

Titanium Corporation Reports December 31, 2020 Year End Results, Confirms Annual and Special Meeting Date and Provides Project Update

CALGARY, Alberta, April 27, 2021 (GLOBE NEWSWIRE) -- **Titanium Corporation Inc. (the "Company" or "Titanium") (TSX-V: TIC)** today released its results for the year ended December 31, 2020. The Company also confirms that it will hold its annual and special meeting (the "Meeting") as a virtual only meeting via live audio webcast online at <https://virtual-meetings.tsxtrust.com/1135> on Thursday, June 17, 2021 at 11:00 a.m. (Toronto time).

"Our Company and business partners have weathered a challenging 2020 marked by the COVID-19 global pandemic, mandated lockdowns, an oil price war and the steepest economic decline in history," commented Scott Nelson, Titanium's President and CEO. "Amidst these challenges, with the support of our business partners and the Federal and Alberta governments, our Company has continued to execute engineering programs that are critical to the progress of the Project."

Over the past year the Company and Canadian Natural Resources Limited ("Canadian Natural") have continued work on the Project utilizing internal resources, performing engineering reviews, validation and optimization of the Project as well as continuing on-going minerals analysis programs. The main focus of the Project team in 2020 was the validation and optimization of the concentrator facility and the design and engineering of a tailings thickener and associated facilities. Optimization and redesign of the minerals facility, including further work by external minerals engineering firms, commenced in the fourth quarter of 2020 and is continuing into 2021. In parallel three government funding programs were contracted for contributions towards the joint Project costs including Emission Reduction Alberta ("ERA") for \$5.0 million in September 2020, Natural Resources Canada ("NRCan") Clean Growth Program for \$1.96 million in January of 2021 and most recently Sustainable Development Technology Canada ("SDTC") for \$10.0 million in March of 2021.

Certain highlights for the three and twelve-month periods ended December 31, 2020 and recent months are set out in more detail below:

- On January 19, 2021, Titanium announced that the Company and NRCan signed a Non-Repayable Contribution Agreement for \$1.96 million of funding for eligible expenditures of a work program for the period April 1, 2020 to March 31, 2021 as part of the engineering phase of the Project. The work program includes validation engineering for Project facilities including the concentrator plant, minerals plant and transload facility and associated Class 3 capital cost estimates.
- On December 22, 2020, Titanium announced that the Company and Canadian Natural entered into a 2020 Project Coordination Agreement ("PCA") which governed the 2020 engineering phase of the Project (the "2020 Program"). The PCA, effective January 1, 2020, set out the rights and responsibilities for the 2020 Program along with the cost sharing arrangement whereby Canadian Natural and Titanium were responsible for each party's share of the 2020 Program costs which were 70% and 30%, respectively, for the total cost of the 2020 Program.
- On December 21, 2020, the Company announced SDTC approved a \$10 million contribution for the engineering phase of the Project. The SDTC funding was subject to successful negotiation of a Project Funding Agreement ("PFA") with SDTC which was concluded on March 30, 2021. The start date for SDTC funding was December 1, 2020 and the Company received the first advance funding of \$733,738 (\$815,264 less 10% holdback) on April 6, 2021 for completion of the first milestone due to be completed on April 30, 2021 under the agreement.
- On September 28, 2020, the Company announced that ERA and Titanium signed a contribution agreement for the award of \$5 million of grant funding for the Project. A portion of eligible Project costs will be reimbursed with the successful completion of specified milestones outlined in the agreement. Of the total grant funding from ERA, \$2.0 million is available for the engineering phase of the Project with the balance of \$3.0 million available for the procurement and construction phases.
- Engineering validation and optimization activities by the internal Project engineering team continued throughout the year and are continuing into the first half of 2021. The activities have been mainly focused on the concentrator facility with the objective of improving operability, enhancing environmental performance and reducing capital and operating costs. The work includes changes to the plot plan to increase modularization, relocating certain equipment and reducing building sizes; the addition of a vapor recovery unit to the flotation circuit; the review of certain alternate types of equipment and the addition of a tailings thickener which will process and remediate the tailings from the concentrator. The Project team expects to conclude the optimization phase of concentrator engineering in the second quarter of 2021.
- Minerals testing and analysis of larger tailings samples commenced in the third quarter of 2020 and is ongoing to provide current data for the engineering design of the minerals facility. In the fourth quarter, optimization engineering commenced for the minerals facility and will continue into 2021. IHC Robbins, an expert minerals engineering firm, who have been providing engineering services to the Company throughout research and development ("R&D") and front-end engineering ("FEED") programs, have been contracted for design of the minerals facility process flowsheet to incorporate production of a high-quality zircon sand concentrate and a high TiO₂ ilmenite product and other modifications. The engineering unit of FWS Group is working in collaboration with IHC Robbins to engineer the non-

process aspects of the minerals facility building and utilities, as well as full engineering for the minerals product handling transload facility.

- Prior to the COVID-19 pandemic, the Company conducted technical marketing and testing programs including meeting with potential minerals processors and customers, visiting their facilities, and providing minerals samples for customer testing. Based on results and feedback from these activities, the Company has adjusted its plans for the production of minerals products. The Company has identified an opportunity to produce a high TiO₂ ilmenite product for the North America pigment industry. This ilmenite product will have a TiO₂ content of up to 72%. Work is underway to redesign the minerals flowsheet to incorporate production of this new product and redesign the minerals facility. This would enable the recovery of ilmenite which was rejected in previous flowsheets.
- In response to the uncertainty created by the COVID-19 pandemic and the resulting delays to the Project, the Company implemented salary reductions in the range of 15% to 20% effective April 1, 2020 for fiscal 2020 and minimized external expenditures in all areas to preserve cash. In addition, the Company significantly reduced incentive pay for 2020, paid in Q1 2021, by 56% for an overall reduction of management compensation of 26%. The Company is also continuing its other 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. However, due to equity plan limits, no DSUs have been issued to directors in the current year for settlement of director fees, however director fees have been accrued and are reflected as part of the deferred compensation liability on the balance sheet. There have been no RSUs issued to management during the current year due to equity plan limits and the Company has suspended accruing a portion of variable management compensation to be settled with RSUs until such time the Company has the capacity to settle. This program was aimed to conserve cash and align management and the Board of Directors ("Board") with shareholder interests. Since the inception of the program in 2015, the Company's directors have been receiving 100% of their compensation in DSUs in lieu of cash compensation. To date, \$3.9 million in management and Board cash compensation has been conserved through the program.
- On July 27, 2020, the Company announced Mr. Bruce Griffin assumed the role of Chair of the Commercialization Committee of the Board (the "Committee") of the Company. Mr. Griffin, who is currently a member of the Committee, replaced Mr. David Macdonald. Mr. Macdonald has been the Chair of the Committee since 2017 and will continue as a member of the Committee.

FINANCIAL OVERVIEW

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 portion of the Project completed, the Company is working with Canadian Natural on engineering validation and optimization and planning for the potential implementation of its technology at Canadian Natural's Horizon site. However, until 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, recovery of project costs, and general and administrative ("G&A") expenditures.

Net Income (Loss) – For the year ended December 31, 2020, the Company had net loss \$3.4 million as compared to net income of \$3,250 for the year ended December 31, 2019. R&D project costs were higher in the current year due to the validation and optimization engineering work underway with Canadian Natural which was offset by lower G&A expenses due to costs reduction initiatives. For the year ended December 31, 2019 the recovery of Project contributions in respect of the FEED (\$3.5 million) and a SR&ED tax credit (\$71,000) 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 net income reported. For a development stage company, and given the timing of Project contributions, in respect of the FEED, the net income reported was in line with expectations.

Research & Development – R&D spending in the current quarter consisted primarily of compensation for technical staff, ongoing minerals testing and evaluations, and the Company's share of joint Project costs for engineering work by Canadian Natural. Compensation and deferred compensation costs were lower due to the salary reduction initiatives implemented on April 1, 2020 to preserve cash due to uncertainties related to the COVID-19 pandemic and oil price collapse impacting the timing of the Project. Project costs were higher by \$0.3 million for the three-month period ended December 31, 2020 compared to the same period in 2019 due to minerals product development, ongoing testing and the Company's share of joint Project costs for engineering work by Canadian Natural. For the year ended December 31, 2020, R&D costs were higher by \$0.2 million compared to the year ended December 31, 2019. This increase is primarily related to higher Project costs for the year ended December 31, 2020 offset by reductions in compensation and benefits described above. Some of the R&D costs incurred in 2020 were eligible for cost recovery under ERA and NRCan's contribution agreements. Subsequent to year end, the Company applied for and received \$0.3 million as its share of funding from these agencies. This cost recovery will be recorded in the first quarter of 2021, consistent with the accounting policy of recognizing government funding once approval is received for the related milestones.

General & Administrative – For the year ended December 31, 2020, G&A expenses were 20% lower at \$1.6 million compared with \$2.0 million in the comparable 2019 period. Management implemented voluntary salary reductions effective April 1, 2020 and significantly reduced other variable compensation to preserve cash and deal with the ongoing impact of the COVID-19 pandemic and the economic uncertainty. Professional fees in the quarter increased due to legal costs related to contract reviews for grant funding and cost sharing agreements offset by significantly reduced travel expenses. For the year ended December 31, 2020, the increase in consulting and professional fees related to legal fees for shareholder matters,

regulatory reporting requirements due to the COVID-19 pandemic and legal reviews of government funding and cost sharing agreements. Investor relations costs increased during the year due to costs related to hosting the annual and special shareholder meeting in a virtual format to comply with public health measures and guidelines resulting from the COVID-19 pandemic. Deferred and equity-based compensation costs were lower for the year ended December 31, 2020 as the Company did not grant stock options in the current fiscal year and voluntarily reduced variable compensation programs. These on-going initiatives together with rent reductions, group benefit premium reductions, workers compensation premiums refunds and other initiatives have reduced G&A throughout the year.

Cash Position – The Company had an aggregate of \$2.7 million at December 31, 2020 consisting of cash and interest-bearing cash accounts as compared to \$5.1 million at December 31, 2019. The decrease in cash and short-term investments of \$2.4 million is the result of funding the Company's validation and optimization engineering program with Canadian Natural, general and administrative and public company expenditures. The ability of the Company to cover normal operating costs and engineering programs will depend on the amount of future programs and the amount of government funding the Company is able to apply to those programs and the ability to attract external financing. Once there is more certainty with respect to the next phase of the project and the supporting government funding, the Company will evaluate the funding requirements to determine the additional capital required within the next 12 months to support the continued development of the Project.

To view the Company's management's discussion and analysis and audited financial statements for the year ended December 31, 2020, please visit our website at www.titaniumcorporation.com or SEDAR at www.sedar.com.

SHAREHOLDER MEETING

The record date for shareholders to receive notice and be entitled to vote at the Meeting is May 3, 2021. Further information will be included in the Company's management information circular in respect of the Meeting, which is expected to be mailed to shareholders and filed under the Company's profile on www.sedar.com in mid-May and will also be made available on the Company's website at www.titaniumcorporation.com.

About Titanium Corporation Inc.

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

Disclosure regarding forward-looking information

*This news release contains forward-looking statements and information within the meaning of applicable Canadian securities laws (collectively, "**forward-looking information**") that reflect the current expectations of management about the future results, performance, achievements, prospects or opportunities for Titanium, including statements relating to the occurrence and timing of future steps with respect to the CVW™ Horizon Project, including the Project activities and the factors that are expected to affect such occurrence and timing; the continued effective collaboration between the Company and Canadian Natural; the Company's ongoing engagement with its business partners and government funding agencies; the ability of the Company to continue to make steady progress with the joint team on the optimization/validation engineering phase of the Project, despite the decline in economic activity in 2020 and into 2021 and the cancellation or suspension of many new oil sands projects; the Company's continuing cash conservation program; the Company's ongoing evaluation of financing opportunities, including grant and financing opportunities from applicable government programs; the terms of agreements entered into with certain government agencies; the effect of market conditions and the COVID-19 pandemic on the Company; and the advantages of the Company's technology in assisting with the recovery of the energy industry in Alberta and Canada. This forward-looking information generally can be identified by use of forward-looking words such as "may", "will", "expect", "estimate", "anticipate", "believe", "project", "should" or "continue" or the negative thereof or similar variations. Forward-looking information is presented in this news release for the purpose of assisting investors and others in understanding certain key elements of our financial results and business plan, as well as our objectives, strategic priorities and business outlook, and in obtaining a better understanding of our anticipated operating environment. Readers are cautioned that such forward-looking information may not be appropriate for other purposes.*

Forward-looking information, by its very nature, is subject to inherent risks and uncertainties and is based on many assumptions, both general and specific, which give rise to the possibility that actual results or events could differ materially from our expectations expressed in or implied by such forward-looking information and that our business outlook, objectives, plans and strategic priorities may not be achieved. Macro-economic conditions, including public health concerns (including the impact of the COVID-19 pandemic and subsequent waves) and other geopolitical risks, the condition of the global economy and, specifically, the condition of the crude oil and natural gas industry including the volatility of global crude oil prices, other commodity prices and the decrease in global demand for crude oil as a result of the ongoing COVID-19 pandemic, and the ongoing significant volatility in world markets may adversely impact oil sands producers' program plans, including proceeding with an investment decision in further Project activities or any final investment decision with respect to commercialization, which could materially adversely impact the Company. Additional information on these and other factors are disclosed in our most recently filed management's discussion and analysis, including under the heading "Discussion of Risks", and in other reports filed with the securities regulatory authorities in Canada from time to time and available on SEDAR ([sedar.com](http://www.sedar.com)).

In addition to other factors and assumptions which may be identified in this news release, assumptions have been made regarding, among other things: the condition of the global economy, including trade, public health (including the impact of the COVID-19 pandemic) and other geopolitical risks, including the fact that any estimates of Project next steps, as well as the detailed engineering and construction period may be affected by the COVID-19 pandemic, condition of the global economy and commodity prices, in particular crude oil prices; the stability of the economic and political environment in which the Company operates; the success of the Project activities, including the expected assessment of engineering validation and optimization reviews for next steps as part of the Project activities; the ability of the Company to enter into commercial contracts with oil sands producers and to achieve commercialization of the CVW™ technology, including the anticipated scope of such commercial contracts; the ability of the Company to enter into commercial contracts with other strategic partners in relation to building and operating facilities, as required; the ability of the Company to retain qualified staff; the ability of the Company to obtain financing on acceptable terms, including available grant and financing opportunities from government programs and finalizing funding agreements for such government programs; the translation of the results from the Company's research, pilot programs, Project activities during the FEED, engineering validation and optimization and studies into the results expected on a commercial scale; the belief that the Company's technology will provide important environmental and economic benefits that will assist with the recovery of a resilient and sustainable energy industry in Alberta and Canada; the anticipated timing for the completion of detailed engineering and construction once all Project activities are completed and a final decision to proceed has been made; future crude oil and minerals prices and the impact of lower prices on activity levels and cost savings of oil sands producers; the impact of increasing competition; the ability to protect and maintain the Company's intellectual property; currency, exchange and interest rates; the regulatory framework regarding royalties, taxes and environmental matters in the jurisdictions in which the Company operates; and the ability of the Company to successfully market its CVW™ technology.

The Company has not commercially demonstrated its technologies and there can be no assurance that our research, pilot programs, Project activities during the FEED, engineering validation and optimization and related studies will prove to be accurate nor that such commercialization efforts will be successful, as actual results and future events could differ materially from those expected or estimated in such forward-looking information. As a result, we cannot guarantee that any forward-looking information will materialize and we caution you against relying on any of this forward-looking information. Accordingly, readers should not place undue reliance on forward-looking information.

The forward-looking information contained in this news release describes our expectations as of April 27, 2021 and, accordingly, is subject to change after such date. Except as may be required by Canadian securities laws, we do not undertake any obligation to update or revise any forward-looking information contained in this news release, whether as a result of new information, future events or otherwise.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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