

## AMENDED AND RESTATED RIGHTS OFFERING CIRCULAR

**PLEASE READ THIS MATERIAL CAREFULLY AS YOU ARE REQUIRED TO MAKE A DECISION PRIOR TO 4:30 P.M. (TORONTO TIME) ON DECEMBER 15, 2016.**

*This amended and restated rights offering circular ("**Circular**") is prepared by management. No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this Circular. Any representation to the contrary is an offence.*

*This is the Circular referred to in the amended and restated rights offering notice dated November 15, 2016 (the "**Notice**"), which you should have already received. Your rights certificate and relevant forms were enclosed with the Notice. This Circular should be read in conjunction with the Notice and Titanium Corporation Inc.'s continuous disclosure prior to making an investment decision.*

*The offer of these securities is being made in all of the provinces and territories of Canada. The securities offered hereunder have not been and will not be registered under the United States Securities Act of 1933, as amended ("**U.S. Securities Act**") and they will not be offered or sold in the United States or to U.S. Persons (as defined in Regulation S of the U.S. Securities Act), except in exempt transactions under the U.S. Securities Act. This offering does not constitute an offer to sell or a solicitation of an offer to buy any of those securities in the United States. In addition, the offering is not being made in jurisdictions where Titanium Corporation Inc. is not eligible to make such offer.*

Amended and Restated Rights Offering Circular

November 15, 2016



**TITANIUM CORPORATION INC.**

**We currently have sufficient working capital and available loan facilities to last for five months. We require \$2.6 million (inclusive of retirement of all outstanding debt) or 41% of the offering to last 12 months.**

### SUMMARY OF THE RIGHTS OFFERING

<b>Why are you reading this Circular?</b>	Titanium Corporation Inc. (" <b>Titanium</b> " or the " <b>Company</b> ") is issuing to the holders (the " <b>Shareholders</b> ") of its outstanding common shares (the " <b>Common Shares</b> ") at the close of business (Toronto time) on November 18, 2016 (the " <b>Record Date</b> ") an aggregate of 65,345,312 transferable rights (each, a " <b>Right</b> ") to subscribe for an aggregate of 13,069,062 Common Shares (the " <b>Rights Shares</b> ") on the terms set forth herein (the " <b>Offering</b> ").
<b>What is being offered?</b>	Each Shareholder of record at the close of business (Toronto time) on the Record Date, being November 18, 2016, will receive one (1) Right for every one (1) Common Share held on the Record Date. Rights will be evidenced by transferable rights certificates in registered form (each, a " <b>Rights Certificate</b> ").

<i>Who is eligible to receive Rights?</i>	The Offering is only being made to Shareholders (" <b>Eligible Holders</b> ") resident in the provinces and territories of Canada (the " <b>Qualified Jurisdictions</b> "). You will be presumed to be resident in the place shown in the Company's records as your registered address, unless the contrary is shown to Titanium's satisfaction. Neither this Circular nor the Notice is to be construed as an offering of the Rights, or the Common Shares issuable upon exercise of the Rights, in any jurisdiction outside the Qualified Jurisdictions or to Shareholders who are residents of any jurisdiction other than the Qualified Jurisdictions.
<i>What do five (5) Rights entitle you to receive?</i>	Five (5) Rights will entitle the holder thereof to purchase one Rights Share (the " <b>Basic Subscription Privilege</b> ") upon payment of the Subscription Price. In the event that a Shareholder exercises the Basic Subscription Privilege in respect of all of the Rights issued to such Shareholder, the Shareholder may subscribe <i>pro rata</i> for additional Rights Shares (" <b>Additional Shares</b> "), if available, at the Subscription Price (as defined below) (the " <b>Additional Subscription Privilege</b> ").
<i>What is the subscription price?</i>	A holder of five (5) Rights must pay \$0.50 (the " <b>Subscription Price</b> ") to exercise the Rights and purchase one (1) Rights Share. On November 9, 2016, being the last trading day prior to the announcement of the Offering, the closing price of the Common Shares on the TSX Venture Exchange (" <b>TSXV</b> ") was \$0.48. The 20-day average of the closing prices of the Common Shares on the TSXV to November 9, 2016 is \$0.57.
<i>When does the Offering expire?</i>	The Offering will expire at 4:30 p.m. (Toronto time) (the " <b>Expiry Time</b> ") on December 15, 2016 (the " <b>Expiry Date</b> ").
<i>What are the significant attributes of the Rights issued under the Offering and the Common Shares to be issued upon the exercise of the Rights?</i>	<p>Five (5) Rights will entitle the holder thereof to purchase one (1) Rights Share at the Subscription Price. Rights not exercised by the Expiry Time will be void and of no value. A Right does not entitle the holder thereof to any rights whatsoever as a security holder of the Company other than the right to subscribe for and purchase Rights Shares on the terms and conditions of the Rights described herein.</p> <p>The holders of the Common Shares are entitled to receive notice of and attend all meetings of the Shareholders and are entitled to one vote in respect of each Common Share held at such meetings. Holders of Common Shares do not have cumulative voting rights with respect to the election of directors and, accordingly, holders of a majority of the Common Shares entitled to vote in any election of directors may elect all directors standing for election. Holders of Common Shares are entitled to receive rateably such dividends, if any, as and when declared by the board of directors of the Company at its discretion from funds legally available therefore. Upon any liquidation, dissolution or winding-up of the Company, the holders of the Common Shares are entitled, subject to the rights of holders of any class of shares ranking senior to or rateably with the Common Shares in respect of any liquidation, dissolution or winding-up of the Company, to share rateably in the remaining assets of the Company. The Common Shares do not carry any pre-emptive, subscription, redemption or conversion rights.</p>

<p><b><i>What are the minimum and maximum number or amount of Common Shares that may be issued under the Offering?</i></b></p>	<p>The Offering is not subject to any minimum subscription level. Assuming the exercise of all Rights, a maximum of 13,069,062 Rights Shares will be issued in connection with the Offering (subject to adjustment for rounding).</p> <p>Subject to certain terms, conditions and limitations contained within the Stand-By Agreement (as defined herein), a number of insiders of Titanium and certain other arm's length investors have severally agreed to purchase from Titanium, and Titanium has agreed to sell to each Standby Purchaser (as defined herein), at the Subscription Price and on the Closing Date (as such term is defined in the Stand-By Agreement), such number of Common Shares, if any, that are not purchased upon exercise of the Rights under the Rights Offering up to the maximum number of 10,700,000 Common Shares.</p>
<p><b><i>Where will the Rights and the Common Shares issuable upon exercise of the Rights be listed for trading?</i></b></p>	<p>The currently outstanding Common Shares are listed for trading on the TSXV under the symbol "TIC". The Rights will be listed on the TSXV under the trading symbol "TIC.RT" and will be posted for trading on the TSXV until 10:00 a.m. (Calgary time) on the Expiry Date.</p>

### **FORWARD-LOOKING STATEMENTS**

This Circular describes details of the Offering and is referred to in the Notice that you have received regarding the Offering.

This Circular contains forward-looking statements that relate to the Company's current expectations and view of future events. The forward-looking statements are contained principally in the sections titled "*What will Titanium's available funds be upon closing of the Offering?*", "*How will Titanium use the available funds?*", "*How long will the available funds last?*", "*Who are the Standby Purchasers and what are the fees?*", and "*What are the security holdings of the Standby Purchasers before and after the Offering?*".

In some cases, these forward-looking statements can be identified by words or phrases such as "may", "could", "will", "expect", "anticipate", "intend", "plan", "believe", "estimate" or "project". The Company has based these forward-looking statements on its current expectations and projections about future events and financial trends that it believes may affect its financial condition, results of operations, business strategy and financial needs. These forward-looking statements include, among other things, statements relating to: (i) the funds to be raised under the Offering; (ii) estimated costs of the Offering; (iii) available funds to the Company after expenses of the Offering; (iv) debt repayment using funds raised under the Offering; (v) the use of the funds raised under the Offering; (vi) funds available to operate the Company after making the payments identified in (iv); (vii) the Company's estimate of how long the funds raised in the Offering will last from the Expiry Date; and (viii) the number of Maximum Standby Shares (as defined herein) each Standby Purchaser may purchase.

The forward-looking statements are based on a number of key expectations and assumptions made by the Company's management relating to the Company, including, but not limited to: (i) the estimated costs of the Offering; (ii) the estimated amount of funds raised under the Offering; (iii) the operating expenses of the Company for the 12-month period following the Expiry Date. These assumptions are subject to risks and uncertainties; and (iv) the number of Common Shares available for purchase by the Standby Purchasers.

Although the Company believes that the assumptions underlying these statements are reasonable, they may prove to be incorrect. Given these risks, uncertainties and assumptions, Shareholders should not place undue reliance on these forward-looking statements. Whether actual results, performance or achievements will conform to the Company's expectations and predictions is subject to a number of known and unknown risks, uncertainties, assumptions and other factors, which include: (i) the actual costs incurred in the Offering; (ii) the actual amount of funds raised under the Offering; (iii) the actual operating expenses of the Company for the 12-month period following the Expiry Date, which management estimates will be approximately \$2 million; and (iv) the actual number of Common Shares available for purchase by the Standby Purchasers. These risks, uncertainties, assumptions and other factors could cause the Company's actual results, performance, achievements and experience

to differ materially from the Company's expectations, future results, performances or achievements expressed or implied by the forward-looking statements. In light of the significant risks and uncertainties in the forward-looking statements, Shareholders should not place undue reliance on or regard these statements as a representation or warranty by the Company or any other person that the Company will achieve its objectives, strategies and plans in any specified time frame, if at all.

The forward-looking statements made in this Circular relate only to events or information as of the date on which the statements are made in this Circular. Except as required by law, the Company undertakes no obligation to update or revise publicly or otherwise any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events. A Shareholder should read this Circular with the understanding that the Company's actual future results may be materially different from what it expects. Future-oriented financial information in this Circular relates to the Company's view of future events and is not appropriate to use for other purposes.

### USE OF AVAILABLE FUNDS

#### *What will Titanium's available funds be upon closing of the Offering?*

Assuming the exercise of all Rights, the maximum net proceeds to the Company from the Offering will be approximately \$6,434,531, after deducting estimated expenses of the Offering of \$100,000.

		Assuming standby commitment only	Assuming 15% of the Offering	Assuming 50% of the Offering	Assuming 75% of the Offering	Assuming 100% of the Offering
A	Amount to be raised by the Offering	\$5,350,000	\$980,180	\$3,267,266	\$4,900,898	\$6,534,531
B	Selling commissions and fees	\$ -	\$ -	\$ -	\$ -	\$ -
C	Estimated offering costs (e.g., legal, accounting, audit)	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
D	Available funds: D = A – (B + C)	\$5,250,000	\$880,180	\$3,167,266	\$4,800,898	\$6,434,531
E	Additional sources of funding required	\$ -	\$ -	\$ -	\$ -	\$ -
F	Working capital deficiency	\$ -	\$ -	\$ -	\$ -	\$ -
G	Total: G = (D + E) – F	<b>\$5,250,000</b>	<b>\$880,180</b>	<b>\$3,167,266</b>	<b>\$4,800,898</b>	<b>\$6,434,531</b>

#### *How will Titanium use the available funds?*

Description of intended use of available funds listed in order of priority	Assuming standby commitment only	Assuming 15% of the Offering	Assuming 50% of the Offering	Assuming 75% of the Offering	Assuming 100% of the Offering
Debt repayment <sup>(1)</sup>	\$1,000,000	\$880,180	\$1,000,000	\$1,000,000	\$1,000,000
General working capital and corporate purposes	\$4,250,000	\$ -	\$2,167,266	\$3,800,898	\$5,434,531
<b>Total (Equal to G above)</b>	<b>\$5,250,000</b>	<b>\$880,180</b>	<b>\$3,167,266</b>	<b>\$4,800,898</b>	<b>\$6,434,531</b>

**Note:**

- (1) On October 9, 2015, the Company entered into loan agreements (the "**Loan Agreements**") with Mossco Capital Inc. ("**Mossco**"), an affiliated Canadian resident corporation controlled by independent director Mr. Moss Kadey, and independent director Mr. David Macdonald (Mr. Macdonald together with Mossco, the "**Lenders**"), pursuant to which the Lenders agreed to lend to the Company the aggregate principal amount of up to \$1,500,000 (collectively, the "**Loans**"). Under their respective Loan Agreements, Mossco agreed to advance up to \$1,000,000 and Mr. Macdonald agreed to advance up to \$500,000. Otherwise, the terms and conditions of the Loan Agreements contain identical terms and conditions. The Loans are available in up to three drawdowns of \$500,000 in total, the proceeds of which must be used by the Company for general corporate purposes consistent with the annual budget of the Company approved by the Company's board of directors. The principal amount of the Loans, and all accrued but unpaid interest, fees and other costs or charges will be immediately due and payable by the Company to the Lenders on the earlier of (i) 24 months following the execution of the Loan Agreements, and (ii) the occurrence of specified events of default set out under the Loan Agreements. The

Company may permanently prepay all or any part of the Loans at any time without notice or penalty. Interest accrues on the Loans at the rate of 12% per annum from the date of advance. The Company must pay standby fees at the rate of 3% per annum on the amount, if positive, obtained by subtracting the aggregate amount of all advances from the principal amounts committed under the Loan Agreements. Interest and standby fees are payable at the end of each month during the term of the Loans. The Company must also pay a non-refundable drawdown fee to each Lender in the amount of 2.0% of the amount such Lender's advance at the time of each advance. The Company's obligations in respect of the Loans are secured by a general security agreement granted by the Company to each Lender under which the Company has granted security interests over all of its present and after-acquired personal property and a floating charge over all of its real property. The Company and the Lenders have also entered into an intercreditor agreement to confirm the *pari passu* ranking of the Loans and security, including the right to payment, priority of security and realization in respect of security. The Lenders' obligations to advance the Loans are subject to customary conditions precedent, including (i) a requirement that the Company has less than \$500,000 cash on hand on the date of the borrowing notice issued to the Lenders, and (ii) that there will have been no adverse material change in the business, operations, assets or ownership of the Company since the date of the Loan Agreements. The Company has agreed to repay the outstanding principal amounts of the Loans (and all accrued and unpaid interest thereon) from the proceeds of the Offering. The effect of such repayment would be to eliminate all of the Company's outstanding debt obligations. As of the date hereof, \$1,000,000 (excluding accrued interest) is owing to the Lenders under the Loan Agreements.

***How long will the available funds last?***

The Company expects that after completion of the Offering it will have sufficient available funds to satisfy all of its anticipated expenses over the next 24 months.

**INSIDER PARTICIPATION**

***Will insiders be participating?***

The Company believes that its directors and executive officers who own Common Shares intend to exercise all of their Rights to purchase Common Shares under their Basic Subscription Privilege, including director Mr. Moss Kadey (see also "*Who are the Standby Purchasers and what are the fees?*"), Chairman of the Company's board of directors Mr. David Macdonald (see also "*Who are the Standby Purchasers and what are the fees?*"), President and Chief Executive Officer Mr. Scott Nelson (see also "*Who are the Standby Purchasers and what are the fees?*"), Vice President, Finance and Chief Financial Officer Ms. Jennifer Kaufield, Vice President, Process Development Kevin Moran and directors Brant Sangster and Eric Slavens.

This reflects the intentions of such "insiders" (as defined in applicable Canadian securities legislation) as of the date hereof to the extent such intentions are reasonably known to the Company; however such insiders may alter their intentions before the Expiry Time on the Expiry Date. No assurance can be given that the respective insiders will exercise their Rights to acquire Common Shares. As at the date hereof, insiders of the Company, own or exercise control or direction over, directly or indirectly, 10,371,824 Common Shares, representing approximately 15.87% of the issued and outstanding Common Shares. In the event that these Shareholders purchase 2,074,365 Rights Shares pursuant to the Basic Subscription Privilege, these Shareholders would own an aggregate of 12,446,189 Common Shares. If no other Shareholders were to exercise Rights under the Offering, these Shareholders would increase their ownership of the Common Shares to approximately 18.46% of the outstanding Common Shares after completion of the Offering.

On November 10, 2016, Mr. John Stevens was appointed as a director of the Company, subject to TSXV approval. As at the date hereof, Mr. Stevens owns or exercises control or direction over, directly or indirectly, 320,000 Common Shares (see also "*Who are the Standby Purchasers and what are the fees?*").

***Who are the holders of 10% or more of the Common Shares before and after the Offering?***

Other than as set out below, to the knowledge of the directors and executive officers of Titanium, as at the date hereof, no person or company beneficially owns, directly or indirectly, or controls or directs more than 10% of any class of voting securities of the Company. To the knowledge of the directors and executive officers of Titanium, this state of facts will be unchanged following closing of the Offering.

<b>Name</b>	<b>Holdings before the Offering</b>	<b>Holdings after the Offering if Mr. Kadey takes up his Maximum Standby Shares</b>
Moss Kadey	6,620,000 (10.13%) <sup>(1)</sup>	10,670,000 (13.54%) <sup>(2)</sup>

**Notes:**

- (1) 700,000 Common Shares are held directly by Mr. Kadey, 2,000,000 Common Shares are held by the Kadey Family Trust, 3,820,000 Common Shares are held by Mossco and 100,000 Common Shares are held by Mr. Kadey's spouse, Vivette Kadey.
- (2) Pursuant to the Stand-By Agreement, the number of Maximum Standby Shares Mossco (an affiliated Canadian resident corporation controlled by Mr. Kadey), or any associate or affiliate thereof, may purchase is 4,000,000.

**DILUTION*****If you do not exercise your Rights, by how much will your security holdings be diluted?***

If you wish to retain your current percentage ownership of the Common Shares, you should exercise your Rights and pay the Subscription Price for the Rights Shares to which you are entitled under the Basic Subscription Privilege. If you fail to do so, your percentage ownership of the Common Shares will be diluted.

As an illustration, if you own 150,000 Common Shares on the Record Date, fail to exercise your right to purchase 30,000 Rights Shares under the Offering, and all other Shareholders fully exercise their Basic Subscription Privilege and Additional Subscription Privilege (i.e., the Company issues 13,069,062 Rights Shares), your percentage ownership of the issued and outstanding Common Shares will change from 2.29% to 1.91%.

**STANDBY COMMITMENT*****Who are the Standby Purchasers and what are the fees?***

We have entered into a stand-by purchase agreement (the "**Stand-By Agreement**"), including in the case of a certain Standby Purchaser, a joinder agreement thereto, with a number of insiders of the Company and certain other arm's length investors (collectively, the "**Standby Purchasers**"), pursuant to which each Standby Purchaser (or associates or affiliates thereof) has severally agreed to purchase from Titanium, and Titanium has agreed to sell to each Standby Purchaser (or associates or affiliates thereof), at the Subscription Price and on the Closing Date (as such term is defined in the Stand-By Agreement), such number of Common Shares, if any, that are not purchased upon exercise of the Rights under the Rights Offering up to the maximum number of 10,700,000 Common Shares (the "**Maximum Standby Shares**").

<b>Name</b>	<b>Maximum Standby Shares</b>
Mossco Capital Inc. <sup>(1)</sup>	4,000,000
David Macdonald <sup>(1)</sup>	2,000,000
Arva Group <sup>(2)</sup>	1,500,000
DRADIS Capital LP	1,000,000
Flavelle Operations Ltd.	1,000,000
Richard Colterjohn	500,000
Springtide Capital PTY Ltd.	500,000
Scott Nelson <sup>(1)</sup>	200,000
<b>TOTAL</b>	<b>10,700,000</b>

**Notes:**

- (1) Directors of Titanium. Mossco is an affiliated Canadian resident corporation controlled by Mr. Kadey, an independent director of Titanium.
- (2) Arva Limited may purchase up to 1,200,000 Common Shares, while John Stevens may purchase up to 300,000 Common Shares. On November 10, 2016, Mr. John Stevens was appointed as a director of the Company, subject to TSXV approval.

The Company intends to proceed with the Offering even if the Standby Purchasers' obligations under the Stand-By Agreement are not met. However, if the Standby Purchasers become entitled to terminate such obligation and thereafter do so, the anticipated proceeds of the Offering may not be fully realized and this may have a material adverse effect on the Company. The Standby Purchasers may terminate the Stand-By Agreement under certain circumstances including if (i) any Material Adverse Change (as defined in the Stand-By Agreement) occurs at any time following the execution of the Stand-By Agreement; (ii) Titanium is in material default of its obligations under

the Stand-By Agreement and fails to remedy such breach on or before the date that is five days following the date upon which Titanium has been provided written notice of such breach; (iii) if Titanium fails to satisfy any of the timing requirements set out in the Stand-By Agreement. Any termination by a Standby Purchaser under the Stand-By Agreement shall not affect the liability and obligations of the other Standby Purchasers unless such other Standby Purchasers also exercise their termination rights.

In consideration for agreeing to purchase their Maximum Standby Shares, each Standby Purchaser shall earn, and Titanium shall issue to each Standby Purchaser, at the Closing Time (as such term is defined in the Stand-By Agreement) (or at the time the Stand-By Agreement is terminated for any reason whatsoever, other than the termination of the Stand-By Agreement due to a breach by a Standby Purchaser), that number of warrants ("**Warrants**") set out below, entitling the Standby Purchasers to acquire Common Shares equal to 25% of the Maximum Standby Shares each Standby Purchaser has agreed to acquire pursuant to the Stand-By Agreement, such Warrants to be exercisable within two years after the Closing Time, having an exercise price of \$0.70 per share and with the other terms and conditions set forth in the form of warrant certificate attached as Schedule "A" to the Stand-By Agreement.

<b>Name</b>	<b>Warrants</b>
Mossco Capital Inc.	1,000,000
David Macdonald	500,000
Arva Group	375,000
DRADIS Capital LP	250,000
Flavelle Operations Ltd.	250,000
Richard Colterjohn	125,000
Springtide Capital PTY Ltd.	125,000
Scott Nelson	50,000
<b>TOTAL</b>	<b>2,675,000</b>

*Has Titanium confirmed that the Standby Purchasers have the financial ability to carry out their standby commitment?*

Yes.

*What are the security holdings of the Standby Purchasers before and after the Offering?*

<b>Name</b>	<b>Holdings before the Offering</b>	<b>Holdings after the Offering if the Standby Purchasers takes up their Maximum Standby Shares</b>
Mossco Capital Inc.	6,620,000 (10.13%) <sup>(1)</sup>	10,620,000 (13.54%)
David Macdonald	3,009,000 (4.60%) <sup>(2)</sup>	5,009,000 (6.39%)
Arva Group	320,000 (0.49%) <sup>(3)</sup>	1,820,000 (2.32%)
DRADIS Capital LP	42,500 (0.07%)	1,042,500 (1.33%)
Flavelle Operations Ltd.	Nil	1,000,000 (1.28%)
Richard Colterjohn	168,000 (0.26%)	668,000 (0.85%)
Springtide Capital PTY Ltd. <sup>(4)</sup>	1,180,000 (1.81%)	1,680,000 (2.14%)
Scott Nelson	485,000 (0.74%)	685,000 (0.87%)

**Notes:**

- (1) 700,000 Common Shares are held directly by Mr. Kadey, 2,000,000 Common Shares are held by the Kadey Family Trust, 3,820,000 Common Shares are held by Mossco and 100,000 Common Shares are held by Mr. Kadey's spouse, Vivette Kadey.
- (2) 3,000,000 Shares are held directly by Mr. Macdonald, 3,000 Shares are held by the Katrina Macdonald Trust, 3,000 Shares by the Sophie Golets Trust and 3,000 Shares by the William Golets Trust.

- (3) Mr. John Stevens, a member of the Arva Group, owns or exercises control or direction over, directly or indirectly, all 320,000 Common Shares.
- (4) 1,100,000 Common Shares are held by Nuvolari Capital Limited and 80,000 Common Shares are held by Cockatoo Valley Trust. Darren Morcombe is the sole shareholder of Nuvolari Capital Limited. Darren Morcombe is also the sole shareholder of Springtide Capital PTY Ltd., which is the sole trustee of Cockatoo Valley Trust.

## **MANAGING DEALER AND SOLICITING DEALER**

### *Who is the managing dealer and what are its fees?*

The Company has not retained any party to solicit subscriptions for Common Shares pursuant to the Offering.

## **HOW TO EXERCISE THE RIGHTS**

### *How does a security holder that is a registered holder participate in the Offering?*

The Notice for the Offering has been sent to Shareholders in the Qualified Jurisdictions. For Common Shares held in registered form, a Rights Certificate evidencing the number of Rights to which a Shareholder is entitled has been included with the Notice. In order to exercise the Rights represented by the Rights Certificate, a holder of Rights must complete and deliver the Rights Certificate to the offices of TSX Trust Company (the "**Rights Agent**") at 200 University Avenue, Suite 300, Toronto, Ontario, M5H 4H1 or by hand, courier or registered mail at TSX Trust Company, 200 University Avenue, Suite 300, Toronto, Ontario, M5H 4H1 (in each case, the "**Applicable Subscription Office**"), Attention: Corporate Actions, before the Expiry Time on the Expiry Date in the manner and upon the terms set out in the Rights Certificate.

Each Rights Certificate indicates the number of Rights to which the Rights Certificate holder is entitled. By completing the appropriate form appearing on the front of the Rights Certificate in accordance with the instructions outlined on the Rights Certificate, a Rights Certificate holder may: (i) subscribe for Rights Shares (Form 1); (ii) subscribe for Additional Shares (Form 2); (iii) sell or transfer Rights (Form 3); or (iv) divide or combine the Rights Certificate (Form 4).

Rights Certificates will expire and be of no value unless they are returned with a properly completed Form 1, 2, 3 or 4, as the case may be, and received with payment for the Rights Shares subscribed for, at the office of the Rights Agent located at the Applicable Subscription Office, Attention: Corporate Actions before the Expiry Time.

The Subscription Price may be paid by certified cheque, bank draft or money order made payable to "TSX Trust Company". All payments, together with Form 1 and Form 2 duly completed on the Rights Certificate, must be received by the Rights Agent at or before the Expiry Time.

All questions as to the validity, form, eligibility (including time of receipt) and acceptance of any subscriptions will be determined by the Company in its sole discretion, and any determination by the Company will be final and binding. All subscriptions are irrevocable. The Company reserves the absolute right to reject any subscription if it is not in proper form or if the acceptance thereof or the issuance of Common Shares pursuant thereto could be deemed unlawful. The Company also reserves the right to waive any defect in respect of any particular subscription. The Company is not and will not be under any duty to give any notice of any defect or irregularity in any subscription, nor will they be liable for the failure to give any such notice.

Certificates for Common Shares issued upon exercise of Rights in accordance with the Offering, including Common Shares purchased through the Additional Subscription Privilege, will be registered in the name of the person to whom the Rights Certificate was issued or to whom the Rights were transferred in accordance with the terms thereof, and mailed to the address of the subscriber for the Common Shares as stated on the Rights Certificate, unless otherwise directed, as soon as practicable after the Expiry Date. Once mailed or delivered in accordance with the instructions of the subscriber, the Company assumes no further responsibility for the Common Share certificates.



***How does a security holder that is not a registered holder participate in the Offering?***

For Common Shares held through a securities broker or dealer, bank or trust company or other participant (a "**CDS Participant**") in the book-based system administered by CDS Clearing and Depository Services Inc. ("**CDS**"), a Shareholder may subscribe for Rights Shares by instructing the CDS Participant holding the Shareholder's Rights to exercise all or a specified number of such Rights and forwarding the Subscription Price for each Rights Share subscribed for to such CDS Participant in accordance with the terms of the Offering. A Shareholder wishing to subscribe for Additional Shares pursuant to the Additional Subscription Privilege must forward its request to the CDS Participant that holds the subscriber's Rights prior to the Expiry Time, along with payment for the number of Additional Shares requested. Any excess funds will be returned by mail or credited to the Shareholder's account with its CDS Participant without interest or deduction. Subscriptions for Rights Shares made through a CDS Participant will be irrevocable and Shareholders will be unable to withdraw their subscriptions for Rights Shares once submitted. CDS Participants may have an earlier deadline for receipt of instructions and payment than the Expiry Time.

Only registered Shareholders will be provided with Rights Certificates. For all non-registered, beneficial Shareholders who hold their Common Shares through a CDS Participant in the book-based systems administered by CDS, a global certificate representing the total number of Rights to which all such Shareholders as at the Record Date are entitled will be issued in registered form to, and deposited with, CDS. The Company expects that each beneficial Shareholder will receive a confirmation of the number of Rights issued to it from its CDS Participant in accordance with the practices and procedures of that CDS Participant. CDS will be responsible for establishing and maintaining book-entry accounts for CDS Participants holding Rights.

Shareholders who hold their Common Shares through a CDS Participant must arrange for exercises, purchases or transfers of Rights through their CDS Participant and should contact the CDS Participant to instruct them accordingly. It is anticipated by the Company that each purchaser of Rights or Rights Shares will receive a customer confirmation of issuance or purchase, as applicable, from the CDS Participant through which such Rights are issued or such Rights or Rights Shares are purchased in accordance with the practices and policies of such CDS Participant.

Beneficial Shareholders in the Qualified Jurisdictions may also accept the Offering in the Qualified Jurisdictions by following the procedures for book-based transfer, provided the Company receives that a confirmation of the book-based transfer of their Rights through the CDS on-line tendering system into the Company's account at CDS prior to the Expiry Time. The Company has established an account at CDS for the purpose of the Offering. Any financial institution that is a participant in CDS may cause CDS to make a book-based transfer of a holder's Rights into the Company's account in accordance with CDS procedures for such transfer. Delivery of Rights using the CDS book-based transfer system will constitute a valid tender under the Offering.

Beneficial Shareholders in the Qualified Jurisdictions, through their respective CDS participants, who utilize the CDS on-line system to accept the Offering through a book-based transfer of their Rights into the Company's account with CDS are deemed to have completed a Rights Certificate and therefore such instructions received by the Company are considered as a valid tender in accordance with the terms of the Offering.

The Company will not have any liability for: (i) the records maintained by CDS or CDS Participants relating to the Rights or the book-entry accounts maintained by them; (ii) maintaining, supervising or reviewing any records relating to such Rights; or (iii) any advice or representations made or given by CDS or CDS Participants with respect to the rules and regulations of CDS or any action to be taken by CDS or their CDS Participants.

***Who is eligible to receive Rights?***

The Offering is only being made to Shareholders resident in the Qualified Jurisdictions. The Rights and Rights Shares issuable upon exercise of the Rights are not being offered to persons who are or appear to be, or the Company has reason to believe are, resident in any jurisdictions (the "**Ineligible Jurisdictions**") other than the Qualified Jurisdictions, nor will the Company accept subscriptions from any Shareholder or from any transferee of Rights who is or appears to be, or who the Company has reason to believe is, resident in a Ineligible Jurisdiction. Rights Certificates will not be distributed to any Shareholders whose addresses of record are in any Ineligible Jurisdictions ("**Ineligible Shareholders**"). Rights may not be exercised by or on behalf of an Ineligible Shareholder.

CDS Participants may not issue Rights to Ineligible Shareholders. Commencing on the 10<sup>th</sup> day prior to the Expiry Date, such Rights may be sold on their behalf, on a best efforts basis, at the price or prices determined at the direction and upon authorization to the Rights Agent of the Company. Neither the Company nor the Rights Agent shall accept responsibility if they are unable to effect the sale of such Rights at a particular price or at all. The proceeds, if any, received by the Rights Agent from the sale of such Rights will be divided *pro rata* among the Ineligible Shareholders (other than the Approved Eligible Shareholders (as defined below)), net of all applicable taxes, brokerage commissions, and fees or charges, and the Rights Agent will deliver, via regular mail, cheques as soon as practicable to the Ineligible Shareholders (other than the Approved Eligible Shareholders) at their addresses recorded in the register of the Company, provided that each cheque shall be for an amount of at least \$10.00. In the event that the net proceeds attributable to any Ineligible Shareholder is less than \$10.00, then no monies will be paid or delivered to such Shareholder and, in such event, the proceeds will be delivered to the Company and the Company and the Rights Agent shall have no further obligation to such Shareholder whatsoever.

If the Company recognizes, in its sole discretion, on or before the 10<sup>th</sup> day prior to the Expiry Date that the offering to and subscription by a person that is resident in an Ineligible Jurisdiction of the Rights and the Common Shares issuable upon exercise of such Rights (as applicable) is lawful and in compliance with all securities and other laws applicable to such Ineligible Jurisdiction, such person (an "**Approved Eligible Shareholder**") will not be treated as being a resident in an Ineligible Jurisdiction for the purposes of the Offering. Ineligible Shareholders are requested to contact the Company for further details.

Shareholders will be presumed to be resident in the place of their registered address, unless the contrary is shown to the satisfaction of the Company. A registered Ineligible Shareholder whose address of record is outside the Qualified Jurisdictions but who holds Common Shares on behalf of a holder who is eligible to participate in the Offering must notify the Company, in writing, on or before the tenth day prior to the Expiry Date if such beneficial holder wishes to participate in the Offering.

Rights delivered to brokers, dealers or other intermediaries may not be delivered by those intermediaries to beneficial Shareholders who are resident in Ineligible Jurisdictions. Intermediaries receiving Rights that would otherwise be deliverable to Ineligible Shareholders may attempt to sell those rights for the accounts of such Ineligible Shareholders and should deliver the proceeds of sale to such persons.

***What is the Additional Subscription Privilege and how can you exercise this privilege?***

A holder of a Rights Certificate who is not an Ineligible Shareholder and who has exercised all the Rights evidenced by such Rights Certificate may subscribe *pro rata* for Additional Shares, if available, at the Subscription Price. Additional Shares will be allocated from those Rights Shares, if any, available as a result of Rights that are unexercised by the Expiry Time. A holder who exercises the Additional Subscription Privilege will receive the lesser of (i) the number of Rights Shares that holder subscribes for under the Additional Subscription Privilege, and (ii) the number of Rights Shares that is equal to the aggregate number of Rights Shares available through unexercised Rights multiplied by the quotient of the number of Rights previously exercised by such holder under their Basic Subscription Privilege divided by the aggregate number of Rights previously exercised by all holders of Rights under their Basic Subscription Privilege by holders of Rights that have subscribed for Rights Shares under the Additional Subscription Privilege.

A Rights holder may subscribe for Additional Shares by (i) completing Form 2 of the Rights Certificate, and (ii) delivering the Rights Certificate, together with payment for those Additional Shares, to the Rights Agent at or before the Expiry Time. If payment for all Additional Shares subscribed for pursuant to the Additional Subscription Privilege does not accompany the subscription, the over-subscription will be invalid.

If the Offering is fully subscribed, then the funds included for any over-subscriptions will be returned by the Company to the relevant Shareholders. If the Offering is not fully subscribed, certificates representing Rights Shares due to Shareholders as a result of over-subscriptions will be delivered by the Company together with the certificates representing Rights Shares due to those Shareholders pursuant to their subscriptions in accordance with the Basic Subscription Privilege. In addition, the Company will return to any over-subscribing Shareholder within 30 calendar days of the Expiry Date any excess funds paid in respect of an over-subscription for Rights Shares where the number

of additional Rights Shares available to that Shareholder is less than the number of Additional Shares subscribed for. No interest will be payable by the Company in respect of any excess funds returned to Shareholders.

***How does a Rights holder sell or transfer Rights?***

The Rights will be listed and posted for trading on the TSXV under the trading symbol "TIC.RT" until 10:00 a.m. (Calgary time) on the Expiry Date. Beneficial holders of Rights who hold their Common Shares through a CDS Participant must arrange for purchases, sales and other transfers of Rights through their CDS Participant.

Holders of Rights Certificates not wishing to exercise their Rights may sell or transfer them directly or through their broker or investment dealer at the Shareholder's expense, subject to any applicable resale restrictions.

Holders of Rights Certificates may elect to exercise only a part of their Rights and dispose of the remainder, or dispose of all of their Rights. Any commission or other fee payable in connection with the exercise or any trade of Rights (other than the fee for services to be performed by the Rights Agent as described herein) is the responsibility of the holder of such Rights. Depending on the number of Rights a holder may wish to sell, the commission payable in connection with a sale of Rights could exceed the proceeds received from such sale.

Trading in Rights on the TSXV will terminate at 10:00 a.m. (Calgary time) on the Expiry Date.

***When can you trade Common Shares issuable upon the exercise of your Rights?***

The Rights will generally be free-trading and listed and posted for trading on the TSXV under the trading symbol "TIC.RT" and will be posted for trading on the TSXV until 10:00 a.m. (Calgary time) on the Expiry Date. All Common Shares issuable on exercise of the Rights will be listed and posted for trading on the TSXV under the symbol "TIC" as soon as practicable after closing.

***Are there restrictions on the resale of Rights and Common Shares?***

The Rights being issued hereunder and the Rights Shares issuable upon exercise of the Rights (collectively, the "**Securities**") are being distributed by the Company in the Qualified Jurisdictions pursuant to exemptions from the registration and prospectus requirements under securities legislation in the Qualified Jurisdictions. Resale of the Securities may be subject to restrictions pursuant to applicable securities legislation then in force. Set out below is a general summary of the restrictions governing first trades in the Securities in the Qualified Jurisdictions. Additional restrictions may apply to insiders of the Company and holders of the Securities who are "control persons" or the equivalent or who are deemed to be part of what is commonly referred to as a "control block" in respect of the Company for purposes of securities legislation. Each holder of Rights is urged to consult his or her professional advisors to determine the exact conditions and restrictions applicable to trades of the Securities.

Generally, the first trade of any of the Securities will be exempt from the prospectus requirements of securities legislation in the Qualified Jurisdictions if: (i) the Company is and has been a "reporting issuer" in a jurisdiction of Canada for the four months immediately preceding the trade; (ii) the trade is not a "control distribution" as defined in applicable securities legislation; (iii) no unusual effort is made to prepare the market or to create a demand for the securities; (iv) no extraordinary commission or other consideration is paid in respect of such trade; and (v) if the seller is an insider or officer of the Company, the seller has no reasonable grounds to believe that the Company is in default of applicable securities legislation.

If such conditions have not been met, then the securities may not be resold except pursuant to a prospectus or prospectus exemption, which may only be available in limited circumstances. As at the date hereof the Company has been a reporting issuer for more than four months in British Columbia, Alberta, Ontario and Quebec.

Neither the Rights nor the Rights Shares issuable on exercise of the Rights have been or will be registered under the *United States Securities Act of 1933*, as amended, and they may not be offered or re-offered or sold or re-sold within the United States except pursuant to an exemption from the registration requirements of the *United States Securities Act of 1933*, as amended.

The foregoing is a summary only and is not intended to be exhaustive. Holders of Rights should consult with their advisors concerning restrictions on resale, and should not resell their securities until they have determined that any such resale is in compliance with the requirements of applicable legislation.

***Will Titanium issue fractional underlying Common Shares upon exercise of the Rights?***

Titanium will not issue fractional Rights Shares upon the exercise of Rights. Where the issuance of Rights would otherwise entitle the holder of Rights to fractional Rights Shares, the holder's entitlement will be reduced to the next lowest whole number of Rights Shares, with no additional compensation.

**APPOINTMENT OF DEPOSITARY**

***Who is the depositary?***

TSX Trust Company is the depositary for the Offering. The Rights Agent has been appointed to receive subscriptions and payment from Shareholders and to perform the services relating to the exercise and transfer of the Rights.

***What happens if Titanium does not receive funds from the depositary?***

If Titanium terminates the Offering, the Rights Agent will return all funds held by it to holders of Rights that have subscribed for securities under the Offering. The Company intends to proceed with the Offering even if the Standby Purchasers' obligations under the Stand-By Agreement are not met. However, if the Standby Purchasers become entitled to terminate such obligations and thereafter do so, the anticipated proceeds of the Offering may not be fully realized and this will have a material adverse effect on the Company.

**ADDITIONAL INFORMATION**

***Where can you find more information about Titanium?***

Further information regarding the Company, its activities and its financial results, including copies of the financial statements and other continuous disclosure documents filed by the Company with applicable Canadian securities regulatory authorities, may be obtained under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

Enquiries relating to this Offering should be directed to the Company as follows: Scott Nelson, President and Chief Executive Officer at (403) 561-0439 or [snelson@titaniumcorporation.com](mailto:snelson@titaniumcorporation.com) or Jennifer Kaufield, Vice President, Finance and Chief Financial Officer at (403) 874-9498 or [jkaufield@titaniumcorporation.com](mailto:jkaufield@titaniumcorporation.com).

**There is no material fact or material change about Titanium that has not been generally disclosed.**