



## **TITANIUM CORPORATION REPORTS FISCAL YEAR 2017 FIRST QUARTER RESULTS**

**CALGARY, ALBERTA – January 25, 2017 – Titanium Corporation Inc. (the “Company” or “Titanium”) (TSX-V: TIC)** today released its results for the first quarter ended November 30, 2016.

The final months of 2016, saw an improvement in oil prices to levels not seen since mid-2015 as OPEC and certain non-OPEC countries agreed to cut production. The outlook for the Canadian oil sands industry improved correspondingly after 30 difficult months of low prices and spending and activity reductions. Oil sands mining sector major projects, underway at the time of the price collapse, will be substantially completed during 2017 with no further major projects currently planned. As the industry enters this post expansion era, there is an acute focus on the cost and environmental competitiveness of Canada’s oil sands industry.

“The industry is now better positioned to take on new incremental projects and technologies that add value, enhance operating efficiency, reduce costs, improve environmental performance and meet new tailings and environmental regulations” commented Scott Nelson, Titanium’s President and Chief Executive Officer. “With a strengthened balance sheet following our recent rights offering and debt repayment, the Company and its CVW™ technology are well positioned to make positive contributions in all of these areas.”

The Company’s activity during the first quarter and the following months has included reviews of our CVW™ technology with several oil sands companies, strengthening our balance sheet through a rights offering financing, repaying all outstanding debt, and commencing the qualification process for government funding from new programs for commercialization of our technology as discussed below:

- During the first quarter the Company updated and reviewed technology implementation proposals with a number of oil sands firms and that work is continuing under confidentiality agreements.
- The Company has remained engaged with the heavy minerals industry, meeting with international consumers and producers during the quarter. Compared to other commodities and oil in particular, heavy minerals prices have remained relatively stable over the past two years and industry forecasters expect a return to growth over the next several years.
- On December 19, 2016 the Company announced that it had successfully closed a fully subscribed \$6.5 million rights offering. A portion of the proceeds (\$1.0 million) was used to repay the Company’s outstanding loan facilities and extinguish its debt obligations. The balance of proceeds is expected to fund the Company’s operations for

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more than 2 years, supporting activities to commercialize the Company's CVW™ technology. In addition to the support of shareholders, there was very strong participation in the rights offering by all of the Company's board and management, increasing their direct ownership in the Company to 21.5% from 16.4%.

- In October 2016, the Alberta Government announced that the Climate Change Emissions Management Corporation ("CCEMC") had been rebranded as Emissions Reduction Alberta ("ERA"), announcing an initial \$40 million funding program to advance technologies that reduce methane emissions in Alberta. In November, the Alberta Government passed Bill 30, the Investing in a Diversified Alberta Economy Act, establishing tax credit programs toward investments in innovation, diversification and job creation. One of the new programs, the Alberta Investor Tax Credit (AITC), is a 3 year, \$90 million program aimed at encouraging investments in small companies including those involved in proprietary technology research, development or commercialization, providing 30% investment tax credits to Alberta tax-paying individuals or corporations that provide capital directly to qualified companies. The Company is in the process of reviewing requirements and applying to qualify for funding toward commercialization of its technology from these and future new government programs.
- In September 2016, Dr. Kevin Moran, the Company's Vice President Process Development, was selected as one of Canada's Clean50 Honorees for 2017. The Awards annually recognize those 50 individuals who have done the most to advance the cause of sustainability and clean capitalism in Canada over the past two years.

## FINANCIAL OVERVIEW

Titanium is focused on achieving long-term financial success by commercializing its innovative CVW™ technologies and achieving a commercial project. The Company's recent recapitalization and debt repayment enables continued progress towards commercial success. However, until a commercial investment is made the Company expects to incur losses. With the completion of extensive pilot testing on its CVW™ technology, research & development ("R&D") investment has been substantially reduced as the Company focuses its resources on commercialization.

**Net Loss** – Net loss for the three month period ended November 30, 2016 was \$0.7 million compared to \$0.6 million for the three month period ended November 30, 2015. The increase in net loss by \$0.1 million relates to amortization of financing costs and interest costs (\$0.1 million) associated with the outstanding loan facility of \$1.0 million at November 30, 2016 compared to nil for the comparative period ended November 30, 2015. Titanium's net loss for the period is in line with expectations as a development stage company.

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**Research & Development (“R&D”)** – For the three month period ended November 30, 2016, R&D spending was \$0.2 million and consisted primarily of compensation for technical staff and rent, equipment storage fees, and patent filing and maintenance fees. R&D spending was higher by \$0.1 due to higher non-cash deferred compensation and amortization of stock options granted in the second quarter of fiscal 2016 along with increased patent filing activity. Until a commercial arrangement is reached, R&D expenses in future quarters will be modest.

**General & Administrative (“G&A”)** – G&A expense was \$0.4 million for the three month period ended November 30, 2016 consistent with the three month period ended November 30, 2015, however cash expenses decreased by \$0.1 million compared to the previous year. G&A costs included \$0.1 million of non-cash equity based compensation in the current quarter. With a focus on preserving cash and implementation of equity based compensation plans, the Company reduced its cash G&A expenses by \$0.1 million compared to the corresponding period in fiscal 2015.

**Cash Position** – The Company had \$0.2 million in cash at November 30, 2016 as compared to \$0.6 million at August 31, 2016. The reduction of \$0.4 million over the quarter ended November 30, 2016 relates to general overhead costs and R&D expenses. On December 19, 2016 the Company received \$6.5 million from the issuance of 13,069,062 common shares in connection with its fully subscribed rights offering. Part of the proceeds (\$1.0 million) were used to repay the outstanding loan facility and extinguish all of the Company’s debt obligations. The remaining proceeds (\$5.5 million) were transferred to interest bearing cash accounts with a major Canadian chartered bank. As at December 31, 2016 the Company had \$5.4 million in cash after expenses from the financing and other operating expenses were paid to support progress towards commercialization.

To view the Company’s management discussion and analysis and interim condensed financial statements for the three month period ended November 30, 2016, please visit our website at [www.titaniumcorporation.com](http://www.titaniumcorporation.com) or SEDAR at [www.sedar.com](http://www.sedar.com).

### **About Titanium Corporation Inc.**

*Titanium Corporation’s CVW™ technology provides sustainable solutions to reduce the environmental footprint of the oil sands industry. Our technology reduces the environmental impact of oil sands froth treatment tailings while economically recovering valuable products that would otherwise be lost. CVW™ recovers bitumen, solvents and heavy minerals from tailings, preventing these commodities from entering tailings ponds and the atmosphere: volatile organic compound and greenhouse gas emissions are materially reduced; hot tailings water is improved in quality for recycling; and residual tailings can be thickened more readily. A new minerals industry will be created commencing with the production and export of zircon, an essential ingredient in ceramics. The Company’s shares trade on the TSX-V under the symbol “TIC”. For more information please visit the Company’s website at [www.titaniumcorporation.com](http://www.titaniumcorporation.com).*

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## Disclosure regarding forward-looking information

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

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

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

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

*The forward-looking information contained in this news release describes our expectations as of January 25, 2017 and, accordingly, are subject to change after such date. Except as may be required by Canadian securities laws, we do not undertake any obligation to update or revise any forward-looking information contained in this news release, whether as a result of new information, future events or otherwise.*

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