Company's ongoing evaluation of financing opportunities, including grant and financing opportunities from applicable government programs and entering into funding agreements related thereto; the expected next steps for the Company as described in this MD&A under the headings "Update" and "Next Steps" and the impact of new accounting standards on the Company's financial statements. 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 MD&A 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 other geopolitical risks, the condition of the global economy and, specifically, the condition of the crude oil and natural gas industry including the collapse of global crude oil prices, other commodity prices and the decrease in global demand for crude oil in 2020, and the ongoing significant volatility in world markets may adversely impact oil sands producers' program plans, including proceeding with an investment decision in further post-FEED project activities or any final investment decision with respect to commercialization, which could materially adversely impact the Company. In addition to other factors and assumptions which may be identified in this MD&A, assumptions have been made regarding, among other things: the condition of the global economy, including trade, public health (including the impact of COVID-19) and other geopolitical risks, including the fact that any estimates of post-FEED project next steps, as well as the detailed engineering and construction period may be affected by the COVID-19 pandemic, the 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 post-FEED project activities, including the expected assessment of post-FEED engineering reviews for next steps as part of the post-FEED 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, FEED project activities, post-FEED project activities 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 post-FEED project activities are completed and a final decision to proceed has been made; 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 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 forward-looking information contained in this MD&A 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 this 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 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.*

Additional information on these and other factors are disclosed elsewhere in this 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 MD&A describes our expectations as of April 27, 2020 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 MD&A, whether as a result of new information, future events or otherwise.

Titanium's Business

The Company has developed innovative Creating Value from Waste™ ("CVW™") technology that recovers bitumen, solvents, valuable minerals and water from oil sands froth treatment tailings. The Company expects that the recovery of bitumen, associated solvents and water will result in important and timely environmental improvements for the oil sands industry and the recovery of the lost commodities will support economic growth, jobs and diversification.

The Company is operating in the mining sector of Canada's oil sands industry. In July 2017, the Company announced that it was working with Canadian Natural Resources Limited ("Canadian Natural") on a FEED project (the "FEED Project") for the first commercial implementation of CVW™ technology at Canadian Natural's Horizon oil sands site, the CVW™ Horizon Project (the "Project"). The $10.2 million engineering design phase was supported by $5 million of grant funding from Emissions Reduction Alberta ("ERA"), along with the Company funding $1.5 million and Canadian Natural funding $3.7 million. The FEED Project, associated reporting to ERA and collection of a 20% holdback were completed by August 2019. The Company and Canadian Natural are continuing to work together on optimizing the engineering design as part of the post-FEED Project activities and are planning the next phase of the Project, including minerals analysis and marketing, economic modeling and business structuring.

While the Company and Canadian Natural have consciously demonstrated a strong focus on the post-FEED Project activities and continue to actively work towards commercialization of the Project, investment decisions in post-FEED Project activities are expected to be undertaken on a year-by-year basis and the timing of a final investment decision with respect to commercialization of the Project is uncertain at this time. As a result, there is potential for delay or revision to the post-FEED Project activities and in turn the Project as a whole, which will be affected by, amongst other factors, the current state of the global economy, global crude oil prices and current public health concerns, including the COVID-19 pandemic. See "Discussion of Risks".

The oil sands mining sector surface mines deposits in northern Alberta's Athabasca Oil Sands region to extract bitumen (heavy oil trapped in the sands) for local upgrading into synthetic crude oil or for dilution and pipelining to refineries. Heavy minerals that naturally occur in these oil sands deposits are concentrated in tailings during the secondary bitumen extraction step referred to as 'froth treatment'. Oil sands producers currently use either a naphtha or paraffinic based solvent to process bitumen at the froth treatment stage. These solvent-based processes result in the loss of solvents, bitumen and heavy minerals in froth treatment tailings streams which are currently deposited in tailings ponds. The combination of solvent and bitumen losses to tailings ponds results in substantial volatile organic compound ("VOC") emissions and greenhouse gas ("GHG") emissions from the ponds in the form of methane. Global Warming Potential ("GWP") is widely used as the measure of the relative climate impact of different GHGs. The 100–year GWP of methane is reported to be 28 to 36 times greater than CO_2 and the 20-year GWP is reported as 84 to 87 times greater.

Tailings management remains one of the more difficult environmental challenges for the oil sands mining sector. The Company believes that its CVW™ technology can assist the industry in meeting certain of the regulatory requirements of the Alberta Energy Regulator's (the "AER") Directive 85 outlined below. In particular, the Company's technology has the potential to address a number of the aspects of sub-objective 2 by mitigating risks associated with treated froth fluid fine tailings.

Oil sands tailings are comprised of water, fine clays, residual bitumen, salts and soluble organic compounds. They also contain solvents which are added to the oil sands during the separation process (froth treatment). In 2016 and 2017, the AER issued the first version of a new Directive 85 and a revised version, respectively: Fluid Tailings Management for Oil Sands Mining Projects, which sets out requirements for managing and reclaiming fluid tailings including the following requirements: existing operators were required to submit fluid tailing management applications by November 1, 2016; operators must minimize fluid tailings accumulation by ensuring that fluid tailings are treated and reclaimed progressively during the life of the project; new fluid tailings must be ready to reclaim by ten years after the end of mine life, while legacy fluid tailings must be ready to reclaim by the end of mine life; and operators are required to report annually on the performance of their fluid tailings management plans.

In order to evaluate whether active treated tailings deposits are on a trajectory to meet the high-level objective, there are two sub-objectives of Directive 85 that address different aspects of performance: Sub-objective 1: the deposit's physical properties are on a trajectory to support future stages of activity; Sub-objective 2: to minimize the effect the deposit has on the surrounding environment and ensure that it will not compromise the ability to reclaim to a locally common, diverse, and self-sustaining ecosystem. Sub-objective 2 focuses on circumstances where the operator may propose management strategies, design features, or mitigation measures for risks associated with the specific nature of the deposit or its surrounding environment that could impact reclamation—for example, design features that control specific 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, or gas formation. If appropriate, an operator may propose and justify additional sub objectives.

Six large oil sands mining sites are currently in operation and produce in total approximately 1.5 million barrels per day of bitumen. These sites are currently operated by Canadian Natural (Horizon and Albian Sands sites), Suncor Energy Inc. (Base Plant and Fort Hills sites), Syncrude Canada and Imperial Oil Limited (Kearl). Expansion projects significantly increasing production at Canadian Natural's Horizon and Albian Sands sites and at Imperial's Kearl site have been completed in recent years. The Fort Hills oil sands mining project was commissioned in 2019. The expansions and the new site have significantly increased Canada's oil sands mining bitumen production from approximately 900,000 barrels per day in 2010. The growth of the oil sands mining industry means that increased volumes of bitumen, solvents and heavy minerals will be lost in froth treatment tailings until new technology is adopted to recover this lost value. Growth also means that related GHG and VOC emissions will continue to rise.

Since 2008, the Company has been conducting a series of research and development ("R&D") and demonstration piloting programs including:

- Successfully executing a two-year research program endorsed by the Alberta Government and supported by a $3.5 million Alberta Energy Innovation Fund ("AEIF") grant received in March 2008. The key achievements of the program were the development of technologies to remove bitumen from heavy minerals and recover bitumen, solvents and water from froth treatment tailings.
- Following the research program, starting in 2010, the Company completed successful integrated demonstration pilot programs over a four-year period in collaboration with a consortium comprised of oil sands operators and the Federal and Alberta governments. Minerals flowsheet design and testing programs were also conducted in conjunction with the demonstration piloting. The programs were supported by $6.5 million of Federal government grants from Sustainable Development Technology Canada ("SDTC") which funded approximately 25% of the programs, approximately $0.4 million in funding was received from the National Research Council's Industrial Research Assistance Program ("IRAP") and $1.1 million in Alberta Government funding was received from the Scientific Research and Experimental Development Program ("SR&ED").
- From 2017 to 2019, the Company and Canadian Natural conducted the FEED Project engineering program described earlier in the section.
- Since completion of the FEED Project engineering program and as part of the post-FEED Project activities, the Company and Canadian Natural have been working to optimize the engineering design and are planning the next phase of the post-FEED Project, including minerals analysis and marketing, economic modeling and business structuring..

The Company's technology has been developed to meet the current and future needs of all the major oil sands operators related to froth treatment tailings recovery and remediation. In addition to the anticipated benefits of additional commodity recoveries and emissions reductions, the Company's technology affords a number of other opportunities to reduce the environmental footprint of mining oil sands operations. Based on the results of the Company's research programs, tailings dewater more effectively in subsequent tailings management operations toward meeting Government of Alberta regulations which require reductions in the volume of tailings. The removal of bitumen and solvents could also enable the direct reuse of hot froth treatment tailings water in other mineable oil sands services, reducing energy costs, river water usage and GHGs related to reheating cold pond water used in the bitumen extraction process.

Based on our research, pilot programs and studies, key economic drivers that support the adoption of Titanium's technology include: the commodity value of recovered bitumen and solvents currently lost to tailings ponds; the value of recovered zircon and titanium products and the potential for the recovery of rare earth minerals; the value of emissions reductions under current and future regulatory regimes; potential energy cost reductions due to hot process water reuse; and potential cost reductions related to enhanced tailings remediation. We believe that, with a heightened focus by the oil sands operators on reducing operating costs, optimizing production and reducing environmental impacts and the strong commitment by the Alberta and Federal governments to reduce carbon emissions and increased monitoring of oil sands emissions, there is now a shared urgency by stakeholders to implement technology solutions that address these concerns. Economic returns, incremental resource recovery, development of a new minerals industry and reduction of environmental impacts, we believe, all favor adoption of the Company's technology. Please refer to the material risks, uncertainties and other factors which may affect the Company which are described in more detail in this MD&A under the heading "Discussion of Risks".

Update

The Company continued to make progress toward commercialization of its CVW™ at Canadian Natural's Horizon site during the year including the completion of the FEED Project engineering, collection of the ERA holdback payment, the award of $50 million of grant funding from Federal and Alberta government agencies for the next phase of the Project, the closing of a $4.3 million private placement and the recent addition to the Board of Bruce Griffin, a new independent Director with extensive mineral sands and commercial experience. Also, during the year, the Company carried out an on-going tailings mineral sampling program and minerals analysis of core samples from the oil sands operator's winter drilling program.

The Company and Canadian Natural were working towards a joint decision on the commercial project following the completion of FEED Project engineering phase. However, the Company and Canadian Natural have determined that further engineering work is required related to post-FEED Project optimization initiatives which have the potential to reduce costs and increase efficiency. During the first quarter of 2020, Titanium has been working with Canadian Natural on post-FEED Project engineering reviews with particular focus on optimizing various aspects of the engineering and the process to reduce costs and increase efficiency. These activities will be assessed for next steps in the post-FEED Project phase. In parallel, the Company has been working with Alberta and Federal funding agencies on reviews of funding contracts for the detailed engineering phase of the post-FEED Project activities. Both the post-FEED Project engineering reviews and the work with the government funding agencies have been impacted by world events that have occurred to date in 2020 described below which are affecting the progress and timing of the post-FEED Project activities.

In the first quarter of 2020, two major world events, the COVID-19 pandemic and the collapse of global crude oil prices, have introduced unprecedented uncertainties for all industries and economies globally. These include sectors directly related to the Company's project including Canada's oil sands industry, the global minerals sands industry and Alberta and Canadian economies. The duration and extent of the impact of these events is not known but could adversely affect the progress and timing of the Company's Project activities post-FEED. See "Discussion of Risks".

In response to the COVID-19 pandemic and the collapse of global crude oil prices, the Company has taken measures to protect its balance sheet by reducing costs and conserving cash over the months ahead including reducing all salaries effective April 1, 2020. The Company's President and Chief Executive Officer has voluntarily reduced his salary by 20% and the other members of the management team have voluntarily reduced their salaries by 15%.

The Company believes that its CVW™ 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; however, the timing of any Project activities at this time remains uncertain.

Highlights

Certain highlights for the three and twelve-month periods ended December 31, 2019 are set out in more detail below:

- During 2019, the Company conducted technical marketing programs including meeting with potential minerals processors and customers, visiting their facilities and providing minerals samples for customer testing. These activities are largely suspended due to the COVID-19 pandemic and will be resumed when the countries around the world and businesses reopen and resume normal operations. See “Discussion of Risks”.

- On August 1, 2019, the Company announced receipt of the final payment of $991,000 related to the $5.0 million grant from ERA for partial funding of the FEED phase of the CVW™ Horizon Project. The payment represents a 20% holdback by ERA which was subject to final project reporting and completion of a third-party audit of project costs. The $9.9 million engineering design phase was supported by $5.0 million of grant funding from ERA with the Company funding $1.4 million and Canadian Natural funding $3.5 million. The Company completed the FEED Project on time and slightly under budget working with Canadian Natural and the engineering firms of Stantec and IHC Robbins. Third-party engineering commenced in April 2018 and was completed in the first quarter of 2019. The Company also retained consultants and technical firms to assist with other aspects of the engineering design and associated planning including project management, regulatory approvals, Indigenous engagement and minerals marketing. Post-FEED Project activities, including optimization of the Project is on-going, including refining capital and operating costs to achieve the most efficient and cost effective implementation of CVW™ technology.
- On August 7, 2019, the Company announced the appointment of Bruce Griffin to the Board of Directors (the “Board”) of the Company as an independent Director of the Company. Mr. Griffin has also been appointed to the Company’s Commercialization Committee. Most recently, Mr. Griffin was the Senior Vice President Strategic Development of Lomon Billions Group, the world’s third largest producer of high performance titanium dioxide products. Mr. Griffin had previously held senior management positions in several mining and minerals companies, including acting as the Chief Executive Officer and a director of TZ Minerals Pty. Ltd., the leading independent consultant on the global mineral sands industry, World Titanium Resources, a development stage titanium project in Africa and as Vice President Titanium for BHP Billiton, then one of the world’s leaders in the industry. Concurrent with Mr. Griffin’s appointment to the Board, Titanium granted him 75,000 stock options under the Company’s stock option plan. The stock options are exercisable at a price of $0.67 per common share, expire in five years and vest in equal installments over a period of 36 months.
- On May 10 and 30, 2019, the Company announced the first and second closings of its non-brokered private placement of units for gross proceeds of $4,262,640 resulting in the issuance of 6,089,485 common shares and 3,044,743 warrants entitling the holder to purchase one common share of the Company at an exercise price of $1.40 expiring on May 9 or May 30, 2022. As a result, immediately following the final closing of

the private placement, the Company had 8,166,359 common shares issued and outstanding. After legal expenses, exchange fees and selling commissions, the Company received net proceeds of $4,056,475 which will be used to fund ongoing efforts to commercialize the Company's CVW™ technology post-FEED Project and for general operating purposes.

- On March 14, 2019, the Company announced $50 million in government funding toward the next phase of the CVW™ Horizon Project. The Federal Government awarded $45 million from two clean technology programs; Environment and Climate Change Canada, through its Low Carbon Economy Fund ("LCEF"), has committed to investing $40 million and NRCan's Clean Growth Program ("CGP") has committed to investing $5 million in Titanium's first of a kind sustainable technology designed to remediate oil sands froth treatment tailings. ERA awarded $5 million from their Partner Intake Program aimed at improving environmental performance in Alberta's oil and gas sector. Funding from the LCEF and CGP programs are subject to finalizing funding agreements which will outline the conditions under which federal funding would be provided, including securing the remaining funding necessary to complete the project, fulfilling all applicable requirements associated with the Project, environmental assessments, Indigenous consultation requirements and finalizing the scope of the Project costs eligible for program funding. The Company has been meeting with other government agencies and 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 is continuing its cash conservation programs including those under which management and directors receive a portion or all of their compensation and fees in restricted share units ("RSUs") and deferred share units ("DSUs"), respectively. This program is aimed to conserve cash and further align management and the Board with shareholder interests. Since inception of the program in 2015, the program has conserved $2.1 million of management cash compensation and $1.6 million of directors' cash compensation for a total of $3.7 million. Since 2015, the Company's directors have been receiving 100% of their compensation in DSUs in lieu of cash compensation. After the fourth quarter 2019 award of DSUs, the number of DSUs available for issuance under the DSU plan has been depleted. Over the same period, management has been receiving a significant portion of incentive and retention compensation, and in certain cases a portion of base salary, in the form of RSUs. At the end of the third quarter of 2019, the number of RSUs available for issuance under the RSU plan was almost depleted. For both the Board and management, earned compensation intended to be settled with DSUs or RSUs is being recorded as deferred compensation

until such time as additional DSUs and RSUs may be issuable pursuant to the respective plans given the limits on issuances provided therein.

Next Steps

Implementing Titanium's technology will require concentrator facilities to be built at an oil sands site which integrate with existing oil sands operations. Separate minerals separation facilities will be constructed to process cleaned heavy minerals received from the concentrator into minerals products and/or concentrates for sale into export markets. 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 oil sands operators may build and operate certain of the facilities or elect to have the Company, together with partners, build and operate certain of the facilities.

During the engineering design phase, the Company and Canadian Natural have undertaken a number of related post-FEED Project activities in anticipation of advancing towards commercialization of the Project including: pursuing and securing available Federal and Alberta government funding programs and other sources of funding for the potential construction phase of the Project; minerals market development activities; and discussions with potential partners for participation in the Project. As described earlier in this MD&A, the COVID-19 pandemic and the collapse of global crude oil prices, have introduced unprecedented uncertainties for the global economy and many industries including oil sands and minerals related projects. The duration and extent of the impact of these events is not known but could adversely affect the progress and timing of the Company's post-FEED Project activities. See "Discussion of Risks".

The Company and Canadian Natural's next steps for the post-FEED Project include optimization engineering, detailed engineering, finalizing the business model, engagement of potential partners, negotiation of a commercial structure, financing plans, government funding awards and making decisions to proceed with construction of the facilities. After the foregoing activities are completed and a final decision to proceed with the Project, detailed engineering and construction of the facilities are estimated to take approximately 33 months from commencement. All estimates of post-FEED Project next steps and any subsequent detailed engineering and construction time periods may be affected by a number of factors, including the impact of the COVID-19 pandemic and the collapse of global crude oil prices as described above and those factors described elsewhere in this MD&A. See "Discussion of Risks".

There is wide acceptance that innovation and new technologies will be the principal source of solutions for reducing both environmental impacts and operating costs in Canada's oil sands industry. Through a disciplined R&D

approach and with cooperation from industry and governments, the Company believes that it has successfully developed unique, practical technology solutions for oil sands froth treatment tailings waste that offer significant improvements to technologies currently used to address both environmental and economic challenges.

Financial Information & Analysis

Summary of Selected Annual Results

The following table presents a summary of selected annual financial information prepared under IFRS (Canadian dollar in millions except per share data):

	Fiscal Periods Ended		
	Twelve-month period ended Dec 31, 2019	Twelve-month period ended Dec 31, 2018	Four-month period ended Dec 31, 2017
Net Income (Loss)	**$ 0.0**	$ (7.6)	$ (1.5)
Net Income (Loss) per Share - Basic & Diluted	**$ 0.0**	$ (0.09)	$ (0.02)
Cash and Short-Term Investments	**$ 5.1**	$ 0.8	$ 5.0
Total Assets	**$ 5.1**	$ 1.0	$ 5.1

Summary of Selected Quarterly Results

The following table summarizes the financial results of the Company for most recently completed quarterly periods prepared under IFRS (Canadian dollars in millions except per share data):

	Q4 Dec 31, 2019	Q3 Sep 30, 2019	Q2 Jun 30, 2019	Q1 Mar 31, 2019
STATEMENT OF (INCOME) LOSS				
Net Income (Loss)	**$ (0.75)**	$ 0.30	$ 0.05	$ 0.40
Basic and Diluted Income (Loss) per Share	**$ (0.01)**	$ 0.003	$ 0.001	$ 0.005
	Q4 Dec 31, 2018	Q3 Sep 30, 2018	Q2 Jun 30, 2018	Q1 Mar 31, 2018
Net Income (Loss)	**$ (1.1)**	$ (1.1)	$ (3.0)	$ (1.6)
Basic and Diluted (Loss) per Share	**$ (0.01)**	$ (0.01)	$ (0.04)	$ (0.02)

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

The following explains the Company's financial results for the three and twelve-month periods ended December 31, 2019 compared to the three and twelve-month periods ended December 31, 2018:

- During the three-month period ended December 31, 2019, the Company reported net loss of $0.75 million or $0.01 per share. The net loss is slightly higher in the current period compared to a net loss of $0.6 million for the three-month period ended December 31, 2018 as the Company was incurring engineering and related costs in the 2018 period the Company was receiving project contributions for the FEED Project. For the year ended December 31, 2019, the Company had net income of $3,250 compared to a loss of $7.6 million for the year ended December 31, 2018. The recovery of FEED Project contributions ($3.5 million) and a SR&ED tax credit ($71,000) during the year ended December 31, 2019 exceeded total R&D costs of $1.6 million which resulted in a net recovery of $2.0 million for R&D. This R&D recovery offset G&A expense of $2.0 million during the year resulting in $3,250 of net income reported. For a development stage company, and given the timing of project contributions, the net income was in line with expectations.
- The Company had an aggregate of $5.1 million at December 31, 2019 of cash and short term investments, consisting of $3.5 million in interest-bearing cash accounts and a $2.0 million short-term investment with a Schedule I bank in the form of a cashable GIC as compared to $0.8 million at December 31, 2018. The increase in cash related primarily to the closing of the private placement in May 2019 and collection of $3.5 million in FEED Project contributions for the year ended December 31, 2019. The Company closed the private placement in two tranches with the issuance of 6,089,485 units ($0.70 per unit) for net aggregate proceeds of $4.1 million net of share issue costs. With the completion of the FEED Project, collection of partner contributions, receipt of the holdback of $1.0 million in July 2019, and the closing of the private placement, the Company's aggregate cash position was $5.1 million as of December 31, 2019.

Research and Development Expenditures

Below is a summary of the R&D expenditures by category ($ thousands):

	Three months ended			*Twelve months ended*		
	December 31, 2019	December 31, 2018	Increase (decrease)	December 31, 2019	December 31, 2018	Increase (decrease)
Compensation and benefits	$ 146	$ 169	$ (23)	$ 674	$ 677	$ (3)
Projects and other	124	2,472	(2,348)	608	8,830	(8,222)
Deferred compensation	10	1	9	85	98	(13)
Equity-based compensation	50	64	(14)	210	260	(50)
R&D costs	$ **330**	$2,706	**$ (2,376)**	$ **1,577**	$ 9,865	**$ (8,288)**
Recovery of project costs	-	(2,086)	2,086	(3,476)	(4,355)	879
Research tax credits	-	-	-	(71)	-	(71)
R&D net of recovery	$ **330**	$ 620	**$ (290)**	$ **(1,970)**	$ 5,510	**$ (7,480)**

R&D spending in the current quarter consisted primarily of compensation for technical staff and on-going minerals testing. With completion of the FEED Project in the first quarter of 2019, R&D was a net recovery of $2.0 million for the year ended December 31, 2019 due primarily to the $3.5 million receipt of FEED Project contributions and to a lesser extent receipt of a refundable SR&ED tax credit. Project costs were lower by $8.2 million for the year ended December 31, 2019 compared to the same period in 2018 due to the completion of the FEED Project on February 28, 2019. For the three-month period ended December 31, 2018, significant third-party engineering costs were incurred as the engineering phase of the FEED Project was nearing the final phase. The FEED Project was completed with the achievement of milestone five on February 28, 2019 with actual costs incurred of $9.9 million compared to the original budget of $10.2 million, or 2.6% below the Project budget. For the three-month period ended December 31, 2019, R&D costs were $0.3 million compared to $0.6 million for the three-month period ended December 31, 2018. The difference of $0.3 million was due to higher R&D Project costs incurred, offset by higher recoveries. For the overall Project, ERA's share of project and in-kind costs was $5.0 million, Canadian Natural's share was $3.5 million, with Titanium contributing the balance of $1.4 million.

General and Administrative Expenditures

The following table provides details of G&A expenditures by category ($ thousands):

	Three months ended			*Twelve months ended*		
	December 31, 2019	December 31, 2018	Increase (decrease)	December 31, 2019	December 31, 2018	Increase (decrease)
Compensation and benefits	$ 176	$ 195	$ (19)	$ 725	$ 738	$ (13)
Deferred compensation	(2)	(93)	91	175	98	77
Consulting and professional fees	31	51	(20)	166	193	(27)
Directors fees	86	77	9	341	339	2
Travel	30	38	(8)	100	83	17
Rent, insurance and office	29	34	(5)	120	146	(26)
Investor relations and regulatory	7	48	(41)	73	200	(127)
Equity-based compensation	85	98	(13)	327	350	(23)
	$ 440	**$ 446**	**$ (6)**	**$ 2,027**	**$ 2,147**	**$ (120)**

G&A expenses for the three-month period ending December 31, 2019 were consistent at $0.4 million as compared to the three-month period ended December 31, 2018. There was a slight decrease of $0.1 million in cash G&A expenses related to investor relations and regulatory and consulting and professional fees. This was offset by a $0.1 million increase in non-cash equity settled compensation and directors' fees. The Company reduced its investor relations costs as investor relations services were provided on an as-needed basis compared to a fixed retainer in the prior fiscal period. For the year ended December 31, 2019, cash expenses were lower by $0.2 million which was offset by increases in non-cash deferred compensation of $0.1 million. Cash expenses were lower in all categories except for a small increase in travel costs activity focused on minerals market development work with potential customers for future minerals off-take agreements in international markets. Stock based compensation was lower during the three and twelve-month periods ended December 31, 2019 as the Company granted 1,125,000 incentive stock options on April 30, 2018 and the number and fair value of stock options being amortized was lower in the three and twelve month period ended December 31, 2019 than the comparative three and twelve-month period ended December 31, 2018. As noted above, the $0.1 million decrease in G&A costs relate primarily to investor relations expenses being lower along with consulting and professional fees and rent and insurance and office as the Company focused on completion of the FEED Project, minerals development work and the private placement. Legal fees associated with the private placement were accounted for as share issue costs and were applied against the gross offering proceeds.

Liquidity and Capital Resources and Recoverability

With the completion of the FEED Project, collection of partner contributions, receipt of the ERA holdback in July 2019 and the closing of the private placement in May 2019, the Company's aggregate cash and short term investments was $5.1 million as of December 31, 2019. The Company's had $3.1 million in interest-bearing cash accounts and a $2.0 million short-term investment with a Schedule I bank in the form of a cashable GIC at December 31, 2019 as compared to $0.8 million at December 31, 2018. The increase in cash and short term investments related to closing the private placement in May of 2019 and collection of $3.5 million in FEED Project contributions for the year ended December 31, 2019. The Company closed the private placement in two tranches with the issuance of 6,089,485 units ($0.70 per unit) for net aggregate proceeds of $4.1 million net of share issue costs.

The Company is a development stage enterprise as it has yet to earn any revenues from its planned operations. The Company is devoting substantially all its efforts toward commercializing its proprietary technology and has an accumulated deficit of $90 million as of December 31, 2019. These accumulated losses are largely due to investments in the research, development, piloting and engineering of its CVW™ technologies. The recoverability of amounts expended on R&D is dependent on the ability of the Company to complete commercialization arrangements at oil sands sites and achieve future profitable operations. The Company is dependent on raising funds through the issuance of shares or other securities, loans, government grants and/or attracting partners to undertake further development and commercialization of its technology. While the Company has been successful in obtaining the necessary financing to develop the business to this point, there are no assurances that the Company will be successful in the future in these endeavors. See "Discussion of Risks" in this MD&A.

The following is a summary of the cash flow for the periods noted:

- Cash provided by operating activities for the year ended December 31, 2019 was $0.2 million compared to a use of cash of $5.4 million for year ended December 31, 2018. During the year ended December 31, 2019 the Company received $3.5 million for FEED Project contributions that were incurred in the prior fiscal period. The receipt of cash related to the FEED Project as reimbursement for costs offset other operating costs during the year. For the period ended December 31, 2018, the Company was funding all the FEED Project costs and associated working capital requirements resulting in a $5.4 million use of cash. The FEED Project was concluded on February 28, 2019 with all contributions collected in subsequent quarters.

- For the year ended December 31, 2019, $2.0 million was used in investing activities for the purchase of a cashable GIC to earn slightly higher interest income, compared to $3.0 million received for the year ended

December 31, 2018. Short term investments of $3.0 million matured and proceeds were deposited in interest bearing cash accounts to fund project expenditures in advance of collecting contributions from ERA and Canadian Natural.

- Cash provided by financing activities for the year ended December 31, 2019 was $4.1 compared to $1.2 million for the year ended December 31, 2018. The Company closed a private placement in May of 2019 in two tranches with the issuance of 6,089,485 units ($0.70 per unit) for net aggregate proceeds of $4.1 million net of share issue costs. For the year ended December 31, 2018, cash provided by financing activities related to the exercise of 1,000,000 common share purchase warrants for proceeds of $0.7 million and $0.5 million from the exercise of 482,500 stock options by management.

Financial Instruments and Financial Risk Factors

The Company has, for accounting purposes, designated its cash, cash equivalents, short term investments and goods and services tax receivable, as loans and receivables. Trade and other payables and accrued liabilities are classified for accounting purposes as other financial liabilities. The Company estimates that both the carrying and fair value amounts of the Company's financial instruments are approximately equivalent because of the short-term nature of the assets and liabilities. The Company manages the risks relating to the financial instruments by investing in short-term highly liquid certificates of investment issued by Schedule I Canadian chartered banks. This discussion on risks is not all-inclusive and other factors may currently, or in the future, affect the Company and should also be read in conjunction with the other risks described under the heading "Discussion of Risks" in this MD&A.

Financial risk

The Company's activities expose it to a variety of financial, credit, liquidity and market risks, including interest rate and foreign exchange rate risks.

Financial risk management is carried out by the Company's management team with guidance from the Audit Committee and the Board. The Board also provides guidance for enterprise risk management.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents and short-term investments. Cash and cash equivalents and short-term investments are held with Schedule I Canadian Chartered banks which are regularly reviewed by management. Management believes that the credit risk concentration with respect to financial instruments is minimal.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's approach to managing liquidity risk is to ensure that adequate resources are available to meet its obligations as they come due. As at December 31, 2019, the Company had aggregate cash and short term investments of $5.1 million (December 31, 2018 - $0.8 million) to settle current liabilities of $0.4 million (December 31, 2018 - $1.5 million). Currently, most of the Company's liabilities have contractual terms of 30 days or less with the remainder due within one year.

With the completion of the private placement, the collection of all contributions related to the FEED Project, compensation and other costs reduction initiatives the Company expects its current cash position will support it through the next 12-month period. In future, the Company may need to raise additional funds to complete the post-FEED Project activities and reach commercialization and for its participation in the Project. Other potential sources which may be available to the Company to fund its future cash requirements include, but are not limited to, new or additional government grants, loans, issuances of securities or some form of partnership or joint venture.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates.

a) *Interest rate risk*

The Company's current policy is to invest excess cash in interest bearing cash accounts, bankers' acceptances and guaranteed investment certificates issued by Schedule I Canadian banks. The income statement includes interest income associated with the Company's financial instruments. The Company periodically monitors its investments and the creditworthiness of the banks it holds investments in.

b) *Foreign currency risk*

The Company's reporting and functional currency is the Canadian dollar and most purchases are transacted in Canadian dollars. Some research and development expenses are denominated in Australian dollars and, to a lesser extent, US dollars. The Company does not hold any significant balances in foreign currencies to give rise to exposure to foreign exchange risk. Any impact from fluctuations in foreign exchange rates would be minimal and therefore the Company does not hedge its foreign exchange risk.

Discussion of Risks

An investment in our common shares is risky. Investors should carefully consider the risk factors set out below and consider all other information contained herein and in our other public filings before making an investment decision. The risks and uncertainties described below and elsewhere in this MD&A are not the only ones the Company faces. Additional risks and uncertainties, including those that the Company is not currently aware of or that management of the Company currently deems immaterial, may also adversely affect the Company's economics, operating results, financial condition, prospects for commercialization and the profitability of commercial projects.

We may not be able to successfully execute our business plan.

The execution of our business plan poses many challenges, including those as further described in this discussion of risks, and is based on a number of assumptions. We may not be able to successfully execute our business plan. In addition, we cannot guarantee that we will be able to leverage our relationships with oil sands producers or that commodity prices will support the capital expenditures required by oil sands producers for the implementation and development of our CVW™ process. We may not be able to proceed past the engineering design phase with oil sands producers to develop a commercial project. If we experience significant cost overruns on our programs, including the post-FEED Project activities currently ongoing and anticipated, or if our business plan is costlier than we anticipate, certain currently anticipated post-FEED Project activities may be delayed or eliminated, resulting in changes or delays to our commercialization plans, or we may be compelled to secure additional funding (which may or may not be available) to execute our business plan. We cannot predict with certainty our future revenues or results from our operations. If the assumptions on which our revenue or expenditure forecasts are based change, the benefits of our business plan may change as well.

Concerns over the spread of COVID-19 and the decrease in global demand for crude oil in 2020, global economic conditions, fluctuations in interest rates and foreign exchange rates, stock market volatility, energy costs, geopolitical issues, OPEC actions, inflation, the availability and cost of credit, the volatility of major stock exchanges, the deceleration of economic growth in the People's Republic of China and trade disputes between the United States and the People's Republic of China have all contributed to increased economic uncertainty, diminished expectations for the global economy and precipitated the reduction of oil sands producers' capital spending budgets, which could have a significant impact on the Company's ability to complete its ongoing post-FEED Project activities. In addition, continued hostilities in the Middle East and the occurrence or threat of terrorist attacks in the United States or other countries could adversely affect the economies of Canada, the United States and other countries. The unprecedented and rapid outbreak of the COVID-19 virus in addition to continued concerns about global economic growth have had a significant adverse impact on global financial markets and commodity prices. If the economic climate in Canada, the United States or abroad continues to deteriorate, worldwide demand for petroleum products could continue to diminish, which would further impact the crude oil and bitumen industry, including the oil sands producers and in turn affect the ability of the Company to continue with the post-FEED Project activities. This would be expected to ultimately adversely impact the current and anticipated post-FEED Project activities. As a result, these activities may be delayed or eliminated, resulting in changes or delays to our commercialization plans.

We are dependent upon oil sands producers to adopt and integrate our CVW™ process in their oil sands operations.

Our success depends on the willingness and capacity of oil sands producers to adopt and integrate our CVW™ process into their own oil sands operations. For oil sands producers to adopt and implement our CVW™ process, we will have to negotiate commercial terms for the implementation of these technologies. This will require the interest and cooperation of the oil sands producers. The cost and complexity of integrating our CVW™ process is uncertain and will vary depending on the site and the objectives of each oil sands producer. We can offer no guarantee we will be able to conclude such commercial negotiations on reasonable terms or at all. Additionally, given the current market conditions, dramatic decreases in global crude oil prices and other recent global events, oil sands producers have already or may be reducing, or continue may continue to reduce, their capital programs and temporarily deferring planned activities, which could result in delays in, or resistance to, adopting the Company's CVW™ technology.

Furthermore, any integration, design, construction or operational problems encountered by oil sands producers associated with adopting and integrating our CVW™ process could adversely affect the market opportunity for our CVW™ process and our financial results.

As described elsewhere in this MD&A, the Company and Canadian Natural have completed the FEED Project for the implementation of the Company's CVW™ technology at Canadian Natural's Horizon oil sands site. The successful completion of this phase does not provide any guarantee that Canadian Natural will proceed with a subsequent Engineering Procurement and Construction ("EPC") phase or the future commissioning of the

Company's CVW™ technology, which forms a part of the post-FEED Project activities. With the completion of the FEED Project, there are a number of other post-FEED Project activities required to be undertaken by the Company and Canadian Natural prior to proceeding with the EPC phase, including the continuation of minerals evaluation and testing; engineering optimization, including development of the Project scope, and the evaluation of capital and operating costs; the filing of regulatory applications for the Project along with Indigenous engagement and commercial structure and financing related activities These post-FEED Project activities may take longer, be of a different scope and be costlier than currently expected.

Depending on the amount and scope of post-FEED Project activities or length of time these activities may take to complete, the Company may be required to raise additional capital through the issuance of securities, loans, new or additional government grants and/or some form of partnership or joint venture to fund these costs. There can be no guarantee that the Company will be able to raise additional capital or funding on acceptable terms or at all. Each of these processes may take longer and be costlier than expected, may not be on terms favourable to the Company or may not materialize into binding agreements for a commercially scaled version of our CVW™ process at all. As such, there is still uncertainty and risk that our CVW™ process will not be adopted on a commercial scale.

While the Company and Canadian Natural have consciously demonstrated a strong focus on the post-FEED Project activities and continue to actively work towards commercialization of the Project, investment decisions in post-FEED Project activities are expected to be undertaken on a year-by-year basis and a final investment decision with respect to commercialization of the Project is uncertain at this time. As a result, there is the potential for delay or revision to the post-FEED Project activities and in turn the Project as a whole, which will be affected by, amongst other factors, the current state of the global economy, global crude oil prices and current public health concerns, including relating to the COVID-19 pandemic.

Crude oil and bitumen price fluctuations are beyond our control and may affect the ability and willingness of oil sands producers to evaluate our CVW™ process or enter into commercial projects with us.

Crude oil and bitumen price fluctuations are beyond our control and may have a material adverse effect on the willingness of oil sands producers to evaluate whether to adopt and integrate our CVW™ process in existing or new oil sands projects and on the economics, operating results, financial condition and profitability of any commercial projects involving our CVW™ process.

The financial condition, operating results and future growth of oil sands producers are substantially dependent on prevailing and expected prices of oil and bitumen. Prices for oil are subject to large fluctuations in response to changes in supply and demand, geo-political uncertainty and a variety of additional factors, including access to markets and sufficient transportation capacity, all of which are beyond the control of oil sands producers.

Global crude oil prices are expected to remain volatile for the near future because of market uncertainties over the supply and demand of these commodities due to the current state of the world economy, current public health concerns, including the COVID-19 pandemic, shale oil production in the United States, OPEC+ actions, political uncertainties, sanctions imposed on certain oil producing nations by other countries, conflicts in the Middle East and ongoing credit and liquidity concerns, among other factors.

Many crude oil and bitumen companies have already reduced and may continue to reduce their 2020 capital programs and are temporarily deferring planned activities as a result of the dramatic decreases in global crude oil prices and other global events that occurred in the first quarter of 2020 and remain ongoing. Prolonged periods of low crude oil and bitumen prices could result in certain oil sands producers reducing, further reducing or eliminating their spending on new capital-intensive projects (as opposed to sustaining capital expenditures or existing projects) which could have a material adverse effect on the timing and/or willingness of oil sands producers to adopt and integrate our CVW™ process into their existing and future oil sands operations.

Global or national health concerns, including the outbreak of pandemic or contagious diseases, such as the recent COVID-19 (coronavirus), may adversely affect the Company

The Company's business, operations and financial condition could be materially adversely affected by the outbreak of epidemics or pandemics or other health crises. In December 2019, COVID-19 was reported to have surfaced in Wuhan, China. On January 30, 2020, the World Health Organization declared the outbreak a global health emergency and on March 11, 2020, the World Health Organization declared the outbreak a pandemic as it has spread throughout the world. Throughout the world, reactions to the spread of COVID-19 have led to, among other things, significant restrictions on travel, business closures, school closures, quarantines, restrictions on public gatherings and a general reduction in consumer activity. While these effects are expected to be temporary, the duration of the business disruptions locally, nationally and internationally and the related financial impact cannot be reasonably estimated at this time. Such public health crises can result in volatility and disruptions in the supply and demand for crude oil and natural gas, global supply chains and financial markets, as well as declining trade and market sentiment and reduced mobility of people, all of which could adversely affect commodity prices, interest rates, credit ratings, credit risk and inflation. In particular, global crude oil prices have significantly weakened in response to the COVID-19 pandemic and demand for crude oil and natural gas has significantly declined worldwide. The risks to the Company of such public health crises also include risks to employee health and safety and a slowdown or temporary suspension of operations in geographic locations impacted by an outbreak. At this point, the extent to which the COVID-19 pandemic may impact the Company is uncertain; however, it is possible that the COVID-19 pandemic may have a material adverse effect on the Company's business, results of operations and financial condition. All of these considerations may also have a material adverse effect on Canadian Natural, which could in turn affect Canadian Natural's ability to proceed with the current post-FEED Project activities and would then have a material adverse effect on the Company's business, results of operations and financial condition.

Should an employee or visitor in any of the Company's facilities, offices or work sites become infected with a serious illness that has the potential to spread rapidly, this could place the Company's small workforce at risk. The COVID-19 pandemic is one example of such an illness. The Company takes every precaution to strictly follow industrial hygiene and occupational health guidelines. There can be no assurance that this virus or another infectious illness will not impact the Company's personnel and ultimately its operations.

We expect to continue incurring losses and consuming cash for several years and will likely need to raise additional capital, the availability of which cannot be assured.

We expect to incur continued losses until we can produce sufficient revenues to cover our costs. If we are unable to successfully implement our business plan, our cash requirements may increase, and we may find it difficult to raise additional funding and continue operations. We expect our cash reserves will be reduced due to future operating losses, and we cannot provide certainty as to how long our cash reserves will last or whether we will be able to access additional capital when necessary in order to carry on business.

Titanium expects to rely on funding commitments from the Governments of Canada and Alberta to pay part of the project costs associated with the first implementation of Titanium's Creating Value from Waste™ clean technology, the availability of which cannot be assured.

Environment and Climate Change Canada, through the LCEF, has committed to investing $40 million and NRCan's CGP has committed to investing $5 million in the Company's CVW™ Horizon Project. ERA has also committed an additional $5 million through its Partnership Intake Program bringing its total investment to $10 million for the Project. To secure these funding commitments, we will have to negotiate the terms and conditions under which such funding will be provided and enter into definitive agreements with the responsible government agencies within prescribed time periods. Changes in governments and delays or other difficulties in satisfying pre-conditions for the signing of such definitive agreements create uncertainty in securing these and other government funding commitments. We can offer no guarantee that we will be able to conclude such negotiations and enter into such definitive agreements on reasonable terms or at all.

Even if definitive agreements are entered into, the terms and conditions of such agreements may not be favorable to the Company or may otherwise be subject to conditions which the Company cannot satisfy. For instance, the governments' obligations to fund payment of eligible-project costs will be subject to the satisfaction of several conditions, including the successful completion of other government funding programs, Titanium's compliance with the other terms and conditions of the government funding agreements within the time periods required, and Titanium securing, within certain prescribed time periods, the remaining funding necessary to complete the Project. Given the need to first secure satisfactory commercial arrangements with an oil sands producer to adopt and integrate our CVW™ process, Titanium may not be able to comply with the current government-imposed deadlines to secure, within certain prescribed time periods, the remaining funding necessary to complete the Project. As such, an extension of time to satisfy that condition will be required from the responsible government agencies in order to secure such funding commitments, the availability of which cannot be assured. Even if such an extension is granted, no assurance can be given that Titanium will be able to satisfy the other conditions necessary to receive payment of Project-eligible costs.

If the government funding commitments are not available, the Company may be required to raise additional capital through the issuance of securities, loans, new or additional government grants and/or some form of partnership or joint venture to fund the costs that would have otherwise been paid for with government funding. No assurances can be given that the Company will be able to raise additional capital or funding on acceptable terms or at all.

We could lose or fail to attract the personnel necessary to run our business.

Our success depends in large part on our ability to attract and retain key management, engineering, scientific and operating personnel. As we develop additional capabilities and expand the scope of our operations, we will require additional skilled personnel. Recruiting personnel for the oil sands and waste remediation industry is often highly competitive. Other companies have significant capital resources and other business activities as compared to the Company. We may not be able to continue to attract and retain qualified executive, managerial, technical and operational personnel needed for our business. Our failure to attract or retain qualified personnel could have a material adverse effect on our business.

The breadth and complexity of changes to Canadian federal and provincial environmental laws make it difficult for oil sands producers to predict the potential financial impacts of these changes on oil sands producers and

their operations which may affect the timing and willingness of oil sands producers to evaluate our CVW™ process or enter into commercial projects with us.

A number of statutes, regulations and frameworks are under development or have been issued by various Canadian federal and provincial regulators that affect oil sands developments, including changes relating to such issues as tailings management, water use, air emissions and land use. The breadth and complexity of these changes and proposed changes make it difficult for oil sands producers to predict the potential financial impacts of these changes on them and their operations. Because it is not currently possible to predict the nature of any future requirements or the impact on oil sands producers and their business, financial condition, results of operations and cash flow, oil sands producers may be unwilling to evaluate our CVW™ process or proceed past the engineering design phase and enter into commercial projects with us until these uncertainties and risks are better understood.

Our potential customer base is concentrated, and we are subject to risks from those customers' internal research and development of competing tailings management strategies.

Based on the current stage of our CVW™ process, our potential customer base is limited to the mining sector of Canada’s oil sands industry now consisting of Canadian Natural (Horizon and Albian Sands sites), Suncor Energy Inc. (Base Plant and Fort Hills sites), Syncrude Canada and Imperial Oil Limited (Kearl), each of whom may prefer other methods of dealing with froth treatment tailings that do not include our CVW™ process.

As our CVW™ process has the potential to replace existing methods of dealing with froth treatment tailings, competition for our process will come from current oil sands producers, from improvements to current methods of dealing with froth treatment tailings and from new alternative methods of dealing with froth treatment tailings.

Additionally, oil sands producers are working on developing alternative methods of dealing with froth treatment tailings, such as thickening and dewatering methods, which could meet current regulatory requirements. The industry may elect to use such methods or develop others as alternatives to adopting the Company's technology.

While the Company has completed the FEED Project for the implementation of the Company’s CVW™ technology at Canadian Natural’s Horizon oil sands site, Canadian Natural is not required to proceed past this phase, complete all, or any, of the post-FEED Project activities nor has it agreed to adopt the Company’s CVW™ technology on a commercial scale.

Other companies, research facilities and universities are actively engaged in the research and development of processes for dealing with froth treatment tailings. Each of these organizations has the potential to develop competing processes that would diminish the competitiveness of our CVW™ process. These organizations, including the oil sands producers themselves, have substantial financial resources, research and development capabilities, and other resources, which give them significant competitive advantages over us.

The CVW™ process has not been commercially demonstrated and process recoveries on a commercial level are uncertain.

To date, we have focused primarily on R&D and engineering design. The CVW™ process is a new process and consequently we have no experience operating on a large-scale commercial basis. As such, the recovery of bitumen, heavy minerals, solvent and water in commercial projects and the environmental impacts of using the CVW™ process involves uncertainty. There can be no assurance that the Company's CVW™ process will recover bitumen, heavy minerals, solvent and water at the expected levels, with the expected environmental benefits and/or operating costs or on the expected schedule.

We are dependent on the composition of froth treatment tailings for quantity and quality of bitumen, solvents and minerals.

There is inherent variability and uncertainty regarding the composition of the feed tailings that may be processed by the CVW™ process from different oil sands sites in commercial projects and over time from the same site, which could impact realized recovery rates, product volumes, revenues and unit operating costs significantly.

More specifically, there is uncertainty relating to the volumes of bitumen, heavy minerals, solvent and water that may be recovered from froth treatment tailings using the CVW™ process due to uncertainties in froth tailings composition and process recovery rates. While there have been many Athabasca basin studies that have assessed the composition of oil sands ores, as well as extensive sampling conducted by the Company and some of its potential oil sands commercialization partners on live froth treatment tailings at various oil sands sites, there remains uncertainty about the levels of bitumen, solvent and heavy minerals, and the composition of such heavy minerals, in any froth treatment tailings streams that may be used in a commercial project. These could vary substantially and adversely from the levels and composition expected by the Company. As such, actual production, and the net revenues and cash flows to be derived therefrom, may vary from time to time, and over the life of a commercial project from expected levels, and such variations may be material.

We have no experience operating our CVW™ process on a commercial basis and there are uncertainties involved with commercial project execution.

The execution of commercial projects, once negotiated, involves risks associated with the planning, engineering, cost, construction, integration, commissioning and start-up of new CVW™ facilities with existing or new oil sands operations. Risks include failures in the specification, design or technology selection; determining and agreeing upon a scope for the Project; building the Project in the approved time and at the agreed cost; and meeting agreed performance targets, including capital and operating costs, efficiency, recoveries and maintenance costs. Actual results in the execution of any commercial projects could materially and adversely vary from expected outcomes. Many factors can affect key outcomes, including general economic, business and market conditions, the availability and cost of qualified personnel, key materials and equipment, the complexity of managing multiple suppliers and contractors, the complexity of building within existing operating sites, weather conditions, changing government regulations, approval requirements, permits and public expectations.

Capital cost overruns or delays in achieving commercial implementation could have a material adverse effect on the Company's business, financial condition, results of operations and cash flow. Moreover, commercial implementation may require substantial capital and we do not know whether we will be able to secure sufficient funding on terms acceptable to us or at all. Our failure to complete commercial implementation or financing could have a material adverse effect on our business and financial results.

We are dependent on oil sands operators for froth treatment tailings volumes.

There are numerous uncertainties involved with estimating the quantities of froth treatment tailings that may be available for processing in future commercial projects using the CVW™ process. The quantity of froth treatment tailings available will depend on a number of factors, including the overall volumes of oil sands ore mined and processed by oil sands operators, their extraction and froth treatment efficiency, and the amount and timing of any operational downtime due to planned or unplanned slowdowns, shutdowns or other restrictions on production. The availability of froth treatment tailings for processing will depend on oil sands operators' froth tailings volumes, over which the Company has no control.

Heavy minerals price fluctuations are beyond our control and may have a material adverse effect on our business, operating results, financial condition and profitability.

The ability of the Company to develop, finance and operate minerals facilities in the future will be significantly affected by the price of zircon and titanium in the world market. In particular, zircon prices have fluctuated widely since 2009 and are affected by numerous factors beyond the Company's control such as global and regional supply and demand (particularly from China), global or regional political, economic or financial conditions, the cost of substitutes, interest rates, inflation or deflation, and fluctuations in the value of the United States dollar and foreign currencies. There is a high degree of uncertainty regarding the future price of zircon and other minerals that could have an adverse effect on the Company's ability to develop, finance and operate minerals facilities.

As provided elsewhere in this discussion of risks, as a result of the COVID-19 pandemic, trade disputes between the United States and China and the recent rapid decline in global financial markets and commodity prices, amongst other factors, there has been a deceleration of economic growth in China and it is unclear how long, or to what extent, the deceleration will continue to last.

The Chinese market has become a significant source of global demand for commodities, including zircon and other minerals. The deceleration in China's economic growth could result in further lower prices and demand for the products from our CVW™ process, which would have a negative impact on the Company. We could also experience these negative effects if demand from China slowed for other reasons, such as increased self-sufficiency, trade barriers, or certain thrifting initiatives by customers.

Additionally, mineral price declines could adversely affect our continued development of, and eventual commercial production from, our CVW™ process. These declines could impair the economic feasibility to develop, finance and operate minerals facilities. Depending on the price of and demand for zircon and other minerals, the Company may not be able to proceed with the development of minerals facilities. Additionally, continuing to commercially develop our CVW™ process may not be feasible. Even if the continued commercial development of our CVW™ process is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays and interrupt operations until the reassessment can be completed.

Forecasting our financial and business results due to fluctuations in commodity prices creates complexities and may restrict our access to funding for our commercialization plan.

Due to the stage of development of our business, it is difficult to predict our future revenues or results of operations accurately. We are also subject to normal market and financial risks such as credit risks, foreign currency risks and fluctuations in commodity prices. As a result, it is possible that in one or more future quarters, our operating results may fall below the expectations of investors and securities analysts. Not meeting investor expectations may materially and adversely impact the trading price of our common shares and restrict our ability to secure required funding to pursue our commercialization plans.

The royalty regime in Alberta and other fiscal incentives may not encourage oil sands operators to enter into commercialization agreements and could significantly reduce the value of the Company's CVW™ process and technologies.

The prospects for commercializing the CVW™ process, and the Company's operating cash flow from commercial projects, will be affected by the applicable royalty regime, any future changes to the royalty regime by the Government of Alberta and any Alberta or Federal fiscal incentives. The Province of Alberta receives royalties linked to price and production levels on the production of natural resources from lands in which it owns the mineral rights, including lands with new and existing oil sands projects.

The Government of Alberta may not implement a fiscal regime for minerals and bitumen from oil sands tailings that incentivizes oil sands operators to enter commercialization agreements. Further, the Government of Alberta may implement a regime that adversely affects the results of operations, financial condition or prospects of the Company or its oil sands partners. In addition, the Company may not be successful in obtaining Alberta or Federal fiscal incentives as part of the commercialization process.

Exchange rate fluctuations are beyond our control and may have a material adverse effect on our business, operating results, financial condition and profitability.

Our revenues will be affected by fluctuations in the exchange rate between the Canadian dollar and the United States dollar. Once a commercial deal is arranged, we would expect to generate a significant portion of our revenues in United States dollars while a significant portion of our operating expenses and capital expenditures are in Canadian dollars. As a result, any decrease in the value of the United States dollar relative to the Canadian dollar reduces the amount of Canadian dollar revenues we realize on sales, without a corresponding decrease in expenses. Exchange rate fluctuations are beyond our control, and the United States dollar may depreciate against the Canadian dollar in the future, which would result in lower revenues and margins. In order to reduce the potential negative effect of a weakening United States dollar, we may enter into various hedging programs. However, if the Canadian dollar increases in value, it will negatively affect our financial results.

We depend on our intellectual property and our failure to protect that intellectual property could adversely affect our future growth and success.

Our success depends in part on our ability to protect our intellectual property rights. We rely on patent, trade secret, trademark and copyright laws to protect our intellectual property. However, our patent position remains subject to complex factual and legal issues, which may give rise to uncertainty as to the validity, scope and enforceability of a particular patent. Accordingly, there is no assurance that effective patent, trade secret, trademark and copyright protection will always be available for our intellectual property rights, both in Canada and other countries.

We also seek to protect our proprietary intellectual property, including intellectual property that may not be patented or patentable, in part by confidentiality agreements and, if applicable, inventors' rights agreements with our strategic partners and employees. We can provide no assurance that these agreements will not be breached, that we will have adequate remedies for any breach, or that such persons or institutions will not assert rights to intellectual property arising out of these relationships.

We may be involved in intellectual property legal proceedings that cause us to incur significant expenses or prevents us from selling the CVW™ process.

We may become subject to legal proceedings in which it is alleged that we have infringed the intellectual property rights of others or commence legal proceedings against others who we believe are infringing upon our rights. Our involvement in intellectual property litigation could result in significant expense to us, adversely affecting the development of sales of the challenged process or intellectual property and diverting the efforts of our technical and management personnel, whether or not such litigation is resolved in our favour. In the event of an adverse outcome as a defendant in any such litigation, we may, among other things, be required to: (a) pay substantial damages; (b) cease the development, use, sale or importation of processes that infringe upon other patented intellectual property; (c) expend significant resources to develop or acquire non-infringing intellectual property; (d) discontinue processes incorporating infringing technology; or (e) obtain licenses to the infringing intellectual property. We may not be successful in such development or acquisition or such licenses may not be available on reasonable terms. Any such development, acquisition or license could require the expenditure of substantial time and other resources and could have a material adverse effect on our business and financial results.

There are operational hazards involved in the CVW™ process.

CVW™ projects will involve the typical risks associated with recovering, transporting and processing hydrocarbons, including fires, explosions, gaseous leaks, migration of harmful substances and spills. A casualty occurrence might result in the loss of life and equipment, as well as injury, property damage or the interruption of the operations of a commercial project. The Company may not carry adequate insurance with respect to all potential casualties, damages, losses and disruptions. Losses and liabilities arising from uninsured or under-insured events could have a material adverse effect on the Company's results of operations, financial condition and prospects.

We may consider new business opportunities.

We may consider expanding our business beyond what is currently contemplated in our business plan. Depending on the financing requirements of a potential acquisition or new process opportunity, we may be required to raise additional capital through the issuance of equity or debt. If we are unable to raise additional capital on acceptable terms, we may be unable to pursue a potential acquisition or new process opportunity.

Related Party Transaction

There were no related party transactions.

Off Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

Critical Accounting Estimates and Judgements

The preparation of financial statements in accordance with IFRS requires management to make critical accounting estimates and judgments that affect the amounts reported in the financial statements and accompanying notes. These estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the actual results. Management considers the following areas to be those where critical accounting policies affect the significant estimates and judgments used in the preparation of the Company's financial statements.

a) Government assistance

   i) The recovery of government grants and partner project contributions requires judgement to determine that reasonable assurance exists when the Company has complied with conditions contained in the ERA Contribution Agreement and the contribution agreement with Canadian Natural.

   ii) The research tax credits are not certain until received; as such judgement is applied to determine when that receipt is delivered prior to recording the credit.

b) Recognition of intangible assets

Determining the commencement of capitalization of development costs requires judgement to determine when conditions exist to capitalize costs related to the development of intangible assets.

c) Fair value of stock options

Determining the fair value of stock options requires judgment related to the choice of a pricing model, the estimation of stock price volatility, the expected term of the underlying instruments, the estimation of the risk-free interest rate and the rate of forfeiture of the options granted.

d) Fair value of warrants

Determining the fair value of warrants requires judgement related to the choice of a pricing model, the estimation of stock price volatility, the expected term of the underlying instruments and the estimation of the risk-free interest rate.

Changes in Accounting Policies

Effective January 1, 2019, IFRS 16, "Leases" (IFRS 16") was adopted by the Company. The Company has adopted the new standard using the modified retrospective approach which does not require restatement of prior period financial information as it recognizes the cumulative effect as an adjustment to opening retained earnings and applies the standard prospectively. It was determined that the new standard did not have any impact on the Company's financial statements for the year ended December 31, 2019, nor was there an adjustment required for the prior period. Any future lease transactions will be accounted for under the new standard.

Other Information

Outstanding Share Data - as at April 27, 2020:

Number of common shares issued and outstanding:	88,480,791
Number of common share awards granted and outstanding:	8,164,136
Number of warrants – Private Placement units[1]	3,044,742

[1] These common share purchase warrants of the Company were issued to participants in the May 2019 private placement. Each unit consisted of one common share of the Company and one-half of one common share purchase warrant. The Company issued an aggregate of 3,044,742 common share purchase warrants. Each whole warrant is exercisable to purchase one common share at a price of $1.40 per common share until May 9 (2,913,242) and May 30 (131,500), 2022.

Compliance

Mr. Neil Dawson, of Australia, and a registered member of AusIMM is the independent consultant who acts as the Qualified Person for the Company on the CVW™ project.

Independent auditor's report

To the Shareholders of Titanium Corporation Inc.

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Titanium Corporation Inc. (the Company) as at December 31, 2019 and 2018, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

What we have audited

The Company's financial statements comprise:

- the statements of financial position as at December 31, 2019 and 2018;
- the statements of income and loss and comprehensive income and loss for the years then ended;
- the statements of changes in shareholders' equity (deficit) for the years then ended;
- the statements of cash flows for the years then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis, which we obtained prior to the date of this auditor's report and the information, other than the financial statements and our auditor's report thereon, included in the annual report, which is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express an opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard. When we read the information, other than the financial statements and our auditor's report thereon, included in the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Alisa Sorochan.

PricewaterhouseCoopers LLP

Chartered Professional Accountants

Calgary, Alberta
April 27, 2020

Statements of Financial Position

For the years ended December 31, 2019 and 2018

(expressed in Canadian dollars)	December 31, 2019 $	December 31, 2018 $
Assets		
Current assets		
Cash and cash equivalents	3,055,270	841,357
Short term investments	2,011,458	-
Goods and services tax receivable	7,947	132,965
Prepaid expenses	24,096	17,514
	5,098,771	991,836
Equipment (note 5)	6,009	8,194
Total assets	5,104,780	1,000,030
Liabilities		
Current liabilities		
Trade payables and other accrued liabilities	442,634	1,534,709
Deferred compensation (note 6)	344,903	250,240
Total liabilities	787,537	1,784,949
Shareholders' Equity		
Share capital (note 7)	75,686,611	71,998,590
Contributed surplus	18,742,991	17,332,100
Deficit	(90,112,359)	(90,115,609)
Total shareholders' (deficit) equity	4,317,243	(784,919)
Total liabilities and shareholders' equity	5,104,780	1,000,030

Subsequent events (note 15)

Approved by the Board of Directors

"Scott Nelson" Director

"John Stevens" Director

(expressed in Canadian dollars)

	Year ended December 31, 2019 $	Year ended December 31, 2018 $
Expenses		
General and administrative (note 11)	2,026,389	2,147,961
Research and development (recovery) (note 11)	(1,969,846)	5,510,142
Amortization	2,185	2,439
Operating loss	58,728	7,660,543
Other income		
Interest	(61,978)	(48,432)
Net income (loss) and comprehensive loss	3,250	(7,612,111)
Basic and diluted income (loss) per share (note 8)	$0.00	$(0.09)

(expressed in Canadian dollars)	Share capital $	Contributed surplus $	Deficit $	Shareholders' equity(deficit) $
Balance – January 1, 2019	71,998,590	17,332,100	(90,115,609)	(784,919)
Comprehensive income for the period	-	-	3,250	3,250
Issuance of common shares net of share issue costs	4,056,474	-	-	4,056,474
Fair value of warrants issued in connection with common shares	(610,330)	610,330	-	-
Fair value of DSUs released	241,877	(241,877)	-	-
Equity-based compensation	-	536,850		536,850
Deferred Compensation settled with RSUs/DSUs	-	505,588	-	505,588
Balance – December 31, 2019	75,686,611	18,742,991	(90,112,359)	4,317,243

	Share capital $	Contributed surplus $	Deficit $	Shareholders' equity(deficit) $
Balance – January 1, 2018	70,418,766	16,470,130	(82,503,498)	4,385,398
Comprehensive loss for the year	-	-	(7,612,111)	(7,612,111)
Equity-based compensation	-	610,172	-	610,172
Deferred compensation settled with RSUs/DSUs	-	627,109	-	627,109
Proceeds on exercise of warrants	700,000	-	-	700,000
Proceeds on exercise of stock options	504,513	-	-	504,513
Fair value of warrants exercised	104,567	(104,567)	-	-
Fair value of stock options exercised	270,744	(270,744)	-	-
Balance – December 31, 2018	71,998,590	17,332,100	(90,115,609)	(784,919)

(expressed in Canadian dollars)

	December 31, 2019 $	December 31, 2018 $
Cash (used in) provided by		
Operating activities		
Net income (loss) for the year	3,250	(7,612,111)
Items not affecting cash		
Amortization	2,185	2,439
Accrued interest income	(11,458)	-
Equity-based compensation	536,850	
	530,828	(7,609,672)
Net change in non-cash working capital items		
Deferred compensation expense	600,234	1,145,971
Goods and services tax receivable	125,018	(113,459)
Prepaid expenses and other assets	(6,582)	14,450
Trade and other payables and accrued liabilities	(1,092,060)	1,164,696
Cash provided by (used in) operating activities	157,439	(5,398,014)
Investing activities		
Purchase of equipment	-	(981)
Short-term investments	(2,000,000)	3,038,108
Cash (used in) provided by investing activities	(2,000,000)	3,037,127
Financing activities		
Common shares issued, net of issue costs (note 7)	4,056,474	-
Proceed on exercise of stock options (note 7)	-	504,513
Proceeds on exercise of warrants (note 7)	-	700,000
Cash provided by financing activities	4,056,474	1,204,513
Increase (decrease) in cash and cash equivalents	2,213,914	(1,156,374)
Cash and cash equivalents – beginning of period	841,357	1,997,731
Cash and cash equivalents – end of year	3,055,271	841,357

1 Reporting entity and nature of operations

Titanium Corporation Inc. (the "Company" or "Titanium") is a public company domiciled in and governed by the laws of Canada. Titanium was formed upon the amalgamation of Titanium Corporation of Canada Limited and NAR Resources Ltd. under the *Business Corporations Act* (Ontario) on July 24, 2001. On March 19, 2009, the Company was continued under the *Canada Business Corporations Act*. The Company does not have any subsidiaries.

The Company's principal business office is 736 8th Avenue, SW, Calgary, Alberta, T2P 1H4 and the Company's registered office is located at Suite 2400, 525 8th Avenue, SW, Calgary, Alberta, T2P 1G1. The Company's common shares are listed on the TSX Venture Exchange under the ticker symbol "TIC".

Titanium's mission is "Creating Value from Waste™" ("CVW™"). The Company has developed innovative CVW™ technologies to recover valuable heavy minerals, bitumen, solvent and water from oil sands waste tailings. The recovery of bitumen, associated solvents and water from froth treatment tailings streams enables important and timely environmental improvements for the oil sands industry. The Company has completed demonstration piloting which was the culmination of several years of progressive research and development ("R&D") of its proprietary technology and is working towards the first commercial implementation of the CVW™ technology at an oil sands site.

The financial statements are prepared using International Financial Reporting Standards ("IFRS") that are applicable to a going concern which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. The Company is considered a development stage enterprise as it has yet to earn any revenues from its planned operations. The Company is devoting substantially all its efforts toward commercializing its proprietary technology. The recoverability of amounts expended on R&D is dependent on the ability of the Company to implement its technology at one or more oil sands sites and achieve future profitable operations. Until commercial operations are established, the Company will continue to incur losses and is dependent on raising funds through the issuance of shares, loans, government grants and/or attracting partners in order to undertake further development and commercialization of its technology. While the Company has been successful in obtaining the necessary financing to develop its' business to this point, there are no assurances that the Company will be successful in the future in these endeavours.

2 Basis of presentation

These financial statements of the Company have been approved by the Board of Directors on April 27, 2020. These financial statements are presented in Canadian dollars, which is the Company's functional currency.

The financial statements of the Company have been prepared in accordance with IFRS as issued by the international accounting standards board and IFRIC interpretations.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements unless otherwise noted.

Critical accounting estimates and judgements

The preparation of financial statements in accordance with IFRS requires management to make critical accounting estimates and judgements that affect the amounts reported in the financial statements and accompanying notes. These estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events, that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the actual results. Management considers the following areas to be those where critical accounting policies affect the significant estimates and judgements used in the preparation of the Company's financial statements.

a) Government Assistance

   i) The recovery of government grants and partner project contributions requires judgement to determine when reasonable assurance exists that the Company has complied with conditions contained in the applicable contribution agreements.

   ii) The research tax credits are not certain until received; as such judgement is applied to determine when receipt is delivered prior to recording the credit.

b) Recognition of intangible assets

   Determining the commencement of capitalization of development costs requires judgement to determine when conditions exist to capitalize costs related to the development of intangible assets.

c) Fair value of stock options

   Determining the fair value of stock-based compensation requires judgement related to the choice of a pricing model, the estimation of stock price volatility, the expected term of the underlying instruments and the estimation of the risk-free interest rate.

d) Fair value of warrants

   Determining the fair value of warrants requires judgement related to the choice of a pricing model, the estimation of stock price volatility, the expected term of the underlying instruments and the estimation of the risk-free interest rate.

Basis of measurement

The financial statements have been prepared using the historical cost convention except for the measurement of stock-based payments and warrants, which are measured at fair value.

Foreign currency

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in currencies other than the Company's functional currency are recognized in the statement of loss and comprehensive loss.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and bank balances net of outstanding cheques which have not cleared the bank at period end.

Short term investments

Short term investments were comprised of certificates of investment with original maturity dates of twelve months or less which are all redeemable within 30 days of the issue date. The Company's short-term investments were held with Schedule 1 Canadian banks where management believed the risk of loss to be minimal.

Equipment

Equipment is recorded at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset.

Depreciation is recorded on the declining balance basis at rates between 20% and 50% as appropriate for the type of equipment.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Intangible assets

Internally generated intangible assets and research and development expenditures

Expenditures on research activities are recognized as an expense in the period in which they are incurred. Development costs are also expensed in the period incurred unless the Company believes these development projects meets generally accepted criteria for deferral and amortization under IAS 38 Intangible Assets. An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognized if all the following conditions exist:

- Technical feasibility of completing the intangible asset so it will be available for use or sale;
- The intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- Demonstrate how the intangible asset will generate probable future economic benefits;

- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and,
- The ability to measure reliably the expenditures attributable to the intangible asset during its development.

The amount recognized for internally generated intangible assets is the sum of the expenditures incurred from the date the intangible assets first meets the conditions listed above. Subsequent to recognition, internally generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses.

Where no internally generated intangible asset can be recognized, development expenditures are recognized as an expense in the period in which they are incurred.

Government assistance

Government grants are not recognized until there is reasonable assurance that the Company has complied with the conditions contained in the grant agreements.

Share capital

Common shares are classified as shareholders' equity. Incremental costs directly attributable to the issue of common shares and share options are recognized as a deduction from shareholders' equity, net of any tax effects.

Equity-based award plan

The Company has an equity-based award plan for its directors, officers, employees and consultants to encourage ownership of common shares. The equity plan is designed to advance the Company's interests by providing additional incentives for plan participants and to retain and attract valued directors, officers, employees and consultants. The Company grants equity-based awards to officers, employees and non-executive directors at the discretion of the board of directors. The associated equity-based compensation expenses are recognized as components of general and administrative and research and development expense.

Income taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in shareholders' equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of prior years.

Deferred tax is recognized with respect to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are offset if they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future tax profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Earnings (loss) per share

The Company presents basic and diluted earnings (loss) per share ("EPS") data for its common shares. Basic EPS is calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to shareholders and the weighted average number of common shares outstanding, for the effects of all potentially dilutive common shares. The Company's potentially dilutive common shares comprise equity-based awards granted to its employees and directors and warrants issued in connection with the private placement. The number of common shares included with respect to equity awards and warrants are computed using the treasury stock method.

Financial instruments

The Company's financial assets include cash and cash equivalents, short term investments and GST receivable. Financial liabilities include accounts payable and accrued liabilities,

Financial instruments are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are not offset unless the Company has the legal right to offset and intends to settle on a net basis or settle the asset and liability simultaneously.

The Company characterizes its fair value measurements into a three-level hierarchy depending on the degree to which the inputs are observable, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

a) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive (loss) income ("FVTOCI"), or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of financial instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics.

b) Measurement

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of net(loss) income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statement of net (loss) income in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive (loss) income.

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs and are subsequently carried at amortized cost less any impairment.

c) Impairment of financial assets at amortized cost
Financial assets at amortized cost
Financial assets are measured at amortized cost and are assessed at each reporting date using an expected credit loss model ("ECL") to determine whether the financial asset is impaired. The Company applies the simplified approach to providing for ECLs prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. A combination of historical and forward-looking information is used to determine the appropriate loss allowance provisions. ECLs are a probability -weighted estimate of all possible default events over the expected life of the financial asset which is based on credit quality since initial recognition of the financial asset.

Non-financial assets

Non-financial assets are tested for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. For the purpose of measuring recoverable amounts, assets are grouped at the lowest levels for which there are separately identifiable cash flows ("cash-generating units" or "CGUs"). Recoverable amount is the higher of an asset's fair value less costs to dispose and value in use (being the present value of the expected future cash flows of the relevant asset or CGU, as determined by management). The Company evaluates impairment losses for potential reversals when events or circumstances warrant such consideration.

Financial liabilities

The Company has the following non-derivative financial liabilities: trade and other payables, and accrued liabilities. Such financial liabilities are classified as other liabilities and are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

New standards and amendments

Effective January 1, 2019, IFRS 16, "Leases" (IFRS 16") was adopted by the Company. The Company has adopted the new standard using the modified retrospective approach which does not require restatement of prior period financial information as it recognizes the cumulative effect as an adjustment to opening retained earnings and applies the standard prospectively. It was determined that the new standard did not have any impact on the Company's financial statements for the year ended December 31, 2019, nor was there a required adjustment for the prior period. Any future lease transactions will be accounted for under the new standard.

4 Government Assistance

i) Government Grants and Project Cost Recovery

On October 19, 2017, the Company entered into a contribution agreement with Emissions Reduction Alberta ("ERA") to fund a portion of the cost of the Front End Engineering and Design ("FEED") project for the implementation of Titanium's CVW™ technology at Canadian Natural Resources Limited's ("Canadian Natural") Horizon site. The contribution agreement provided for funding up to the lesser of $5.0 million or 50% of the cost of the FEED project. In addition, the Company had an agreement with Canadian Natural to fund up to $3.7 million of the project costs. The Company was the lead proponent and overall project manager, responsible for contracting with engineering and other firms required for the project, managing and funding these contracts, project controls, reporting progress against agreed milestones and collecting partner funding contributions upon milestone achievement from ERA and Canadian Natural. Eligible costs related to the project are recognized as R&D expenses when incurred and recovery of project costs are recognized with the collection of ERA and Canadian Natural contributions. For the year ended December 31, 2019, the Company received a total of $3,475,800 of cash contributions towards project costs consisting of milestones 4 and 5 and ERA's 20% holdback payment of $990,870 that was recognized as a recovery of project costs. The FEED project was completed on February 28, 2019 with final reporting completed in May 2019. Overall project costs were $9,927,070 of eligible and in-kind contributions with ERA contributing $4,961,706, Canadian Natural $3,539,369 and Titanium $1,425,995.

ii) Scientific Research and Experimental Development (SR&ED) Tax Incentive Program

The Alberta SR&ED tax credit program provides a refundable tax credit to qualified corporations that incur eligible R&D expenditures in the province of Alberta. The Company received funds related to its 2018 claim in the amount of $70,639 on August 26, 2019.

5 Equipment

	December 31, 2019 $	December 31, 2018 $
Cost	103,532	102,551
Additions	-	981
Disposals	-	-
Accumulated amortization	(97,523)	(95,338)
Net carrying value	6,009	8,194

6 Deferred Compensation

The Company has arrangements with its directors and officers to receive a portion of their cash compensation in the form of either Restricted Share Units ("RSUs") or Deferred Share Units ("DSUs"). During the year ended December 31, 2019, $600,234 (December 31, 2018, $535,978) was recognized as deferred compensation expense. The deferred compensation liability of $344,903 (December 31, 2018 $250,240) represents an accrual for deferred compensation that was approved, and a portion settled subsequent to year end through the issuance of RSUs or DSUs. Upon settlement, the outstanding liability was reclassified to contributed surplus.

7 Share capital

Authorized

Unlimited number of common shares without par value have been authorized. Details of share capital balances are as follows:

	December 31, 2019		December 31, 2018	
	Common shares #	Amount $	Common shares #	Amount $
Opening Balance	82,076,874	70,418,766	80,494,374	70,418,766
Proceeds on issuance of common shares, net of issue costs (i)	6,089,485	4,056,474	-	-
Fair value of warrants issued in connection with common share issuance (i)	-	(610,330)		
Issued for cash on exercise of stock options	-	-	582,500	504,513
Issued for cash on exercise of warrants (ii)	-	-	1,000,000	700,000
Fair value of DSUs released	314,432	241,877	-	-
Fair value of stock options exercised	-	-	-	270,744
Fair value of warrants exercised with common share issuance (ii)	-	-	-	104,567
Balance – Closing	88,480,791	75,686,611	82,076,874	71,998,590

Warrants

i) In connection with the private placement noted above, the Company issued 3,044,742 common share purchase warrants exercisable at $1.40 per common share for a period of three years expiring May 9 (2,913,242) and May 30 (131,500), 2022. A value of $610,330 was attributed to the warrants issued to investors in connection with the private placement based on the Black-Scholes pricing model and was recorded as part of contributed surplus on the statement of financial position. If the warrants are exercised before expiry, the fair value will be reclassified as share capital. The assumptions used in the Black-Scholes pricing model for the fair value of the warrants were as follows:

Risk free interest rate	1.57%
Expected life	3.0
Expected volatility	74.58%
Fair value per whole warrant	$0.20

ii) In connection with the rights offering on December 19, 2016, and in consideration for the purchase commitment by certain investors under the standby purchase agreement, the Company issued 2,675,000 common share purchase warrants exercisable at $0.70 per common share for a period of two years expiring December 21, 2018. A value of $279,717 was attributed to the common share purchase warrants issued to standby purchasers in connection with the rights offering based on the Black-Scholes pricing model and was recorded as part of contributed surplus on the statement of financial position. On February 16, 2018, 1,000,000 warrants were exercised by Mossco Capital Inc., an affiliated Canadian resident corporation controlled by Mr. Moss Kadey, at an exercise price of $0.70 for gross proceeds of $700,000. The fair value of $104,567 was reclassified to share capital in conjunction with the exercise. The remaining balance of 1,675,000 warrants expired unexercised on December 21, 2018 with the fair value remaining in contributed surplus.

Equity-based compensation

The Company has equity plans for its directors, officers, employees and consultants to encourage ownership of common shares and align with the longer-term interest of Company shareholders. The equity plans are designed to advance the Company's interests by providing additional incentives for plan participants and to retain and attract valued directors, officers, employees and consultants. The Company grants equity-based awards at the discretion of the Board of Directors. The associated equity-based compensation expenses are recognized as components of general and administrative and research and development expenses. The Company adopted "rolling" equity-based plans that include stock options, DSUs and RSUs. The number of common shares issuable under all such plans at any time is limited to 10% (rolling) of the issued and outstanding common shares of the Company in the aggregate. The plans are subject to annual approval by the Company's shareholders.

The equity plans are comprised of the following components:

a) Stock options
Once a stock option is granted, the compensation costs for options granted is based on the estimated fair value of the options at the time of grant. The cost is recognized as a component of general and administrative or research and development expenses over the vesting periods of the options with a corresponding increase to contributed surplus within shareholders' equity. Upon exercise of the stock option, both the consideration received and the fair value of the option are recognized as share capital.

b) DSUs
As part of the Company's long-term incentives for non-executive directors, a deferred share unit plan was established representing a component of director compensation. DSU awards vest immediately upon grant and are settled with the issuance of one common share for one DSU when a director's service ceases. The compensation expense for DSUs awarded to non-executive directors is based on the fair value at the time the award is granted. The fair value means, at any date, the higher of (i) the weighted average price per share at which the common shares have traded on the TSXV during the last five (5) trading days prior to the relevant date and (ii) the closing price of the common shares on the date prior to the relevant date. The expense is recognized as a component of general and administration expense with a corresponding increase to contributed surplus within shareholders' equity. Upon redemption, the fair value of the award is reclassified from contributed surplus to share capital.

c) RSUs
As part of the Company's long-term incentives for officers and other key employees of the Company, a restricted share unit plan was established representing a component of compensation. The RSU plan provides participants with the opportunity to acquire RSUs in order to participate in the long-term success of the Company. The vesting schedule for RSU awards is specified by the Board of Directors on the grant date. Once the award is vested, the RSU can be settled, at the option of the holder, with the issuance of one common share in exchange for one RSU and a nominal cash payment. The compensation expense for RSUs awarded is based

on the fair value of the award at the time of grant and amortized over the specified vesting period. The fair value means, at any date, the higher of (i) the weighted average price per share at which the common shares have traded on the TSXV during the last five (5) trading days prior to the relevant date and (ii) the closing price of the common shares on the date prior to the relevant date. The cost is recognized as a component of general and administration and/or research and development expense with a corresponding increase to contributed surplus, within shareholders' equity. Upon redemption, the fair value of the award is reclassified from contributed surplus to share capital.

Summary of equity plan awards

The number of common shares issuable under all plans at any time is limited to 10% (rolling) of the issued and outstanding common shares of the Company in the aggregate.

A summary of the equity plans for the periods ended December 31, 2019 and 2018 is as follows:

	2019 #	2018 #
Equity Award Pool (10% of common shares outstanding)	8,848,079	8,207,687
Less Awards Granted:		
Stock Options	(4,755,000)	(3,875,000)
DSUs	(1,659,989)	(1,472,223)
RSUs	(1,639,520)	(1,302,542)
Available Pool	793,570	1,557,922

The components of stock-based compensation are summarized below.

Summary of stock options

A summary of the Company's stock option activity for the periods ended December 31, 2019 and 2018 is as follows:

	2019		2018	
	Number of common stock options #	Weighted average exercise price $	Number of common stock options #	Weighted average exercise price $
Opening balance outstanding	3,875,000	$ 0.74	3,282,500	$ 0.74
Granted	880,000	$ 0.69	1,225,000	$ 0.83
Options exercised	-	-	(582,500)	$ 0.87
Options expired	-	-	(50,000)	$ 1.07
Options outstanding	4,755,000	$ 0.73	3,875,000	$ 0.74
Options exercisable	2,691,668	$ 0.67	1,916,668	$ 0.55

The following table summarizes the options outstanding as at December 31, 2019:

Range of exercise price	Number of stock options #	Weighted average remaining contractual life years	Weighted average exercise price $	Number of options exercisable #	Weighted average exercise price $
0.00 – 0.49	1,550,000	1.13	$0.41	1,550,000	$0.41
0.50 – 0.99	2,005,000	3.82	$0.75	375,002	$0.80
1.00 – 1.50	1,200,000	2.41	$1.12	766,666	$1.12
	4,755,000	2.59	$0.73	2,691,668	$0.67

Stock-based compensation expense has been presented in the statement of income (loss) and comprehensive income (loss) as a non-cash component of research and development and general and administrative expense (note 12). The fair value of each stock option is accounted for in the statement of income (loss) and comprehensive income (loss), over the vesting period of the options, and the related credit is recorded in contributed surplus.

The weighted average assumptions used in the Black Scholes pricing model for the fair value of stock options granted were as follows:

	December 31, 2019	December 31, 2018
Exercise price of stock option	$0.69	$0.83
Risk free interest rate	1.41%	2.06%
Expected life (years)	4.3	4.4
Expected volatility	93.14%	94.17%
Fair value per stock option	$0.47	$0.57

Summary of DSUs

A summary of the DSU activity for the periods ended December 31, 2019 and 2018 is as follows:

	2019		2018	
	Number of DSUs #	Weighted average share price at time of grant $	Number of DSUs #	Weighted average share price at time of grant $
Outstanding Jan 1	1,472,223	$0.78	1,142,311	$0.76
Granted	502,198	$0.66	329,912	$0.85
Released	(314,432)	$0.73	-	-
DSUs outstanding	1,659,989	$0.75	1,472,223	$0.78

Summary of RSUs

A summary of the RSU activity for the periods ended December 31, 2019 and 2018 is as follows:

	2019			2018		
	Number of RSUs #	Exercise price $	Weighted Average share price at time of grant $	Number of RSUs #	Exercise price $	Weighted Average share price at time of grant $
Outstanding Jan 1	1,312,822	$0.0001	$0.81	1,014,798	$0.0001	$0.70
Granted	326,698	$0.0001	$0.53	298,024	$0.0001	$1.17
RSUs outstanding	1,639,520	$0.0001	$0.75	1,312,822	$0.0001	$0.81

8 Basic and diluted loss per share

Weighted average number of common shares outstanding

As the Company had insignificant income for the year ended December 31, 2019 and incurred losses for the year ended December 31, 2018, the impact of potentially issuable common shares upon the exercise of DSUs, RSUs, stock options and warrants would be anti-dilutive, therefore basic and diluted loss per share are the same.

The following table sets forth the reconciliation of basic and diluted income (loss) per share for the years ended December 31:

	2019 $	2018 $
Net income (loss) and comprehensive income (loss)	3,250	(7,612,111)
Weighted average number of common shares for basic and diluted loss per share	86,162,838	81,880,942
Basic and diluted income (loss) per share	$0.00	($0.09)

9 Income taxes

The tax recovery on the Company's income (loss) before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to losses of the entity as follows:

	December 31, 2019 $	December 31, 2018 $
Net income (loss) before income taxes	3,250	(7,612,111)
Tax calculated at applicable statutory rates applicable to loss (26.5% 2019 and 27% 2018)	861	(2,055,270)
Change in temporary differences for which no deferred income tax asset was recognized	(4,432)	1,744,433
Stock-based compensation expense not deductible for tax purposes	301,327	309,412
Prior year losses deducted	(299,131)	-
Other expenses not deductible for tax purposes	1,375	1,424
Tax expense (recovery)	-	-

The applicable rate was 26.5 % (2018 – 27%). Deferred income taxes are computed at 26.5%. The movement in deferred income tax assets and (liabilities) during the year is as follows:

Deferred tax asset	December 31, 2019 $	December 31, 2018 $
Opening balance	16,750,000	14,677,000
Current change for the year	(989,000)	2,073,000
Closing balance	15,761,000	16,750,000
Asset not recognized	(15,761,000)	(16,750,000)
Net deferred tax asset	-	-

Deferred income tax assets are recognized for loss carry-forwards and other deductible temporary differences to the extent that the realization of the related tax benefit through future taxable profits is probable. Based on this test, the Company did not recognize deferred income tax assets of $15,761,000 (December 31, 2018 – $16,750,000) in respect of tax losses and other deductible temporary differences amounting to $59,475,000 (December 31, 2018– $63,877,000) that can be carried forward against future taxable income.

The components of the unrecognized deferred tax asset are as follows:

Components of deferred tax assets:	December 31, 2019 $	December 31, 2018 $
Capital assets (tangible and intangible)	942,000	959,000
SR&ED expenditures	5,637,000	5,605,000
Deferred financing costs	62,000	31,000
Capital and non-capital losses	9,120,000	10,155,000
Closing balance	15,761,000	16,750,000
Deferred tax asset not recognized	(15,761,000)	(16,750,000)
Net deferred tax asset	-	-

The Company did not recognize the benefits of non-refundable federal research and development investment tax credits ("ITCs") amounting to $4,922,700 (December 31, 2018 - $4,824,000). These tax credits can be carried forward against future federal income tax payable.

The non-capital losses and ITC's will expire as follows:

	Federal non-capital loss carry-forwards $	Alberta non-capital loss carry-forwards $	ITC's $
2023	-	-	91,000
2024	-	-	551,000
2025	-	-	231,000
2026	2,427,000	2,427,000	473,000
2027	1,737,000	1,737,000	300,000
2028	-	-	279,000
2029	4,193,000	4,193,000	517,000
2030	3,114,000	3,114,000	861,000
2031	4,877,000	4,877,000	1,026,000
2032	2,274,000	2,274,000	182,000
2033	652,000	652,000	313,000
2034	2,773,000	2,773,000	-
2035	1,954,000	1,954,000	-
2036	1,765,000	1,765,000	-
2037	1,655,000	1,655,000	-
2038	1,083,000	1,083,000	-
2039	5,912,000	5,912,000	98,700
	34,416,000	34,416,000	4,922,700

10 Segmented information

Operating segments

The Company has one reporting segment engaged in the commercialization of its proprietary CVW™ technology for the recovery of bitumen, solvent, heavy minerals and water from oil sands froth treatment tailings. As the operations comprise a single reporting segment, amounts disclosed in the financial statements represent those of the single reporting unit. In addition, the Company's equipment is all located in Canada.

11 Expenses by nature

General and administrative expenses consist of the following:

	December 31, 2019 $	December 31, 2018 $
Compensation and benefits	724,807	737,960
Director fees - deferred compensation (note 6)	340,733	339,210
Equity-based compensation (note 7)	327,348	350,369
Deferred compensation expense (note 6)	174,501	98,188
Consulting and professional fees	166,071	193,275
Rent, insurance and office	119,852	145,936
Travel	100,060	82,753
Investor relations and regulatory	73,289	200,270
General and administrative expenses	2,026,389	2,147,961

For the year ended December 31, 2019, the Company recorded $28,800 in general and administrative expenses related to short-term leases. The remaining 3-month commitment of $9,600 was completed on March 31, 2020.

Research and development expenses consist of the following:

	December 31, 2019 $	December 31, 2018 $
Projects, rent and other	608,095	8,830,172
Compensation and benefits	673,995	677,076
Equity-based compensation (note 8)	209,503	259,804
Deferred compensation expense (note 6)	85,000	98,400
Total research & development expenses	1,576,593	9,865,452
Recovery of project costs	(3,475,800)	(4,355,310)
Research tax credits	(70,639)	-
R&D (recovery) expense net	(1,969,846)	5,510,142

12 Compensation of key management

Compensation awarded to key management[i] included:

	December 31, 2019 $	December 31, 2018 $
Salaries and short-term employee benefits	1,398,802	1,415,036
Equity-based compensation	536,850	610,173
Directors' fees-deferred compensation expense	340,733	339,210
Deferred compensation expense	259,501	196,588
	2,535,886	2,561,007

[i] Key management includes all directors and officers of the Company.

13 Financial instruments and financial risk factors

The Company has for accounting purposes, designated its cash and cash equivalents, short-term investments, goods and services tax receivables as loans and receivables. Trade payables and accrued liabilities are classified for accounting purposes as other financial liabilities.

As of December 31, 2019, the Company estimates that both the carrying and fair value amounts of the Company's financial instruments are approximately equivalent because of the short-term nature of the assets and liabilities.

The Company has classified the financial instruments measured at fair value in accordance with a three-level hierarchy. The hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair values of the financial assets and liabilities. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement. The Company's cash and cash equivalents and short-term investments have been subject to level 2 valuation. Assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the placement within the fair value hierarchy.

Financial risk

The Company's activities expose it to a variety of financial, credit, liquidity and market risks, including interest rate and foreign exchange rate risks.

Financial risk management is carried out by the Company's management team with guidance from the Audit Committee and the Board of Directors. The Board of Directors also provides guidance for enterprise risk management.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents and recovery of project costs and related holdbacks and receivables. Cash and cash equivalents and short-term investments are held with Schedule I Canadian Chartered banks which are reviewed by management. Management believes that the credit risk concentration with respect to cash and short-term investments is minimal. The recovery of project costs is dependent on the Company meeting milestone obligations under contribution agreements. Management believes that credit risk associated with funding commitments from ERA and Canadian Natural is low due to the project governance, credit quality of participants, reporting requirements to achieve milestones and the fact that all associated contributions were collected during the year.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due by monitoring actual and projected cash flows. The Board of Directors reviews and approves the operating plan as well as any material transactions outside the ordinary course of business. This oversight process is also supplemented by a continuous and detailed cash forecasting process. The Company is dependent on raising funds through the issuance of shares, loan facilities, government grants and/or attracting partners in order to undertake further development and commercialization of its technology (note 1). As at December 31, 2019, the Company had aggregate cash and cash equivalents of $3,055,270 and $2,011,458 in short term investments (December 31, 2018 - $841,357) to settle current cash liabilities of $442,634 (December 31, 2018 - $1,534,709). Most of the Company's financial liabilities have contractual terms of 30 days or less.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates.

a) Interest rate risk

The Company's current policy is to invest excess cash in interest bearing cash accounts, bankers' acceptances and guaranteed investment certificates issued by Schedule I Canadian banks. The Company periodically monitors its investments and the creditworthiness of the banks it holds investments in.

b) Foreign currency risk

The Company's reporting and functional currency is the Canadian dollar and most purchases are transacted in Canadian dollars. The Company does not hold any significant balances in foreign currencies to give rise to exposure to foreign exchange risk. Any impact from fluctuations in foreign exchange rates would be minimal and therefore the Company does not hedge its foreign exchange risk.

14 Capital management

The Company considers its shareholders' equity (deficit) as its capital, which at December 31, 2019 totalled $4,317,243 (December 31, 2018 $(784,919)). In 2018, the shareholders deficit was a result of the loss incurred during the fiscal year related to project expenses being incurred in advance of recognizing partner contributions.

The Company does not have any bank debt or externally imposed capital requirements. The Company's capital management objectives are to manage its cash and cash equivalents prudently; to minimize the expenditures on general and administrative costs to ensure funds are available to continue to advance the commercialization of CVW™ projects; and to access available government funding for research and development and commercialization.

Management reviews its capital management approach on an ongoing basis and believes that its current approach, given the relative size and stage of the Company, is appropriate.

15 Subsequent Events

i) Deferred Compensation

On January 2, 2020, the Company issued 109,627 DSUs to non-executive directors for settlement of $81,124 of deferred compensation. As a result of the issuance of these equity awards, the deferred compensation liability was reduced by $81,124 and the corresponding credit was included as contributed surplus.

ii) Covid19 Pandemic and Oil Price Collapse

In the first quarter of 2020, two world events, the COVID-19 pandemic and the collapse of oil prices, have introduced significant uncertainties for many industries and countries' economies, which is affecting commodity prices and market demand. This includes sectors directly related to the Company's project including Canada's oil sands industry, the global minerals sands industry, and Alberta and Canada's economies. The duration and extent of the impact of these events is not known but could adversely affect the progress and timing of the Company's post-FEED project activities.

With the completion of the private placement, the collection of all contributions related to the FEED project, compensation and other costs reduction initiatives, the Company expects its current cash position will support it through the next 12-month period.

This annual report 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 discussion of Titanium's research and development and commercialization plans; the advantages of the Company's technology and the creation of a mineral sands industry; the timing expectations for completion of the post-Front End Engineering and Design ("FEED") project activities; the scope of activities that will be undertaken in the post-FEED project; the timing expectation for making an investment decision and proceeding with potential detailed engineering and construction of facilities; 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; the Company's ongoing evaluation of financing opportunities, including grant and financing opportunities from applicable government programs and entering into funding agreements related thereto; the expected next steps for the Company as described in this annual report including in the management's discussion and analysis under the headings "Update" and "Next Steps"; and the impact of new accounting standards on the Company's financial statements.

Forward-looking information is provided in this annual report in the discussion of Titanium's research and development results and the expected benefits of Titanium's technology and results of the implementation of Titanium's technology on a commercial scale. This forward-looking information generally can be identified by use of forward-looking words such as "may", "will", "expect", "estimate", "anticipate", "believe", "could", "might", "intend", "project", "should" or "continue" or the negative thereof or similar variations and expressions.

Forward-looking information is presented in this annual report for the purpose of assisting readers in understanding certain key elements of our business plan and results of the research and development phase of our technology, 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 are 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 other geopolitical risks, the condition of the global economy and, specifically, the condition of the crude oil and natural gas industry including the collapse of global crude oil prices, other commodity prices and the decrease in global demand for crude oil in 2020, and the ongoing significant volatility in world markets may adversely impact oil sands producers' program plans, including proceeding with an investment decision in further post-FEED project activities or any final investment decision with respect to commercialization, which could materially adversely impact the Company. In addition to other factors and assumptions which may be identified in this annual report, forward-looking information and 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 post-FEED project next steps, as well as the detailed engineering and construction period may be affected by the COVID-19 pandemic, the 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 post-FEED project activities, including the expected assessment of post-FEED engineering reviews for next steps as part of the post-FEED 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, FEED project activities, post-FEED project activities 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 post-FEED project activities are completed and a final decision to proceed has been made; 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 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 forward-looking information contained in this annual report is based (in whole or in part) on the results of our research, pilot programs FEED project activities, post-FEED project activities and related studies and commercialization efforts described in this annual report. 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 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 actual results could differ materially from those anticipated in this forward-looking information as a result of, including but not limited to, the following risk factors:

- ability to execute the Company's business plan and obtain commercial contracts with oil sands producers;
- oil sands producers adopting and integrating the CVW™ technology with their operations;
- expectations regarding the ability of the Company to raise capital;
- risks and uncertainties associated with the Company's CVW™ technology to operate on a commercial scale;
- continued volatility in market prices for crude oil;
- global or national health concerns, including the COVID-19 pandemic;
- liabilities inherent in oil operations;
- competition for, among other things, capital and skilled personnel;
- ability to obtain and maintain government grants and funding;
- incorrect assessments of the value of the Company's research and development program;
- operational execution or technical difficulties in connection with operating the CVW™ technology;
- fluctuations in foreign exchange interest rates and stock market volatility;
- uncertainties associated with changes in legislation including, but not limited to, changes in income tax laws and to crude oil and natural gas royalty frameworks;
- ability to obtain and maintain intellectual property, including patents for the CVW™ technology;
- inadequate protection of the Company's intellectual property or potential litigation with respect to any intellectual property infringements;
- the impact of Canadian federal and provincial governmental regulation on the Company and the crude oil and natural gas industry;
- the impact of Alberta and/or Federal Governments changing focus away from climate change initiatives;
- competition for the development of similar technology;
- expected future oil sands production and bitumen losses;
- prospective results of operations, financial position or cash flows that are based on assumptions about future economic conditions and courses of action; and
- risks and uncertainties associated with liquidity and capital resources.

Readers are cautioned that the foregoing lists of forward-looking information, assumptions and risk factors are not exhaustive. For addition descriptions of the assumptions and risks underlying the forward-looking information in this annual report, consult Titanium's management's discussion and analysis for the year ended December 31, 2019 dated April 27, 2020 included with this annual report and in other reports filed with the securities regulatory authorities in Canada from time to time and available on SEDAR (www.sedar.com).

The forward-looking information contained in this annual report describes our expectations as of May 11, 2020 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 annual report whether as a result of new information, future events or otherwise. The forward-looking information contained in this annual report and are expressly qualified by this cautionary statement.

CORPORATE INFORMATION

DIRECTORS	MANAGEMENT	
David C.W. Macdonald[1, 2,3] *Chairman and Director* Moss Kadey[2] *Director* Scott Nelson *Director* Brant G. Sangster[1,2] *Director* John W. Stevens[1,3], CPA, CA *Director* Bruce Griffin[3] *Director* 1 Member of the Audit Committee 2 Member of the Compensation and Corporate Governance Committee 3 Member of the Commercialization Committee	Scott Nelson *President & Chief Executive Officer* Jennifer Kaufield, CPA, CA *Vice President Finance & Chief Financial Officer* Jessica Brown *Corporate Secretary* Dr. Kevin Moran *Executive Vice President & Chief Technology Officer* Niel Erasmus *Vice President Mineral Sands*	**AUDITORS** PWC Suite 3100 111 5th Avenue, SW Calgary, Alberta Canada T2P 5L3 **LEGAL COUNSEL** Burnet Duckworth & Palmer LLP 2400, 525 8th Avenue, SW Calgary, Alberta Canada T2P 1G1

SHAREHOLDER INFORMATION

Titanium Corporation welcomes inquiries from shareholders, analysts, media representatives and other interested parties. Questions relating to investor relations or media inquiries should be directed to:

Investor Relations: Scott Nelson 403.561.0439 or by email: snelson@titaniumcorporation.com
Jennifer Kaufield 403.874.9498 or by email: jkaufield@titaniumcorporation.com

Shareholders' questions relating to address changes and Share certificates should be directed to Titanium Corporation's Transfer Agent:

TMX Trust Company, #301 - 100 Adelaide Street West, Toronto, Ontario. M5H 4H1
T: 1-416.361.0930 TF: 1-866.600.5869 F: 1-416.361.0470

Investor Inquiries: TMXEInvestorServices@tmx.com