



## **TITANIUM CORPORATION REPORTS FISCAL YEAR 2016 FIRST QUARTER RESULTS AND UPDATES ON PROGRESS**

**CALGARY, ALBERTA – January 28, 2016 – Titanium Corporation Inc. (the “Company” or “Titanium”) (TSX-V: TIC)** today released its results for the first quarter ended November 30, 2015.

The Company continued to make progress during the quarter toward the adoption and commercialization of its CVW™ sustainable technology including: reaching agreements with an oil sands operator that provide a framework for future projects for bitumen and heavy minerals recovery from tailings, and making submissions that will assist the Alberta Government in framing policies to address climate change, royalties and tailings management.

In light of the continued low oil price environment, the Company believes it is well positioned to add value to both operational cost and environmental emission reductions. In addition, the Alberta and Federal Governments are placing an increased priority on climate change, technology innovation and economic diversification.

“Our Company is offering innovative technology that will assist oil sands firms in meeting the challenges of low oil prices and climate change” commented Scott Nelson, Titanium’s President and Chief Executive Officer. “We are also pursuing new sources of funding that governments are developing to stimulate economic activity and build the environmental infrastructure required to meet GHG reduction targets.”

The following are highlights of the Company’s recent progress:

- On October 1, 2015 the Company announced agreements with Syncrude Canada Ltd. (“Syncrude”) providing for the co-ownership of one of Titanium's patents and the first right for Titanium to propose commercial recovery of heavy minerals at Syncrude sites. The agreements provide a framework for implementation of the Company’s technologies when Syncrude proceeds with a project, with Syncrude focused on bitumen recovery and Titanium on heavy minerals recovery.
- The Company successfully executed a financial plan to strengthen its balance sheet and cash position during commercialization including: arranging term loan facilities totaling \$1.5 million, exercising 700,000 stock options and injecting \$0.5 million cash into the Company’s treasury; issuing RSUs and DSUs in October and December to officers and directors in lieu of \$0.8 million of accrued cash compensation. The Company had \$1.0 million in cash at the end of the quarter and had \$1.5 million available under the loan facilities.

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- The Company has been active during the quarter participating in a number of Alberta Government policy formation initiatives and reviews relating to climate change, royalties and tailings management framework that impact the oil sands industry. These changes would increase the value of the potential benefits of implementing the Company's technology. The Company made written submissions to the Climate Change Advisory Panel, the Royalty Review Panel, and the Alberta Energy Regulator's Tailings Management Framework for the Mineable Athabasca Oil Sands.
- On November 22, 2015, the Alberta Government announced its Climate Leadership Plan to implement a greenhouse gas emissions reduction strategy. The plan includes: an Alberta economy-wide price on greenhouse gas (GHG) emissions of \$30/tonne; an output-based allocation of emissions permits to oil sands operators reflecting top-quartile emissions performance (compared to each facility's historic emissions-intensity today); the phasing out of coal-fired electricity generation by 2030 to be replaced by electricity generation from renewables and natural gas; a forward looking cap of 100 megatonnes (MT)/year of GHG emissions from the oil sands sector with the intent of promoting innovation to achieve intensity reductions as growth continues; and a methane reduction strategy focused on the oil and gas industry to reduce emissions by 45% or 12MT/year from existing levels. The Climate Leadership Report to the Minister indicates that the output-based allocation at top-quartile performance with a carbon price of \$30 per tonne would approximately double aggregate compliance costs for oil sands producers in 2018 compared to the system in place today. Moreover, the increase will not be evenly distributed as the performance based system will see a redistribution of compliance costs towards the higher emissions-intensive facilities. The Company believes that this plan provides strong incentives for innovation and deployment of cleaner technologies in the oil sands, including the Company's CVW™ technology. The environmental benefits from implementation of the Company's technology include a significant reduction of methane emissions associated with froth treatment tailings and other GHG emission reductions (from heat recovery, increased bitumen production and enhanced tailings management), that can significantly lower the GHG emissions intensity of the mining oil sands sector.
- 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. The extraction of valuable heavy minerals from Alberta's oil sands is a unique opportunity to diversify the economy and develop a new export industry for Alberta.



## FINANCIAL OVERVIEW

Titanium is focused on achieving long-term financial success by taking its innovative CVW™ technologies into commercial production. Until a commercial investment is made, a plant built and operating at an oil sands site, the Company expects to incur losses. However, 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, 2015 was \$0.6 million compared to \$0.5 million for the three month period ended November 30, 2014. The increase in net loss by \$0.1 million relates to costs incurred and amortization of fair value associated with warrants issued in connection with the loan facility during the quarter. Titanium’s net loss for the period is in line with expectations as a development stage company.

**Research & Development (“R&D”)** – For the three month period ended November 30, 2015, R&D spending was \$0.1 million and consisted primarily of compensation for technical staff and rent, equipment storage fees, and patent filing and maintenance fees. R&D spending was consistent with the corresponding period in 2014. 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, 2015 consistent with the three month period ended November 30, 2014, however a \$0.1 million decrease in cash expenses 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 2014.

**Cash Position** – The Company had \$1.0 million in cash at November 30, 2015 as compared to \$0.9 million at August 31, 2015. The increase in cash of \$0.1 million for the for the three month period ended November 30, 2015 includes \$0.5 million received from the exercise of 700,000 stock options offset by general overhead costs and R&D expenses incurred in the quarter. In order to ensure access to adequate financial resources to commercialize its technology, the Company arranged a \$1.5 million credit facility in the quarter. While these short term measures improved the capital resources, the Company continues to evaluate longer term funding options to ensure adequate capital resources through the commercialization period.

To view the Company’s management discussion and analysis and interim condensed financial statements for the three month period ended November 30, 2015, please visit our website at [www.titaniumcorporation.com](http://www.titaniumcorporation.com) or SEDAR at [www.sedar.com](http://www.sedar.com).

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## **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).*

## **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)).*

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*The forward-looking information contained in this news release describes our expectations as of January 28, 2016 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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For further information, contact:

Scott Nelson

President & CEO

Tel: (403) 561-0439

Email: [snelson@titaniumcorporation.com](mailto:snelson@titaniumcorporation.com)

Jennifer Kaufield

Vice President Finance & CFO

Tel: (403) 874-9498

[jkaufield@titaniumcorporation.com](mailto:jkaufield@titaniumcorporation.com)