No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons authorized to sell such securities. The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended, or any state securities laws and may not be offered or sold in the United States or to or for the benefit of U.S. persons absent registration or pursuant to an applicable exemption from the registration requirements of the United States Securities Act of 1933, as amended, and applicable state securities laws. See "Plan of Distribution". This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities in the United States.

PROSPECTUS

Initial Public Offering October 12, 2017

TITAN MINING CORPORATION

Cdn$50,050,000

35,750,000 Common Shares

This prospectus (the "**Prospectus**") qualifies the distribution (the "**Offering**") of 35,750,000 Common Shares (the "**Offered Shares**") of Titan Mining Corporation (the "**Company**" or "**Titan**") to be issued and sold at a price of Cdn$1.40 per Offered Share (the "**Offering Price**"). The net proceeds of the Offering will be used to refurbish and re-commence mining operations at the Company's Empire State Mine, as well as retire certain outstanding indebtedness of the Company. See "Use of Proceeds". The Offering Price was determined by negotiation among the Company and Scotia Capital Inc., Canaccord Genuity Corp., National Bank Financial Inc. and PI Financial Corp. (collectively, the "**Underwriters**"). See "Plan of Distribution".

Upon completion of the Offering, it is expected that Richard W. Warke, President and CEO of the Company, either directly or indirectly, through 0905792 B.C. Ltd. ("**0905792**"), a corporation controlled by him, will have direction and control over 40,701,000 Common Shares, representing approximately a 41.5% interest in the Company (or, if the Over-Allotment Option is exercised in full, representing approximately a 39.3% interest in the Company). As a result, Mr. Warke will continue to have a significant influence on the Company. See "Principal Shareholders" and "Risk Factors".

Price: Cdn$1.40 per Offered Share

	Price to the Public	Underwriters' Fee[(1)]	Net Proceeds to the Company[(2)]
Per Offered Share	Cdn$1.40	Cdn$0.084	Cdn$1.316
Total Offering[(3)]	Cdn$50,050,000	Cdn$3,003,000	Cdn$47,047,000

Notes:

(1) The Underwriters will be paid an aggregate fee of 6.0% of the gross proceeds from the issuance of the Offered Shares (the "Underwriters' Fee"), including the proceeds realized from the sale of any Common Shares sold pursuant to the exercise of the Over-Allotment Option (as defined herein). The Underwriters' Fee is payable upon the closing of the Offering.

(2) After deducting the Underwriters' Fee, but before deducting the Company's expenses of the Offering, estimated to be Cdn$1,536,291, which will be paid from the proceeds of the Offering. See "Use of Proceeds" and "Plan of Distribution".

(3) The Company has granted the Underwriters an option (the "Over-Allotment Option") exercisable, in whole or in part, at the sole discretion of the Underwriters, until the date that is 15 days from the date of the closing of the Offering, to purchase up to an additional 5,362,500 Offered Shares (being equal to approximately 15% of the Offered Shares sold in the Offering) at the Offering Price solely to cover over-allotments, if any, and for market stabilization. If the Over-Allotment Option is exercised in full, the total price to the public will be Cdn$57,557,500, the Underwriters' Fee will be Cdn$3,453,450 and the net proceeds to the Company will be Cdn$54,104,050 (after deducting the Underwriters' Fee but before deducting the expenses of the Offering). This Prospectus also qualifies the distribution of the Over-Allotment Option and the Offered Shares that are issued pursuant to the exercise of the Over-Allotment Option. See "Plan of Distribution". A purchaser who acquires Offered Shares forming part of the Underwriters' over-allocation position acquires those securities under this Prospectus, regardless of whether the Underwriters' over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

The TSX has conditionally approved the listing of the Common Shares under the symbol "TI". Listing is subject to the Company fulfilling all the requirements of the TSX on or before December 27, 2017.

There is currently no market through which the Offered Shares may be sold and purchasers may not be able to resell Offered Shares purchased under this Prospectus. This may affect the pricing of the Offered Shares in the secondary market, the transparency and availability of trading prices, the liquidity of the Offered Shares and the extent of issuer regulation. See "Risk Factors". Closing of the Offering is conditional on the Offered Shares being approved for listing on the TSX.

An investment in the Offered Shares is highly speculative and involves significant risks that should be carefully reviewed and considered by prospective purchasers before purchasing the Offered Shares and should only be made by persons who can afford the total loss of their investment. See "Risk Factors".

The following table sets out the number of Offered Shares that have been issued or may be issued by the Company to the Underwriters pursuant to the Over-Allotment Option:

Underwriters' Position	Maximum Size or Number of Offered Shares Available	Exercise Period	Exercise Price per Offered Share
Over-Allotment Option	5,362,500	Up to 15 days following the Closing Date	Cdn$1.40

The Underwriters, as principals, conditionally offer the Offered Shares, subject to prior sale, if, as and when issued, sold and delivered by the Company and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement (as defined herein) referred to under "Plan of Distribution" and subject to the approval of certain legal matters on behalf of the Company by Davies Ward Phillips & Vineberg LLP and on behalf of the Underwriters by Cassels Brock & Blackwell LLP. **The Underwriters may offer the Offered Shares at prices lower than stated above. In connection with the Offering and in accordance with applicable law and policies, the Underwriters may over-allot or effect transactions which stabilize or maintain the market price of the**

Offered Shares at a level other than that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time. See "Plan of Distribution".

Subscriptions for Offered Shares will be received subject to rejection or allotment, in whole or in part, and the right is reserved to close the subscription books at any time without notice. The closing of the Offering (the "**Closing**") is expected to occur on October 19, 2017 or such other date as the Company and the Underwriters may agree, but in any event no later than November 23, 2017 (the "**Closing Date**").

Registration of interests in and transfers of Offered Shares held through CDS or its nominee will be made electronically through the non-certificated inventory ("**NCI**") system of CDS. Offered Shares registered to CDS or its nominee will be deposited electronically with CDS on an NCI basis on the closing of the Offering. Purchasers of Offered Shares will receive only a customer confirmation from the registered dealer from or through whom a beneficial interest in the Offered Shares is purchased.

The Company's head and registered office is located at Suite 555 – 999 Canada Place, Vancouver, BC, V6C 3E1.

A director of the Corporation, Mr. George Pataki, resides outside of Canada. Mr. Pataki has appointed the following agent for service of process:

Name of Director	Name and Address of Agent
George Pataki	Titan Mining Corporation Suite 555 – 999 Canada Place, Vancouver, BC, V6C 3E1 Attention: Chief Financial Officer

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ABOUT THIS PROSPECTUS

An investor should rely only on the information contained in this Prospectus, including any Marketing Materials that are incorporated by reference herein, and is not entitled to rely on parts of the information contained in this Prospectus to the exclusion of others. The Company has not, and the Underwriters have not, authorized anyone to provide investors with additional or different information. The information contained in this Prospectus is accurate only as of the date of this Prospectus or the date indicated, regardless of the time of delivery of this Prospectus or of any sale of the Offered Shares.

The Company is not, and the Underwriters are not, offering to sell the Offered Shares in any jurisdiction where the offer or sale of such securities is not permitted. For investors outside Canada, none of the Company or any of the Underwriters has done anything that would permit the Offering or possession or distribution of this Prospectus in any jurisdiction where action for that purpose is required, other than in Canada. Investors are required to inform themselves about, and to observe any restrictions relating to, the Offering and the possession or distribution of this Prospectus.

This Prospectus includes a summary description of certain material agreements of the Company. See "Material Contracts". The summary description discloses all attributes that the Company believes would be material to a prospective purchaser of Offered Shares but is not complete and is qualified by reference to the terms of the material agreements, which will be filed with the Canadian securities regulatory authorities and available on SEDAR. Investors are encouraged to read the full text of such material agreements.

The numbers in certain of the tables contained in this Prospectus may not add exactly due to rounding.

Unless otherwise specified, information provided herein regarding the share capital of the Company and the percentage interest in the Company held by the directors and officers of the Company on completion of the Offering does not contemplate any Common Shares to be issued to Hudbay pursuant to the Letter Agreement or the Letter Agreement Amendment. See "Description of Material Indebtedness".

MEANING OF CERTAIN REFERENCES

As used in this Prospectus, unless the context indicates or requires otherwise, the terms "Titan" and the "Company" mean Titan Mining Corporation together with its subsidiaries.

Where the context requires, all references in this Prospectus to the "Offering" include the Over-Allotment Option and all references in this Prospectus to "Offered Shares" include the additional Common Shares that may be issued pursuant to the exercise of the Over-Allotment Option.

Certain other terms used in this Prospectus are defined under "Glossary" on page 172.

FORWARD-LOOKING INFORMATION

This Prospectus contains "forward-looking information" within the meaning of applicable Canadian securities laws. Forward-looking information may relate to the Company's future outlook and anticipated events or results. In some cases, but not necessarily in all cases, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "targets", "expects" or "does not expect", "is expected", "an opportunity exists", "is positioned", "estimates", "intends", "assumes", "anticipates" or "does not anticipate" or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might", "will" or "will be taken", "occur" or "be achieved". In addition, any statements that refer to expectations, predictions, indications, projections or other characterizations of future events or circumstances contain forward-looking information. Statements containing forward-looking information are not historical facts but instead represent management's expectations, estimates and projections regarding future events.

Discussions containing forward-looking information may be found, among other places, under "Industry Overview", "General Development and Business of the Company", "Empire State Mine", "Selected Consolidated

Financial Information", "Management's Discussion and Analysis of Financial Condition and Results of Operations of Titan", "Management's Discussion and Analysis of Financial Condition and Results of Operations of Balmat Holding", "Use of Proceeds", "Description of Share Capital", "Capitalization", "Description of Material Indebtedness", "Dividend Policy", "Principal Shareholders", "Directors and Executive Officers", "Corporate Governance", "Executive Compensation", "Plan of Distribution" and "Risk Factors". This forward-looking information includes, among other things, statements relating to:

- estimated CI Costs and AISC;
- the anticipated Closing Date of the Offering;
- future financial or operating performance and condition of the Company, including its ability to continue as a going concern, and its business, operations and properties;
- the Company's ability to implement its three-phase strategy to maximize the value of its property holdings;
- the Company's planned exploration and development activities;
- costs, timing and results of future exploration and drilling;
- the intended use of net proceeds of the Offering;
- forecasted trends in the global zinc market, including in respect of the price of zinc;
- capital and operating cost estimates;
- economic analyses (including cash flow projections) from the Technical Report;
- the adequacy of the Company's financial resources;
- the estimation of Mineral Resources;
- the realization of Mineral Resource estimates;
- the probability of Inferred Mineral Resources being converted into Measured or Indicated Mineral Resources;
- the production schedule for the Empire State Mine;
- the timing of completion and results of drift rehabilitation and refurbishment of the Empire State Mine;
- the timing of re-commencement of operations at the Empire State Mine;
- production estimates for the Empire State Mine;
- the Company's plans for marketing of zinc concentrate mined at the Empire State Mine;
- the Company's planned completion of the mine plan for the Empire State Mine and continuation of the drill program at the Empire State Mine;
- timing, receipt and maintenance of approvals, consents and permits under applicable legislation;
- the Company's ability to re-negotiate expired leases and the timing thereof;
- environmental, permitting, legal, taxation, title, socio-economic, community relations or political issues that may adversely affect the Company's current and anticipated operations;
- the Company's expectations with respect to the payment of dividends;
- the Company's ability to make scheduled payments of the principal, or to pay interest on or refinance, its indebtedness;
- the Company's expectations with respect to principal shareholders, including Richard W. Warke, following completion of the Offering;
- the Company's intention to exercise the Additional Payment Option;
- the Company's adoption of certain corporate governance practices; and

- the Company's expectation that it will be able to continue to locate and retain employees and consultants with required skills and knowledge.

These statements and other forward-looking information are based on opinions, assumptions and estimates made by the Company in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors that the Company believes are appropriate and reasonable in the circumstances, as of the date of this Prospectus, including, without limitation, assumptions about: favourable equity and debt capital markets; the ability to raise any necessary additional capital on reasonable terms to advance the development of the Empire State Mine Project and pursue planned exploration and development; future prices of zinc and other metals; the timing and results of exploration and drilling programs; the likelihood of discovering new Mineral Resources in the Balmat-Edwards district; the accuracy of the mine production schedule in the Technical Report; the accuracy of the estimated time of completion of drift rehabilitation and refurbishment of the Empire State Mine in the Technical Report; the accuracy of any Mineral Resource estimates; the accuracy of the production estimates in the Technical Report; the geology and geophysical data of the Empire State Mine Project being as described in the Technical Report; the successful integration of the Empire State Mine Project into the Company's business; the availability of labour; the accuracy of the capital and operating cost estimates in the Technical Report; the accuracy of drill sample results at the Empire State Mine; the accuracy of the metallurgical forecast in the Technical Report; the accuracy of the economic analysis in the Technical Report; future currency exchange rates and interest rates; operating conditions being favourable, including whereby the Company is able to operate in a safe, efficient and effective manner; political and regulatory stability; the receipt of governmental and third party approvals, licenses and permits on favourable terms; obtaining required renewals for existing approvals, licenses and permits and obtaining all other required approvals, licenses and permits on favourable terms; sustained labour stability; stability in financial and capital goods markets; availability of equipment and the condition of existing equipment being as described in the Technical Report; the absence of any long-term liabilities created by the mining activity in the Balmat region beyond those described in the Technical Report; the impact of the change in the parent company of Balmat Holding on its operations; the accuracy of the Company's accounting estimates and judgments; the impact of adoption of new accounting policies; and the Company's ability to satisfy the terms and conditions of its indebtedness. There can be no assurance that such estimates and assumptions will prove to be correct. In addition, if any of the assumptions or estimates made by management prove to be incorrect, actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking information contained in this Prospectus. Accordingly, prospective purchasers are cautioned not to place undue reliance on such information.

Forward-looking information is necessarily based on a number of the opinions, assumptions and estimates that, while considered reasonable by the Company as of the date such statements are made, are subject to known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information, including but not limited to the following factors described in greater detail in "Risk Factors": limited operating history; dependence on the Empire State Mine; refurbishment and re-commencement of mining operations; inherent risks of mining; estimates of Mineral Resource calculations; production decisions based on Mineral Resources; uncertainty in relation to Inferred Mineral Resources; fluctuations in demand for, and prices of, zinc; production projections and cost estimates for the Empire State Mine may prove to be inaccurate; future requirements for additional capital; profitability of the Company; ability to attract and retain qualified management; title; competition; governmental regulations; market events and general economic conditions; environmental laws and regulations; threat of legal proceedings; rights, concessions and permits; social and environmental activism; land reclamation requirements; TMF and Environmental Reclamation; insurance; undisclosed liabilities; health and safety; dependence on information technology systems; zinc hedging activities; conflicts of interest; risks inherent in Company's indebtedness; risks inherent in acquisitions; integration of the mine assets; labour and employment retention relations; anti-corruption and bribery regulation, including ESTMA reporting; infrastructure; enforceability of judgments; absence of a market for the Common Shares; fluctuations in price of the Common Shares; loss of entire investment; significant ownership by Richard W. Warke and indebtedness to Augusta; future sales of Common Shares by Richard W. Warke and other directors and officers of the Company; use of proceeds; payment of dividends; currency exchange rate risks; pro forma financial information; public company status; financial reporting and other public company requirements; dilution; and securities analysts' research or reports could impact the price of the Common Shares. These factors and assumptions are not intended to represent a complete list of the factors and assumptions that could affect the Company. These factors and assumptions, however, should be considered carefully.

All of the forward-looking information in this Prospectus is expressly qualified by these cautionary statements. Statements containing forward-looking information contained herein are made only as of the date of this Prospectus. The Company expressly disclaims any obligation to update or alter statements containing any forward-looking information, or the factors or assumptions underlying them, whether as a result of new information, future events or otherwise, except as required by law. Investors should read this entire Prospectus and consult their own professional advisors to assess the income tax consequences, risk factors and other aspects of their investment in the Offered Shares.

PRESENTATION OF FINANCIAL MATTERS

In this Prospectus, all references to "$" are to United States dollars. The financial statements included herein are reported in United States dollars. References in this Prospectus to "Cdn$" are to Canadian dollars.

Financial information included in this Prospectus has been prepared in accordance with IFRS.

NON-IFRS FINANCIAL MEASURES

This Prospectus makes reference to certain non-IFRS measures. These measures are not recognized measures under IFRS and do not have a standardized meaning prescribed by IFRS. They are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement IFRS measures by providing further understanding of the Company's results of operations from management's perspective. Accordingly, they should not be considered in isolation nor as a substitute for analysis of the Company's financial information reported under IFRS. The Company uses non-IFRS measures, including "working capital" (see "Management's Discussion and Analysis of Financial Condition and Results of Operations of Titan") and "Net Operating Income". Net Operating Income is defined as revenue less treatment and transportation charges, royalties and site operating costs.

This Prospectus also contains information as to estimated future total cash costs ("**C1 Cost**") per pound of payable zinc and all-in sustaining costs ("**AISC**") per pound of payable zinc. The CI Cost and AISC disclosed in this Prospectus are based on the PEA. The PEA is preliminary in nature, uses Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves, and there is no certainty that the results of the PEA will be realized. These estimates are based upon the C1 Cost per pound and AISC per pound that the Company expects to incur to mine zinc at the Empire State Mine and do not include costs of sales attributable to accretion expense and other asset retirement costs, which will vary over time as the Empire State Mine is developed and mined. It is therefore not practicable to reconcile these forward-looking non-IFRS financial measures to the most comparable IFRS measure. The Company calculates C1 Cost per pound of payable zinc by adjusting cost of sales as recorded in the consolidated statements of comprehensive loss for total treatment and transportation charges and royalties payable, and subtracting depreciation, depletion and share based compensation expenses and any other non-cash costs and dividing the result by the number of pounds of payable zinc produced. AISC per pound of zinc is calculated by adjusting the C1 Cost for sustaining capital expenses and estimated closure costs and dividing the result by the number of pounds of payable zinc produced.

Prospective investors should review this information in conjunction with the Company's and Balmat Holding's consolidated financial statements, including the notes thereto, as well as "Management's Discussion and Analysis of Financial Condition and Results of Operations of Titan", "Management's Discussion and Analysis of Financial Condition and Results of Operations of Balmat", "Use of Proceeds", "Capitalization" and "Description of Material Indebtedness", included elsewhere in this Prospectus.

EXCHANGE RATE INFORMATION

The following table sets out, for each period indicated, the exchange rates of the Canadian dollar to the United States dollar at the end of such period and the high, low, average (based on the exchange rate on the last day of each month during such period) exchange rates for such period (such rates, which are expressed in Canadian dollars, are based on the spot exchange rate for United States dollars reported by the Bank of Canada).

	Year ended December 31,			Three months ended June 30,		Six months ended June 30,	
	2014 (Cdn$)	**2015 (Cdn$)**	**2016 (Cdn$)**	**2016 (Cdn$)**	**2017 (Cdn$)**	**2016 (Cdn$)**	**2017 (Cdn$)**
Rate at the end of period	1.1601	1.3840	1.3427	1.3009	1.2977	1.3009	1.2977
Average rate during period	1.1045	1.2787	1.3248	1.2886	1.3449	1.3302	1.3344
Highest rate during period	1.1643	1.3990	1.4589	1.3170	1.3743	1.4589	1.3743
Lowest rate during period	1.0614	1.1728	1.2544	1.2544	1.2977	1.2544	1.2977

On October 10, 2017, the Bank of Canada closing rate for the purchase of one United States dollar using Canadian dollars was Cdn$1.2501 (Cdn$1.00 = $0.80).

SCIENTIFIC AND TECHNICAL INFORMATION

Technical information relating to the Empire State Mine contained in this Prospectus is derived from, and in some instances is extracted from, the Technical Report, which was prepared in accordance with NI 43-101. The Technical Report was prepared for the Company by Garett Macdonald, Michael Makarenko, Matt Moss and Indi Gopinathan, each of JDS Energy and Mining Inc. ("**JDS**"), Michel Creek, formerly of JDS, Allan Reeves of Tuun Consulting Inc. ("**Tuun**") and Robert Raponi of TR Raponi Consulting Ltd. ("**Raponi**"), each of whom approved the scientific and technical information contained in this Prospectus that was derived from or extracted from the portion of the Technical Report that such person authored and is a "qualified person" and "independent" within the meanings of NI 43-101. Technical information in this Prospectus not derived from or extracted from the Technical Report has been approved by Keith Boyle, P. Eng., COO, Titan, a "qualified person" under NI 43-101.

Portions of the technical information relating to the Empire State Mine contained in this Prospectus are based on assumptions, qualifications and procedures which are not fully described herein but are set out in the Technical Report. Reference should be made to the full text of the Technical Report which has been filed with certain Canadian regulatory authorities pursuant to NI 43-101 and is available for review under the Company's profile on SEDAR at **www.sedar.com**.

The PEA is preliminary in nature, uses Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves, and there is no certainty that the results of the PEA will be realized.

CIM Definition Standards

The Mineral Resources for the Empire State Mine (including as used in the Technical Report) have been estimated in accordance with the CIM Definition Standards, which are incorporated by reference in NI 43-101. The following definitions are reproduced from the CIM Definition Standards:

"**Mineral Resource**" means a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade or quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade or quality, continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling.

"**Inferred Mineral Resource**" means that part of a Mineral Resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.

"**Indicated Mineral Resource**" means that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors as described below in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing and is sufficient to assume geological and grade or quality continuity between points of observation. An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Mineral Reserve.

"**Measured Mineral Resource**" means that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing and is sufficient to confirm geological and grade or quality continuity between points of observation. A Measured Mineral Resource has a higher level of confidence than that applying to either an Indicated Mineral Resource or an Inferred Mineral Resource. It may be converted to a Proven Mineral Reserve or to a Probable Mineral Reserve.

"**Mineral Reserve**" means the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at pre-feasibility or feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified. The reference point at which Mineral Reserves are defined, usually the point where the ore is delivered to the processing plant, must be stated. It is important that, in all situations where the reference point is different, such as for a saleable product, a clarifying statement is included to ensure that the reader is fully informed as to what is being reported. The public disclosure of a Mineral Reserve must be demonstrated by a pre-feasibility study or feasibility study.

"**Probable Mineral Reserve**" means the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Mineral Reserve is lower than that applying to a Proven Mineral Reserve.

"**Proven Mineral Reserve**" means the economically mineable part of a Measured Mineral Resource. A Proven Mineral Reserve implies a high degree of confidence in the Modifying Factors.

For the purposes of the CIM Definition Standards, "**Modifying Factors**" are considerations used to convert Mineral Resources to Mineral Reserves. These include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors.

MARKET DATA AND INDUSTRY DATA

Market data and industry forecasts used in this Prospectus were obtained from government or other industry publications (including the IZA, the ILZSG, the USGS and PwC), various publicly available sources or based on estimates derived from such publications and reports and management's knowledge of, and experience in, the markets in which the Company operates. Government and industry publications and reports generally indicate that they have obtained their information from sources believed to be reliable, but do not guarantee the accuracy and completeness of their information. Actual outcomes may vary materially from those forecast in such reports or publications, and the prospect for material variation can be expected to increase as the length of the forecast period increases. Although the Company and the Underwriters believe that these sources are generally reliable, the accuracy and completeness of such information are not guaranteed and have not been independently verified. Further, market and industry data is subject to variations and cannot be verified due to limits on the availability and reliability of data inputs, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey. See also "Forward-Looking Information".

MARKETING MATERIALS

A template version (as such term is defined in NI 41-101), of the following "marketing materials" (as such term is defined in NI 41-101) filed with the securities commission or similar authority in each of the provinces and territories of Canada (other than Québec) in connection with this Offering are specifically incorporated by reference into this Prospectus: (i) the Preliminary Investor Presentation, (ii) the Amended Investor Presentation, (iii) the Final Investor Presentation, (iv) the Preliminary Term Sheet and (v) the Final Term Sheet. The Marketing Materials are available for review under the Company's profile on SEDAR at **www.sedar.com**.

This Prospectus modifies the Amended Investor Presentation and the Preliminary Term Sheet, to, among other things, reflect the final Offering Price of Cdn$1.40 and the increase in the size of the Offering from Cdn$45,000,000 to Cdn$50,050,000. The foregoing summary of modifications is not exhaustive and is qualified by the information contained in the Final Investor Presentation and the Final Term Sheet. Pursuant to subsection 13.7(7) of NI 41-101, the Final Investor Presentation and the Final Term Sheet were prepared to include this revised information. The Final Investor Presentation and the Final Term Sheet, as well as a blackline to the Amended Investor Presentation and Preliminary Term Sheet, respectively, are available under the Company's profile on SEDAR at **www.sedar.com**.

The Marketing Materials are not part of this Prospectus to the extent the contents of the Marketing Materials have been modified or superseded by a statement contained in this Prospectus. Any template version of "marketing materials" (as defined in NI 41-101) filed after the date of this Prospectus and before the termination of the distribution under this Offering (including any amendments to, or an amended version of, the Marketing Materials) is deemed to be incorporated into this Prospectus.

ELIGIBILITY FOR INVESTMENT

In the opinion of Davies Ward Phillips & Vineberg LLP, counsel to the Company, and Cassels Brock & Blackwell LLP, counsel to the Underwriters, based upon the provisions of the Tax Act, provided that they are listed on a "designated stock exchange" or Titan is a "public corporation" (both within the meaning of the Tax Act), the Offered Shares, if issued on the date hereof, will be qualified investments under the Tax Act for a trust governed by a registered retirement savings plan ("**RRSP**"), a registered retirement income fund ("**RRIF**"), a deferred profit sharing plan, a registered education savings plan ("**RESP**"), a registered disability savings plan ("**RDSP**") or a tax-free savings account ("**TFSA**"), each as defined in the Tax Act. Notwithstanding that the Offered Shares may be a qualified investment for a trust governed by a TFSA, RRSP or RRIF, the holder of a TFSA or the annuitant of a RRSP or RRIF, as the case may be, will be subject to a penalty tax in respect of Offered Shares held in the TFSA, RRSP or RRIF if such Offered Shares are a "prohibited investment" within the meaning of the Tax Act. The Offered Shares will not be a "prohibited investment" provided that the holder of the TFSA or the annuitant of the RRSP or RRIF does not have a "significant interest" in the Company, within the meaning of the prohibited investment rules in the Tax Act, and the Company deals at arm's length with the holder or annuitant. In addition, the Offered Shares will not be a prohibited investment if the Offered Shares are "excluded property" for a trust governed by a TFSA, RRSP or RRIF within the meaning of the prohibited investment rules in the Tax Act. If certain proposed amendments to the Tax Act released by the Minister of Finance (Canada) on March 22, 2017 are enacted as proposed, the prohibited investment rules will extend to trusts governed by RDSPs and RESPs.

Prospective purchasers who intend to hold the Offered Shares in trusts governed by a TFSA, RRSP, RRIF, RDSP or RESP should consult their own tax advisors as to whether Offered Shares will be prohibited investments in their particular circumstances.

PROMOTER

Richard W. Warke, the President and CEO of the Company, took the initiative in founding and organizing the Company and in pursuing the Acquisition on behalf of the Company and may be considered to be the promoter of the Company within the meaning of applicable securities legislation. To the Company's knowledge, as at the date of this Prospectus, Mr. Warke beneficially holds, controls or directs, directly or indirectly through 0905792, a corporation controlled by Mr. Warke, 40,701,000 Common Shares and 2,000,000 Options, representing approximately 41.5% of the outstanding Common Shares on a non-diluted basis after giving effect to the Offering (assuming no exercise of the Over-Allotment Option) and 42.7% of the outstanding Common Shares on a partially diluted basis (assuming the exercise of the Options held by Mr. Warke) after giving effect to the Offering (assuming no exercise of the Over-Allotment Option). Other than in connection with the indebtedness of the Company to Augusta, a corporation controlled by Mr. Warke, and any remuneration Mr. Warke is anticipated to receive in connection with his role as President, CEO and a director of the Company, Mr. Warke has not and will not receive anything of value, including money, property, contracts, options or rights of any kind from the Company or from a subsidiary of the Company. See "General Development and Business of the Company", "Management's Discussion and Analysis of Financial Condition and Results of Operations of Titan", "Description of Material Indebtedness", "Use of Proceeds", "Executive Compensation" and "Share Option Plan".

PROSPECTUS SUMMARY

The following is a summary of the principal features of the Offering and is qualified in its entirety by, and should be read together with, the more detailed information and the financial data and statements contained elsewhere in this Prospectus including under "Risk Factors". Please refer to the "Glossary" for a list of defined terms used herein.

THE COMPANY

The Company was incorporated under the BCBCA on October 15, 2012. The Company is a Canadian-based zinc exploration and development company with its principal asset being the Empire State Mine Project, which includes the Empire State Mine, a near production, high grade and fully permitted zinc mineral project that has been on care and maintenance since 2008.

The Company, through its wholly-owned subsidiary, Titan US, acquired all of the issued and outstanding shares of Balmat Holding from Northern Zinc, a wholly-owned subsidiary of Star Mountain, pursuant to the Share Purchase Agreement. As a result of the Acquisition, which closed on December 30, 2016, Titan now indirectly controls Balmat Holding's wholly-owned subsidiary, SLZ, and its mining assets, the Empire State Mine Project.

BUSINESS STRATEGY

The Company's strategy is to generate shareholder return by leveraging the experience of its executive team to restart the Empire State Mine, which it believes is well timed to benefit from the recent rise in the LME spot zinc price. The planned fourth quarter 2017 commencement of refurbishment and rehabilitation work at the Empire State Mine represents the Company's first identified opportunity to execute on its strategy described below and to benefit from the recent increases in zinc spot prices. Based on the PEA in the Technical Report, the Company anticipates payable zinc production from the Empire State Mine more than doubling from 42.8 million pounds of payable zinc in year one of operations to 116.3 million pounds of payable zinc by year three of operations. **The Company is basing its production decision on the PEA and not on a feasibility study of Mineral Reserves demonstrating economic and technical viability and, as a result, there is increased uncertainty and there are multiple technical and economic risks of failure associated with this production decision. These risks, among others, include areas that are analyzed in more detail in a feasibility study, such as applying economic analysis to Mineral Resources and Mineral Reserves, more detailed metallurgy and a number of specialized studies in areas such as mining and recovery methods, market analysis, and environmental and community impacts. The PEA is preliminary in nature, uses Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves, and there is no certainty that the results of the PEA will be realized. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all, or any part of the Mineral Resources estimated will be converted into Mineral Reserves.**

The Company has a three-phase strategy to maximize the value of its property holdings. Phase one is to re-commence operations at the Empire State Mine on the Mineral Resources outlined in the Technical Report, which the Company believes will eventually reach a rate of 1,800 t/d as described in the PEA, while exploring the extensions of mineralized zones to extend the mine life. Phase one starts with a two-month refurbishment and rehabilitation period. Following completion of this period, the Company plans to systematically ramp-up production in order to achieve 800 t/d six months after project start, 1,200 t/d nine months after project start, and full production of 1,800 t/d 13 months after project start (see "Use of Proceeds").

The Company's medium-term objective, or phase two of its three-phase strategy, is to evaluate potential exploration targets consisting of the historical probable and proven ores and remnants at the Empire State Mine that may, if economic, extend the life of the Empire State Mine, add to Minerals Resources and take advantage of spare capacity in its 5,000 t/d nameplate capacity processing facility. Remnants are structural pillars left behind from when the Empire State Mine was previously in operation. These historic probable and proven ores and remnants were not previously extracted due to the low price of metals at the time or because the mining methods and technologies that permit their extraction did not yet exist.

The Company's long-term objective, or phase three of its three phase strategy, is to identify and evaluate potential exploration targets at the Empire State Mine Project (such as from satellite deposits as was done in the past at the former Pierrepont, Edwards, and Hyatt Mines) that may, if economic, extend the life of the Empire State Mine and take advantage of spare capacity in its 5,000 t/d nameplate capacity processing facility. As part of phase three, the Company intends to commence a regional exploration program to compile, digitalize and model historical data from the Empire State Mine Project in order to attempt to identify new potential high value exploration targets. Existing high priority exploration targets include the Sully area and the Gap Zone. Results of a VTEM (versatile time domain electromagnetic) survey completed in 2008 will be used to identify exploration targets outside the immediate area of the Empire State Mine Project. Three targets already identified include North Gouverneur, Moss Ridge SW, and Colton. The Company holds interests in approximately 81,000 acres of mineral interests surrounding the Empire State Mine Project.

INVESTMENT HIGHLIGHTS

The Company's principal asset is the Empire State Mine Project, which includes the Empire State Mine, a near production, high grade and fully permitted zinc mineral project that has been on care and maintenance since 2008. Management has identified comparable mineral projects and companies for the purposes of demonstrating what management believes to be the business strengths and competitive advantages of the Company as set out in the following sections. As the Empire State Mine is a re-start project, it will require a low level of capital expenditure to proceed to production. Much of the infrastructure from previous operations remains in place and requires only refurbishment and rehabilitation (See "Empire State Mine" and "Use of Proceeds"). **The Empire State Mine Project cannot be considered to be economically viable at this point, as the Company has not completed a pre-feasibility or feasibility study**. Caution should be taken in considering these charts and data.

The Company is basing its production decision on the PEA and not on a feasibility study of Mineral Reserves demonstrating economic and technical viability and, as a result, there is increased uncertainty and there are multiple technical and economic risks of failure associated with this production decision. These risks, among others, include areas that are analyzed in more detail in a feasibility study, such as applying economic analysis to Mineral Resources and Mineral Reserves, more detailed metallurgy and a number of specialized studies in areas such as mining and recovery methods, market analysis, and environmental and community impacts. The PEA is preliminary in nature, uses Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves, and there is no certainty that the results of the PEA will be realized. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all, or any part of the Mineral Resources estimated will be converted into Mineral Reserves.

The Empire State Mine is a High-Quality Asset

The Empire State Mine is located in northern New York State, a politically stable jurisdiction that is generally supportive of the mining industry. Over more than 100 years of operating history, the Empire State Mine Project has produced an aggregate 43 million milled tons at an average mill head grade of 9.4% zinc (equivalent to approximately four million tons of zinc metal). The Empire State Mine has current Measured and Indicated Mineral Resources of 2,158,000 tons with an average grade of 13.29% zinc containing approximately 574 million pounds of zinc metal and Inferred Mineral Resources of 2,276,000 tons with an average grade of 13.37% zinc containing approximately 609 million pounds of zinc metal (see "Empire State Mine"). Once in production, based on the PEA, the Empire State Mine is projected to have a LOM average mill feed grade of 9.2% zinc based on the Mineral Resources set out in the Technical Report.

Project Re-start – Low Capital Expenditure Requirements

The Empire State Mine is fully permitted and the Company believes it can proceed to production following completion of the rehabilitation, refurbishment and capital development work plans described in the Technical Report and in this Prospectus. The mine remains dewatered and readily accessible and the mill is in good condition. A two month refurbishment period will take place upon completion of the Offering. The Company anticipates re-commencing zinc production approximately five months following completion of the Offering. Estimated pre-production capital cost per the Technical Report of $10.7 million is modest compared to forecast after-tax cash flow of $210.7 million (zinc price assumption of $1.25 in year one of operations; $1.45 in year two of operations; $1.40 in year three of operations; $1.35 in year four of operations; $1.20 in year five of operations; and $1.05 in years six through eight of operations).

The Empire State Mine Project has produced an aggregate 43 million milled tons at an average mill head grade of 9.4% zinc (equivalent to approximately four million tons of zinc metal) over more than 100 years of operating history.

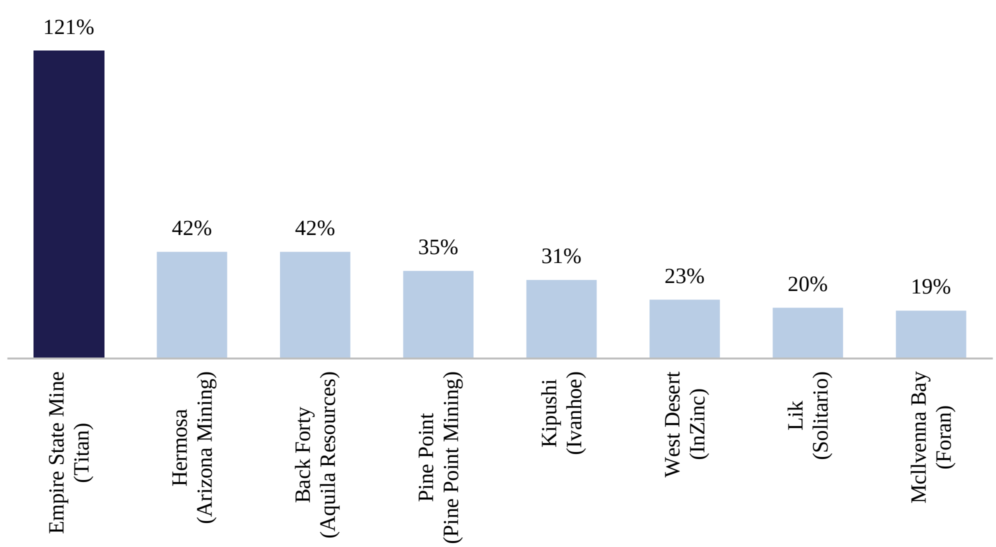
Strong Near-Term Production Growth Profile through Fully Funded Internal Growth Opportunities

The Company believes it has a strong near-term growth profile due to the anticipated ramp-up in zinc production as the re-commencement of mining operations progresses. Phase one payable production is expected to rise to 116.3 million pounds of payable zinc by year three of operations. The Company expects to use the future cash flows to fund its phase two and phase three expansion projects, which are not expected to require substantial capital expenditure (See "Business Objectives, Strategy and Milestones").

The Empire State Mine has Robust Project Economics

Based on the PEA results, the Technical Report projects that the Empire State Mine will generate an after-tax NPV of $150 million (using an 8% discount rate), an after-tax IRR of 121%, and achieve an after-tax payback period of 1.3 production years. Compared to other zinc projects owned by development-stage companies, Titan believes the Empire State Mine stands out for its high after-tax IRR and low pre-production capital expenditure. Based on the foregoing and publically available information regarding primary zinc projects, the Empire State Mine achieves an after-tax NPV to pre-production capital multiple of 14.0x, compared to the next highest development project multiple at just 2.8x. The Technical Report projects the Empire State Mine to deliver LOM total net smelter revenue of $622 million (net of LOM total royalties of $1.9 million) compared to LOM total site operating costs of $260 million.

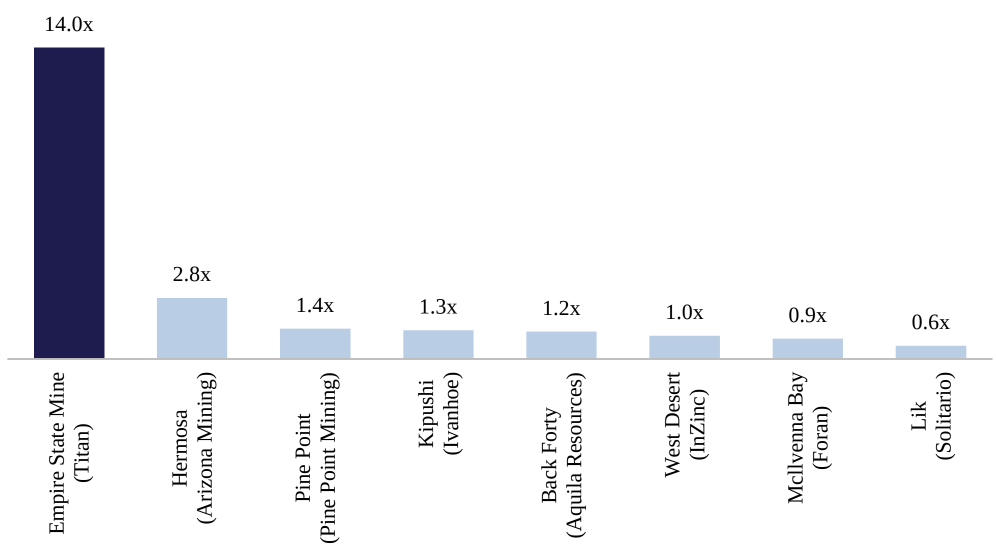
Select Zinc Development Projects Sorted by After-Tax IRR[1,2,3]



Source: Public filings from Arizona Mining, Aquila Resources Inc., Foran Mining Corporation, Solitario Zinc Corp., InZinc Mining Ltd., Pine Point Mining Limited, and Ivanhoe Mines Limited. Empire State Mine after-tax IRR is based on the Technical Report.

1. Each of the projects listed herein, including the Empire State Mine, are at the preliminary economic analysis stage. See table titled "Select Zinc Development Projects" on page 36 for additional details.
2. **The Company is basing its production decision on the PEA and not on a feasibility study of Mineral Reserves demonstrating economic and technical viability and, as a result, there is increased uncertainty and there are multiple technical and economic risks of failure associated with this production decision. These risks, among others, include areas that are analyzed in more detail in a feasibility study, such as applying economic analysis to Mineral Resources and Mineral Reserves, more detailed metallurgy and a number of specialized studies in areas such as mining and recovery methods, market analysis, and environmental and community impacts. The PEA is preliminary in nature, uses Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves, and there is no certainty that the results of the PEA will be realized. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all, or any part of the Mineral Resources estimated will be converted into Mineral Reserves.**
3. The projects included in the chart (other than the Empire State Mine) were determined using the following criteria: (i) primary zinc projects, (ii) a NI 43-101 compliant preliminary economic analysis, publicly available with an effective date no earlier than January 1, 2013, (iii) owned by a company that is listed on the TSX and has no material operating assets (i.e. is "development stage") and (iv) have an after-tax NPV greater than $100 million based on a zinc price of $1.10 per pound.

Select Zinc Development Projects Sorted by After-Tax NPV per Pre-Production Capital[1,2,3]



Source: Public filings from Arizona Mining, Aquila Resources Inc., Foran Mining Corporation, Solitario Zinc Corp., InZinc Mining Ltd., Pine Point Mining Limited, and Ivanhoe Mines Limited. Empire State Mine information is based on the Technical Report.

1. Each of the projects listed herein, including the Empire State Mine, are at the preliminary economic analysis stage. See table titled "Select Zinc Development Projects" on page 36 for additional details.
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Titan has Identified Several Opportunities to Further Enhance Project Economics

Titan has identified six opportunities that have the potential to increase the mine life, reduce operating costs, and/or improve overall mine efficiency. Titan believes all six opportunities described below could improve project economics through proper implementation.

Opportunity	Explanation	Potential Benefit
Plant Feed Sorting	The use of sorting technology could reject waste rock dilution in the mineralized plant feed.	Rejecting waste rock dilution would increase the head grade entering the mill.
Resource Expansion	The Mineral Resource has not been fully delineated and there is opportunity to expand the Mineral Resource.	Increase mine life and increased project NPV.
Railveyor	The use of Railveyor technology could simplify material handling in the mine.	Reducing mine operating costs by eliminating or reducing the need for truck haulage for mill feed material.
Mine Material Transportation	Improve the haulage efficiency by grading haul roads, slashing tight areas or corners.	Improved truck speeds and mechanical availability should lead to lower operating costs.
Drill Core Sampling	Resampled core for holes that were excluded from the study due to lack of verification data.	Potential to increase Mineral Resources within the PEA, mine plan grade and classification without additional drilling.
Metallurgical Testing	Locked cycle test proved concentrate grades of 60% while budget is set to 56%. Investigate retention times in cleaner flotation stages and forced air type cells in rougher stage.	Potential to increase concentrate grade.

Ability to Leverage a Vast Amount of Historical Exploration Data to Identify New Growth Opportunities

As part of the Acquisition, the Company acquired close to 100 years of historical exploration data, which the Company believes has not been collated or analyzed to date using current software and technology. The Company intends to analyze this historical exploration data to attempt to identify new high value targets for exploration.

Pure-Play Zinc Producer

Upon completion of the Offering and re-commencement of mining operations at the Empire State Mine, it is anticipated that Titan's revenue will be derived 100% from the sale of zinc. Since January 1, 2017, the LME spot zinc price has risen from $2,503 per metric tonne to $3,352 per metric tonne as at October 10, 2017, representing a gain of 34%. Based on critical global zinc inventory levels (see "Industry Overview"), management believes this upward price trend will continue and generate a positive impact on the Company's financial performance.

Experienced Management Team and Board

The Company's management team has extensive experience in the mining industry. Richard W. Warke, President, Chief Executive Officer and Chair of the Board, founded the Augusta Group of Companies in 2006 when he started Ventana Gold Corp., Augusta Resources, and Arizona Mining. The group now includes NewCastle Gold and the Company. Ventana Gold Corp. was sold for approximately Cdn$1.6 billion and Augusta Resources was sold for approximately Cdn$666 million. The Augusta Group of Companies completed a positive preliminary economic assessment of Arizona Mining's Hermosa-Taylor Deposit which is currently in the permitting and feasibility stage. Augusta Group of Companies is also developing NewCastle Gold's Castle Mountain gold project and advancing Armor Minerals Inc. See "Directors and Executive Officers" for more information.

INDUSTRY OVERVIEW

Zinc is one of the most widely used base metals in the world, known for its ability to resist oxidation and corrosion and holds a number of beneficial physical, electrochemical and chemical properties that allows for it to be used in a variety of applications. According to the ILZSG, the primary first-uses of zinc are in galvanizing, most commonly used in the automotive industry, where it permits automakers to reduce costs and body weight without compromising safety or appearance, die-casting alloys, brass, chemicals such as zinc-oxide and semi-manufacturing of rolled and extruded products. According to the IZA, the largest end-use sector for zinc is construction, with galvanized steel being used extensively in various infrastructure projects including bridges, electricity transmission towers and lighting poles. In the 2016 edition of its capital projects and infrastructure spending report, PwC forecasted global infrastructure spending to grow at a rate above 4% per annum from 2017 to 2020. The Company believes this growth in infrastructure spending will promote strong demand for zinc.

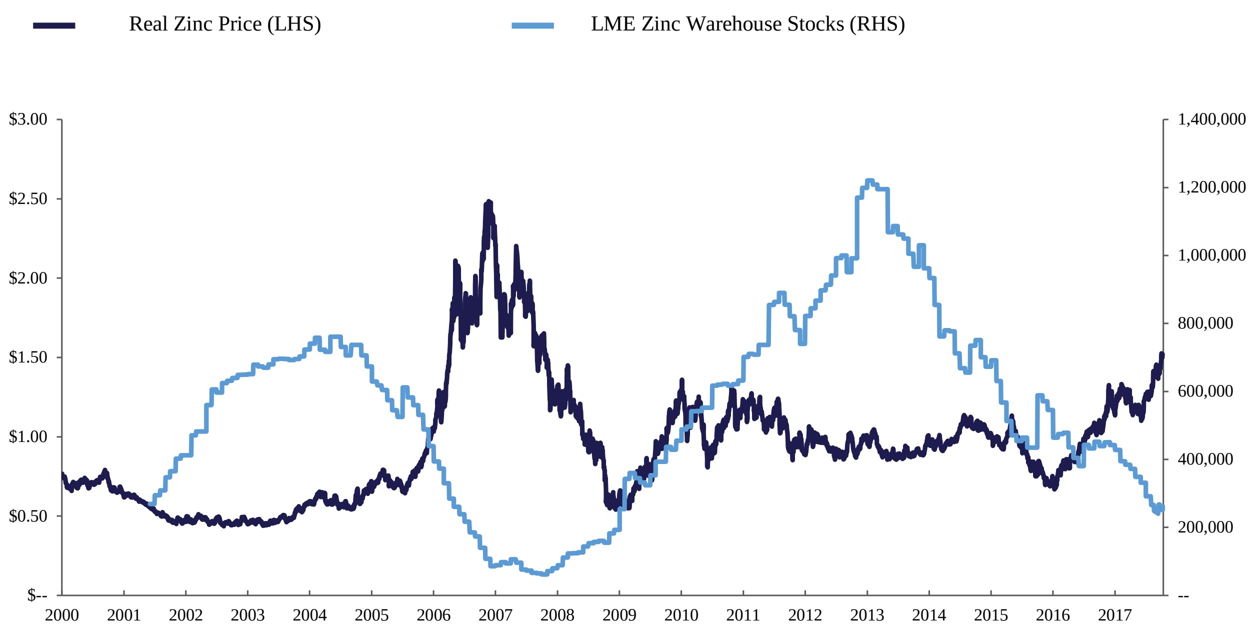
Over the past five years, the LME spot zinc price has ranged from a low of $0.66/lb to a high of $1.53/lb. This range is significantly below prices observed in 2006, which peaked at $2.09/lb on November 24, 2006, and which suggests that there is room for price appreciation should fundamentals support a price increase. As a base metal, zinc prices are much more driven by supply and demand fundamentals than trading speculation. Thus, the decline of global zinc inventories over the past few years, which effectively tightened supply, could be perceived as a contributing factor to the rally in zinc prices since the beginning of 2016. Historically, the price of zinc has moved inversely compared to inventory levels and has displayed significant upward increases when inventories reach critical levels, as witnessed in 2006-2007. The Company believes that current market fundamentals are similar to those observed in 2006 and thus expects a meaningful appreciation in the zinc price over the near- to medium-term.

Global Refined Zinc Supply and Usage (kmt)

Market Balance	2012	2013	2014	2015	2016	2017			
						Jan	Feb	Mar	Apr
Mine Zinc Production	12,892	13,045	13,499	13,581	12,837	1,085	1,045	1,064	1,075
Refined Zinc Metal Production	12,607	13,004	13,485	13,651	13,711	1,159	1,092	1,130	1,114
Refined Zinc Usage	12,378	13,160	13,735	13,462	13,856	1,159	1,038	1,202	1,206
Refined Balance - Surplus / (Deficit)	229	(156)	(250)	189	(145)	(1)	54	(73)	(92)

Source: ILZSG

LME Real Zinc Spot Price Since 2000 ($/lb) (2017 Base Year) vs. LME Zinc Warehouse Stocks (Metric Tonnes of Zinc)



Source: LME and U.S. Federal Reserve

RISK FACTORS

Any investment in the Offered Shares involves a high degree of risk. See "Risk Factors". You should carefully consider the following, together with all other information included in this Prospectus, before making an investment decision:

- Limited operating history.
- Dependence on the Empire State Mine.
- Refurbishing and re-commencing mining operations.
- Inherent risks of mining.
- Estimates of Mineral Resource calculations.
- Production decisions based on Mineral Resources.
- Uncertainty in relation to Inferred Mineral Resources.
- Title.
- Fluctuations in demand for, and prices of, zinc.
- Production projections and cost estimates for the Empire State Mine may prove to be inaccurate.
- Future requirements for additional capital.
- Profitability of the Company.
- Ability to attract and retain qualified management.
- Competition.
- Governmental regulations.
- Market events and general economic conditions.
- Environmental laws and regulations.
- Threat of legal proceedings.
- Rights, concessions and permits.
- Social and environmental activism.
- Land reclamation requirements.
- TMF and Environmental Reclamation.
- Insurance.
- Undisclosed liabilities.
- Health and safety.
- Dependence on information technology systems.
- Zinc hedging activities.
- Conflicts of interest.
- Risks inherent in Company's indebtedness.
- Risks inherent in acquisitions.
- Integration of the mine assets.

- Labour and employment retention relations.
- Anti-corruption and bribery regulation, including ESTMA reporting.
- Infrastructure.
- Enforceability of judgments.
- Absence of a market for the Common Shares.
- Fluctuations in price of the Common Shares.
- Loss of entire investment.
- Significant ownership by Richard W. Warke and indebtedness to Augusta.
- Future sales of Common Shares by Richard W. Warke and other directors and officers of the Company.
- Use of proceeds.
- Payment of dividends.
- Currency exchange rate risks.
- Pro forma financial information.
- Public company status.
- Financial reporting and other public company requirements.
- Dilution.
- Securities analysts' research or reports could impact the price of the Common Shares.

THE OFFERING

Issuer:	Titan Mining Corporation
Offering:	35,750,000 Offered Shares
Offering Price:	Cdn$1.40 per Offered Share.
Offering Size:	Cdn$50,050,000 (Cdn$57,557,500 if the Over-Allotment Option is exercised in full)
Over-Allotment Option:	The Company has granted to the Underwriters the Over-Allotment Option exercisable for a period of 15 days from the Closing Date to purchase up to an additional 5,362,500 Offered Shares (being equal to approximately 15% of the Offered Shares sold as at the Closing Date) at the Offering Price.
Shares Outstanding:	Upon completion of the Offering and assuming no exercise of the Over-Allotment Option, 98,096,900 Common Shares will be issued and outstanding. If the Over-Allotment Option is exercised in full, upon completion of the Offering, 103,459,400 Common Shares will be issued and outstanding.
Underwriters' Compensation:	6.0% of the gross proceeds from the issuance of the Offered Shares.
Use of Proceeds:	The net proceeds of the Offering are expected to be Cdn$45,510,709, after deducting the Underwriters' Fee and the expenses of the Offering, but before giving effect to the Over-Allotment Option. If the Over-Allotment Option is exercised in full, the net proceeds to the Company will be Cdn$52,567,759. The Company expects to use the net proceeds of the Offering as follows: (i) to satisfy outstanding payment obligations in respect of the Acquisition, (ii) to refurbish and re-commence operations at the Empire State Mine, (iii) for exploration and evaluation, and (iv) for general corporate purposes. See "Use of Proceeds".
Dividend Policy:	The Company has not declared or paid any dividends or other distributions on its Common Shares since the date of its incorporation. The Company currently expects to retain all future earnings for use in the operation and expansion of the business and does not anticipate paying cash dividends in the foreseeable future. The declaration and payment of any dividends in the future will be determined by the Board, in its discretion, and will depend on a number of factors, including the Company's earnings, capital requirements, overall financial condition and contractual restrictions.
Principal Shareholders:	Upon completion of the Offering, it is expected that Richard W. Warke, President and CEO of the Company, either directly or indirectly, through 0905792, a corporation controlled by him, will have direction and control over 40,701,000 Common Shares, representing approximately a 41.5% interest in the Company (or, if the Over-Allotment Option is exercised in full, representing approximately a 39.3% interest in the Company). As a result, Mr. Warke will have a significant influence on the Company. See "Principal Shareholders" and "Risk Factors". Upon completion of the Offering, it is expected that the directors and officers of Titan will, directly or indirectly, own 43,207,500 Common Shares, representing approximately a 44% interest in the Company (or, if the Over-Allotment Option is exercised in full, representing approximately a 41.8% interest in the Company).
Lock-Up Arrangements:	In connection with the completion of the Offering, the Company and each of the Company's directors and officers have agreed not to, directly or indirectly, without the prior written consent of Scotia Capital Inc., which consent shall not be unreasonably withheld, issue, sell, grant any option, right or warrant for the sale of, lend, secure, pledge or otherwise dispose or monetize, or make any short sale, engage in any hedging transaction, or enter into any form of arrangement the consequence of which is to directly or indirectly transfer to someone else, in whole or in part, any of the economic consequences of ownership of, or offer or announce any intention to do so,

in a public offering or by way of private placement or otherwise, any Common Shares or any securities convertible or exchangeable into Common Shares or any other securities of Titan, for a period of 180 days after the Closing Date, subject to certain limited exceptions. See "Plan of Distribution — Lock-Up Arrangements".

SUMMARY CONSOLIDATED FINANCIAL INFORMATION

Titan Mining Corporation

The following table sets out the summary historical consolidated financial information of the Company as of the dates and for the periods presented. The summary historical consolidated financial information for the years ended December 31, 2014, 2015, and 2016 should be read in conjunction with the audited consolidated financial statements of the Company for the years ended December 31, 2014, 2015, and 2016 and related notes included elsewhere in this Prospectus. The summary historical consolidated financial information for the three and six month interim periods ended June 30, 2016 and June 30, 2017 should be read in conjunction with the unaudited interim consolidated financial statements of the Company and related notes included elsewhere in this Prospectus. You should read this data together with the information included under the headings "Non-IFRS Measures", "Risk Factors" "Selected Consolidated Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations of Titan" included elsewhere in this Prospectus. The financial information of the Company is set out in United States dollars unless otherwise indicated.

	Three months ended June 30,		**Six months ended June 30,**	
	2017	**2016**	**2017**	**2016**
Loss for the period	$3,429,723	$ -	$5,434,342	$ -
Basic and diluted loss per share	0.06	-	0.09	-

	Years ended December 31,		
	2016	**2015**	**2014**
Loss for the period	$66,394	$ -	$ -
Basic and diluted loss per share	0.01	-	-

	As at			
	June 30, 2017	**December 31, 2016**	**December 31, 2015**	**December 31, 2014**
Total Assets	32,839,939	39,013,822	10	10
Cash and cash equivalents	1,223,889	8,156,928	10	10
Property, plant and equipment	25,236,352	25,019,791	-	-
Total liabilities	27,832,589	28,788,671	-	-
Current liabilities	13,246,804	14,677,339	-	-

Balmat Holding Corp.

The following table sets out the summary historical consolidated financial information of Balmat Holding for the years ended December 31, 2014, 2015, and 2016. This summary financial information should be read in conjunction with the consolidated audited financial statements of Balmat Holding for the years ended December 31, 2014, 2015, and 2016 and related notes included elsewhere in this Prospectus. You should read this data together with the information included under the headings "Non-IFRS Measures", "Risk Factors" "Selected Consolidated Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations of Balmat Holding" included elsewhere in this Prospectus. The financial information of Balmat Holding, other than per share information, is set out in thousands of United States dollars.

	Years ended December 31,		
	2016	**2015**	**2014**
Net income (loss)	$ 1,916	$ (2,948)	$ (2,814)
Income (loss) per share – basic and diluted	8,632	(24,574)	(28,158)
Total assets	5,204	4,917	5,165
Non-current liabilities	14,111	18,869	122,225

Pro Forma Financial Information

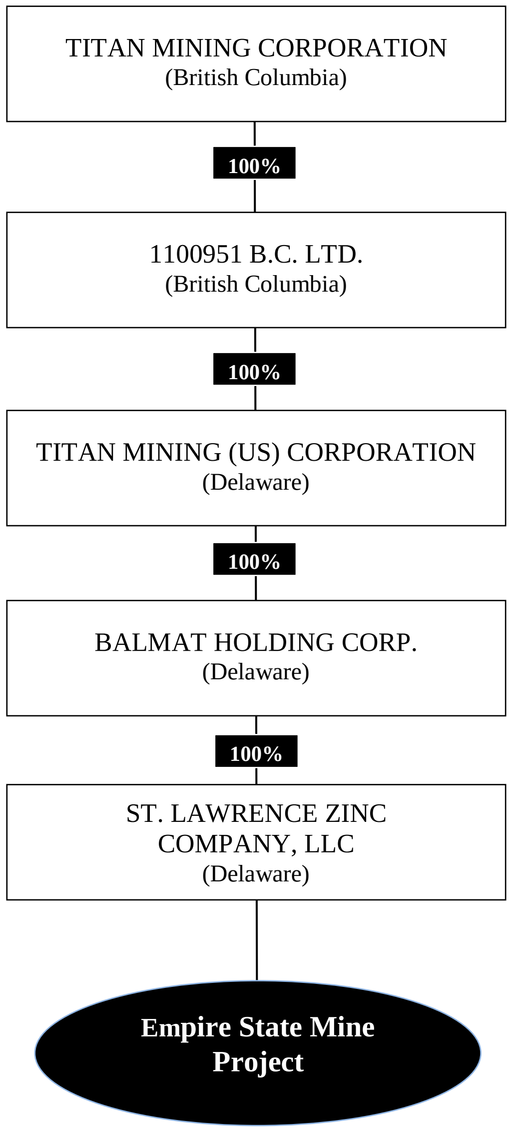
The following table sets out selected unaudited pro forma financial information of the Company for the year ended December 31, 2016 after giving effect to the Acquisition. This summary financial information should be read in conjunction with the Company's unaudited pro forma consolidated financial statements and related notes elsewhere in the Prospectus. The pro forma financial information of the Company is set out in United States dollars.

	December 31, 2016
Net income (loss)	$ (277,947)
Income (loss) per share – basic and diluted	(0.04)
Total assets	39,013,822
Total liabilities	28,788,671

CORPORATE STRUCTURE

The Company was incorporated under the BCBCA on October 15, 2012. On November 10, 2016, the Company amended its articles of incorporation to change the name of the Company from "Triton Mining Corporation" to "Titan Mining Corporation". On June 13, 2017, the Company filed a notice of alteration to amend its authorized share capital by re-designating its Class A shares as Common Shares. The Company's head and registered office is located at Suite 555 – 999 Canada Place, Vancouver, BC, V6C 3E1.

The following chart identifies Titan's material subsidiaries (including jurisdiction of formation or incorporation of the various entities).



GENERAL DEVELOPMENT AND BUSINESS OF THE COMPANY

Business Overview

The Company is a Canadian-based zinc exploration and development company with its principal asset being the Empire State Mine Project, which includes the Empire State Mine, a near production, high grade and fully permitted zinc mineral project that has been on care and maintenance since 2008. In addition to the Empire State Mine, the Empire State Mine Project includes other zinc mines in the Balmat-Edwards district, namely the Balmat No. 2 Mine, the Balmat No. 3 Mine, the Hyatt Mine, the Pierrepont Mine and the Edwards Mine. The Empire State Mine is the only mine at which the Company intends to re-commence mining operations at the Empire State Mine Project, with the shaft at the Balmat No. 2 Mine being used for ventilation and as an alternate mine escape route. The Empire State Mine was closed and placed on care and maintenance in the fall of 2008 in the face of a general economic turndown and resulting fall in zinc prices. The other sites have been successfully reclaimed and are no longer subject to permit or financial assurance obligations.

The Company, through its wholly-owned subsidiary, Titan Mining (US) Corporation ("**Titan US**"), acquired (the "**Acquisition**") all of the issued and outstanding shares of Balmat Holding Corp. ("**Balmat Holding**") from Northern Zinc LLC ("**Northern Zinc**"), a wholly-owned subsidiary of Star Mountain Resources, Inc. ("**Star Mountain**"), pursuant to a share purchase agreement dated December 30, 2016 (the "**Share Purchase Agreement**"). As a result of the Acquisition, which closed on December 30, 2016 (the "**Acquisition Closing Date**"), Titan now indirectly controls Balmat Holding's wholly-owned subsidiary St. Lawrence Zinc Company, LLC ("**SLZ**") and its mining assets, the Empire State Mine Project. Star Mountain previously acquired Northern Zinc, Balmat Holding, SLZ and SLZ's mining assets from Hudbay Minerals Inc. ("**Hudbay**") in November 2015.

Company History and the Acquisition of Empire State Mine Project

The Company was incorporated on October 15, 2012 and does not have any history of operations. From the date of incorporation until the completion of the Acquisition on the Acquisition Closing Date, the Company issued an aggregate of 62,346,900 Common Shares at subscription prices ranging between Cdn$0.01 and Cdn$1.00. The proceeds raised from the issuance of Common Shares to these holders were used to fund the cash portion of the purchase price for, and expenses related to, the Acquisition and, following the Acquisition Closing Date, to fund the care and maintenance of the Empire State Mine and the Company's exploration activities.

On the Acquisition Closing Date, the Company, through Titan US, acquired all of the issued and outstanding shares of Balmat Holding from Northern Zinc. Balmat Holding, through its wholly-owned subsidiary, SLZ, is the owner of the Empire State Mine Project. As consideration for the Acquisition, the Company agreed to pay Star Mountain approximately $6.4 million in cash, issued Star Mountain 2,968,900 Common Shares, representing approximately 5% of Titan's issued and outstanding Common Shares as at the date of issuance, and, through Titan US, assumed the indebtedness of SLZ and Star Mountain in an aggregate amount of $21,611,332 (as adjusted with respect to the assumption of Star Mountain's post-closing payment obligations to Hudbay as described in (f) below and "Description of Material Indebtedness") as described below. The cash and debt assumption portion of the purchase price, subject to certain adjustments, was satisfied by: (a) the payment of $1,000,000 on the Acquisition Closing Date; (b) the delivery by Titan US of a promissory note in the principal amount of $2,000,000 (the "**Promissory Note**") payable in cash as follows: (i) $500,000 three months after the Acquisition Closing Date (which was paid by the Company on March 30, 2017), (ii) $500,000 six months after the Acquisition Closing Date (which was paid by the Company on June 30, 2017), (iii) $500,000 nine months after the Acquisition Closing Date (this payment was originally due on September 30, 2017 but the payment date has been changed to the date that is the earlier of (A) five days from the Closing Date and (B) October 31, 2017, in consideration of an additional payment by Titan US to Star Mountain of $25,000; see "Recent Developments"); and (iv) $500,000 twelve months after the Acquisition Closing Date; (c) the assumption of certain pre-closing liabilities related to the operations of the Empire State Mine Project in the amount of $51,854; (d) the assumption of indebtedness of Star Mountain in the amount of $3,318,794 (see "Description of Material Indebtedness"); (e) the assumption of reclamation liabilities related to the Empire State Mine Project in the amount of $14,111,332; and (f) the assumption of Star Mountain's post-closing payment obligations to Hudbay in connection with Star Mountain's November 2015 acquisition of Northern Zinc from Hudbay (see "Description of Material Indebtedness").

In connection with the Acquisition, Star Mountain and Titan entered into an Investor Rights Agreement dated December 30, 2016 (the "**Investor Rights Agreement**"). Under the terms of the Investor Rights Agreement, Star Mountain was granted Pre-Emptive Rights and Piggy-back Registration Rights (as defined below). The Investor Rights Agreement terminates on the earlier of (a) the date that the Percentage Interest (as defined below) of Star Mountain is less than 3% and (b) December 30, 2017.

Under the Investor Rights Agreement, if the Company proposes to issue any Common Shares and/or any securities exercisable, convertible or exchangeable for or into Common Shares, including any debt, preferred stock, rights, options, warrants or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Common Shares (the "**Eligible Securities**"), pursuant to a financing to raise cash proceeds, whether by way of public offering or private placement (an "**Eligible Offering**"), Star Mountain has the right, subject to customary exceptions, to subscribe for, at the same subscription price as under the Eligible Offering, up to that number of Eligible Securities as will enable Star Mountain, upon completion of the Eligible Offering, to maintain the same Percentage Interest in the Company after the completion of the Eligible Offering as existed immediately prior to completion of the Eligible Offering (collectively, the "**Pre-Emptive Rights**"). The "**Percentage Interest**" of Star Mountain means the percentage calculated by dividing (i) the number of issued and outstanding Common Shares owned by Star Mountain and its affiliates (on a non-diluted basis, but adjusted as contemplated in the preceding sentence when calculating the Percentage Interest after the completion of an Eligible Offering of Eligible Securities that are exercisable, convertible or exchangeable for or into Common Shares) by (ii) the total number of issued and outstanding Common Shares (on a non-diluted basis, similarly adjusted). As at the date hereof, Star Mountain holds 2,968,900 Common Shares, with a Percentage Interest of 4.8%. On September 28, 2017, the Company delivered written notice of the Offering to Star Mountain (the "**Offer**") pursuant to the terms of the Investor Rights Agreement, setting out the anticipated terms of the Offering and requesting that Star Mountain respond to the Offer by October 5, 2017 if it intended on exercising its Pre-Emptive Rights. Star Mountain did not respond to the Offer by October 5, 2017 and, accordingly, will not be exercising its Pre-Emptive Rights under the Investor Rights Agreement in connection with the Offering.

Commencing on the date that is four months after the date the Company becomes a reporting issuer, if the Company proposes to make a distribution or sale of Common Shares to the public for cash by means of a prospectus under the securities legislation of any province and territory of Canada (an "**Eligible Distribution**"), other than by way of a Bought Deal (as defined below), then, upon the written request of Star Mountain, the Company will use commercially reasonable efforts to, in conjunction with the proposed Eligible Distribution, cause such number of Common Shares held by Star Mountain, that Star Mountain has requested to be included in such Eligible Distribution (the "**Qualifying Securities**"), to be qualified for distribution as a secondary offering by means of the prospectus prepared by the Company in connection with the Eligible Distribution. Any Qualifying Securities included by the Company in an Eligible Distribution may not exceed 50% of the Common Shares owned by Star Mountain at the time of the proposed Eligible Distribution (the "**Piggy-back Registration Rights**").

If the Company proposes to undertake a fully underwritten offering on a bought deal basis pursuant to which an underwriter has committed to purchase securities of the Company pursuant to a "bought deal" letter prior to the filing of a prospectus or prospectus supplement or an Eligible Distribution pursuant to an overnight marketed offering (a "**Bought Deal**"), then, upon the written request of Star Mountain, the Company will use commercially reasonable efforts to include in such Bought Deal the Qualifying Securities that Star Mountain has requested to be included in such Bought Deal, such Qualifying Securities not to exceed 50% of the Common Shares owned by Star Mountain at the time of such Bought Deal.

If the lead underwriter(s) of a proposed Eligible Distribution or Bought Deal advise(s), acting in good faith, the Company in writing that, in its or their judgment, the inclusion of the Qualifying Securities in the proposed Eligible Distribution or Bought Deal should be limited (i) due to market conditions, or (ii) because the number of Common Shares proposed to be distributed is likely to have an adverse effect on the successful marketing of the proposed Eligible Distribution or Bought Deal (including the price acceptable to the Company), then the maximum number of Common Shares that the lead underwriter(s) advise(s) should be distributed will be allocated (i) first, to the number of Common Shares that the Company proposes to distribute and (ii) second, subject to the preceding sentence, to the Qualifying Securities, if any, that may be accommodated in such Eligible Distribution or Bought Deal.

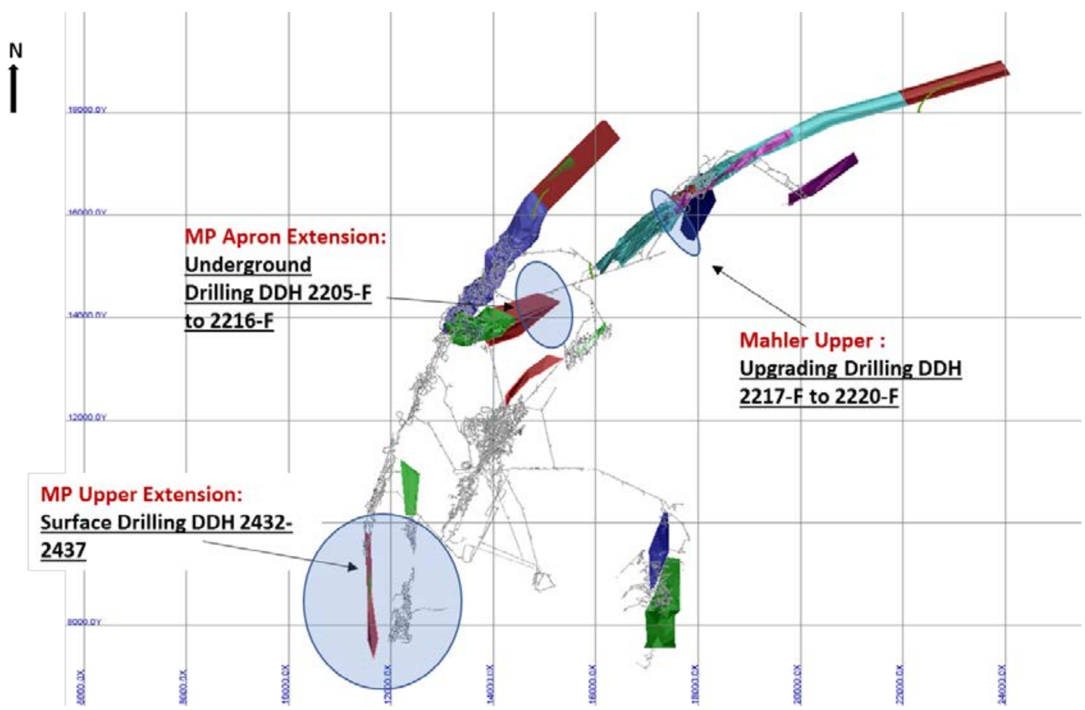
Business Objectives, Strategy and Milestones

The Company's strategy is to generate shareholder return by leveraging the experience of its executive team to restart the Empire State Mine, which it believes is well timed to benefit from the recent rise in the LME spot zinc price. The planned fourth quarter 2017 commencement of refurbishment and rehabilitation work at the Empire State Mine represents the Company's first identified opportunity to execute on its strategy described below. Based on the PEA in the Technical Report, the Company anticipates payable production from the Empire State Mine more than doubling from 42.8 million pounds of payable zinc in year one of operations to 116.3 million pounds of payable zinc by year three of operations.

The Company has a three-phase strategy to maximize the value of its property holdings. Phase one is to re-commence operations at the Empire State Mine on the Mineral Resources outlined in the Technical Report, which the Company believes will eventually reach a rate of 1,800 t/d as described in the PEA, while exploring the extensions of mineralized zones to extend the mine life. Phase one starts with a two-month refurbishment and rehabilitation period. Following completion of this period, the Company plans to systematically ramp-up production in order to achieve 800 t/d six months after project start, 1,200 t/d nine months after project start, and full production of 1,800 t/d 13 months after project start (see "Use of Proceeds"). The Empire State Mine was last mined in 2008 and management believes the areas to be mined will be fully accessible after minor rehabilitation work is completed.

The Company is basing its production decision on the PEA and not on a feasibility study of Mineral Reserves demonstrating economic and technical viability and, as a result, there is increased uncertainty and there are multiple technical and economic risks of failure associated with this production decision. These risks, among others, include areas that are analyzed in more detail in a feasibility study, such as applying economic analysis to Mineral Resources and Mineral Reserves, more detailed metallurgy and a number of specialized studies in areas such as mining and recovery methods, market analysis, and environmental and community impacts. The PEA is preliminary in nature, uses Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves, and there is no certainty that the results of the PEA will be realized. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all, or any part of the Mineral Resources estimated will be converted into Mineral Reserves.

Plan View of Empire State Mine Showing Areas for Future Exploration



In parallel with the planned ramp-up of the Empire State Mine to 1,800 t/d in phase one, the Company also intends to complete the drill program that began in February 2017 and remains ongoing. The drill program is designed to test zone extensions of the Empire State Mine, which may have the potential to extend mine life and/or increase the mining rate without sacrificing per-ton margins.

The Company has identified six opportunities that have the potential to increase the mine life, reduce operating costs, and/or improve overall mine efficiency. Plant feed sorting is the most notable as it has the potential to immediately reduce dilution; however, the Company believes all six opportunities, if properly implemented, could improve project economics.

Opportunity	**Explanation**	**Potential Benefit**
Plant Feed Sorting	The use of sorting technology could reject waste rock dilution in the mineralized plant feed.	Rejecting waste rock dilution would increase the head grade entering the mill.
Resource Expansion	The Mineral Resource has not been fully delineated and there is opportunity to expand the Mineral Resource.	Increase mine life and increased project NPV.
Railveyor	The use of Railveyor technology could simplify material handling in the mine.	Reducing mine operating costs by eliminating or reducing the need for truck haulage for mill feed material.
Mine Material Transportation	Improve the haulage efficiency by grading haul roads, slashing tight areas or corners.	Improved truck speeds and mechanical availability should lead to lower operating costs.
Drill Core Sampling	Resampled core for holes that were excluded from the study due to lack of verification data.	Potential to increase Mineral Resources within the PEA, mine plan grade and classification without additional drilling.
Metallurgical Testing	Locked cycle test proved concentrate grades of 60% while budget is set to 56%. Investigate retention times in cleaner flotation stages and forced air type cells in rougher stage.	Potential to increase concentrate grade.

The Company's medium-term objective, or phase two of its three-phase strategy, is to evaluate potential exploration targets consisting of the historical probable and proven ores and remnants at the Empire State Mine that may, if economic, extend the life of the Empire State Mine, add to Minerals Resources and take advantage of spare capacity in its 5,000 t/d nameplate capacity processing facility. The Company will prioritize exploration targets based on proximity to current Mineral Resources. Remnants are structural pillars left behind from when the Empire State Mine was previously in operation. These historic probable and proven ores and remnants were not previously extracted due to the low price of metals at the time or because the mining methods and technologies that permit their extraction did not yet exist. These areas were "written down" by the previous owners of the Empire State Mine Project and are no longer considered in the economic operation, but the previous owners did calculate these areas with tons, grade and classification, designating them as "Low Grade Reserves" and "Pillars" and filing internally as such, to allow for re-evaluation when technical or economic conditions change. As further set out in the table below, historic proven ore (see footnote 2 to the table below) and historic probable ore (see footnote 3 below) total 2,473,386 tons at an average grade of 7.38% zinc and historic inferred ore (see footnote 4 to the table below) total 1,412,769 tons at an average grade of 6.73% zinc.

None of the mineralization in areas that were written down by the previous owners is included in the Empire State Mine's current Mineral Resource envelope and each of these estimates cover a separate area. A qualified person has not done sufficient work to classify these historical estimates as a current Mineral Reserve. The Company does not treat the historical estimates as a current Mineral Resource or Mineral Reserve. The Company believes that this historic proven ore, historic probable ore and historic inferred ore are relevant to its prospects to extract additional mineralized material at the Empire State Mine Project, however, the Company is not basing its production decision on the historical estimates. The Company is aware of some of the methods used to estimate the historic proven ore, historic probable ore and historic inferred ore based on standard polygonal estimation procedures, in plan or section and CAD-based area and volume calculation but not the particular details involved. The important assumptions and parameters, including cut-off grades and dilution, used to calculate the historic proven ore, historic probable ore and historic inferred ore are not known to the Company.

Generally, the work needed to upgrade the historic estimate to a Mineral Resource or Mineral Reserve includes channel sampling and/or diamond drilling, additional modelling of the mineralization and, underground inspections where applicable to confirm that the mineralization remains on site, some rehabilitation may be required for access to specific heading locations. The surface areas at the former Pierrepont, Hyatt and Balmat No. 3 Mines as listed in the second part of the table below, have been substantially reclaimed and the underground areas flooded, and as such will require re-permitting and de-watering to enable access to the underground areas.

Historic Mineral Ore Write-Downs(1)

		Proven Ore(2),(5)			**Probable Ore(3),(5)**			**Proven Ore and Probable Ore**			**Inferred Ore(4),(5)**		
Year	**Area**	**Tons**	**Grade**	**Contained Zinc**	**Tons**	**Grade**	**Contained Zinc**	**Tons**	**Grade**	**Contained Zinc**	**Tons**	**Grade**	**Contained Zinc**
1985	Balmat (No. 2 and No. 4)(6)	824,225	7.11%	58,602	860,620	7.41%	63,772	1,684,845	7.26%	122,374	1,096,800	6.84%	75,021
1985	Balmat No. 2 Mine - Shaft Pillar(7)	-	-	-	222,700	7.63%	16,992	222,700	7.63%	16,992	-	-	-
1992	Balmat Mine – Low-grade Reserves(8)	-	-	-	130,162	7.60%	9,895	130,162	7.60%	9,895	-	-	-
2001	Mud Pond Pillars(9)	105,000	10.30%	10,815	-	-	-	105,000	10.30%	10,815	-	-	-
1976	Balmat No. 3 Mine - Upper Gleason Pillars(10)	20,000	12.00%	2,400	-	-	-	20,000	12.00%	2,400	-	-	-
1985	Pierre-pont(11)	6,800	6.00%	408	123,100	6.97%	8,575	129,900	6.92%	8,983	-	-	-
1998	Hyatt Mine(12)	79,246	7.78%	6,166	101,533	4.75%	4,818	180,779	6.08%	10,984	315,969	6.37%	20,124
Total		1,035,271	7.57%	78,391	1,438,115	7.24%	104,052	**2,473,386**	**7.38%**	**182,443**	1,412,769	6.73%	95,145

Notes:

(1) Contained zinc is set out in tons.

(2) Proven ore designates ore so well outlined by development and closely spaced diamond drilling that the risk of failure in continuity of the ore is reduced to a minimum.

(3) Probable ore refers to ore for which the risk of failure is greater than for proven ore, but for which there is sufficient justification in assuming continuity of the ore. Probable ore is substantiated by wider spaced diamond drilling and by little or no development. Probable ore includes ore of probable future value, but for the present rendered unavailable by reason of ground support, ground water or proximity to an operating shaft.

(4) Inferred ore designates ore for which quantitative estimates are based largely on assumed continuity or repetition justified by good geologic evidence. Inferred ore is indicated by few if any diamond drill holes and by little or no development. Inferred ore also refers to estimates of

ore based on a total tonnage expectancy, or potential, for each deep level, as projected from past experience on upper levels, and is equivalent to the total tonnage expectancy for the level less the sum of total production to plus calculated reserves.

(5) Proven ore and probable ore are not equivalent to the CIM definitions of Proven Mineral Reserve and Probable Mineral Reserve, respectively. There is no similar concept to inferred ore under the CIM definitions.

(6) Sources: "St. Joe Resources Company Mining Division, General Summary of Low Grade Reserves as of October 31, 1985," prepared by Geology Department, St. Joe Resources Company, and tabulations of "Low-grade Reserves for Balmat No. 2 Mine and No. 4 Mine," compiled by individual orebody, reserve classification and level, dated October 31, 1985, prepared by Geology Department, St. Joe Resources Company, and updated April 1990 by Geology Department, Zinc Corporation of America. The Balmat No. 2 Mine and Empire State Mine are dewatered, some rehabilitation may be required for access to individual areas.

(7) Sources: "St. Joe Resources Company Mining Division, General Summary of Low Grade Reserves as of October 31, 1985," prepared by Geology Department, St. Joe Resources Company, and tabulations of "Low-grade Reserves for Balmat No. 2 Mine and No. 4 Mine," compiled by individual orebody, reserve classification and level, dated October 31, 1985, prepared by Geology Department, St. Joe Resources Company, and updated April 1990 by Geology Department, Zinc Corporation of America. The Balmat No.2 Shaft is still in use as a secondary egress.

(8) Source: "General Summary of Formal and Low Grade Reserves – 1992" dated February 2, 1993, prepared by Geology Department, Zinc Corporation of America. The Empire State Mine is dewatered, some rehabilitation may be required for access to individual areas.

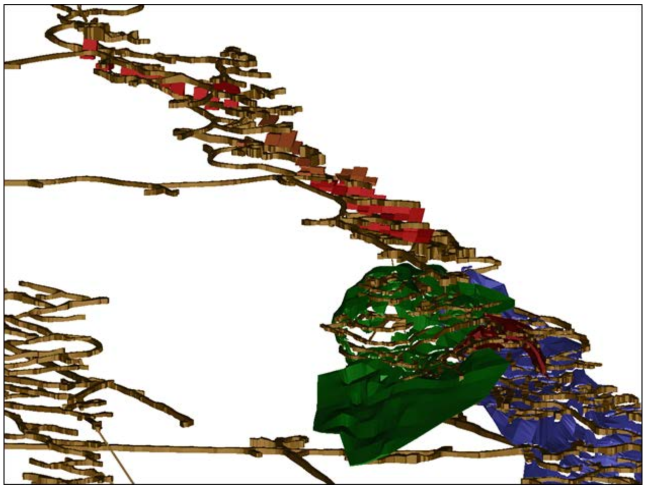
(9) Source: Derived from "2001 Mud Pond Ore Reserve" tabulation compiled by individual orebody, reserve classification and level, prepared by Geology Department, Zinc Corporation of America. The Empire State Mine is dewatered, some rehabilitation may be required for access to Upper Mud Pond Area.

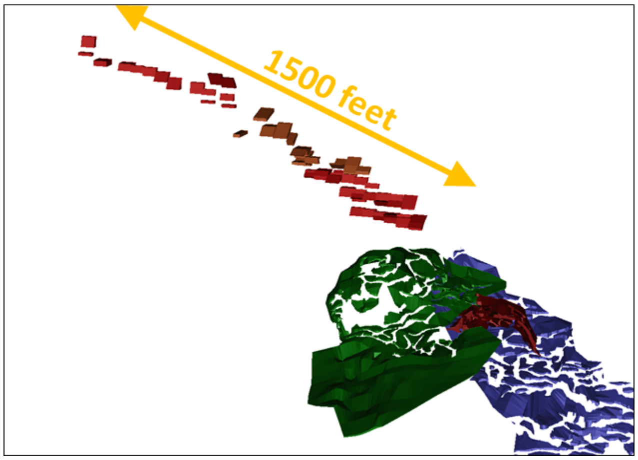
(10) Source: Derived from "Pillars in Upper Gleason" tabulation and analysis dated December 31, 1976, prepared by Geology Department, St. Joe Resources Company. The Balmat No. 3 Mine surface area has been reclaimed and underground mine flooded.

(11) Source: "St. Joe Resources Company Mining Division, General Summary of Low Grade Reserves" as of October 31, 1985, prepared by Geology Department, St. Joe Resources Company. The Pierrepont Mine surface area has been reclaimed and underground mine flooded.

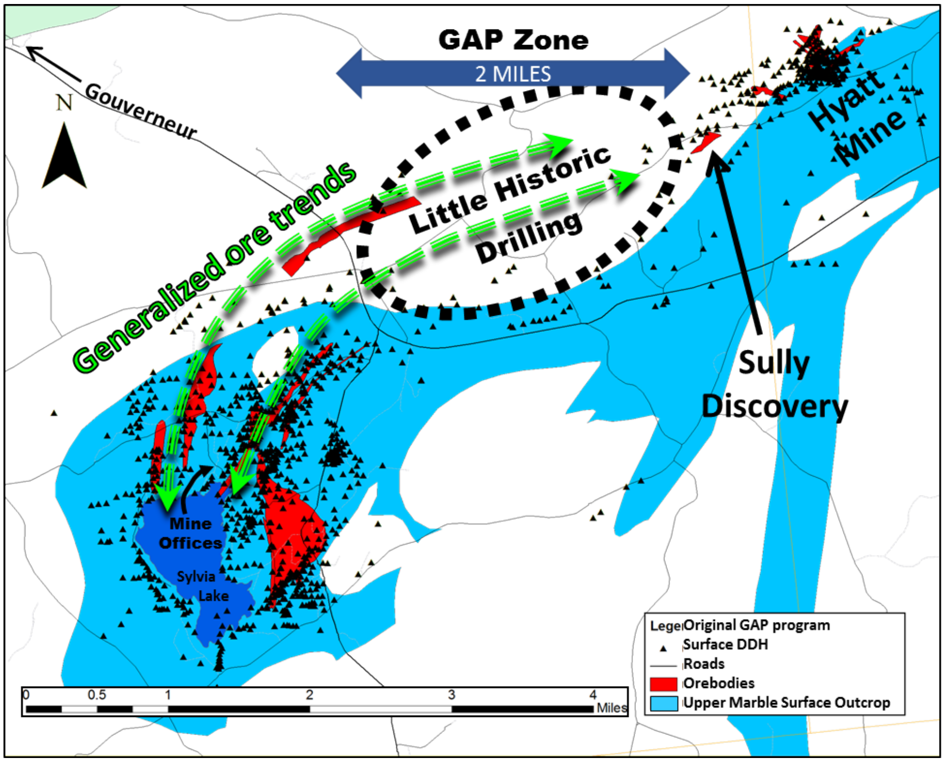
(12) Source: "Hyatt Mine – Total Salvage ore and low-grade ore reserves as of December 31, 1998," dated January 7, 1999, prepared by Geology Department, Zinc Corporation of America. The Hyatt Mine surface area has been reclaimed and underground mine flooded.

Isometric View of Empire State Mine Remnants

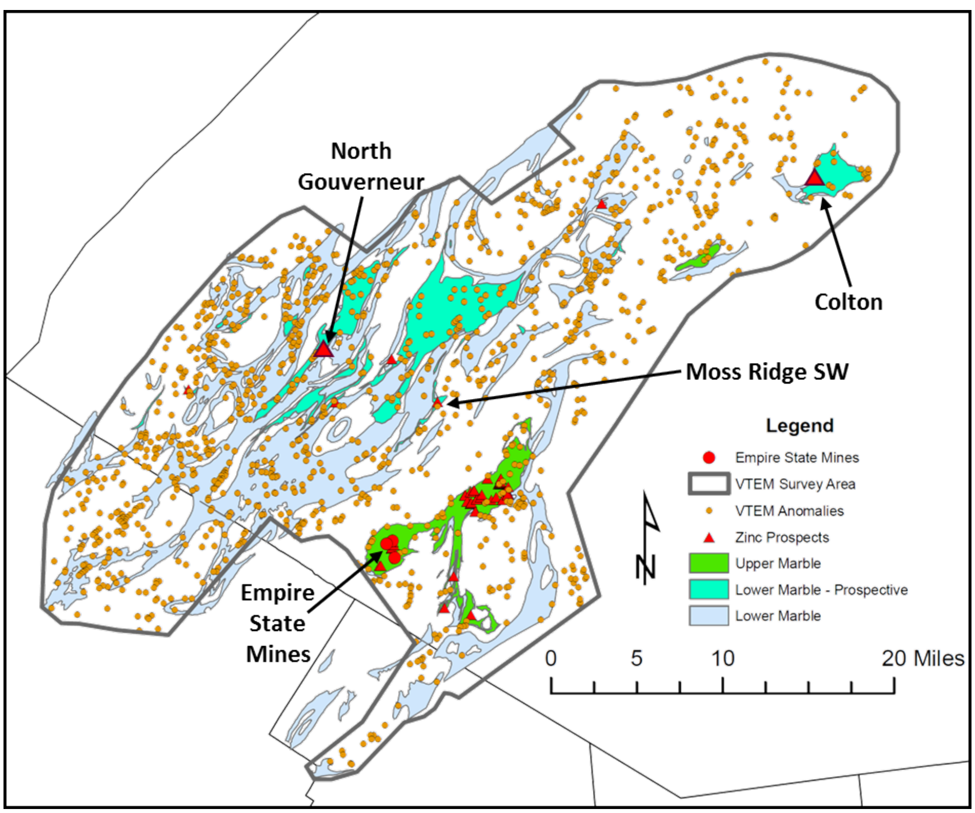




Gap Zone and Sully Exploration Targets



Regional Exploration Targets



The Company's long-term objective, or phase three of its three phase strategy, is to identify and evaluate potential exploration targets at the Empire State Mine Project (such as from satellite deposits as was done in the past at the former Pierrepont, Edwards, and Hyatt Mines) that may, if economic, extend the life of the Empire State Mine and take advantage of spare capacity in its 5,000 t/d nameplate capacity processing facility. As part of phase three, the Company intends to commence a regional exploration program to compile, digitalize and model historical data from the Empire State Mine Project in order to attempt to identify new potential high value exploration targets. Existing high priority exploration targets include the Sully area and the area between Sully and the Empire State Mine, known as the "**Gap Zone**". Results of a VTEM (versatile time domain electromagnetic) survey completed in 2008 will be used to identify exploration targets outside the immediate area of the Empire State Mine Project. Three targets already identified include North Gouverneur, Moss Ridge SW, and Colton. The Company holds interests in approximately 81,000 acres of mineral interests surrounding the Empire State Mine Project.

Strengths and Competitive Advantages

The Company's principal asset is the Empire State Mine Project, which includes the Empire State Mine, a near production, high grade and fully permitted zinc mineral project that has been on care and maintenance since 2008. Management has identified comparable mineral projects and companies for the purposes of demonstrating what management believes to be the business strengths and competitive advantages of the Company as set out in the following sections. As the Empire State Mine is a re-start project, it will require a low level of capital expenditure to proceed to production. Much of the infrastructure from previous operations remains in place and requires only refurbishment and rehabilitation (See "Empire State Mine" and "Use of Proceeds"). **The Empire State Mine Project cannot be considered to be economically viable at this point, as the Company has not completed a pre-feasibility or feasibility study**. Caution should be taken in considering these charts and data.

The Company is basing its production decision on the PEA and not on a feasibility study of Mineral Reserves demonstrating economic and technical viability and, as a result, there is increased uncertainty and there are multiple technical and economic risks of failure associated with this production decision. These risks, among others, include areas that are analyzed in more detail in a feasibility study, such as applying economic analysis to Mineral Resources and Mineral Reserves, more detailed metallurgy and a number of specialized studies in areas such as mining and recovery methods, market analysis, and environmental and community impacts. The PEA is preliminary in nature, uses Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves, and there is no certainty that the results of the PEA will be realized. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all, or any part of the Mineral Resources estimated will be converted into Mineral Reserves.

The Empire State Mine is a High-Quality Asset

The Empire State Mine is located in northern New York State, a politically stable jurisdiction that is generally supportive of the mining industry. Over more than 100 years of operating history, the Empire State Mine Project has produced an aggregate 43 million milled tons at an average mill head grade of 9.4% zinc (equivalent to approximately four million tons of zinc metal). The Empire State Mine has current Measured and Indicated Mineral Resources of 2,158,000 tons with an average grade of 13.29% zinc containing approximately 574 million pounds of zinc metal and Inferred Mineral Resources of 2,276,000 tons with an average grade of 13.37% zinc containing approximately 609 million pounds of zinc metal (see "Empire State Mine"). Once in production, based on the PEA, the Empire State Mine is projected to have a LOM average mill feed grade of 9.2% zinc based on the Mineral Resources set out in the Technical Report. The PEA is preliminary in nature, uses Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves, and there is no certainty that the results of the PEA will be realized.

The Empire State Mine is positioned to generate significant margins over its expected mine life, with a LOM average C1 Cost of $0.69 per pound of payable zinc, which is substantially below the LME spot zinc price of approximately $1.52 per pound as at October 10, 2017. Based on the information contained in the Technical Report, the Company believes that the Empire State Mine will have a LOM average AISC of $0.78 per pound of payable zinc. The Company believes unit operating costs at the Empire State Mine will benefit from the Company's ability and expertise to apply new mining methods and dilution control processes to the Empire State Mine that were either not available to, or not used by, the previous owners of the mine. Rigorous grade control practices to control dilution are anticipated to include an on-shift grade control geologist, discipline to not chase incremental zinc mineralization, implementation of technology to allow mining activities to better follow the Mineral Resource, and tighter stope design. Use of paste backfill instead of rock fill is anticipated to allow for increased productivity and better selectivity. The Company also plans to use over 50% longhole mining, further improving productivity. The Company believes these new mining methods and dilution control processes will result in improved grade control for the zinc concentrate produced at the Empire State Mine. Other cost reduction initiatives planned for the Empire State Mine include a general modernization of the mine (use of Railveyor, drilling and mucking between shifts, installation of a leaky feeder system for monitoring and ventilation controls, and use of real time scheduling). The Company anticipates entering into an agreement with the New York Power Authority to purchase 4MW of electrical power for a period of seven years at a 40% discount from market rates.

Project Re-start – Low Capital Expenditure Requirement

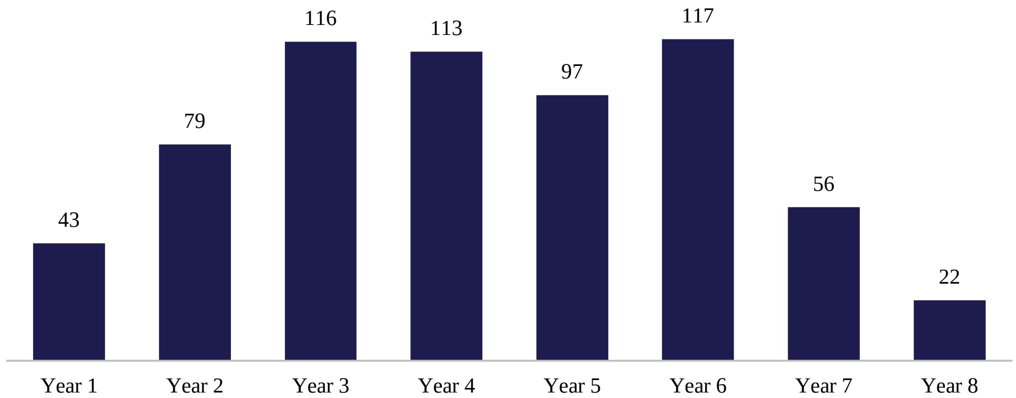
The Empire State Mine is fully permitted and the Company believes it can proceed to production following completion of the rehabilitation, refurbishment and capital development work plans described in the Technical Report and this Prospectus. The mine remains dewatered and readily accessible and the mill is in good condition. A two month refurbishment period will take place upon completion of the Offering. The Company anticipates re-commencing zinc production approximately five months following completion of the Offering. Estimated pre-production capital cost per the Technical Report of $10.7 million is modest compared to forecast after-tax cash flow of $210.7 million (zinc price assumption of $1.25 in year one of operations; $1.45 in year two of operations; $1.40 in year three of operations; $1.35 in year four of operations; $1.20 in year five of operations; and $1.05 in years six through eight of operations). The PEA is preliminary in nature, uses Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves, and there is no certainty that the results of the PEA will be realized.

The Empire State Mine Project has produced an aggregate 43 million milled tons at an average mill head grade of 9.4% zinc (equivalent to approximately four million tons of zinc metal) over more than 100 years of operating history.

Strong Near-Term Production Growth Profile through Fully Funded Internal Growth Opportunities

The Company believes it has a strong near-term growth profile due to the anticipated ramp-up in zinc production as the re-commencement of mining operations progresses. Phase one payable production is expected to rise to 116.3 million pounds of payable zinc by year three of operations. The Company expects to use the future cash flows to fund its phase two and phase three expansion projects, which are not expected to require substantial capital expenditure (See "Business Objectives, Strategy and Milestones"). The PEA is preliminary in nature, uses Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves, and there is no certainty that the results of the PEA will be realized.

Empire State Mine Production Profile (Mlbs of Payable Zinc)

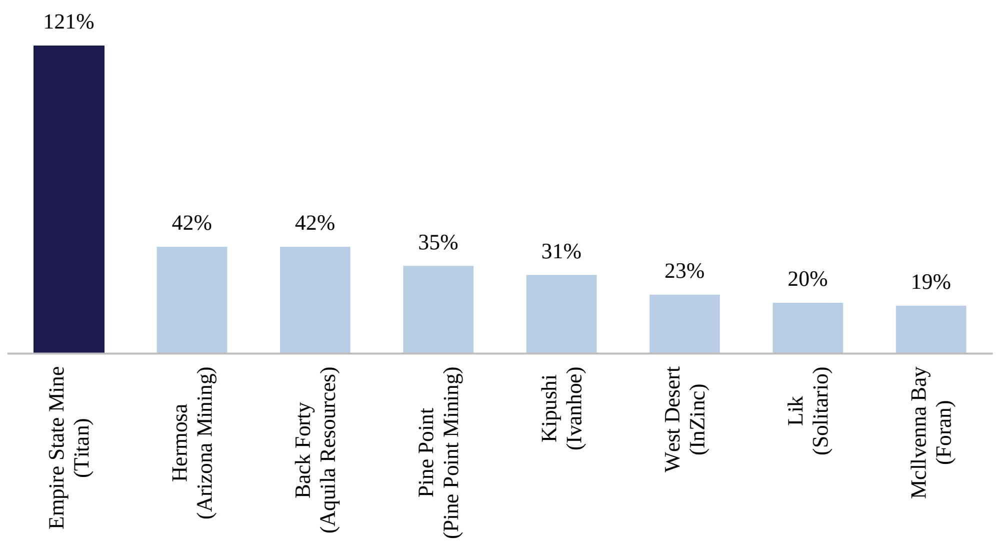


Source: Technical Report

The Empire State Mine has Robust Project Economics

Based on the PEA results, the Technical Report projects that the Empire State Mine will generate an after-tax NPV of $150 million (using an 8% discount rate), an after-tax IRR of 121%, and achieve an after-tax payback period of 1.3 production years. Compared to other zinc projects owned by development-stage companies, Titan believes the Empire State Mine stands out for its high after-tax IRR and low pre-production capital expenditure. Based on the foregoing and publically available information regarding primary zinc projects, the Empire State Mine achieves an after-tax NPV to pre-production capital multiple of 14.0x, compared to the next highest development project multiple at just 2.8x. The Technical Report projects the Empire State Mine to deliver LOM total net smelter revenue of $622 million (net of LOM total royalties of $1.9 million) compared to LOM total site operating costs of $260 million. The PEA is preliminary in nature, uses Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves, and there is no certainty that the results of the PEA will be realized.

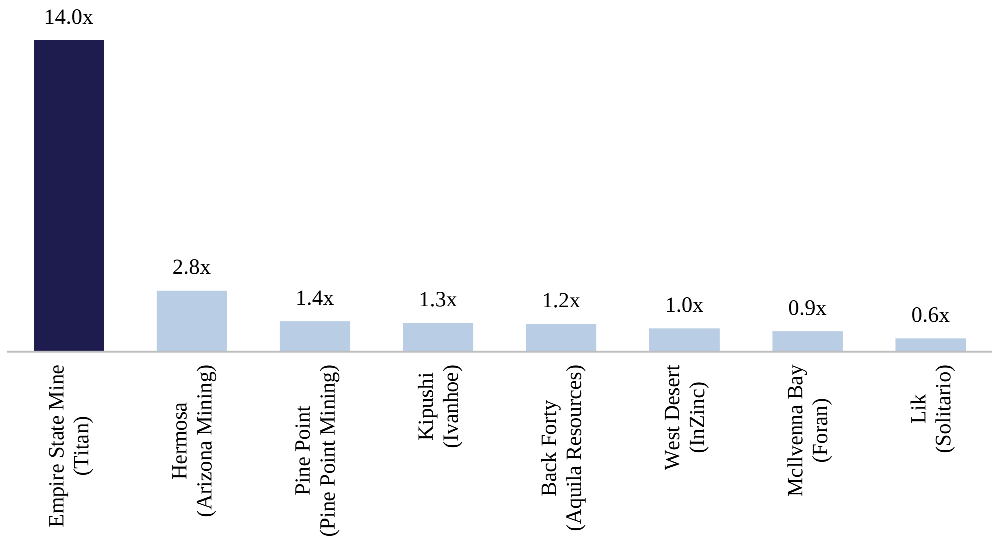
Select Zinc Development Projects Sorted by After-Tax IRR[1,2,3]



Source: Public filings from Arizona Mining, Aquila Resources Inc., Foran Mining Corporation, Solitario Zinc Corp., InZinc Mining Ltd., Pine Point Mining Limited, and Ivanhoe Mines Limited. Empire State Mine after-tax IRR is based on the Technical Report.

1. Each of the projects listed herein, including the Empire State Mine, are at the preliminary economic analysis stage. See table titled "Select Zinc Development Projects" on page 36 for additional details.
2. **The Company is basing its production decision on the PEA and not on a feasibility study of Mineral Reserves demonstrating economic and technical viability and, as a result, there is increased uncertainty and there are multiple technical and economic risks of failure associated with this production decision. These risks, among others, include areas that are analyzed in more detail in a feasibility study, such as applying economic analysis to Mineral Resources and Mineral Reserves, more detailed metallurgy and a number of specialized studies in areas such as mining and recovery methods, market analysis, and environmental and community impacts. The PEA is preliminary in nature, uses Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves, and there is no certainty that the results of the PEA will be realized. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all, or any part of the Mineral Resources estimated will be converted into Mineral Reserves.**
3. The projects included in the chart (other than the Empire State Mine) were determined using the following criteria: (i) primary zinc projects, (ii) a NI 43-101 compliant preliminary economic analysis, publicly available with an effective date no earlier than January 1, 2013, (iii) owned by a company that is listed on the TSX and has no material operating assets (i.e. is "development stage") and (iv) have an after-tax NPV greater than $100 million based on a zinc price of $1.10 per pound.

Select Zinc Development Projects Sorted by After-Tax NPV per Pre-Production Capital[1,2,3]



Source: Public filings from Arizona Mining, Aquila Resources Inc., Foran Mining Corporation, Solitario Zinc Corp., InZinc Mining Ltd., Pine Point Mining Limited, and Ivanhoe Mines Limited. Empire State Mine information is based on the Technical Report.

1. Each of the projects listed herein, including the Empire State Mine, are at the preliminary economic analysis stage. See table titled "Select Zinc Development Projects" on page 36 for additional details.
2. **The Company is basing its production decision on the PEA and not on a feasibility study of Mineral Reserves demonstrating economic and technical viability and, as a result, there is increased uncertainty and there are multiple technical and economic risks of failure associated with this production decision. These risks, among others, include areas that are analyzed in more detail in a feasibility study, such as applying economic analysis to Mineral Resources and Mineral Reserves, more detailed metallurgy and a number of specialized studies in areas such as mining and recovery methods, market analysis, and environmental and community impacts. The PEA is preliminary in nature, uses Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves, and there is no certainty that the results of the PEA will be realized. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all, or any part of the Mineral Resources estimated will be converted into Mineral Reserves.**
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Select Zinc Development Projects

Project Name		Empire State Mine[1]	Hermosa	Back Forty	McIlvenna Bay	Lik	West Desert	Pine Point	Kipushi
Owner		Titan	Arizona Mining	Aquila Resources	Foran	Solitario	InZinc	Pine Point Mining	Ivanhoe
Stage[2]		PEA	PEA	PEA	PEA	PEA	PEA	PEA	PEA
Location		New York USA	Arizona USA	Michigan USA	Saskatchewan Canada	Alaska USA	Utah USA	NWT Canada	Democratic Republic of Congo
Open Pit ("OP") / Underground ("UG")		UG	UG	OP+UG	UG	OP	UG	OP	UG
M&I Resources - Contained Metal[3]	*Mlbs ZnEq*	574	15,215	2,838	2,321	4,746	996	2,242	8,552
Inferred Resources - Contained Metal[3]	*Mlbs ZnEq*	609	8,961	410	1,966	1,423	2,866	292	1,352
Mine Life	*Years*	8	18	16	14	9	15	13	10
Pre-Production Capital	*$M*	$10.7	$457	$261	$220[6]	$325	$247	$115[5]	$409
Sustaining Capital	*$M*	$58.5	$500	$146	$133[6]	$270	$142	$88[5]	$119
Total Capital	*$M*	$69.2	$957	$407	$353[6]	$595	$389	$203[5]	$528
Cash Cost (Net of By-Product Credits)	*$/lb Zn*	$0.69	($0.13)	n.a.	($0.37)	$0.63	$0.50	$0.60	$0.54
After-Tax $NPV_{8\%}$ ($1.10/lb long-term zinc)	*$M*	$150[4]	$1,260	$325[2,4]	$202[4,6]	$195	$258[4]	$158[5]	$533[4]
After-Tax $NPV_{8\%}$ per Pre-Production Capital	*Ratio*	*14.0x*	*2.8x*	*1.2x*	*0.9x*	*0.6x*	*1.0x*	*1.4x*	*1.3x*
After-tax IRR	*%*	**121%**	**42%**	**42%**[2]	**19%**	**20%**	**23%**	**35%**	**31%**
Average Annual Plant Throughput	*Mtpa*	0.6	3.3	2.0	1.8	2.0	2.4	0.7	1.1
Initial Capex per Plant Throughput	*$/tpa*	*$18*	*$138*	*$134*	*$121*	*$162*	*$104*	*$175*	*$372*

1. Based on the Technical Report. **The Company is basing its production decision on the PEA and not on a feasibility study of Mineral Reserves demonstrating economic and technical viability and, as a result, there is increased uncertainty and there are multiple technical and economic risks of failure associated with this production decision. These risks, among others, include areas that are analyzed in more detail in a feasibility study, such as applying economic analysis to Mineral Resources and Mineral Reserves, more detailed metallurgy and a number of specialized studies in areas such as mining and recovery methods, market analysis, and environmental and community impacts. The PEA is preliminary in nature, uses Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves, and there is no certainty that the results of the PEA will be realized. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all, or any part of the Mineral Resources estimated will be converted into Mineral Reserves.**
2. The NPV and IRR figures for Back Forty represent the Base Case + 15% in Aquila Resources Inc.'s technical report, with an effective date of July 23, 2014, which used a $1.10/lb zinc price.
3. Zinc-equivalent metal calculated based on contained metal set out in the respective technical reports for each project using metal prices of: copper - $3.00/lb, zinc - $1.06/lb, lead - $0.94/lb, gold - $1,300/oz, silver - $19.75/oz, nickel - $7.55/lb, cobalt - $12.90/lb.
4. Different discount rate and/or LT zinc price assumptions: Empire State Mine: US$ 1.05/lb; Aquila Resources Inc.: 6%; Foran Mining Corporation: US$1.06/lb; InZinc Mining Ltd.: US$1.00/lb; Ivanhoe Mines Limited: US$1.01/lb.
5. Converted to USD at a USD:CAD rate of 1.3381 based on date of most recent cost estimate (April 18, 2017).

6. Converted to USD at a USD:CAD rate of 1.1294 based on date of most recent cost estimate (November 12, 2014).
Source: Public filings from Arizona Mining, Aquila Resources Inc., Foran Mining Corporation, Solitario Zinc Corp., InZinc Mining Ltd., Pine Point Mining Limited, and Ivanhoe Mines Limited. Empire State Mine based on the Technical Report.

Titan has Identified Several Opportunities to Further Enhance Project Economics

Titan has identified six opportunities that have the potential to increase the mine life, reduce operating costs, and/or improve overall mine efficiency. Of the opportunities outlined below, plant feed sorting is the most notable as it has the potential to immediately reduce dilution. Dilution occurs when the minimum mining width exceeds the width of the mineralized material (planned dilution) or when more rock is removed from an area than originally planned due to over-blasting, fill contamination from mining next to filled stopes, or other circumstances (unplanned dilution). Dilution is a key issue for narrow-vein underground mines as the operator must pay to process each ton of waste rock it cannot separate from the mill feed. Titan believes all six opportunities described below could improve project economics through proper implementation.

Opportunity	**Explanation**	**Potential Benefit**
Plant Feed Sorting	The use of sorting technology could reject waste rock dilution in the mineralized plant feed.	Rejecting waste rock dilution would increase the head grade entering the mill.
Resource Expansion	The Mineral Resource has not been fully delineated and there is opportunity to expand the Mineral Resource.	Increase mine life and increased project NPV.
Railveyor	The use of Railveyor technology could simplify material handling in the mine.	Reducing mine operating costs by eliminating or reducing the need for truck haulage for mill feed material.
Mine Material Transportation	Improve the haulage efficiency by grading haul roads, slashing tight areas or corners.	Improved truck speeds and mechanical availability should lead to lower operating costs.
Drill Core Sampling	Resampled core for holes that were excluded from the study due to lack of verification data.	Potential to increase Mineral Resources within the PEA, mine plan grade and classification without additional drilling.
Metallurgical Testing	Locked cycle test proved concentrate grades of 60% while budget is set to 56%. Investigate retention times in cleaner flotation stages and forced air type cells in rougher stage.	Potential to increase concentrate grade.

Ability to Leverage a Vast Amount of Historical Exploration Data to Identify New Growth Opportunities

As part of the Acquisition, the Company acquired close to 100 years of historical exploration data, which the Company believes has not been collated or analyzed to date using current software and technology. The Company intends to analyze this historical exploration data to attempt to identify new high value targets for exploration.

Pure-Play Zinc Producer

Upon completion of the Offering and re-commencement of mining operations at the Empire State Mine, it is anticipated that Titan's revenue will be derived 100% from the sale of zinc. Since January 1, 2017, the LME spot zinc price has risen from $2,503 per metric tonne to $3,352 per metric tonne as at October 10, 2017, representing a gain of 34%. Based on critical global zinc inventory levels (see "Industry Overview"), management believes this upward price trend will continue and generate a positive impact on the Company's financial performance.

Experienced Management Team and Board

The Company's management team has extensive experience in the mining industry. Richard W. Warke, President, Chief Executive Officer and Chair of the Board, founded the Augusta Group of Companies in 2006 when he started Ventana Gold Corp. ("**Ventana Gold**"), Augusta Resources Corporation ("**Augusta Resources**"), and Arizona Mining Inc. ("**Arizona Mining**"). The group now includes NewCastle Gold Ltd. ("**NewCastle Gold**") and the Company. For further details on the Company's board of directors, management team and advisor's experience, including with other members of the Augusta Group of Companies, please see "Directors and Executive Officers".

The Augusta Group of Companies has started or acquired and successfully advanced four companies in the last 12 years, specifically, Ventana Gold with the La Bodega asset in Columbia, Augusta Resources with the Rosemont project in Arizona, Arizona Mining with the Hermosa project in Arizona and NewCastle Gold with the Castle Mountain gold project in California. Ventana Gold was sold for approximately Cdn$1.6 billion in 2011 and Augusta Resources was sold for approximately Cdn$666 million in 2014. Arizona Mining's market capitalization is currently approximately Cdn$1 billion. In March 2016, NewCastle Gold announced the merger between NewCastle Gold and Catalyst Copper, a member of the Augusta Group of Companies. After this merger, the Augusta Group of Companies was actively involved in management of NewCastle Gold. As at October 10, 2017, NewCastle Gold's market capitalization was approximately Cdn$171 million.

The above information regarding each of the Augusta Group companies is based on information contained in the public filings and other publicly available information for each of the respective companies. **The results for Ventana Gold, Augusta Resources, Arizona Mining and NewCastle Gold, including market capitalizations, are independent of the results of the Company and are no guarantee of the future performance of the Company. Undue reliance should not be placed thereon when considering an investment in the Offered Shares**.

The Titan management team will include:

- **Richard W. Warke** – President, Chief Executive Officer, and Chair of the Board: Mr. Warke is currently the Executive Chairman & Founder of Arizona Mining and has over 25 years of experience in corporate finance and marketing in the global resource industry, and has been involved in raising over $1 billion dollars in equity for resource companies.

- **Keith Boyle –** Chief Operating Officer: Mr. Boyle has over 30 years' experience in building and operating narrow vein and bulk underground mines as well as open pit mines with a strong focus on safety, efficiency and cost control. He has successfully led the completion of numerous exploration programs, NI 43-101 feasibility studies, independent reviews, financing due diligence and the construction and development of mines.

- **Saurabh Handa –** Chief Financial Officer: Mr. Handa is a chartered accountant with over 10 years of progressive senior level experience in the mining industry with prior experience in companies operating both open pit and underground mines in multiple jurisdictions. His areas of involvement in prior roles include financial administration, corporate governance, risk management, mergers and acquisitions, planning and budgeting, ERP system implementation, process re-engineering, and multi-jurisdictional public company disclosures.

Furthermore, management interest will be aligned with that of the shareholders, as directors and officers will own in aggregate approximately 44% of Titan immediately following the completion of the Offering. See

"Directors and Executive Officers" for more information. Site Activities and Preparation for Production Re-Commencement.

Preparation for Production Re-commencement

Titan has commenced some preliminary mine rehabilitation activities at the Empire State Mine, including shaft utility refurbishments, installation of a new hoist cable and reconditioning of the underground ground support installations. The Company has obtained long-lead electrical items related to the crusher refurbishment and a mobile mechanical contractor has been hired to refurbish select underground mobile equipment necessary for initial underground rehabilitation work. The Company also selected an underground contractor to re-commence operations upon financing. Five proposals were received and evaluated and this process culminated in the selection of Dumas Contracting, which the Company believes is a reputable global contractor, as the Company's preferred contractor. The Company is now negotiating a contract with Dumas Contracting for the services to be provided to refurbish, develop and operate the Empire State Mine for the first year.

The Company also began hiring key staff on-site and has in place a senior management team including a General Manager, Chief Geologist, Chief Engineer, Site Controller, Human Resources Director, Senior Mine Engineer and Senior Mine Geologist in addition to the Mill Superintendent and Safety Director, both of whom were employed by SLZ on the Acquisition Closing Date. Other key positions are in place or identified for immediate start-up.

Upon completion of the Offering, Titan will begin a two month program to refurbish existing infrastructure and equipment. This program is anticipated to include refurbishment of the underground crusher, including the replacement of structural beams, electric transformer, controls, motors and general mechanical repairs. The replacement transformer, controls and motors were ordered by the Company and are now on site. This program is also anticipated to include the reconditioning and re-starting of the mobile equipment fleet during the two month period that the underground crusher is being repaired as well as the general rehabilitation of the underground workings which are generally in good condition yet will need some scaling, spot bolting and screening for full access. In addition, the concentrator was systematically shutdown in 2008, with all tanks being emptied and cleaned, and the rod and ball mill lubrication systems, which were pressurized on a weekly basis, similar to the shutdown period of 2001-2006, will both need to be recommissioned. The majority of the re-commissioning phase is the inspection and check-out of all equipment, including pumps, motors, piping, launderers, tanks and pump boxes. This is anticipated to be completed with a trained general contractor under the guidance of the Mill Operations Supervisor and a millwright from the previous campaign. Where necessary, specific contractors will be used to supplement where certain expertise is required, such as the relining of the rod mill. These pieces of the re-commissioning have been scoped and quoted accordingly. Following completion of the two month refurbishment program, development of new ramps, drifts and stopes will begin in preparation to re-commence production. The Company expects some capitalized pre-commercial production to occur in parallel with the development of ramps, drifts and stopes. Pre-commercial development work will take approximately three months to complete.

Exploration Activities since the Acquisition

The Empire State Mine drilling exploration program is not yet complete, with surface drilling having been suspended since June 29, 2017 and underground drilling having been suspended since July 11, 2017. Initial assay results have been received for most drill holes, but these results have been excluded from the Mineral Resource estimates in the Technical Report pending further verification. Final quality assurance/quality control ("**QAQC**") program checks will be completed at the conclusion of the program when 5% of the samples will be submitted to a second laboratory.

Diamond core drilling contractor Longyear mobilized on site and surface drilling commenced on February 12, 2017. Surface drilling was conducted at one regional exploration target (Sully: one hole) and two mine site exploration targets (Mud Pond Apron Extension: two holes; and Mud Pond Upper Extension: six holes). Nine holes totaling 16,071 ft of surface drilling were completed as of June 30, 2017. Surface drilling has been suspended since June 29, 2017 and approximately 50,000 ft remain to be drilled from the original contract. Additional drill programs have been designed for the Sully exploration target and the Gap Zone, both of which are situated between the Empire State Mine and Hyatt Mine along the general trend of known zinc mineralization.

Drilling at the Sully exploration target did not encounter significant mineralization, but did establish continuity of the controlling shear zone with minor zinc mineralization. Drilling in the Mud Pond Apron Extension confirmed the continuation of zinc mineralization between the end of the Mineral Resource shell and the down-plunge historic drill hole DD1097-F (11' at 13.4% Zn). Drilling in the Mud Pond Upper Extension zone also confirmed the continuation of zinc mineralization between historic drill holes.

Other ongoing exploration activities include a systematic review of historic exploration which is focused on digitization and interpretation of previous work. The goal is to identify regional targets that warrant follow up and generate new targets by integrating the various data types (geology, drilling, geochemistry and geophysics). The design for an airborne gravity gradiometry survey has been proposed with the aim of directly detecting large and high grade zinc deposits, and is anticipated to commence in November 2017. Lease renewal and payment activities are ongoing and new lease agreements for expired leases and options are expected to be negotiated and entered into with the relevant owners in 2017.

Major Drilling International Inc. was awarded a 40,000 ft underground drilling program contract, principally for upgrading of Inferred Mineral Resources to Indicated Mineral Resources with an allowance for delineation of targets developed from the surface drilling.

Underground drilling totalling 9,099 ft in 16 drill holes was completed by Major Drilling International Inc. between May 24, 2017 and July 11, 2017. Two underground drill locations were used to target Mineral Resource infill drilling to upgrade from Inferred to Indicated Mineral Resources at the Mud Pond Apron Extension and Mahler zones. Lateral extensions at the Mud Pond Apron Extension were also tested. Underground drilling has been suspended since July 11, 2017 and is planned to resume in October 2017 with 30,901 ft remaining on the 40,000 ft contract with Major Drilling International Inc. The remaining drilling from existing underground drill locations will target further upgrading of the Mahler Mineral Resource from Inferred to Indicated Mineral Resource, the Mahler zone up dip and the Mud Pond Apron Extension zone down dip.

Two underground drill holes at Mud Pond Apron Extension targeted infilling and further defining the current Mineral Resource – DDH 2208-F & 2209-F, with 2208-F not intersecting the mineralized target and 2209-F intersecting similar to expected. Eight drill holes, 2206-F to 2207-F & 2210-F to 2216-F, targeted lateral extension of the Mud Pond Apron and all intersected the target horizon, but with narrow widths and moderate to low zinc grades. Four drill holes, DDH 2217-F to 2220-F, targeted infilling and upgrading of the Inferred Mineral Resource at the Mahler zone. All holes intersected the target horizon with the results received for holes 2217-F and 2218-F confirming the higher grades present in the Mahler zone. Drill hole 2218-F intercepted the nose of a fold so the true width of this intersect is difficult to calculate.

Production, Principal Markets and Distribution Methods

The Company does not produce, develop or sell any products at this time. The Company's objective, following completion of the Offering, is to recommission the Empire State Mine and begin zinc production approximately five months following completion of the Offering. For a description of the proposed production methods at the Empire State Mine, see "Empire State Mine – Mining Methods".

Upon the re-commencement of operations at the Empire State Mine, Titan plans to market zinc concentrate produced from the Empire State Mine through one or more zinc traders. Zinc traders generally acquire title to the concentrate and ship it to one of the smelters in North America or overseas in Europe or Asia. The location of the Empire State Mine provides Titan with three options to transport concentrate to market, being road, rail and port.

Specialized Skills and Knowledge

Various aspects of the Company's business require specialized skills and knowledge. Such skills and knowledge include the areas of permitting, geology, drilling, engineering, mine planning, metallurgy, logistical planning and implementation of exploration and production programs as well as financing and accounting. While competitive conditions exist in the industry, the Company has been able to locate and retain employees and consultants with such skills and believes it will continue to be able to do so in the future.

Competitive Conditions

Competition in the mineral exploration and mining industry is intense. The Company competes with other mining companies, many of which have greater financial resources and technical facilities for the acquisition and development of, and production from, mineral concessions, claims, leases and other interests, as well as for the recruitment and retention of qualified employees and consultants and, to a lesser extent, for the supply of raw materials. Such competition may result in the Company being disadvantaged in the acquisition of attractive mineral properties.

Business Cycles

The mining business is subject to mineral price cycles. The marketability of minerals and mineral concentrates is also affected by worldwide economic cycles. The ultimate economic viability of the Empire State Mine is primarily sensitive to the market price of zinc. Metal prices fluctuate widely and are affected by numerous factors such as global supply, demand, inflation, exchange rates, interest rates, forward selling by producers, central bank sales and purchases, production, global or regional political, economic or financial situations and other factors beyond the control of the Company. See "Risk Factors".

Environmental Protection and Social and Environmental Policies

The Company's exploration, development and production activities are subject to United States laws and regulations regarding the protection of the environment. If required, Titan will make expenditures to ensure compliance with applicable laws and regulations. New environmental laws and regulations, amendments to existing laws and regulations, or more stringent implementation or enforcement of existing laws and regulations could have a material adverse effect on the Company's business, cash flows, earnings, results of operations, financial condition and prospects, by potentially increasing capital and/or operating costs and/or delaying or preventing the exploration and/or development of mineral properties. The Company intends to control and mitigate environmental impact from the exploration, development and production of its projects and their future operation. The Company has an Environmental, Health and Safety Policy. The focus of the policy is concern for the environment and the health and safety of individuals and the communities in which it operates. The Company endeavors to provide and maintain safe and healthy working conditions to safeguard its employees and the communities in which it operates. In doing so, the Company considers compliance with the regulatory standards as a minimum. Reclamation plans approved by the New York State Department of Environmental Conservation ("**NYSDEC**") are in place for the Balmat No. 4 Mine (now the Empire State Mine) and the Balmat No. 2 shaft area (which is still in use as an alternate exit route and ventilation shaft for the Empire State Mine) and are the ongoing responsibility of SLZ. The Empire State Mine and mine tailings reclamation is assured with a $1,662,870 certificate of deposit. See "Empire State Mine – Environmental Liabilities and Considerations".

Employees

The Company currently has six employees in its British Columbia office, four employees in its Toronto office, and 24 employees at the Empire State Mine Project. As operations require, the Company also retains geologists, engineers, geophysicists and other consultants on a fee for service basis. Certain of the employees have responsibilities with other publicly traded companies and, as such, the Company pays a pro-rata portion of the costs of such employees based on their time spent working on the Company's business.

Foreign Operations

Substantially all of the Company's long-term assets, primarily comprising its mineral properties, are located in St. Lawrence County, New York, USA.

Recent Developments

The Company paid Star Mountain $500,000 in March 2017 and $500,000 in June 2017, reducing the outstanding obligations related to the Acquisition payable to Star Mountain pursuant to the Promissory Note. See "Company History and Acquisition of Empire State Mine Project".

On September 19, 2017, JDS delivered the Technical Report to Titan, which included a preliminary economic assessment on the Empire State Mine. See "Scientific and Technical Information" and "Empire State Mine".

On August 23, 2017, Titan US borrowed an additional $500,000 from Augusta pursuant to the Second Additional Debenture. See "Description of Material Indebtedness".

On September 19, 2017, Titan US borrowed an additional $175,000 from Augusta pursuant to the Third Additional Debenture. Under the Third Additional Debenture, Titan US may borrow up to an aggregate of $300,000 at any time prior to December 31, 2017. On October 3, 2017, Titan US borrowed the remaining $125,000 available under the Third Additional Debenture. See "Description of Material Indebtedness".

The Company's NYSDEC Chemical Bulk Storage permit for the Empire State Mine, which was set to expire on October 1, 2017, was renewed on September 25, 2017 for a further two years. The renewed permit will expire on October 1, 2019. See "Empire State Mine – Property Description and Location – Permit Requirements – Table 3: Environmental Permits for Operation of the Empire State Mine".

Pursuant to the terms of the Promissory Note, Titan US was required to pay $500,000 to Star Mountain on September 30, 2017 or on the first Business Day thereafter occurring. On October 2, 2017, Titan US entered into the Promissory Note Amendment with Star Mountain, pursuant to which Star Mountain agreed to change the payment date for Titan US' $500,000 payment to Star Mountain from September 30, 2017 to the date that is the earlier of (a) five days from the Closing Date and (b) October 31, 2017, in consideration of an additional payment by Titan US to Star Mountain of $25,000, plus any interest accrued on such amount from October 2, 2017 to the new payment date. See "Description of Material Indebtedness". The Company intends repay all amounts owing under the Promissory Note using the proceeds of the Offering. See "Use of Proceeds".

EMPIRE STATE MINE

Current Technical Report

The information that follows relating to the Empire State Mine is derived from, and in some instances is a direct extract from, the Technical Report titled "NI 43-101 Preliminary Economic Assessment Technical Report on The Empire State Mines, Gouverneur, New York, USA". The Technical Report was prepared for the Company by Garett Macdonald, Michael Makarenko, Matt Moss and Indi Gopinathan, each of JDS, Michel Creek, formerly of JDS, Allan Reeves of Tuun and Robert Raponi of Raponi, each of whom approved the scientific and technical information contained in this Prospectus and is a "qualified person" and "independent" within the meanings of NI 43-101.

Portions of this information are based on assumptions, qualifications and procedures which are not fully described herein but are set out in the Technical Report. The following does not purport to be a complete summary of the Technical Report. Reference should be made to the full text of the Technical Report which has been filed with certain Canadian regulatory authorities pursuant to NI 43-101 and is available for review under the Company's profile on SEDAR at **www.sedar.com**.

Property Description and Location

Location

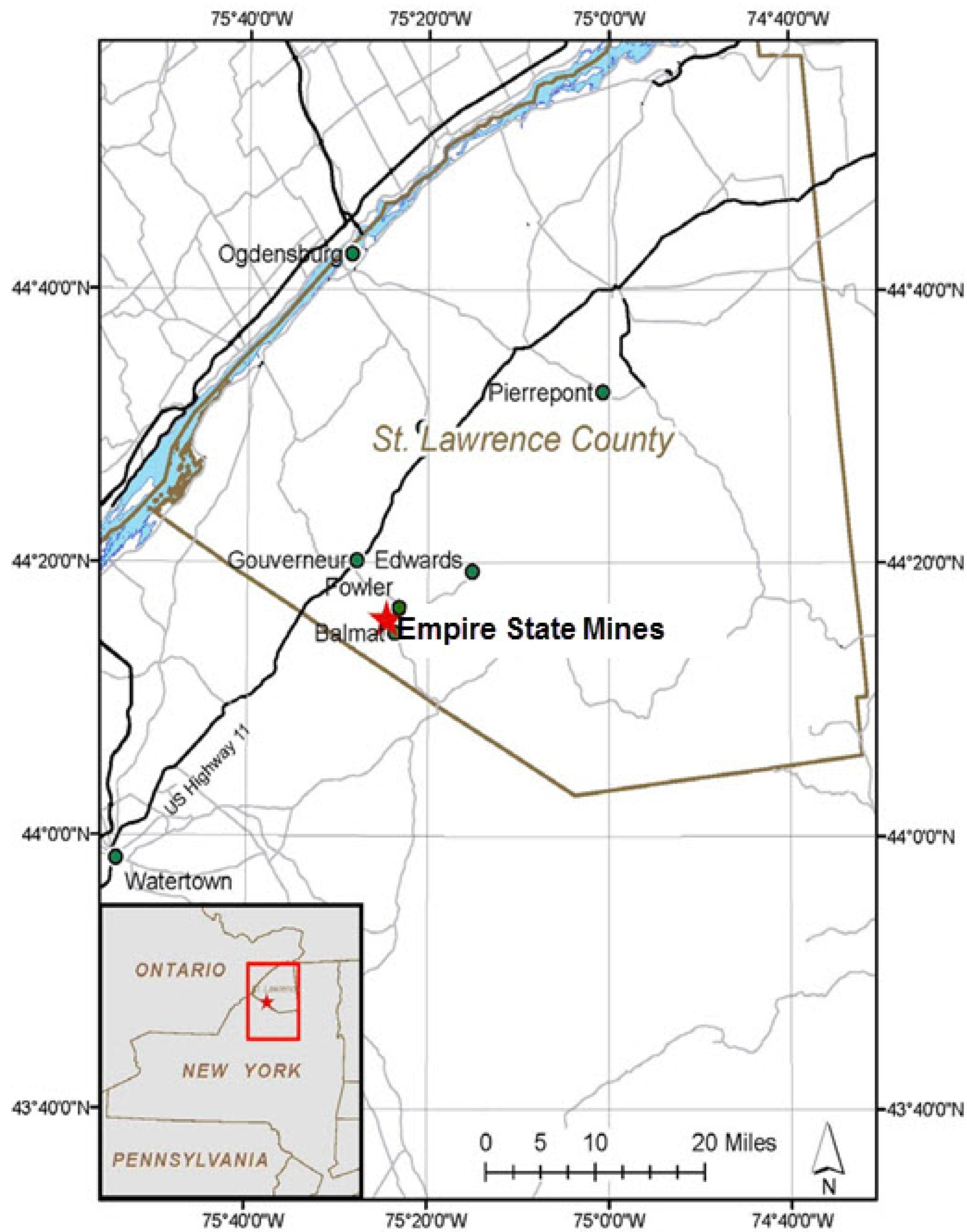
The Empire State Mine is located seven mi southeast of Gouverneur, New York at 44°14'51" North latitude, 75°23'50" West longitude, and 710 ft amsl. The site is 38 mi via State Road #812 from the St. Lawrence Seaway at Ogdensburg, New York.

The town of Gouverneur is located 90 mi from Ottawa, Ontario, Canada, and is 100 mi northeast of Syracuse, New York, USA.

Regional Project Location

Source: JDS (2017)

Local Project Location



Source: SLZ (2017)

Mineral Tenure

The 2,699 acres of surface rights owned by SLZ are divided among the Fowler, Edwards and Pierrepont townships in St. Lawrence County, New York, containing, respectively 1,754, 703 and 242 acres. There are 51,428 acres of mineral rights located in St. Lawrence and Franklin Counties that are comprised of multiple individual parcels in selected areas in and around the Empire State Mine Project.

The Acquisition included the transfer of 29,054 acres of leased and optioned mineral rights in portions of the Empire State Mine, Hyatt and Pierrepont Mine areas as well as in two areas of interest for exploration purposes.

Table 1: Mineral Tenure Information

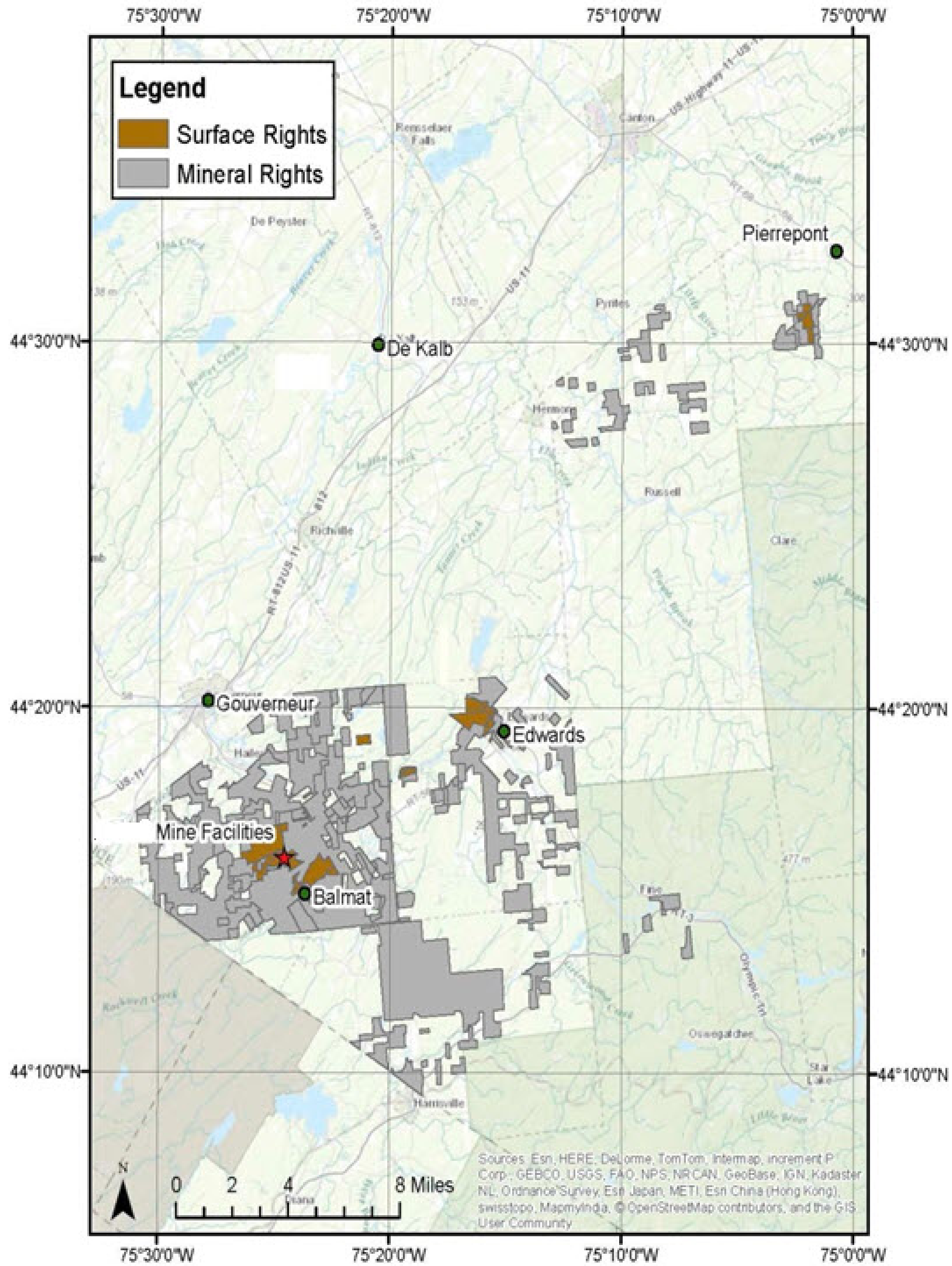
Assessor Parcel Number	Town	Surface (acres)	Mineral (acres)	Structure	Class	2014 Taxes $
119.001-1-8	Pierrepont	80.4				816.57
119.001-1-10	Pierrepont	102.1				1036.82
119.001-1-11	Pierrepont	0.52				3.39
119.001-1-12	Pierrepont	59.3				703.9
119.001-1-18./1	Pierrepont		1.4			84.71
174.004-3-2	Edwards	0.85				64.01
174.004-4-2	Edwards	10.37				265.19
174.004-4-1	Edwards	1.35				115.82
175.003-3-1.1	Edwards	71.6				822.96
175.003-3-19.1	Edwards	3.4				158.49
175.002-1-5.1	Edwards	370.2				3553.96
175.002-1-33	Edwards	161.7			322	1648.97
175.002-1-34.1	Edwards	72.2			330	829.04
175.002-1-32.1	Edwards	11.7			720	277.37
175.002-1-34./1	Edwards		74		720	216.41
1.044-18	Edwards		100		720	213.36
175.002-1-25./1	Edwards		92.2		314	201.17
175.001-1-4./1	Edwards		165		720	216.41
175.002-1-5./1	Edwards		1044		314	798.56
175.003-1-1./2	Edwards		72		720	201.17
175.003-1-1./4	Edwards		18.8		720	201.17
175.003-3-1.1/1	Edwards		70		323	630.94
175.003-3-1.1/4	Edwards			Electrical	323	1767.83
175.003-3-10./1	Edwards		115		330	201.17
175.003-3-13./2	Edwards		53.1		330	201.17
175.004-1-3./1	Edwards		58		720	201.17
175.004-1-6./1	Edwards		20		720	201.17
175.004-1-7./1	Edwards		63.8		720	201.17
175.004-1-11./1	Edwards		97.4		720	323.08
175.004-1-14./2	Edwards		62		720	201.17
187.002-2-1./1	Edwards		30		720	201.17
187.002-2-1./2	Edwards		80.9		720	201.17
188.001-1-15./2	Edwards		25		720	201.17
188.001-1-15./3	Edwards		169.1		720	201.17
188.001-1-17./1	Edwards		65.6		720	201.17
188.001-1-27./1	Edwards		73.8		720	201.17
188.002-1-2./1	Edwards		36		720	201.17
174.004-1-18	Fowler	89.3	89.3		720	679.92
187.001-1-5	Fowler	2.5			720	194.73
187.001-1-21.2	Fowler	44.49			720	403.1
186.004-1-44	Fowler	705.3			720	2266.39
186.004-1-33.11	Fowler	86.5			720	2298.79

Assessor Parcel Number	Town	Surface (acres)	Mineral (acres)	Structure	Class	2014 Taxes $
186.004-1-31	Fowler	61.6			720	2096.43
187.003-1-2	Fowler	82.3			720	389.46
187.003-1-1	Fowler	1.6			720	7822.09
187.069-1-38	Fowler	0.7			720	2932.26
187.003-1-4.11	Fowler	63.8			720	3049.43
187.003-1-4.121	Fowler	124.7			720	681.58
187.003-2-1.1	Fowler	45.2			322	389.46
199.001-2-52	Fowler	445			314	2266.39
186.002-1-14.11/3	Fowler		146.6		720	19.46
186.002-1-14.11/4	Fowler		144		720	19.46
187.003-1-3./1	Fowler		0.01		720	194.73
187.003-1-4.11/2	Fowler			Shaft 4	311 w	93829.03
187.003-1-4.11/3	Fowler		0.01		323	19547.72
187.003-1-4.11/5	Fowler			Shop	720	7819.09
187.003-1-4.11/7	Fowler			Electric	720	39095.43
187.003-1-4.11/9	Fowler			Buildings	720	73812.17
187.003-1-4.11/10	Fowler			Warehouse	720	117286.3
187.003-1-4.11/11	Fowler			Paint, oil	720	4378.68
187.003-1-4.11/12	Fowler			Timber storage	720	4691.45
187.003-1-4.11/13	Fowler			Service hoist	720	39095.43
187.003-1-4.11/14	Fowler			Large hoist	720	54733.62
187.003-1-4.11/15	Fowler			Hoist house	720	46445.36
187.003-1-4.11/17	Fowler			Railroad #4	720	11728.62
187.003-1-4.11/18	Fowler			Mill	720	82768.05
187.003-1-4.11/20	Fowler			Storage buildings	720	15638.19
187.003-1-4.11/21	Fowler			Storage	720	19547.72
199.001-2-43.1/2	Fowler			Pipe shop 2	720	537.48
Owned Fee Parcels		2699	2967			674425

Source: St. Lawrence County Government (2017)

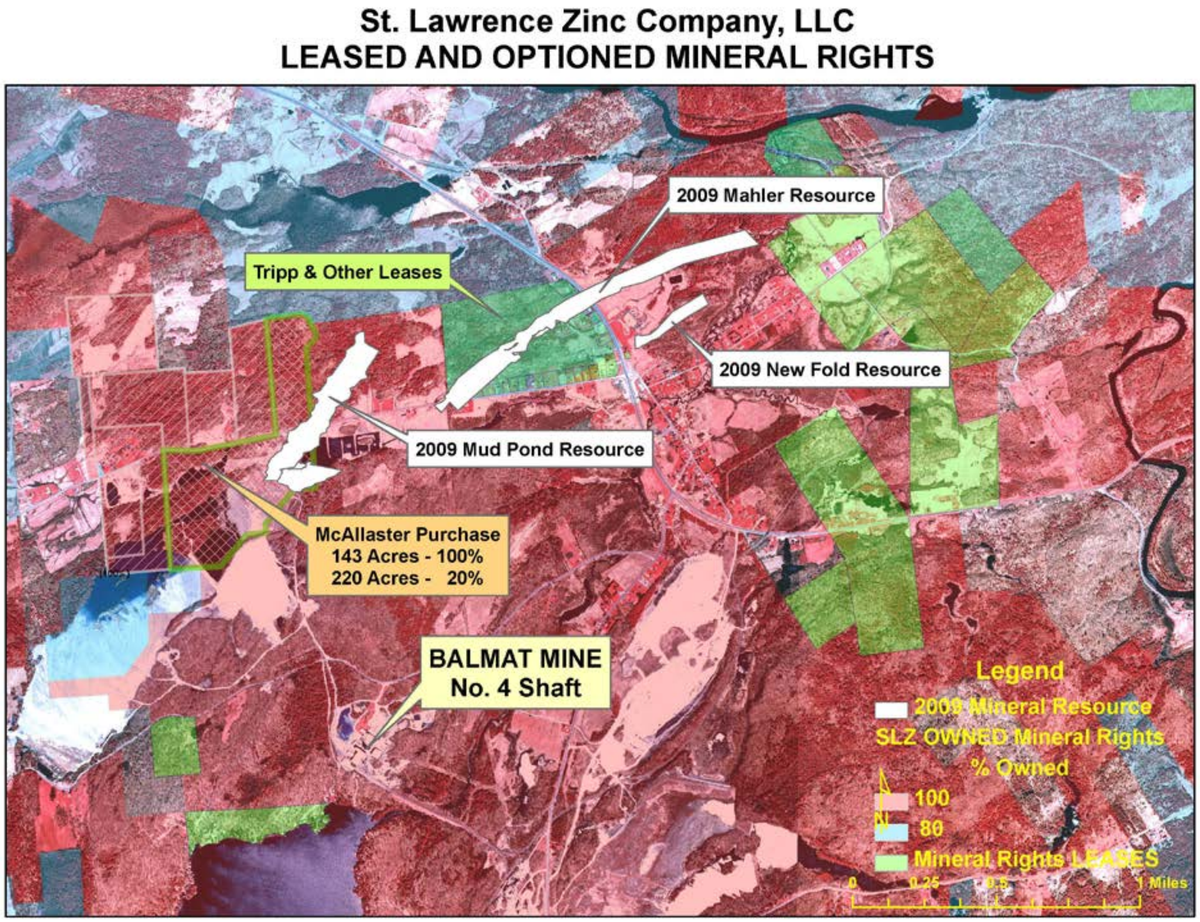
All property set out in Table 1 matches the St. Lawrence County 2016 tax rolls and is fully paid and current as of March 1, 2017. The 2016 taxes are approximately the same and consistent with those listed for 2014; the Company understands that the tax payment amounts set out above have not been updated by the County due to time and resource constraints.

Mineral Tenure Map



Source: SLZ (2017)

Mineral Tenure Map



Source: SLZ (2017)

Mining Rights

Real property in New York State was originally granted to the original owner to include both surface and mineral rights. However, mineral rights can subsequently be reserved or sold (severed) separately. SLZ controls both surface and mineral rights for the project area. Land not owned by the Company is either leased or lease optioned from property owners.

Land surface rights for the purpose of construction of buildings and for other purposes are purchased from landowners; SLZ owns the surface rights to lands where the surface facilities of the Empire State Mine, concentrator and tailings impoundment are located. In New York State, mineral rights were part of the surface right title granted to the original owner, and are deeded in real property transactions (real property). Mineral rights may be reserved during property transactions or they may be transferred (severed) at the time of a real property transfer. Such reservations often date back to the early 1800s. Mineral rights may or may not be subject to property taxes depending on the town taxing authority. The interest in mineral rights for a particular parcel is commonly divided. For example, in the town of Fowler, it is common to have one party own 4/5 (80%) of the mineral rights, and have a second party own the remaining 1/5 (20%) interest.

Project Agreements

Mineral rights may be acquired from the owner by lease, option or purchase. Leases may be renewable and also may be subject to the payment of royalties to the land owner. Average royalties for the Empire State Mine mineral production are estimated to average 0.3% over the life of the mine.

Leases generally have an initial 20-year term, renewable for an additional 20 years, and are subject to a 4% NSR royalty. One primary lease holding and five smaller leases are included in the Empire State Mine land package that covers 20% of the mineral rights of the major area of the Mahler Mineral Resource. Three leases are held in the area around the Hyatt Mine and 11 leases are held in the Pierrepont Mine area, covering 515 and 1,049 acres respectively. Leases comprising 300 acres are also held in the Emeryville and Talcville exploration areas.

Optioned mineral rights have a renewable 5-year initial term. Option payments are $4 per acre per year.

A list of leases and options with expiration dates is set out in Table 2. Several lease and option agreements have expired; however, the Company continues to make payments to the relevant rights holders and expects to commence negotiations for new lease agreements with respect to the expired leases and options in 2017. The Company will consult with its legal advisors prior to any activities on areas covered by expired leases or options, as it cannot be assumed that the lease agreement or option agreement will extend beyond the expiration date, despite acceptance of payment by lessors or option grantors, as the case may be.

The current Mineral Resource and subsequent planned mining areas identified in the Technical Report and possible extensions to those zones are not situated on lands covered by the expired leases or option agreements.

Table 2: Lease List with Expiration Dates Organized by Area

Empire State Mine Area

Current Leases

Name	Type	Expiration Date	Payment Anniversary	Acres	Term	NSR	Notes
Karen and Brooke E. Bishop Lease (1.19 Ac)	Lease	6/15/2037	6/15/2018	1.19	20 years: renewable for additional 20 years	4%	Lease payment with escalator schedule
Davis (Robert and Peggy) Lease (0.5 Ac)	Lease	26/05/2030	26/05/2017	0.5	20 years: renewable for additional 20 years	4%	Lease payment with escalator schedule
Davis (Stanley and Carol) Lease (14.4 Ac)	Lease	6/12/2026	6/12/2017	12.28+2.12	20 years: renewable for additional 20 years	4%	
Hull Lease	Lease	30/04/2017	30/04/2017	20	20 years: renewable for additional 20 years	4%	**RENEWED** 30/04/2017
Manning Lease	Lease	1/10/2027	1/10/2017	0.65	20 years: renewable for additional 20 years	4%	
Timothy J. Sweeney (Lease)	Lease	16/07/2030	16/07/2017	1.91	20 years: renewable for additional 20 years	4%	Lease payment with escalator schedule
Brian Tripp Lease (90Ac)	Lease	22/03/2021	22/03/2017	90	20 years: renewable for	4%	

Name	Type	Expiration Date	Payment Anniversary	Acres	Term	NSR	Notes
					additional 20 years		
Brian Tripp Lease (0.79Ac)	Lease	6/12/2026	6/12/2017	0.79	20 years: renewable for additional 20 years	4%	
Robert G., Sr. and Phyllis J. Tripp Lease (19 Ac)	Lease	6/12/2026	6/12/2017	19	20 years: renewable for additional 20 years	4%	
Warriner Lease	Lease	18/01/2031	18/01/2017	80.82	20 years: renewable	4%	
Whitman Lease	Lease	10/2/2018	10/2/2017	30	20 years: renewable for additional 20 years	4%	
Yerdon Lease	Lease	10/7/2027	7/7/2017	0.3	20 years: renewable for additional 20 years	4%	
Zira Lease	Lease	27/07/2027	25/07/2017	0.93	20 years: renewable for additional 20 years	4%	

Expired Lease

Name	Type	Expiration Date	Payment Anniversary	Acres	Term	NSR	Notes
St. Lawrence Ore Lease	Lease	25/01/2010	25/01/2017	135	20 years: NOT renewable	4%	Expired 1/25/2010 however minimum annual payment was made on time

Hyatt Mine Area

Expired Leases

Name	Type	Expiration Date	Payment Anniversary	Acres	Term	NSR	Notes
Cole Lease	Lease	20/06/2000	20/06/2017	94	20 years: renewable for additional 20 years	4%	Expired 20/06/2000 $200 - this payment is redistributed to heirs below
Kelly Freeman Lease	Lease	2/5/2015	2/5/2017	310	20 years: renewable for additional 20 years	4%	Expired 2/5/2015

Name	Type	Expiration Date	Payment Anniversary	Acres	Term	NSR	Notes
Jenne Lease	Lease	7/4/2000	7/4/2017	111	20 years: renewable for additional 20 years	4%	First 20-year term has expired; however lease is renewable for 20 years and payments have been made on time each year

Pierrepont Mine Area

Current Option and Leases

Name	Type	Expiration Date	Payment Anniversary	Acres	Term	NSR	Notes
Edwards Lease	Lease	17/06/2023	17/06/2017	96	20 years: renewable for additional 20 years	4%	
Alan Latimer Lease	Lease	7/7/2023	7/7/2017	20	20 years: renewable for additional 20 years	4%	
Walter Planty Option (64.39 Ac)	Option	19/11/2018	19/11/2017	64.39	5-year option	0%	
Wells Lease	Lease	10/1/2029	16/04/2017	178	40 years: NOT renewable	4% zinc; 5% lead	Lease payment date 4/16 (changed from 7/23) used for all Wells leases taken directly from original index file cards

Expired Options and Leases

Name	Type	Expiration Date	Payment Anniversary	Acres	Term	NSR	Notes
Barkley Lease	Lease	30/07/1999	00/01/1900	78	20 years: renewable for additional 20 years	4%	First 20-year term has expired; however lease is renewable for 20 years and payments have been made on time each year
Barrigar Lease	Lease	24/07/1999	7/7/2017	280	20 years: renewable for additional 20 years	4%	First 20-year term has expired; however lease is renewable for 20 years and payments

Name	**Type**	**Expiration Date**	**Payment Anniversary**	**Acres**	**Term**	**NSR**	**Notes**
							have been made on time each year
Caswell Lease	Lease	5/11/2002	5/11/2017	98	20 years: renewable for additional 20 years	4%	First 20-year term has expired; however lease is renewable for 20 years and payments have been made on time each year
Hutchinson Lease	Lease	1/10/2002	1/10/2017	37	20 years: renewable for additional 20 years	4%	First 20-year term has expired; however lease is renewable for 20 years and payments have been made on time each year
Stiles Lease	Lease	27/09/2002	27/09/2017	32	20 years: renewable for additional 20 years	4%	First 20-year term has expired; however lease is renewable for 20 years and payments have been made on time each year
Thivierge Lease	Lease	27/08/2002	27/08/2017	66	20 years: renewable for additional 20 years	4%	First 20-year term has expired; however lease is renewable for 20 years and payments have been made on time each year
Van Brocklin Lease	Lease	27/07/2002	27/07/2017	100	20 years: renewable for additional 20 years	4%	First 20-year term has expired; however lease is renewable for 20 years and payments have been made on time each year.

Exploration Areas

Current Options and Leases

Name	**Type**	**Expiration Date**	**Payment Anniversary**	**Acres**	**Term**	**NSR**	**Notes**
Gilbert Lease	Lease	22/03/2031	22/03/2017	96.4[(1)]	20 years: renewable	4%	The lease portion of the agreement was signed – with escalator
Gouverneur Talc Co Lease	Lease	28/06/2030	None	2,500	20 years	4%	Renewed for an additional 20 years 6/28/2010-06/28/30
James Morrill Lease	Lease	8/9/2029	8/9/2017	464	20 years: renewable for additional 20 years	4%	
Stanley Morrill Lease	Lease	8/9/2029	8/9/2017	266.22	20 years: renewable for additional 20 years	4%	
St. Lawrence County Option	Option	11/3/2024	20/04/2017	85.5 & 30	5-year option	4%	Option payment with escalator schedule
Emery W ebb Lease	Lease	22/09/2029	22/09/2017	181.46	20 year: renewable for additional 20 years	4%	

Expired Options and Leases

Name	**Type**	**Expiration Date**	**Payment Anniversary**	**Acres**	**Term**	**NSR**	**Notes**
Aleta Billings Heirs Options	Option	4/6/2015	4/6/2017	157.5	5-year option	4%	Expired 4/6/2015 Option payment with escalator schedule
Aleta Billings Heirs Options	Option	25/06/2015	25/06/2017		5-year option	4%	Expired 25/06/2015 Option payment with escalator schedule
Aleta Billings Heirs Options	Option	15/07/2015	15/07/2017		5-year option	4%	Expired 15/07/2015 Option payment with escalator schedule
Bogardus Options	Option	2/9/2015	2/9/2017	162.2	5-year option	4%	Expired Option payment with escalator schedule
Bogardus Options	Option	8/9/2015	8/9/2017		5-year option	4%	Expired 8/9/2015

Name	Type	Expiration Date	Payment Anniversary	Acres	Term	NSR	Notes
							Option payment with escalator schedule
Brown Lease	Lease	11/8/1999	11/8/2017	165	20 years: renewable for additional 20 years	4%	First 20-year term has expired; however lease is renewable for 20 years and payments have been made on time each year
Cromwell Heir Option	Option	16/06/2016	16/06/2017	369	5-year option	4%	Expired 16/06/2016 Option payment with escalator schedule
Cromwell Heir Option	Option	21/10/2016	21/10/2017		5-year option	4%	Option payment with escalator schedule
Lawrence Emrich Heirs Options	Option	17/08/2015	17/08/2017	229.04	5-year option	4%	Expired 17/08/2015 Option payment with escalator schedule
Gilbert Option	Option	3/3/2016	3/3/2017	0(1)	5-year option	4%	Expired 3/3/2016 Option with escalator
Lansing-Dodge Option	Option	15/09/2015	15/09/2017	~ 22,000	5-year option	4%	Expired 15/09/2015
Steven A. Sullivan Option	Option	28/10/2012	28/10/2017	158.8 (98.45 [60.00+38.45] + 60.35)	3-year option	4%	Expired 28/10/2012
Marjory Tyler Option	Option	2/12/2015	2/12/2017	183	5-year option	4%	Expired 2/12/2015 Option payment with escalator schedule
Webb Option	Option	26/07/2015	26/07/2017	46	5-year option	4%	Expired 26/07/2015 Option payment with escalator schedule

Source: SLZ (2017)

Notes:

(1) The area covered by the Gilbert Lease is 96.4 acres and is subject to agreement with two heirs of the original lessor. One of the heirs has signed the lease referred to above as the Gilbert Lease and, in respect of the other heir, the option has expired and is shown above as the Gilbert Option. The total acreage for the Gilbert Lease and Gilbert Option is 96.4 acres which has been reflected in the Gilbert Lease row for the purposes of this table.

Environmental Liabilities and Considerations

Mining permits and permits for water release to the environment are granted and administered by the NYSDEC. The NYSDEC has accepted the reclamation completed at four of the sites and released them from the permit requirements. Some minor monitoring may be required. The NYSDEC has reviewed the reclamation at the satellite properties also acquired as part of the Acquisition, Hyatt Mine tailings and mine sites and the Pierrepont Mine site, and has released the reclamation bonds posted for these areas. No further work is required in respect of these facilities.

Reclamation plans approved by the NYSDEC are in place for the Empire State Mine and the Balmat No. 2 shaft area (which is still in use as an alternate exit route and ventilation shaft for the Empire State Mine) and are the ongoing responsibility of SLZ. The Empire State Mine and mine tailings reclamation is assured with a $1,662,870 certificate of deposit.

The mining activity in the Balmat region has not created any known material long-term liabilities, beyond those described in "Empire State Mine – Environmental Studies, Permitting and Social or Community Impact", as a result of the long operating history at the various operations. The mineralization in the region is typically hosted in an alkaline host rock which has no tendency to generate acid mine drainage and mobilize metals in surface and ground waters. Minor excursions above compliance levels have been historically corrected by additions of sodium sulphate or lime upstream from the water holding ponds.

Permit Requirements

The extraction of minerals in New York State is governed by the New York State Mined Land Reclamation Law and the rules and regulations adopted thereunder. A Mined Land Reclamation Permit must be obtained from the Division of Mineral Resources within the NYSDEC in order to extract minerals from lands within the state. Such permits are issued for annual terms of up to five years and may be renewed upon application. Permit holders must submit annually to the NYSDEC a fee based upon the total acreage covered by the permit, up to a maximum aggregate fee of $8,000 per year.

To the extent known, all permits required to operate the Empire State Mine are active and in place. Additionally, there are no other significant factors or risks that may affect access, title or the right or ability to perform work on the Empire State Mine Project.

Major environmental permits required for operation of the Empire State Mine are set out in Table 3.

Table 3: Environmental Permits for Operation of the Empire State Mine

Permit Type	Permit	Permit Number	Expiration
Air	Registration to Operate a Zinc Mining and Milling Complex (amended)	6-4038-00024/02001	9/30/2024
Water	SPDES Water Discharge Permit	NY0001791	5/31/2019
Water	Water Withdrawal Permit	6-4038-00024/02001	5/31/2019
Mining	Mining Permit	6-4038-00024/00006	8/1/2020
Storage	NYSDEC Chemical Bulk Storage	CBS#6-000122	10/01/2019 (renewed September 25, 2017)
Storage	NYSDEC Petroleum Bulk Storage	PBS#6-451770	9/26/2018
Radiation	Certificate for Density Gauge	44023174	9/15/2018

Permit Type	Permit	Permit Number	Expiration
Public Water Supply	No permit required, but regulated by NYS Dept. of Health. Registered ID #NY4430004	Registered ID #NY4430004	None
Haz Mat Transport	US Department of Transportation Registration – Pipeline and Haz Mat Safety Administration	072216 550 004Y	06/30/2018
Explosives	US Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF – FEL) – (issued to individuals)	Hance Lic# 2-41368-5	
Blasting	NY State Certificate of Competence – (issued to individuals)	Hance 08-4885, Baderman 01-4709	

Source: SLZ (2017)

Accessibility, Climate, Local Resources, Infrastructure and Physiography

Accessibility

The Empire State Mine is reached by traveling southeast from Gouverneur, New York for 7.9 mi along NY-812 S, through the town of Fowler, to the mine offices on Sylvia Lake Road. The site lies 38 mi south of Ogdensburg, New York via NY-812 S.

Local Resources and Infrastructure

The nearest population center is Gouverneur with an estimated population of 7,000. The outlying rural areas have a population of approximately 35,000. All modern services, including hospital, hotel, and railway are present at Gouverneur. Syracuse, New York lies 100 mi to the southwest. Ottawa, Ontario, Canada lies 90 mi to the north.

Climate

The area has typical mid-continental climate with moderate summers and cold winters, moderated by the nearby Great Lakes. Average annual temperatures are 53° to 38°F. Summer highs may reach 85°F. Winter lows may reach -20°F. Annual average frost free days are 115. Annual average precipitation is approximately 40", 70% occurs as snow. The mine and process facility will operate year-round. Weather is not expected to frequently or significantly affect operations at any time of the year.

Vegetation and Wildlife

The Empire State Mine project area is classified as hardiness zone 3b by the US Department of Agriculture. Tree species include hardwoods like sugar maple, black cherry, paper birch and American Beech. Common softwoods include white pine, red pine, scotch pine, and eastern hemlock. Ground cover consists primarily of saplings, various grasses and forbs.

Animal species include whitetail deer, eastern grey squirrels and many varieties of songbirds, fish and waterfowl.

The mine site is surrounded by heavily treed bedrock ridges with interspersed low-lying marsh areas. The area is covered by gravel and clay overburden.

Physiography

The Empire State Mine is situated on the northwest flank of the Adirondack Mountains. The Empire State Mine site lies within heavily forested bedrock ridges and interspersed low-lying marsh areas. Elevation at the mine site is 710 ft amsl. Relief throughout the area ranges from 384 to 1106 ft amsl.

Various classes of streams drain to the St. Lawrence River. The area contains numerous ponds and lakes. Soils vary from loamy sand soil to exposed bedrock.

Surface Facilities and Rights

The existing operation is located on lands owned or leased by SLZ. All utilities such as roads, rail, electricity, water, communications systems, tailing management facilities, waste rock disposal means, and the processing plant currently exist on-site and are in good condition.

A small management staff keeps up with site administration, maintenance, mine dewatering, and permits. Once mining operations commence, labour not available locally will be sourced from outside the region. The Empire State Mine is located in a desirable area to live, so while a significant portion of the labour force may have to be brought into the area, the effort in doing so is expected to be reasonable and customary for a developed location in North America.

History

Management and Ownership

The Empire State Mine is wholly owned by SLZ, an indirect wholly-owned subsidiary of the Company. A history of ownership is set out in Table 4. See also "General Development and Business of the Company".

Table 4: History of Ownership

Date	Company	Activity
1915 - 1987	St. Joe Minerals Corporation & predecessors. Purchased by Fluor Corporation in 1981.	Mined Edwards in 1915 and Balmat zinc mine (which includes the Empire State Mine) in 1930
1987 - 2001	Zinc Corporation of America ("**ZCA**")	Purchased operation and mined through 2001
2003 – 2015	OntZinc (renamed Hudbay in December 2004)	Purchased ZCA and mined Balmat zinc mine (which includes the Empire State Mine) from 2005 to 2008
2015 - 2016	Star Mountain Resources Inc.	Purchased SLZ from Hudbay
2016 - Present	Titan US	Purchased Balmat Holding shares from Star Mountain and renamed Balmat No. 4 Mine to Empire State Mine

Source: SLZ (2017)

Exploration History

In 1838, zinc was discovered in a prospect pit on the Balmat farm near the Balmat No. 1 shaft. Further zinc was discovered in the Balmat-Edwards-Pierrepont district from road excavations in 1908. Gossan was later recognized and subsequent core drilling defined the Mineral Resources of the Balmat No. 2 Mine in 1928. In 1945, surface drilling, down-plunge from surface showings, intersected the Balmat No. 3 Mine Mineral Resources. A systematic fence-drilling program across the Sylvia Lake Syncline (perpendicular to the plunge) discovered the Mineral Resources of the Empire State Mine in 1965. In 1979, the Pierrepont Mine was discovered while drilling down-plunge from geochemical anomalies. Mine development and exploration drilling added significant Mineral Reserves to the Hyatt Mine in 1994, and to the Empire State Mine in 1996, with the expansion of the Mud Pond zone. The New Fold and Mahler Mineral Resources were later discovered in the Empire State Mine in 1997 and 2000, respectively.

The Balmat area has had an active mining history for the past 85 years. On average, during the period between 1908 (discovery of the Edwards Mine) and 1979 (discovery of the Pierrepont Mine), a mine was discovered every 17 to 18 years in the Balmat-Edwards-Pierrepont district. Road excavations exposed zinc mineralization that was developed into the Edwards (1908) and Hyatt (1917) Mines.

Production History

Since 1915, six zinc mines have operated in the Balmat-Edwards district, collectively now known as the Empire State Mine Project. Zinc was first produced from the Edwards Mine in 1915 and from the Balmat No. 2 Mine in 1930. The other mines in the district are the Balmat No. 3 Mine, Empire State Mine, Hyatt Mine and Pierrepont Mine.

Mines were operated in the district by St. Joe Minerals Corporation's subsidiary companies, including St. Joseph Lead Company and St. Joe Resources Company (collectively, "**St. Joe Minerals**"), and its predecessors from 1915 to 1987. ZCA purchased the Empire State Mine Project in 1987 and operated the mines until 2001, shutting down the Empire State Mine Project when high grade feed from the Pierrepont Mine was exhausted. OntZinc, renamed Hudbay in December 2004, purchased the idle Empire State Mine Project in September 2003. The Empire State Mine re-opened in 2006 and operated into 2008. The mine was placed on care and maintenance in August 2008.

From 2006 to 2008, Hudbay mined 855,000 t of mineralization grading 7% Zn from the Davis, Mud Pond, Mahler, Fowler, Upper Fowler and New Fold zones.

The Balmat No. 2 Mine, Balmat No. 3 Mine and the Empire State Mine have produced an aggregate of 33.8 Mt of 8.6% Zn since operations began in 1930. The greater Balmat-Edwards-Pierrepont district has produced in excess of 43 Mt of 9.4% Zn during the 76 years of operation by St. Joe Minerals and its predecessor companies.

The existing Empire State Mine mill was constructed in 1971 by St. Joe Minerals and has a nameplate capacity of 5,000 t/d. The mill has processed mineralized material from the Empire State Mine Project. The Empire State Mine shaft is adjacent to the mill and accesses zinc mineralization from the 1300, 1700, 2100, 2500 and 3100 levels. All mine plan tons in the PEA will be hoisted from the 3100 level of the Empire State Mine shaft.

Table 5: Gross Historical Production

Mine	Year Discovered	Year Closed	Tons Mined (Mt)	Zinc Grade (%)
Balmat No. 2 Mine	1928	1998	17.8	8.7
Balmat No. 3 Mine	1945	1985	5.7	9.4
Empire State Mine	1965	2008	10.2	7.9
Total			**33.8**	**8.6**

Source: SLZ (2017)

Table 6: Recent Annual Historical Production

Year	Ownership	Empire State Mine		Pierrepont Mine		Concentrate Produced	
		Kt	Zn%	Kt	Zn%	Kt	Zn%
1998	ZCA	579	6.7	166	12.8	102	55.5
1999	ZCA	627	6.5	106	13.5	93	55.4
2000	ZCA	581	6.1	134	12.1	88	55
2006	Hudbay	178	6.1	0	0	0	0
2007	Hudbay	367	7	0	0	38.6	57.2
2008	Hudbay	310	8	0	0	37.3	57.3
Total		**2,642**	**6.7**	**406**	**12.8**	**359**	**56.1**

Source: SLZ (2017)

Historic Mineral Reserves

A list of most recent mineral reserve estimates is set out in Table 7 for the previous owners of the project: St. Joe Minerals, HBMS and Star Mountain. The historic mineral reserves are relevant as they detail the change in mineral reserves over time estimated by different persons and methods. The Company is not treating these historic estimates as a current Mineral Reserve and the Company is not basing its production decision on these historic estimates. The authors are unaware of complete methods, parameters or assumptions used to generate these historic estimates, including cut-off grades and dilution, and cannot comment to their accuracy or reliability. A qualified person has not done sufficient work to classify the historical estimates as current Mineral Resources or Mineral Reserves. The 1985 St. Joe Minerals estimate used different classification definition terms that are explained in notes 1, 2 and 3 of Table 7 below and was published as an annual summary tabulation. HBMS' estimates were reported to NI 43-101 standards and categories, and published with summary details in Annual Reports. The 2015 Star Mountain Mineral Reserve estimate was reported in a US SEC Industry Guide 7 Report with categories equivalent to NI 43-101, but several of the assumptions and methods used are not considered current best practice with the resource wireframes not snapped to the drill holes and only single full length composites used for each intercept. The 1985 mineral reserves listed in the Fowler, Upper Fowler, Davis and Loomis areas are exclusive of the current Mineral Resource published in the Technical Report. It is unknown if any of these areas are included in the "1992 Low Grade Reserve" write-downs as detailed in "General Development and Business of the Company – Business Objectives, Strategy and Milestones". The Company has completed work to re-estimate Mineral Resources only in some areas covered by the previous historic mineral reserves by HudBay in 2005, 2006 and 2007 and by Star Mountain in 2015, as outlined in the Technical Report. Prior to establishing any Mineral Reserves, the Company plans to complete additional drilling activities and complete a Pre-Feasibility Study or Feasibility Study.

Table 7: Historic Mineral Reserves

Year	**Proven**		**Probable**		**Proven and Probable**	
	Mass (000's tons)	**Zn Grade**	**Mass (000's tons)**	**Zn Grade**	**Mass (000's tons)**	**Zn Grade**
1985[4]	1,159[1,3]	11.52	598[2,3]	9.81	1,758[3]	10.94%
2005[5]	763	10.90%	1,095	11.40%	1,859	11.20%
2006[6]	912	10.10%	1,163	11.40%	2,075	10.80%
2007[7]	1,000	9.50%	890	10.80%	1,891	10.20%
2015[8]	152	9.00%	394	9.20%	531	9.20%

Notes:

(1) Proven ore designates ore so well outlined by development and closely spaced diamond drilling that the risk of failure in continuity of the ore is reduced to a minimum.

(2) Probable ore refers to ore for which the risk of failure is greater than for proven ore, but for which there is sufficient justification in assuming continuity of the ore. Probable ore is substantiated by wider spaced diamond drilling and by little or no development. Probable ore includes ore of probable future value, but for the present rendered unavailable by reason of ground support, ground water or proximity to an operating shaft.

(3) Proven ore and probable ore are not equivalent to the CIM definitions of Proven Mineral Reserve and Probable Mineral Reserve, respectively. There is no similar concept to Inferred Ore under the CIM definitions.

(4) Sources: "St. Joe Resources Company Mining Division, Ore Grade Reserves as of October 31, 1985," prepared by Geology Department for St. Joe Resources Company. It is unknown if any portions of the 1985 ore grade reserves were included in "1992 Balmat Low Grade Reserves" and ultimately written down as detailed above.

(5) Source: " Balmat No. 4 Zinc Mine Re-Opening Feasibility Study. 2005" dated November 1, 2005, prepared by HudBay Minerals Inc.

(6) Source: "HudBay Minerals Annual Report 06" dated January 1, 2007, prepared by HudBay Technical Services for HudBay Mining and Smelting Co.

(7) Source: "HudBay Minerals Annual Report 07" dated January 1, 2008, prepared by HudBay Technical Services for HudBay Mining and Smelting Co.

(8) Source: "Industry Guide 7 Report: Mineral Reserves at the Balmat Mine, St. Lawrence County, New York" dated November 2, 2015 prepared by Practical Mining LLC for Star Mountain Resources Inc.

Geological Setting and Mineralization

Geological Setting

The Empire State Mine is located in a region with a very long and complex geological history. The host rocks were deposited during the mid-Proterozoic era between roughly 1300 to 1000 mega-annum, millions of years before present, near the edge of the North American craton. Due to their position near the margin of this tectonic domain, they were subject to tectonic forces that, over a billion years, assembled and broke up two supercontinents-

Rodinia in the late Proterozoic, and Pangaea in the late Paleozoic to early Mesozoic. Zinc deposition is interpreted to have occurred contemporaneously with deposition of the rock units, which indicates that the originally tabular zinc bodies were intensely deformed and metamorphosed along with their host rocks through eons of varying tectonic forces.

The Empire State Mine is located near the eastern edge of the Canadian Shield, a vast expanse of very old exposed bedrock which can be described as the core of the North American continent. The Canadian Shield was assembled in an ancient zone of prolonged tectonic convergence. During the Archean and Proterozoic eons, tectonic forces were focused towards the region that is now the Canadian Shield. As tectonic plates moved towards this zone they collided with each other, resulting in compressive forces that caused extensive uplift of continental crust high above sea level. The forces were active for millions of years, and material from advancing plates was gradually added to the crustal core. The added material is known as accreted terranes. The Canadian Shield was built as terranes agglomerated over time.

One of the final, major series of tectonic events that occurred before tectonic forces shifted away from the Canadian Shield is known collectively as the Grenville Orogeny. The Grenville Orogeny includes a series of exceptionally intense accretionary events which occurred during the Mesoproterozoic era, as assembly of the supercontinent Rodinia neared completion. The scale of the orogeny is analogous to the present day. The series of terranes that were accreted during the Grenville Orogeny are collectively known as the Grenville Province. The Adirondack Mountains, which contain the Empire State Mine mineralization, are part of the Grenville Province.

Following the Grenville events, tectonic forces shifted away from the Canadian Shield and rifting commenced. Mountain ranges underwent collapse. Erosion outpaced uplift. Over billions of years of passive tectonism, the Canadian Shield was eroded to low relief. The area outboard from the Grenville Province, including the area that is now the Adirondacks, subsided below sea level and eventually accumulated a cover of Paleozoic sediment. Paleozoic sedimentary deposition began with the late Cambrian to early Ordovician Potsdam Sandstone, followed by a limestone- dolostone sequence. Potsdam sandstone can be identified in the project area.

Magmatism accompanied both orogenesis and rifting, and as a result the Grenville Province contains many igneous intrusions of various ages, which have been metamorphosed at varying intensities. These are not thought to have been involved in mineral deposition at the Empire State Mine.

Following the late Precambrian to early Cambrian era of passive tectonism and the late Cambrian to early Ordovician period of deposition, a new series of tectonic events began that would build the Appalachian Mountains. These events are called the Taconic, Acadian and Alleghenian orogenies. During the middle Ordovician Taconic and the mid to late Devonian Acadian orogenies, the area that would become the Adirondacks was buried, followed by uplift and exhumation during the late Pennsylvanian to Permian Alleghenian orogeny. By the end of the Alleghenian orogeny, the Appalachians had reached heights comparable to the current Rocky Mountains. The Adirondacks had not yet been uplifted.

Uplift of the Adirondack dome is generally attributed to the passage of the North American plate over the Great Meteor Hotspot in the early Cretaceous. The theory lacks consensus because the Adirondack dome lies somewhat south of the apparent track of the Great Meteor Hotspot, and because of a lack of direct evidence such as volcanic rock deposition attributable to hotspot volcanism. Taylor and Fitzgerald suggest the Adirondacks were formed through dissection of a plateau.

Regional Geology

The Adirondacks are considered an outlier of the Grenville Province since they are nearly surrounded by Proterozoic sediments. The Adirondack dome may have been forced upwards through the Proterozoic sediments by the Great Meteor Hotspot. A narrow strip of Mesoproterozoic bedrock called the Frontenac Axis connects a section of the northwestern flank of the Adirondacks to the rest of the Grenville Province. The Adirondacks are lithologically and topographically divided into two main zones, the Highlands and Lowlands. The Lowlands comprise the relatively small northwestern portion of the Adirondacks, and the Highlands make up the main body of the Adirondack dome. The Highlands and Lowlands are divided by the Carthage-Coulton shear zone. The Lowlands have been metamorphosed to amphibolite grade, the Highlands to higher granulite grade. The Empire State Mine is located in the Adirondack Lowlands.

The rocks of the Adirondack Lowlands are part of the Grenville Supergroup. The Grenville Supergroup is a group of metamorphosed sedimentary terranes that compose a section of the Grenville Province known as the "Central Metasedimentary Belt". The rocks of the Adirondack Lowlands were deposited in the Trans-Adirondack back arc basin prior to final accretion of the Grenville Province. The Adirondack Lowlands have been divided into three stratigraphic formations: the Upper Marble Formation, the Popple Hill Gneiss, and the Lower Marble Formation. The zinc mineralization at the Empire State Mine is contained in the Upper Marble Formation.

Local Geology

The Upper Marble Formation is a sequence of shallow water carbonates consisting of multiple series of dolomitized marbles and quartz diopsides with occasional schists and periodic occurrences of anhydrite. It is divided into 16 units. Geologists working in the Balmat-Edwards zinc district have recognized distinct marker horizons within the marble which allow them to identify favourable locations for zinc mineralization. The marker horizons include a pyritic schist, a dark grey dolomitic marble, and the periodic anhydrite beds. The anhydrites are of particular importance because zinc deposition appears to have followed anhydrite deposition. Units 6, 11 and 14 contain massive strataform sphalerite bodies occurring soon after anhydrite beds in the lithologic sequence. Units 6-10 locally host semi-massive crosscutting sphalerite bodies where structures intersect sphalerite deposits contained in unit 6, 11 or 14.

Property Geology

As a result of the intense tectonism in the Empire State Mine region's geologic history, the Upper Marble is extensively deformed. The predominant structure is the Sylvia Lake Syncline, a major southwest to northeast trending fold lying between the Balmat No. 2 Mine and the Edwards Mine. Aerial exposure of the Upper Marble Formation is limited, and the exposure generally trends along the axis of the syncline. Sphalerite (zinc sulphide) tends to occur within axial regions and limbs of local scale folds and faults associated with the Sylvia Lake Syncline.

The zinc deposits at the Empire State Mine are thought to have been syn-depositional, meaning they were deposited in sequence with the marbles that host them. Their original geometries would have been tabular as a result of being deposited on relatively flat areas of a sedimentary basin. Their current morphologies and positions are a response to ductile-brittle kinematic stresses. Extreme contrasts in ductility exist in the Upper Marble Formation, ranging from very ductile anhydrite and sulphide (sphalerite) beds to moderately ductile dolomitic marble to moderately brittle calcitic and serpentinous dolomitic marble to brittle silicious interlayered quartzite and diopside. Anhydrite and sulphide beds are relatively thin, and sulphide beds are spatially restricted, but their tendency to occur together consolidates ductile zones. When exposed to stress, the brittle rocks fractured, and the structures evolved into thrust faults in the ductile rocks. The thrust faults served to propagate folds. The tendency of folds to form in the most ductile regions caused the sphalerite to be concentrated in the noses of folds. The Empire State Mine geologists have also suggested that sphalerite may have been remobilized towards the noses of folds during multiple episodes of metamorphism.

Mineralization

Massive and semi-massive sphalerite-bearing deposits occur in siliceous dolomitic and evaporite-bearing marbles of the Upper Marble Formation of the Balmat-Edwards marble belt. These zinc-sulphide deposits lie in the core of the Sylvia Lake Syncline, a major poly-deformed fold lying between the Empire State Mine and Edwards Mine. Zinc mineralization tends to follow evaporate deposition in the stratigraphic sequence. The region has experienced multiple metamorphic and intrusive events and large-scale ductile structures are common.

The Empire State Mine property contains 14 known zones of zinc mineralization. The deposits tend to occur in clusters. Three clusters have been defined consisting of three to five deposits each. Geometry of mineralization varies, ranging from tabular to podiform, shallow to steep. Areas defined to date contain tonnages ranging from roughly 0.5 Mt to over 10 Mt. Typical thickness ranges from two ft to 12 ft thick.

Mineralization tends to be very continuous along strike, ranging from 50 to 800 ft. Plunge-lengths may exceed 6,000 ft.

Massive sphalerite-bearing zones are stratiform, and semi-massive zones are crosscutting and stratabound. Empire State Mine geologists conceptualize a parent-daughter relationship, where the stratiform mineralization is the parent and the crosscutting zone is the daughter. The parent-daughter model suggests that daughters are formed from sphalerite remobilized from parents during metamorphism. The sphalerite migrates along fault surfaces up and down dip from the parents, potentially as far as the Unit 10 anhydrite. It is thought that ductile flow of Unit 10 anhydrite closes fault surfaces and halts migration of remobilized sphalerite. Daughter zones share similar trace element geochemical signatures with their parent zones. They often contain significant quantities of occluded wall rock material. The geologists have experienced exploration success using the parent-daughter model, defining four new zones in the 1990's.

The mineralization at the Empire State Mine has been classified as sedimentary exhalative ("**sedex**") in origin. The composition of the mineralization is unique, composed of primarily massive sphalerite and only minor galena and pyrite. The zinc-lead ratio is approximately 35:1. The Empire State Mine has slightly higher-than-average grade for a sediment-hosted lead-zinc deposit. Some Empire State Mine geologists have theorized that intense metamorphism may have concentrated the sphalerite, perhaps fractionating zinc sulphide (sphalerite) from lead and silver sulphide (galena) and remobilizing them to different locations leading to the high zinc grades observed at the Empire State Mine.

Deposit Types

Empire State Mine deposits are broadly classified as sedex in origin, forming initially in a marine sequence of carbonates and evaporates. They were deeply buried, metamorphosed to amphibolite grade and strongly deformed during the late Precambrian Grenville Orogen.

Sedimentary Basin: Carbonate Platform and Brine Generation

Sedex deposits are formed from brines generated by extensive and rapid seawater evaporation. Large evaporative carbonate platform areas are needed to produce the volumes of brine required to form sedex deposits. Evaporation is rapid in low latitudes and brines are concentrated best in confined basins with restricted flow to the open ocean. These evaporative conditions are well recorded in the sedimentary record at the Empire State Mine. The periodic anhydrite beds at the Empire State Mine, as well as the dolomitization of the Upper Marble are indicative of evaporative conditions. The rocks were deposited in the Trans-Adirondack back arc basin, an extensional environment with restricted flow to the open ocean. The carbonate platform represents the sedimentary basin's proximal facies.

Sedimentary Basin: Rift-Fill Clastics and Supply of Metals

As brines are generated on the evaporative carbonate platform, they begin to sink due to their increased density. Sedimentary basins that host sedex deposits characteristically have a thick layer of coarse clastic syn-rift oxidized terrigenous sediments underlying the evaporites in the sedimentary sequence. When the dense brines encounter this layer, the coarse permeable terrigenous sediments provide the fluid pathway for the dense brines to migrate laterally towards the lowest regions of the basin. The oxidized terrigenous sediments also provide the metal source for brines that form sedex deposits. As the brines migrate, metals are scavenged and transported in the brine as chloride complexes. Oxidized syn-rift sediments buffer mineralized material fluids to compositions amenable to metal scavenging because they are low in organic carbon and high in reactive iron.

At the Empire State Mine, the clastic sequence may be represented in the Popple Hill Gneiss, which underlies the Upper Marble Formation. The Lower Marble Formation, which underlies the Popple Hill Gneiss, also includes some clastic members. The original extent and thickness of the clastics is difficult to determine because the

Grenville Supergroup is allocthonous; the rocks have been thrust out of depositional position and extensively deformed.

Tectonic and Sedimentary Structure

At the Empire State Mine, intense metamorphism has obliterated the more subtle sedimentary features that characterize sedex deposits, and post-depositional deformation has overprinted tectonic features.

Deposition of Sulphides

Dense brines exhaled onto the basin floor tend to pool in bathymetric lows. These lows occur in deeper distal basin facies, which tend to be anoxic. The distal facies is typically represented by fine-grained clastic sedimentary rocks like shale. H_2S is generated in this depositional environment by bacterial sulphate reduction. Bacteria living in the highly carbonaceous distal sediments or thermal vents oxidize the organic compounds in the shale while reducing sulphate from sea water to generate H_2S. The H_2S reacts with the pooled brines and precipitates the contained metals as zinc sulphide (sphalerite, (Zn,Fe)S)) and lead sulphide (galena, (PbS)). Another possible mode of generation of H_2S is by thermogenic reduction of organic matter. The Empire State Mine deposits occur in proximal facies rocks as opposed to third-order basin distal facies rocks, which is at variance with the sedex model. The Upper Marble does contain a pyritic schist unit underlying the marble units that contain zinc deposits.

Sedex deposit formation may be limited to Proterozoic and Phanerozoic time since marine sulphate (SO_4^{2-}) likely did not exist prior to the accumulation of oxygen in the atmosphere. The Empire State Mine was deposited within this timeframe. Sedex deposits may correspond with regional and global anoxic events, which would have helped preserve higher concentrations of organic carbon during transport to anoxic distal basin facies.

Exploration

Regional zinc exploration in the Balmat-Edwards marble belt, as well as the northwest Adirondacks, has been carried out almost exclusively by St. Joe Minerals since the 1960s. Despite the fact that no systematic regional exploration work has been carried out since 1986, five new mineralized bodies were discovered in the district within the last 25 years (three in the Empire State Mine and two in the Hyatt Mine).

Mineral Resource potential of the Balmat-Edwards district is divided into three categories: Empire State Mine, Balmat-Edwards segment and district wide. In the last 19 years alone, including 12 years of limited production, three new mineralized deposits (New Fold, Mahler and NE Fowler) have been discovered in the Empire State Mine.

Past exploration successes indicate that it is possible that several zones remain to be discovered in the Empire State Mine, the Balmat-Edwards segment and throughout the district. The implementation of the new exploration model will greatly increase the likelihood of discovery of new Mineral Resources in the district.

More recent exploration activity included a 21,000 ft diamond drilling program by Hudbay in 2005 along with 435 ft of exploration drifting. This program was aimed at upgrading approximately 400,000 tons of Inferred Mineral Resources to Indicated Mineral Resources.

The zones have been primarily developed during 'in-mineralization' ramping which provides poor access and drill angle for infill and exploration drilling. A lack of exploration budget compounded this issue and resulted in a wide spaced delineation of the Mineral Resource, misinterpretations of localized geometry and high mine dilution rates. Future mine development techniques are currently planned to include ramp development along the footwall of the Mineral Resource, which will provide opportunity for localized infill drilling programs to correct past issues.

In 2008, Geotech Ltd. of Aurora, Ontario flew a helicopter borne VTEM (versatile time domain electromagnetic) geophysical survey over the Adirondack Lowlands of northern New York on behalf of Hudbay. The survey area covered a nominally rectangular area of 58 by 30 mi, including the greater Balmat mining district.

Flight lines were flown on 650 ft line spacing. The geophysical database was forwarded to the geological department at the Empire State Mine for interpretation and anomaly ranking based on correlation of observed physical parameters and deposit characteristics. The interpretative team determined that linear anomalies parallel regional structural fabrics and trends, known pyrite-rich stratigraphic units were readily detected and that anomalies in massive carbonate sequences are, at best, weakly responsive.

The interpretative team also defined the basic ranking criteria to be based on anomalies of "Balmat deposit type mineralization body" sized lengths over two or three parallel flight lines. The anomalies themselves should reflect known geological characteristics, meaning those in areas of carbonate and calc-silicate host rocks should not be as responsive as those in pyrite bearing or graphitic sequences. A series of high quality targets were delineated within and around the district, and additional targets are being developed in conjunction with historical data synthesis.

For information regarding recent drilling and exploration activities, see "General Development and Business of the Company – Recent Developments".

Drilling

Drilling at the Empire State Mine has been exclusively core drilling. SLZ owns a Diamec 262 underground drill using AW-34 size core. Three contract Longyear underground drills that use BQ size core were utilized during the period after 2005. The drillhole database contains 4,317 drill holes completed at various times in the project's history within the Empire State Mine and Edwards Mine areas. Of these holes, a total of 1,605 were drilled from surface and the remaining 2,712 were underground. Most of the holes are peripheral to the current project area. The mineral inventory estimate was calculated using assay values from 633 holes.

The Company believes that core was handled in the following manner by the Empire State Mine geology department of its predecessor during the most recent phase of production. Core was removed from the drill string by the driller and placed in a wooden core box. Wooden blocks were used to mark the ends of individual core runs. The geologist then logged the core and selected and marked the intervals to be prepared for assay samples.

The core was then transported to the surface where the marked assay samples were split. One half split was returned to the core box, the other half split was sent to the assay laboratory.

The geology logs of the drill holes and the assay results are archived as hard copy and entered into a digital database.

Drilling conditions in the Upper Marble Formation are generally very good, and core recovery is typically excellent. Zinc mineralization is visible, and sample intervals are chosen by trained geological staff. Samples are analyzed by a reputable independent assay laboratory.

JDS was not aware of any issues that would negatively impact the accuracy and reliability of drill sample results at the Empire State Mine although the high variability in sample lengths and not sampled within the mineralized zones needs to be reviewed for future work.

When the Empire State Mine was shut down due to low zinc prices in 2008, significant mineralization had been defined by Hudbay. A current mine plan has been prepared for the next phase of mining based on existing drill data. Delineation and exploration drilling could resume from underground drill platforms after the Empire State Mine resumes production.

Drilling Summary

A total of 4,317 diamond drill holes have been completed historically, totalling 2,561,297 ft, as set out in Table 8.

Table 8: Project Drilling by Year

Year	No. Holes	Footage Drilled
Pre-2000	3,811	2,366,540
2000	34	23,684
2001	12	3,539
2004	5	3,143
2005	98	47,312
2006	126	43,907
2007	82	32,165
2008	143	37,438
2009	6	3,567
TOTAL	**4,317**	**2,561,297**

Source: SLZ (2017)

Sample Preparation, Analysis and Security

Historical Sampling

Prior to the 2003 acquisition of the Empire State Mine by Hudbay, all assaying was performed at the Empire State Mine assay laboratory. Fine pulps from the core drilled between the years 1995 and 2000 were stored at the Balmat No. 2 core facility. Pulps were marked with drill hole identification and assay interval.

Assays from these years were not supported by a defined quality assurance/quality control protocol. Hudbay selected 86 fine pulps from this population, representing six Empire State Mine Mineral Resource areas to test for analytical integrity for the 1995 to 2000 drilling. The pulps were packaged inside 5-gallon buckets along with four certified reference standard samples and shipped to the Flin Flon Lab for check analyses. The Flin Flon Lab visually inspected each pulp to assess oxidation and preparation effectiveness with particular attention paid to sample size grading. Zinc assays were completed for each sample.

The Flin Flon Lab reported consistently higher results than those obtained by the Empire State Mine lab. The certified reference standards were all within acceptable limits.

Sampling Post-2005

All drill hole core samples from the 2005 to 2010 diamond drilling were sent to the ALS Chemex Lab in Mississauga, Ontario. The QAQC initiated by HBMS was followed using the protocol set out below.

Blank samples, consisting of material barren of any visible sulphides were inserted into the sample stream before being sent for assay. Every 50th sample the core loggers send to the assay lab is a blank sample from the above material. The sample is consistently placed every 50th, regardless of the type of material sampled previous to the blank one.

The blank samples are considered barren having undetectable limits for base metals. If assay results on the blanks are above three times the detection limit, the assumption is that there has been contamination at the sample preparations stage (primary crusher) due to improper cleaning of equipment between samples. These procedures were not strictly followed with a limited number of blank samples submitted to the laboratory from different sources and assumed by the geologists to be free of zinc mineralization.

This has proven to not be the case, all results are greater than three times the detection limit of 0.01% Zn. JDS recommended further work with blank samples from a common source that can be proven to be free of zinc mineralization.

Samples of known grades certified by Certified Standards Internationally were prepared and purchased from Ore Research and Exploration Pty Ltd. (an Australian company) by HBMS in 2004. HBMS supplied five different grades of material (grab samples) from the mines in the Flin Flon camp that represented at least 90% of the grades encountered at the mines. Ore Research and Exploration Pty Ltd. crushed the samples then calculated the expected grades based on the average of assay results from eight independent lab analyses. Standards are the most important QAQC samples because their expected assay value is known (therefore all subsequent assay results should be very close to this average of eight results value).

All standards come finely crushed in foil packages clearly labeled with the standard type (A-4, B-4, C-4, or E-4). Although these certified standards were prepared for HBMS's specific requirements, the standards were inserted into the mainstream of samples at the Empire State Mine as a QAQC check on the ALS Chemex Lab's assay results.

In 2008, two new standards were prepared by Ore Research & Exploration Pty Ltd. specifically using sulphide reference material from the Empire State Mine: Standards (G-5 & H-5). The standards were certified with round robin assaying at 15 laboratories. The core loggers insert one certified standard per 20th sample. Thus there is good correlation between the assay results from the ALS Chemex Lab and the certified assay value. The exception is 25-May-2008 Assay Certificate SD08050843 where the C-4 & H-5 standards are outside the recommended limits. This assay batch was re-run, including the standards with the re-run results for H-5 acceptable and C-4 now above the recommended limit.

Written procedures from 2005 indicate that duplicates every 20th sample are pulverized and split at the ALS Chemex Lab with the split portion returned to the Empire State Mine, and the samples are then forwarded to the Flin Flon Lab. The Flin Flon Lab assays this split portion and the assay results are compared back to the original assay results from the ALS Chemex Lab.

The duplicates are considered an external independent check on the ALS Chemex Lab results. Additional QAQC checks (July 2005) showed there is a >10% discrepancy between the assay results from the Flin Flon Lab and the ALS Chemex Lab on samples >25% Zn. However, there were not enough samples to draw any definitive conclusions.

A further 23 samples, including six samples >30%, were sent to the Flin Flon Lab in July 2005. The results from these check assays have not been located or if any check assays for the years 2006 to 2010 were sent to the Flin Flon Lab. The effectiveness of this check assay program cannot be evaluated on the limited results from June 22, 2005 and, as such, must rely on the CRM's submitted to the original lab for years 2005-2010.

Density Data

Historically, during operations, the Empire State Mine had assumed a mineralized material bulk density of 0.100 t/ft^3 or a SG of ~3.20. In 2005, a series of tests began to substantiate that assumption. The analytical method used was the 'Archimedes Method' or weight-in-air/weight-in-water.

A collection of 128 samples yielded a regression curve which was then used to estimate SG based on the zinc assay. A possible flaw in that calculation was that the skewed sampling meant that the extreme zinc% outliers may have biased the calculated density and thus the estimated tonnage.

Site personnel continued taking samples for SG and modified the regression curve (with a total of 157 samples) to incorporate gangue minerals (5%-calcite; 40%-diopside; 40%-dolomite; and 15%- quartz).

The database now totals 308 samples, of which 19 are waste or the zone code was not entered (mean SG 3.01). The Empire State Mine staff used the SG conversion to Imperial units T/ft = (SG x 62.4/2000).

JDS believes that the current level of SG testing is adequate for the Mineral Resource estimate, but recommended that testing of all the zones be continued.

Quality Assurance and Quality Control Programs

Hudbay's practice at the Empire State Mine was fully compliant with quality assurance and quality control protocols of the time, and used the preparation and analytical services of certificated commercial laboratories. SLZ staff has continued to follow the protocols which include the insertion of blanks and standards as set out below.

Blank samples are inserted into the assay sample stream at intervals of 50 samples. One of four commercially available certified reference standards is inserted at intervals of 20 samples.

Finally, the analytical laboratory prepares a duplicate pulp for each 20th sample and returns it to the Empire State Mine geology department.

The certified reference standards were obtained from Ore Research and Exploration Pty Ltd. The ALS Chemex Lab was the commercial laboratory used for the 2005 drilling campaign and the 2006 to August 2008 operations period. Exploration done during the 'care and maintenance' years has continued to follow this protocol with samples being sent to the ALS Chemex Lab for assaying.

Adequacy Statement

JDS is of the opinion that these protocols and practices are adequate to ensure the integrity of the assay database.

Data Verification

Verifications by JDS

JDS reviewed the drill hole data set provided which consisted of 4,317 holes from which a subset of 633 were used for the current Mineral Resource estimate. JDS reviewed assay data for all available holes, representing about 95% of the data. Assay values from the database were verified by correlation with original assay certificates and by review of QAQC procedures and results.

SLZ personnel provided JDS with the Empire State Mine digital database and some of the corresponding raw data files (source data) for the validation. Independent consultant geologists were retained by SLZ to work with site staff to clean the Mineral Resource databases of errors and review the sampling data prior to delivery to JDS. JDS reviewed all relevant data and recommended corrections and additions prior to preparing the Mineral Resource estimate. The data subset used for the verification process was selected in an attempt to represent the data spatially and temporally.

Values were compared for direct correlation, record-by-record, between the original source data and the database. The intent of the data validation was to demonstrate a positive correlation between source data and the database covering the data, which establishes reasonable confidence in the data for use in the Mineral Resource estimate.

Data categories reviewed include:

Collar locations: raw collar survey reports were sometimes not available on the written logs, however, the site surveyor was able to provide survey verification from his files. Collar survey data was manually recorded on geology logs for most of the holes, and that data was compared to the collar file in the database. The data recorded on the geology logs appears to be approximate location, not surveyed location, as most are recorded as whole numbers. Wherever noted, collar entries were corrected.

Downhole surveys: raw downhole survey reports were unavailable. Survey data was manually recorded on geology logs under the header "Tro-Pari survey." The Tro-Pari records were compared to the survey file in the database. These tended to match, but the authors observed occasional instances of rounding the depth record to the nearest five ft or dropping a decimal from the dip or azimuth record. Corrections were made as required.

Lithology: scanned paper geological logs were provided, however the database used for the Mineral Resource estimate did not include a geology field, so a review was not performed.

Sample intervals: sample intervals were written on sample bags and recorded by the assay laboratory as part of the sample ID. The intervals on the assay certificates were compared to intervals in the assay field of the database. Three mismatches were identified. These were compared to the geology logs, and it was determined that the assay laboratory made a recording error and the database value was correct.

Assays: original ALS Chemex Lab assay result certificates in digital format for later years 2005-2009 were compared with the database. Mismatches were noted. It appears that the database was not maintained and checked digitally prior to or following mine closure, an error rate of 1.7% was identified, whereby 45 errors were found within a dataset of 2,683 assays. All errors noted were corrected prior to Mineral Resource modelling. Of note were that the holes 1996-F to 2001-F had 'visual' grade estimates only as the original samples were lost during shipment to the lab. Those holes were adjusted to show as not sampled (NS) and not used for estimation purposes. During the site visit, JDS examined several drill core intersections for mineralized intervals and verified that sphalerite (zinc sulfide) mineralization was present in the drill core. JDS collected eight verification samples from previously spilt drill core for personal submittal to ALS Minerals Vancouver BC laboratory on March 1, 2017 . The samples collected were approximately 10cm long to confirm the clearly visible sphalerite mineralization, interbedded waste and assess specific gravity (see Table 9). The sample zinc grade results confirmed the visible sphalerite mineralization noted by JDS and the specific gravity results are within the ranges anticipated by the zinc grades. JDS also visited the underground workings with sphalerite mineralization observed in the Mahler 3830 drift and Mud Pond QD 2730 stope areas.

Table 9: Validation Assays

Sample#	Hole ID	Depth (ft)	Zone	Zn%	SG
933913	2038-F	160	Mud Pond Main	1.82	2.91
933914	2038-F	139	Mud Pond Main	20.60	3.11
933915	1619-F	550	Mahler Main	>30	3.68
933916	2200-F	1346	Waste	0.097	2.85
933917	1847-F	268.5	Mud pond Apron	29.60	3.26
933918	1674-F	356.9	Inter-bedded Waste	0.058	3.10
933919	1578-F	425.9	Mahler Main	3.00	2.84
933920	1573-F	1973	NE Fowler	17.45	3.32

JDS is of the opinion that the drill core procedures with collection of information for inclusion in the drill hole database provided is sufficiently accurate and precise for the Mineral Resource estimation purposes of the Technical Report.

Mineral Processing and Metallurgical Testing

Test Work Summary

A test program was undertaken by Hudbay in 2005 to confirm the processing requirements of selected mineralized material zones from the Empire State Mine Project. These mineralized material zones were selected based on projected tonnage, mineralized material type, and sample availability.

Flotation tests were completed by Hudbay personnel in the Empire State Mine laboratory, under the metallurgical consultant who developed the pHLOTEC flotation process in use at the Empire State Mine since 1984.

As well, an independent consultant performed site reviews to ensure that the program was at FS level requirements and assisted with development of the scope of work, review and analysis of batch test data, supervision of the locked cycle tests and interpretation of results.

The metallurgical testing and operational results from 2006 to 2008 support a zinc recovery of 96% and a zinc concentrate grade of 56% for the re-commencement of operations. No additional metallurgical testing will be undertaken for the current re-opening. The mineralized zones to be mined are a continuation of the mineralization mined from 2005 to 2008.

Mineralized Material Sampling and Representation of Deposits

There are three mineralization types at the Empire State Mine. At the time that metallurgical test work began, the production tonnage and mix in the concentrator of the three types was not available. Accordingly, the test work program was designed to evaluate each mineralization type individually, with the results mathematically combined as appropriate.

Type 1 mineralization make up the bulk of the tonnage (70.2%) for the LOM. Type 1 mineralization is characterized by 600 to 1,200 ppm mercury content and 1.6% to 2.3% iron. Mud Pond and Mahler represent the highest tonnage of Type 1 mineralization and were selected for test work.

Type 2 mineralization is the second largest group in terms of tonnage (23.1%) for the LOM and is characterized by 200 to 300 ppm mercury content and 2.9% to 4.9% iron. Sylvia Lake was the only Type 2 mineralized materials available in quantity and was selected for test work.

Type 3 mineralization represents only 6.7% of total mineralized material, all from the Cal Marble mineralized material body. Type 3 material is characterized by less than 50 ppm mercury and high, relative to the other Empire State Mine mineralized material types, iron (4.8% to 5.9%). The available sample of Cal Marble material was only 18 kg of drill core. As a result, the test regime for Type 3 material was less in comparison to the Type 1 and 2 material.

The test work was split into two phases, phase one concentrated on the Type 1 material that comprises the majority of the tonnage for the current Mineral Resource.

Test Methodology

Flotation test conditions (fineness of grind, reagent regime, and flowsheet) were based on the established operating practices of the Empire State Mine concentrator, optimized as necessary for the particular requirements of the mineralized material zones being tested.

The existing flotation circuit consists of a lead flotation circuit followed by zinc flotation. Lead grades for the mineralization to be mined are only 0.02% and, as such, lead flotation was not included in the test work. The zinc flotation circuit consists of rougher flotation followed by scavenger flotation. The scavenger concentrate returns to the head of the rougher circuit. Rougher concentrate undergoes two stages of cleaner flotation. Cleaner tailings are returned to the previous stage of flotation in the traditional manner.

Kinetic test work indicated that the scavenger concentrate could be combined with the rougher concentrate and sent to the cleaner circuit, in an open circuit manner, with no detrimental impact on grade or recovery. This open circuit roughing approach was used in the locked cycle flotation work.

Tests conducted on Type 1 material concentrated on two variables: mine dilution and grind size. Dilution was selected as a test variable as it was seen as a potential risk given the nature of the deposit and the mining method. High dilution typically results in reduced recovery performance of milling circuits. Mining dilution cases were selected to provide for the projected standard dilution, high dilution, and low dilution.

Fineness of grind was selected as the test variable to ensure that historical concentrator grind was applicable to the new mineralized zones. Tests at different fineness of grind were conducted on the standard dilution case only. Target grinds were selected as standard, coarse, and fine. Standard grind was selected at the historical plant value of 85% passing 210 µm. Coarse grind was selected at 75% passing 210 µm. Fine grind was selected at 95% passing 210 µm.

Flotation material charges were blended from samples of mineralization and waste rock at the mass ratio predicted by the geology department. These charges were subsequently assayed for zinc content. The sample composition was adjusted as required with waste rock or mineralized material to obtain target zinc grades.

Batch flotation tests were conducted to provide kinetic information on each mineralized material zone at the specified dilution and grind. Rougher flotation kinetics, first stage cleaner kinetics, and second stage cleaner kinetics were performed. This kinetic information was used to determine the flotation conditions for locked cycle test work.

Assays

The laboratory atomic adsorption analyzer at the Empire State Mine was used to determine the zinc assays of samples from the test work. Duplicate samples were then shipped to the Flin Flon Lab. Other elements were determined by induced-coupled plasma at the Flin Flon Lab. Zinc in zinc concentrate for the locked cycle work was determined by wet chemical analysis at the Flin Flon Lab.

Metallurgical Forecast

The following factors were considered in the preparation of the metallurgical forecast:

- Locked cycle test results at the Empire State Mine and Lakefield;
- Historical Empire State Mine concentrator performance;
- The proportions of Type 1, Type 2 and Type 3 mineralization in concentrator feed;
- The relative pyrite contents of the three material types; and
- The relative iron contents in sphalerite for the three mineralization types.

The locked cycle grade of 60% was reduced to account for the impact of iron content in sphalerite increasing with Type 2 and 3 mineralized material, increased predicted head grades of iron, and expected plant inefficiencies. This resulted in a predicted grade of 56% Zn.

The locked cycle recovery of 97% was reduced to 96% to account for expected plant inefficiency compared to the test condition. The geological estimate of future lead head grades is low, and therefore the lead circuit will not be run. As such, no recovery penalty was applied for losses of zinc in lead flotation.

Metallurgical Assumptions

- The pHLOTEC process can be used to process mineralized plant feed at the Empire State Mine;
- The sphalerite at the Empire State Mine Type 1 mineralization exhibits fast kinetics at a coarse grind;
- Locked cycle tests on Type 1 mineralization produced an average zinc recovery of 97% to concentrate grading 60% Zn;
- A zinc concentrate grade of 56%, and zinc recovery of 96% are considered to be readily achievable results in the plant; and

- Mine head grade estimates have increased since the completion of the test program. This is assumed to have a favourable impact on metallurgical performance, but has not been taken into consideration in the grade and recovery forecast at this point.

Mineral Resource Estimate

The Mineral Resource statement for the Empire State Mine set out in the Technical Report was prepared in accordance with NI 43-101. The effective date of the Mineral Resource statement is April 6, 2017 and follows the guidelines of the generally accepted CIM "Estimation of Mineral Resource and Mineral Reserves Best Practices" (as adopted on November 23, 2003). Also considered was the "Guidance on Commodity Pricing used in Mineral Resource Estimation and Reporting" adopted by the CIM Council on November 28, 2015. The guidance provides additional clarity on the CIM definition of "reasonable prospects of eventual economic extraction".

The Mineral Resource statement presented in the Technical Report is based on drill data, mining contacts, and the guidance of the on-site personnel that created the Mineral Resource wireframes. The information was reviewed and all work is believed to have been executed in a professional manner based on the standards of care at the time.

In order to determine the quantities of material satisfying "reasonable prospects for economic extraction", the authors of the Technical Report assumed a minimum mining cut-off grade of 6.0% Zn, representing an approximate operating cost of $70/t, a zinc price of $1.00/lb and 96% recovery.

The authors of the Technical Report were unaware of any known environmental, permitting, legal, title, taxation, socio-economic, marketing, political issues that may adversely affect the Mineral Resources presented in the Technical Report.

The authors of the Technical Report were satisfied that the geological modelling honours the current geological information and knowledge. The location of the samples and the assay data are sufficiently reliable to support Mineral Resource estimation.

The authors of the Technical Report considered that the blocks with grades above the cut-off grade satisfy the criteria for "reasonable prospects for economic extraction" and can be reported as a Mineral Resource. Mineral Resources for each of the mineralized zones at the Empire State Mine are summarized in Table 10.

Mineral Resources are not Mineral Reserves and have no demonstrated economic viability. The PEA does not support an estimate of Mineral Reserves, since a pre-feasibility or feasibility study is required for reporting of Mineral Reserve estimates. The Mineral Resource Estimate presented in the Technical Report is based on mine plan tonnage (mine plan tons and/or mill feed). Mine plan tons were derived from the Mineral Resource model described in the Technical Report. Measured, Indicated and Inferred Mineral Resources were used to establish mine plan tons.

Inferred Mineral Resources are considered too speculative geologically to have economic considerations applied to them that will enable them to be categorized as Mineral Reserves, and there is no certainty that all or any part of the Mineral Resources within the PEA mine plan will be converted into Mineral Reserves.

Table 10: Empire State Mine Project – Mineral Resource Estimate

Mineralized Zone	MEASURED		INDICATED		MEASURED & INDICATED		INFERRED	
	tons	**% Zn**	**tons**	**% Zn**	**tons**	**% Zn**	**tons**	**% Zn**
Mahler	400,500	15.89	700,900	15.27	1,101,400	15.50	516,600	15.59
New Fold	68,000	12.75	249,600	11.72	317,600	11.94	539,400	13.97
Mud Pond	336,700	10.40	273,900	10.89	610,600	10.62	392,900	10.70
Other Mineralization	44,900	10.73	83,500	10.16	128,400	10.36	827,100	12.85
Total	850,100	13.19	1,307,900	13.35	2,158,000	13.29	2,276,000	13.37

Notes:
1. **Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all, or any part of the Mineral Resources estimated will be converted into Mineral Reserves.**
2. The underground mining economic analysis used operating costs of $70.00/ton and a commodity price of $1.00/pound at 96% recovery.
3. Mineral Resources are reported 'in-situ' using a cut-off grade of 6% Zn to determine 'reasonable prospects for eventual economic extraction'.
4. Tonnages are reported to the nearest 100 tons, and grades are rounded to the nearest two decimal places.
5. Rounding as required by reporting guidelines may result in apparent summation differences between tons, and grade.
Source: Tuun (2017)

Mining Methods

The Empire State Mine deposit is proposed to be mined using four underground mining methods, based on the geometry and the grade of the mineralized zones:

- Longhole stoping, for mining blocks dipping steeper than 45°, which represents about 50% of the mine plan tonnage. This is the preferred mining method from a productivity and operating cost perspective;
- Mechanized cut and fill, for mining blocks with dips of less than 45° and zones not amenable to LH stoping, is more selective and represents about 7% of the mine plan tonnage;
- Modified or stepped room and pillar, for mining blocks with dips of less than 45° and grades, do not warrant the application of a fill to permit multiple panel extraction, representing 11% of the mine plan tonnage;
- Sub-level drift slashing and pillar slashing, for mining blocks which require lateral extension from the sub-level drift to either accommodate long hole drills to drill longhole stopes, or to recuperate remnant pillars left between rooms in the existing workings, representing 19% of the mine plan tonnage; and
- The remaining 13% of the mine plan tonnage comes from sub-level drives, access, and stope cross-cut development.

Un-cemented rock fill will be used as backfill to maximize mining recovery. Where availability of fill material is not present, structural pillars will be left within the mineralization. Approximately 8% of the mineralization targeted for extraction will be left behind as pillars.

The deposit will be accessed from the existing Empire State Mine shaft and level development, which is extensive. On level, access ramps will be driven at maximum grade of 15% at a 15 ft x 17.5 ft profile to accommodate 40-ton haul trucks.

Level spacing is variable up to a maximum of 70 ft. Mineralized zone development will be driven using a 13 ft x 13 ft profile.

The Empire State Mine requires drift rehabilitation and utility refurbishments, as well as mobile equipment servicing. These activities commenced in March of 2017 with completion scheduled for end of July.

The initial mine design was based on basic assumptions to generate lower limits for cut-off grades ("**COG**") for the planned mining methods. A value of 6.0% Zn was determined as the COG for mining. These COGs were used to design initial mining shapes. An incremental COG of 2.0% Zn was applied to mined development material which covers costs for processing and administration only.

The PEA mine plan focusses on accessing and mining higher operating margin material early in the mine life. As such, the plan commences with the mining of Mahler, Mud Pond, and New Fold, followed by Cal Marble, Davis, and NE Fowler. The mine production rate is targeted to maximize utilization of existing equipment while maintaining ventilation limits. Production rates start at 800 t/d and grow to 1,800 t/d with an average 1,465 t/d over the LOM.

Mining recovery and dilution factors were applied to each mining shape based on the mining method used. The PEA production plan for the Empire State Mine is summarized in Table 11.

The Company is basing its production decision on the PEA and not on a feasibility study of Mineral Reserves demonstrating economic and technical viability and, as a result, there is increased uncertainty and there are multiple technical and economic risks of failure associated with this production decision. These risks, among others, include areas that are analyzed in more detail in a feasibility study, such as applying economic analysis to Mineral Resources and Mineral Reserves, more detailed metallurgy and a number of specialized studies in areas such as mining and recovery methods, market analysis, and environmental and community impacts. The PEA is preliminary in nature, uses Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves, and there is no certainty that the results of the PEA will be realized. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all, or any part of the Mineral Resources estimated will be converted into Mineral Reserves.

Table 11: Mine Production Schedule

	Unit	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Total
Mine Plan Tonnage	kt	276	639	657	657	657	657	553	183	**4,278**
Production Rate	t/d	756	1,751	1,800	1,795	1,800	1,800	1,514	499	**1,630**
Zn Grade	%	9.5	8.2	10.9	10.1	9.3	10.5	6.5	5.9	**9.2**
Zn Tons	kt	26	52	72	66	61	69	36	11	**394**
Lateral Development (Excl. Rehab)	ft ('000)	12	17	27	23	19	23	38	5	**165**
Vertical Development	ft	96	79	330	370	93	146	92	56	**1,261**
Waste Fill	ft^3 ('000)	2.7	6.5	6.1	4.2	4.4	3.4	4.0	1.1	**32.4**

Source: JDS (2017)

Approximately 50% of the mine plan tons are Inferred Mineral Resources and 80% of the mine plan in the first two years is sourced from Measured and Indicated Mineral Resources.

Process Description/Recovery Methods

Mineralized material mined from the Empire State Mine deposits will be processed at the existing concentrator that was commissioned in 1970 and last shut down in 2008. The existing plant flotation circuit consists of a lead flotation circuit followed by zinc flotation. Lead grades for the mill feed material will be less than 1% and, as such, a lead concentrate will not be produced.

The concentrator flowsheet includes crushing, grinding, sequential lead and zinc flotation circuits, concentrate dewatering circuits, and loadout facilities.

The zinc flotation circuit consists of rougher flotation followed by scavenger flotation. The scavenger concentrate returns to the head of the rougher circuit. Rougher concentrate undergoes two stages of cleaner flotation. Cleaner tailings are returned to the previous stage of flotation in the traditional manner.

The nameplate capacity of the concentrator is 5,000 t/d. Throughout the history of the Empire State Mine Project, the capacity of the concentrator has exceeded that of the mines. The traditional operating strategy has been to operate the concentrator at its rated hourly throughput of 200 to 220 t/h, but for only as many hours as necessary to suit mine production. In the last full year of production (2008), the concentrator was operated at 25% of the total available hours in the year.

Similar to past operations at the Empire State Mine, mine production rates will not be able to sustain the fulltime use of the concentrator. A single ten-hour shift will operate four days per week to process mill feed at an equivalent operating rate of 5,000 t/d.

All major circuits in the Empire State Mine concentrator have been reviewed by JDS to ensure they are suitable to process the design throughput. The concentrator will require minimal work to be placed back into operation.

In general, JDS' recommended approach to re-starting the Empire State Mine concentrator is to:

- address all obvious and potential safety issues first;
- test all electrical systems for integrity. Many of the electrical control components are likely obsolete and this is an area of risk;
- replace the rod mill liners plus any parts that were known to be worn out when the concentrator was shut down;
- disassemble the cone crusher and fully inspect it prior to recommissioning;
- do a complete lubrication tour and preliminary mechanical inspection of all equipment;
- do a water test to check operation of pumps and flotation cells, etc.;
- do one or more waste runs to test crusher and grinding circuit operation;
- start concentrator on feed when all critical problems identified in testing have been fixed; and
- bring in third party technicians to recommission the on-stream analyzer.

Project Infrastructure and Services

General Site Arrangement

The general site arrangement is depicted below. No modifications to the site layout have been made since mine closure in 2008.

Empire State Mine Project General Site Arrangement

Source: JDS (2017)

Roads/Barging/Airstrip/Rail

Access to the Empire State Mine facility is by existing paved state, town and site roads. All access to the mine/mill facility as well as concentrate haulage from the facility is by paved public roads and/or an existing CSX rail short line. The existing facilities at the Empire State Mine are well established and will generally meet the requirements of the planned operations with practically no modifications.

The Empire State Mine site is located adjacent to State Highway 812, approximately 1.5 mi from the junction with State Highway 58. A mile long stretch of Sylvia Lake Road currently handles traffic to and from the site, including truck haulage of concentrate to the Port of Ogdensburg should overseas shipping be used. Road maintenance is carried out by the Town and State Government Department of Highways.

There are currently two entries from Sylvia Lake Road providing access to the site. The main entry gives access to the parking lot and the approach to the office complex and the tailings line entry is the waste truck haulage route to the tailings impoundment. These accesses are adequate and no improvements are planned.

Buildings and Structures

Northeast Construction was the primary contractor for the Empire State Mine shaft and main office facilities. The Empire State Mine shaft was completed in the spring of 1972.

The office complex was completed in the fall of 1971. The mill facility was constructed by Northeast Construction Company starting in April 1970 until its completion in August 1971. The new mill started operations in the spring of 1972.

The Empire State Mine surface infrastructure includes 15 buildings, most of which were constructed in 1969 – 1970, including:

- office complex;
- maintenance and warehouses;
- maintenance vehicle storage, boiler room, and change rooms;
- headframe & hoist house;
- concentrator & concentrate storage;
- maintenance shop;
- storage facilities for timber, tires, electrical, pine oil, warehouse, and miscellaneous; and
- three pump houses for lake water, booster station, and fuel & oil.

The Empire State Mine shaft is adjacent to the mill and accesses zinc mineralization from the 1300, 1700, 2100, 2500 and 3100 levels. All mine plan tons in the PEA will be hoisted from the 3100 level of the Empire State Mine shaft. Assuming a hoisting rate of 200 t/h and an average availability of 19 h/d, the resulting daily hoist capacity is 3,800 t of material.

In JDS' view, the quality of construction is very good. Much of the steel is galvanized and the corrugated siding is heavy and has weathered the elements well. The buildings were well-maintained during the eight-year care and maintenance period between 2008 and 2017.

Power

Power to site is fed by line from Niagara Mohawk's substation at Battle Hill-Empire State Mine #5 circuit. On-site power is distributed to the plant and mine. SLZ owns two portable generators for emergency use. One is a 125 kVA portable used for general 480 V / 220 V / 110 V applications. The other is a 100 kVA portable generator which will run the No. 2 emergency egress hoist. The Company anticipates entering into an agreement with the New York Power Authority to purchase 4MW of electrical power for a period of seven years at a 40% discount from market rates.

Water

Mill process and cooling water (non-potable) for the site will be pumped from the Sylvia Lake pump house to two 100,000 gallon (gal.) each concrete deluge tanks near the concentrate storage building/rail loadout shed. Water will be pumped from the reservoir tanks to the concentrator. Mine water will be pumped from the mill basement sump down the 4" shaft water line to the various mine levels.

Tailings Management Facility

The tailings management facility (the "**TMF**") covers 260 acres approximately 4,000 ft north of the mill. Water from tailings flows through a series of retention ponds before discharge into Turnpike Creek. Discharge is regulated by the NYSDEC under permit NY0001791.

The mineralized materials and waste rock from the development and operation of the Empire State Mine is non-acid-generating due to the alkaline nature of the host rock. The designated surface pads were designed such that any run-off will drain to the concentrator pond. The capacity of this stockpile area, following completion of the embankment elevation described below, will be sufficient for the tonnages in the production schedule. See "Empire State Mine – Mining Methods".

The ultimate capacity of the entire 260-acre TMF has been estimated at 20 Mt of tailing at an embankment crest elevation of 675 ft amsl. This would require additional staged construction to raise the containment embankments. A geotechnical assessment and engineering design is recommended to establish the capacity estimates along with static and seismic stability. Establishing written tailing management plans and systems is also recommended to ensure consistency with design goals and industry best management practices.

The first embankment raise will be needed to fully contain the 4.2 Mt within the current Mineral Resource. This stage of construction will require approximately 445,000 yd of fill to be sourced from either mine waste or other local sources. A preliminary estimate of remaining capacity within the active TP1 and without further embankment construction will be approximately three years of production at 1,600 t/d (1.6 Mt).

While the TMF is classified as a Class D – No Hazard, and there is no visible evidence to suggest otherwise, no design or as-built information exists with the exception of a relatively recent topography map and Google Earth Imagery. It is unknown how the native surface was prepared, what design features were included, what sub-surface conditions existed prior to construction, or the material properties of fill used for construction. At the time of writing the Technical Report, the ground surface was covered by one and a half ft of snow so it was not possible for the authors of the Technical Report to see the embankment surfaces to establish what types of fill were used during construction. The authors of the Technical Report assumed the embankment surface to be a combination of waste rock and tailing as reported by the site manager during the visit and supported by the designs and specifications outlined in the 1960 Joseph Lead Company submission to the NYSDEC.

The area where tails were last deposited shows that the tailing beach is relatively steep with an average slope of ~3.5%. This suggests that the tails dewatered and consolidated rapidly. During past operating periods, tails were discharged directly from the open-ends of two elevated pipelines. The tails surface reaches an elevation of about 968 ft amsl which is 18 ft above the South Dam crest elevation. This demonstrates an ability to "stack" tails due to rapid dewatering. The Company believes there will be ample space in this area for drainage and continued tailing containment.

The TMF and discharge water quality management facilities consist of four contiguous areas:

- TP1 190 acres;
- Tailing Pond #2 ("TP2") 30 acres;
- Reclaimed Tails Area 40 acres; and
- Polishing Ponds 25 acres.

TP1 will be the active area for tailing placement. The south dam is on the upstream side with a crest elevation of 650 ft amsl. It is 55 ft high with a ratio of four horizontal to one vertical or flatter outside slope. The east embankment crest averages 630 ft in elevation and was constructed from waste rock. The present height of fill is approximately five ft above the native ground elevation. The west side abuts rising terrain. The north side is separated from TP2 by a low embankment with a crest elevation of 620 ft. The north end of TP1 is utilized as a settling pond as well as the entirety of TP2. Water will flow from TP1 to TP2 through a culvert in the north embankment.

TP2 will be used as a clarifying pond. It is bounded on the east and west sides by existing topography. The North Dam forms the downstream containment structure with a crest elevation of 618 ft. The downstream toe is submerged beneath a water surface elevation of approximately 595 ft. Flow from TP2 will overflow via a decant tower and pipeline to a series of polishing ponds that make up the rest of the TMF.

The Reclaimed Tails Area abuts TP2 to the east and as the name implies is an area of consolidated and reclaimed tailing.

The polishing ponds will allow additional time for solids to settle and for natural attenuation to improve water chemistry by flow through a passive wet lands system. Water flow will be diverted by a system of dikes that increase flow distance to approximately 4,800 ft. Flow will exit the property boundary at a SPDES discharge point where flow measurements and compliance water quality samples will be taken. To achieve discharge standards, slaked lime will be added at the mill to the combined tailing and mine water flow. At times, sodium sulphide may be added to the flow at TP2.

Tailing and waste rock materials at the TMF are non-acid generating due to the high carbonate content of the host rocks. Volunteer vegetation is evident and continues to naturally revegetate inactive areas of the TMF.

Concentrate Transportation

Roads

A well-maintained system of paved state and county roads surrounds the Empire State Mine, providing a year- round option to transport concentrate to a port or smelter by truck if required. The concentrate loading shed at the Empire State Mine is designed to accommodate truck loading under cover. The existing railcar scale can be reconfigured to weigh trucks to prevent overloading. Traffic on-site can be routed away from the main compound on a dedicated system of haul roads. Delivery of concentrate to the Port of Ogdensburg, a distance of 38 mi, would be undertaken following highways NY-812 N, NY-58 N, US-11 NE and NY-812 N.

Rail Lines

The facilities at the Empire State Mine were originally constructed using rail as the primary transportation mode for delivering zinc concentrate to market. A four track siding as well as a railcar weigh scale are available. A fiberglass gondola cover lift crane is used to place car covers before shipment. A front end loader would be utilized to load gondola rail cars with capacities of 90 t per car.

The primary rail provider from the siding is the CSX. A CSX – New York Ogdensburg Railroad short line arrangement can be utilized for shipment to the Port of Ogdensburg.

The Empire State Mine also has the ability to connect to the rest of the North American rail network, providing access to a number zinc smelters and port facilities.

Sea Ports

The Port of Ogdensburg is located 38 mi northwest of the Empire State Mine and is accessed by paved road or by a short line rail system. The Port of Ogdensburg is the only United States port on the St. Lawrence Seaway. The facility can receive ships of up to a 27-foot draft over a shipping season between April to December. Owned and operated by the Ogdensburg Bridge and Port Authority, the port provides weighing, covered storage, stevedoring services and ship loading services of bulk cargo. There is also 52,000 ft^2 of bulk warehousing. The dock also offers extensive outside storage for bulk concentrate if required. Inside storage is available for approximately 20,000 t of concentrate.

The Ports of Trois Rivieres, Quebec and Quebec City, Quebec are located approximately 230 mi and 310 mi, respectively, northeast of the Empire State Mine and can be easily accessed by truck or rail. These two ports are the primary year-round ports on the St. Lawrence which handle bulk concentrate imports and exports. The facilities can receive ships of up to a 35 ft draft allowing for larger ships for a more efficient transatlantic crossing. The ports provide the full scope of services for bulk cargo trade.

Contracts

No contracts for concentrate sales are in place as of the date hereof.

Environmental Studies, Permitting and Social or Community Impact

Environmental Studies

Since 1915, six zinc mines have operated in the Balmat-Edwards district. Zinc was first produced from the Edwards Mine in 1915 and from the Balmat No. 2 Mine in 1930. The other mines in the district are the Balmat No. 3 Mine, Empire State Mine, Hyatt Mine, and Pierrepont Mine. The only remaining operating mine is the Empire State Mine. The Balmat No. 2 Mine is used for ventilation and as an alternate mine escape route. The other sites are successfully reclaimed and no longer subject to permit or financial assurance obligations. The Company does monitor the sites routinely as part of its ongoing management practices.

The waste rock and tails is non-acid generating so there are no issues or concerns with material reactivity. In the Technical Report, JDS recommended a geotechnical review and designs for expansion are recommended for the TMF. Also, a tailing management plan should be developed in conjunction with the expansion design to ensure future water quality discharge parameters remain in compliance as additional tailings are planned to be deposited in the TMF and to ensure continuity of operation due to management succession.

Water is discharged from the TMF as a point source to surface waters under a New York State Pollutant Discharge Elimination System permit. Water quality parameters are in compliance with surface water discharge permits.

Permitting

To the extent known, all permits required to operate the Empire State Mine are active and in place. Additionally, there are not any other significant factors or risks that may affect access, title, or the right or ability to perform work on the Empire State Mine Project.

Permits have remained active for mining at the Empire State Mine since the previous operating periods. No environmental studies are underway at this time, nor are any required for the re-start of this existing fully permitted mine. The site is well managed and is in compliance with all environmental regulatory requirements.

Environmental permits required for operation of the Empire State Mine are set out in Table 3. See "Property Description and Location – Permitting Requirements".

Closure

The NYSDEC has accepted the reclamation completed at four of the sites and released them from the permit requirements as of November 2003. The NYSDEC has reviewed the reclamation at the Hyatt mine tailings and mine sites and the Pierrepont Mine site and has released the reclamation bonds posted for these areas. No further work is required.

The Balmat No. 2 Mine site has been partially reclaimed. The Balmat No. 2 shaft serves as secondary access to the underground operations at the Empire State Mine and will be included in the final reclamation of the Empire State Mine and concentrator complex. The Empire State Mine and mine tailings reclamation is assured with a $1,662,870 certificate of deposit.

Social and Community Factors

The Empire State Mine is an established facility and the Company believes it is well accepted in the surrounding community. There are no known issues with social or community relations that currently would affect mining operations.

In the interval since the Empire State Mine suspended operations in 2008, much of the labour force has left the area, so skilled mine workers will need to be hired from outside the region.

Capital Cost Estimate

Estimated project capital costs total $69,200,000, consisting of the following distinct stages:

- **Initial Capital Costs** – includes all pre-production costs to replace, repair and upgrade the infrastructure and Mineral Resource to an 1,800 t/d operation. Initial capital costs total $10,700,000 and are expended over a five-month construction and commissioning period; and
- **Sustaining Capital Costs** – includes all costs related to the acquisition, replacement, or major overhaul of assets during the mine life required to sustain operations.

The capital cost estimate was compiled using a combination of quotations, labour rates and database costs.

Table 12 presents the capital estimate summary for initial, sustaining, and closure capital costs in the first quarter of 2017 using 2017 United States dollar input costs.

Table 12: Capital Cost Summary

Area	Pre-Production (M$)	Production (M$)	LOM (M$)
Mining	5.3	40.4	45.7
Mineral Processing	1.1	0.7	1.8
Tailings Management	0	4.7	4.7
Infrastructure	0.8	0	0.8
Indirect Costs Incl. EPCM	0.4	0.2	0.5
Owners Costs	0.1	0.1	0.2
Closure Costs	0	11.9	11.9
Salvage Value	0	-4	-4
Subtotal Pre-Contingency	7.6	53.9	61.6
Contingency	1	4.6	5.6
Subtotal	8.6	58.5	67.2
Capitalized OPEX	7.6	0	7.6
Revenue Credit	-5.5	0	-5.5
Total	**10.7**	**58.5**	**69.2**

Source: JDS (2017)

The following key parameters apply to the capital cost estimates:

- **Estimate Class**: The capital cost estimates are considered Class 4 estimates (-20%/+30%);
- **Estimate Base Date**: The base date of the estimate is February 1, 2017. No escalation has been applied to the capital cost estimate for costs occurring in the future;
- **Units of Measure**: The International System of Units is used throughout the capital estimate;
- **Currency**: All capital costs are estimated in United States dollars

An overall contingency of 10% was applied to the LOM capital costs of the project. LOM project contingency is $5,600,000.

The Company is basing its production decision on the PEA and not on a feasibility study of Mineral Reserves demonstrating economic and technical viability and, as a result, there is increased uncertainty and there are multiple technical and economic risks of failure associated with this production decision. These risks, among others, include areas that are analyzed in more detail in a feasibility study, such as applying economic analysis to Mineral Resources and Mineral Reserves, more detailed metallurgy and a number of specialized studies in areas such as mining and recovery methods, market analysis, and environmental and

community impacts. The PEA is preliminary in nature, uses Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves, and there is no certainty that the results of the PEA will be realized. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all, or any part of the Mineral Resources estimated will be converted into Mineral Reserves.

Site Operating Cost Estimate

Preparation of the operating cost estimate is based on the JDS philosophy that emphasizes accuracy over contingency and utilizes defined proven project execution strategies. The estimate was developed using first principles and applying direct applicable project experience, and avoiding the use of general industry factors. The operating cost is based on owner-owned and operated mining/services fleets, and minimal use of permanent contractors except where value is provided through expertise and/or packages efficiencies/skills.

Site operating costs include mining, processing and general and administrative costs. Site operating costs are set out in 2017 United States dollars on a calendar year basis. No escalation or inflation is included.

The Company is basing its production decision on the PEA and not on a feasibility study of Mineral Reserves demonstrating economic and technical viability and, as a result, there is increased uncertainty and there are multiple technical and economic risks of failure associated with this production decision. These risks, among others, include areas that are analyzed in more detail in a feasibility study, such as applying economic analysis to Mineral Resources and Mineral Reserves, more detailed metallurgy and a number of specialized studies in areas such as mining and recovery methods, market analysis, and environmental and community impacts. The PEA is preliminary in nature, uses Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves, and there is no certainty that the results of the PEA will be realized. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all, or any part of the Mineral Resources estimated will be converted into Mineral Reserves.

Table 13: Breakdown of Estimated Site Operating Costs

Site Operating Costs	**Unit Cost ($/t milled)**	**LOM (M$)**
Mining	42.27	180.9
Processing	8.89	38
General and Administrative	9.6	41.1
Total	**60.77**	**260**

Source: JDS 2017

Economic Analysis

Introduction

JDS developed an engineering economic model to estimate annual cash flows and sensitivities of the project. Pre-tax estimates of project values were prepared for comparative purposes, while after-tax estimates were developed and are likely to approximate the true investment value. It must be noted, however, that tax estimates involve many complex variables that can only be accurately calculated during operations and, as such, the after-tax results are only approximations.

Sensitivity analyses were performed for variations in grade, metal price, site operating costs, capital costs, and discount rates to determine their relative importance as project value drivers.

Table 14: Sensitivity Results

Variable	Pre-tax NPV @ 8% (M$) -20% Variance	Pre-tax NPV @ 8% (M$) 0% Variance	Pre-tax NPV @ 8% (M$) 20% Variance	Post-tax NPV @ 8% (M$) -20% Variance	Post-tax NPV @ 8% (M$) 0% Variance	Post-tax NPV @ 8% (M$) 20% Variance
Price	98	216	335	65	150	232
CAPEX	227	216	205	161	150	139
OPEX	253	216	179	176	150	122
Grade	108	216	324	75	150	223

Source: JDS (2017)

Table 15: Discount Rate Sensitivities

Discount Rate (%)	Pre-Tax NPV (M$)	After-Tax NPV (M$)
0	294.9	206.3
8	216.2	149.8
10	200.9	138.8

Source: JDS (2017)

The estimates of capital and site operating costs have been developed specifically for the Empire State Mine and are summarized in "Capital Cost Estimate" and "Site Operating Cost Estimate" above. The economic analysis has been run with no inflation (constant dollar basis).

The mill head grades are based on sufficient sampling that is reasonably expected to be representative of the realized grades from actual mining operations.

The Company is basing its production decision on the PEA and not on a feasibility study of Mineral Reserves demonstrating economic and technical viability and, as a result, there is increased uncertainty and there are multiple technical and economic risks of failure associated with this production decision. These risks, among others, include areas that are analyzed in more detail in a feasibility study, such as applying economic analysis to Mineral Resources and Mineral Reserves, more detailed metallurgy and a number of specialized studies in areas such as mining and recovery methods, market analysis, and environmental and community impacts. The PEA is preliminary in nature, uses Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves, and there is no certainty that the results of the PEA will be realized. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all, or any part of the Mineral Resources estimated will be converted into Mineral Reserves.

LOM Summary and Assumptions

Table 16 sets out the parameters and assumptions pertinent to the eight year LOM that were used in the economic analysis.

Table 16: LOM Plan Summary

Parameter	Unit	Value
Mine Life	Years	8
Plant Feed Material	Mt	4.3
Throughput Rate	t/d	1,465
Average Head Grade	%Zn	9.2
LOM Recovered Zinc	LOM, Mlbs	756
Average Annual Zinc Production	Mlbs	95

Source: JDS (2017)

Other economic factors include the following:

- Discount rate of 8%;
- Closure cost of $11.93 M were included;
- Nominal 2017 dollars;
- Revenues, costs, taxes are calculated for each period in which they occur rather than actual outgoing/incoming payment;
- All costs and time prior to construction decision considered sunk;
- Results are presented on 100% ownership basis; and
- No management fees or financing costs (equity fund-raising was assumed).

Based on the information contained in the Technical Report, the Company believes that the Empire State Mine will have an average LOM C1 Cost of $0.69 per pound of payable zinc and an average LOM AISC of $0.78 per pound of payable zinc. These amounts are derived from the information contained in the Technical Report as set out below.

The Company is basing its production decision on the PEA and not on a feasibility study of Mineral Reserves demonstrating economic and technical viability and, as a result, there is increased uncertainty and there are multiple technical and economic risks of failure associated with this production decision. These risks, among others, include areas that are analyzed in more detail in a feasibility study, such as applying economic analysis to Mineral Resources and Mineral Reserves, more detailed metallurgy and a number of specialized studies in areas such as mining and recovery methods, market analysis, and environmental and community impacts. The PEA is preliminary in nature, uses Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves, and there is no certainty that the results of the PEA will be realized. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all, or any part of the Mineral Resources estimated will be converted into Mineral Reserves.

Table 17: Cash Cost Reconciliation

CASH COST RECONCILIATION		**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Year 6**	**Year 7**	**Year 8**	**LOM**
Site Operating Costs	$M	26.2	38.1	35.1	36.0	34.9	34.5	35.1	20.2	260.0
Treatment and Transport Charges	$M	12.0	22.1	32.6	31.6	27.1	32.8	15.7	6.2	180.0
Royalties	$M	0.1	0.3	0.4	0.4	0.3	0.3	0.1	0.1	2.0
Total Cash Costs	$M	38.3	60.5	68.1	67.9	62.2	67.6	50.9	26.5	442.0
Payable Zinc Produced	M lbs	42.8	78.9	116.3	112.7	96.8	117.2	56.0	22.1	642.8
Cash Cost Per Pound	$/lb	0.90	0.77	0.59	0.60	0.64	0.58	0.91	1.20	0.69

Table 18: LOM AISC Reconciliation

LOM AISC Reconciliation	**LOM (M$)**(1)
Approximate LOM Total Cash Costs	442
Approximate LOM Sustaining Capital	51
Approximate Closure Costs	8
Approximate LOM AISC	501
Approximate LOM Zn Payable Production	642.8
Total LOM Cash Costs Per Pound	**$0.78**

Notes:

(1) Other than per pound information

Results

In JDS' view, at this preliminary stage, the Empire State Mine is economically viable with an after-tax IRR of 121% and an after-tax NPV of $150 million at an 8% discount rate using a zinc price of $1.25 per pound for year one of operations, $1.45 per pound for year two, $1.40 per pound for year three, $1.35 per pound for year four, $1.20 per pound for year five and $1.05 per pound for years six through eight of operations, and an exchange rate of Cdn$0.78 per $1.00.

Table 19 summarizes the Net Operating Income for the Empire State Mine as set out in the PEA, and reconciles such amounts with IFRS measures.

Table 19: Net Operating Income Reconciliation

NET OPERATING INCOME <u>RECONCILIATION</u>		**<u>Year 1</u>**	**<u>Year 2</u>**	**<u>Year 3</u>**	**<u>Year 4</u>**	**<u>Year 5</u>**	**<u>Year 6</u>**	**<u>Year 7</u>**	**<u>Year 8</u>**
Revenue	US$M	53.5	114.5	162.8	152.2	116.1	123.1	58.8	23.3
Less: Treatment and Transport Charges	US$M	(12.0)	(22.1)	(32.6)	(31.6)	(27.1)	(32.8)	(15.7)	(6.2)
Net Smelter Return (excluding Royalties)	US$M	41.5	92.3	130.2	120.6	89.0	90.2	43.1	17.0
Less:									
Royalties	US$M	(0.1)	(0.3)	(0.4)	(0.4)	(0.3)	(0.3)	(0.1)	(0.1)
Site Operating Costs	US$M	(26.2)	(38.1)	(35.1)	(36.0)	(34.9)	(34.5)	(35.1)	(20.2)
Net Operating Income	US$M	15.2	53.9	94.7	84.3	53.9	55.4	7.9	(3.2)

Table 20 summarizes the economic results.

Table 20: Summary of Results

Summary of Results	Unit	Value
Mine Life	Years	8
Quantity Mined	Mt	4.278
Throughput Rate, LOM	t/d	1,465
Average Head Grade	%	9.2
	LOM Mlbs	756
Zinc Recovered	Mlbs/annum	95
NSR (net of Royalties)	LOM $M	622
	LOM $M	260
Site Operating Costs	$/payable lb zinc	0.69
	$/T processed	60.77
Pre-Production Capital (excluding contingency)	$M	9.7
Pre-Production Contingency	$M	1.0
Total Pre-Production Capital	$M	10.7
Sustaining & Closure Capital	$M	53.9
Sustaining & Closure Contingency	$M	4.6
Total Sustaining & Closure Capital	$M	58.5
Total Capital	$M	69.2
Working Capital	$M	6.5
	LOM $M	299.4
Pre-Tax Cash Flow	$M/annum	37.6
Taxes	$M	88.6
	$M	210.7
After-Tax Cash Flow	$M/annum	26.5
Pre-Tax NPV8% Discount	$M	216
Pre-Tax IRR	%	153
Pre-Tax Payback	Years	1.2
After-Tax NPV8% Discount	$M	150
After-Tax IRR	%	121
After-Tax Payback	Years	1.3

Source: JDS (2017)

The Company is basing its production decision on the PEA and not on a feasibility study of Mineral Reserves demonstrating economic and technical viability and, as a result, there is increased uncertainty and there are multiple technical and economic risks of failure associated with this production decision. These risks, among others, include areas that are analyzed in more detail in a feasibility study, such as applying economic analysis to Mineral Resources and Mineral Reserves, more detailed metallurgy and a number of specialized studies in areas such as mining and recovery methods, market analysis, and environmental and community impacts. The PEA is preliminary in nature, uses Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves, and there is no certainty that the results of the PEA will be realized. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all, or any part of the Mineral Resources estimated will be converted into Mineral Reserves.

Project Development

Titan has commenced some mine rehabilitation activities at the Empire State Mine. See "General Development and Business of the Company – Recent Developments".

Interpretations and Conclusions

The Empire State Mine began operating over 100 years ago from 1915 and has a proven track record of continued exploration success. It is also a past producer with demonstrated production rates and recoveries well within the planned re-commencement parameters.

During production from 1998 to 2008, over 17 kt of zinc was mined. Like most underground mines, the Mineral Resource is development limited and, as additional development work is completed, the Mineral Resources grow accordingly. The PEA mine plan tonnage is estimated at 4.3 Mt at 9.2% Zn based on a mine life of eight years.

Mine and mill refurbishments require minor capital expenditure, and much of this work has already commenced including underground drift rehabilitation and shaft servicing.

JDS concluded that the PEA summarized in the Technical Report contains adequate detail and information to support the positive economic result. The PEA proposes the use of industry standard equipment and operating practices. As of the date of the Technical Report, JDS was not aware of any fatal flaws for the Empire State Mine.

The Company is basing its production decision on the PEA and not on a feasibility study of Mineral Reserves demonstrating economic and technical viability and, as a result, there is increased uncertainty and there are multiple technical and economic risks of failure associated with this production decision. These risks, among others, include areas that are analyzed in more detail in a feasibility study, such as applying economic analysis to Mineral Resources and Mineral Reserves, more detailed metallurgy and a number of specialized studies in areas such as mining and recovery methods, market analysis, and environmental and community impacts. The PEA is preliminary in nature, uses Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves, and there is no certainty that the results of the PEA will be realized. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all, or any part of the Mineral Resources estimated will be converted into Mineral Reserves.

Risks

The most significant potential risks associated with the Empire State Mine that were identified by JDS are commodity prices, uncontrolled dilution, mineral recovery, operating and sustaining capital cost escalation, ventilation limitations, Inferred Mineral Resource confidence, and unforeseen schedule delays. JDS is not aware of any significant risks and uncertainties that could be expected to affect the reliability or confidence of the Mineral Resource and production estimates contained in the Technical Report. The Company has identified a number of risks associated with its business and the Empire State Mine. See "Risk Factors – Risks Related to the Company's Business".

Opportunities

Mine production may be limited by the ability to ventilate the underground workings. As such, there is opportunity in investigating alternate hauling methods that reduce or eliminate the diesel particulates produced from traditional diesel powered truck haulage. Railveyor and electric motor technology has become a viable source for underground haulage that does not rely on diesel engines and may provide the ability to meet and/or exceed the estimated production rate proposed in the Technical Report.

Dilution is important to manage in any mining operation, and especially so in narrow Mineral Resources. The implementation of grade control geologists on shift with electronic survey and mapping software provides an opportunity to better control the excavations and follow the mineralization.

The dark mineralization hosted within a light dolomitic rock may lend itself to optical sorting technology, which could provide an increase to mill feed head grade while simultaneously providing a source of crushed waste rock for cemented and un-cemented backfill. A sorted mill feed may additionally permit a lower mine cut-off grade which could increase the Mineral Resources with the PEA mine plan without additional exploration.

The Mineral Resource potential has not been fully defined and, as such, there is opportunity for Mineral Resource expansion. The Empire State Mine historically operated with little definition drilling in comparison to greenfield exploration properties. Much reliance was placed on the ability to follow the Mineral Resource through mine development for the replacement of Mineral Reserves. Additional exploration drilling may yield high returns in the discovery and upgrade of additional Mineral Resources.

Opportunities may exist to improve the mill feed grades by detailing level designs and identifying pillar locations upon completion of geotechnical analysis. Detailed production schedules integrating backfill schedules may provide opportunities to reduce the volume of structural pillars currently planned to be left within the Mineral Resource.

The Company is basing its production decision on the PEA and not on a feasibility study of Mineral Reserves demonstrating economic and technical viability and, as a result, there is increased uncertainty and there are multiple technical and economic risks of failure associated with this production decision. These risks, among others, include areas that are analyzed in more detail in a feasibility study, such as applying economic analysis to Mineral Resources and Mineral Reserves, more detailed metallurgy and a number of specialized studies in areas such as mining and recovery methods, market analysis, and environmental and community impacts. The PEA is preliminary in nature, uses Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves, and there is no certainty that the results of the PEA will be realized. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all, or any part of the Mineral Resources estimated will be converted into Mineral Reserves.

Recommendations

Based on the PEA results, JDS recommended that the Company proceed with project advancement. The following items were recommended by JDS for Mineral Resource upgrade, project optimization, and confirmation of design parameters used in the PEA:

- Infill drilling from underground, channel sampling, and re-assay of existing drill holes to gain resolution and accuracy of the Mineral Resource and to upgrade the Mineral Resource classification of Inferred material;
- Surface exploration drilling program to add Mineral Resources and convert more of the Inferred Mineral Resource base to Measured and Indicated Mineral Resource classification;
- 3D Litho-stratigraphic modelling of the region and mine areas has been inadequate. Approximately as much as 50% of the historic mine workings and geology mapping remain in the form of linen sections and plans hard copies. It is recommended to digitize these plans into electronic format so that remnant Mineral Resource potential can be evaluated, as well as to be aware of old workings for safety, rehabilitation, security, etc.;
- Establish a true 3D underground mapping and in-field data collection, using photogrammetric surveying to complement and fine-tune diamond drilling mineralized solids, and provide increased ability to perform Mineral Resource and production reconciliations;
- Evaluate geotechnical conditions of long hole stoping to support the stope and pillar dimensions used in this PEA, and to provide guidance on ground support requirements;
- Conduct optical sorting test work to test the ability for separating mineral from waste before entering the mill facility. Perform an integration study to assess how the system would impact the Empire State Mine and the logistics of application; and
- Investigate alternate haulage methods such as the Railveyor for replacement of diesel powered haul trucks.

Table 21 includes the cost for the recommended further definition drilling and engineering field and test programs.

Table 21: Definition Drilling and Engineering Field and Test Programs

Item	Cost ($)
Infill drilling (underground)	1,000,000
Surface exploration drilling	4,300,000
3D lithology Model	50,000
Digitize geology maps and survey plans	150,000
Updated mine survey	150,000
Geotechnical review	30,000
Sorting test work and integration study	100,000
Alternate haulage investigation (Railveyor)	45,000
Total Estimate	**$5,825,000**

Source: JDS (2017)

The PEA is preliminary in nature, uses Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves, and there is no certainty that the results of the PEA will be realized.

INDUSTRY OVERVIEW

The information provided in this section relating to the zinc market and its associated metals has been provided for background purposes only. The Company believes that the industry information has been accurately reproduced and, as far as the Company is aware and is able to ascertain from information published by such sources, no facts have been omitted which would render the reproduced information to be inaccurate or misleading.

General Overview

Zinc is one of the most widely used base metals in the world, known for its ability to resist oxidation and corrosion. The metal appears a lustrous bluish-white and holds a number of beneficial physical, electrochemical and chemical properties that allow for it to be used in a variety of applications. Zinc is chemically active and alloys readily with other metals such as copper, aluminum and magnesium. Zinc also reacts readily with iron when used for galvanizing, which imparts desirable characteristics such as strong corrosion resistance and high durability. Zinc is a relatively hard metal with a low melting point, making it and its alloys ideal for die casting while remaining malleable enough to be formed, rolled or extruded, according to the IZA.

According to the IZA, zinc is the 23rd most abundant element contained within the earth's crust (averaging 70 ppm) and is mined in over 50 countries worldwide. Zinc ore bodies are formed in various tectonic environments and at different temperatures and pressures, which causes significant variability in the properties of ore bodies found across the world. Eight main ore body classifications exist to account for this variability: sedex, volcanogenic massive sulfide ("**VMS**"), oxide, carbonate replacement, Mississippi valley type ("**MVT**"), epithermal and mesothermal and other miscellaneous hydrothermal. According to the IZA, the most prevalent of these deposits are sedex, which are critical sources of global zinc supply. Sedex deposits are typically found in sedimentary rocks, particularly shales, with mineralization that exceeds 100 Mmt and with grades of 10% to 20% Zn. VMS deposits are also common and widely distributed across the globe. They tend to be smaller than sedex deposits but often have a higher by-product presence (copper, lead and silver). MVT deposits tend to be smaller and lower grade (2% to 6%), but often occur in clusters within a single district. Few oxide deposits of zinc are known.

Zinc ore is generally extracted as a co-product with other metals, most notably copper, lead, gold and silver. Zinc ores commonly contain approximately 5% to 15% Zn and are most commonly found as the zinc mineral sphalerite, also known as zinc blende. Zinc blende accounts for over 95% of zinc produced globally. According to the IZA, zinc production is sourced from both underground and open pit operations. On a production volume basis, the IZA estimates that underground operations account for 64% of global production, combined underground and open pit operations account for 21% and open pit operations account for 15%.

Once ore is extracted, it is crushed and ground to separate it from other minerals, and is then typically concentrated using the froth floatation method. The IZA estimates that this yields a zinc concentrate containing between 45% and 55% Zn. According to the IZA, the contained zinc can be recovered using either pyrometallurgical or hydrometallurgical techniques, though roughly 90% of zinc is produced using the latter method. The zinc produced by the hydrometallurgical process has the advantage of being high grade (99.99% Zn), whereas a further distillation process is needed to achieve this grade from the pyrometallurgical technique. However, the pyrometallurgical technique may be used on a wide range of materials, particularly mixed zinc-lead bulk concentrates. Zinc metal is marketed in three grades depending on its purity: Special High Grade (99.995% Zn), High Grade (99.99% Zn) and Good Ordinary Brand (98.5% Zn).

Zinc Supply and Uses

Table 22: Global Refined Zinc Supply and Usage (kmt)

Market Balance	2012	2013	2014	2015	2016	2017			
						Jan	Feb	Mar	Apr
Mine Zinc Production	12,892	13,045	13,499	13,581	12,837	1,085	1,045	1,064	1,075
Refined Zinc Metal Production	12,607	13,004	13,485	13,651	13,711	1,159	1,092	1,130	1,114
Refined Zinc Usage	12,378	13,160	13,735	13,462	13,856	1,159	1,038	1,202	1,206
Refined Balance - Surplus / (Deficit)	229	(156)	(250)	189	(145)	(1)	54	(73)	(92)

Source: ILZSG

Supply

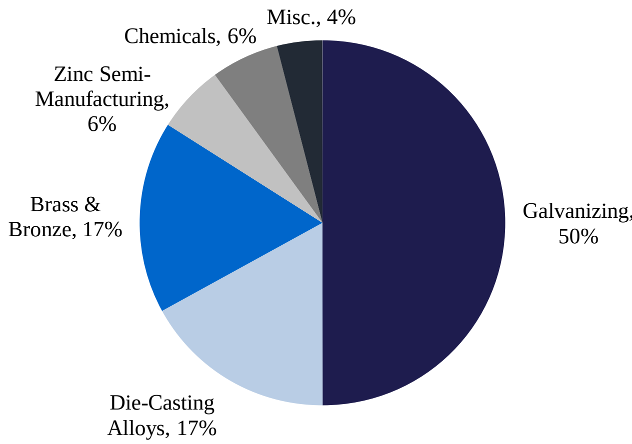
According to the January 2016 United States Geological Survey (the "**USGS**") Zinc Commodity Summary, the vast majority of global zinc supply is sourced from China, though Australia and Peru are meaningful producers as well. According to the USGS, many of the world's largest zinc mines are located in Latin America and the United States, though the largest zinc mineral reserves are in Australia, China and Peru.

As all mines have finite lifespans, new projects must be constantly identified and developed in order to maintain balance in the global zinc markets. However, determining whether or not an identified project can be advanced to production is very complex. While many zinc deposits have been identified as potential sources of future supply, the decision to proceed with production requires the completion of significant geological, financial and environmental diligence. Due to these extensive diligence requirements, new mine production typically requires long lead times.

Commodity fundamentals can also have an impact on currently producing operations. For example, as a result of thin zinc margins through 2015, on October 9, 2015, Glencore PLC announced a 500 kmt per annum cut to zinc production. This represented approximately 4% of refined zinc metal production in 2015, based on the ILZSG global supply estimate for 2015.

Uses

First Uses of Zinc



Source: ILZSG

According to the ILZSG, galvanizing is the predominant first-use for zinc due to its ability to provide a protective barrier against corrosion. Galvanized steel is most commonly used in the automotive industry where it permits automakers to reduce costs and body weight without compromising safety or appearance. Outside of the automotive industry, the alloys Galfan and Galvalume are used in niche markets. Galvalume, a zinc-aluminum alloy comprised of 45% zinc and 55% aluminum, is used in construction to improve corrosion resistance of unpainted surfaces. Galfan is a similar zinc-aluminum alloy, however, it has an additional 5% of aluminum. A benefit of the additional aluminum content is that it has improved formability, making it more useful for architectural purposes than other zinc coatings. While galvanizing has long comprised the largest first use consumption of zinc, China Minmetals Corporation has stated that it has also been the fastest growing area of zinc consumption, heavily driven by China's infrastructure, power and communication boom.

According to the IZA, die-casting alloys are used extensively in the automotive and residential construction sectors with growing demand for use in business machines, toys, bathroom fittings, electrical appliances and domestic appliances. According to the IZA, zinc alloys have traditionally been preferred due to their strength, innate hardness, self-lubricating properties, dimensional stability, and excellent thermal and electrical conductivity. As such, zinc die-cast alloys are the second most common first-use of zinc globally, according to the ILZSG. Recent advances in technology have also led to new zinc-based materials, such as zinc foams, that can be die-cast in ordinary die-casting machines at the same price as conventional zinc die-castings, but result in parts that are approximately 30% to 50% lighter. The Company believes innovative materials such as these will drive zinc's continued usage in the automotive industry as companies look to reduce vehicle weight to achieve greater fuel economy.

Brass is an alloy of copper and zinc, usually made up of 65% copper and 35% zinc, though the exact mix depends on the desired properties of the alloy. Brass is cheap and easy to produce but attracts a high price as it can be cast, forged, and formed into sheets, wires and rods. Due to its high tensile and yield strength, brass is also machineable and therefore can be used to produce complex shapes. Brass is widely used in hydraulic and electrical components due to its conductivity, non-magnetic propensity and corrosion resistance. It is also used widely in the plumbing industry to create complex and durable pipes and joints, as well as in the automotive industry as a component of fuel, electric and braking systems.

Zinc is also used in chemicals, such as zinc oxide. According to the IZA, zinc oxide is primarily used as a vulcanizing activator in the rubber industry, where it is critical to the production of tires. Zinc oxide is also widely used in ceramics, where it is used to produce frits, artistic glasses and enamels. Other uses for zinc oxide include as a pigment in paints and as an ingredient in sunscreen, baby creams and wound-care ointments. One potential future growth area for the use of zinc is as a micro-nutrient in fertilizers. According to the IZA, research shows that the addition of zinc can lead to a significant boost in crop yields, which has the potential to dramatically increase zinc consumption if widely adopted.

According to the IZA, the final primary first-use for zinc is in semi-manufacturing of rolled and extruded products. These products are in turn used in a variety of forms across the globe. For example, zinc sheets are commonly used in the building industry as roofing and cladding material, as well as coinage and as battery cans.

According to IZA, the largest end-use sector for zinc is construction, with galvanized steel being used extensively in various infrastructure projects including bridges, electricity transmission towers and lighting poles. According to the IZA, the second most important end-use sector is transport, followed by consumer products and the manufacturing of industrial goods and equipment. In the 2016 edition of its capital projects and infrastructure spending report, PwC forecasted global infrastructure spending to grow at a rate above 4% per annum from 2017 to 2020. The Company believes this growth in infrastructure spending will promote strong demand for zinc.

Zinc Smelting

The most common process used for smelting and refining zinc is hydrometallurgical, commonly referred to as the electrolytic process or RLE. According to the IZA, this technique accounts for over 90% of all concentrate treated globally. The other technique in use is pyrometallurgical, which includes blast furnace, electrothermic and vertical retort smelting and refining.

Smelters and miners have ongoing relationships (where not vertically integrated) and will continuously negotiate private contracts at a variety of rates. Smelters purchase concentrate under annual or multi-year tonnage based contracts, but will also purchase concentrate on the spot market in order to fill their plants should supply be limited. Smelters may also treat secondary feed materials such as zinc oxides. Based on the public filings of major smelting operations, under a typical commercial smelting contract, the smelter pays the seller for 85% of zinc contained in concentrate and receives any metal above that recovery, known as free metal.

Treatment charges are paid by the concentrate seller as a charge for the treatment of the zinc concentrates, typically quoted in United States dollars per tonne of concentrate. The contract between the smelter and the seller typically provides a base treatment charge at a base zinc price that will escalate and de-escalate as a result of movements in the zinc price over the quotation period, effectively acting as a form of price participation by smelters. These terms are negotiated between the smelter and seller and will fluctuate year to year. In a given year, treatment charges will generally settle around precedents established by major buyers and sellers of concentrate at terms referred to as the benchmark treatment charge. A strong view on supply and demand over a one year time horizon, and therefore zinc price, is essential to these negotiations. A spot treatment charge exists for the sale and purchase of certain parcels of concentrate that become available to the market during the course of a year and can provide an indication of the supply and demand balance for zinc concentrates at a specific point in time. The market for spot treatment charges is much less liquid than the one that exists for benchmark treatment charges.

When the supply of concentrates is low, miners gain bargaining power on pricing. This is currently evidenced by the loss of price participation for zinc smelters, which is a mechanism that allows smelters to see upside when zinc prices move above a basis price and mitigates downside risk to miners if it goes below that basis price. While price participation was not explicitly removed from contracts, price escalators and de-escalators have been set at zero for 2017, an outcome which miners have been negotiating for a long time.

Zinc Price History

Over the past five years, the LME spot zinc price has ranged from a low of $0.66/lb to a high of $1.53/lb. This range is significantly below prices observed in 2006, which peaked at $2.09/lb on November 24, 2006, and which suggests that there is room for price appreciation should fundamentals support a price increase. As a base metal, zinc prices are much more driven by supply and demand fundamentals than trading speculation. Thus, the decline of global zinc inventories over the past few years, which effectively tightened supply, could be perceived as a contributing factor to the rally in zinc prices since the beginning of 2016. Historically, the price of zinc has moved inversely compared to inventory levels and has displayed significant upward increases when inventories reach critical levels, as witnessed in 2006-2007. The Company believes that current market fundamentals are similar to those observed in 2006 and thus expects a meaningful appreciation in the zinc price over the near- to medium-term.

The two main sources of zinc pricing are the LME and the SHFE. The LME official cash price is set through open outcry trading on the floor of the LME. Each metal trades in five minute ring sessions which are said to be representative of global supply and demand. The last bid and offer price quote during the second ring trading session for zinc metal is set as the LME official cash price for zinc for that particular trading day. The SHFE price is representative of the supply/demand balance in China as it is the typical exchange for Chinese commercial transaction.

LME Real Zinc Spot Price Since 2000 ($/lb) (2017 Base Year) vs. LME Zinc Warehouse Stocks (Metric Tonnes of Zinc)

Source: LME and U.S. Federal Reserve

SELECTED CONSOLIDATED FINANCIAL INFORMATION

Titan Mining Corporation

The following table sets out the summary historical consolidated financial information of the Company as of the dates and for the periods presented. The summary historical consolidated financial information for the years ended December 31, 2014, 2015, and 2016 should be read in conjunction with the audited consolidated financial statements of the Company for the years ended December 31, 2014, 2015, and 2016 and related notes included elsewhere in this Prospectus. The summary historical consolidated financial information for the three and six month interim periods ended June 30, 2016 and June 30, 2017 should be read in conjunction with the unaudited interim consolidated financial statements of the Company and related notes included elsewhere in this Prospectus. You should read this data together with the information included under the headings "Non-IFRS Measures", "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations of Titan" included elsewhere in this Prospectus. The financial information of the Company is set out in United States dollars unless otherwise indicated.

	Three months ended June 30,		**Six months ended June 30,**	
	2017	**2016**	**2017**	**2016**
Loss for the period	$3,429,723	$ -	$5,434,342	$ -
Basic and diluted loss per share	0.06	-	0.09	-

	Years ended December 31,		
	2016	**2015**	**2014**
Loss for the period	$66,394	$ -	$ -
Basic and diluted loss per share	0.01	-	-

	As at			
	June 30, 2017	**December 31, 2016**	**December 31, 2015**	**December 31, 2014**
Total Assets	32,839,939	39,013,822	10	10
Cash and cash equivalents	1,223,889	8,156,928	10	10
Property, plant and equipment	25,236,352	25,019,791	-	-
Total liabilities	27,832,589	28,788,671	-	-
Current liabilities	13,246,804	14,677,339	-	-

Balmat Holding Corp.

The following table sets out the summary historical consolidated financial information of Balmat Holding for the years ended December 31, 2014, 2015, and 2016. This summary financial information should be read in conjunction with the consolidated audited financial statements of Balmat Holding for the years ended December 31, 2014, 2015, and 2016 and related notes included elsewhere in this Prospectus. You should read this data together with the information included under the headings "Non-IFRS Measures", "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations of Balmat Holding" included elsewhere in this Prospectus. The financial information of Balmat Holding, other than per share information, is set out in thousands of United States dollars.

	Years ended December 31,		
	2016	**2015**	**2014**
Net income (loss)	$ 1,916	$ (2,948)	$ (2,814)
Income (loss) per share – basic and diluted	8,632	(24,574)	(28,158)
Total assets	5,204	4,917	5,165
Non-current liabilities	14,111	18,869	122,225

Pro Forma Financial Information

The following table sets out selected unaudited pro forma financial information of the Company for the year ended December 31, 2016 after giving effect to the Acquisition. This summary financial information should be read in conjunction with the Company's unaudited pro forma consolidated financial statements and related notes elsewhere in the Prospectus. The pro forma financial information of the Company is set out in United States dollars.

	December 31, 2016
Net income (loss)	$ (277,947)
Income (loss) per share – basic and diluted	(0.04)
Total assets	39,013,822
Total liabilities	28,788,671

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF TITAN

The following Management's Discussion and Analysis ("Titan MD&A") is prepared as of the date of this Prospectus and is intended to assist readers in understanding the financial performance and financial condition of Titan. The Titan MD&A provides information concerning Titan's financial condition as at June 30, 2017, December 31, 2016, December 31, 2015 and December 31, 2014 and results of operations for the three and six months ended June 30, 2017 and fiscal years ended December 31, 2016, December 31, 2015, December 31, 2014 and January 1, 2014. The Titan MD&A should be read in conjunction with Titan's audited consolidated financial statements and unaudited condensed consolidated financial statements included elsewhere in this Prospectus. Titan's financial statements are prepared in accordance with IFRS. The Company's fiscal year ends on December 31, its presentation currency is the United States dollar, the functional currency of the Parent Company (as defined below) is the Canadian dollar and the functional currency of all subsidiaries is the United States Dollar.

The information contained within the Titan MD&A is current to October 12, 2017.

For the purposes of the Titan MD&A, "Parent Company" means "Titan Mining Corporation" and "Titan" or the "Company" mean "Titan Mining Corporation" together with its subsidiaries.

Cautionary Note Regarding Forward-Looking Information

The Titan MD&A contains forward-looking information, such as statements regarding the Company's future plans and objectives that are subject to various risks and uncertainties, as set forth in "Forward-Looking Information" and "Risk Factors" in this Prospectus. The Company cannot assure investors that such information will prove to be accurate, and actual results and future events could differ materially from those anticipated in such information. The results for the periods presented are not necessarily indicative of the results that may be expected for any future periods. Investors are cautioned not to place undue reliance on this forward-looking information.

Overall Performance

The Company is a natural resource company engaged in the acquisition, exploration and development of mineral properties. The Company's current focus is developing the Empire State Mine. The Company's future performance is largely tied to the successful refurbishment of the Empire State Mine, other prospective business opportunities, and the overall financial markets.

To date, the Company has not generated any revenue. The Company's financial success will be dependent on several factors, including its ability to refurbish and re-commence mining operations at the Empire State Mine in a timely manner, its ability to identify and extract additional mineralization at the Empire State Mine and the sales value of minerals mined. The sales value of any minerals mined by the Company will be highly dependent upon certain factors beyond the Company's control, particularly the market value of minerals produced.

Financial markets for mineral companies are currently volatile, reflecting ongoing concerns about the stability of commodity prices. There are significant uncertainties regarding the prices of commodities and the availability of equity financing for the purposes of exploration and development. Global commodity markets remain volatile and uncertain, which has contributed to difficulties in raising equity and borrowing funds for natural resources companies. As a result, the Company may have difficulties raising equity for the purposes of exploration and development, particularly on terms that are acceptable to the Company. These trends may limit the ability of the Company to develop and/or further explore the Empire State Mine Project and any other property interests it may acquire in the future. For further information, see "Risk Factors – Risks Related to the Company's Business – The Company has limited operating history".

For the three months ended June 30, 2017, the Company reported a loss of $3,429,723 and for the six months ended June 30, 2017, the Company reported a loss of $5,434,342. As at June 30, 2017, the Company had an accumulated deficit of $5,500,736. As at June 30, 2017, the Company does not have sufficient funds available from existing cash on hand to maintain its core operations, pay its administration costs, repay its obligations associated with the Acquisition, complete the refurbishment of the Empire State Mine and complete additional exploration activities. If the Offering is not completed and based on the Company's estimated expenditures for the remainder of 2017, the Company will not have sufficient funds to both meet its expenditure needs and pay for the obligations associated with the Acquisition. If adequate funds are not available when required, the Company may, based on the Company's cash position, delay, scale back or eliminate its strategic objectives until adequate funds can be secured. Furthermore, if adequate funds are not available to fulfil the Acquisition obligations, this could trigger an additional funding requirement or early payments as discussed in "Management's Discussion and Analysis – Liquidity and Capital Resources – Cash and Liquidity".

Background

On December 30, 2016, the Company, through its wholly owned subsidiary Titan US, completed the Acquisition. For further information about the Acquisition, see "General Development and Business of the Company – Company History and the Acquisition of Empire State Mine Project" and Note 2 to the Company's annual financial statements.

Outlook

With the completion of the Acquisition and the delivery of the Technical Report, the Company's focus for the next twelve months and beyond will include:

- completion of the Offering;
- refurbishment of the Empire State Mine to return it to commercial production; and
- payment of all obligations associated with the Acquisition (for details see Note 9 of the Company's annual financial statements, "General Development and Business of the Company – Company History and the Acquisition of Empire State Mine Project", "Use of Proceeds" and "Description of Material Indebtedness").

The Company does not believe it has sufficient funds to maintain its core operations, and complete its strategic objectives and additional funding will be required by the Company to continue as a going concern. The Company may raise additional funds through the issuance of equity, debt, or a strategic partnership. The inability to obtain additional financing creates a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

Selected Interim and Annual Information

The Company is still at the development stage and therefore has not earned any revenues. The majority of the activities that occurred in the six months ended June 30, 2017, were related to the care and maintenance of the Empire State Mine, rehabilitation activities to prepare the mine for refurbishment, exploration activities at the mine, and work towards completion of the Technical Report. The majority of the activities that occurred in 2016 were associated with the Acquisition. In prior periods, the Company was a dormant, privately-held shell corporation with limited activity.

The following table sets out selected aspects of the Company's financial results for the three and six months ended June 30, 2017 and 2016.

	Three months ended June 30,		**Six months ended June 30,**	
	2017	**2016**	**2017**	**2016**
Loss for the period	$ 3,429,723	$ -	$ 5,434,342	$ -
Basic and diluted loss per share	0.06	-	0.09	-
Total Assets	32,839,939	10	32,839,939	10
Cash and cash equivalents	1,223,889	10	1,223,889	10
Property, plant and equipment	25,236,352	-	25,236,352	-
Total liabilities	27,832,589	-	27,832,589	-
Current liabilities	13,246,804	-	13,246,804	-

The following table sets out selected aspects of the Company's financial results for the years ended December 31, 2016, 2015 and 2014.

	Years ended December 31,		
	2016	2015	2014
Loss for the period	$ 66,394	$ -	$ -
Basic and diluted loss per share	0.01	-	-
Total Assets	39,013,822	10	10
Cash and cash equivalents	8,156,928	10	10
Property, plant and equipment	25,019,791	-	-
Total liabilities	28,788,671	-	-
Current liabilities	14,677,339	-	-

The Company does not currently generate any revenue and therefore seasonality or commodity market fluctuations have limited impact on the Company's operating results.

The loss for the six months ended June 30, 2017 was $5,434,342 and primarily reflected the care and maintenance costs of the Empire State Mine, costs incurred in the period for the preparation of the Technical Report, costs for rehabilitation activities required before the refurbishment of the Empire State Mine, costs for exploration activities, costs incurred in the period for administrative expenses and an acquisition obligation amendment fee of $500,000. The acquisition obligation amendment fee is related to an amendment of the payment date under the Letter Agreement with Hudbay (for details, see Note 2 of the Company's consolidated interim financial statements and "Description of Material Indebtedness"). The loss for the year ended December 31, 2016 was $66,394 and primarily reflected the administrative expenses incurred by the Company during the period. The costs incurred in association with the Acquisition were capitalized as part of the Acquisition. The increase in loss for the period in 2017 compared to prior periods reflects the costs being incurred at the Empire State Mine. Until the completion of the Acquisition on December 30, 2016, the Company had limited activity and did not incur any costs other than minor general corporate administration costs. The increase in assets and liabilities in 2016 reflects the assets acquired and liabilities assumed upon the completion of the Acquisition on December 30, 2016.

Results of Operations

The operating results of development stage mining companies can fluctuate significantly from period to period. The Company is in the development stage and has no revenue from operations. As disclosed previously, until the fourth quarter of 2016, the Company was a dormant shell company and as such the results for the three and six months ended June 30, 2016 and twelve months ended December 31, 2015 are $nil and no activity occurred in the comparative periods.

Project Review

The Company owns the Empire State Mine indirectly through its wholly owned subsidiary, SLZ (see "General Development and Business of the Company – Company History and the Acquisition of Empire State Mine Project" and "Empire State Mine"). The Empire State Mine Project is located in the Balmat–Edwards mining district in northern New York State, near Gouverneur, and is 25 mi south of the Port of Ogdensburg. The Technical Report was completed, the results of which were prepared following the guidelines of NI 43-101 (see "Empire State Mine").

As recommended in the Technical Report, the production of zinc at the Empire State Mine is planned to start at 800 t/d and grow to 1,800 t/d with an average 1,465 t/d of mill feed over the 8-year mine life. The mine requires drift rehabilitation and utility refurbishments, as well as mobile equipment servicing to support the refurbishment process. Three separate activities have occurred in 2017 to advance the rehabilitation of the Empire

State Mine. First, an electrical contractor was hired to supply long lead electrical items related to the crusher refurbishment. These items were received in June 2017. Second, a mobile mechanical contractor was hired to refurbish select underground mobile equipment necessary for initial underground rehabilitation work. A number of units have been refurbished in preparation for the project. Third, Dumas Contracting, an underground mine contractor, was retained to perform initial underground rehabilitation work to reduce the critical path of the project by four weeks. These activities commenced in March 2017 and continued through April 2017 (See "General Development and Business of the Company – Recent Developments").

Through the second quarter of 2017, a total of 24 employees were hired, with a full site management team in place along with technical support staff in the geology and engineering departments (See "General Development and Business of the Company – Recent Developments"). The engineering department has been preparing the detailed engineering of the plan to re-commence operations at the Empire State Mine in conjunction with Dumas Contracting.

Key production milestones for the Empire State Mine are described in "Empire State Mine". During March 2017, the Empire State Mine was undergoing mine rehabilitation activities, including shaft utility refurbishments, installation of new hoist cable, and reconditioning of the mobile equipment fleet and underground ground support installations (See "General Development and Business of the Company – Recent Developments"). Rehabilitation activities and the refurbishment project are anticipated to last for two months once commenced, after which the mine will commence initial production.

The PEA set out in the Technical Report focuses on accessing and mining higher operating margin material early in the mine life. As such, the plan commences with the mining of Mahler, Mud Pond, and New Fold, followed by Cal Marble, Davis, and NE Fowler. The mine production rate is targeted to maximize utilization of existing equipment given current ventilation limitations underground.

Estimated LOM capital costs total $69,200,000, consisting of the following distinct stages:

- **Initial Capital Costs** – includes all pre-production costs to replace, repair and upgrade the infrastructure and Mineral Resource to support the mine plan production. Initial capital costs total $10,700,000 and are expended over a five-month refurbishment, commissioning and pre-production period; and
- **Sustaining Capital Costs** – includes all costs related to the capital development and acquisition, replacement, or major overhaul of assets during the mine life required to sustain operations. Total sustaining capital costs are estimated at $58,500,000 over the life of the mine.

The risks associated with the Empire State Mine are set out in "Risk Factors – Risks Related to the Company's Business".

The Company is basing its production decision on the PEA and not on a feasibility study of Mineral Reserves demonstrating economic and technical viability and, as a result, there is increased uncertainty and there are multiple technical and economic risks of failure associated with this production decision. These risks, among others, include areas that are analyzed in more detail in a feasibility study, such as applying economic analysis to Mineral Resources and Mineral Reserves, more detailed metallurgy and a number of specialized studies in areas such as mining and recovery methods, market analysis, and environmental and community impacts. The PEA is preliminary in nature, uses Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves, and there is no certainty that the results of the PEA will be realized. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all, or any part of the Mineral Resources estimated will be converted into Mineral Reserves.

Exploration Activities

For information regarding recent drilling and exploration activities, see "General Development and Business of the Company – Recent Developments".

Three months ended June 30, 2017

During the three months ended June 30, 2017, the Company incurred a comprehensive loss of $3,420,774 (2016-$nil).

	Three months ended June 30,			
		2017		2016
Site expenses	$	2,311,511	$	-
Administrative expenses		437,536		-
Finance costs		186,682		-
Other expenses/(income)		493,994		
Loss for the period		3,429,723		-
Unrealized loss/(gain) on translation to Reporting currency		(8,949)		-
Comprehensive loss for the period	**$**	**3,420,774**	**$**	-

Site expenses were $2,311,511 for the three months ended June 30, 2017, compared to $nil for the three months ended June 30, 2016. Site expenses were composed of care and maintenance costs of $1,189,494 (June 30, 2016 – $nil), depreciation expense of $293,283 (June 30, 2016 – $nil), and exploration and evaluation expenses of $828,734 (June 30, 2016 – $nil). Care and maintenance costs were costs incurred at the Empire State Mine during the period that continued preparations for mine restart, provided security, ensured mine safety and ensured the operation stayed in compliance with environmental regulations. Depreciation expense is the charge for the period for depreciation recorded in the depreciable assets acquired in the Acquisition. Exploration and evaluation expenses were amounts incurred by the Company in the period for the preparation of the Technical Report and for exploratory drilling being undertaken by the Company.

Administrative expenses were $437,536 for the three months ended June 30, 2017, compared to $nil for the three months ended June 30, 2016. These were expenses incurred in the period for activities to support the core operations of the Company. These expenses for the three months ended June 30, 2017 were composed of investor relations costs of $1,805, office and administration expenses of $18,806, professional fees of $62,811, rent expense of $30,804, share based compensation of $133,550 and wages and benefits of $189,760. In the comparative period for the three months ended June 30, 2016, the Company was a dormant shell company and as such did not incur any administrative expenses. The increase in administrative expenses reflects the additional activity in the Company following the completion of the Acquisition in 2016.

Finance costs were $186,682 for the three months ended June 30, 2017, compared to $nil for the three months ended June 30, 2016. Finance costs were composed of accretion expense of $86,012 (June 30, 2016 – $nil), and interest expense of $100,670 (June 30, 2016 – $nil). The accretion expense recognizes the period-to-period increase in the carrying value of the reclamation and remediation provision for the Empire State Mine to reflect the change in value of the provision due to the passage of time. The interest expense is the amount of interest incurred on the loan from Augusta, a corporation controlled by the President and CEO of the Company, for the Acquisition (for details, see Note 9 of the Company's annual financial statements).

Other expenses/(income) were an expense of $493,994 for the three months ended June 30, 2017, compared to $nil for the three months ended June 30, 2016. Other expenses/(income) were composed of $2,677 in foreign exchange losses, interest income of $8,683 on cash balances and an acquisition obligation amendment fee of $500,000. The acquisition obligation amendment fee is related to an amendment of the payment date under the Letter Agreement with Hudbay (for details, see Note 2 of the Company's consolidated interim financial statements and "Description of Material Indebtedness").

The Company recorded an unrealized gain of $8,949 for the three months ended June 30, 2017, compared to $nil for the three months ended June 30, 2016. This amount was recorded upon the translation of the Parent Company from its functional currency of the Canadian dollar to the Company's presentation currency, the United States dollar.

Six months ended June 30, 2017

During the six months ended June 30, 2017, the Company incurred a comprehensive loss of $5,351,351 (2016-$nil).

	Six months ended June 30,			
		2017		2016
Site expenses	$	3,900,398	$	-
Administrative expenses		682,930		-
Finance costs		372,684		-
Other expenses/(income)		478,330		
Loss for the period		5,434,342		-
Unrealized loss/(gain) on translation to Reporting currency		(82,991)		-
Comprehensive loss for the period	**$**	**5,351,351**	**$**	-

Site expenses were $3,900,398 for the six months ended June 30, 2017, compared to $nil for the six months ended June 30, 2016. Site expenses were composed of care and maintenance costs of $1,922,105 (June 30, 2016 – $nil), depreciation expense of $586,565 (June 30, 2016 – $nil), and exploration and evaluation expenses of $1,391,728 (June 30, 2016 – $nil). Care and maintenance costs were costs incurred at the Empire State Mine during the period that continued preparations for mine restart, provided security, ensured mine safety and ensured the operation stayed in compliance with environmental regulations. Depreciation expense is the charge for the period for depreciation recorded in the depreciable assets acquired in the Acquisition. Exploration and evaluation expenses were amounts incurred by the Company in the period for the preparation of the Technical Report and for exploratory drilling being undertaken by the Company.

Administrative expenses were $682,930 for the six months ended June 30, 2017, compared to $nil for the six months ended June 30, 2016. These were expenses incurred in the period for activities to support the core operations of the Company. These expenses for the six months ended June 30, 2017, were composed of investor relations costs of $12,945, office and administration expenses of $35,072, professional fees of $149,683, rent expense of $46,892, share based compensation of $133,550 and wages and benefits of $304,788. In the comparative period for the six months ended June 30, 2016, the Company was a dormant shell company and as such did not incur any administrative expenses. The increase in administrative expenses reflects the additional activity in the Company following the completion of the Acquisition in 2016.

Finance costs were $372,684 for the six months ended June 30, 2017, compared to $nil for the six months ended June 30, 2016. Finance costs were composed of accretion expense of $172,444 (June 30, 2016 – $nil) and interest expense of $200,240 (June 30, 2016 – $nil). The accretion expense recognizes the period-to-period increase in the carrying value of the reclamation and remediation provision for the Empire State Mine to reflect the change in value of the provision due to the passage of time. The interest expense is the amount of interest incurred on the loan from Augusta, a corporation controlled by the President and CEO of the Company, for the Acquisition (for details, see Note 9 of the Company's annual financial statements).

Other expenses/(income) were an expense of $478,330 for the six months ended June 30, 2017, compared to $nil for the six months ended June 30, 2016. Other expenses/(income) were composed of $12,924 in foreign exchange losses, interest income of $23,704 on cash balances, other miscellaneous income of $10,890 and an acquisition obligation amendment fee of $500,000. The acquisition obligation amendment fee is related to an amendment of the payment date under the Letter Agreement with Hudbay (for details, see Note 2 of the Company's consolidated interim financial statements and "Description of Material Indebtedness").

The Company recorded an unrealized gain of $82,991 for the six months ended June 30, 2017, compared to $nil for the six months ended June 30, 2016. This amount was recorded upon the translation of the Parent Company from its functional currency of the Canadian dollar to the Company's presentation currency, the United States dollar.

Year ended December 31, 2016

During the twelve months ended December 31, 2016, the Company incurred a comprehensive loss of $143,776 (December 31, 2014 & 2015 – $nil).

	Years ended December 31,		
	2016	**2015**	**2014**
Administrative expenses	$ 63,030	$ -	$ -
Other expenses/(income)	3,364	-	-
Loss for the year	66,394		
Unrealized loss/(gain) on translation to reporting currency	77,382	-	-
Comprehensive loss for the year	**$ 143,776**	**$ -**	**$**

Administrative expenses were $63,030 (2014 & 2015 – $nil) and were composed of investor relations costs of $2,640, office and administration costs of $28,326, and professional fees of $32,064. These costs were incurred by the Company to support operations as the Company worked towards the completion of the Acquisition. All costs directly associated with the Acquisition were capitalized as part of the Acquisition cost.

Other expenses/(income) of $3,364 (2014 & 2015 – $nil) were related to minor amounts for miscellaneous expenses of $3,621, foreign exchange losses of $3,489 and interest income on cash balances of $3,746.

The Company recorded an unrealized loss of $77,382 (2014 & 2015 – $nil) on translation to reporting currency during the year. This amount was recorded upon the translation of the Parent Company from its functional currency of the Canadian dollar to the Company's presentation currency, the United States dollar.

Summary of Selected Quarterly Results

The following is a summary of certain of the Company's unaudited quarterly financial information for the eight quarters ended March 31, 2017:

	Q2 2017	**Q1 2017**	**Q4 2016**	**Q3 2016**	**Q2 2016**	**Q1 2016**	**Q4 2105**	**Q3 2105**
Loss for the period	$3,429,723	$2,004,619	66,394	-	-			
Basic and diluted loss per share	0.06	0.03	0.01	-	-			
Cash and cash equivalents	1,223,889	4,683,433	8,156,928	10	10	10	10	10
Total assets	32,839,939	36,058,595	39,013,822	10	10	10	10	10
Acquisition obligations	12,318,794	12,318,794	13,870,648	-	-	-	-	-
Total liabilities	27,832,589	27,764,021	28,788,671	-	-	-	-	-

The Company was a dormant, privately-held shell corporation for the periods prior to the fourth quarter of 2016 and had limited activity during those prior periods. In the fourth quarter of 2016 the Company completed non-brokered private placements of Common Shares for proceeds of $8,157,680, as reflected by the increase in cash and cash equivalents and closed the Acquisition on December 30, 2016, as reflected by the increase in total assets, Acquisition obligations, and total liabilities at the end of the quarter. In the first quarter of 2017, the Company's cash decreased by $3,437,495 as it paid $1,551,854 of the Acquisition obligations and incurred a loss for the period of $2,004,619. In the second quarter of 2017, the Company's cash decreased by $3,459,544 as it incurred a loss for the period of $3,429,723. The activities in the first and second quarter of 2017 primarily reflected the care and maintenance costs of the Empire State Mine, including costs incurred in the period for the preparation of the Technical Report, costs for rehabilitation activities required before the refurbishment of the Empire State Mine, costs for exploration activities carried out on site, and the costs incurred in the period for administrative expenses.

Financial Instruments

Nature and Extent

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred, and the Company has transferred substantially all risks and rewards of ownership.

As at June 30, 2017 and December 31, 2016, all of the Company's financial instruments were classified into one of two categories: loans and receivables or other financial liabilities. Initially, all financial instruments are measured in the consolidated statement of financial position at fair value. Subsequent measurement and changes in fair value will depend on their initial classification. Loans and receivables and other financial liabilities are measured at amortized cost.

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, and Acquisition obligations. The Company has designated its cash and cash equivalents and accounts receivable as loans and receivables and accounts payable and accrued liabilities, and Acquisition obligations as other financial liabilities. Cash and cash equivalents and accounts receivable are included in current assets due to their short-term nature. Accounts payable and accrued liabilities, and acquisition liabilities, are included in current liabilities due to the fact they are due within the next twelve months. The book value of the Company's financial instruments approximates their fair values because of the short-term maturity of these financial instruments.

The Company's financial instruments were broken down as follows:

	As at		
	June 30, 2017	**December 31, 2016**	**December 31, 2015 & 2014**
Financial assets			
Loans and receivables			
Cash and cash equivalents	$ 1,223,889	$ 8,156,928	$ 10
Accounts receivable	118,664	1,229	-
Total financial assets	**$ 1,342,553**	**$ 8,158,157**	**$ 10**
Financial liabilities			
Other financial liabilities			
Accounts payable and accrued liabilities	$ 928,010	$ 806,691	$ -
Acquisition obligations	12,318,794	13,870,648	-
Total Financial liabilities	**$ 13,246,804**	**$ 14,677,339**	**$ -**

Financial Instrument Risks

The Company may be exposed to risks of varying degrees of significance which could affect its ability to achieve its strategic objectives. The Company manages risks to minimize potential losses. The main objective of the Company's risk management process is to ensure that the risks are properly identified and that the capital base is adequate in relation to those risks. The Company's risk exposure is summarized below.

Credit Risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations.

The Company is exposed to credit risk with respect to its cash and cash equivalents and accounts receivable. The Company's maximum exposure to credit risk is the amount disclosed in the consolidated statement of financial position. Credit risk associated with cash and cash equivalents is minimized by placing these instruments with major Canadian financial institutions with strong investment-grade ratings as determined by a primary ratings agency. Credit risk associated with accounts receivable is minimal due to the immaterial nature of these receivables.

Liquidity Risk

Liquidity risk is the risk that the Company will be unable to meet its obligations associated with its financial liabilities. The Company endeavours to manage its liquidity risk by maintaining sufficient readily available cash in order to meet its liquidity requirements as obligations come due.

As at June 30, 2017, the Company had a cash and cash equivalent balance of $1,223,889 to settle current liabilities of $13,246,804, resulting in a deficiency of $12,022,915. Accordingly, the Company will need additional funds to meet its obligations. To date, the Company has not generated any revenue and is dependent upon external sources to raise additional funds. The Company may raise additional funds through the issuance of equity, debt, or a strategic partnership. There are significant uncertainties regarding the availability of equity financing for the purposes of exploration and development. Global commodity markets remain volatile and uncertain which has contributed to difficulties in raising equity and borrowing funds for natural resources companies. As a result, the Company may have difficulties raising equity for the purposes of exploration and development, particularly at terms that are acceptable to the Company. The inability to obtain additional financing creates increased liquidity risk and may cast significant doubt on the Company's ability to continue as a going concern.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market factors. Market risk comprises three types of risk: price risk, interest rate risk and currency risk.

Price Risk

Price risk is the risk that the fair value of future cash flows of the Company's financial instruments will fluctuate because of changes in market prices. The Company is not exposed to price risks.

Interest Rate Risk

Interest rate risk is the risk that the fair values and future cash flows of the Company will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk to the extent that the cash maintained at financial institutions is subject to a floating rate of interest. The interest rate risk on cash is considered insignificant due to the low interest rates in the current economic environment and as such the Company does not take any actions to manage interest rate risk.

Currency Risk

Currency risk is the risk that the fair values or future cash flows of the Company's financial instruments will fluctuate because of changes in foreign currency exchange rates. The Company is exposed to currency risk through financial assets and liabilities denominated in currencies other than the Company's functional currency. The Company incurs expenditures in Canadian and United States dollars with the majority of future expenditures expected to incurred in United States dollars to support the operations of the Empire State Mine. The Company does not consider the currency risk to be material to the future operations of the Company and as such does not have a hedging program or any other programs to manage currency risk.

As the functional currency of the Parent Company is Canadian dollars, currency risk arises from financial instruments denominated in United States dollars that are held by the Parent Company. The majority of expenses of the Parent Company are administrative in nature and are incurred in Canadian dollars and therefore the main source of currency risk is from cash and cash equivalents held by the Parent Company in United States dollars, which at June 30, 2017 was $nil, accounts receivable denominated in United States dollars, which at June 30, 2017 were $13,000, and from accounts payable and accrued liabilities denominated in United States dollars, which at June 30, 2017 were $45,895.

Conversely, for the Company's subsidiaries whose functional currency is United States dollars, currency risk arises from financial instruments denominated in Canadian dollars that are held at the subsidiary company level. The majority of expenses at SLZ for the three and six months ended June 30, 2017, subsequent to the Acquisition, are costs related to the refurbishment of the Empire State Mine, costs for care and maintenance of the Empire State Mine, exploration costs and site administration costs. The majority of these costs are incurred in United States dollars and therefore the currency risk for the Company's subsidiaries is considered insignificant.

Liquidity and Capital Resources

Cash and Liquidity

The Company's cash and cash equivalents were $1,223,889 as at June 30, 2017 and $8,156,928 as at December 31, 2016 (December 31, 2014 and 2015 – $10). The decrease in cash between December 31, 2016 and June 30, 2017, represents the expenditures incurred by the Company during the six months ended June 30, 2017 and total payments of $2,051,854 to Star Mountain related to the Acquisition. The increase in cash between December 31, 2016 and December 31, 2014 and 2015 is due to funds raised through the issuance of 59,377,000 Common Shares through non-brokered private placements in the fourth quarter of 2016 for net proceeds of $8,157,680.

The Company is in the development stage and its financial success will be dependent upon the extent to which it can refurbish the Empire State Mine and successfully generate positive cash flow from its operation. The sales value of any minerals mined by the Company will be largely dependent upon factors beyond the Company's control, such as the market value of minerals produced. The Company does not expect to receive significant income from the Empire State Mine until it has successfully returned to commercial production. The Company intends to meet all cash requirements for operation from external funding sources including funds raised from the Offering. Future funding needs of the Company are dependent upon the Company's ability to generate positive cash flow from the Empire State Mine and its continued ability to obtain equity and/or debt financing to meet its financial obligations as they come due.

If adequate funds are not available to fulfil the Acquisition obligations as they come due or repay the Company's indebtedness to Augusta pursuant to the Second Additional Debenture or Third Additional Debenture, this could trigger additional funding requirements or early payments as discussed below:

- As at June 30, 2017, the Acquisition obligations include payments by Titan US of $1,000,000 to Star Mountain pursuant to the Promissory Note. These amounts were payable in two payments of $500,000 each, due in September 2017 and December 2017, respectively. Pursuant to the terms of the Promissory Note, Titan US was required to pay $500,000 to Star Mountain on September 30, 2017 or on the first Business Day thereafter occurring. On October 2, 2017, Titan US entered into the Promissory Note Amendment with Star Mountain, pursuant to which Star Mountain agreed to change the payment date for Titan US' $500,000 payment to Star Mountain from September 30, 2017 to the date that is the earlier of (a) five days from the Closing Date and (b) October 31, 2017, in consideration of an additional payment by Titan US to Star Mountain of $25,000, plus any interest accrued on such amount from October 2, 2017 to the new payment date. See "Description of Material Indebtedness". If Titan US fails to make a scheduled payment of the principal, interest on the unpaid amount will immediately accrue at an interest rate equal to the lesser of 14% per annum and the maximum interest allowable by law, until Titan US cures such failure to pay. A failure to pay any principal, and any interest thereon, within 10 calendar days of the date on which any such payment is due is an event of default under the Promissory Note and Star Mountain may, among other things, accelerate full repayment of all amounts owing under the Promissory Note, including all principal amounts outstanding, together with any accrued interest thereon;
- As at June 30, 2017, the Acquisition obligations include payments by Titan US of $3,318,794 plus interest to Augusta, a corporation controlled by the President and CEO of the Company, pursuant to the Original

Debenture and First Additional Debenture (see "Description of Material Indebtedness"). On August 23, 2017, Titan US borrowed an additional $500,000 from Augusta under the Second Additional Debenture (see "Description of Material Indebtedness"). As of the date hereof, the outstanding balance of the Second Additional Debenture is $500,000. On September 19, 2017 Titan US borrowed an additional $175,000 from Augusta pursuant to the Third Additional Debenture. Under the Third Additional Debenture, Titan US may borrow up to an aggregate of $300,000 at any time prior to December 31, 2017. On October 3, 2017, Titan US borrowed the remaining $125,000 available under the Third Additional Debenture (see "Description of Material Indebtedness"). As of the date hereof, the outstanding balance of the Third Additional Debenture is $300,000. Interest on the Debentures is payable monthly and the principal amount payable at the earlier of demand from Augusta and December 30, 2017. A failure to pay any interest, principal or other charges when due is an event of default under the Debentures and Augusta may, among other things, accelerate full repayment of all amounts owing under the Debentures, including all principal amounts outstanding together with any accrued interest thereon; and

- As at June 30, 2017, the Acquisition obligations include an amount owing from the Company and Titan US to Hudbay of $8,000,000 pursuant to the Letter Agreement (see "Description of Material Indebtedness"), of which $5,000,000 is payable at the earlier of (i) the date of Titan's initial public offering (or a reverse takeover by Titan or any other similar transaction that results in the public listing of the Common Shares on the TSX, the TSX Venture Exchange or any other stock exchange, or becoming a subsidiary of, or entering into a business combination with, a reporting issuer, any such transaction, an "**IPO**") and (ii) October 31, 2017 (the "**Payment Deadline**"). On August 17, 2017, the Company entered into an amendment and extension agreement to the Letter Agreement (the "**Letter Agreement Amendment**") with Hudbay to extend the Payment Deadline from June 28, 2017 to October 31, 2017, on the condition that the Company issue to Hudbay as soon as practicable following the closing of the IPO, for no additional consideration, such number of common shares that is equal to $3,000,000 (instead of the previously agreed upon $2,500,000), divided by the per share price of such shares in the IPO. Failure to make the payment by October 31, 2017 (or on the completion of an IPO, if earlier) will force the Company to use one of the other two more costly alternatives for repayment that are tied to milestone shipments of ore concentrate and increase the obligation to $14,500,000 or $15,500,000 depending on the alternative selected (for further details about the Hudbay obligation, see Note 2 of the Company's annual financial statements for the years ended December 31, 2016, 2015 and 2014 and "Description of Material Indebtedness"). Under the alternative requiring payment of $14,500,000, if the Company elects to use this option and any portion of the amount has not been paid by October 31, 2019, the Company must immediately pay the entire unpaid balance to Hudbay. Under the option requiring payment of $15,500,000, if the Company elects to use this option and any portion of the amount has not been paid by April 30, 2020, the Company must immediately pay the entire unpaid balance to Hudbay.

As the Company depends on external financing to fund its activities, its ability to continue as a going concern is dependent on its ability to raise sufficient funds to repay the obligations related to the Acquisition, complete the refurbishment of the Empire State Mine, and return the Empire State Mine to commercial production. If the Company is unable to obtain the financing necessary to support such activities, it may be unable to continue as a going concern. The Company currently has no commitments for any credit facilities such as revolving credit agreements or lines of credit that could provide additional funding if required. The Company has no long-term debt, capital lease obligations, or any other long term obligations other than the reclamation and remediation obligations for the Empire State Mine.

Capital Resources

The Company's focus going forward is the advancement and development of the Empire State Mine. The major expenses that will be incurred by the Company in the next twelve months will be costs associated with the refurbishment of the Empire State Mine, repayment of the Acquisition obligations, exploration activities, and general and administrative activities. The Company does not believe its current cash resources are sufficient to maintain its core operations for the next twelve months, and additional funding will be required by the Company.

The major uses of capital resources expected in the next twelve months will be:

- As per the Technical Report, the costs required to refurbish the Empire State Mine and return it to commercial production are estimated at $10,700,000 in initial capital costs expended during the refurbishment, commissioning and pre-commercial production period; and
- Payment of the obligations arising from the Acquisition which at June 30, 2017 will require additional cash payments of $9,318,794.

As the Company does not currently have cash flow from operating activities, the Company will be relying on further equity financing, debt financing, or a strategic partnership as the most likely source of funds for the advancement of the Empire State Mine. If adequate funds are not available when required, the Company may, based on the Company's cash position, delay, scale back or eliminate various programs. Furthermore, if adequate funds are not available to fulfil the Acquisition obligations, this could trigger an additional funding requirement or early payments as discussed in "Management's Discussion and Analysis – Liquidity and Capital Resources – Cash and Liquidity".

There can be no assurance that the Company will have sufficient financing to meet its future capital requirements or that future additional financing will be available to the Company at acceptable terms. The inability to obtain additional financing would cast significant doubt on the Company's ability to continue as a going concern.

The Company is basing its production decision on the PEA and not on a feasibility study of Mineral Reserves demonstrating economic and technical viability and, as a result, there is increased uncertainty and there are multiple technical and economic risks of failure associated with this production decision. These risks, among others, include areas that are analyzed in more detail in a feasibility study, such as applying economic analysis to Mineral Resources and Mineral Reserves, more detailed metallurgy and a number of specialized studies in areas such as mining and recovery methods, market analysis, and environmental and community impacts. The PEA is preliminary in nature, uses Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves, and there is no certainty that the results of the PEA will be realized. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all, or any part of the Mineral Resources estimated will be converted into Mineral Reserves.

See Note 14 to the Company's annual financial statements for further information on the Company's capital resources.

Working Capital

The term "working capital" is a non-IFRS measure (see "Management's Discussion and Analysis – Non-IFRS Measures" for further details). The Company's working capital is as follows:

	As at		
	June 30, 2017	**December 31, 2016**	**December 31, 2015 & 2014**
Current assets			
Cash and cash equivalents	$ 1,223,889	$ 8,156,928	$ 10
Accounts receivable	118,644	1,229	-
Prepaid expenses and deposits	577,464	166,543	-
Supplies inventory	311,310	311,310	-
	2,231,307	8,636,010	10
Current liabilities			
Accounts payable and accrued liabilities	928,010	806,691	-
Acquisition obligations	12,318,794(1)	13,870,648	-
	13,246,804	14,677,339	-
Working capital/(deficiency)	**$ (11,015,497)**	**$ (6,041,329)**	**$ 10**

Notes:
(1) $3,000,000 of this liability is expected to be settled through the issuance of Common Shares.

As at June 30, 2017 the Company had a working capital deficiency of $11,015,497 and the Company plans to use the proceeds from the Offering to remedy the deficiency.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Proposed Transactions

The Company has no proposed transactions.

Commitments

The Company's commitments as at June 30, 2017 that need to be satisfied with cash and their approximate timing of payment are as follows:

	2017	**2018 – 2019**	**2020 – 2021**	**2022+**	**Total**
Accounts payable and accrued liabilities	$ 928,010	-	-	$ -	**$ 928,010**
Acquisition obligations	9,318,794	-	-	-	**9,318,794**
Operating lease obligations	42,659	102,701	74,728	31,137	**251,225**
Advance royalties on mineral rights(1)	19,521	$ 39,391	$ 39,391	-	**98,303**
Total contractual obligations	**$ 10,308,984**	**$ 142,092**	**$ 114,119**	**$ 31,137**	**$ 10,596,332**

(1) The Company has annual minimum advance royalty payments associated with its mineral rights. The amounts shown are for until the end of 2021 only.

Related Party Transactions

Key Management Compensation

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company's key management for the three and six months ended June 30, 2017, were its CEO, CFO, COO, and directors. The remuneration for the Company's key management for the three months ended June 30, 2017 was $145,105 and for the six months ended June 30, 2017 was $258,608. For the year ended December 31, 2016, the Company accrued $18,860 in short-term benefits to a director of the Company and that amount was paid in the first quarter of 2017. For the years ended December 31, 2015 and December 31, 2014, there was no compensation paid to key management of the Company. As at June 30, 2017, the Company's payables included $nil (December 31, 2016 – $25,239, December 31, 2015 & 2014 – $nil) that is payable to the Company's key management, including $nil related to reimbursement of expenses incurred on the Company's behalf (December 31, 2016 – $6,619, December 31, 2015 & 2014 – $nil).

Other Related Party Transactions

In addition to the key management compensation summarized above, the Company completed the following transactions with related parties.

The Company shares office space, equipment, personnel and various administrative services with other companies (Arizona Mining, NewCastle Gold and Armor Minerals Inc. (the "**Related Companies**")) related to it by virtue of certain common directors and management. These services have been mainly provided through a management company, 688284 BC Ltd. (the "**Management Company**"), which is equally owned by the Related Companies. Directors and management of the Company that are common to the Related Companies are Richard W. Warke, Len Boggio, Purni Parikh, Jerrold Annett, and Susan Muir. See "Corporate Governance – Board of Directors" and "Directors and Executive Officers". Costs incurred by the Management Company are allocated between the companies based on time incurred and use of services and are charged at cost. For the three months ended June 30, 2017, the Company was charged $144,827 with respect to services provided by the Management Company. For the six months ended June 30, 2017, the Company was charged $199,936 with respect to services provided by the Management Company. For the year ended December 31, 2016 the Company was charged $7,395 with respect to services provided by the Management Company and there were no charges in prior periods. The Company expects to have monthly charges on an ongoing basis from the Management Company and the amounts will vary based on usage. As at June 30, 2017, the Company's payables included $2,902 that are payable to the Management Company (December 31, 2016, 2015 & 2014 – $nil). The Company's related party transactions with the Management Company were included in the following expense categories:

	Three months ended June 30,		**Six months ended June 30,**	
	2017	**2016**	**2017**	**2016**
Investor relations	$ 1,589	$ -	$ 6,171	$ -
Office and administration expenses	7,713	-	13,878	-
Professional fees	58	-	820	-
Rent	30,107	-	46,439	-
Wages and benefits	105,360	-	132,628	-
Total for period	**$ 144,827**	**$ -**	$ 199,936	**$ -**

	Years ended December 31,		
	2016	2015	2014
Investor relations	$ -	$ -	$ -
Office and administration expenses	-	-	-
Professional fees	3,774	-	-
Rent	-	-	-
Wages and benefits	-	-	-
Other	3,621	-	-
Total for period	**$ 7,395**	**$ -**	**$ -**

During the three months ended June 30, 2017, the Company incurred charges of $nil from a corporation related to the Company's President and CEO. During the six months ended June 30, 2017, the Company incurred charges of $1,456 from a corporation related to the Company's President and CEO These charges were included in office and administration expenses and incurred on an as needed basis. During the year ended December 31, 2016, the Company incurred charges of $69,800 from this related company. Of these charges, $18,893 are included in office and administration costs and $50,907 were capitalized as transaction costs for the Acquisition. There were no charges in prior periods. At June 30, 2017, the Company's payables included $nil (December 31, 2016 – $70,631, December 31, 2015 & 2014 – $nil) in amounts owed to this related party.

On December 30, 2016, Titan US assumed Star Mountain's obligations to Augusta, a corporation controlled by the President and CEO of the Company, under the Original Debenture and the First Additional Debenture. On August 23, 2017, Titan US borrowed an additional $500,000 from Augusta under the Second Additional Debenture and on September 19, 2017, Titan US borrowed a further $175,000 from Augusta under the Third Additional Debenture (see "Description of Material Indebtedness"). Under the Third Additional Debenture, Titan US may borrow up to an aggregate of $300,000 at any time prior to December 31, 2017. On October 3, 2017, Titan US borrowed the remaining $125,000 available under the Third Additional Debenture (see "Description of Material Indebtedness"). The outstanding principal under the Debentures, and all accrued and unpaid interest, costs and fees associated therewith, is payable at the earlier of a demand for payment by Augusta and December 30, 2017. The principal under the Debentures bears interest at 12% per annum. Interest is payable on a monthly basis in arrears. For the three months ended June 30, 2017, the Company recorded and paid aggregate interest expense of $100,670 with respect to the Original Debenture and the First Additional Debenture. For the six months ended June 30, 2017, the Company recorded and paid aggregate interest expense of $200,240 with respect to the Original Debenture and the First Additional Debenture. As at June 30, 2017, aggregate accrued interest of $33,188 was outstanding under the Original Debenture and the First Additional Debenture which cleared the Company's bank account on July 3, 2017. As at June 30, 2017, the entire aggregate amount of the Original Debenture and the First Additional Debenture was outstanding. See "General Development and Business of the Company – Company History and the Acquisition of Empire State Mine Project" and "Description of Material Indebtedness".

As at December 31, 2016, there were additional amounts payable to related parties of $2,365 (June 30, 2017, December 31, 2015 & 2014 – $nil). These payable amounts are related to reimbursement of expenses incurred on the Company's behalf by related parties.

Outstanding Share Data

The Company is authorized to issue an unlimited number of Common Shares without par value. As at the date hereof the Company had 62,346,900 Common Shares issued and outstanding.

Critical Accounting Estimates And Judgements

The Company's management is required to make judgements, estimates and assumptions in the process of applying the Company's accounting policies that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Estimates and assumptions are continually evaluated. However, actual outcomes could materially differ from these estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods affected. Information about critical judgements and estimates in applying accounting policies that have the most significant effect on amounts recognized in the consolidated financial statements are as follows:

Reclamation and remediation provision – The Company's present value of estimated future legal or constructive obligations as a result of the Company's and its subsidiaries' activities include assumptions as to the future estimated costs, timing of the cash flows to discharge the obligations, inflation rates, and the prevalent market discount rates. Any changes to the assumptions will result in an adjustment to the provision by either increasing or decreasing the provision and any changes to the value of the provision will have a direct impact on the Company's liability for reclamation and remediation on its statement of financial position.

Functional currency determination – In accordance with IAS 21, management determined that the functional currency of the Parent Company is the Canadian dollar and the functional currency of the Company and the Company's remaining wholly-owned subsidiaries is the United States dollar, as these are the currencies of the primary economic environments in which the companies operate.

Impairment – Assets or cash generating units are evaluated at each reporting date to determine whether there are any indications of impairment. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company's property plant and equipment and mineral interests. External sources of information considered are changes in the Company's economic, legal and regulatory environment which it does not control but affect the recoverability of its mining assets. Internal sources of information the Company considers include the manner in which mining properties and plant and equipment are being used or are expected to be used and indications of economic performance of the assets.

Acquisitions – The determination of whether a set of assets acquired and liabilities assumed constitute the acquisition of a business or asset may require the Company to make certain judgements as to whether or not the assets acquired and liabilities assumed constitute a business as defined in IFRS 3. A business consists of inputs, including non-current assets, and processes, including operational processes, that when applied to those inputs have the ability to create outputs that provide a return to the Company and its shareholders. When acquiring a set of activities or assets in the exploration, evaluation and development stage, which may not have outputs, judgment is required to consider other factors to determine whether the set of activities or assets is a business. Those factors include, but are not limited to, whether the set of activities or assets:

- has begun planned principal activities;
- has employees, intellectual property and other inputs and processes that could be applied to those inputs;
- is pursuing a plan to produce outputs; and
- will be able to obtain access to customers that will purchase the outputs.

Not all of the above factors need to be present for a particular integrated set of activities or assets in the exploration and development stage to qualify as a business. Based on an assessment of the relevant facts and circumstances, the Company concluded that the Acquisitions did not meet the criteria of a business combination and the Acquisition has been accounted for as an acquisition of assets.

Purchase price accounting – Management makes certain assumptions regarding the nature and value of properties, assets and liabilities when doing the purchase price accounting upon acquisition of another company. This includes assumptions regarding the value of the total consideration given for a transaction and the fair values of property, plant, and equipment and mineral interests. Changes in assumptions used in the valuation could have a material impact on the Company's financial statements by changing the allocation of the total consideration to the relative fair value of the assets acquired and liabilities assumed. Changes made to the values of the assets acquired and/or liabilities assumed would have a pervasive impact on the financial statements of the Company given the majority of the Company's assets and liabilities were acquired in the Acquisition.

Estimated Mineral Resources – Mineral Resources are estimates of the amount of metal that can be extracted from the Company's properties, considering both economic and legal factors. Estimating the quantity and/or grade of Mineral Resources requires the analysis of drilling samples and other geological data. Calculating Mineral Resource estimates requires decisions on assumptions about geological, technical and economic factors, including quantities, grades, production techniques, recovery rates, production costs, transportation costs, commodity prices and foreign exchange rates. Estimates of Mineral Resources may change from period to period as the economic assumptions used to estimate Mineral Resources change from period to period, and as a result of additional geological data generated during the course of operations. Changes in reported Mineral Resources may affect the Company's financial position in a number of ways, including the following:

- asset carrying values may be affected due to changes in estimated future cash flows;
- prospective depreciation charges in the Company's consolidated statement of comprehensive income may change when such charges are determined by the unit-of-production basis, or when the useful lives of assets change; and
- provision for reclamation liabilities balances may be affected as the estimated timing of reclamation activities is adjusted for changes in the estimated mine life as determined by the available Mineral Resources.

Determination of useful life of assets for depreciation purposes – Significant judgment is involved in the determination of the useful life and residual value of long-lived assets that drive the calculation of depreciation charges. Changes in the estimate of useful lives and residual values may impact the depreciation calculations.

Share based payments – The fair value of share based payments is calculated using an appropriate option pricing model. The main assumptions used in the model include the estimated life of the option, the expected volatility of the Company's share price (using historical volatility of similar publicly traded companies as a reference), the expected dividends, the expected forfeiture rate, and the risk-free rate of interest. The resulting value calculated is not necessarily the value that the holder of the option could receive in an arm's length transaction given that there is no market for the options and they are not transferrable.

Taxation – The provision for income taxes and composition of income tax assets and liabilities requires management's judgment as to the types of obligations considered to be a tax on income in contrast to an operating cost. The application of income tax legislation also requires judgment in order to interpret the various legislations and apply those interpretations to the Company's transactions. Management judgments and estimates are required in assessing whether deferred income tax assets are recognized in the statement of financial position. Judgments are made as to whether future taxable profits will be available in order to recognize certain deferred income tax assets. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows resulting from estimates of future production and sales volumes, commodity prices, Mineral Resources, operating costs and other capital management transactions. These judgments, estimates and assumptions are subject to risks and uncertainties and, therefore, there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred income tax assets recognized in the Company's statement of financial position and the benefit of other tax losses and temporary differences not yet recognized. There are a number of factors that can significantly impact the Company's effective tax rate including the geographic distribution of income, varying rates in different jurisdictions, the non-recognition of deferred income tax assets, mining allowance, foreign currency exchange rate movements, changes in tax laws and the impact of specific transactions and assessments. Due to the number of factors that can potentially impact the effective tax rate and the sensitivity of the tax provision to these factors, it is expected that the Company's effective tax rate will fluctuate in future periods.

Significant Accounting Policies

The Company's significant accounting policies used to prepare the Company's financial statements for the three and six months ended and as at June 30, 2017 and for the twelve months ended and as at December 31, 2016, December 31, 2015 and December 31, 2014 are outlined below.

Cash and Cash Equivalents

Cash and cash equivalents include amounts held in banks and short-term investments with maturities at point of purchase of 90 days or less or are cashable after 30 days at the option of the Company. Interest from cash and cash equivalents is recorded on an accrual basis.

Foreign Currency Translation

Functional and Presentation Currency

Items included in the financial statements of each of the Company's subsidiaries are measured using the currency of the primary economic environment in which the entity operates (the functional currency). These consolidated financial statements are presented in United States dollars, which is the Company's presentation currency. The functional currency of the Parent Company is the Canadian dollar and the functional currency of all of Titan's wholly-owned subsidiaries is the United States dollar.

Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items denominated in currencies other than the functional currency are recognized in profit or loss in the statement of income in the period in which they arise. Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income (loss) in the consolidated statement of comprehensive loss to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income (loss). Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

Parent and Subsidiary Companies

The financial results and position of operations whose functional currency is different from the presentation currency are translated as follows:

- assets and liabilities are translated at period-end exchange rates prevailing at that reporting date; and
- income and expenses are translated at the average exchange rates for the period.

Exchange differences are transferred directly to the consolidated statement of comprehensive loss and are included in a separate component of equity titled "Currency translation adjustment". These differences are recognized in profit or loss in the period in which the operation is disposed of.

Property, Plant and Equipment

Property, plant and equipment ("**PPE**") is recorded at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of PPE includes its purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and the estimated close down and restoration costs associated with dismantling and removing the asset.

Depreciation is provided at rates calculated to write off the cost of PPE, less their estimated residual value, using the straight-line method or unit-of-production method over their expected useful lives using the following general methodology:

- buildings – ten years straight-line basis;
- furniture and fixtures – five years straight-line basis;
- machinery and equipment – either seven years straight-line or unit-of-production basis;
- surface mobile equipment – five years straight-line basis; and
- underground mobile equipment – unit-of-production basis.

An item of PPE is derecognized upon disposal, when held for sale or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal, determined as the difference between the net disposal proceeds and the carrying value of the asset, is recognized in profit or loss in the consolidated statement of comprehensive loss.

Estimates of residual values and useful lives are reassessed annually and any change in estimate is taken into account in the determination of remaining depreciation charges. Depreciation commences on the date when the asset is available for use.

Exploration and Evaluation Expenses

Exploration and evaluation expenses are comprised of costs that are directly attributable to:

- researching and analyzing existing exploration data;
- conducting geological studies, exploratory drilling and sampling;
- examining and testing extraction and treatment methods; and
- activities in relation to evaluating the technical feasibility and commercial viability of extracting a Mineral Resource.

All exploration and evaluation expenditures are expensed until properties are determined to contain economically viable Mineral Reserves. When technical feasibility and commercial viability have been determined and the decision to proceed with development has been approved, the subsequent costs incurred for the development of that project are capitalized as mining properties, a component of property, plant and equipment.

Development expenditures are net of the proceeds of the sale of mineralization extracted during the development phase. Interest on borrowings related to the construction and development of assets are capitalized until substantially all the activities required to make the asset ready for its intended use are complete.

The costs of removing overburden to access mineralization are capitalized as pre-production stripping costs and classified as mineral interests.

Mineral Interests

Mineral interests include any costs relating to the acquisition of mineral properties. When technical feasibility and commercial viability have been determined and the decision to proceed with development has been approved by the Board, the capitalized mineral interests for that project are capitalized as mining properties, a component of property, plant and equipment.

The Company assesses its capitalized mineral interests for indications of impairment on a regular basis and when events and circumstances indicate a risk of impairment. A mineral interest is written down or written off when the Company determines that an impairment of value has occurred or when exploration results indicate that no further work is warranted.

Loss per Share

Basic loss per share calculations are based on the net loss for the period divided by the weighted average number of Common Shares issued and outstanding during the respective periods.

Diluted loss per share calculations are based on the net loss attributable to shareholders for the period divided by the weighted average number of Common Shares outstanding during the period plus the effects of dilutive Common Share equivalents. The Company uses the treasury stock method to determine the dilutive effect of stock options and other dilutive instruments. The treasury stock method assumes that proceeds received from the in-the-money options and other dilutive instruments are used to repurchase Common Shares at the prevailing market rate.

Financial Assets

Upon initial recognition, all financial assets are initially recorded at fair value and designated into one of the following three categories: available-for-sale, loans and receivables, or at fair value through profit or loss ("**FVTPL**"). The designation depends on the purpose for which the financial assets were acquired. All of the Company's financial assets are classified as loans and receivables. Financial assets classified as loans and receivables are measured at amortized cost. The Company's cash and cash equivalents, amounts receivable and restricted cash are classified as loans and receivables.

Financial Liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities. All of the Company's financial liabilities are classified as other financial liabilities. Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial liability, to, where appropriate, a shorter period. The Company's accounts payable and accrued liabilities are classified as other financial liabilities.

Reclamation and Remediation Provision

Reclamation and remediation provisions arise due to legal or constructive obligations as a result of the Company's exploration activities, and are recorded in the period in which the activity generating the liability is incurred. The estimated present value of such reclamation and remediation costs, calculated using a risk-free, pre-tax discount rate, are capitalized to the corresponding asset along with the recording of a corresponding liability as soon as the obligation to incur such cost arises. The liability is adjusted each year for the unwinding of the discount rate, changes to the current market based discount rate and for the amount or timing of the underlying cash flows needed to settle the obligation. Changes in reclamation and remediation estimates are accounted for prospectively as changes in the corresponding capitalized cost.

Income Taxes

Income tax is recognized in net income (loss) for the period except to the extent that it relates to items recognized either in other comprehensive income or directly in equity, in which case it is recognized in other comprehensive income or equity, respectively. Deferred tax is provided using the balance sheet method whereby deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they are realized or settled, based on the laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is not recognized for temporary differences which arise on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting, nor taxable profit or loss. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Changes In Accounting Policies

The Company adopted IFRS effective the year ended December 31, 2014, with a transition date of January 1, 2014. The Company had not prepared financial statements for prior periods, as it was a privately held shell company with limited activity. The Company is not applying any exemptions on first-time adoption of IFRS and its financial statements required no changes upon adoption of IFRS. As required under IFRS 1, the Company has presented a statement of financial position as at its transition date of January 1, 2014 and December 31, 2014, the end of its first fiscal year under IFRS.

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB and IFRIC. Some updates that are not applicable or are not consequential to the Company may have been excluded.

IFRS 9 is mandatorily effective for the Company's consolidated financial statements for the year ending December 31, 2018. IFRS 9 brings together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost; fair value through profit and loss; and fair value through other comprehensive income. IFRS 9 introduces the expected credit loss model for impairment of financial assets which replaces the incurred loss model used in IAS 39. IFRS 9 amends the rules on hedge accounting to align the accounting treatment with the risk management practices of the business. Lastly, IFRS 9 amends some of the requirements of IFRS 7, including by adding disclosures about investments in equity instruments measured at fair value in other comprehensive income, and guidance on financial liabilities and de-recognition of financial instruments. The Company is currently analyzing the potential effects of adopting this standard on its consolidated financial statements but does not expect the adoption to have a material impact.

On January 13, 2016, the IASB issued IFRS 16 in accordance with which, all leases will be recorded on the statement of financial position of lessees, except those that meet the limited exception criteria. As a result, rent expense for the Company's office rental leases will be removed and replaced by the recording of depreciation and finance expenses. IFRS 16 is mandatorily effective for the Company's consolidated financial statements for the year ending December 31, 2019. The Company is currently analyzing the potential effects of adopting this standard on its consolidated financial statements but does not expect the adoption to have a material impact.

In May 2014, the IASB issued IFRS 15. IFRS 15 establishes principles for reporting the nature, amount, timing, and uncertainty of revenue and cash flows arising from an Company's contract with customers. This standard is effective for annual periods beginning on or after January 1, 2018. In April 2016, the IASB issued amendments to IFRS 15 to clarify: (i) the factors that indicate whether or not to separate the performance obligation; (ii) the concept of control of a good by an entity acting as the principal; and (iii) what to consider in the granting of a license. The amendments also provide additional transitional relief relating to completed contracts and modified contracts. The Company is currently analyzing the potential effects of adopting this standard on its consolidated financial statements.

Non-IFRS Measure

The Titan MD&A refers to working capital, which is not a recognized measure under IFRS. This non-IFRS liquidity measure does not have any standardized meaning prescribed by IFRS and is therefore unlikely to be comparable to a similar measure presented by other issuers. Management uses this measure internally to better assess performance trends. Management understands that a number of investors and others who follow the Company's business assess performance in this way. This data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF BALMAT HOLDING

*The following Management's Discussion and Analysis ("**Balmat MD&A**") is prepared as of the date of this Prospectus and is intended to assist readers in understanding the financial performance and financial condition of Balmat Holding. The Balmat MD&A provides information concerning Balmat Holding's financial condition as at December 31, 2016 and December 31, 2015 and fiscal years ended December 31, 2016, December 31, 2015 and December 31, 2014. The Balmat MD&A should be read in conjunction with Balmat Holding's audited consolidated financial statements included elsewhere in this Prospectus. Balmat Holding's fiscal year ends on December 31, its reporting currency and functional currency is the United States dollar.*

All dollar amounts included in Balmat Holding's audited consolidated financial statements and in the Balmat MD&A are expressed in thousands of United States dollars unless otherwise noted.

Overview and Background

Balmat Holding was incorporated under the laws of the State of Delaware on January 30, 2003. Balmat Holding operates through its wholly owned subsidiary, SLZ, a company incorporated under the laws of the State of Delaware on January 30, 2003, whose primary business is mineral exploration and the mining and processing of zinc from the Empire State Mine in upper New York State. Balmat Holding was a wholly owned subsidiary of Hudbay, a Canadian corporation whose primary activity is base metals production, until November 2, 2015 when Balmat Holding was acquired by Star Mountain, a Nevada corporation. On December 30, 2016, Balmat Holding was acquired by Titan, a British Columbia corporation. While the effective date for this transaction was December 30, 2016, any payments that were due upon closing were made on January 4, 2017. The financial statements contained herein were prepared on the basis that Titan's acquisition had no effect on Balmat Holding's financial statements as of December 31, 2016.

In 2003, SLZ acquired the previously operating Balmat zinc mine (now the Empire State Mine) and processing assets and held these under care and maintenance for a period of time. In November 2005, Hudbay announced its intention to reopen the Empire State Mine. The Empire State Mine re-opened in 2006 and operated into 2008. The Empire State Mine was closed and placed on care and maintenance in the fall of 2008 after the previous owner's projected smelter needs were addressed, in the face of a general economic turndown and resulting fall in zinc prices.

Balmat Holding's consolidated financial statements are inclusive of the accounts of Balmat Holding Corp. and its wholly-owned subsidiary, SLZ.

Overall Performance

For the years ended December 31, 2016, 2015 and 2014, the majority of Balmat Holding's expenditures have been related to the care and maintenance of the Empire State Mine. The change in the parent company of Balmat Holding from Star Mountain to Titan is not expected to have a substantive effect on the operations of Balmat Holding as Star Mountain's primary focus was the re-start of the Empire State Mine and this remains the primary focus of Titan.

Selected Annual Information

	December 31, 2016	December 31, 2015	December 31, 2014
Net income (loss)	$ 1,916	$ (2,948)	$ (2,814)
Income (loss) per share – basic and diluted	8,632	(24,574)	(28,158)
Total assets	5,204	4,917	5,165
Non-current liabilities	14,111	18,869	122,225

The changes in net income (loss) year-over-year have been primarily driven by revisions to the estimates used for the asset retirement obligation.

The total assets have not varied significantly over the last three years as the Empire State Mine has primarily been on care and maintenance with limited activities.

The large change in the non-current liabilities between 2014 and 2015 was related to the conversion of intercompany amounts owed to Hudbay by Balmat Holding that were converted into shares.

Operations

See "Empire State Mine" and "Management's Discussion and Analysis of Financial Condition and Results of Operations of Titan – Results of Operation – Project Review".

Summary of Quarterly Results

For the past eight quarters, the Empire State Mine has been on care and maintenance with limited activities being undertaken other than activities that provided security, ensured mine safety and ensured the Empire State Mine stayed in compliance with environmental regulations. Balmat Holding was not a reporting issuer during the last eight quarters and did not prepare financial statements for those quarters. The financial information for Balmat Holding was presented in the consolidated statements for its parent company, being either Star Mountain or Hudbay.

Liquidity and Capital Resources

In recent years, Balmat Holding has relied on advances from its parent companies (Hudbay, then Star Mountain and now Titan) as its only source of capital to meet its obligations as they became due. These advances have been unsecured, non-interest bearing and have no fixed terms of repayment. The ability of Balmat Holding to continue as a going concern is dependent on the continued financial support from its ultimate parent company, now Titan, or achieving profitable operations in the future which cannot be predicted at this time. These factors raise substantial doubt about Balmat Holding's ability to continue as a going concern.

Liquidity risk is the risk that Balmat Holding will encounter difficulty in satisfying financial obligations as they fall due. Balmat Holding manages its liquidity risk by forecasting cash flows required by operations and anticipated investing and financing activities. Balmat Holding intends to continue relying upon advances from its parent company to finance its future activities for at least as long as the Empire State Mine remains on care and maintenance. There can be no assurance that such parent company advances will be available on a timely basis or under terms acceptable to Balmat Holding.

Balmat Holding's commitments at December 31, 2016, are primarily associated with the asset retirement obligations for the Empire State Mine, royalty payments associated its mineral leases, accounts payable and accrued liabilities incurred in the normal course of business, and a promissory note for $500. The promissory note was repaid on January 4, 2017 as part of the Acquisition by Titan.

Related Party Transactions

In recent years, Balmat Holding has relied on advances from its parent companies (Hudbay, then Star Mountain and now Titan) to meet its obligations as they became due. These advances have been unsecured, non-interest bearing and have no fixed terms of repayment. As the majority of these advances under Hudbay's ownership were funded in Canadian dollars, any movements in exchange rates were recognized in the statement of operations through June 30, 2015, when Hudbay switched its functional currency from the Canadian dollar to the United States dollar.

The accumulated advances owed to Hudbay were exchanged for 122 shares of Balmat Holding's common stock just prior to Star Mountain's acquisition of Balmat Holding on November 2, 2015. Similarly, the accumulated advances owed to Star Mountain were written off to additional paid in capital just prior to Balmat Holding's Acquisition by Titan on December 30, 2016.

The accumulated advances outstanding as of December 31, 2016, 2015 and 2014 were comprised of:

	December 31,		
	2016	**2015**	**2014**
Due to Star Mountain	$ -	$ 402	$ -
Due to Hudbay	-	-	103,626
	$ -	$ 402	$ 103,626

The above related party transactions have been recorded at the amounts agreed to and exchanged between the parties.

Use of Estimates

The preparation of Balmat Holding's consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Actual results could differ from those estimates. The amounts which involve significant estimates include (i) expense allocations from Hudbay and Star Mountain, (ii) property, plant and equipment estimated salvage values and assessment of impairment, (iii) fair value of certain assets and liabilities, (iv) contingent liabilities and (v) asset retirement obligations. These estimates are reviewed at least annually and, as adjustments become necessary, they are reported in earnings in the period in which they became known. Actual results could differ from those estimates.

Changes in Accounting Policies

Balmat Holding's significant accounting policies have been disclosed in Note 3 of the consolidated financial statements for the twelve months ended December 31, 2016, 2015 and 2014.

First time adoption of IFRS

Balmat Holding adopted IFRS effective for the year ended December 31, 2014 and in prior periods Balmat Holding had prepared its financial statements under U.S. Generally Accepted Accounting Principles ("**GAAP**"). In preparing the financial statements, Balmat Holding's opening Statement of Financial Position was prepared as at January 1, 2014, Balmat Holding's date of transition to IFRS.

Under IFRS 1, First-time Adoption of International Financial Reporting Standards, the IFRS are applied retrospectively at the date of transition with all adjustments to assets and liabilities as stated under GAAP taken to retained earnings unless certain exemptions are applied. Balmat Holding has applied the following exemption:

- Certain assets were carried in the Statement of Financial Position as at January 1, 2014 at the values that had previously been impaired under U.S. GAAP as the impaired value approximated the fair value at the date of transition.

After applying the exemption above to the Statement of Financial Position at the date of transition, Balmat Holding had the following adjustments on its financial statements which were previously reported under U.S. GAAP:

- January 1, 2014 Statement of Financial Position – there were no adjustments required.
- December 31, 2014 financial statements
  - Statement of Financial Position – the asset retirement obligation ("**ARO**") as at December 31, 2014 under U.S. GAAP was $19,824 and under IFRS was $18,599 decreasing the liabilities under IFRS by $1,225.
  - Statement of Net Income (Loss) – The change to the ARO liability resulted in a change on the Statement of Net Income (Loss) whereby under U.S. GAAP Balmat Holding had taken an ARO charge for revisions of estimates of $867 and under IFRS this resulted in an ARO recovery for revisions of estimates of $358, this change resulted in the net loss under U.S. GAAP of $4,039 versus a net loss under IFRS of $2,814 decreasing the net loss under IFRS by $1,225.
- December 31, 2015 financial statements
  - Statement of Financial Position – the ARO as at December 31, 2015 under U.S. GAAP was $17,906 and under IFRS was $18,467 increasing the liabilities under IFRS by $561.
  - Statement of Net Income (Loss) – The change to the ARO liability resulted in a change on the Statement of Net Income (Loss) whereby under U.S. GAAP Balmat Holding had taken an ARO recovery for revisions of estimates of $2,120 and under IFRS this resulted in an ARO recovery for revisions of estimates of $536. Also, under U.S. GAAP, Balmat Holding had taken a depletion charge related to the ARO of $202 and under IFRS the depletion charge was $404. These two changes resulted in the net loss under U.S. GAAP of $1,164 versus a net loss under IFRS of $2,950 increasing the net loss under IFRS by $1,786.

Financial Instruments

Balmat Holding's financial instruments are classified into the following categories of financial assets and liabilities (shown at carrying value):

		December 31,		
Category	**Measurement**	**2016**	**2015**	**2014**
Cash and cash equivalents	Loans and receivables	$ 81	$ 82	$ 103
Restricted cash	Loans and receivables	1,663	1,663	1,663
Accounts payable and accrued liabilities	Other financial liabilities	394	50	173
Note payable	Other financial liabilities	500	-	-
Due to related parties	Other financial liabilities	-	402	103,626

The carrying values of Balmat Holding's financial instruments in the table above approximate their fair value as a result of their short-term nature. For additional details on the risk associated with these financial instruments, see Note 12 of Balmat Holding's consolidated financial statements for the twelve months ended December 31, 2016, 2015 and 2014.

Outstanding Share Data

Authorized: 2,500 shares, no par value.

Outstanding: 222 shares issued and outstanding at December 31, 2016 and 2015 and 100 shares issued and outstanding at December 31, 2014. As of December 31, 2016, all 222 of the issued and outstanding shares were held indirectly by Titan through a wholly-owned subsidiary.

USE OF PROCEEDS

The Company expects to receive net proceeds from the Offering of approximately Cdn$45,510,709 (or approximately $36,405,655, using the closing rate published by the Bank of Canada on October 10, 2017, which was $1.00 equals Cdn$1.2501) (after deduction of the Underwriters' Fee and the expenses of the Offering, estimated to be approximately Cdn$1,536,291 (or approximately $1,228,934)). If the Over-Allotment Option is exercised in full, the Company expects to receive net proceeds from the Offering of approximately Cdn$52,567,759 (or approximately $42,050,843) (after deduction of the Underwriters' Fee and the expenses of the Offering, estimated to be approximately Cdn$1,536,291 (or approximately $1,228,934)).

The Company anticipates that the aggregate net proceeds from the Offering will be allocated as follows:

	Proposed application of aggregate net proceeds from the Offering (if the Over-Allotment Option is not exercised)		**Proposed application of aggregate net proceeds from the Offering (if the Over-Allotment Option is exercised in full)**	
		(Cdn$)[3]		(Cdn$)[3]
Outstanding Payment Obligations in respect of the Acquisition:				
Repayment of the Debentures to Augusta[1]	$4.1 million	Cdn$5.1 million	$4.1 million	Cdn$5.1 million
Repayment of the Promissory Note to Star Mountain[1]	$1.0 million	Cdn$1.3 million	$1.0 million	Cdn$1.3 million
Repayment of the payment obligations to Hudbay[1]	$5.0 million	Cdn$6.3 million	$5.0 million	Cdn$6.3 million
Refurbishing and Re-commencing Operations at the Empire State Mine[2]	$10.7 million	Cdn$13.4 million	$10.7 million	Cdn$13.4 million
Exploration and Evaluation Expenses	$4.3 million	Cdn$5.3 million	$4.3 million	Cdn$5.3 million
General corporate purposes	$11.3 million	Cdn$14.1 million	$17.0 million	Cdn$21.2 million
Total	$36.4 million	Cdn$45.5 million	$42.1 million	Cdn$52.6 million

Notes:
(1) See "General Development and Business of the Company – Company History and the Acquisition of Empire State Mine Project" and "Description of Material Indebtedness".
(2) See "Empire State Mine– Capital Cost Estimate" and "Empire State Mine – Operating Cost Estimate".
(3) Calculated based on an exchange rate of $1.00 equals Cdn$1.2501.

As the Company has no history of operations, it has received no revenue to date from the activities on its properties and has not generated any positive cash flow. Consequently, the proceeds of the Offering will be used to fund the proposed expenditures set out above as well as for general working capital with the expectation that revenues and positive cash flows will not commence until such time as the Empire State Mine has been refurbished and has re-commenced operations.

The Company's primary objectives in applying the net proceeds of the Offering are to repay the Acquisition obligations and refurbish and re-commence operations at the Empire State Mine. See "General Development and Business of the Company – Company History and the Acquisition of Empire State Mine Project", "Empire State Mine– Capital Cost Estimate" and "Empire State Mine – Operating Cost Estimate".

The Company expects the net proceeds of the Offering will be used to:

- repay the Acquisition obligations as described in the table above, which it anticipates completing in the fourth quarter of 2017, for which it has budgeted $10.1 million;
- refurbish and rehabilitate existing infrastructure and equipment at the Empire State Mine, which it anticipates will take approximately two months to complete from completion of the Offering, for which it has budgeted $4.9 million;

- complete ramps, drifts and stope preparation at the Empire State Mine, which it anticipates will take approximately three months to complete from completion of the refurbishment and rehabilitation, and for which it has budgeted $3.7 million;
- commence capitalized pre-commercial production at the Empire State Mine, which it anticipates will occur concurrently with the completion of ramps, drifts and stope preparation at the Empire State Mine and which will take approximately three months to complete from completion of the refurbishment and rehabilitation, and for which it has budgeted $2.1 million; and
- perform surface exploration drilling and underground exploration drilling of the historic probable and proven ores and remnants at the Empire State Mine, which will take approximately two years, and for which it has budgeted $2.3 million and $2.0 million, respectively.

The Company is basing its production decision on the PEA and not on a feasibility study of Mineral Reserves demonstrating economic and technical viability and, as a result, there is increased uncertainty and there are multiple technical and economic risks of failure associated with this production decision. These risks, among others, include areas that are analyzed in more detail in a feasibility study, such as applying economic analysis to Mineral Resources and Mineral Reserves, more detailed metallurgy and a number of specialized studies in areas such as mining and recovery methods, market analysis, and environmental and community impacts. The PEA is preliminary in nature, uses Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves, and there is no certainty that the results of the PEA will be realized. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all, or any part of the Mineral Resources estimated will be converted into Mineral Reserves.

The Company intends to use the balance of the net proceeds for general corporate purposes. The amount and timing of the use of the net proceeds will depend on various factors, including the results of the recommended work programs. See "Risk Factors". While management currently intends that the aggregate net proceeds of the Offering will be expended as set forth above, actual expenditures may in fact differ from these amounts and allocations. Future results from ongoing activities or other sound business reasons may make it necessary for the Company to re-allocate some or all of the proceeds of the Offering. See "Risk Factors – Risks Related to this Offering – Use of Proceeds".

DESCRIPTION OF SHARE CAPITAL

The Company is currently authorized to issue an unlimited number of Common Shares, of which 62,346,900 Common Shares were issued and outstanding as at October 12, 2017. After giving effect to the Offering, there will be 98,096,900 Common Shares (103,459,400 Common Shares if the Over-Allotment Option is exercised in full) issued and outstanding.

Common Shares

Holders of Common Shares are entitled to receive notice of any meetings of shareholders, to attend and to cast one vote per Common Share at all 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 on a *pro rata* basis such dividends, if any, as and when declared by the Board of Directors at its discretion from funds legally available therefor and upon the liquidation, dissolution or winding-up of the Company are entitled to receive on a *pro rata* basis the net assets of the Company after payment of debts and other liabilities, in each case subject to the rights, privileges, restrictions and conditions attaching to any other series or class of shares ranking senior in priority to or on a *pro rata* basis with the Common Shares with respect to dividends or liquidation. The Common Shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions.

DESCRIPTION OF MATERIAL INDEBTEDNESS

In connection with the Acquisition (see "Company History and the Acquisition of Empire State Mine"), Augusta, a corporation controlled by the President and CEO of the Company, purchased from TCA Global Credit Master Fund LP the senior secured, convertible, redeemable debenture issued by Star Mountain on November 3, 2016 which had, at the time, an outstanding balance of $2,768,554.30 (as amended and restated on December 30, 2016, the "**Original Debenture**"). Augusta purchased an additional senior secured, convertible, redeemable debenture on November 25, 2016 in the principal amount of $550,240 (as amended and restated on December 30, 2016, the "**First Additional Debenture**"). Star Mountain's obligations under the Original Debenture and Additional Debenture were assumed by Titan US on December 30, 2016 as partial consideration for the Acquisition and the Original Debenture and First Additional Debenture were amended and restated on December 30, 2016 to eliminate the conversion and redemption rights. Titan US borrowed an additional $500,000 from Augusta under a senior secured debenture dated August 23, 2017 (the "**Second Additional Debenture**") and paid Augusta an upfront fee of $10,000 thereunder. Titan US borrowed a further $175,000 from Augusta under a senior secured debenture dated September 19, 2017 (the "**Third Additional Debenture**" and, together with the Original Debenture, the First Additional Debenture and the Second Additional Debenture, the "**Debentures**") and paid Augusta an upfront fee of $6,000 thereunder. Under the Third Additional Debenture, Titan US may borrow up to an aggregate of $300,000 at any time prior to December 31, 2017. On October 3, 2017, Titan US borrowed the remaining $125,000 available under the Third Additional Debenture. As of the date hereof, the outstanding balance of the Original Debenture is $2,768,554.30, the outstanding balance of the First Additional Debenture is $550,240, the outstanding balance of the Second Additional Debenture is $500,000 and the outstanding balance of the Third Additional Debenture is $300,000. The Debentures mature upon the earlier of (a) five days after the date on which Augusta provides advance written notice to Titan US demanding payment of all outstanding amounts under the Debentures, and (b) December 30, 2017 (the earlier of such dates being "**Maturity**"). The outstanding principal under each Debenture is due on Maturity and interest payments under each Debenture are due on the last day of each month. As security for its obligations under the Debentures, Titan US has granted Augusta a first-ranking security interest over: (i) all of the assets and property of Titan US, Balmat Holding and SLZ, (ii) all of the issued and outstanding membership interests of SLZ held by Balmat Holding, including, without limitation, all capital, revenue, profit, gain or other property or proceeds, return on contribution or otherwise with respect to such membership interests and (iii) certain land and other property owned by SLZ, pursuant to a mortgage, security agreement, assignment of leases and rents, and fixture filing between SLZ, as mortgagor, and Augusta, as mortgagee. Balmat Holding and SLZ have also provided guarantees in favour of Augusta as security for Titan US' obligations under the Debentures. As of the date hereof, Titan US is in compliance with all terms and conditions of the Debentures. The Debentures contain customary events of default.

As part of the purchase price for the Acquisition, Titan US also agreed to assume Star Mountain's post-closing payment obligations to Hudbay in connection with Star Mountain's November 2015 acquisition of Northern Zinc from Hudbay. A maximum of $15,500,000 of the purchase price remains payable to Hudbay. Pursuant to a letter agreement dated December 30, 2016 (the "**Letter Agreement**"), Titan, Titan US and Hudbay agreed on an additional payment option (the "**Additional Payment Option**") in respect of the purchase price obligations assumed by Titan US. Pursuant to the Letter Agreement, Titan US may elect to satisfy the purchase price obligation by: (a) paying $5,000,000 in cash to Hudbay on the earlier of (i) an IPO and (ii) the Payment Deadline; and (b) issuing to Hudbay, as soon as practicable following the closing of the IPO, for no additional consideration, such number of Common Shares (or equivalent shares of the reporting issuer that Titan has become a subsidiary of, or entered into a business combination with, as part of the IPO) that is equal to $2,500,000, divided by the per share price of such shares in such IPO. Pursuant to the Letter Agreement Amendment, the Company agreed with Hudbay to extend the Payment Deadline to October 31, 2017, on the condition that the Company issue to Hudbay, for no additional consideration, such number of Common Shares that is equal to $3,000,000 (instead of the previously agreed upon $2,500,000), divided by the per share price of such shares in the IPO. If the Offering is completed, Titan intends on exercising the Additional Payment Option and using a portion of the proceeds of the Offering to make the cash payment and Common Share payment to Hudbay described above. See "Use of Proceeds". Based on the Offering Price, Titan will issue approximately 2,678,786 Common Shares to Hudbay on exercise of the Additional Payment Option (based on an assumed exchange rate of $1.00 equals Cdn$1.2501).

If the Company does not exercise the Additional Payment Option, the $15,500,000 of the purchase price that remains payable to Hudbay will be payable in the following installments: (a) $500,000 on the date of the

Company's first shipment of ore concentrate from the Empire State Mine; (b) $5,000,000 on the 12-month anniversary of the Company's first shipment of ore concentrate from the Empire State Mine; and (c) four installments, each in the amount of $2,500,000, on the 18-month, 24-month, 30-month and 36-month anniversaries of the Company's first shipment of ore concentrate from the Empire State Mine. If any portion of the purchase price has not been paid by April 30, 2020, the Company must immediately pay the entire unpaid balance of the purchase price to Hudbay.

As an alternative to the aforementioned payment structure, the Company may, at least 30 days prior to the 12-month anniversary of the Company's first shipment of ore concentrate from the Empire State Mine, elect to pay the remainder of the purchase price within a shorter period of time. If the Company makes this election, the outstanding amount of the purchase price remaining to be paid to Hudbay will be reduced to $14,500,000, which is payable as follows: (a) $400,000 on the date of the Company's first shipment of ore concentrate from the Empire State Mine; and (b) three installments, each in the amount of $4,700,000, on the 12-month, 18-month and 24-month anniversaries of the Company's first shipment of ore concentrate from the Empire State Mine. If the Company makes this election and any portion of the purchase price has not been paid by October 31, 2019, the Company must immediately pay the entire unpaid balance of the purchase price to Hudbay.

Unless and until the Company has satisfied in full its payment obligations to Hudbay, neither the Company nor Titan US may transfer its interest in the Empire State Mine Project unless (i) the transferee assumes all of the Company's and Titan US' rights and obligations under the Letter Agreement and the purchase agreement dated October 13, 2015 between Northern Zinc, Star Mountain, Hudbay, Balmat Holding and SLZ and (ii) Hudbay has provided its prior written consent to such transfer, which consent may not be unreasonably withheld.

Titan US is also indebted to Star Mountain under the Promissory Note in the principal amount of $2,000,000 (of which $1,000,000 remains outstanding as of June 30, 2017). Pursuant to the terms of the Promissory Note, Titan US was required to pay $500,000 to Star Mountain on September 30, 2017 or on the first Business Day thereafter occurring. On October 2, 2017, Titan US entered into an amendment and extension agreement to the Promissory Note (the "**Promissory Note Amendment**") with Star Mountain, pursuant to which Star Mountain agreed to change the payment date for Titan US' $500,000 payment to Star Mountain from September 30, 2017 to the date that is the earlier of (a) five days from the Closing Date and (b) October 31, 2017, in consideration of an additional payment by Titan US to Star Mountain of $25,000, plus any interest accrued on such amount from October 2, 2017 to the new payment date. See "General Development and Business of the Company – Recent Developments". In the event that the Company fails to make a scheduled payment under the Promissory Note, interest on such due but unpaid amount will immediately accrue at an interest rate equal to the lesser of 14% per annum and the maximum interest rate allowable by law, until the Company cures such failure to pay. See "Company History and the Acquisition of Empire State Mine".

CAPITALIZATION

The Company anticipates issuing 35,750,000 Common Shares pursuant to the offering (41,112,500 Common Shares if the Over-Allotment Option is exercised in full), based on the pricing and size assumptions set forth on the cover page of this Prospectus. On completion of the Offering, the Company will have 98,096,900 Common Shares issued and outstanding (103,459,400 Common Shares issued and outstanding if the Over-Allotment Option is exercised in full).

The following table sets out the consolidated capitalization of the Company as at June 30, 2017, after giving effect to the Offering, the use of proceeds therefrom described under "Use of Proceeds" and the issuance of approximately 2,678,786 Common Shares to Hudbay (based on an assumed exchange rate of $1.00 equals Cdn$1.2501) pursuant to the terms of the Letter Agreement and the Letter Agreement Amendment (see "Description of Material Indebtedness"). The table should be read in conjunction with the unaudited consolidated financial statements of the Company contained in this Prospectus.

	As at June 30, 2017	**As at June 30, 2017**
	Prior to giving effect to the Offering	**After giving effect to the Offering** (1)
	(in thousands)	(in thousands)
Long-term debt (including current portion)	Nil	Nil
Acquisition obligations	$12,319(2)	Nil
Shareholders' equity (deficiency):		
Common Shares	$10,369	$49,453
Share option reserve	$134	$134
Retained deficit	$(5,501)	$(5,501)
Total Capitalization	$17,321	$44,086

Note:

(1) Assumes no exercise of the Over-Allotment Option.

(2) $3,000,000 of this liability will be settled through the issuance of approximately 2,678,786 Common Shares following completion of the Offering (based on an assumed exchange rate of $1.00 equals Cdn$1.2501).

DIVIDEND POLICY

The Company has not declared or paid any dividends or other distributions on its Common Shares since the date of its incorporation. The Company currently expects to retain all future earnings for use in the operation and expansion of the business and does not anticipate paying cash dividends in the foreseeable future. The declaration and payment of any dividends in the future will be determined by the Board, in its discretion, and will depend on a number of factors, including the Company's earnings, capital requirements, overall financial condition and contractual restrictions. There can be no assurance that the Company will pay dividends under any circumstances. Accordingly, investors may need to sell their Common Shares to realize a return on their investment, and investors may not be able to sell their Common Shares at or above the price such investors paid for them. See "Risk Factors – Risks Related to this Offering – Payment of Dividends".

PRIOR SALES OF COMMON SHARES

The following table summarizes the issuances by the Company of Common Shares or securities convertible into Common Shares in the 12-month period prior to the date of this Prospectus:

Date of Issuance	Number of Securities Issued	Issue Price Per Share
November 28, 2016	40,000,000 Common Shares	Cdn$0.03
November 28, 2016	6,000,000 Common Shares	Cdn$0.05
November 28, 2016	5,377,000 Common Shares	Cdn$0.25
December 7, 2016	8,000,000 Common Shares	Cdn$1.00
December 30, 2016	2,968,900 Common Shares	Cdn$1.00[1]

Notes:

(1) Titan issued 2,968,900 Common Shares to Star Mountain as partial consideration for the Acquisition. These Common Shares were issued at a deemed price of $1.00**.**

PRINCIPAL SHAREHOLDERS

Upon completion of the Offering, it is expected that Richard W. Warke, President and CEO of the Company, either directly or indirectly, through 0905792, a corporation controlled by him, will have direction and control over 40,701,000 Common Shares, representing approximately a 41.5% interest in the Company (or representing approximately a 39.3% interest in the Company, if the Over-Allotment Option is exercised in full). As a result, Mr. Warke will continue to have a significant influence on the Company. See "Risk Factors".

To the best of the knowledge of the directors and executive officers of the Company, the following table sets out the shareholdings of those persons who, after giving effect to the Offering, will beneficially own, control or direct, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to the Common Shares:

Name of Shareholder	Common Shares Beneficially Owned Immediately After the Offering[2]	
	Number	%
Richard W. Warke[1]	40,701,000	41.5%[3]

Notes:

(1) Richard W. Warke, President and CEO of the Company, holds 1,000 Common Shares and 2,000,000 Options directly. 40,700,000 Common Shares are held by 0905792 B.C. Ltd, a corporation controlled by Mr. Warke.

(2) Expressed on a non-diluted basis. On a fully-diluted basis, Mr. Warke holds 2,001,000 Common Shares directly, representing approximately 1.9% and 40,700,000 Common Shares indirectly through 0905792 B.C. Ltd, a corporation controlled by Mr. Warke, representing approximately 38.2%. This fully-diluted calculation includes the exercise of the 5,800,000 Options outstanding on the date hereof and the approximately 2,678,786 Common Shares issuable to Hudbay (based on an assumed exchange rate of $1.00 equals Cdn$1.2501) as described under "Description of Material Indebtedness".

(3) Approximately. Assumes no exercise of the Over-Allotment Option (representing approximately a 39.3% interest in the Company, if the Over-Allotment Option is exercised in full).

SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

In connection with the completion of the Offering, the Company and each of the Company's directors and officers have agreed not to, among other things, issue, sell or offer any securities of the Company for a period of 180 days after the Closing Date, subject to certain limited exceptions. See "Plan of Distribution — Lock Up Arrangements".

To the Company's knowledge as at October 12, 2017, the number of securities which are anticipated to be held following completion of the Offering by each director and executive officer of the Company and which are anticipated to be subject to transfer restrictions pursuant to Lock-Up Agreements are set out below:

Class of Security	Number of Securities Subject to a Contractual Restriction on Transfer[(1)]	Percentage of Class of Security[(2)]
Common Shares	43,207,500	44%
Options	5,300,000	91.4%

(1) The contractual restrictions on transfer on these Common Shares and Options pursuant to such Lock-Up Agreements will end 180 days after the Closing Date.

(2) Approximately. On a non-diluted basis and assuming no exercise of the Over-Allotment Option (assuming the Over-Allotment Option is exercised in full, 43,207,500 Common Shares will be subject to a contractual restriction on transfer, representing approximately 41.8% of Common Shares and 5,300,000 Options will be subject to a contractual restriction on transfer, representing approximately 91.4% of Options).

DIRECTORS AND EXECUTIVE OFFICERS

The following table sets out the name, province and country of residence, position held with the Company, independence, principal occupation and number of Common Shares held by each person who will be a director and/or an executive officer of the Company as at the Closing Date. The directors of the Company shall be elected at each annual general meeting of the shareholders of the Company held to elect directors. The directors are expected to hold office until the Company's next annual meeting of shareholders, at which time they will be re-elected or replaced.

Name, Province and Country of Residence	Position / Title	Date First Became a Director	Principal Occupation	Common Shares Held
Richard W. Warke *British Columbia, Canada*	Director, President, CEO and Chair of the Board	October 15, 2012	President, Director and CEO of the Company; Executive Chairman and Director of Arizona Mining since July 2008; Executive Chairman and Director of NewCastle Gold since May 2016; Director, President of Catalyst Copper Corp. from September 2014 to May 2016; Executive Chairman and Director of Augusta Resources until July 2014	40,701,000[(1) (2)]
Purni Parikh[(3)] *British Columbia, Canada*	Director	January 1, 2017	Director of the Company; Senior Vice President, Corporate Affairs and Corporate Secretary of Arizona Mining since February 2010 and November 2007, respectively; Senior Vice President, Corporate Affairs of NewCastle Gold since May 2016; Vice President, Corporate Secretary of Catalyst Copper Corp. from September 2014 to May 2016; Vice President of Augusta Resources from July 1999 to July 2014	1,500,000[(2)]
Len Boggio[(3)] *British Columbia, Canada*	Director	January 1, 2017	Director of the Company; independent corporate director of several publicly listed corporations following retirement from the partnership of PwC in May 2012	Nil[(2)(4)]

Name, Province and Country of Residence	Position / Title	Date First Became a Director	Principal Occupation	Common Shares Held
Greg Clark[3] *British Columbia, Canada*	Director	January 1, 2017	Director of the Company	750,000[2]
George Pataki *New York, USA*	Director	June 29, 2017	Director of the Company; Co-founder and Chairman of the Pataki-Cahill Group	Nil[2]
Keith Boyle *Ontario, Canada*	COO	N/A	COO of the Company since August 2017; Acting COO of the Company from January 2017 to July 2017; independent consultant from September 2016 to July 2017; Professional Engineer; Chief Operating Officer of Chieftain Metals Inc. and Chieftain Metals Corp. from February 2011 to September 2016	Nil[2][5]
Saurabh Handa *British Columbia, Canada*	CFO, and Corporate Secretary	N/A	CFO of the Company; Vice President, Finance for Imperial Metals Corp. from February 2016 to March 2017; Chief Financial Officer of Meryllion Resources Corp. from 2014 to 2015; Chief Financial Officer of Yellowhead Mining Inc. from 2012 to 2014	Nil[2]
Jerrold Annett *Ontario, Canada*	Senior Vice President, Corporate Development	N/A	Senior Vice President, Corporate Development of the Company; Head of Mining Equity Sales at Scotiabank from 2008 to May 2017	100,000[2][6]
Susan Muir *Ontario, Canada*	Vice President, Investor Relations and Corporate Communications	N/A	Vice President, Investor Relations and Corporate Communications of the Company; Vice President, Investor Communications at Barrick Gold Corporation from February 2007 to July 2016	Nil[2][7]

Notes:

(1) Mr. Warke holds 1,000 Common Shares directly. 40,700,000 Common Shares are held by 0905792 B.C. Ltd., a corporation controlled by Mr. Warke.

(2) In addition to the Common Share holdings set out in the above table, Mr. Warke holds 2,000,000 Options; Ms. Parikh holds 300,000 Options; Mr. Boggio holds 300,000 Options; Mr. Clark holds 300,000 Options; Mr. Pataki holds 400,000 Options; Mr. Boyle holds 750,000 Options; Mr. Handa holds 500,000 Options; Mr. Annett holds 500,000 Options and Ms. Muir holds 250,000 Options.

(3) Independent Director. Member of the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee.

(4) It is anticipated that Mr. Boggio will purchase 34,000 Common Shares pursuant to the Offering.

(5) It is anticipated that Mr. Boyle will purchase 70,000 Common Shares pursuant to the Offering.

(6) It is anticipated that Mr. Annett will purchase an additional 50,000 Common Shares pursuant to the Offering. Following completion of the Offering, Mr. Annett will hold an aggregate of 150,000 Common Shares.

(7) It is anticipated that Ms. Muir will purchase 2,500 Common Shares pursuant to the Offering.

Immediately after the closing of the Offering, the directors and executive officers of the Company, as a group, will beneficially own, or exercise control or direction over, directly or indirectly, 43,207,500 Common Shares, representing approximately 44% of the Common Shares outstanding before giving effect to any exercise of the Over-Allotment Option (approximately 41.8% of the Common Shares outstanding after giving effect to the exercise of the Over-Allotment Option in full).

Biographical Information Regarding the Directors and Executive Officers and Certain Management and Consultants of the Company

The following is biographical information relating to each of the directors and executive officers and certain management and consultants of the Company.

***Richard W. Warke (57)* –** Mr. Warke is a member and Chair of the Board and the President and CEO of the Company. He founded the Augusta Group of Companies in 2006 when he started Ventana Gold Corp., Augusta Resources, and Arizona Mining. The group now includes NewCastle Gold and the Company. Ventana Gold Corp. was sold for approximately Cdn$1.6 billion and Augusta Resources was sold for approximately Cdn$666 million. Mr. Warke is currently Executive Chairman of Arizona Mining and NewCastle Gold. Mr. Warke has more than 25 years of experience in corporate finance and marketing in the global resource industry, and has been involved in raising over Cdn$1 billion dollars in equity for resource companies.

Purni Parikh (47) – Ms. Parikh is a member of the Board. She has 27 years of experience in business administration. She has a Certificate in Business from the University of Toronto and has 25 years' experience working with public companies in the areas of legal and regulatory administration, corporate finance, governance and investor relations. In addition, Ms. Parikh has completed governance and board related course work at Harvard Business School. Ms. Parikh is currently Senior Vice President, Corporate Affairs and Corporate Secretary of Arizona Mining and NewCastle Gold and was also Vice President, Corporate Secretary for Augusta Resources and Ventana Gold Corp. prior to their acquisition. Ms. Parikh is also an Accredited Director with Acc. Dir. certification.

Len Boggio (62) – Mr. Boggio is a member of the Board. He was formerly a partner of PricewaterhouseCoopers LLP ("**PwC**") where he served for more than 30 years until his retirement in May 2012. During that time he was Leader of the B.C. Mining Group of PwC, a senior member of PwC's Global Mining Industry Practice and an auditor of Canadian, United States, U.K. and other internationally listed mineral resource and energy clients. Since his retirement from PwC, Mr. Boggio has served as an independent director for several publicly listed corporations. Mr. Boggio is a Fellow of the Chartered Professional Accountants of Canada (FCPA, FCA) and has served as president of the British Columbia Institute of Chartered Accountants and chairman of the Canadian Institute of Chartered Accountants.

***Greg Clark (47)* –** Mr. Clark is a member of the Board. Mr. Clark worked as a Licensed Aircraft Technician in the Heavy Maintenance Dept. for Canadian Airlines and then Air Canada. He holds a Transport Canada Aircraft Maintenance Engineer License.

George Pataki (72) – Mr. Pataki is a member of the Board. Mr. Pataki is the co-founder and Chairman of the Pataki-Cahill Group, a specialized development firm, and serves as Senior Counsel to the international law firm Norton Rose Fulbright. Previously, he served three terms as the 53rd Governor of the State of New York from 1995 to 2006, being elected after serving consecutively as the mayor of Peekskill, an assemblyman in the New York State Legislature, and as a senator in the New York State Senate. Mr. Pataki has vast experience serving on the boards of international conglomerates, private equity firms, and venture capital funds.

***Keith Boyle (56)* –** Mr. Boyle is the COO of the Company. He has over 30 years' experience in building and operating narrow vein and bulk underground mines as well as open pit mines with a strong focus on safety, efficiency and cost control. He has successfully led the completion of numerous exploration programs, NI 43-101 feasibility studies, independent reviews, financing due diligences and the construction and development of mines. He has led the implementation of industry leading health, safety and environmental management systems. Mr. Boyle was also recognized by the mining industry with a second J.T. Ryan trophy for the Stobie Mine for managing the safest mine in Ontario.

***Saurabh Handa (40)* –** Mr. Handa is the CFO of the Company. He has over ten years of experience in the mining industry with prior positions including Vice President, Finance of Imperial Metals Corp., CFO of Meryllion

Resources Corp., CFO of Yellowhead Mining Inc. and Corporate Controller for SouthGobi Resources Ltd. Before that, Mr. Handa worked at Deloitte and Touché LLP in its audit and valuation practices, primarily on international mining companies. He is a Chartered Accountant and holds a diploma in accounting and a Bachelor of Science in cellular biology and genetics from the University of British Columbia, and a diploma in computer systems from the British Columbia Institute of Technology.

Jerrold Annett (46) **–** Mr. Annett is the Senior Vice President, Corporate Development of the Company. Mr. Annett has over 11 years of experience with Teck Resources Limited and Falconbridge Ltd. and an additional ten years in capital markets, most recently with Scotiabank. Mr. Annett is currently Senior Vice President, Corporate Development of Arizona Mining. He worked for Cominco Ltd. as a metallurgist at the lead-zinc Polaris Mine, Sullivan lead-zinc mine, and the Quebrada Blanca mine. He was ranked a Brendan Woods Top Gun Super League Sales Professional during the last two surveys in 2015 and 2012.

Susan Muir (60) **–** Ms. Muir is the Vice President, Investor Relations and Corporate Communications of the Company. She is currently Vice President, Investor Relations and Communications of Arizona Mining and Vice President, Investor Relations and Corporate Communications of NewCastle Gold. She was most recently Vice President, Investor Communications at Barrick Gold Corporation, following a series of increasingly senior roles since 2007. Prior to joining Barrick Gold Corporation, Ms. Muir spent 25 years analyzing and covering large and small cap precious metal equities for several major Canadian investment banks. Ms. Muir holds a Bachelor of Arts from Concordia University.

Roger Lacerte **–** Mr. Lacerte is the General Manager at the Empire State Mine. Mr. Lacerte is a mining engineer with nearly 40 years of experience at various mining operations and over 30 years of experience in management and supervisory positions in the mining industry, including 19 years in the African mining industry. Mr. Lacerte has operating experience in both underground and open pit mining, and has an extensive background in underground stoping methods including long hole, shrinkage and cut-and-fill, with both conventional and highly mechanized equipment, as well as with hydraulic and paste backfill. Mr. Lacerte has extensive underground mine management experience having worked at JDS Silver's Silvertip Mine, Mine Superintendent at Barrick's Bulyanhulu Mine, Agnico Eagle's LaRonde Mine, and Aur Resources' Louvicourt Mine. Mr. Lacerte holds a degree in mining engineering.

Michael J. Kirschbaum **–** Mr. Kirschbaum is the consulting Exploration Manager at the Empire State Mine. Mr. Kirschbaum has a diverse background with over 15 years of experience in the geosciences, including metallic and industrial mineral evaluation, geologic hazard assessment, and exploration program design and management. Previously, Mr. Kirschbaum has worked for Ivanhoe Mines in Africa where he served as Senior Project Geologist at the Kamoa Copper Project and later assumed the role of Regional Exploration Manager for the Democratic Republic of the Congo. He has worked on a variety of deposit types including sediment-hosted stratiform copper, porphyry copper-gold-molybdenum, iron oxide copper-gold, and Kipushi-style copper-zinc-lead deposits. Mr. Kirschbaum holds a Bachelor of Science in geology from the University of Utah and a Master of Science degree in economic geology from the Colorado School of Mines.

Advisor

James Gowans **–** James Gowans acts as an advisor to the Company. Mr. Gowans has more than 30 years' experience in mineral exploration, feasibility studies, construction and operations, including at the Red Dog and Polaris mines. Mr. Gowans is currently President and CEO of Arizona Mining and was formerly Co-President and EVP & COO of Barrick Gold Corporation. Prior roles include Managing Director of Debswana Diamond Company (Pty) Ltd., President & CEO of De Beers Canada Inc., COO & SVP of International Nickel Indonesia tbk PT, and EVP at Placer Dome Inc.

Corporate Cease Trade Orders and Bankruptcies

Except as disclosed below, none of the directors or executive officers of the Company, nor any personal holding company of any such persons, is, as of the date of this Prospectus, or has been, within the ten years before the date of this Prospectus, a director, chief executive officer or chief financial officer of any company (including the Company) that was the subject of a cease trade or similar order, or an order that denied such company access to any statutory exemptions under securities legislation, which order was: (i) in effect for a period of more than 30 consecutive days, and (ii) issued either (a) when the director or executive officer was acting in the capacity as a director, chief executive officer or chief financial officer, or (b) after such person ceased to be in such capacity, but which resulted from an event that occurred while they were acting in such capacity.

Except as disclosed below, none of the directors or executive officers of the Company, and, to the Company's knowledge, no shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, nor any personal holding company of any such persons, is, as of the date of this Prospectus, or has been, within the ten years before the date of this Prospectus, a director or executive officer of any company (including the Company) that, while that person was acting in such capacity or within one year of that person ceasing to act in such capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that company.

Mr. Handa was an independent director of Banks Island from June 7, 2011 to July 28, 2015 and resigned from its board of directors on July 28, 2015. On January 8, 2016, less than one year after Mr. Handa's departure, Banks Island announced its intention to make an assignment into bankruptcy and Industry Canada accepted that assignment effective January 8, 2016. The assignment was also filed with the Office of the Superintendent of Bankruptcy the same day. Mr. Boggio was a director of GWMG from January 2013 until his resignation together with all the then current directors in July 2015. On April 30, 2015, GWMG announced that a support agreement was entered into with the holders of a majority of GWMG's secured convertible bonds and GWMG was granted protection from its creditors under the *Companies' Creditors Arrangement Act* upon receiving an initial order from the Ontario Superior Court of Justice Commercial List. On May 11, 2015, an order was issued by the Financial and Consumers Affairs Authority of the Province of Saskatchewan that all trading in the securities of GWMG be ceased due to its failure to file financial statements for the year ended December 31, 2014. In December 2015, the Monitor of GWMG issued a press release announcing that it had filed an assignment in bankruptcy on behalf of GWMG. On September 6, 2016 a receiver was appointed for Chieftain Metals Inc. and Chieftain Metals Corp. by the Superior Court of Justice (Commercial List) in Ontario. Mr. Boyle was an officer of Chieftain Metals Inc. and Chieftain Metals Corp. until terminated by the receiver on September 8, 2016. Ms. Parikh has been the Corporate Secretary of Arizona Mining since November 2007. Arizona Mining requested and received notice from the British Columbia Securities Commission of the issuance of a management cease trade order (the "**MCTO**") on October 30, 2007 in connection with the late filing of its annual audited consolidated financial statements for the fiscal year ending June 30, 2007. Its failure to make the filing within the required time frame was due to the need to clarify potential foreign tax obligations relating to an acquisition it made. The required filing was made on January 7, 2008 and the MCTO was revoked on January 8, 2008.

Penalties and Sanctions

None of the directors or executive officers of the Company, and, to the Company's knowledge, no shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, nor any personal holding company of any such persons, has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or been subject to any other penalties or sanctions imposed by a court, or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Personal Bankruptcies

None of the directors or executive officers of the Company, nor, to the Company's knowledge, any shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, nor any personal holding company of any such persons has, within the ten years before the date of this Prospectus, been bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Conflicts of Interest

To the best of the Company's knowledge, there are no existing potential conflicts of interest among the Company or its subsidiaries and the directors or officers of the Company or its subsidiaries as a result of their outside business interests as at the date of this Prospectus. Richard W. Warke, the President and CEO of the Company, and certain of the directors serve as directors and executive officers of other public companies (see "Corporate Governance – Board of Directors"). In addition, Saurabh Handa, the CFO of the Company, is a director of K92 Mining Inc., a public company. Accordingly, conflicts of interest may arise which could influence these persons in evaluating possible acquisitions or in generally acting on behalf of the Company. See "Risk Factors".

The Company's directors and executive officers are required by law to act honestly and in good faith with a view to the best interests of the Company. Subject to any limitations in the Company's constating documents, no agreement or transaction would be void or voidable only because it was made between the Company and one or more of its directors or by reason that such director was present at the meeting of directors that approved such agreement or transaction or that the vote or consent of the director is counted for the approval of such agreement or transaction. Subject to any limitations or provisions to the contrary in the Company's constating documents, in order for an agreement or transaction between the Company and one or more of its directors to be valid, the relevant director or directors must disclose in good faith his or their interests in such agreement or transaction to the other directors not having a conflict of interest (or a sufficient number of directors to carry the resolution without counting the votes of the interested director(s)) and only such other directors must vote in favour of the agreement or transaction. If all of the directors have a conflict of interest, the agreement or transaction must be authorized, approved or ratified by a resolution of shareholders in order to achieve statutory validity. An agreement or transaction between a director and the Company will be valid unless it can be shown that, at the time the agreement or transaction was authorized, it was unfairly prejudicial to one or more shareholders or the creditors of the Company. In appropriate cases, the Company will establish a special committee of independent directors to review a matter in which several directors, or management, may have a conflict.

The directors and executive officers of the Company have been advised of their obligations to act at all times in good faith in the interest of the Company and to disclose any conflicts to the Company if and when they arise. Persons considering the purchase of Offered Shares pursuant to the Offering under this Prospectus must appreciate that they will be required to rely on the judgment and good faith of these persons in resolving any such conflicts of interest that may arise.

AUDIT COMMITTEE

On June 1, 2017, the Company constituted an Audit Committee and adopted a written charter setting forth the responsibilities, powers and operations of the Audit Committee, consistent with NI 52-110. The text of the Audit Committee's charter is attached as Schedule A.

The principal duties and responsibilities of the Audit Committee are to assist with the Board's oversight of:

- the integrity of the Company's financial statements;
- the Company's compliance with legal and regulatory requirements;
- the qualifications and independence of the Company's independent auditors; and
- the performance of the independent auditors.

The Audit Committee has access to all books, records and facilities of the Company and has the authority to engage independent counsel and other advisors as it deems necessary to carry out its duties. The Audit Committee also has the authority to communicate directly with and to meet with the external auditors and the internal auditor, without management involvement.

Composition of the Audit Committee

The Audit Committee is comprised of Greg Clark, Purni Parikh and Len Boggio, and is chaired by Len Boggio. All of the members of the Audit Committee of the Company are "independent" and "financially literate", as such terms are defined under NI 52-110.

Relevant Education and Experience

For a description of the education and experience of each member of the Audit Committee, see "Directors and Executive Officers – Biographical Information Regarding the Directors and Executive Officers and Certain Management and Consultants of the Company".

Pre-Approval Policies and Procedures

The Audit Committee has not adopted any specific policies or procedures for the engagement of non-audit services. However, under its charter, the Audit Committee must approve all non-audit services to be provided to the Company or its subsidiaries by the Company's external auditors.

External Auditor Service Fees

The following table sets out the fees billed to the Company by Ernst & Young, LLP for services rendered in the last two fiscal periods:

Fiscal Period	Audit Fees(1)	Audit Related Fees(2)	Tax Fees(3)	All Other Fees(4)
December 31, 2016	Cdn$51,000	Nil	Nil	Nil
December 31, 2015(5)	Nil	Nil	Nil	Nil

Notes:

(1) Aggregate fees billed by the Company's auditors for audit and review services.

(2) Aggregate fees billed by the Company's auditors for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements and not contained under "Audit Fees".

(3) Aggregate fees billed by the Company's auditors for tax compliance, tax advice and tax planning services.

(4) Aggregate fees billed by the Company's auditors for products and services not contained under "Audit Fees", "Audit Related Fees" or "Tax Fees".

(5) The Company was a private shell corporation in 2015 and did not have an auditor during that period.

CORPORATE GOVERNANCE

Statement Of Corporate Governance Practices

NI 58-101 requires all companies to provide certain disclosure of their corporate governance practices in accordance with Form 58-101F1. The Canadian Securities Administrators have issued corporate governance guidelines pursuant to National Policy 58-201 – *Corporate Governance Guidelines* (the "**Corporate Governance Guidelines**"). The Corporate Governance Guidelines are recommended as "best practices" for issuers to follow and are not prescriptive, but have been used by the Company, where appropriate given the stage of development of the Company, in adopting its corporate governance practices. The Company's approach to corporate governance is set out below.

Board of Directors

The Board consists of five directors. The Corporate Governance Guidelines suggest that the board of directors of every listed company should be constituted with a majority of individuals who qualify as "independent" directors within the meaning of NI 52-110, which provides that a director is independent if he or she has no direct or indirect "material relationship" with the Company. Richard W. Warke is President and CEO of the Company and accordingly is not considered to be "independent" within the meaning of NI 52-110. The other four directors, Greg Clark, Purni Parikh, George Pataki and Len Boggio, are "independent" within the meaning of NI 52-110.

The following directors of the Company are also currently directors of other reporting issuers (or the equivalent), as set forth below:

Richard W. Warke	NewCastle Gold, Armor Minerals Inc. and Arizona Mining
Purni Parikh	Armor Minerals Inc.
Len Boggio	Polaris Materials Corporation, Pure Gold Mining Inc., Sprott Resource Holdings Inc. and NewCastle Gold

The Board will hold regularly scheduled meetings at least four times per year. The independent directors of the Company may hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance to facilitate open and candid discussion among the independent directors. The Board has appointed Richard W. Warke as the Chair of the Board. The Chair of the Board is responsible for chairing all meetings of the Board, managing and providing leadership to the Board, and ensuring that the Board's agenda will enable it to successfully carry out its duties. As Mr. Warke is not an independent director, the Board has also appointed Len Boggio as lead independent director of the Board (the "**Lead Director**") in order to ensure appropriate leadership for the independent directors. The Lead Director will (i) ensure that appropriate structures and procedures are in place so that the Board may function independently of management of the Company; and (ii) lead the process by which the independent directors seek to ensure that the Board represents and protects the interests of all shareholders.

The Chair of the Board and the Lead Director, as applicable, may be removed at any time at the discretion of the Board. The appointment of the Chair of the Board and the Lead Director, if applicable, will take place annually, at the first meeting of the Board after the meeting of shareholders at which the directors are elected. If, in any year, the Board does not appoint a Chair or Lead Director, if applicable, the incumbent Chair and Lead Director, as applicable, will each continue in office until a successor is appointed. If the Chair of the Board or Lead Director, if applicable, is absent from any meeting, the Board will select one of the other members of the Board to preside at that meeting.

Term Limits

The directors of the Company are elected annually and hold office until the next annual meeting of shareholders or until their successors are elected or appointed. The Company has limited operating history and no director has been a director of the Company for more than one year. Given the limited tenure of its directors at this time, no term limits have been adopted for directors. The Company may consider adopting term limits for directors in the future.

Board Mandate

The mandate of the Board is to supervise the management of the business and affairs of the Company and to act with a view to the best interests of the Company and its shareholders. In doing so, the Board oversees the management of the Company's affairs directly and through its committees. In fulfilling its mandate, the Board is responsible for, among other matters: (i) reviewing and approving the Company's overall business strategies and its annual business plan; (ii) reviewing and approving significant capital investments; (iii) reviewing major strategic initiatives to ensure that the Company's proposed actions accord with shareholder objectives; (iv) reviewing succession planning; (v) assessing management's performance against approved business plans and industry standards; (vi) reviewing and approving the reports and other disclosure issued to shareholders; (vii) ensuring the effective operation of the Board; and (viii) safeguarding shareholders' equity interests through the optimum utilization of the Company's capital resources.

The Board relies on management for periodic reports, and to provide the support and information necessary to enable the Board to fulfill its obligations. Significant matters are analyzed in reports prepared by management and submitted to the Board for its approval at regularly scheduled Board meetings. The Board may delegate certain responsibilities to senior management, but will require transactions and commitments above a certain threshold to be reviewed and approved by the Board prior to execution. Any responsibility not delegated to senior management or a Board committee remains with the full Board. One of the Board's responsibilities is to review and, if appropriate, approve opportunities as presented by management, and to provide guidance to management with respect to such opportunities. The Board expects management to operate the business of the Company in a manner that enhances shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Company's business plan and to meet performance goals and objectives.

The Board will adopt a formal Board of Directors mandate in the future.

Position Descriptions

The Board has not developed formal written position descriptions for the President and CEO, the Chair of the Board, the lead director, or for the Chairs of the Audit, Compensation, or Nominating and Corporate Governance Committees. However, each committee has a charter governing its function. All directors, except Greg Clark and George Pataki, are also directors of other reporting issuers, and Richard W. Warke, a director and the President and CEO of the Company, is currently a director and an officer of other reporting issuers, and are therefore knowledgeable and experienced as a group in their capacity as such and in the role designated for them. The Board has determined that given the size of the Board, the stage of development of the Company and the fact that the Board and each committee has a written charter, a written position description for the Chair of the Board, the lead director, or the chair of each committee is not required at this time. Informal discussions occur at the Board level, and, where applicable, with the President and CEO, with respect to the responsibilities of the President and CEO, the Chair of the Board, the lead director, and the Chairs of the Audit, Compensation, or Nominating and Corporate Governance Committees.

Orientation and Continuing Education

The Nominating and Corporate Governance Committee is responsible for ensuring that new directors are provided with an orientation, including written information about the role of the Board and of the committees of the Board, the duties and obligations of directors, the business and operations of the Company, documents from recent Board meetings, and opportunities for meetings and discussion with senior management and other directors.

Directors are expected to attend all scheduled Board and committee meetings, as applicable, either by telephone conference or in person when possible.

The Board recognizes the importance of ongoing director education and the need for each director to take personal responsibility for the process. To facilitate ongoing education of the Company's directors, the Company supports training and education in areas relating to their roles as directors of the Company. The Company arranges visits by directors to the Company's facilities and will encourage presentations by outside experts to the Board or committees on matters of particular importance or emerging significance.

Ethical Business Conduct

The Board has adopted a Code of Business Conduct and Ethics (the "**Code**") for its directors, officers and employees. The chair of the Audit Committee and the CFO of the Company have each been designated as Ethics Officers and are responsible for monitoring compliance with the Code by ensuring that all directors, officers and employees receive and become thoroughly familiar with the Code and acknowledge their support for and understanding of the Code. Any non-compliance with the Code is to be reported to either the Chair of the Audit Committee or the CFO, or other designated persons. A copy of the Code will be available on the Company's website at **www.titanminingcorp.com** and is currently available on SEDAR at **www.sedar.com.**

The Board ensures that directors, officers and employees are familiar with the Code to ensure that they exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest. To encourage and promote a culture of ethical business conduct, the Board has adopted the Code, a Corporate Disclosure Policy and a Whistleblower Policy. Both of these policies will be available on the Company's website at **www.titanminingcorp.com**. In addition, the Board receives periodic reports from management relating to any illegal or unethical behavior.

Nominating Directors

The process by which the Board anticipates that it will identify new candidates is by keeping itself informed of potential candidates in the industry. Any director may suggest a director nominee. The Nominating and Corporate Governance Committee must formally review and consider the background, expertise, qualifications and skill sets of the nominee in relation to the needs of the Company and recommend the appointment of the nominee to the full Board.

The Nominating and Corporate Governance Committee is comprised of Greg Clark, Purni Parikh and Len Boggio, all of whom are independent directors, in accordance with the Corporate Governance Guidelines. The Board has developed a written charter setting forth the responsibilities, powers and operations of the Nominating and Corporate Governance Committee. The principal duties and responsibilities of the Nominating and Corporate Governance Committee are to assist the Board with the following matters: (i) identifying individuals qualified to become directors of the Company; (ii) assessing and reporting on the effectiveness of the Board and any committees thereof; (iii) orientation and continuing education for directors; and (iv) developing and recommending to the Board a set of corporate governance policies and principles applicable to the Company in light of the corporate governance guidelines published by regulatory bodies having jurisdiction over the Company.

In identifying new candidates for the Board, the Nominating and Corporate Governance Committee will consider what competencies and skills the Board, as a whole, should possess and assess what competencies and skills each existing director possesses, considering the Board as a group, and the personality and other qualities of each director, as these may ultimately determine the boardroom dynamic. It will be the responsibility of the Nominating and Corporate Governance Committee to regularly evaluate the overall effectiveness of the Board, the Chair of the Board and all Board committees and their chairs.

A copy of the Charter of the Nominating and Corporate Governance Committee setting out its mandate and responsibilities and the duties of its members will be available on the Company's website at **www.titanminingcorp.com**.

Diversity

The Board recognizes that a diverse and talented workforce is a competitive advantage and that the Company's success is the result of the quality and skills of its people. The Nominating and Corporate Governance Committee of the Board values diversity of abilities, experience, perspective, education, gender, background, race and national origin. Recommendations concerning director nominees to be made by the Nominating and Corporate Governance Committee will be based on merit and past performance as well as expected contribution to the Board's performance and, accordingly, diversity will be taken into consideration.

The Board similarly believes that having a diverse and inclusive organization overall is beneficial to the Company's success, and is committed to diversity and inclusion at all levels of the Company to ensure that the Company attracts, retains and promotes the brightest and most talented individuals. The Company has recruited and selected senior management candidates that represent a diversity of business understanding, personal attributes, abilities and experience.

One of the Company's executive officers is a woman, representing 20% of the executive officers, and one of the Company's directors is a woman, representing 20% of the Board. The Company does not currently have a formal policy for the representation of women on the Board or senior management of the Company. The Nominating and Corporate Governance Committee will, and the Company's senior executives already do, take gender and other diversity representation into consideration as part of their overall recruitment and selection process. The Company has not adopted targets for gender or other diversity representation on the Board or in executive officer positions in part due to the need to consider a balance of criteria for each individual appointment and due to the size of the Board and stage of development of the Company. The Company does not believe that quotas or strict rules set out in a formal policy would result in improved identification or selection of the best candidates at this stage. Quotas based on specific criteria would limit the Company's ability to ensure that the overall composition of the Board and senior management meets the needs of the Company and the Company's shareholders.

The Company anticipates that the composition of the Board and senior management will in the future be shaped by the selection criteria established by the Nominating and Corporate Governance Committee. This will be achieved through developing an evergreen list of potential candidates for anticipated Board vacancies who fit the committee's list of evolving selection criteria, ensuring that diversity considerations are taken into account in filling Board vacancies and senior management positions, monitoring the level of female representation on the Board and in senior management positions, continuing to broaden recruiting efforts to attract and interview qualified female candidates, and committing to retention and training to ensure that the Company's most talented employees are promoted from within the Company, all as part of the Company's overall recruitment and selection process to fill Board or senior management positions as the need arises.

Compensation

The Compensation Committee is comprised of Greg Clark, Purni Parikh and Len Boggio, all of whom are independent directors, in accordance with the Corporate Governance Guidelines. For a description of the education and experience of each member of the Compensation Committee, see "Directors and Executive Officers".

The Compensation Committee has been established by the Board to review and recommend compensation policies and programs to the Company as well as salary and benefit levels for its executives. The Board has adopted a written charter setting forth the responsibilities, powers and operations of the Compensation Committee. The principal duties and responsibilities of the Compensation Committee are to assist the Board in discharging its oversight of: (i) executive compensation; (ii) director compensation; and (iii) executive compensation disclosure. Compensation for the Company's directors and officers is determined by the Board based on the recommendations of the Compensation Committee. The Compensation Committee is entitled to consult with external experts on the adequacy of the compensation paid to the Company's directors and officers. The objective of the Committee is to assist in attracting, retaining and motivating executives and key personnel in view of the Company's goals.

A copy of the Charter of the Compensation Committee setting out its mandate and responsibilities and the duties of its members will be available on the Company's website at **www.titanminingcorp.com**.

Other Board Committees

The Board has the following standing committees comprised of independent directors: the Audit Committee, the Compensation Committee, and the Nominating and Corporate Governance Committee. The Board may appoint an Environment, Health and Safety Committee and an Executive Committee when appropriate. All of the committees are independent of management and report directly to the Board. See "Audit Committee" for further information regarding the Audit Committee and Schedule A for the Audit Committee charter. The purpose of the Nominating and Corporate Governance Committee and the Compensation Committee has been described above under "Nominating Directors" and "Compensation", respectively.

Assessment

The Nominating and Corporate Governance Committee is responsible for assessing and reporting on the effectiveness of the Board and its committees. A copy of the Charter of the Nominating and Corporate Governance Committee setting out its mandate and responsibilities and the duties of its members will be available on the Company's website at **www.titanminingcorp.com**.

EXECUTIVE COMPENSATION

Overview

The following discussion describes the significant elements that are expected to comprise the Company's executive compensation program, with particular emphasis on the process for determining compensation payable to the "**named executive officers**" or "**NEOs**" of the Company. The Company's NEO's who are the focus of this "Executive Compensation" section and who appear in the compensation tables of this Prospectus are:

Richard W. Warke	President and CEO
Keith Boyle	COO
Saurabh Handa	CFO
Jerrold Annett	Senior Vice-President Corporate Development
Susan Muir	Vice President Investor Relations and Corporate Communications

Compensation Objectives and Governance

The Company's compensation practices will be designed to retain, motivate and reward its executive officers for their performance and contribution to the Company's long-term success. Based on recommendations from the Compensation Committee, the Board will make decisions regarding executive compensation. The Board will seek to compensate the Company's executive officers by combining short and long-term cash and equity incentives. It will also seek to reward the achievement of corporate and individual performance objectives, and to align executive officers' incentives with shareholder value creation. The Board will seek to tie individual goals to the area of the executive officer's primary responsibility. These goals may include the achievement of specific financial or business development goals. The Board will also seek to set corporation performance goals that reach across all business areas and include achievements in finance/business development and corporate development.

In assessing the compensation of its executive officers, the Company will only have in place a limited number of formal objectives, criteria or analysis. Where required, it will rely on discussions between the Compensation Committee and the Board about such matters. Meetings of the Compensation Committee will be held periodically, but in any case at least once per year, to review compensation policies and to consider the overall compensation to be paid by the Company to its employees, executive officers and directors. Following review of data and discussion by members of the Compensation Committee, recommendations will be made to the Board. In making compensation recommendations, the Compensation Committee will consider each executive's performance and other relevant factors, including the scope of each executive's position and responsibilities, the achievement of corporate goals, the current business environment and anticipated changes, and executive retention and recruitment considerations.

The description contained herein represents the expectations of management with respect to the Company's executive compensation program following Closing. It is anticipated that following Closing, the Compensation Committee will meet with management to review the Company's executive compensation program and, if deemed appropriate, will make further recommendations to the Board regarding changes to the program, and will continue to review the Company's compensation policies, including its compensation-related risk profile, as necessary, to ensure its compensation policies and practices are not reasonably likely to have a material adverse effect on the Company or encourage a NEO to take any inappropriate or excessive risks. The Compensation Committee will consider and assess, as necessary, risks relating to compensation prior to entering into or amending employment agreements with executive officers and when setting the compensation of directors. The compensation policies and practices are expected to be appropriate for the Company's industry and stage of business and such policies and practices are not expected to have associated with them any risks that are reasonably likely to have a material adverse effect on the Company or which would encourage a NEO to take any inappropriate or excessive risks. It is not expected that the Company will permit purchases by NEOs or directors of financial instruments, such as prepaid variable forward contracts, equity swaps, collars or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by a NEO or director.

Comparator Group(s)

Following the closing of the Offering, the Compensation Committee, in conjunction with the Board, will establish an appropriate comparator group for the purposes of setting the future compensation of the NEOs.

Compensation Components

The Company's compensation is expected to consist primarily of four elements: (i) base salary, (ii) annual or milestone bonuses, (iii) long-term equity incentives and (iv) other benefits. Each element of compensation is described below in more detail.

Base Salary

Base salaries for the Company's executive officers are to be established based on the scope of their responsibilities and their prior relevant experience, taking into account competitive market compensation paid by other companies in the Company's industry for similar positions and the overall market demand for such executives at the time of hire. An executive officer's base salary will also be determined by reviewing the executive officer's other compensation to ensure that the executive officer's total compensation is in line with the Company's overall compensation philosophy.

Base salaries are to be reviewed annually and increased for merit reasons, based on the executive officers' success in meeting or exceeding individual objectives, and taking into account the Company's success during the year and prevailing market conditions. Additionally, the Company will adjust base salaries as warranted throughout the year for promotions or significant changes in the scope or breadth of an executive officer's role or responsibilities.

Annual or Milestone Bonuses

The Company's compensation program will include eligibility for milestone based cash bonuses and/or an annual incentive cash bonus. Any cash bonuses are discretionary and will not be awarded pursuant to a formal plan. The Board will assess the level of the executive officer's achievement in meeting milestones, individual goals, as well as that executive officer's contribution towards corporation-wide goals. The amount of any cash bonus is expected to depend on the level of achievement of the individual performance goals and the Company's success.

Long-Term Equity Incentives

The Company believes that equity-based awards will allow it to reward executive officers for their sustained contributions to the Company. The Company also believes that equity awards reward continued employment by an executive officer, with an associated benefit to the Company of employee continuity and retention. The Board believes that incentive stock options and other equity incentive awards provide management with a strong link to long-term corporate performance and the creation of shareholder value. The Board will not issue stock options or awards according to a prescribed formula or target but will take into account the individual's position, scope of responsibility, ability to affect profits and the individual's historic and recent performance and the value of the awards in relation to other elements of the executive's total compensation. As at the date of this Prospectus, the Share Option Plan is the only long-term incentive plan adopted by the Company. See "Share Option Plan".

Other Benefits

The Company pays the premium cost for employee medical, dental, and life insurance. The Company does not have a company-sponsored pension plan.

Summary Compensation Table

The following table reflects compensation that is expected to be paid to the NEOs for the fiscal year ending December 31, 2017.

Name and Principal Position	Year	Salary (Cdn$)	Option Based Awards (Cdn$)[1]	Annual Cash Bonus Awards (Cdn$)	Milestone Cash Bonus Awards (Cdn$)	All Other Compensation (Cdn$)	Total Compensation (Cdn$)
Richard W. Warke (President and CEO)	2017	$275,000[2]	$1,172,194	$165,000[7]	Nil	Nil	$1,612,194
Keith Boyle (COO)	2017	$333,633[3]	$439,573	$100,775 [8]	$99,405[12]	Nil	$973,386
Saurabh Handa (CFO)	2017	$153,750[4]	$293,049	$76,875[9]	Nil	Nil	$523,674
Jerrold Annett (SVP, Corporate Development)	2017	$126,923[5]	$293,049	$76,154[10]	Nil	$75,000	$571,126
Susan Muir (VP Investor Relations and Corporate Communications)[13]	2017	$41,192[6]	$146,524	$12,358[11]	Nil	Nil	$200,074

Notes:

(1) The option based awards were calculated using the Black and Scholes Option Pricing Model (see "Share Option Plan – Summary of Share Option Plan"). For the purposes of estimating the fair value of the Options, the Company estimated the exercise price of the Options to be Cdn$1.00. The exercise price of each of the outstanding Options granted on June 1, 2017 and June 29, 2017 will be adjusted to be equal to the Offering Price.

(2) Mr. Warke's annual salary was Cdn$250,000 from January 1, 2017 to June 30, 2017 and increased to Cdn$300,000 effective on July 1, 2017. Accordingly, the aggregate salary expected to be paid in 2017 is Cdn$275,000.

(3) Mr. Boyle was paid a consulting fee of US$20,000 per month from January 1, 2017 to July 31, 2017 and effective August 1, 2017 earns an annual salary of Cdn$350,000. The aggregate amount expected to be paid in 2017 is Cdn$333,633 with the United States dollar amounts converted to Canadian dollars at an exchange rate of 1.3254 (being the average Bank of Canada exchange rate from January 1, 2017 to July 31, 2017).

(4) Mr. Handa earns an annual salary of Cdn$195,000 and started his employment with the Company effective March 20, 2017. Accordingly, the salary expected to be paid in 2017 is Cdn$153,750.

(5) Mr. Annett earns an annual salary of Cdn$220,000 and started his employment with the Company effective June 1, 2017. Accordingly, the salary expected to be paid in 2017 is Cdn$126,923.

(6) Ms. Muir earns an annual salary of Cdn$71,400 and started her employment with the Company effective June 1, 2017. Accordingly, the salary expected to be paid in 2017 is Cdn$41,192.

(7) Mr. Warke is entitled to a cash bonus of up to 60% of his annual salary. For purposes of this disclosure, the Company has assumed that the maximum bonus will be earned in 2017.

(8) Mr. Boyle is entitled to a cash bonus of up to 60% of his annual salary less any milestone bonuses (see note 12 below). For purposes of this disclosure, the Company has assumed that the maximum bonus will be earned in 2017.

(9) Mr. Handa is entitled to a cash bonus of up to 50% of his annual salary. For purposes of this disclosure, the Company has assumed that the maximum bonus will be earned in 2017.

(10) Mr. Annett is entitled to a cash bonus of up to 60% of his annual salary. For purposes of this disclosure, the Company has assumed that the maximum bonus will be earned in 2017.
(11) Ms. Muir is entitled to a cash bonus of up to 30% of her annual salary. For purposes of this disclosure, the Company has assumed that the maximum bonus will be earned in 2017.
(12) Mr. Boyle is entitled to milestone bonuses totalling US$75,000 which have been converted to Canadian dollars at an exchange rate of 1.3254 (being the average Bank of Canada exchange rate from January 1, 2017 to July 31, 2017).
(13) Ms. Muir's position is shared between the Company, Arizona Mining and NewCastle Gold. The amounts set out in this table reflect her anticipated compensation in 2017 with respect to her role at the Company.

Incentive Plan Awards

No option-based awards were outstanding at the end of the most recently completed financial year. On June 1, 2017, the NEOs were granted Options to acquire that number of Common Shares representing approximately 6.4% of the number of Common Shares then issued and outstanding. The exercise price of each of these Options will be equal to the Offering Price. See "Share Option Plan".

Incentive Plan Awards – Value Vested or Earned During the Year

No option-based awards vested during the most recently completed financial year. As at the date of this Prospectus, the Board has adopted the Share Option Plan and issued 5,800,000 Options under the Share Option Plan.

Termination and Change of Control Benefits

Other than as described below, there are no agreements, compensation plans, contracts or arrangements whereby a NEO is entitled to receive payments in the event of resignation, retirement or other termination of the NEO's employment with the Company, a Change of Control or a change in the NEO's responsibilities following a Change of Control.

Employment Agreements

The Company has not entered into formal employment agreements with the NEOs. However, the Company expects to have formal agreements in place following the completion of the Offering. The Company has entered into letter agreements with each of the NEOs with termination and Change of Control benefits, as further described below.

Richard W. Warke, President and CEO

If Mr. Warke's employment is terminated without cause, the Company will pay (in addition to basic entitlements for unpaid base salary to the date of termination, accrued and outstanding vacation pay and reimbursement for properly incurred business expenses) an amount in cash equal to two times the aggregate of his then base annual salary and any Board-approved bonuses. In the event that Mr. Warke is terminated without cause or resigns for any reason within six months following a Change of Control, he will be entitled to an amount in cash equal to three times the aggregate of his then base annual salary and any Board-approved bonuses. All unvested Options held by Mr. Warke at the time of a Change of Control will vest on the date of such Change of Control.

Keith Boyle, COO

If Mr. Boyle's employment is terminated without cause, the Company will pay (in addition to basic entitlements for unpaid base salary to the date of termination, accrued and outstanding vacation pay and reimbursement for properly incurred business expenses) an amount in cash equal to two times the aggregate of his then base annual salary and any Board-approved bonuses. In the event that Mr. Boyle is terminated without cause or resigns for any reason within six months following a Change of Control, he will be entitled to an amount in cash equal to three times the aggregate of his then base annual salary and any Board-approved bonuses. All unvested Options held by Mr. Boyle at the time of a Change of Control will vest on the date of such Change of Control.

Saurabh Handa, CFO

If Mr. Handa's employment is terminated without cause prior to March 20, 2018, the Company will pay (in addition to basic entitlements for unpaid base salary to the date of termination, accrued and outstanding vacation pay and reimbursement for properly incurred business expenses) an amount in cash equal to one-half of his then base annual salary. If Mr. Handa's employment is terminated without cause subsequent to March 20, 2018, the Company will pay (in addition to basic entitlements for unpaid base salary to the date of termination, accrued and outstanding vacation pay and reimbursement for properly incurred business expenses) an amount in cash equal to one and a half times the aggregate of his then base annual salary and any Board-approved bonuses. In the event that Mr. Handa is terminated without cause or resigns for any reason within six months following a Change of Control, he will be entitled to an amount in cash equal to two times the aggregate of his then base annual salary and any Board-approved bonuses. All unvested Options held by Mr. Handa at the time of a Change of Control will vest on the date of such Change of Control.

Jerrold Annett, Senior Vice-President Corporate Development

If Mr. Annett's employment is terminated without cause prior to December 1, 2017, the Company will pay (in addition to basic entitlements for unpaid base salary to the date of termination, accrued and outstanding vacation pay and reimbursement for properly incurred business expenses) an amount in cash equal to six weeks' of his then base salary. If Mr. Annett's employment is terminated without cause subsequent to December 1, 2017, the Company will pay (in addition to basic entitlements for unpaid base salary to the date of termination, accrued and outstanding vacation pay and reimbursement for properly incurred business expenses) an amount in cash equal to two times the aggregate of his then base annual salary and any Board-approved bonuses. In the event that Mr. Annett is terminated without cause or resigns for any reason within six months following a Change of Control, he will be entitled to an amount in cash equal to three times the aggregate of his then base annual salary and any Board-approved bonuses. All unvested Options held by Mr. Annett at the time of a Change of Control will vest on the date of such Change of Control.

Susan Muir, Vice President Investor Relations and Corporate Communications

If Ms. Muir's employment is terminated without cause prior to June 1, 2018, the Company will pay (in addition to basic entitlements for unpaid base salary to the date of termination, accrued and outstanding vacation pay and reimbursement for properly incurred business expenses) an amount in cash equal to one-half of her then base annual salary that is attributable to her employment with the Company. If Ms. Muir's employment is terminated without cause subsequent to June 1, 2018, the Company will pay (in addition to basic entitlements for unpaid base salary to the date of termination, accrued and outstanding vacation pay and reimbursement for properly incurred business expenses) an amount in cash equal to one and a half times the aggregate of her then base annual salary and any Board-approved bonuses that are attributable to her employment with the Company. In the event that Ms. Muir is terminated without cause or resigns for any reason within six months following a Change of Control, she will be entitled to an amount in cash equal to two times the aggregate of her then base annual salary and any Board-approved bonuses that are attributable to her employment with the Company. All unvested Options held by Ms. Muir at the time of a Change of Control will vest on the date of such Change of Control.

The following table sets out the estimated payments in the event of termination of employment and termination following a Change of Control for each of the NEOs, assuming that the event giving rise to the payment occurred on the last business day of 2017.

	Amount Payable (Cdn$)	
NEO	**Change of Control**	**Other than Change of Control**
Richard W. Warke (President and CEO)	1,395,000	930,000
Keith Boyle (COO)	1,650,540	1,100,360
Saurabh Handa (CFO)	543,750	97,500
Jerrold Annett (SVP, Corporate Development)	888,462	592,308
Susan Muir (VP Investor Relations and Corporate Communications)	167,516	35,700

DIRECTOR COMPENSATION

The Board of Directors will be responsible for reviewing and approving the directors' compensation arrangements and any changes to those arrangements.

The Board, based on the recommendations of the Compensation Committee, has established the compensation arrangements for each director that is not an employee of the Company or one of its affiliates. The directors' compensation is designed to attract and retain the most qualified individuals to serve on the Board of Directors. Non-employee directors receive an annual retainer of Cdn$35,000 and may be reimbursed for their reasonable out-of-pocket expenses incurred in serving as directors. Chairs of committees of the Board receive an additional annual retainer as follows: Audit Committee Chair Cdn$9,000, Compensation Committee Chair Cdn$6,000, and Nominating and Corporate Governance Committee Chair Cdn$3,600 (which may, at the Board's discretion, be paid in cash or in some combination of cash and Options). Directors who are employees of, and who receive a salary from, the Company or one of its affiliates or subsidiaries are not entitled to receive any remuneration for serving as directors, but are entitled to reimbursement of their reasonable out-of-pocket expenses incurred in serving as directors. The Company does not expect to pay meeting fees.

SHARE OPTION PLAN

The Board adopted the Share Option Plan on June 1, 2017. The Share Option Plan is the Company's only security-based compensation arrangement.

The summary of the Share Option Plan set out below is intended to be a brief description and is subject to and qualified in its entirety by the full text of the Share Option Plan, a copy of which is available on SEDAR at **www.sedar.com**.

Summary of the Share Option Plan

The purpose of the Share Option Plan is to secure for the Company and the shareholders the benefits of the incentives inherent to Common Share ownership by officers, directors and other eligible persons who, in the judgment of the Board, will have a sufficient role in the Company's growth and success.

Directors, officers and employees of, and consultants to, the Company or any of its subsidiaries, as well as employees of companies providing management services or support to the Company or any of its subsidiaries (each, an "**Eligible Person**"), are eligible to receive Option grants under the Share Option Plan. The Share Option Plan includes the following significant terms and restrictions:

- The aggregate number of Common Shares that may be reserved for issuance pursuant to the Share Option Plan and all other Share Compensation Arrangements may not exceed 10% of the number of Common Shares issued and outstanding from time to time. Of this number, a maximum of 10% Common Shares may be granted as Incentive Stock Options.

- Any Common Shares subject to an Option that expires or terminates without having been fully exercised may be made the subject of a further Option.
- Upon the partial or full exercise of an Option, the Common Shares issued upon such exercise will automatically become available to be made the subject of a new Option, provided that the total number of Common Shares reserved for issuance under the Share Option Plan does not exceed 10% of the number of Common Shares then issued and outstanding.
- The aggregate number of Common Shares reserved for issuance pursuant to the Share Option Plan or any other Share Compensation Arrangement to any one Participant may not exceed 5% of the number of Common Shares issued and outstanding at any time.
- The aggregate number of Common Shares issuable pursuant to the Share Option Plan or any other Share Compensation Arrangement to Insiders may not exceed 10% of the number of Common Shares issued and outstanding at any time.
- The aggregate number of Common Shares issued to Insiders pursuant to the Share Option Plan or any other Share Compensation Arrangement in any one-year period may not exceed 10% of the number of Common Shares then issued and outstanding.

As of the date hereof, there are 5,800,000 Options outstanding to purchase an aggregate of 5,800,000 Common Shares, representing approximately 9.3% of the issued and outstanding Common Shares. The Share Option Plan provides that the aggregate number of Common Shares that may be issued upon the exercise of Options cannot exceed 10% of the number of Common Shares issued and outstanding from time to time. As a result, the number of Options available to be granted under the Share Option Plan will automatically increase if the Company issues any additional Common Shares in the future. The TSX rules require that this type of "evergreen" plan must be approved by shareholders every three years in order for the Company to be able to continue to make grants thereunder. If shareholder approval is not obtained every three years, all unallocated entitlements under the Share Option Plan will be cancelled, however, all allocated awards, such as Options that have been granted but not yet exercised, will continue unaffected.

The Share Option Plan will be subject to ratification by shareholders and no Common Shares can be issued under the Share Option Plan until shareholder approval has been obtained.

Subject to the terms of the Share Option Plan, the Exercise Price for each Common Share subject to an Option will be determined by the Board at the time of the Option grant, and may not be lower than the last closing price of a common share on the TSX preceding the time of the Option grant.

Options will vest and become exercisable at such time or times as may be determined by the Board on the date of the Option grant.

Unless the Board determines otherwise and subject to any accelerated termination in accordance with the Share Option Plan, each Option will expire on the fifth anniversary of the date on which it was granted. In no event may an Option expire later than the tenth anniversary of the date on which it was granted. If the date on which an Option is scheduled to expire occurs during, or within ten business days after the last day of, a Black Out Period applicable to the Optionee, then the date on which the Option will expire will be extended to the last day of such ten business day period.

Options are non-assignable and non-transferable, with the exception of an assignment by testate succession or by the laws of descent and distribution upon the death of an Optionee.

If an Optionee ceases to be an Eligible Person (other than by reason of death, permanent disability or termination for cause), the Optionee may exercise any vested Options for a period of 30 days after the Optionee ceases to provide services to the Company or any of its subsidiaries, subject to the earlier expiry of the Options. If an Optionee ceases to be an Eligible Person by reason of death, the Optionee's heir may exercise any vested Options for one-year following the date of the Optionee's death, subject to the earlier expiry of the Options. If an Optionee ceases to be an Eligible Person while on permanent disability, the Optionee or his legal representatives may exercise any vested Options until the expiry of the Options. If an Optionee is dismissed for cause, any Options (whether vested or unvested) held by such Optionee shall terminate immediately upon receipt by the Optionee of notice of such dismissal.

If a "Change of Control" (as defined below) occurs, the Board may, in its discretion, (a) amend, abridge or otherwise eliminate any vesting schedule so that notwithstanding the other terms of any outstanding Option or the Share Option Plan, any outstanding Option may be exercised in whole or in part by the Optionee and/or (b) determine that all holders of outstanding Options with an exercise price equal to or greater than the price per Common Share provided for in the transaction giving rise to such Change of Control shall be entitled to receive and shall accept, immediately prior to or concurrently with the transaction giving rise to such Change of Control, in consideration for the surrender of such Options, the value of such Options determined in accordance with the Black and Scholes Option Pricing Model, as determined by the Board.

For the purposes of this section of the Prospectus, "**Change of Control**" means the occurrence of any of the following events:

(i) any one person holds a sufficient number of voting shares of the Company or resulting company to affect materially the control of the Company or resulting company;

(ii) any combination of persons, acting in concert by virtue of an agreement, arrangement, commitment or understanding, hold in total a sufficient number of voting shares of the Company or its successor to affect materially the control of the Company or its successor; or

(iii) the Board adopts a resolution to the effect that the circumstances in clause (i) or (ii) of this definition have occurred or are imminent,

where such person or combination of persons referred to in clause (i) or (ii) of this definition did not previously hold a sufficient number of voting shares to affect materially control of the Company or its successor. In the absence of evidence to the contrary, any person or combination of persons acting in concert by virtue of an agreement, arrangement, commitment or understanding holding more than 20% of the voting shares of the Company or its successor is deemed to materially affect control of the Company or its successor.

The Board may from time to time, subject to applicable law and any required approval of the TSX, any other regulatory authority, or the Shareholders, suspend, terminate or discontinue the Share Option Plan at any time, or amend or revise the terms of the Share Option Plan or of any Option granted thereunder; provided that no such amendment, revision, suspension, termination or discontinuance can adversely affect the rights of an Optionee under any previously granted Option except with the consent of that Optionee.

The following table sets out the aggregate number of Options which are anticipated, as at the date of this Prospectus, to be outstanding on completion of the Offering.

Holder of Options	Common Shares Under Options Granted	Exercise Price (Cdn$/Common Share)	Grant Date	Expiration Date
Executive officers and other officers as a group (5 persons)	4,000,000	$1.40	June 1, 2017	June 1, 2022
Directors (who are not also officers) as a group (5 persons)	1,300,000	$1.40	June 1, 2017 and June 29, 2017	June 1, 2022 and June 29, 2022
Other employees as a group (13 persons)	460,000	$1.40	June 1, 2017 and October 11, 2017	June 1, 2022 and October 11, 2022
Consultants as a group	40,000	$1.40	June 1, 2017	June 1, 2022
Other parties	Nil	Nil	Nil	Nil

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the Company's directors or executive officers nor any of their respective associates is indebted to the Company or has been the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Company or any of its subsidiaries.

PLAN OF DISTRIBUTION

The Underwriting Agreement

This Prospectus qualifies the distribution of the Offered Shares issued by the Company to purchasers upon completion of the Offering and any Offered Shares issued pursuant to the exercise of the Over-Allotment Option.

Pursuant to the underwriting agreement dated October 12, 2017, entered into among the Company and the Underwriters (the "**Underwriting Agreement**"), the Company has agreed to sell and the Underwriters have agreed, severally, but not jointly, or jointly and severally, to purchase 35,750,000 Offered Shares, at a price of Cdn$1.40 per Offered Share for aggregate gross proceeds of Cdn$50,050,000, payable in cash to the Company against delivery of the Offered Shares, on October 19, 2017 or such later date as the Company and the Underwriters agree, but no later than November 23, 2017. The Offering Price was determined by negotiation between the Company and the Underwriters.

The obligations of the Underwriters under the Underwriting Agreement are several, are subject to certain closing conditions, and may be terminated at their discretion on the basis of their assessment of the state of the financial markets, "disaster out", "material change out", "regulatory out" and "breach out" provisions and upon the occurrence of certain stated events such as the Offering not having been completed prior to November 23, 2017. The Underwriters are, however, obligated to take up and pay for all of the Offered Shares if any Offered Shares are purchased under the Underwriting Agreement. In consideration for their services in connection with the Offering, the Company has agreed to pay the Underwriters a fee equal to 6% of the aggregate gross proceeds of the Offering, inclusive of any proceeds received by the Company in respect of Offered Shares issued hereunder pursuant to the exercise of the Over-Allotment Option. The Company has also agreed to pay certain expenses incurred by the Underwriters in connection with the Offering and has agreed to indemnify the Underwriters, their affiliates and their respective partners, directors, officers, employees, agents and shareholders against certain liabilities and expenses, including certain liabilities and related expenses under applicable securities legislation in connection with the Offering, and to contribute to payments that the Underwriters may be required to make in respect thereof.

Subscriptions for the Offered Shares will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscriptions books at any time without notice. Registration of interests in and transfers of Offered Shares held through CDS or its nominee will be made electronically through the NCI system of CDS. Offered Shares registered to CDS or its nominee will be deposited electronically with CDS on an NCI basis on the Closing of the Offering. Purchasers of Offered Shares will receive only a customer confirmation from the registered dealer from or through whom a beneficial interest in the Offered Shares is purchased.

The TSX has conditionally approved the listing of the Common Shares under the symbol "TI". Listing is subject to the Company fulfilling all the requirements of the TSX on or before December 27, 2017.

There is currently no market through which the Offered Shares may be sold and purchasers may not be able to resell Offered Shares purchased under this Prospectus. Closing of the Offering is conditional upon the Offered Shares being approved for listing on the TSX. All of the Offered Shares sold in the Offering will be freely tradable without restriction or further registration under applicable Canadian securities laws.

There are no payments in cash, securities or other consideration being made, or to be made, to a promoter, finder or any other person or company in connection with the Offering other than the payments to be made to the Underwriters in accordance with the terms of the Underwriting Agreement.

The Underwriters propose to offer the Offered Shares initially at the Offering Price stated on the cover page of this Prospectus. After the Underwriters have made a reasonable effort to sell all of the Offered Shares offered by this Prospectus at the Offering Price, the Offering Price may be decreased by the Underwriters and, in such case, the compensation realized by the Underwriters will be decreased by the amount that the aggregate price paid by the purchasers for the Offered Shares is less than the gross proceeds paid by the Underwriters to the Company.

Over-Allotment Option

Pursuant to the Underwriting Agreement, the Company has granted the Underwriters an Over-Allotment Option to cover over-allotments, if any, and for market stabilization. The Over-Allotment Option may be exercised by the Underwriters, in whole or in part, up to 15 days following the Closing Date and entitles the Underwriters to purchase from the Company up to 5,362,500 Offered Shares at the Offering Price (being approximately 15% of the aggregate number of Offered Shares offered hereunder). If the Over-Allotment Option is exercised in full, the Company will use the proceeds received, after deducting the Underwriters' Fee, for general corporate purposes.

If the Over-Allotment Option is exercised in full, the total price to the public will be Cdn$57,557,500, the Underwriters' Fee will be Cdn$3,453,450 and the net proceeds to the Company will be Cdn$52,567,759. The sale of the Offered Shares in connection with the Over-Allotment Option is qualified for distribution under this Prospectus. A purchaser who acquires Offered Shares forming part of the Underwriters' over-allocation position acquires those shares under this Prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

Price Stabilization, Short Positions and Passive Market Making

In connection with the Offering, the Underwriters may effect transactions that stabilize or maintain the market price of the Common Shares at levels other than those which might otherwise prevail in the open market, including:

- stabilizing transactions;
- short sales;
- purchases to cover positions created by short sales;
- imposition of penalty bids; and
- syndicate covering transactions.

Those transactions, if commenced, may be interrupted or discontinued at any time.

Stabilizing transactions consist of bids or purchases made for the purpose of preventing or retarding a decline in the market price of the Common Shares while the Offering is in progress. These transactions may also include making short sales of the Common Shares, which involve the sale by the Underwriters of a greater number of the Common Shares than they are required to purchase in the Offering. Short sales may be "covered short sales", which are short positions in an amount not greater than the Over-Allotment Option, or may be "naked short sales", which are short positions in excess of that amount.

The Underwriters may close out any covered short position either by exercising the Over-Allotment Option, in whole or in part, or by purchasing the Common Shares in the open market. In making this determination, the Underwriters will consider, among other things, the price of the Common Shares available for purchase in the open market compared with the price at which they may purchase the Common Shares through the Over-Allotment Option.

The Underwriters must close out any naked short position by purchasing the Common Shares in the open market. A naked short position is more likely to be created if the Underwriters are concerned that there may be downward pressure on the price of the Common Shares in the open market that could adversely affect investors who purchase in the Offering.

As a result of these activities, the price of the Common Shares may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued by the Underwriters at any time. The Underwriters may carry out these transactions on any stock exchange on which the Common Shares are listed, in the over-the-counter market, or otherwise.

Pursuant to rules and regulations of certain Canadian securities regulators, the Underwriters may not, throughout the period of distribution, bid for or purchase Common Shares. The foregoing restriction is subject to exceptions, on the condition that the bid or purchase is not engaged in for the purpose of creating actual or apparent active trading in, or raising the price of, the Common Shares. These exceptions include bids or purchases permitted under the Universal Market Integrity Rules for Canadian Marketplaces relating to market stabilization and passive market making activities and bids or purchases made for and on behalf of a customer where the order was not solicited during the period of distribution.

United States Matters

The Offering is being made in each of the provinces and territories of Canada (other than Québec) and in the United States to qualified institutional buyers pursuant to Rule 144A under the U.S. Securities Act. The Offered Shares will be offered in each of the provinces and territories of Canada (other than Québec) through those Underwriters or their affiliates who are registered to offer the Offered Shares for sale in such provinces and territories and such other registered dealers as may be designated by the Underwriters.

The Offered Shares offered hereby have not been, and will not be, registered under the U.S. Securities Act or any United States state securities laws, and may not be offered or sold within the United States, or to, or for the account of, U.S. persons (as defined in Regulation S under the U.S. Securities Act) absent registration or pursuant to an applicable exemption from the registration requirements of the U.S. Securities Act, and applicable United States state securities laws.

Accordingly, except to the extent permitted by the Underwriting Agreement, the Offered Shares may not be offered or sold within the United States, or to, or for the account or benefit of, U.S. persons. The Underwriters have agreed that they will not offer or sell Offered Shares within the United States, except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable United States state securities laws.

The Underwriting Agreement provides that the Underwriters may re-offer and re-sell the Offered Shares that they have acquired pursuant to the Underwriting Agreement within the United States to qualified institutional buyers (as defined in Rule 144A under the U.S. Securities Act) in accordance with Rule 144A under the U.S. Securities Act. The Underwriting Agreement also provides that the Underwriters will offer and sell the Offered Shares outside the United States to persons other than U.S. persons as that term is defined in Regulation S under the U.S. Securities Act and in accordance with Regulation S under the U.S. Securities Act.

In addition, until 40 days after the commencement of the Offering, an offer or sale of the Offered Shares within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act, unless such offer is made pursuant to an exemption from registration under the U.S. Securities Act.

Lock-Up Arrangements

In connection with completion of the Offering, the Company and each of the Company's directors and officers have agreed not to, directly or indirectly, without the prior written consent of Scotia Capital Inc., which consent shall not be unreasonably withheld, on its own behalf and on behalf of the other Underwriters, issue, sell, grant any option, right or warrant for the sale of, lend, secure, pledge or otherwise dispose or monetize, or make any short sale, engage in any hedging transaction, or enter into any form of arrangement the consequence of which is to directly or indirectly transfer to someone else, in whole or in part, any of the economic consequences of ownership of, or offer or announce any intention to do so, in a public offering or by way of private placement or otherwise, any Common Shares or any securities convertible or exchangeable into Common Shares or any other securities of the Company, for a period of 180 days after the Closing Date, subject to certain limited exceptions, including, without limitation, the sale of securities of the Company pursuant to the exercise of the Over-Allotment Option, or the issuance of securities by the Company pursuant to or in connection with the Share Option Plan (the "**Lock-Up Agreements**"). See "Executive Compensation".

The holders of 43,207,500 Common Shares, representing approximately 44% of the Company's issued and outstanding Common Shares after the completion of the Offering, and assuming that the Over-Allotment Option is not exercised (approximately 41.8% if the Over-Allotment Option is exercised in full) have entered into Lock-Up Agreements.

Commissions and Expenses

The following table shows the per share and total Underwriters' Fee the Company will pay to the Underwriters, assuming both no exercise and full exercise of the Underwriters' Over-Allotment Option:

	Over-Allotment Option Not Exercised	Over-Allotment Option Fully Exercised
Per Offered Share	Cdn$0.084	Cdn$0.084
Total	Cdn$3,003,000	Cdn$3,453,450

RISK FACTORS

An investment in the Offered Shares is speculative and involves a high degree of risk due to the nature and stage of the Company's business. Prospective investors should consider carefully the risks and uncertainties set forth below and the other information contained in this Prospectus. These are not the only risks and uncertainties that the Company faces. Additional risks and uncertainties not presently known to the Company, or that the Company currently considers immaterial, may also materially and adversely affect the Company. The occurrence of any of the events identified in these risks and uncertainties could materially adversely affect the business, prospects, financial condition, results of operations or cash flow of the Company. The Offered Shares are only suitable for investors who understand the potential risk of capital loss, for whom an investment in the Offered Shares is part of a diversified investment program and who fully understand and are willing to assume the risks involved in such an investment program.

Risks Relating to the Company's Business

The Company has a limited operating history.

The Company has a limited operating history upon which an evaluation of the Company, its current business and its prospects can be based. Further, its sole near-production mineral property, the Empire State Mine, has been on care and maintenance since 2008. If the Company is unable to generate significant revenues from the Empire State Mine Project, it will not be able to earn profits or continue operations. There can be no assurance that the Company will be successful in ever developing a commercially viable mine at the Empire State Mine Project or ever achieving profitable operations. The Company has a limited operating history from which its business and prospects can be evaluated, and forecasts of any potential growth of the business of the Company are difficult to evaluate. The Company's prospects must be considered in light of the risks, expenses and difficulties frequently encountered by single asset companies in the early stages of development, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources, and lack of revenues.

Dependence on the Empire State Mine.

The only property interest the Company currently has is the Empire State Mine Project, and the only near-production mineral property the Company has is the Empire State Mine. Because the Empire State Mine has a limited life based on Mineral Resource estimates, once the Company re-commences production at the Empire State Mine, the Company will be required to replace and expand its Mineral Resources and convert Mineral Resources into Mineral Reserves. In the absence of additional producing mineral projects, the Company will be solely dependent upon the Empire State Mine for its revenue and profits, if any, and the Company's ability to maintain or increase its annual production will be dependent in significant part on its ability to expand its Mineral Resource base at the Empire State Mine and increase throughput at its Empire State Mine mill above its initially targeted rate.

Refurbishing and re-commencing mining operations.

The Empire State Mine has been on care and maintenance since 2008. Titan intends to refurbish and rehabilitate the Empire State Mine and complete a capital development program following completion of the Offering with a view to re-commencing operations within five months of completion of the Offering. However, there are several risks associated with this, including: (i) Titan may encounter unforeseen obstacles or costs in re-opening the mine, some of which may be material and could cause Titan's estimates of time and costs to complete re-opening to be significantly understated, (ii) certain lower levels of the mine are considered unsafe, and (iii) some equipment may be more unreliable in a re-commencement of operations, and specifically some of the mill equipment may be obsolete. Titan intends to upgrade its mining and processing equipment and facilities. The changes or upgrades to the mining methods and equipment, and to the processing methods and equipment required to profitably operate the Empire State Mine, may be significantly different from that currently estimated by Titan and may be significantly more expensive. Consequently, Titan may not have sufficient funds to re-commence operations at the Empire State Mine and in such circumstances there can be no assurance that Titan can raise the funds necessary to complete such upgrades. Any of these factors may adversely affect Titan's ability to re-commence mining operations and could place Titan in a position where it has insufficient cash resources to fully reinstate mining operations, or which could result in mining operations being uneconomic.

Mining is inherently risky and subject to conditions or events beyond the Company's control.

The development and operation of a mine or mine property is inherently dangerous and involves many risks that the Company may not be able to overcome, including:

- unusual or unexpected geological formations;
- metallurgical and other processing problems;
- metal losses;
- environmental hazards;
- power outages;
- labour disruptions;
- industrial accidents;
- periodic interruptions due to inclement or hazardous weather conditions;
- flooding, explosions, fire, rockfalls, rockbursts, cave-ins and landslides;
- ground or soil conditions including seismic activity;
- mechanical equipment and facility performance problems;
- poor ventilation in all or part of the Empire State Mine; and
- the availability of materials and equipment.

These risks could result in damage to, or destruction of, mineral properties, production facilities or other properties, personal injury or death, including to the Company's employees, environmental damage, delays in mining, increased production costs, asset write downs, monetary losses and legal liability. The Company may not be able to obtain insurance to cover these risks at economically feasible premiums, or at all, or it may chose not to insure against these risks. Insurance against certain environmental risks, including potential liability for pollution and other hazards as a result of the disposal of waste products occurring from production, is not generally available to companies in the mining industry. The Company may suffer a material adverse effect on its business if the Company incurs losses related to any significant events that are not covered by the Company's insurance policies.

Mineral Resource calculations are only estimates based on interpretation and assumptions.

Any figures presented for Mineral Resources will only be estimates. There is a degree of uncertainty attributable to the calculation of Mineral Resources. Until mineralized material is actually mined and processed, the quantity of metal and grades must be considered as estimates only and no assurances can be given that the indicated levels of metals will be recovered. In making determinations about whether to advance any of its projects to development, the Company must rely upon such estimated calculations as to the Mineral Resources and grades of mineralization on its properties.

The estimation of Mineral Resources is a subjective process that relies on the judgment of the persons preparing the estimates. The process relies on the quantity and quality of available data and is based on knowledge, mining experience, analysis of drilling results and industry practices. Estimates made at a given time may significantly change when new information becomes available. By their nature, Mineral Resource estimates are imprecise and depend, to a certain extent, upon analysis of drilling results and statistical inferences that may ultimately prove to be inaccurate.

Estimated Mineral Resources may have to be recalculated based on changes in mineral prices, further exploration or development activity or actual production experience. This could materially and adversely affect estimates of the volume or grade of mineralization, estimated recovery rates or other important factors that influence Mineral Resource estimates. The extent to which Mineral Resources may ultimately be reclassified as Mineral Reserves is dependent upon the demonstration of their profitable recovery. Any material changes in Mineral Resource estimates and grades of mineralization will affect the economic viability of placing a property into production and a property's return on capital. The Company cannot provide assurance that mineralization can be mined and processed profitably.

The Company's Mineral Resource estimates have been determined and valued based on assumed future prices, cut-off grades and operating costs that may prove to be inaccurate. Extended declines in market price for zinc may render portions of the Company's mineralization uneconomic and result in a reduction in reported Mineral Resources, which in turn could have a material adverse effect on the Company's results of operations, financial condition or the market price of the Common Shares. The Company cannot provide assurance that mineral recovery rates achieved in small scale tests will be duplicated in large scale tests under on-site conditions or in production scale. In addition, if the Company's projects produce concentrate for which there is no market, this may have an impact on the economic model for the Empire State Mine.

Production based on Mineral Resources.

The Company is basing its production decision on the PEA and not on a feasibility study of Mineral Reserves demonstrating economic and technical viability, and as a result there is increased uncertainty and there are multiple technical and economic risks of failure which are associated with this production decision. These risks, among others, include areas that are analyzed in more detail in a feasibility study, such as applying economic analysis to Mineral Reserves and Mineral Resources, more detailed metallurgy and a number of specialized studies in areas such as mining and recovery methods, market analysis, and environmental and community impacts.

Uncertainty exists related to Inferred Mineral Resources.

There is a risk that Inferred Mineral Resources referred to in this Prospectus cannot be converted into Measured or Indicated Mineral Resources as there may be limited ability to assess geological continuity. Due to the uncertainty that attaches to Inferred Mineral Resources, there is no assurance that Inferred Mineral Resources will be upgraded to Mineral Resources with sufficient geological continuity to constitute Mineral Reserves as a result of continued exploration.

Title.

There is no guarantee that the Company's title to the properties that constitute the Empire State Mine will not be challenged or impugned. The Company's claims may be subject to prior unregistered agreements or transfers and title may be affected by unidentified or unknown defects. If title to the Company's properties is disputed, it may result in the Company paying substantial costs to settle the dispute or clear title and could result in the loss of the property, which events may affect the economic viability of the Company.

The Company received notice on October 10, 2017 that Aviano Financial Group LLC ("**Aviano**"), a creditor of Star Mountain, intended to amend a pre-existing action initially filed in February 2017 in Colorado against Star Mountain to collect debts owing by Star Mountain to Aviano aggregating approximately $800,000. The Company acquired the Empire State Mine Project from Star Mountain in December 2016 (see "Company History and the Acquisition of Empire State Mine Project"). The amended action of Aviano against Star Mountain was filed in the state of Colorado on October 10, 2017, adding claims for damages and a claim to set aside the conveyance of the Empire State Mine Project by Star Mountain to the Company alleging that it was a fraudulent conveyance. In addition, the Aviano notice stated that it intends to file an analogous action in New York alleging fraudulent conveyance, naming Star Mountain and the Company as defendants. As at the date hereof, no litigation has been commenced by Aviano against the Company. The Company believes that claim of fraudulent conveyance is wholly without merit and Star Mountain has informed the Company that Star Mountain believes that the claim of fraudulent conveyance is wholly without merit and that it intends to defend against the amended action and assert counterclaims against Aviano.

Irrespective of the merits of the claim, if the fraudulent conveyance claim is resolved adversely against the Company or Star Mountain, this could materially adversely affect the value of the Company by terminating its interest in the Empire State Mine Project and the Company's ability to develop the Empire State Mine Project. Such a result would have a significant negative impact on the value of the Company and could have a significant effect on the price of the Common Shares.

Pursuant to the Share Purchase Agreement, Star Mountain has agreed to indemnify the Company against certain claims including the proposed action by Aviano against the Company.

Mining operations from time to time may rely on an expired lease or option that the Company is unable to renew. Currently, several leases and options on which the Company does not currently foresee operating have expired. If the Company were to be in default with respect to leases or options for properties on which it has mining operations, the Company may have to close down or significantly alter the sequence of such mining operations, which may adversely affect its future production and future revenues. If the Company mines on property that it does not own or have a valid lease in respect of, the Company could incur liability for such mining. Also, in any such case, the investigation and resolution of title issues would divert management's time from the Company's business and its results of operations could be adversely affected.

In order to obtain leases or options to conduct mining operations on property where defects or impairments exist, the Company may in the future have to incur unanticipated costs. In addition, the Company may not be able to successfully negotiate new leases or options for properties containing attractive mineralization, or maintain its leasehold interests in properties where the Company has not commenced mining operations during the term of the lease or exercised the option.

Fluctuations in demand for, and prices of, zinc.

As the Company's expected sole source of revenue is the sale of zinc in separated and/or mixed form, changes in demand for, and the market price of, zinc are expected to have a significant effect on the Company's revenues and results of operations. The value and price of the Common Shares and the Company's financial results may be significantly adversely affected by declines in the prices of zinc. The price of zinc is influenced by many factors beyond the control of the Company. The level of interest rates, the rate of inflation, global and regional consumption patterns, the world supply of and demand for zinc, including zinc's intermediate and end product uses, market behaviour of current supply sources for zinc and the variation in exchange rates can all cause significant fluctuations in prices of zinc. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political developments. The effect of these factors cannot be accurately predicted. The price of zinc and mineral commodities more generally has fluctuated widely in the past decade and future declines in the price of zinc received could cause commercial production to become uneconomic, thereby having a material adverse effect on the Company's business and financial condition and the value and price of the Common Shares. The Empire State Mine was closed and placed on care and maintenance in the fall of 2008 in the face of a general economic turndown and resulting fall in zinc prices. The Company's results of operations will also be heavily dependent on the costs of consumables, particularly fuel, energy, chemical reagents and other products which may be required to be used in future exploration, development, mining and treatment operations.

A prolonged or significant economic contraction worldwide could put further downward pressure on market prices of zinc. Protracted periods of low prices for zinc could significantly reduce revenues and the availability of required development funds in the future. This could impair asset values and reduce the Company's Mineral Resources.

In contrast, extended periods of high commodity prices may create economic dislocations that may be destabilizing to supply and demand of zinc and ultimately to the broader markets. Strong prices for zinc may create economic pressure to identify or create alternate technologies using substitutes for zinc that ultimately could depress future long-term demand for zinc, and at the same time may incentivize development of otherwise marginal mining properties that would compete with the Company.

The Company's current production projections and cost estimates for the Empire State Mine may prove to be inaccurate.

A reduction in the amount of, or a change in the timing of, the zinc production as compared to the Company's current projections for the Empire State Mine may have a material adverse impact on the Company's anticipated future cash flows. The actual effect of such a reduction of the Company's cash flow from operations would depend on the quantity and timing of any such changes in production and on actual prices and costs. A change in the timing of these projected cash flows due to production shortfalls or labour disruptions would result in delays in receipt of such cash flows and in using such cash to fund operating activities and, as applicable, reduce debt levels or fund capital expenditures. This could result in the Company being required to raise additional equity capital or incur additional indebtedness to finance capital expenditures in the future.

The level of production and capital and operating cost estimates which are used for determining and obtaining financing and other purposes are based on certain assumptions and are subject to considerable uncertainties. Actual results of operations at the Empire State Mine are likely to differ from the Company's current estimates, and these differences may be significant. Moreover, experience from actual mining or processing operations may identify new or unexpected conditions that could decrease production below, and/or increase capital and/or operating costs above, the current estimates. If actual results are less favourable than the Company currently estimates, the Company's business, results from operations, financial condition and liquidity could be materially adversely affected.

There may be requirements for additional capital in the future.

Any future mining, production, processing, development and exploration by the Company may require substantial additional financing, including capital for the continuation or expansion of mining operations at the Empire State Mine Project. Failure to obtain sufficient financing may result in delaying or indefinite postponement of the Company's business plans. In addition, certain forms of financing may not be available on terms that the Company believes are acceptable, or at all, as the Company does not have Mineral Reserves. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Company.

Profitability of the Company.

There can be no assurance that the Company's business and strategy will enable it to become profitable or sustain profitability in future periods. The Company's future operating results will depend on various factors, many of which are beyond the Company's direct control, including the Company's ability to develop its mining projects and commercialize its Mineral Resources, its ability to control its costs, the demand and price for zinc and general economic conditions. If the Company is unable to generate profits in the future, the market price of the Common Shares could decline.

The Company may experience difficulty attracting and retaining qualified management to grow its business.

The Company is dependent on the services of key executives to advance its corporate objectives as well as the identification of new opportunities for growth and funding. The loss of any executive of the Company and the Company's inability to attract and retain suitable replacements for them, or additional highly skilled employees required for the Company's activities, would have a material adverse effect on the Company's business and financial condition.

Competition.

The Company competes with other mining companies, many of which are better capitalized, have greater financial resources, operational experience and technical capabilities or are further advanced in their development or are significantly larger and have access to Mineral Reserves, for the acquisition of mineral claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel. If the Company requires and is unsuccessful in acquiring additional mineral properties or qualified personnel, the Company will not be able to grow at the rate it desires, or at all.

Significant governmental regulations.

The Company's mining activities are subject to extensive federal, state and local laws, regulations and policies governing various matters, including:

- environmental protection, including regulations with respect to processing concentrates;
- the management and use of toxic substances and explosives;
- the management of natural resources and land;
- the exploration of mineral properties;
- exports;
- price controls;
- taxation and mining royalties;
- labour standards and occupational health and safety, including mine safety; and
- historic and cultural preservation.

Failure to comply with applicable laws and regulations may result in civil or criminal fines or penalties or enforcement actions, including orders issued by regulatory or judicial authorities enjoining or curtailing operations or requiring corrective measures, installation of additional equipment or remedial actions, any of which could result in significant expenditures. The Company may also be required to compensate private parties suffering loss or damage by reason of a breach of such laws, regulations or permitting requirements. It is also possible that future laws and regulations, or more stringent enforcement of current laws and regulations by governmental authorities, could cause the Company to incur additional expenses or capital expenditure restrictions or suspensions of the Company's activities and delays in the exploration and development of its properties.

Market events and general economic conditions.

Adverse events in global financial markets can have profound impacts on the global economy. Many industries, including the zinc mining industry, are affected by these market conditions. Some of the key effects of the financial market turmoil experience over the past decade include contraction in credit markets resulting in a spread of credit risk, devaluations, high volatility in global equity, commodity, foreign exchange and precious metal markets and a lack of market liquidity. A continued or worsened slowdown in the financial markets or other economic conditions, including but not limited to, consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates and tax rates, may adversely affect the Company's growth and profitability, financial liabilities and results of operations.

Environmental laws and regulations.

All of the Company's exploration, development and production activities are subject to regulation by governmental agencies under various environmental laws. These laws address emissions into the air, discharges into water, management of waste, management of hazardous substances, protection of natural resources, antiquities and endangered species and reclamation of lands disturbed by mining operations. Environmental legislation is evolving and the general trend has been towards stricter standards and enforcement, increased fines and penalties for noncompliance, more stringent environmental assessments of proposed projects and increasing responsibility for companies and their officers, directors and employees. Compliance with environmental laws and regulations may require significant capital outlays on the Company's behalf and may cause material changes or delays in the

Company's intended activities. Future changes in these laws or regulations could have a significant adverse impact on some portion of the Company's business, requiring the Company to re-evaluate those activities at that time. Non-compliance thereof may result in significant penalties, fines and/or sanctions imposed on the Company by the relevant environmental regulatory authority resulting in a material adverse effect on the Company's reputation and results of its operations.

Threat of legal proceedings.

Due to the nature of its business, the Company may be subject to numerous regulatory investigations, civil claims, lawsuits and other proceedings in the ordinary course of its business. The results of these legal proceedings cannot be predicted with certainty due to the uncertainty inherent in litigation, the difficulty of predicting decisions of regulators, judges and juries and the possibility that decisions may be reversed on appeal. The Company's efforts to respond to the legal proceedings could result in a diversion of management time and attention from revenue generating activities. There can be no assurances that these matters will not have a material adverse effect on the Company's business.

Rights, concessions and permits.

The Company's current and anticipated future operations, including further exploration, development and production on its mineral properties, including the Empire State Mine Project, require concessions and permits from various governmental authorities. Obtaining or renewing governmental concessions and permits is a complex and time-consuming process. The duration and success of efforts to obtain and renew permits are contingent upon many variables not within the Company's control.

The Company cannot provide assurance that all rights, concessions and permits that it requires for its operations will be obtainable or renewable on reasonable terms, or at all. Delays or a failure to obtain or renew such required concessions and permits, or the expiry, revocation or failure to comply with the terms of any such concessions and permits that the Company has obtained, would adversely affect the Company's business.

Social and environmental activism can have a negative effect on exploration, development and mining activities.

There is an increasing level of public concern relating to the effects of mining on the natural landscape, on communities and on the environment. Certain non-governmental organizations, public interest groups and reporting organizations ("**NGOs**") who oppose resource development can be vocal critics of the mining industry. In addition, there have been many instances in which local community groups have opposed resource extraction activities, which have resulted in disruption and delays to the relevant operation. Local communities in St. Lawrence County, NGOs or local community organizations could direct adverse publicity and/or disrupt the operations of the Company in respect of the Empire State Mine or another of the Company's properties, regardless of its successful compliance with social and environmental best practices, due to political factors, activities of unrelated third parties on lands in which the Company has an interest or the Company's operations specifically. Any such actions and the resulting media coverage could have an adverse effect on the reputation and financial condition of the Company or its relationships with the communities in which it operates, which could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Land reclamation requirements for the Company's properties may be burdensome.

Land reclamation requirements are generally imposed on companies with mining operations or mineral exploration companies in order to minimize long term effects of land disturbance. Reclamation may include requirements to:

- control dispersion of potentially deleterious effluents; and
- reasonably re-establish pre-disturbance land forms and vegetation.

In order to carry out reclamation obligations imposed on the Company in connection with exploration, development and production activities, the Company must allocate financial resources that might otherwise be spent on exploration and contemplated development programs. If the Company is required to carry out unanticipated reclamation work or provide security for further reclamation work, the Company's financial position could be adversely affected.

TMF and environmental reclamation.

The embankment for the TMF at the Empire State Mine will need to be raised to fully contain the estimated tonnage for the Empire State Mine as set out in the current mine plan. The Company is not certain how the native surface of the TMF was prepared, what design features were included, what sub-surface conditions existed prior to construction or the material properties of the fill used for construction. If the Company is unable to complete the embankment raise at the TMF, or if the TMF were to subsequently breach, the Company would be required to delay or cease operations at the Empire State Mine for a significant period of time. This may also necessitate extensive response and rehabilitation activities. The Company may not receive approvals and consents necessary to proceed with the remaining rehabilitation plans in a timely manner. The Company cannot anticipate the timing and amount of the costs and the liabilities relating to any such TMF failure, or whether such failure would result in the Company being subject to regulatory charges or claims, fines and penalties or the potential quantum thereof. See "Empire State Mine – Product Infrastructure and Services – Tailings Management Facility".

Insurance.

The Empire State Mine Project is subject to numerous risks and hazards. Such risks could result in personal injury, environmental damage, damage to and destruction of the facilities, delays in production and liability. For some of these risks, the Company maintains insurance to protect against these losses at levels consistent with industry practice. However, the Company may choose not to insure certain risks or may not be able to maintain current or desired levels of insurance coverage, particularly if there is a significant increase in the cost of premiums. The Company's current policies may not cover all losses and the Company currently does not have specific coverage for environmental risk. Moreover, in the event that the Company is unable to fully pay for the cost of remedying damages, particularly environmental problems, the Company might be required to suspend or significantly curtail its activities or enter into other interim compliance measures.

Undisclosed liabilities.

The Company has only recently acquired the Empire State Mine Project. There may be undisclosed liabilities in respect of the Empire State Mine Project, Balmat Holding or SLZ of which management is currently unaware. If any such liabilities are material, this may adversely affect the Company.

Health & safety.

Mining, like many other extractive natural resource industries, is subject to potential risks and liabilities due to accidents that could result in serious injury or death. The impact of such accidents could affect the profitability of the operations, cause an interruption to operations, lead to a loss of licenses, affect the reputation of the Company and its ability to obtain further licenses, damage community relations and reduce the perceived appeal of the Company as an employer.

There is no assurance that the Company has been or will at all times be in full compliance with all laws and regulations or hold, and be in full compliance with, all required health and safety permits. The potential costs and delays associated with compliance with such laws, regulations and permits could prevent the Company from proceeding with the development of a project or the operation or further development of a project, and any noncompliance therewith may adversely affect the Company's business, financial condition and results of operations.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in exploration expenses, capital expenditures or production costs, reduction in levels of production at producing properties, or abandonment or delays in development of new mining properties.

The Company is dependent on information technology systems.

The Company's operations depend, in part, upon information technology systems. The Company's information technology systems are subject to disruption, damage or failure from a number of sources, including, but not limited to, computer viruses, security breaches, natural disasters, power loss and defects in design. Although to date the Company has not experienced any material losses relating to information technology system disruptions, damage or failure, there can be no assurance that it will not incur such losses in future. Any of these and other events could result in information technology systems failures, operational delays, production downtimes, destruction or corruption of data, security breaches or other manipulation or improper use of the Company's systems and networks, any of which may result in a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Zinc hedging activities.

The Company has not entered into forward contracts or other derivative instruments to sell zinc that it might produce in the future. The Company has no near term plans to enter such transactions, it may do so in the future if prudent from a risk management perspective or required under off-take agreements, to secure zinc sale revenues during periods of significant capital expenditure. Regardless of the risk management intent when entering forward contracts or other derivative instruments to sell zinc, these types of hedging contracts can create significant financial liabilities, especially in times of market volatility.

Conflicts of Interest.

Certain of the Company's directors also serve or may serve as directors or officers of, or have significant shareholdings in, other companies involved in natural resource exploration, development and production or mining-related activities, including in other companies involved in the exploration, development and production of zinc. To the extent that such other companies may participate in ventures in which the Company may participate, or in ventures which the Company may seek to participate in, the Company's directors and officers may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In all cases where the Company's directors and officers have an interest in other companies, such other companies may also compete with the Company for the acquisition of mineral property investments. Such conflicts of the Company's directors and officers may result in a material and adverse effect on the Company's profitability, results of operation and financial condition. As a result of these conflicts of interest, the Company may miss the opportunity to participate in certain transactions, which may have a material adverse effect on the Company's financial position.

Risks inherent in Company's indebtedness.

The Company has significant consolidated indebtedness related to the Debentures and the post-closing payment obligations to Hudbay that the Company agreed to assume in connection with the Acquisition. The Company intends on repaying its existing indebtedness in its entirety with the proceeds of the Offering; however, there can be no guarantee the proceeds will be used as intended and described under "Use of Proceeds". See "Risks Related to the Offering – Use of Proceeds". If the Company does not repay its indebtedness in its entirety, the Company will be required to use a portion of its cash flow to repay principal and/or service interest on its debt, which will limit the cash flow available for other purposes. In addition, the Debentures, and certain agreements pursuant to which security was granted for Titan US' obligations under the Debentures, contain negative covenants that limit Titan US' ability and the ability of its subsidiaries to, among other things, assume or incur any indebtedness or encumbrance; make investments, acquisitions, loans or advances; issue any equity, debt or convertible or derivative instruments or securities; engage in mergers, consolidations or other transactions resulting in a change of control; sell assets; purchase or redeem any shares of its capital stock; declare or pay any dividends or distributions; pay any outstanding indebtedness; increase the annual salary paid to any officers or directors; engage in certain transactions with affiliates; change Titan US' or a subsidiary's line of business; or change any directors or officers. A breach of any of these covenants could result in an event of default under the Debentures. Upon the occurrence of an event of default under the Debentures, Augusta, a corporation controlled by the President and CEO of the Company, will have the ability to elect to declare all amounts outstanding under the Debentures to be immediately due and payable. If the Company or its subsidiaries are unable to repay those amounts, Augusta may be entitled to proceed against the collateral granted to it to secure that indebtedness.

The Company's ability to make scheduled payments of the principal, or to pay interest on or to refinance its indebtedness, depends on the Company's future performance, which is subject to economic, financial, competitive and other factors beyond its control. If the Company is unable to generate sufficient cash flow from operations in the future, it may be unable to service the Company's debt and make necessary capital expenditures and may be required to adopt one or more alternatives, such as selling assets, restructuring debt or obtaining additional equity capital on terms that may be onerous or highly dilutive. The Company's ability to refinance its indebtedness will depend on the capital markets and its financial condition at such time. The Company may not be able to engage in any of these activities or engage in these activities on desirable terms, which could result in a default on its debt obligations.

Risks inherent in acquisitions.

The Company may actively pursue the acquisition of exploration, development and production assets consistent with its acquisition and growth strategy. From time to time, the Company may also acquire securities of or other interests in companies with respect to which it may enter into acquisitions or other transactions. Acquisition transactions involve inherent risks, including but not limited to:

- accurately assessing the value, strengths, weaknesses, contingent and other liabilities and potential profitability of acquisition candidates;
- ability to achieve identified and anticipated operating and financial synergies;
- unanticipated costs;
- diversion of management attention from existing business;
- potential loss of the Company's key employees or key employees of any business acquired;
- unanticipated changes in business, industry or general economic conditions that affect the assumptions underlying the acquisition; and
- decline in the value of acquired properties, companies or securities.

Any one or more of these factors or other risks could cause the Company not to realize the anticipated benefits of an acquisition of properties or companies, and could have a material adverse effect on its financial condition.

Integration of the mine assets.

Upon completion of the Offering, the Company will have to continue hiring personnel and integrating the Empire State Mine Project into its business. The Company currently has no operations and a small number of employees. The Company will have to hire additional staff and employees to manage the overall development of the Empire State Mine Project. The Company may encounter difficulties managing the integration of the Empire State Mine Project, which may result in higher than anticipated costs.

Labour and employment retention relations.

Production at the Empire State Mine will continue to be dependent upon the ability of the Company to continue to maintain good relations with its employees. In addition, relations between the Company and its employees may be impacted by changes in the scheme of labour relations which may be introduced by the relevant governmental authorities in the United States. Adverse changes in such legislation or in the relationship between the Company with its employees at the Empire State Mine may have a negative impact on the Company's business, results of operations and financial condition.

Anti-corruption and bribery regulation, including ESTMA reporting.

The Company is required to comply with anti-corruption and anti-bribery laws in Canada and the United States. In recent years, there has been a general increase in both the frequency of enforcement and the severity of penalties under such laws, resulting in greater scrutiny and punishment of companies convicted of violating anti-corruption and anti-bribery laws. Furthermore, a company may be found liable for violations by not only its employees, but also by its contractors and third party agents. Although the Company has adopted a Code of Conduct that addresses these matters, no assurance can be given that the Company, or its employees, contractors or third-party agents will comply strictly with such laws. If the Company is the subject of an enforcement action or in violation of such laws, it may result in significant penalties, fines and/or sanctions imposed on the Company resulting in a material adverse effect on the Company's reputation and results of its operations.

In addition, ESTMA requires public disclosure of payments to governments by mining and oil and gas companies engaged in the commercial development of oil, gas and minerals who are either publicly listed in Canada or with business or assets in Canada. Mandatory annual reporting is required for extractive companies with respect to payments made to foreign and domestic governments at all levels, including entities established by two or more governments, and including aboriginal groups. ESTMA requires reporting on the payments of any taxes, royalties, fees, production entitlements, bonuses, dividends, infrastructure improvement payments, and any other prescribed payment over Cdn$100,000. Failure to report, false reporting or structuring payments to avoid reporting may result in fines of up to Cdn$250,000 (which may be concurrent). The Company will be required to commence reporting in 2017. If the Company finds itself subject to an enforcement action or in violation of ESTMA, this may result in significant penalties, fines and/or sanctions imposed on the Company resulting in a material adverse effect on its reputation.

Infrastructure.

Mining, processing, development and exploration activities depend on the availability of adequate infrastructure. Reliable roads, bridges and power sources are important factors that affect capital and operating costs. Sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations, financial condition and results of operations.

Enforceability of judgments.

A director of the Company and one of the experts named in this Prospectus reside outside of Canada. As a result, holders of Common Shares may not be able to effect service of process within Canada to such director or such expert, or to enforce Canadian court judgments obtained against such director or such expert in jurisdictions outside of Canada, including those predicated upon the civil liability provisions of applicable Canadian securities laws. Furthermore, it may be difficult for the holders of Common Shares to enforce, in original actions brought in courts in jurisdictions outside of Canada, liabilities predicated upon Canadian securities laws.

Risks Related to this Offering

No existing market for the Common Shares.

Prior to the Offering, there has been no public market for the Common Shares. The TSX has conditionally approved the listing of the Common Shares under the symbol "TI". However, investor interest in the Company may not lead to the development of trading markets on the TSX or otherwise, and such markets may not become liquid. If an active trading market does not develop, it may be difficult to sell Common Shares at a profitable price, if at all. The Offering Price will be determined by negotiation between the Company and the Underwriters based upon a number of factors and may not be indicative of prices that will prevail following the completion of the Offering. The market price could decline below the Offering Price, and investors may not be able to resell the Common Shares at or above the Offering Price.

The price of the Common Shares may fluctuate.

The trading price of the Common Shares may be volatile and subject to wide price fluctuations in response to various factors, many of which are beyond the Company's control, including, but not limited to: (i) market conditions in the stock market generally or in any of its sub-sectors; (ii) actual or anticipated fluctuations in the Company's quarterly financial and operating results; (iii) developments or disputes concerning the Company's mining rights; (iv) introduction of new technologies, products or services by the Company or its competitors; (v) issuance of new or changed securities analysts' reports or recommendations; (vi) additions or departures of key personnel; (vii) regulatory developments; (viii) litigation and governmental investigations; and (ix) economic and political conditions or events.

These and other factors may cause the market price and demand for the Common Shares to fluctuate substantially, which may limit or prevent investors from readily selling their Common Shares and may otherwise negatively affect the liquidity of the Common Shares. The trading price of the Common Shares may also decline in reaction to events that affect other companies in the mining industry or related industries, even if these events do not affect the Company. In addition, in the past, when the market price of a stock has been volatile, holders of that stock have sometimes instituted securities class action litigation against the company that issued the stock. If any of the Company's shareholders brought a lawsuit against it, the Company could incur substantial costs defending the lawsuit. Such a lawsuit could also divert the time and attention of management from the Company's business.

Loss of entire investment.

A positive return on an investment in the Common Shares is not guaranteed. An investment in the Common Shares is speculative and may result in the loss of an investor's entire investment. Only potential investors who are experienced in high risk investments and who can afford to lose their entire investment should consider an investment in the Common Shares. An investment in the Common Shares involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment.

Significant ownership by Richard W. Warke and indebtedness owed to Augusta.

Upon completion of the Offering, it is expected that Richard W. Warke, President and CEO of the Company, either directly or indirectly, through 0905792, a corporation controlled by him, will have direction and control over 40,701,000 Common Shares, representing approximately a 41.5% interest in the Company (or representing approximately a 39.3% interest in the Company if the Over-Allotment Option is exercised in full). As a result, Mr. Warke will continue to have a significant influence with respect to all matters submitted to shareholders for approval, including without limitation the election and removal of directors, amendments to the Company's articles and by-laws and the approval of certain business combinations. This concentration of voting power may cause the market price of the Common Shares to decline, delay or prevent any acquisition or delay or discourage take-over attempts that shareholders may consider to be favourable, or make it more difficult or impossible for a third party to acquire control of the Company or effect a change in the Board of Directors and in management. Any delay or prevention of a change of control transaction could deter potential acquirors or prevent the completion of a transaction in which shareholders could receive a substantial premium over the then current market price for their Common Shares.

In addition, Mr. Warke's interests may not in all cases be aligned with interests of the other shareholders of the Company. Mr. Warke may have an interest in pursuing acquisitions, divestitures and other transactions that, in their judgment, could enhance their equity investment, even though such transactions might involve risks to other shareholders and may ultimately affect the market price of the Common Shares. See "Principal Shareholders". The Company is also indebted to Augusta, a corporation controlled by Mr. Warke, pursuant to the Debentures, and, in the event such indebtedness is not repaid with the proceeds of the Offering, Mr. Warke could have an interest in pursuing transactions that could facilitate the repayment of the Debentures, which may not be aligned with the interests of the shareholders. See "Description of Material Indebtedness".

Future sales of Common Shares by Richard W. Warke and other directors and officers of the Company.

Upon completion of the Offering, it is expected that Richard W. Warke, President and CEO of the Company, and the other directors and officers of the Company, either directly or indirectly, will have direction and control over 43,207,500 Common Shares, representing approximately a 44% interest in the Company (or representing approximately a 41.8% interest in the Company if the Over-Allotment Option is exercised in full). Subject to compliance with applicable securities laws, sales of a substantial number of Common Shares in the public market could occur at any time after the expiration of the Lock-Up Agreements described under "Plan of Distribution". These sales, or the market perception that the holders of a large number of Common Shares intend to sell Common Shares, could reduce the market price of Common Shares. In addition, the Underwriters might waive the provisions of some or all of these Lock-Up Agreements and allow the subject shareholders to sell their Common Shares at any time. There are no pre-established conditions for the grant of such a waiver by the Underwriters, and any decision by them to waive those conditions may depend on a number of factors, which might include market conditions, the performance of Common Shares in the market and the Company's financial condition at that time. If the restrictions in such Lock-Up Agreements are waived, additional Common Shares will be available for sale into the public market, subject to applicable securities laws, which could reduce the market price for the Common Shares.

Use of proceeds.

The Company currently intends to allocate the net proceeds received from the Offering as described in the "Use of Proceeds" section of this Prospectus. However, the Company will have broad discretion in the actual application of the net proceeds, and may elect to allocate proceeds differently from that described in the "Use of Proceeds" section if it believes it would be in its best interests to do so as circumstances change. Investors may not agree with how the Company allocates or spends the proceeds from this Offering. The failure by the Company to apply these funds effectively could have a material adverse effect on the Company's business, financial condition and results of operations.

Payment of dividends.

No dividends on the Common Shares have been declared or paid to date. The Company anticipates that, for the foreseeable future, it will retain all future earnings for use in the operation and expansion of the business. The declaration and payment of future dividends will be at the discretion of the Board of Directors and may be affected by many factors, including the Company's earnings, financial condition, acquisitions and legal or contractual restrictions. There can be no assurance that the Company will be in a position to pay any dividends in the future.

Moreover, there are or may be statutory, contractual, tax or other limitations on the ability of the Company's subsidiaries to make distributions to the Company. If the cash the Company receives from its subsidiaries pursuant to such distributions is insufficient, or if the subsidiaries are unable to make such distributions, the Company may be required to raise cash through the incurrence of debt, the issuance of additional equity or the sale of assets to fund its obligations. However, there can be no assurance that the Company would be able to raise cash by any of these means in a timely manner or on terms that are favourable to the Company.

Currency exchange rate risks.

Although investors in the Common Shares will be investing in Canadian dollars, the business of the Company will be conducted in the U.S. Consequently, any income and gains will be earned and any expenses and losses will be incurred in United States dollars. The Canadian dollar is not maintained at a fixed exchange rate compared to foreign currencies but rather the value of the Canadian dollar has a floating exchange rate in relation to the United States dollar. As a result of fluctuations in the Canada/ United States dollar exchange rate, the value of an investment in Common Shares, when expressed in Canadian dollars, may be greater or less than that determined only with reference to United States dollars. Accordingly, investors who purchase Common Shares are subject to currency exchange rate risk.

Pro forma financial information.

In preparing the pro forma financial information in this Prospectus, the Company has given effect to, among other items, the Offering and the Acquisition. While management believes that the estimates and assumptions underlying the pro forma financial information are reasonable, such assumptions and estimates may be materially different to the Company's actual experience going forward.

Public company status.

The Company will incur significant legal, accounting, insurance and other expenses as a result of being a public company, which may negatively impact the Company's performance and could cause the Company's results of operations and financial condition to suffer. Compliance with applicable securities laws and the rules of the TSX substantially increases the Company's expenses, including the Company's legal and accounting costs, and make some activities more time-consuming and costly.

Financial reporting and other public company requirements.

Upon receiving a final receipt for this Prospectus, the Company will become subject to reporting and other obligations under applicable Canadian securities laws and rules of any stock exchange on which the Common

Shares are then-listed, including National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*. These reporting and other obligations will place significant demands on the Company's management, administrative, operational and accounting resources. In order to meet such requirements, the Company will, among other things, establish systems, implement financial and management controls, reporting systems and procedures and, if necessary, hire qualified accounting and finance staff. However, if the Company is unable to accomplish any such necessary objectives in a timely and effective manner, the Company's ability to comply with its financial reporting obligations and other rules applicable to reporting issuers could be impaired. Moreover, any failure to maintain effective internal controls could cause the Company to fail to satisfy its reporting obligations or result in material misstatements in its financial statements. If the Company cannot provide reliable financial reports or prevent fraud, its reputation and operating results could be materially adversely effected which could also cause investors to lose confidence in the Company's reported financial information, which could result in a reduction in the trading price of the Common Shares.

The Company does not expect that its disclosure controls and procedures and internal controls over financial reporting will prevent all error or fraud. A control system, no matter how well-designed and implemented, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Due to the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues within an organization are detected. The inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of simple errors or mistakes. Controls can also be circumvented by individual acts of certain persons, by collusion of two or more people or by management override of the controls. Due to the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and may not be detected in a timely manner or at all.

Dilution.

The issuance of additional Common Shares may have a dilutive effect on the interests of shareholders. The number of Common Shares that the Company is authorized to issue is unlimited. The Company may, in its sole discretion, subject to applicable law and the rules of the TSX, issue additional Common Shares from time to time (including pursuant to any equity-based compensation plans), and the interests of shareholders may be diluted thereby.

If securities or industry analysts do not publish reports about the Company, if they change their recommendations regarding the Company adversely, or if the Company's operating results do not meet their expectations, the Common Share price and trading volume could decline.

The trading market for the Common Shares will rely in part on and be influenced by the research and reports that industry or securities analysts publish about the Company. The Company does not currently have and may never obtain research coverage by industry or financial analysts. If no or few analysts commence coverage of the Company, the trading price and/or the volume of trading of the Common Shares could decrease. Even if the Company does obtain analyst coverage, if one or more of these analysts cease coverage or fail to regularly publish reports, the Company could lose visibility in the financial markets, which in turn could cause the Common Share price or trading volume to decline. Moreover, if one or more of the analysts downgrade the Company or its Common Shares or if the Company's operating results do not meet their expectations, the Common Share price could decline.

MATERIAL CONTRACTS

The only material contracts, which the Company or its subsidiaries have entered into in the past two years, or will enter into prior to the Closing Date, other than in the ordinary course of business, are as follows:

(i) Promissory Note — see "General Development and Business of the Company – Company History and Acquisition of Empire State Mine Project";

(ii) Investor Rights Agreement — see "General Development and Business of the Company – Company History and Acquisition of Empire State Mine Project";

(iii) Share Purchase Agreement — see "General Development and Business of the Company – Company History and Acquisition of Empire State Mine Project";

(iv) Original Debenture — see "Description of Material Indebtedness";

(v) First Additional Debenture — see "Description of Material Indebtedness";

(vi) Second Additional Debenture — see "Description of Material Indebtedness";

(vii) Third Additional Debenture – see "Description of Material Indebtedness";

(viii) Letter Agreement — see "Description of Material Indebtedness";

(ix) Promissory Note Amendment – see "Description of Material Indebtedness";

(x) Underwriting Agreement – see "Plan of Distribution"; and

(xi) Letter Agreement Amendment – see "Management's Discussion and Analysis of Financial Condition and Results of Operation of Titan – Liquidity and Capital Resources" and "Description of Material Indebtedness".

Copies of the material contracts set out above are available online on SEDAR at **www.sedar.com**.

LEGAL PROCEEDINGS

The Company is not subject to any legal proceedings material to the Company to which the Company or any of its subsidiaries is a party or of which any of the Company's properties is the subject matter and no such proceedings are known to the Company to be contemplated.

REGULATORY ACTIONS

In the past three years, neither the Company nor its subsidiaries has had any penalties or sanctions imposed on it by, or entered into any settlement agreements with, a court or a securities regulator relating to securities laws.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than the interests of certain directors or executive officers of the Company as described in this Prospectus, none of the directors or executive officers of the Company, nor any associate or affiliate of any of them, has or had a direct or indirect material interest in any transaction within the three years prior to the date of this Prospectus or proposed transaction which has materially affected or is reasonably expected to materially affect the Company.

AUDITORS, TRANSFER AGENT AND REGISTRAR

Ernst & Young, LLP, is the auditor of the Company having an address at 700 West Georgia Street, Vancouver, B.C., V7Y 1C7, and has confirmed that it is independent of the Company in accordance with the Rules of Professional Conduct of the Chartered Professional Accountants of British Columbia.

The Company has appointed Computershare Investor Services Inc., through its offices at 4th Floor, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9, as transfer agent and registrar for the Common Shares.

ENFORCEABILITY OF JUDGMENTS

George Pataki, one of the Company's directors, resides outside of Canada, and has appointed the Company at Suite 555 – 999 Canada Place, Vancouver, British Columbia V6C 3E1 as his agent for service of process.

Michel Creek, being among the authors of the Technical Report, also resides outside of Canada. Haynie & Company, the auditors of Balmat Holding, also reside outside of Canada.

Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

INTEREST OF EXPERTS

Certain legal matters in connection with this Offering, will be passed upon on behalf of the Company by Davies Ward Phillips & Vineberg LLP and on behalf of the Underwriters by Cassels Brock & Blackwell LLP. As of the date of this Prospectus the respective partners and associates of each of Davies Ward Phillips & Vineberg LLP and Cassels Brock & Blackwell LLP own beneficially, directly or indirectly, less than one percent of any outstanding securities of any class of the Company or any associate of the Company.

Ernst & Young, LLP, the auditors of the Company, have confirmed that they are independent of the Company in accordance with the Rules of Professional Conduct of the Chartered Professional Accountants of British Columbia.

Haynie & Company were the auditors of Balmat Holding responsible for auditing the financial information contained in the consolidated audited financial statements of Balmat Holding for the years ended December 31, 2014, 2015, and 2016.

Certain information in this Prospectus relating to the Empire State Mine is summarized or extracted from the Technical Report, which was prepared for the Company by Garett Macdonald, Michael Makarenko, Matt Moss, Indi Gopinathan each of JDS, Michel Creek, formerly of JDS, Allan Reeves of Tuun and Robert Raponi of Raponi, each of whom is a "qualified person" and "independent" within the meanings of NI 43-101. To the best of the knowledge of the Company, as at the date hereof, the aforementioned persons beneficially own, directly or indirectly, less than one percent of any outstanding securities of any class of the Company or any associate of the Company.

Technical information in this Prospectus not contained in the Technical Report has been approved by Keith Boyle, P. Eng., who is the COO of the Company and holds no Common Shares and 750,000 Options.

PURCHASERS' STATUTORY RIGHTS

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities within two business days after receipt, or deemed receipt, of a Prospectus and any amendment. In several of the provinces and territories, securities legislation further provides a purchaser with remedies of rescission or, in some jurisdictions, revisions of the price, or damages where the Prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that such remedies for rescission, revisions of the price, or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. Purchasers should refer to any applicable provisions of the securities legislation of their province or territory for the particulars of these rights or consult with a legal advisor.

GLOSSARY

"**0905792**" has the meaning ascribed thereto on the cover page of this Prospectus.

"**Acquisition**" has the meaning ascribed thereto under "General Development and Business of the Company – Business Overview".

"**Acquisition Closing Date**" has the meaning ascribed thereto under "General Development and Business of the Company – Business Overview".

"**Additional Payment Option**" has the meaning ascribed thereto under "Description of Material Indebtedness".

"**AISC**" has the meaning ascribed thereto under "Non-IFRS Financial Measures".

"**ALS Chemex Lab**" means the ALS Chemex laboratory in Mississauga, Ontario.

"**Amended Investor Presentation**" means the investor presentation for the Offering dated September 28, 2017 and titled "The Next Mid-Tier Zinc Producer – Low Risk Execution, Significant Growth Potential".

"**amsl**" means above mean sea level.

"**Arizona Mining**" has the meaning ascribed thereto under "General Development and Business of the Company – Strengths and Competitive Advantages – Experienced Management Team and Board".

"**ARO**" has the meaning ascribed thereto under "Management's Discussion and Analysis of Financial Condition and Results of Operation of Balmat Holding – Changes in Accounting Policies".

"**Audit Committee**" means the audit committee of the Board, as further described under "Audit Committee".

"**Augusta**" means Augusta Investments Inc.

"**Augusta Resources**" has the meaning ascribed thereto under "General Development and Business of the Company – Strengths and Competitive Advantages – Experienced Management Team and Board".

"**Aviano**" has the meaning ascribed thereto under "Risk Factors – Risks Relating to the Company's Business".

"**Balmat-Edwards**" means the Balmat-Edwards District in the northern New York State.

"**Balmat Holding**" has the meaning ascribed thereto under "General Development and Business of the Company – Business Overview".

"**Balmat MD&A**" has the meaning ascribed thereto under "Management's Discussion and Analysis of Financial Condition and Results of Operations of Balmat Holding".

"**Balmat No. 1** " means the first shaft at the Empire State Mine.

"**Balmat No. 2 Mine**" means the zinc mine in the Balmat-Edwards district.

"**Balmat No. 3 Mine**" means the zinc mine in the Balmat-Edwards district.

"**Banks Island**" means Banks Island Gold Ltd.

"**BCBCA**" means the *Business Corporations Act* (British Columbia).

"**Black Out Period**" means any period during which a policy of the Company prevents an Optionee from trading in the Company's securities.

"**Board**" or "**Board of Directors**" means the board of directors of the Company.

"**Bought Deal**" has the meaning ascribed thereto under "General Development and Business of the Company – Company History and the Acquisition of Empire State Mine Project".

"C1 Cost" has the meaning ascribed thereto under "Non-IFRS Financial Measures".

"**Cal Marble**" means one of seven mineralized zones at the Empire State Mine containing Mineral Resources.

"**CDS**" means CDS Clearing and Depository Services Inc.

"**CEO**" means the chief executive officer of the Company.

"**CFO**" means the chief financial officer of the Company.

"**COG**" has the meaning ascribed thereto under "Empire State Mine – Mining Methods".

"**COO**" means the chief operating officer of the Company.

"**Chair**" means the Chairman of the Board of Directors.

"**Change of Control**" has the meaning ascribed thereto under "Share Option Plan".

"**CIM**" means Canadian Institute of Mining, Metallurgy and Petroleum.

"**CIM Definition Standards**" means the Canadian Institute of Mining, Metallurgy and Petroleum Definition Standards for Mineral Resources and Mineral Reserves.

"**Closing**" has the meaning ascribed thereto on the cover page of this Prospectus.

"**Closing Date**" has the meaning ascribed thereto on the cover page of this Prospectus.

"**Code**" has the meaning ascribed thereto under "Corporate Governance – Ethical Business Conduct".

"**Common Shares**" means the Common Shares of the Company.

"**Company**" means Titan Mining Corporation, as interpreted in the manner described under "Meaning of Certain References".

"**Compensation Committee**" means the compensation committee of the Board, as further described under "Corporate Governance – Other Board Committees".

"**Corporate Governance Guidelines**" has the meaning ascribed thereto under "Corporate Governance – Statement of Corporate Governance Practices".

"**CRM**" means certified reference materials (as defined in the International Organization for Standardization Guide 35) for which one or more parameters have been certified by a technically valid and recognised procedure and for which a certificate or other valid documentation has been issued by a certifying body.

"**CSX**" means Chessie-Seaboard Consolidated Corporation.

"**Davis**" means one of seven mineralized zones at the Empire State Mine containing Mineral Resources.

"**Debentures**" has the meaning ascribed thereto under "Description of Material Indebtedness".

"**dmt**" means dry metric tons.

"**Dumas Contracting**" means Dumas Contracting USA Inc.

"**Edwards Mine**" means the zinc mine in the Balmat-Edwards district.

"**Eligible Distribution**" has the meaning ascribed thereto under "General Development and Business of the Company – Company History and the Acquisition of Empire State Mine Project".

"**Eligible Offering**" has the meaning ascribed thereto under "General Development and Business of the Company – Company History and the Acquisition of Empire State Mine Project".

"**Eligible Person**" has the meaning ascribed thereto under "Share Option Plan".

"**Eligible Securities**" has the meaning ascribed thereto under "General Development and Business of the Company – Company History and the Acquisition of Empire State Mine Project".

"**Empire State Mine**" means the Empire State No.4 zinc mine (formerly known as the Balmat No. 4 Zinc Mine).

"**Empire State Mine Project**" means the Empire State Mine, together with the other zinc mines in the Balmat-Edwards district, being the Balmat No. 2 Mine, the Balmat No. 3 Mine, the Hyatt Mine, the Pierrepont Mine and the Edwards Mine.

"**Environment, Health and Safety Committee**" means the environment, health and safety committee of the Board.

"**Environmental, Health and Safety Policy**" means the environmental, health and safety policy of the Company.

"**ESTMA**" means the Canadian *Extractive Sector Transparency Measures Act.*

"**Executive Committee**" means the executive committee of the Board.

"**Exercise Price**" in respect of an Option, means the price per share at which Common Shares may be purchased under such Option, as the same may be adjusted from time to time in accordance with the terms of the Share Option Plan".

"**F**" means Fahrenheit.

"**Fe**" means Iron.

"**Final Investor Presentation**" means the investor presentation for the Offering dated October 12, 2017 and titled "The Next Mid-Tier Zinc Producer – Low Risk Execution, Significant Growth Potential".

"**Final Term Sheet**" means the term sheet for the Offering dated October 12, 2017.

"**First Additional Debenture**" has the meaning ascribed thereto under "Description of Material Indebtedness".

"**Flin Flon Lab**" means Hudbay's Flin Flon, Manitoba assay laboratory.

"**ft**" means feet.

"**GAAP**" has the meaning ascribed thereto under "Management's Discussion and Analysis of Financial Condition and Results of Operation of Balmat Holding – Changes in Accounting Policies".

"**GAP Zone**" has the meaning ascribed thereto under "General Development and Business of the Company – Business Objectives and Milestones".

"**Grenville Orogeny**" means an orogeny that included a series of exceptionally intense accretionary events which occurred during the Mesoproterozoic era.

"**Grenville Province**" means the series of terranes that were accreted during the Grenville Orogeny.

"**Grenville Supergroup**" means a group of metamorphosed sedimentary terranes that compose a section of the Grenville Province.

"**GWMG**" means Great Western Minerals Group Ltd.

"**H_2S**" means hydrogen sulfide.

"**HBMS**" means Hudson Bay Mining and Smelting Co., Limited.

"**Hudbay**" has the meaning ascribed thereto under "General Development and Business of the Company – Business Overview".

"**Hyatt Mine**" means the zinc mine in the Balmat-Edwards district.

"**IASB**" means International Accounting Standards Board.

"**IFRIC**" means IFRS Interpretations Committee.

"**IFRS**" means International Financial Reporting Standards.

"**IFRS 7**" means IFRS 7 Financial Instruments: Disclosures.

"**IFRS 9**" means IFRS 9 Financial Instruments.

"**IFRS 15**" means IFRS 15 Revenue from Contracts with Customers.

"**IFRS 16**" means IFRS 16 Leases.

"**ILZSG**" means the International Lead and Zinc Study Group.

"**Incentive Stock Option**" means an Option that is intended to qualify as an "incentive stock option" pursuant to section 422 of the U.S. Internal Revenue Code of 1986, as amended.

"**Insider**" has the meaning ascribed thereto in the TSX Company Manual.

"**Investor Rights Agreement**" has the meaning ascribed thereto under "General Development and Business of the Company – Company History and the Acquisition of Empire State Mine Project".

"**IPO**" has the meaning ascribed thereto under "Management's Discussion and Analysis of Financial Condition and Results of Operations of Titan – Liquidity and Capital Resources".

"**IRR**" means internal rate of return.

"**IZA**" means the International Zinc Association.

"**JDS**" has the meaning ascribed thereto under "Technical and Scientific Information".

"**kg**" means kilograms.

"**kmt**" means thousand metric tonnes.

"**kt**" means thousand tons.

"**Lead Director**" has the meaning ascribed thereto under "Corporate Governance – Board of Directors".

"**Letter Agreement**" has the meaning ascribed thereto under "Description of Material Indebtedness".

"**Letter Agreement Amendment**" has the meaning ascribed thereto under "Management's Discussion and Analysis of Financial Condition and Results of Operation of Titan – Liquidity and Capital Resources".

"**Listing Date**" means the date the Common Shares are listed on a Canadian exchange.

"**LME**" means the London Metal Exchange.

"**Lock-Up Agreements**" has the meaning ascribed thereto under "Plan of Distribution – Lock-Up Arrangements".

"**LOM**" means life of mine.

"**Longyear**" means Boart Longyear Ltd.

"**Mahler**" means one of seven mineralized zones at the Empire State Mine containing Mineral Resources.

"**Mahler Main Upper and Lower Extensions**" means the potential mineralized areas of the Mahler deposit that extend up dip "Upper" and down dip "Lower" from the Mahler zone.

"**Management Company**" has the meaning ascribed thereto under "Management's Discussion and Analysis of Financial Condition and Results of Operation of Titan – Related Party Transactions".

"**Marketing Materials**" means, collectively, the Preliminary Investor Presentation, the Amended Investor Presentation, the Final Investor Presentation, the Preliminary Term Sheet and the Final Term Sheet.

"**Maturity**" has the meaning ascribed thereto under "Description of Material Indebtedness".

"**MCTO**" has the meaning ascribed thereto under "Directors and Executive Officers – Corporate Cease Trade Orders and Bankruptcies".

"**mi**" means miles.

"**Mmt**" means million metric tons.

"**Mt**" means million tons.

"**mt**" means metric tons.

"**Mud Pond**" means one of seven mineralized zones at the Empire State Mine containing Mineral Resources.

"**Mud Pond Apron Extension**" means the potential mineralized area of the Mud Pond Apron zone down dip of the current resource.

"**MVT**" has the meaning ascribed thereto under "Industry Overview – General Overview".

"**MW**" means megawatt.

"**NCI**" has the meaning ascribed thereto on the cover page of this Prospectus.

"**NE Fowler**" means one of seven mineralized zones at the Empire State Mine containing Mineral Resources.

"**NEOs**" or "**named executive officers**" means the named executive officers of the Company and its subsidiaries, as further described under "Executive Compensation".

"**New Fold**" means one of seven mineralized zones at the Empire State Mine containing Mineral Resources.

"**NewCastle Gold**" has the meaning ascribed thereto under "General Development and Business of the Company – Strengths and Competitive Advantages – Experienced Management Team and Board".

"**Net Operating Income**" has the meaning ascribed thereto under "Non-IFRS Measures".

"**NGO**" has the meaning ascribed thereto under "Risk Factors – Risks related to the Company's Business – Social and environmental activism can negatively impact exploration, development and mining activities".

"**NI 41-101**" means National Instrument 41-101 – *General Prospectus Requirements* of the Canadian Securities Administrators, as amended from time to time.

"**NI 43-101**" means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* of the Canadian Securities Administrators, as amended from time to time.

"**NI 52-110**" means National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators, as amended from time to time.

"**NI 58-101**" means National Instrument 58-101 – *Disclosure of Corporate Governance Practices* of the Canadian Securities Administrators, as amended from time to time.

"**Nominating and Corporate Governance Committee**" means the nominating and corporate governance committee of the Board, as further described under "Corporate Governance – Other Board Committees".

"**North Dam**" means the dam located to the northeast of the TMF.

"**Northern Zinc**" has the meaning ascribed thereto under "General Development and Business of the Company – Business Overview".

"**NPV**" means net present value.

"**NSR**" means net smelter return.

"**NYSDEC**" has the meaning ascribed thereto under "General Development and Business of the Company – Environmental Protection and Social and Environmental Policies".

"**Offer**" has the meaning ascribed thereto under "General Development and Business of the Company – Company History and the Acquisition of Empire State Mine Project".

"**Offered Shares**" has the meaning ascribed thereto on the cover page of this Prospectus.

"**Offering**" has the meaning ascribed thereto on the cover page of this Prospectus.

"**Offering Price**" has the meaning ascribed thereto on the cover page of this Prospectus.

"**Option**" means an option to purchase Common Shares granted under the Share Option Plan.

"**Optionee**" means a Participant to whom an Option has been granted under the Share Option Plan.

"**Original Debenture**" has the meaning ascribed thereto under "Description of Material Indebtedness".

"**Over-Allotment Option**" has the meaning ascribed thereto on the cover page of this Prospectus.

"**Participant**" means an Eligible Person who elects to participate in the Share Option Plan.

"**Payment Deadline**" has the meaning ascribed thereto under "Management's Discussion and Analysis of Financial Condition and Results of Operations of Titan – Liquidity and Capital Resources".

"**PEA**" means the preliminary economic assessment included in the Technical Report.

"**pHLOTEC**" means a process that uses sodium cyanide (NaCN) and sodium sulphide (Na2S) to condition the feed prior to flotation at a natural pH.

"**Pierrepont Mine**" means the zinc mine in the Balmat-Edwards district.

"**Piggy-back Registration Rights**" has the meaning ascribed thereto under "General Development and Business of the Company – Company History and the Acquisition of Empire State Mine Project".

"**PPE**" has the meaning ascribed thereto under "Management's Discussion and Analysis of Financial Condition and Results of Operations of Titan – Significant Accounting Policies – Property, Plant and Equipment".

"**ppm**" means parts per million.

"**Pre-Emptive Rights**" has the meaning ascribed thereto under "General Development and Business of the Company – Company History and the Acquisition of Empire State Mine Project".

"**Preliminary Investor Presentation**" means the investor presentation for the Offering dated September 25, 2017 and titled "The Next Mid-Tier Zinc Producer – Low Risk Execution, Significant Growth Potential".

"**Preliminary Term Sheet**" means the term sheet for the Offering dated September 25, 2017.

"**Promissory Note**" has the meaning ascribed thereto under "General Development and Business of the Company – Company History and the Acquisition of Empire State Mine Project".

"**Promissory Note Amendment**" has the meaning ascribed thereto under "Description of Material Indebtedness".

"**Prospectus**" has the meaning ascribed thereto on the cover page of this Prospectus.

"**PwC**" means PricewaterhouseCoopers LLC.

"**QAQC**" has the meaning ascribed thereto under "General Development and Business of the Company – Site Activities and Preparation for Production Re-Commencement – Exploration Activities since the Acquisition".

"**Qualifying Securities**" has the meaning ascribed thereto under "General Development and Business of the Company – Company History and the Acquisition of Empire State Mine Project".

"**Raponi**" has the meaning ascribed thereto under "Technical and Scientific Information".

"**RDSP**" has the meaning ascribed thereto under "Eligibility for Investment".

"**Related Companies**" has the meaning ascribed thereto under "Management's Discussion and Analysis of Financial Condition and Results of Operation of Titan – Related Party Transactions".

"**RESP**" has the meaning ascribed thereto under "Eligibility for Investment".

"**RRIF**" has the meaning ascribed thereto under "Eligibility for Investment".

"**RRSP**" has the meaning ascribed thereto under "Eligibility for Investment".

"**Second Additional Debenture**" has the meaning ascribed thereto under "Description of Material Indebtedness".

"**sedex**" has the meaning ascribed thereto under "Empire State Mine – Geological Setting and Mineralization – Mineralization".

"**SG**" means specific gravity.

"**Share Compensation Arrangement**" means the Share Option Plan and any other stock option, stock option plan, employee stock purchase plan, share distribution plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Common Shares to one or more Eligible Persons.

"**Share Option Plan**" has the meaning ascribed thereto under "Share Option Plan".

"**Share Purchase Agreement**" has the meaning ascribed thereto under "General Development and Business of the Company – Business Overview".

"**SHFE**" means the Shanghai Futures Exchange.

"**SLZ**" has the meaning ascribed thereto under "General Development and Business of the Company – Business Overview".

"**South Dam**" means the dam located to the southwest of the TMF.

"**SPDES**" means state pollutant discharge elimination system.

"**Star Mountain**" has the meaning ascribed thereto under "General Development and Business of the Company – Business Overview".

"**St. Joe Minerals**" has the meaning ascribed thereto under "Empire State Mine – Production History".

"**Sully**" means an area southwest of the Hyatt Mine.

"**Sylvia Lake**" means one of seven mineralized zones at the Empire State Mine containing Mineral Resources.

"**Sylvia Lake Syncline**" means a major southwest to northeast trending fold lying between the Balmat No. 2 Mine and the Edwards Mine.

"**t/d**" means tons per day.

"**Tax Act**" means the *Income Tax Act* (Canada) and the regulations thereunder in force as of the date hereof.

"**Technical Report**" means the report titled "NI 43-101 Preliminary Economic Assessment Technical Report on the Empire State Mines, Gouverneur New York, USA" dated September 19, 2017, with an effective date of August 17, 2017, prepared for SLZ, a wholly owned subsidiary of the Company, by JDS in accordance with NI 43-101.

"**TFSA**" has the meaning ascribed thereto under "Eligibility for Investment".

"**Third Additional Debenture**" has the meaning ascribed thereto under "Description of Material Indebtedness".

"**Titan MD&A**" has the meaning ascribed thereto under "Management's Discussion and Analysis of Financial Condition and Results of Operations of Titan".

"**Titan US**" has the meaning ascribed thereto under "General Development and Business of the Company – Business Overview".

"**TMF**" has the meaning ascribed thereto under "Empire State Mine – Project Infrastructure and Services – Tailings Management Facility".

"**TP1**" has the meaning ascribed thereto under "Empire State Mine – Project Infrastructure and Services – Tailings Management Facility".

"**TP2**" has the meaning ascribed thereto under "Empire State Mine – Project Infrastructure and Services – Tailings Management Facility".

"**TSX**" means the Toronto Stock Exchange.

"**Tuun**" has the meaning ascribed thereto under "Technical and Scientific Information".

"**Type 1**" means mineralization that is characterized by 600 to 1,200 ppm mercury content and 1.6 to 2.3% iron.

"**Type 2**" means mineralization that is characterized by 200 to 300 ppm mercury content and 2.9 to 4.9% iron.

"**Type 3**" means mineralization that is characterized by less than 50 ppm mercury and relatively high iron (4.8 to 5.9%).

"**U.S. Securities Act**" means the United States *Securities Act of 1933*, as amended.

"**Underwriters**" has the meaning ascribed thereto on the cover page of this Prospectus.

"**Underwriters' Fee**" has the meaning ascribed thereto on the cover page of this Prospectus.

"**Underwriting Agreement**" means the underwriting agreement among the Company and the Underwriters dated October 12, 2017, as further described under "Plan of Distribution — The Underwriting Agreement".

"**United States**" has the meaning ascribed thereto in Regulation S under the U.S. Securities Act.

"**USGS**" has the meaning ascribed thereto in "Industry Overview – Supply".

"**Ventana Gold**" has the meaning ascribed thereto under "General Development and Business of the Company – Strengths and Competitive Advantages – Experienced Management Team and Board".

"VMS" has the meaning ascribed thereto under "Industry Overview – General Overview".

"**ZCA**" has the meaning ascribed thereto under "Empire State Mine – History ".

"**Zn**" means zinc.

INDEX TO FINANCIAL STATEMENTS

TITAN MINING CORPORATION
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2016, 2015 and 2014
(Expressed in U.S. Dollars)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of Titan Mining Corporation have been prepared by management in accordance with International Financial Reporting Standards and reflect management's best estimates and judgment based on information currently available. The financial information contained elsewhere in this report has been reviewed to ensure consistency with the consolidated financial statements.

Management maintains systems of internal control designed to provide reasonable assurance that the assets are safeguarded. All transactions are authorized and duly recorded, and financial records are properly maintained to facilitate financial statements in a timely manner. The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements. The Board carries out this responsibility principally through its Audit Committee.

The Audit Committee of the Board of Directors has reviewed the consolidated financial statements with management and the external auditors. Ernst & Young LLP, an independent firm of chartered professional accountants, appointed as external auditors by the shareholders, have audited the consolidated financial statements and their report is included herein.

/s/ Richard W. Warke	*/s/ Saurabh Handa*
Executive Chairman	Chief Financial Officer

October 12, 2017

Independent auditors' report

To the Directors of
Titan Mining Corporation

We have audited the accompanying consolidated financial statements of **Titan Mining Corporation**, which comprise the consolidated statements of financial position as at December 31, 2016, 2015, 2014, and January 1, 2014, and the consolidated statements of comprehensive loss, changes in equity and cash flows for the years ended December 31, 2016, 2015, and 2014, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

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

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of **Titan Mining Corporation** as at December 31, 2016, 2015, 2014, and January 1, 2014, and the results of its financial performance and its cash flows for the years ended December 31, 2016, 2015, and 2014 in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to note 1 in the consolidated financial statements which indicates that Titan Mining Corporation is dependent on additional financing to continue as a going concern and there is no certainty that additional financing at terms that are acceptable to **Titan Mining Corporation** will be available. These conditions, along with other matters as set forth in note 1, indicate the existence of a material uncertainty that may cast significant doubt on Titan Mining Corporation's ability to continue as a going concern.

(signed) Ernst & Young LLP
Chartered Professional Accountants

Vancouver, Canada
October 12, 2017

TITAN MINING CORPORATION
Consolidated Statements of Financial Position
(In U.S. Dollars)

	NOTES	As at December 31, 2016	December 31, 2015	January 1 & December 31, 2014 (1)
ASSETS				
Current assets				
Cash and cash equivalents	5	$ 8,156,928	$ 10	$ 10
Accounts receivable		1,229	-	-
Prepaid expenses and deposits		166,543	-	-
Supplies inventory		311,310	-	-
		8,636,010	10	10
Property, plant and equipment	6	25,019,791	-	-
Mineral interests	7	3,695,151	-	-
Restricted Cash	8	1,662,870	-	-
TOTAL ASSETS		**$ 39,013,822**	**$ 10**	**$ 10**
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	12	$ 806,691	$ -	$ -
Acquisition obligations	9	13,870,648	-	-
		14,677,339	-	-
Reclamation and remediation provision	10	14,111,332	-	-
		28,788,671	-	-
EQUITY				
Share capital	11	10,368,927	10	10
Currency translation adjustment		(77,382)	-	-
Retained deficit		(66,394)	-	-
		10,225,151	10	10
TOTAL LIABILITIES AND EQUITY		**$ 39,013,822**	**$ 10**	**$ 10**

(1) As these financial statements are the Company's first statements under IFRS, the Company is required to disclose the statement of financial position as at the date of transition to IFRS being January 1, 2014 and as at the end of its first fiscal period under IFRS being December 31, 2014 (Note 3b).

The accompanying notes are an integral part of these consolidated financial statements

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS:

/s/ Richard W. Warke
Richard W. Warke - Director

/s/ Purni Parikh
Purni Parikh - Director

October 12, 2017

TITAN MINING CORPORATION
Consolidated Statements of Comprehensive Loss
(In U.S. Dollars)

	Years ended December 31, 2016	2015	2014
ADMINISTRATIVE EXPENSES			
Investor relations	$ 2,640	$ -	$ -
Office and administration	28,326	-	-
Professional fees	32,064	-	-
	63,030	-	-
OTHER EXPENSES/(INCOME)			
Foreign exchange loss/(gain)	3,489	-	-
Interest income	(3,746)	-	-
Other	3,621	-	-
	3,364	-	-
LOSS FOR THE YEAR	66,394	-	-
OTHER COMPREHENSIVE LOSS			
Unrealized loss on translation to reporting currency	77,382	-	-
COMPREHENSIVE LOSS FOR THE YEAR	**$ 143,776**	**$ -**	**$ -**
LOSS PER SHARE			
Basic and diluted	$ 0.01	-	-
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING			
Basic and diluted	4,831,027	1,000	1,000

The accompanying notes are an integral part of these consolidated financial statements

TITAN MINING CORPORATION

Consolidated Statements of Changes in Equity

(In U.S. Dollars)

	NOTES	Number of shares	Share Capital	Currency Translation Adjustment	Retained deficit	Total
Balances as at January 1, 2014, December 31, 2014 and December 31, 2015		1,000	$ 10	$ -	$ -	$ 10
Shares issued in private placements		59,377,000	8,157,680	-	-	8,157,680
Shares issued on acquisition of Balmat Holding Corp.	2	2,968,900	2,211,237	-	-	2,211,237
Total comprehensive loss		-	-	(77,382)	(66,394)	(143,776)
Balance as at December 31, 2016		**62,346,900**	**$ 10,368,927**	**$ (77,382)**	**$ (66,394)**	**$ 10,225,151**

The accompanying notes are an integral part of these consolidated financial statements

TITAN MINING CORPORATION
Consolidated Statements of Cash Flows
(In U.S. Dollars)

	Years ended December 31,		
	2016	**2015**	**2014**
OPERATING ACTIVITIES			
Loss for the year	$ (66,394)	$ -	$ -
Items not involving cash:			
Foreign exchange (gain)/loss	3,489	-	-
Changes in non-cash working capital:			
Accounts receivable	(1,229)	-	-
Prepaid expenses and deposits	(1,955)	-	-
Accounts payable and accrued liabilities	64,767	-	-
Cash provided by operating activities	**(1,322)**	**-**	**-**
INVESTING ACTIVITIES			
Cash acquired in acquisition of Balmat Holdings Corp. (Note 2)	80,433	-	-
Cash provided by investing activities	**80,433**	**-**	**-**
FINANCING ACTIVITIES			
Proceeds on issuance of shares	8,157,680	-	-
Cash provided by financing activities	**8,157,680**	**-**	**-**
Effect of foreign exchange on Cash	(79,873)	-	-
Changes in cash during the year	**8,156,918**	**-**	**-**
Cash and cash equivalents, beginning of year	10	10	10
Cash and cash equivalents, end of year	**$ 8,156,928**	**$ 10**	**$ 10**

The accompanying notes are an integral part of these consolidated financial statements

1. NATURE OF OPERATIONS

Titan Mining Corporation ("Titan" or the "Company") was incorporated on October 15, 2012 under the laws of British Columbia and is a natural resources company engaged in the acquisition, exploration and development of mineral properties. Through its acquisition (Note 2) of Balmat Holding Corp. ("Balmat Holding") and Balmat Holding's wholly owned subsidiary St. Lawrence Zinc Company, LLC ("St. Lawrence Zinc") on December 30, 2016, the Company holds a 100% indirect ownership interest in Empire State Mines (formerly known as the Balmat Mines, Mill and Satellite Mines) ("Empire State Mine Project") in Northern New York State, United States. Part of the Empire State Mine Project is the Empire State Mines No. 4 Mine (formerly know as the Balmat No. 4 Mine) ("Empire State Mine"). For the years ended December 31, 2015 and prior, the Company had minimal assets, no liabilities and did not generate any revenues or incur any expenses.

The Company's head office, principal address, and registered and records office are located at 555–999 Canada Place, Vancouver, BC, Canada V6C 3E1.

These consolidated financial statements have been prepared on a going-concern basis, which contemplates the Company will continue into operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. The Company's ability to continue as a going concern is dependent on its ability to raise sufficient funds to repay the obligations from the acquisition of the Empire State Mine Project, including an amount payable to a related party which is payable on demand, complete the refurbishment of the Empire State Mine and to complete those refurbishment activities to return the mine to production. These consolidated financial statements do not contain any adjustments to the assets or liabilities should the Company cease to be a going concern.

The Company does not believe it has sufficient funds to maintain its core operations, pay its administration costs, repay its acquisition obligations, complete the refurbishment of Empire State Mine, and complete additional exploration activities and additional funding will be required by the Company to complete its strategic objectives and continue as a going concern. There is no certainty that additional financing at terms that are acceptable to the Company will be available. The Company may raise additional funds through the issuance of shares, debt, or a strategic partnership. The inability to obtain additional financing creates a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

2. EMPIRE STATE MINE PROJECT ACQUISITION

On December 30, 2016 the Company, through its wholly owned subsidiary Titan Mining (US) Corporation, completed the acquisition of Balmat Holdings and its wholly owned subsidiary St. Lawrence Zinc, owner of the Empire State Mine Project, from Star Mountain Resources Inc. ("Star Mountain"). Star Mountain had previously acquired the same two entities from Hudbay Minerals Inc. ("Hudbay") on November 2, 2015. Pursuant to the agreement between the Company and Star Mountain (the "Purchase Agreement"), the Company acquired 100% of the issued and outstanding shares of Balmat Holdings from Star Mountain. The effective closing date for the transaction was December 30, 2016.

As consideration for shares acquired, the Company:

- issued 2,968,900 shares of the Company to Star Mountain, representing approximately 5% of the then issued and outstanding shares of the Company valued at $2,211,237 (CDN$1.00 per share);
- made a cash payment of $1,000,000 to Star Mountain. This amount was paid subsequent to the period end on January 4, 2017 and is recorded as an acquisition liability at December 31, 2016;
- issued Star Mountain a promissory note in the principal amount of $2,000,000, payable in four quarterly installments of $500,000 each and the first installment was paid subsequent to the period end on March 30, 2017;
- assumed $3,318,794 in debts owed to Augusta Investments Inc. ("Augusta") (a related party of the Company) by Star Mountain for advances made on the Company's behalf by Augusta to settle certain liabilities of Star Mountain (Note 12);
- paid certain pre-closing liabilities on behalf of Star Mountain totaling $51,854 (subject to minor adjustments); and
- assumed Star Mountain's remaining purchase obligations to Hudbay stemming from Star Mountain's acquisition of Balmat Holdings on November 2, 2015.

Hudbay obligation

The Company, at its option, can satisfy the remaining purchase obligations to Hudbay in either of the following ways:

i. Option 1: Pay a total of $15,500,000 as follows:
   - $500,000 upon completion of the first shipment of ore concentrate from the Empire State Mine;
   - $5,000,000 on the 12-month anniversary of the first shipment of ore concentrate from the Empire State Mine; and
   - $2,500,000 on each on the following dates from the first shipment of ore concentrate from the Empire State Mine: 18th month, 24th month, 30th month and 36th month.

ii. Option 2: Pay a total of $14,500,000 as follows:
   - $400,000 upon completion of the first shipment of ore concentrate from the Empire State Mine; and
   - $4,700,000 on each on the following dates from the first shipment of ore concentrate from the Empire State Mine: 12th month, 18th month and 24th month.

Concurrent with the closing of the acquisition of the Empire State Mine Project, the Company entered into a separate standalone agreement (the "Letter Agreement") with Hudbay that modified the options for payment of the remaining purchase price obligation owed to Hudbay under the 2015 purchase agreement between Hudbay and Star Mountain and assumed by the Company in its acquisition from Star Mountain. Under this Letter Agreement and in addition to the two repayment options already provided for in the 2015 Hudbay/Star Mountain agreement, the Company, at its option, can elect to:

i. make a one-time payment to Hudbay of $5,000,000 in cash on the earlier of: (a) the date the Company completes an initial public offering ("IPO") of its common shares; and (b) June 28, 2017; and
ii. issue to Hudbay, as soon as reasonably practicable after the IPO date, such number of common shares of Titan Mining that is equal to $2,500,000 divided by the per share price of the common shares issued in such IPO, for no additional consideration.

The Company intends to pursue the repayment option under the Letter Agreement. Given the remaining assumed purchase obligation to Hudbay from Star Mountain can be satisfied in lieu by the repayment option under the Letter of Agreement, the Company considers the $7,500,000 to be the fair value of the contingent consideration payable to Hudbay from the Company's acquisition of the Empire State Mine Project.

(In U.S. Dollars unless otherwise indicated)

Subsequent to December 31, 2016, the Company entered into discussions with Hudbay to extend the timing of the payment of U.S. $5,000,000 which was due on June 28, 2017 under the Letter Agreement. The Company has finalized an agreement with Hudbay to extend the date to October 31, 2017 and as consideration for the extension has increased the number of common shares upon completion of an IPO from $2,500,000 to $3,000,000.

Pre-emptive rights

In connection with the Purchase Agreement, the Company and Star Mountain also entered into an agreement under which Star Mountain received pre-emptive rights to purchase additional common shares in the Company, should the Company propose to issue any such additional shares and/or any securities exercisable, convertible or exchangeable for or into common shares of the Company (subject to certain exceptions), to maintain Star Mountain's 5% equity interest in the Company. This pre-emptive right terminates on the earlier of (a) the date that Star Mountain's ownership interest falls below 3% and (b) December 30, 2017. Shares offered to Star Mountain under this pre-emptive right are to be priced at the subscription price for the offering.

Purchase accounting

The transaction has been accounted for as an asset acquisition using the purchase method, rather than as a business combination, as the net assets acquired did not constitute a business under IFRS. The Company capitalized transaction costs of $346,385 as part of the acquisition bringing the total purchase price to $16,428,269 as follows:

Consideration	**Amount**
Shares issued on acquisition	$ 2,211,237
Cash payment to Star Mountain	1,000,000
Note payable to Star Mountain	2,000,000
Note payable to Augusta Investments Inc.	3,318,794
Pre-closing liabilities paid on Star Mountain's behalf	51,854
Letter agreement to pay Hudbay	7,500,000
Capitalized transaction costs	346,384
Total purchase price	**$ 16,428,269**

The total purchase price was allocated to the assets acquired and liabilities assumed on a relative fair value basis as follows:

Assets acquired and liabilities assumed	**Amount**
Cash	$ 81,430
Prepaid expenses and deposits	164,588
Supplies inventory	311,310
Property, plant and equipment	25,019,791
Mineral interests	3,695,151
Restricted cash	1,662,870
Accounts payable and accrued liabilities	(395,539)
Reclamation and remediation provision	(14,111,332)
Total purchase price	**$ 16,428,269**

3. BASIS OF PRESENTATION

(a) Statement of compliance

The consolidated financial statements for the year ended December 31, 2016, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

(b) First time adoption of IFRS

The Company adopted IFRS effective the year ended December 31, 2014, with a transition date of January 1, 2014. The Company had not prepared financial statements for prior periods, as it was a privately held shell company with limited activity. The Company is not applying any exemptions on first-time adoption of IFRS and its financial statements required no changes upon adoption of IFRS. As required under IFRS 1, the Company has presented a statement of financial position as at its transition date of January 1, 2014 and December 31, 2014, the end of its first fiscal year under IFRS.

(c) Basis of presentation

These consolidated financial statements are presented in U.S. Dollars, which is the Company's presentation currency and have been prepared on a historical cost basis except for certain financial instruments that are measured at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

(d) Basis of consolidation

These consolidated financial statements include the consolidation of Titan Mining Corporation with its wholly owned subsidiaries listed below. Subsidiaries are entities over which the Company has control. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control is transferred to the Company until the date that control ceases. All intercompany transactions and balances have been eliminated upon consolidation.

(In U.S. Dollars unless otherwise indicated)

Subsidiary	Incorporation jurisdiction	Ownership % 2016	2015	2014
1100951 B.C. Ltd	British Columbia	100%	0% (1)	0% (1)
Titan Mining (US) Corp.	Delaware	100%	0% (1)	0% (1)
Balmat Holdings Corp.	Delaware	100%	0% (2)	0% (2)
St. Lawrence Zinc Co.	Delaware	100%	0% (2)	0% (2)

[1] These subsidiaries were incorporated in 2016 and therefore were not included in the consolidated financial statements for the periods ending in 2014 and 2015.

[2] These subsidiaries were acquired on December 30, 2016 (see Note 2 for additional information) and therefore were not included in the consolidated financial statements for the periods ending in 2014 and 2015.

(e) Critical accounting estimates and judgements

The preparation of these consolidated financial statements requires management to make judgements, estimates and assumptions in the process of applying the Company's accounting policies that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Estimates and assumptions are continually evaluated. However, actual outcomes could materially differ from these estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods affected. Information about critical judgements and estimates in applying accounting policies that have the most significant effect on amounts recognized in the consolidated financial statements are as follows:

- *Reclamation and remediation provision* – The Company's present value of estimated future legal or constructive obligations as a result of the Company's and its subsidiaries' activities include assumptions as to the future estimated costs, timing of the cash flows to discharge the obligations, inflation rates, and the prevalent market discount rates. Any changes to the assumptions will result in an adjustment to the provision which affects the Company's liabilities
- *Functional currency determination* - In accordance with IAS 21, management determined that the functional currency of parent company, Titan Mining Corporation, is the Canadian dollar and the functional currency of the Company and the Company's remaining wholly-owned subsidiaries is the U.S. dollar, as these are the currencies of the primary economic environments in which the companies operate.
- *Impairment* - Assets or cash generating units are evaluated at each reporting date to determine whether there are any indications of impairment. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company's property plant and equipment and mineral interests. External sources of information considered are changes in the Company's economic, legal and regulatory environment which it does not control but affect the recoverability of its mining assets. Internal sources of information the Company considers include the manner in which mining properties and plant and equipment are being used or are expected to be used and indications of economic performance of the assets.

- *Acquisitions* – The determination of whether a set of assets acquired and liabilities assumed constitute the acquisition of a business or asset may require the Company to make certain judgements as to whether or not the assets acquired and liabilities assumed constitute a business as defined in IFRS 3. A business consists of inputs, including non-current assets, and processes, including operational processes, that when applied to those inputs have the ability to create outputs that provide a return to the Company and its shareholders. When acquiring a set of activities or assets in the exploration, evaluation and development stage, which may not have outputs, judgment is required to consider other factors to determine whether the set of activities or assets is a business. Those factors include, but are not limited to, whether the set of activities or assets:
    i. has begun planned principal activities;
    ii. has employees, intellectual property and other inputs and processes that could be applied to those inputs;
    iii. is pursuing a plan to produce outputs; and
    iv. will be able to obtain access to customers that will purchase the outputs.

  Not all of the above factors need to be present for a particular integrated set of activities or assets in the exploration and development stage to qualify as a business. Based on an assessment of the relevant facts and circumstances, the Company concluded that the acquisitions of the Empire State Mine Project did not meet the criteria of a business combination and the acquisition has been accounted for as an acquisition of assets.
- *Purchase price accounting* - Management makes certain assumptions regarding the nature and value of properties, assets and liabilities when doing the purchase price accounting upon acquisition of another company. This includes assumptions regarding the value of the total consideration given for a transaction and the fair values of property, plant, and equipment and mineral interests. Changes in assumptions used in the valuation could have a material impact on the Company's financial statements by changing the allocation of the total consideration to the relative fair value of the assets acquired and liabilities assumed. Changes made to the values of the assets acquired and/or liabilities assumed would have a pervasive impact on the financial statements of the Company given the majority of the Company's assets and liabilities were acquired in the acquisition of the Empire State Mine Project.
- *Estimated Mineral Resources* – Mineral Resources are estimates of the amount of metal that can be extracted from the Company's properties, considering both economic and legal factors. Estimating the quantity and/or grade of Mineral Resources requires the analysis of drilling samples and other geological data. Calculating Mineral Resources estimates requires decisions on assumptions about geological, technical and economic factors, including quantities, grades, production techniques, recovery rates, production costs, transportation costs, commodity prices and foreign exchange rates. Estimates of Mineral Resources may change from period to period as the economic assumptions used to estimate Mineral Resources change from period to period, and as a result of additional geological data generated during the course of operations. Changes in reported Mineral Resources may affect the Company's financial position in a number of ways, including the following:
    i. asset carrying values may be affected due to changes in estimated future cash flows;
    ii. prospective depreciation charges in the Company's consolidated statement of comprehensive income may change when such charges are determined by the unit-of-production basis, or when the useful lives of assets change; and

iii. provision for reclamation liabilities balances may be affected as the estimated timing of reclamation activities is adjusted for changes in the estimated mine life as determined by the available Mineral Resources.

- *Determination of useful life of assets for depreciation purposes* - Significant judgment is involved in the determination of the useful life and residual value of long-lived assets that drive the calculation of depreciation charges. Changes in the estimate of useful lives and residual values may impact the depreciation calculations.
- *Share based payments* – The fair value of share based payments is calculated using an appropriate option pricing model. The main assumptions used in the model include the estimated life of the option, the expected volatility of the Company's share price (using historical volatility of similar publicly traded companies as a reference), the expected dividends, the expected forfeiture rate, and the risk-free rate of interest. The resulting value calculated is not necessarily the value that the holder of the option could receive in an arm's length transaction given that there is no market for the options and they are not transferrable.
- *Taxation* - The provision for income taxes and composition of income tax assets and liabilities requires management's judgment as to the types of obligations considered to be a tax on income in contrast to an operating cost. The application of income tax legislation also requires judgment in order to interpret the various legislations and apply those interpretations to the Company's transactions. Management judgments and estimates are required in assessing whether deferred income tax assets are recognized in the statement of financial position. Judgments are made as to whether future taxable profits will be available in order to recognize certain deferred income tax assets. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows resulting from estimates of future production and sales volumes, commodity prices, Mineral Resources, operating costs and other capital management transactions. These judgments, estimates and assumptions are subject to risks and uncertainties and, therefore, there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred income tax assets recognized in the Company's statement of financial position and the benefit of other tax losses and temporary differences not yet recognized. There are a number of factors that can significantly impact the Company's effective tax rate including the geographic distribution of income, varying rates in different jurisdictions, the non-recognition of deferred income tax assets, mining allowance, foreign currency exchange rate movements, changes in tax laws and the impact of specific transactions and assessments. Due to the number of factors that can potentially impact the effective tax rate and the sensitivity of the tax provision to these factors, it is expected that the Company's effective tax rate will fluctuate in future periods.

4. SIGNIFICANT ACCOUNTING POLICIES

(a) Cash and cash equivalents

Cash and cash equivalents include amounts held in banks and short-term investments with maturities at point of purchase of 90 days or less or are cashable after 30 days at the option of the Company. Interest from cash and cash equivalents is recorded on an accrual basis.

(b) Foreign currency translation

Functional and presentation currency
Items included in the financial statements of each of the Company's subsidiaries are measured using the currency of the primary economic environment in which the entity operates (the functional currency). These consolidated financial statements are presented in U.S. dollars, which is the Company's presentation currency. The functional currency of the parent company is the Canadian dollar and the functional currency of all of the parent company's wholly-owned subsidiaries is the U.S. dollar.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items denominated in currencies other than the functional currency are recognized in profit or loss in the statement of income in the period in which they arise. Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income (loss) in the consolidated statement of comprehensive loss to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income (loss). Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

Parent and Subsidiary Companies
The financial results and position of operations whose functional currency is different from the presentation currency are translated as follows:

- assets and liabilities are translated at period-end exchange rates prevailing at that reporting date; and
- income and expenses are translated at the average exchange rates for the period.

Exchange differences are transferred directly to the consolidated statement of comprehensive loss and are included in a separate component of equity titled "Currency translation adjustment". These differences are recognized in profit or loss in the period in which the operation is disposed of.

(c) Property, plant and equipment

Property, plant and equipment ("PPE") is recorded at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of PPE includes its purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and the estimated close down and restoration costs associated with dismantling and removing the asset.

Depreciation is provided at rates calculated to write off the cost of PPE, less their estimated residual value, using the straight-line method or unit-of-production method over their expected useful lives using the following general methodology:

- buildings – ten years straight-line basis;
- furniture and fixtures – five years straight-line basis;
- machinery and equipment – either seven years straight-line or unit-of-production basis;
- surface mobile equipment – five years straight-line basis; and

- underground mobile equipment - unit-of-production basis.

An item of PPE is derecognized upon disposal, when held for sale or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal, determined as the difference between the net disposal proceeds and the carrying value of the asset, is recognized in profit or loss in the consolidated statement of comprehensive loss.

Estimates of residual values and useful lives are reassessed annually and any change in estimate is taken into account in the determination of remaining depreciation charges. Depreciation commences on the date when the asset is available for use.

(d) Exploration and evaluation expenses

Exploration and evaluation expenses are comprised of costs that are directly attributable to:

- researching and analyzing existing exploration data;
- conducting geological studies, exploratory drilling and sampling;
- examining and testing extraction and treatment methods; and
- activities in relation to evaluating the technical feasibility and commercial viability of extracting a Mineral Resource.

All exploration and evaluation expenditures are expensed until properties are determined to contain economically viable Mineral Reserves. When technical feasibility and commercial viability have been determined and the decision to proceed with development has been approved, the subsequent costs incurred for the development of that project are capitalized as mining properties, a component of property, plant and equipment.

Development expenditures are net of the proceeds of the sale of mineralization extracted during the development phase. Interest on borrowings related to the construction and development of assets are capitalized until substantially all the activities required to make the asset ready for its intended use are complete.

The costs of removing overburden to access mineralization are capitalized as pre-production stripping costs and classified as mineral interests.

(e) Mineral interests

Mineral interests include any costs relating to the acquisition of mineral properties. When technical feasibility and commercial viability have been determined and the decision to proceed with development has been approved by the Board of Directors, the capitalized mineral interests for that project are capitalized as mining properties, a component of property, plant and equipment.

The Company assesses its capitalized mineral interests for indications of impairment on a regular basis and when events and circumstances indicate a risk of impairment. A mineral interest is written down or written off when the Company determines that an impairment of value has occurred or when exploration results indicate that no further work is warranted.

(f) Loss per share

Basic loss per share calculations are based on the net loss for the period divided by the weighted average number of common shares issued and outstanding during the respective periods.

Diluted loss per share calculations are based on the net loss attributable to common shareholders for the period divided by the weighted average number of common shares outstanding during the period plus the effects of dilutive common share equivalents. The Company uses the treasury stock method to determine the dilutive effect of stock options and other dilutive instruments. The treasury stock method assumes that proceeds received from the in-the-money options and other dilutive instruments are used to repurchase common shares at the prevailing market rate.

(g) Financial assets

Upon initial recognition, all financial assets are initially recorded at fair value and designated into one of the following three categories: available-for-sale, loans and receivables, or at fair value through profit or loss ("FVTPL"). The designation depends on the purpose for which the financial assets were acquired. All of the Company's financial assets are classified as loans and receivables. Financial assets classified as loans and receivables are measured at amortized cost. The Company's cash and cash equivalents, amounts receivable and restricted cash are classified as loans and receivables.

(h) Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities. All of the Company's financial liabilities are classified as other financial liabilities. Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial liability, to, where appropriate, a shorter period. The Company's accounts payable and accrued liabilities are classified as other financial liabilities.

(i) Reclamation and remediation provision

Reclamation and remediation provisions arise due to legal or constructive obligations as a result of the Company's exploration activities, and are recorded in the period in which the activity generating the liability is incurred. The estimated present value of such reclamation and remediation costs, calculated using a risk-free, pre-tax discount rate, are capitalized to the corresponding asset along with the recording of a corresponding liability as soon as the obligation to incur such cost arises. The liability is adjusted each year for the unwinding of the discount rate, changes to the current market based discount rate and for the amount or timing of the underlying cash flows needed to settle the obligation. Changes in reclamation and remediation estimates are accounted for prospectively as changes in the corresponding capitalized cost.

(j) Income taxes

Income tax is recognized in net income (loss) for the period except to the extent that it relates to items recognized either in other comprehensive income or directly in equity, in which case it is recognized in other comprehensive income or equity, respectively. Deferred tax is provided using the balance sheet method whereby deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they are realized or settled, based on the laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is not recognized for temporary differences which arise on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting, nor taxable profit or loss. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(k) New accounting standards, amendments and interpretations

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or IFRIC. Some updates that are not applicable or are not consequential to the Company may have been excluded.

IFRS 9, *Financial Instruments* is mandatorily effective for the Company's consolidated financial statements for the year ending December 31, 2018. IFRS 9 brings together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace IAS 39, *Financial Instruments: Recognition and Measurement*. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost; fair value through profit and loss; and fair value through other comprehensive income. IFRS 9 introduces the expected credit loss model for impairment of financial assets which replaces the incurred loss model used in IAS 39. IFRS 9 amends the rules on hedge accounting to align the accounting treatment with the risk management practices of the business. Lastly, IFRS 9 amends some of the requirements of IFRS 7, *Financial Instruments: Disclosures*, including by adding disclosures about investments in equity instruments measured at fair value in other comprehensive income, and guidance on financial liabilities and de-recognition of financial instruments. The Company is currently analyzing the potential effects of adopting this standard on its consolidated financial statements but does not expect the adoption to have a material impact.

On January 13, 2016, the IASB issued IFRS 16 *Leases* in accordance with which, all leases will be recorded on the statement of financial position of lessees, except those that meet the limited exception criteria. As a result, rent expense for the Company's office rental leases will be removed and replaced by the recording of depreciation and finance expenses. IFRS 16 is mandatorily effective for the Company's consolidated financial statements for the year ending December 31, 2019. The Company is currently analyzing the potential effects of adopting this standard on its consolidated financial statements but does not expect the adoption to have a material impact.

In May 2014, the IASB issued IFRS 15 *Revenue from Contracts with Customers*. IFRS 15 establishes principles for reporting the nature, amount, timing, and uncertainty of revenue and cash flows arising from an Company's contract with customers. This standard is effective for annual periods beginning on or after January 1, 2018. In April 2016, the IASB issued amendments to IFRS 15 to clarify: (i) the factors that indicate whether or not to separate the performance obligation; (ii) the concept of control of a good by an entity acting as the principal; and (iii) what to consider in the granting of a license. The amendments also provide additional transitional relief relating to completed contracts and modified contracts. The Company is currently analyzing the potential effects of adopting this standard on its consolidated financial statements.

(In U.S. Dollars unless otherwise indicated)

5. CASH AND CASH EQUIVALENTS

	As at		
	December 31, 2016	**December 31, 2015**	**January 1 & December 31, 2014**
Cash	$ 82,198	$ 10	$ 10
Short-term investments	8,074,730	-	-
Cash and cash equivalents	**$ 8,156,928**	**$ 10**	**$ 10**

6. PROPERTY, PLANT AND EQUIPMENT

	Plant and Equipment	**Land**	**Total**
Cost			
As at January 1, 2014, December 31, 2014 and December 31, 2015	$ -	$ -	$ -
Asset acquisition (Note 2)	23,938,344	1,081,447	25,019,791
As at December 31, 2016	23,938,344	1,081,447	25,019,791
Accumulated Depreciation			
As at January 1, 2014, December 31, 2014 and December 31, 2015	-	-	-
Charge for the period	-	-	-
As at December 31, 2016	-	-	-
Carrying amount			
As at January 1, 2014, December 31, 2014 and December 31, 2015	$ -	$ -	$ -
As at December 31, 2016	**$ 23,938,344**	**$ 1,081,447**	**$ 25,019,791**

7. MINERAL INTERESTS

On December 30, 2016, as part of the Company's acquisition of the Empire State Mine Project from Star Mountain, the mineral resources were allocated a cost of $3,695,151.

8. RESTRICTED CASH

The Company maintains cash deposits and/or surety bonds as required by regulatory bodies as assurance for the funding of future reclamation costs associated with the Company's reclamation and remediation obligation. These funds are restricted to that purpose and are not available for the

(In U.S. Dollars unless otherwise indicated)

Company's use until the reclamation and remediation obligations have been fulfilled. Restricted cash is classified as a non-current asset.

At December 31, 2016, the amounts of these restricted cash deposits totaled $1,662,870 with the funds invested in a certificate of deposit which renews automatically for additional terms of one year or more. The amount is in lieu of a mined land reclamation bond and is held in escrow for the New York State Department of Environmental Conservation.

9. ACQUISITION OBLIGATIONS

As described in Note 2, as part of the Company's acquisition of the Empire State Mine Project the Company has some outstanding obligations which at December 31, 2016 were as follows:

	Amount
Cash payable to Star Mountain upon closing (1)	$ 1,051,854
Note payable to Star Mountain (2)	2,000,000
Note payable to Augusta Investments Inc. (3)	3,318,794
Letter Agreement to pay Hudbay (4)	7,500,000
Acquisition obligations as at December 31, 2016	**$ 13,870,648**

[1] Although the effective date of the transaction was December 30, 2016, the payments due upon close were due on January 4, 2017. These amounts were fully paid on that date.

[2] The promissory note issued to Star Mountain is payable in quarterly installments with $500,000 due three months, six months, nine months and twelve months after December 30, 2016. Subsequent to the period end $500,000 was paid on March 30, 2017.

[3] As part of the acquisition the Company assumed $3,318,794 in debts from Star Mountain which were paid on the Company's behalf by Augusta Investments Inc. ("Augusta"), a related party to the Company. Concurrent with the closing of the acquisition the Company entered into a debenture agreement with Augusta whereby the Company will repay the amounts owed at the earlier of a demand from Augusta and December 31, 2017. The debenture bears interest at 12% per annum and interest is payable on a monthly basis in arrears.

[4] As described in Note 2 the Company entered into a Letter Agreement with Hudbay that modified the options for payment of the remaining purchase price obligation owed to Hudbay under the 2015 purchase agreement between Hudbay and Star Mountain. The Company has three different options for payment of the remaining obligations to Hudbay and has recorded a liability for the fair value of the contingent obligation payable to Hudbay. For additional details see Note 2.

10. RECLAMATION AND REMEDIATION PROVISION

The Company has recognized a provision for reclamation and remediation of the Empire State Mine upon its acquisition at December 30, 2016. Although the ultimate amounts for future site reclamation and remediation are uncertain, the best estimate of these obligations is based on the information currently available, including current legislation, third party estimates, and management estimates. The amounts and timing of the mine closure plan will vary depending on several factors including the ultimate life of the Empire State Mine, future economic conditions, and changes in applicable environmental regulations.

The Company recorded a provision of $14,111,332 upon acquisition of the Empire State Mine (Note 2). The estimated future cash flows have been adjusted using an inflation rate of 2.0% and have been discounted using a discount rate of 2.45%. The total undiscounted amount for the estimated future cash flows is $19,100,515.

11. SHARE CAPITAL

(a) Authorized capital

The Company's authorized share capital consists of an unlimited number of Class A common shares without par value.

(b) Issued and outstanding

As at December 31, 2016 the Company had 62,346,900 common shares issued and outstanding (December 31, 2014 and 2015 – 1,000 common shares).

During the twelve months ended December 2016 the Company issued 59,377,000 common shares in private placements for proceeds of $8,157,680 and 2,968,900 shares in relation to the acquisition of the Empire State Mine Project with a deemed value of $2,211,237. The Company did not issue any shares in the twelve months ended December 31, 2014 and 2015.

12. RELATED PARTY TRANSACTIONS

(a) Key management compensation

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company. For the year ended December 31, 2016, the Company accrued $18,860 in short-term benefits to a director of the Company and that amount was paid subsequent to the end of the period. For the years ended December 31, 2015 and December 31, 2014 there was no compensation paid to key management of the Company. As at December 31, 2016, the Company's payables included $25,239 that are payable to the Company's key management including $6,619 related to reimbursement of expenses incurred on the Company's behalf.

(b) Other related party transactions

In addition to the key management compensation summarized above, the Company completed the following transactions with related parties.

The Company shares office space, equipment, personnel and various administrative services with other companies (Arizona Mining Inc., NewCastle Gold Ltd. and Armor Minerals Inc.) related to it by virtue of certain directors and management in common. These services have been mainly provided through a management company, 688284 BC Ltd. (the "Management Company"), equally owned by the related companies. Costs incurred by the Management Company are allocated between the companies based on time incurred and use of services and are charged at cost. For the year ended December 31, 2016 the Company was charged $7,395 with respect to services provided by the Management Company. There were no charges in prior periods.

During the year ended December 31, 2016, the Company incurred charges of $69,800 from a corporation related to the Company's President and Chief Executive Officer. Of these charges, $18,893 are included in office and administration costs and $50,907 were capitalized as transaction costs upon acquisition of the Empire State Mine Project (Note 2). There were no charges in prior periods. At December 31, 2016, the Company's payables included $70,631 in amounts owed to this related party.

(In U.S. Dollars unless otherwise indicated)

On December 30, 2016, the Company entered into a loan agreement for $3,318,794 with Augusta, a corporation controlled by the Company's President and Chief Executive Officer, in connection with the acquisition of the Empire State Mine Project (Note 2, 9). The loan is payable at the earlier of a demand for payment by Augusta and December 31, 2017 and bears interest at 12% per annum. Interest is payable on a monthly basis in arrears. As at December 31, 2016, the entire amount of the loan was outstanding.

At December 31, 2016, there were additional amounts payable to related parties of $2,635, related to reimbursement of expenses incurred on the Company's behalf (January 1, 2014, December 31, 2014 and December 31, 2015 - $nil).

13. FINANCIAL INSTRUMENTS

(a) Designation and valuation of financial instruments

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, and acquisition obligations. The Company has designated its cash and cash equivalents and accounts receivable as loans and receivables and accounts payable and accrued liabilities and acquisition obligations as other financial liabilities.

The book value of the Company's financial instruments approximates their fair values because of the short-term maturity of these financial instruments.

The Company's financial instruments as at December 31, 2016 were as follows:

	As at		
	December 31, 2016	**December 31, 2015**	**January 1 & December 31, 2014**
Financial assets			
Loans and receivables			
Cash and cash equivalents	$ 8,156,928	$ 10	$ 10
Accounts receivable	1,229	-	-
Total financial assets	**$ 8,158,157**	**$ 10**	**$ 10**
Financial liabilities			
Other financial liabilities			
Accounts payable and accrued liabilities	$ 806,691	$ -	$ -
Acquisition obligations	13,870,648	-	-
Total financial liabilities	**$ 14,677,339**	**$ -**	**$ -**

(b) Financial risk

The Company may be exposed to risks of varying degrees of significance which could affect its ability to achieve its strategic objectives. The Company manages risks to minimize potential losses. The main objective of the Company's risk management process is to ensure that the risks are properly identified and that the capital base is adequate in relation to those risks. The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

Credit risk
Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations.

The Company is exposed to credit risk with respect to its cash and cash equivalents and accounts receivable. The Company's maximum exposure to credit risk is the amount disclosed in the consolidated statement of financial position. Credit risk associated with cash and cash equivalents is minimized by placing these instruments with major Canadian financial institutions with strong investment-grade ratings as determined by a primary ratings agency. Credit risk associated with accounts receivable is minimal due to the immaterial nature of these receivables.

Liquidity risk
Liquidity risk represents the risk that the Company will be unable to meet its obligations associated with its financial liabilities. The Company endeavours to manage its liquidity risk by maintaining sufficient readily available cash in order to meet its liquidity requirements at any point in time (see discussion on going concern in Note 1).

Market risk
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market factors. Market risk comprises three types of risk: price risk, interest rate risk and currency risk.

<u>Price risk</u>
Price risk is the risk that the fair value of future cash flows of the Company's financial instruments will fluctuate because of changes in market prices. The Company is not exposed to price risks.

<u>Interest rate risk</u>
Interest rate risk is the risk that the fair values and future cash flows of the Company will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk to the extent that the cash maintained at financial institutions is subject to a floating rate of interest. The interest rate risk on cash is considered insignificant due to the low interest rates in the current economic environment and as such the Company does not take any actions to manage interest rate risk.

<u>Currency risk</u>
Currency risk is the risk that the fair values or future cash flows of the Company's financial instruments will fluctuate because of changes in foreign currency exchange rates. The Company is exposed to currency risk through financial assets and liabilities denominated in currencies other than the Company's functional currency. The Company incurs expenditures in Canadian and U.S. dollars with the majority of the expenditures being incurred in U.S. dollars to support the operations of Empire State Mine. The Company does not consider the currency risk to be material to the future

operations of the Company and as such does not have a hedging program or any other programs to manage currency risk.
As the functional currency of the parent company is Canadian dollars, currency risk arises from financial instruments denominated in U.S. dollars that are held at the parent company level. Conversely for the Company's subsidiaries whose functional currency is U.S. Dollars, currency risk arises from financial instruments denominated in Canadian dollars that are held at the subsidiary company level.

The Company's financial instruments denominated in currencies that are not the U.S. dollar as at December 31, 2016 are:

	Canadian dollar	U.S. dollar equivalent
Cash and cash equivalents	$ 10,842,514	$ 8,075,504
Accounts receivable	1,650	1,229
Accounts payable and accrued liabilities	242,083	180,299

The Company's sensitivity analysis suggests that a 10% depreciation or appreciation of the foreign currencies against the Canadian dollar would have resulted in an approximate $826,000 decrease or increase in the Company's comprehensive income, respectively.

14. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development and exploration of its mineral properties and to maintain a flexible capital structure, which optimizes the costs of capital to an acceptable risk.

As the Company does not currently have cash flow from operating activities it depends on external financing to fund its activities. The Company does not believe its current cash resources are sufficient to maintain its core operations for the next twelve months, and additional funding will be required by the Company to complete its strategic objectives and continue as a going concern. There is no certainty that additional financing at terms that are acceptable to the Company will be available.

The capital structure of the Company currently consists of common shares. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions, its expected funding requirements, and risk characteristics of the underlying assets. The Company's funding requirements are based on cash forecasts. In order to maintain or adjust the capital structure, the Company may issue new debt, new shares and/or consider strategic alliances. Management reviews its capital management approach on a regular basis. There were no changes in the Company's approach to capital management and the Company is not subject to any externally imposed capital requirements.

(In U.S. Dollars unless otherwise indicated)

15. INCOME TAXES

The provision for income taxes reported differs from the amount computed by applying the cumulative Canadian Federal and Provincial income tax rates to the loss before the tax provision due to the following:

	Year ended December 31,		
	2016	**2015**	**2014**
Loss for the year	$ (66,394)	$ -	$ -
Statutory tax rate	26%	-	-
Expected income tax recovery	(17,262)	-	-
Non-deductible expenses	50		
Unrecognized tax losses	17,212	-	-
Income tax expense (recovery)	**$ -**	**$ -**	**$ -**

The Company recognizes tax benefits on losses or other deductible amounts where the probable criteria for the recognition of deferred tax assets has been met. The Company's unrecognized deductible temporary differences and net operating loss carryforwards ("NOLs") for which no deferred tax asset is recognized consist of NOLs of $36,009,712 which expire between 2034 and 2036.

The NOLs related to the Empire State Mine Project are subject to review and potential adjustment by tax authorities. Under Section 382 of the Internal Revenue Code of 1986, substantial changes in ownership may limit the net amount of NOLs as well as the amount of NOLs that could be utilized annually in the future to offset taxable income. Any such reduction or annual limitation may significantly reduce the amount of the NOLs or the Company's ability to utilize the NOLs before they expire. The Company is in the process of completing an assessment of the tax implications of the acquisition of the Empire State Mine Project by the Company and expects to have the assessment of the acquisition implications completed in 2017. Part of that assessment will include an analysis of prior acquisitions as well as various tax elections available to the Company and a detailed analysis of the NOLs that will be available to the Company to offset future income. The results of any assessment could indicate that the U.S. losses may be materially limited, however, the amount of such limitation cannot be reasonably quantified at this time, but may be significant.

16. SUPPLEMENTAL CASH FLOW INFORMATION

During the twelve months ended December 31, 2014, 2015 and 2016, the Company did not incur any interest expenses or pay any income taxes.

During the twelve months ended December 31, 2016, the Company had one non-cash financing and investing activity when it issued 2,968,900 common shares of the Company to Star Mountain for the acquisition of the Empire State Mine Project. The Company did not have any non-cash financing or investing activities during the twelve months ended December 31, 2014 and 2015.

(In U.S. Dollars unless otherwise indicated)

17. COMMITMENTS

As at December 31, 2016, the Company has contractual commitments for the following items:

- obligations related to the acquisition of the Empire State Mine Project;
- obligations related to minimum advance royalty payments on its mineral rights; and
- obligations related to the office spaces being used by the Company.

The Company's commitments as at December 31, 2016 and their approximate timing of payment are as follows:

	2017	2018 - 2019	2020 - 2021	2022+	Total
Accounts payable and accrued liabilities	$ 806,691	$ -	$ -	$ -	$ 806,691
Acquisition obligations [(1)]	13,870,648	-	-	-	13,870,648
Operating lease obligations	46,347	99,259	72,223	30,093	247,922
Advance royalties on mineral rights [(2)]	39,391	39,391	39,391	-	118,173
Total commitments	**$14,763,077**	**$ 138,650**	**$ 111,614**	**$ 30,093**	**$15,043,434**

[1] As described in Note 2 the Company entered into a Letter Agreement with Hudbay that modified the options for payment of the remaining purchase price obligation owed to Hudbay under the 2015 purchase agreement between Hudbay and Star Mountain, which obligation was assumed by the Company as part of the purchase price for the acquisition of Empire State Mine Project. The Company has three different options for payment of the remaining obligations to Hudbay and has recorded a liability for the option that the Company has deemed most likely. Of the $7,500,000 owing to Hudbay under this option, only $5,000,000 will be satisfied by cash. The remaining $2,500,000 will be satisfied by issuing shares of the Company.

[2] The land upon which the mineral rights exist are either leased or optioned by the Company. Leases may be renewable and also may be subject to the payment of royalties to the land owner. Average royalties for the Empire State Mine mineral production are estimated to average 0.3% over the life of the mine. Leases generally have an initial 20-year term, renewable for an additional 20 years, and are subject to a 4% NSR royalty. Optioned mineral rights have a renewable 5-year initial term. Option payments are $4 per acre per year. The amounts shown are the minimum advance royalty payments for the next five years only.

18. SEGMENTED INFORMATION

The Company operates in one reportable segment being the acquisition, exploration and development of mineral properties. All of the Company's non-current assets are located in the United States.

19. SUBSEQUENT EVENTS

Subsequent to December 31, 2016, the Company:

- entered into debenture agreements (the "Additional Debentures") to borrow up to an additional $800,000 from Augusta. The Additional Debentures have an upfront fee due upon funding of 2% and have the same terms and conditions as the existing debentures with Augusta, bearing interest at a rate of 12% per annum with the interest payable on a monthly basis in arrears. As at the date hereof, the outstanding balance for the Additional Debentures is $800,000;
- granted 5,675,000 stock options to directors, employees, and consultants, the details of which are disclosed in the condensed consolidated interim financial statements of the Company for the period ended June 30, 2017;

- finalized an agreement with Hudbay to extend the timing of the payment of $5,000,000 which was due on June 28, 2017 under the Letter Agreement. The Company has extended the payment date to October 31, 2017 and as consideration for the extension has increased the number of common shares upon completion of an IPO from $2,500,000 to $3,000,000;
- finalized an agreement with Star Mountain to extend the timing of the payment of $500,000 which was due on September 30, 2017 under the Purchase Agreement. The Company has extended the payment date to the earlier of (a) five days from the IPO date and (b) October 31, 2017, and as consideration for the extension will pay Star Mountain an additional $25,000; and
- The Company received notice on October 10, 2017 that Aviano Financial Group LLC ("Aviano"), a creditor of Star Mountain, intended to amend a pre-existing action initially filed in February 2017 in Colorado against Star Mountain to collect debts owing by Star Mountain to Aviano aggregating approximately $800,000. The amended action of Aviano against Star Mountain was filed in the state of Colorado on October 10, 2017, adding claims for damages and a claim to set aside the conveyance of the Empire State Mine Project by Star Mountain to the Company alleging that it was a fraudulent conveyance. In addition, the Aviano notice stated that it intends to file an analogous action in New York alleging fraudulent conveyance, naming Star Mountain and the Company as defendants. As at the date hereof, no litigation has been commenced by Aviano against the Company. Pursuant to the Purchase Agreement, Star Mountain has agreed to indemnify the Company against certain claims including the proposed action by Aviano against the Company. Irrespective of the merits of the claim, if the fraudulent conveyance claim is resolved adversely against the Company or Star Mountain, this could materially adversely affect the Company by terminating its interest in the Empire State Mine Project and the Company's ability to develop the Empire State Mine Project. Such a result would have a significant negative impact on the Company and could have a material effect on these financial statements.

TITAN MINING CORPORATION

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2017 and 2016

(Unaudited)

(Expressed in U.S. Dollars)

TITAN MINING CORPORATION
Condensed Consolidated Interim Statements of Financial Position
(Unaudited)
(In U.S. Dollars)

	NOTES	As at June 30, 2017	As at December 31, 2016
ASSETS			
Current assets			
Cash and cash equivalents	4	$ 1,223,889	$ 8,156,928
Accounts receivable		118,644	1,229
Prepaid expenses and deposits		577,464	166,543
Supplies inventory		311,310	311,310
		2,231,307	8,636,010
Property, plant and equipment	5	25,236,352	25,019,791
Mineral interests		3,695,151	3,695,151
Restricted cash		1,662,870	1,662,870
Other assets		14,259	-
TOTAL ASSETS		**$ 32,839,939**	**$ 39,013,822**
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	9	$ 928,010	$ 806,691
Acquisition obligations	6	12,318,794	13,870,648
		13,246,804	14,677,339
Reclamation and remediation provision	7	14,585,785	14,111,332
		27,832,589	28,788,671
EQUITY			
Share capital	8	10,368,927	10,368,927
Share option reserve	8	133,550	-
Currency translation adjustment		5,609	(77,382)
Retained deficit		(5,500,736)	(66,394)
		5,007,350	10,225,151
TOTAL LIABILITIES AND EQUITY		**$ 32,839,939**	**$ 39,013,822**

The accompanying notes are an integral part of these condensed consolidated interim financial statements

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS:

/s/ Richard W. Warke
Richard W. Warke - Director

/s/ Purni Parikh
Purni Parikh - Director

October 12, 2017

TITAN MINING CORPORATION

Condensed Consolidated Interim Statements of Comprehensive Loss

(Unaudited)

(In U.S. Dollars)

	NOTES	Three months ended June 30, 2017	Three months ended June 30, 2016	Six months ended June 30, 2017	Six months ended June 30, 2016
SITE EXPENSES					
Care and maintenance costs		$ 1,189,494	$ -	$ 1,922,105	$ -
Depreciation	5	293,283	-	586,565	-
Exploration and evaluation expenses		828,734	-	1,391,728	-
		2,311,511	-	3,900,398	-
ADMINISTRATIVE EXPENSES					
Investor relations		1,805	-	12,945	-
Office and administration expenses		18,806	-	35,072	-
Professional fees		62,811	-	149,683	-
Rent		30,804	-	46,892	-
Share based compensation		133,550	-	133,550	-
Wages and benefits		189,760	-	304,788	-
		437,536	-	682,930	-
FINANCE COSTS					
Accretion expense	7	86,012	-	172,444	-
Interest expense	9	100,670	-	200,240	-
		186,682	-	372,684	-
OTHER EXPENSES/(INCOME)					
Foreign exchange loss		2,677	-	12,924	-
Interest income		(8,683)	-	(23,704)	-
Acquisition obligation amendment fee	6	500,000	-	500,000	-
Other		-	-	(10,890)	-
		493,994	-	478,330	-
LOSS FOR THE PERIOD		3,429,723	-	5,434,342	-
OTHER COMPREHENSIVE LOSS/(INCOME)					
Unrealized loss/(gain) on translation to reporting currency		(8,949)	-	(82,991)	-
COMPREHENSIVE LOSS FOR THE PERIOD		**$ 3,420,774**	**$ -**	**$ 5,351,351**	**$ -**
LOSS PER SHARE					
Basic and diluted		$ 0.06	-	$ 0.09	-
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING					
Basic and diluted		62,346,900	1,000	62,346,900	1,000

The accompanying notes are an integral part of these condensed consolidated interim financial statements

TITAN MINING CORPORATION

Condensed Consolidated Interim Statements of Changes in Equity

(Unaudited)

(In U.S. Dollars)

	Number of shares	Share Capital	Share Option Reserve	Currency Translation Adjustment	Retained deficit	Total
Balances as at January 1, 2016 and June 30, 2016	1,000	$ 10	$ -	$ -	$ -	$ 10
Balances as at January 1, 2017	62,346,900	$ 10,368,927	$ -	$ (77,382)	$ (66,394)	$ 10,225,151
Total comprehensive loss for the period	-	-	133,550	82,991	(5,434,342)	(5,217,801)
Balance as at June 30, 2017	**62,346,900**	**$ 10,368,927**	**$ 133,550**	**$ 5,609**	**$ (5,500,736)**	**$ 5,007,350**

The accompanying notes are an integral part of these condensed consolidated interim financial statements

TITAN MINING CORPORATION
Condensed Consolidated Interim Statements of Cash Flows
(Unaudited)
(In U.S. Dollars)

	NOTES	Six months ended June 30, 2017	2016
OPERATING ACTIVITIES			
Loss for the period		$ (5,434,342)	$ -
Adjustments for:			
Accretion expense		172,444	-
Acquisition obligation amendment fee		500,000	-
Depreciation		586,565	-
Interest expense	9	200,240	-
Interest income		(23,704)	-
Interest received		14,264	
Share based compensation	8	133,550	-
Unrealized foreign exchange loss		12,365	-
Changes in non-cash working capital:			
Accounts receivable		(117,415)	-
Prepaid expenses and deposits		(151,229)	-
Accounts payable and accrued liabilities		(152,301)	-
Cash used in operating activities		**(4,259,563)**	**-**
INVESTING ACTIVITIES			
Acquisition of Property, plant and equipment		(487,189)	-
Acquisition of other assets		(14,259)	-
Cash used in investing activities		**(501,448)**	**-**
FINANCING ACTIVITIES			
Interest paid	9	(167,052)	
Payment of acquisition obligations		(2,051,854)	-
Cash used in financing activities		**(2,218,906)**	**-**
Effect of foreign exchange on cash		46,878	-
Changes in cash during the period		**(6,933,039)**	**-**
Cash and cash equivalents, beginning of period		8,156,928	10
Cash and cash equivalents, end of period		**$ 1,223,889**	**$ 10**

The accompanying notes are an integral part of these condensed consolidated interim financial statements

1. NATURE OF OPERATIONS

Titan Mining Corporation ("Titan" or the "Company") was incorporated on October 15, 2012 under the laws of British Columbia and is a natural resources company engaged in the acquisition, exploration and development of mineral properties. Through its acquisition (Note 2) of Balmat Holding Corp. ("Balmat Holding") and Balmat Holding's wholly owned subsidiary St. Lawrence Zinc Company, LLC ("St. Lawrence Zinc") on December 30, 2016, the Company holds a 100% indirect ownership interest in Empire State Mines (formerly known as the Balmat Mines, Mill and Satellite Mines) ("Empire State Mine Project") in Northern New York State, United States. Part of the Empire State Mine Project is the Empire State Mines No. 4 Mine (formerly know as the Balmat No. 4 Mine) ("Empire State Mine"). For the years ended December 31, 2015 and prior, the Company had minimal assets, no liabilities and did not generate any revenues or incur any expenses.

The Company's head office, principal address, and registered and records office are located at 555–999 Canada Place, Vancouver, BC, Canada V6C 3E1.

These condensed consolidated interim financial statements have been prepared on a going-concern basis, which contemplates the Company will continue into operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. The Company's ability to continue as a going concern is dependent on its ability to raise sufficient funds to repay the obligations from the acquisition of the Empire State Mine Project, including an amount payable to a related party which is payable on demand, complete the refurbishment of the Empire State Mine and to complete those refurbishment activities to return the mine to production. These condensed consolidated interim financial statements do not contain any adjustments to the assets or liabilities should the Company cease to be a going concern.

The Company does not believe it has sufficient funds to maintain its core operations, pay its administration costs, repay its acquisition obligations, complete the refurbishment of Empire State Mine, and complete additional exploration activities and additional funding will be required by the Company to complete its strategic objectives and continue as a going concern. There is no certainty that additional financing at terms that are acceptable to the Company will be available. The Company may raise additional funds through the issuance of shares, debt, or a strategic partnership. The inability to obtain additional financing creates a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

(In U.S. Dollars unless otherwise indicated)

2. EMPIRE STATE MINE PROJECT ACQUISITION

On December 30, 2016 the Company, through its wholly owned subsidiary Titan Mining (US) Corporation, completed the acquisition of Balmat Holdings and its wholly owned subsidiary St. Lawrence Zinc, owner of the Empire State Mine Project, from Star Mountain Resources Inc. ("Star Mountain"). Star Mountain had previously acquired the same two entities from Hudbay Minerals Inc. ("Hudbay") on November 2, 2015. Pursuant to the agreement between the Company and Star Mountain (the "Purchase Agreement"), the Company acquired 100% of the issued and outstanding shares of Balmat Holdings from Star Mountain. The effective closing date for the transaction was December 30, 2016.

Purchase accounting

The transaction has been accounted for as an asset acquisition using the purchase method, rather than as a business combination, as the net assets acquired did not constitute a business under IFRS. The Company capitalized transaction costs of $346,385 as part of the acquisition bringing the total purchase price to $16,428,269 as follows:

Consideration	**Amount**
Shares issued on acquisition	$ 2,211,237
Cash payment to Star Mountain	1,000,000
Note payable to Star Mountain	2,000,000
Note payable to Augusta Investments Inc.	3,318,794
Pre-closing liabilities paid on Star Mountain's behalf	51,854
Letter agreement to pay Hudbay	7,500,000
Capitalized transaction costs	346,384
Total purchase price	**$ 16,428,269**

The total purchase price was allocated to the assets acquired and liabilities assumed on a relative fair value basis as follows:

Assets acquired and liabilities assumed	**Amount**
Cash	$ 81,430
Prepaid expenses and deposits	164,588
Supplies inventory	311,310
Property, plant and equipment	25,019,791
Mineral interests	3,695,151
Restricted cash	1,662,870
Accounts payable and accrued liabilities	(395,539)
Reclamation and remediation provision	(14,111,332)
Total purchase price	**$ 16,428,269**

For additional details about the acquisition see Note 2 of the Company's annual financial statements for the year ended December 31, 2016.

Hudbay obligation

As disclosed in Note 2 of the Company's annual financial statements for the year ended December 31, 2016, the Company entered into an Letter Agreement with Hudbay. Under this Letter Agreement and in addition to the two repayment options already provided for in the 2015 Hudbay/Star Mountain agreement, the Company, at its option, can elect to:

i. make a one-time payment to Hudbay of $5,000,000 in cash on the earlier of: (a) the date the Company completes an initial public offering ("IPO") of its common shares; and (b) June 28, 2017; and
ii. issue to Hudbay, as soon as reasonably practicable after the IPO date, such number of common shares of Titan Mining that is equal to $2,500,000 divided by the per share price of the common shares issued in such IPO, for no additional consideration.

The Company entered into discussions with Hudbay to extend the timing of the payment of $5,000,000 which was due on June 28, 2017 under the Letter Agreement. The Company has finalized an agreement with Hudbay to extend the date to October 31, 2017 and as consideration for the extension has increased the number of common shares upon completion of an IPO from $2,500,000 to $3,000,000. This increase has been recorded as an increase to the acquisition obligations by $500,000 with the corresponding amount represented as an expense on the interim statement of comprehensive income.

3. BASIS OF PRESENTATION

(a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). Accordingly, they do not include all of the information and notes to the consolidated financial statements required by IFRS for complete financial statements and should be read in conjunction with the Company's most recent audited consolidated financial statements.

(b) Basis of presentation

The accounting policies used in the preparation of these condensed consolidated interim financial statements are the same as those applied in the Company's most recent consolidated annual financial statements for the year ended December 31, 2016.

(c) Critical accounting estimates and judgements

The preparation of the condensed consolidated interim financial statements in conformity with IAS 34 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Note 3(e) of the Company's consolidated financial statements for the year ended December 31, 2016 contains a discussion of the Company's critical accounting judgements and estimates.

(In U.S. Dollars unless otherwise indicated)

4. CASH AND CASH EQUIVALENTS

	As at	
	June 30, 2017	**December 31, 2016**
Cash	$ 70,729	$ 82,198
Short-term investments	1,153,160	8,074,730
Cash and cash equivalents	**$ 1,223,889**	**$ 8,156,928**

5. PROPERTY, PLANT AND EQUIPMENT

	Plant and Equipment	**Land**	**Total**
Cost			
As at December 31, 2015	$ -	$ -	$ -
Asset acquisition (Note 2)	23,938,344	1,081,447	25,019,791
As at December 31, 2016	23,938,344	1,081,447	25,019,791
Additions	803,126	-	803,126
As at June 30, 2017	24,741,470	1,081,447	25,822,917
Accumulated Depreciation			
As at December 31, 2015	-	-	-
Charge for the period	-	-	-
As at December 31, 2016	-	-	-
Charge for the period	586,565	-	586,565
As at June 30, 2017	586,565	-	586,565
Carrying amount			
As at December 31, 2015	$ -	$ -	$ -
As at December 31, 2016	$ 23,938,344	$ 1,081,447	$ 25,019,791
As at June 30, 2017	**$ 24,154,905**	**$ 1,081,447**	**$ 25,236,352**

(In U.S. Dollars unless otherwise indicated)

6. ACQUISITION OBLIGATIONS

As described in Note 2, as part of the Company's acquisition of the Empire State Mine Project the Company has some outstanding obligations which at June 30, 2017 and December 31, 2016 were as follows:

	As at	
	June 30, 2017	**December 31, 2016**
Note payable to Star Mountain [1]	$ 1,000,000	$ 2,000,000
Cash payable to Star Mountain upon closing	-	1,051,854
Note payable to Augusta Investments Inc. [2]	3,318,794	3,318,794
Letter Agreement to pay Hudbay [3]	8,000,000	7,500,000
Acquisition obligations as at June 30, 2017	**$ 12,318,794**	**$ 13,870,648**

[1] The promissory note issued to Star Mountain is payable in quarterly installments with $500,000 due three months, six months, nine months and twelve months after December 30, 2016. The first and second $500,000 due were paid on March 30, 2017 and June 30, 2017.

[2] As part of the acquisition the Company assumed $3,318,794 in debts from Star Mountain which were paid on the Company's behalf by Augusta Investments Inc. ("Augusta"), a related party to the Company. Concurrent with the closing of the acquisition the Company entered into a debenture agreement with Augusta whereby the Company will repay the amounts owed at the earlier of a demand from Augusta and December 31, 2017. The debenture bears interest at 12% per annum and interest is payable on a monthly basis in arrears.

[3] As described in Note 2 of the Company's consolidated financial statements for the year ended December 31, 2016, the Company entered into an agreement (the "Letter Agreement") with Hudbay that modified the options for payment of the remaining purchase price obligation owed to Hudbay under the 2015 purchase agreement between Hudbay and Star Mountain. The Company has three different options for payment of the remaining obligations to Hudbay and has recorded a liability for the fair value of the contingent obligation payable to Hudbay. As discussed in Note 2 of these condensed consolidated interim financial statements, the obligation to Hudbay was increased by $500,000 during the period and the Company is in the process of finalizing a formal agreement to amend the Letter Agreement.

7. RECLAMATION AND REMEDIATION PROVISION

The Company has recognized a provision for the present value of estimate future site reclamation and remediation costs associated with Empire State Mine. Although the ultimate amounts for future site reclamation and remediation are uncertain, the best estimate of these obligations is based on the information currently available, including current legislation, third party estimates, and management estimates. The amounts and timing of the mine closure plan will vary depending on several factors including the ultimate life of the Empire State Mine, future economic conditions, and changes in applicable environmental regulations.

Changes to the Company's provision were as follows:

(In U.S. Dollars unless otherwise indicated)

	Six months ended June 30, 2017	Year ended December 31, 2016
Balance, beginning of period	$ 14,111,332	$ -
Initial recognition on acquisition (Note 2)	-	14,111,332
Accretion	172,444	-
Change in estimate of future costs	302,009	-
Balance, end of period	**$ 14,585,785**	**$ 14,111,332**

As at June 30, 2017, the estimated future cash flows have been adjusted using an inflation rate of 2.00% (December 31, 2016 – 2.00%) and have been discounted using a discount rate of 2.31% (December 31, 2016 – 2.45%). The total undiscounted amount for the estimated future cash flows is $18,449,838 (December 31, 2016 – $19,100,515).

8. SHARE CAPITAL

(a) Authorized capital

The Company's authorized share capital consists of an unlimited number of Class A common shares without par value.

(b) Issued and outstanding

As at June 30, 2017 and December 31, 2016, the Company had 62,346,900 common shares issued and outstanding. During the twelve months ended December 2016 the Company issued 59,377,000 common shares in private placements for proceeds of $8,157,680 and 2,968,900 shares in relation to the acquisition of the Empire State Mine Project with a deemed value of $2,211,237.

(c) Stock options

The Company has implemented a stock option plan whereby the Board of Directors of the Company may grant directors, officers, employees and consultants stock options to acquire common shares of the Company. Pursuant to the stock option plan, options granted are non-assignable, may be granted for a term not exceeding ten years, may not exceed 10% of issued and outstanding shares of the Company, and the vesting periods are determined by the Board of Directors at the time of grant.

During the six months ended June 30, 2017, the Company granted 5,675,000 stock options. During the year ended December 31, 2016 the Company did not grant any stock options. The weighted average fair value for the options granted in the six months ended June 30, 2017 was $0.44 (Cdn$0.59) per option, which was estimated at the date of the grant using the Black-Scholes option pricing model using the following weighted average assumptions: weighted average exercise price – Cdn$1.00[(1)]; risk-free interest rate – 0.98%; expected dividend yield - $nil; expected stock price volatility – 71.50%; expected option life – 5.0 years; and, estimated forfeiture rate - 0.00%.

(1) For purposes of estimating the fair value of the stock options granted in the period the Company estimated the exercise price for the options to be Cdn$1.00. On or prior to the closing of the Company's IPO, the exercise price of the stock options granted in the period will be adjusted to the price of the offering for the Company's IPO

During the six months ended June 30, 2017, the Company recorded share based compensation expense of $133,550 (December 31, 2016 – nil) related to outstanding stock options. Option pricing models require the input of highly subjective assumptions and changes in the subjective inputs can materially affect the fair value estimate.

As at June 30, 2017, the Company has 5,675,000 stock options outstanding (December 31, 2016 – nil) with a weighted average exercise price of Cdn$1.00[(1)] and a remaining contractual life of 4.93 years. As at June 30, 2017, none of the stock options outstanding had vested and the Company had no exercisable stock options (December 31, 2016 – nil).

(1) For purposes of estimating the fair value of the stock options granted in the period the Company estimated the exercise price for the options to be Cdn$1.00. On or prior to the closing of the Company's IPO, the exercise price of the stock options granted in the period will be adjusted to the price of the offering for the Company's IPO

9. RELATED PARTY TRANSACTIONS

(a) Key management compensation

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company's key management for the three and six months ended June 30, 2017, were its Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, and Directors. The remuneration for the Company's key management for the three months ended June 30, 2017 was $145,105. For the three months ended June 30, 2016, there was no compensation paid to key management of the Company. The remuneration for the Company's key management for the six months ended June 30, 2017 was $258,608. For the six months ended June 30, 2016, there was no compensation paid to key management of the Company. As at June 30, 2017, the Company's payables included $nil (December 31, 2016 - $25,239) that is payable to the Company's key management including $nil related to reimbursement of expenses incurred on the Company's behalf (December 31, 2016 - $6,619).

(b) Other related party transactions

In addition to the key management compensation summarized above, the Company completed the following transactions with related parties.

The Company shares office space, equipment, personnel and various administrative services with other companies (Arizona Mining Inc., NewCastle Gold Ltd. and Armor Minerals Inc.) related to it by virtue of certain common directors and management. These services have been mainly provided through a management company, 688284 BC Ltd. (the "Management Company") equally owned by the related companies. Costs incurred by the Management Company are allocated between the companies based on time incurred and use of services and are charged at cost. As at June 30, 2017, the Company's payables included $2,902 that are payable to the Management Company (December 31, 2016 - $nil). The Company's related party transactions with the Management Company in the three and six months ended June 30, 2017 were included in the following expense categories:

(In U.S. Dollars unless otherwise indicated)

	Three months ended June 30,		Six months ended June 30,	
	2017	**2016**	**2017**	**2016**
Investor relations	$ 1,589	$ -	$ 6,171	$ -
Office and administration expenses	7,713	-	13,878	-
Professional fees	58	-	820	-
Rent	30,107	-	46,439	-
Wages and benefits	105,360	-	132,628	-
Total for period	**$ 144,827**	**$ -**	**$ 199,936**	**$ -**

During the three months ended June 30, 2017, the Company incurred charges of $nil and during the six months ended June 30, 2017, the Company incurred charges of $1,456 from a corporation related to the Company's President and Chief Executive Officer. These charges, were included in office and administration expenses. There were no charges from this related party in the three and six months ended June 30, 2016. At June 30, 2017, the Company's payables included $nil (December 31, 2016 - $70,631) that are payable to this related party.

On December 30, 2016, the Company entered into a loan agreement for $3,318,794 with Augusta, a corporation controlled by the Company's President and Chief Executive Officer, in connection with the acquisition of the Empire State Mine Project (Note 2). The loan is payable at the earlier of a demand for payment by Augusta and December 31, 2017 and bears interest at 12% per annum. Interest is payable on a monthly basis in arrears. During the three months ended June 30, 2017, the Company incurred interest expense of $100,670 and paid interest of $67,482 with respect to this loan agreement. During the six months ended June 30, 2017, the Company incurred interest expense of $200,240 and paid interest of $167,052 with respect to this loan agreement. As at June 30, 2017 there was $33,188 (December 31, 2016 - $nil) in accrued interest owing which cleared the Company's bank account on July 3, 2017. As at June 30, 2017 and December 31, 2016, the entire amount of the loan was outstanding.

10. LIQUIDITY AND CAPITAL MANAGEMENT

As at June 30, 2017, the Company had cash and cash equivalents of $1,223,889 (December 31, 2016 - $8,155,931) and current liabilities of $13,246,804 (December 31, 2016 - $14,677,339). As the Company does not currently have cash flow from operating activities it depends on external financing to fund its activities. The Company does not believe its current cash resources are sufficient to maintain its core operations for the next twelve months, and additional funding will be required by the Company to complete its strategic objectives and continue as a going concern. There is no certainty that additional financing at terms that are acceptable to the Company will be available.

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development and exploration of its mineral properties and to maintain a flexible capital structure, which optimizes the costs of capital to an acceptable risk.

The capital structure of the Company currently consists of common shares. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions, its expected funding requirements, and risk characteristics of the underlying assets. The Company's funding requirements are based on cash forecasts. In order to maintain or adjust the capital structure, the Company may issue new debt, new shares and/or consider strategic alliances. Management reviews its capital management approach on a regular basis. There were no changes in the Company's approach to capital management and the Company is not subject to any externally imposed capital requirements.

(In U.S. Dollars unless otherwise indicated)

11. COMMITMENTS

As at June 30, 2017, the Company has contractual commitments for the following items:

- obligations related to the acquisition of the Empire State Mine Project;
- obligations related to minimum advance royalty payments on its mineral rights; and
- obligations related to the office spaces being used by the Company.

The Company's commitments as at June 30, 2017 and their approximate timing of payment are as follows:

	2017	2018 - 2019	2020 - 2021	2022+	Total
Accounts payable and accrued liabilities	$ 928,010	$ -	$ -	$ -	$ 928,010
Acquisition obligations [1]	12,318,794	-	-	-	12,318,794
Operating lease obligations	42,659	102,701	74,728	31,137	251,225
Advance royalties on mineral rights [2]	19,521	39,391	39,391	-	98,303
Total contractual obligations	**$13,308,984**	**$ 142,092**	**$ 114,119**	**$ 31,137**	**$13,596,332**

[1] As described in Note 2 of the Company's consolidated financial statements for the year ended December 31, 2016, the Company entered into a Letter Agreement with Hudbay that modified the options for payment of the remaining purchase price obligation owed to Hudbay under the 2015 purchase agreement between Hudbay and Star Mountain, which obligation was assumed by the Company as part of the purchase price for the acquisition of Empire State Mine Project. The Company has three different options for payment of the remaining obligations to Hudbay and has recorded a liability for the option that the Company has deemed most likely. Of the $8,000,000 owing to Hudbay under this option, only $5,000,000 will be satisfied by cash. The remaining $3,000,000 will be satisfied by issuing shares of the Company.

[2] The land upon which the mineral rights exist are either leased or optioned by the Company. Leases may be renewable and also may be subject to the payment of royalties to the land owner. Average royalties for the Empire State Mine mineral production are estimated to average 0.3% over the life of the mine. Leases generally have an initial 20-year term, renewable for an additional 20 years, and are subject to a 4% NSR royalty. Optioned mineral rights have a renewable 5-year initial term. Option payments are $4 per acre per year. The amounts shown are the minimum advance royalty payments for the next five years only.

12. SEGMENTED INFORMATION

The Company operates in one reportable segment being the acquisition, exploration and development of mineral properties. All of the Company's non-current assets are located in the United States.

13. SUBSEQUENT EVENTS

Subsequent to June 30, 2017, the Company:

- entered into debenture agreements (the "Additional Debentures") to borrow up to an additional $800,000 from Augusta. The Additional Debentures have an upfront fee due upon funding of 2% and have the same terms and conditions as the existing debentures with Augusta, bearing interest at a rate of 12% per annum with the interest payable on a monthly basis in arrears. As at the date hereof, the outstanding balance for the Additional Debentures is $800,000;
- finalized an agreement with Star Mountain to extend the timing of the payment of $500,000 which was due on September 30, 2017 under the Purchase Agreement. The Company has extended the payment date to the earlier of (a) five days from the IPO date and (b) October 31, 2017, and as consideration for the extension will pay Star Mountain an additional $25,000; and
- The Company received notice on October 10, 2017 that Aviano Financial Group LLC ("Aviano"), a creditor of Star Mountain, intended to amend a pre-existing action initially filed in February 2017 in Colorado against Star Mountain to collect debts owing by Star Mountain to Aviano aggregating approximately $800,000. The amended action of Aviano against Star Mountain was filed in the state of Colorado on October 10, 2017, adding claims for damages and a claim to set aside the conveyance of the Empire State Mine Project by Star Mountain to the Company alleging that it was a fraudulent conveyance. In addition, the Aviano notice stated that it intends to file an analogous action in New York alleging fraudulent conveyance, naming Star Mountain and the Company as defendants. As at the date hereof, no litigation has been commenced by Aviano against the Company. Pursuant to the Purchase Agreement, Star Mountain has agreed to indemnify the Company against certain claims including the proposed action by Aviano against the Company. Irrespective of the merits of the claim, if the fraudulent conveyance claim is resolved adversely against the Company or Star Mountain, this could materially adversely affect the Company by terminating its interest in the Empire State Mine Project and the Company's ability to develop the Empire State Mine Project. Such a result would have a significant negative impact on the Company and could have a material effect on these financial statements.

TITAN MINING CORPORATION
PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

(Unaudited)

(Expressed in U.S. Dollars)

TITAN MINING CORPORATION
Pro Forma Consolidated Statement of Comprehensive Income
For the Year Ended December 31, 2016
(Unaudited)
(In U.S. Dollars)

	AS REPORTED				
	Titan Mining Corporation	**Balmat Holding Corp.**	**Pro Forma Adjustments**	**Note**	**Pro Forma Consolidated**
SITE EXPENSES/(RECOVERY)					
Care and maintenance costs	$ -	$ 2,333,573	-		$ 2,333,573
Depreciation	-	-	1,173,129	3(a)	1,173,129
Exploration and evaluation expenses	-	93,058	-		93,058
Revisions to reclamation and remediation provision	-	(4,774,571)	-	3(a)	(4,774,571)
	-	(2,347,940)	1,173,129		(1,174,811)
ADMINISTRATIVE EXPENSES					
Investor relations	2,640	-	-		2,640
Office and administration	28,326	-	-		28,326
Professional fees	32,064	-	-		32,064
	63,030	-	-		63,030
FINANCE COSTS					
Accretion expense	-	419,194	-		419,194
Interest expense	-	-	398,255	3(b)	398,255
	-	419,194	398,255		817,449
OTHER EXPENSES/(INCOME)					
Foreign exchange loss/(gain)	3,489	-	-		3,489
Interest income	(3,746)	(8,645)	-		(12,391)
Other expenses	3,621	21,666	-		25,287
	3,364	13,021	-		16,385
LOSS/(INCOME) FOR THE YEAR	66,394	(1,915,725)	1,571,384		(277,947)
OTHER COMPREHENSIVE LOSS/(INCOME)					
Unrealized gain/(loss) on translation to reporting currency	77,382	-	-		77,382
COMPREHENSIVE LOSS/(INCOME) FOR THE YEAR	**$ 143,776**	**$ (1,915,725)**	**$ 1,571,384**		**$ (200,565)**
LOSS/(INCOME) PER SHARE					
Basic and diluted	$ 0.01			3(c)	$ (0.04)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING					
Basic and diluted	4,831,027			3(c)	7,783,703

The accompanying notes are an integral part of these unaudited pro forma consolidated financial statements

1. BASIS OF PRESENTATION

On December 30, 2016, Titan Mining Corporation (the "Company" or "Titan Mining"), through its wholly owned subsidiary Titan Mining (US) Corporation, completed the acquisition (the "Acquisition") of Balmat Holding Corp. ("Balmat Holding") and Balmat Holding's wholly owned subsidiary St. Lawrence Zinc Company, LLC ("St. Lawrence Zinc"), owner of the Empire State Mines formerly known as the Balmat Mines, Mill and Satellite Mines) ("Empire State Mine Project"), from Star Mountain Resources Inc. ("Star Mountain"). Pursuant to the agreement between the Company and Star Mountain (the "Purchase Agreement"), the Company acquired 100% of the issued and outstanding shares of Balmat Holdings from Star Mountain. The effective closing date for the transaction was December 30, 2016.

These unaudited pro forma consolidated financial statements (the "pro forma statements") have been prepared on a basis consistent with the Company's accounting policies. These pro forma statements do not contain all of the information required for annual financial statements. Accordingly, they should be read in conjunction with the consolidated financial statements of Titan Mining and Balmat Holdings for the year ended December 31, 2016. The pro forma statements have been compiled from and include an unaudited pro forma consolidated statement of comprehensive income combining the audited statement of comprehensive income of Titan Mining for the year ended December 31, 2016 with the audited statement of comprehensive income of Balmat Holdings for the year ended December 31, 2016, giving effect to the Acquisition as if it occurred on January 1, 2016.

The Company has not presented an unaudited pro forma consolidated statement of financial position at December 31, 2016 as the Acquisition completed on December 30, 2016 and as such the statement of financial position of Titan Mining at December 31, 2016 already gives effect to the Acquisition and therefore there would be no difference between the Company statement of financial position as at December 31, 2016 and the pro forma consolidated statement of financial position.

The pro forma statements have been compiled using the significant accounting policies as set out in Note 4 of the audited consolidated financial statements of Titan Mining for the year ended December 31, 2016. Based on management's review of the accounting policies for Titan Mining and Balmat Holdings under IFRS it is management's opinion there are no material accounting differences between the policies used by Titan Mining and Balmat Holdings. It is management's opinion that the pro forma statements include all adjustments necessary for the fair presentation, in all material respects, of the Acquisition in accordance with IFRS applied on a basis consistent with Titan Mining's accounting policies. No adjustments have been made to reflect potential changes that may occur subsequent to completion of the transaction.

The pro forma statements are not intended to reflect the results of operations or the financial position of Titan Mining which would have actually resulted had the Acquisition been effected on the dates indicated. Further, the unaudited pro forma financial information is not necessarily indicative of the results of operations that may be obtained in the future.

(In U.S. Dollars unless otherwise indicated)

2. EMPIRE STATE MINES ACQUISITION

The Acquisition has been accounted for as an asset acquisition using the purchase method, rather than as a business combination, as the net assets acquired did not constitute a business under IFRS. The Company capitalized transaction costs of $346,385 as part of the acquisition bringing the total purchase price to $16,428,269 as follows:

Consideration	Amount
Shares issued on acquisition	$ 2,211,237
Cash payment to Star Mountain	1,000,000
Note payable to Star Mountain	2,000,000
Note payable to Augusta Investments Inc.	3,318,794
Pre-closing liabilities paid on Star Mountain's behalf	51,854
Letter agreement to pay Hudbay	7,500,000
Capitalized transaction costs	346,384
Total purchase price	**$ 16,428,269**

The total purchase price was allocated to the assets acquired and liabilities assumed on a relative fair value basis as follows:

Assets acquired and liabilities assumed	Amount
Cash	$ 80,433
Prepaid expenses and deposits	164,588
Supplies inventory	311,310
Property, plant and equipment	25,019,791
Mineral interests	3,695,151
Restricted cash	1,663,867
Accounts payable and accrued liabilities	(395,539)
Reclamation and remediation provision	(14,111,332)
Total purchase price	**$ 16,428,269**

3. PRO FORMA ASSUMPTIONS

The pro forma consolidated statement of comprehensive income is based on the following assumptions:

(a) This pro forma adjustment reflects the depreciation recognized in the pro forma statement of comprehensive income of the Company for the year ended December 31, 2016 assuming the Acquisition occurred on January 1, 2016. The deprecation charge assumed the value of property, plant and equipment on January 1, 2016 was equal to the amount acquired as disclosed in Note 2 and recorded a charge for the year based on the Company's accounting policies. No pro forma adjustment was made to the $4.8 million credit relating to the revision of the reclamation and remediation provision in Balmat Holdings.

(b) This pro forma adjustment is based on the assumption that the debenture agreement entered into by the Company with Augusta Investments Inc. ("Augusta"), a related party to the Company, in connection with the Acquisition on December 30, 2016 was entered into on January 1, 2016. This changed the pro forma interest expense incurred by the Company for the year ended December 31, 2016. As part of the Acquisition the Company assumed $3,318,794 in debts from Star Mountain which were paid on the Company's behalf by Augusta. Concurrent with the closing of the Acquisition the Company entered into a debenture agreement with Augusta whereby the Company will repay the amounts owed at the earlier of a demand from Augusta and December 31, 2017. The debenture bears interest at 12% per annum and interest is payable on a monthly basis in arrears.

(c) This pro forma adjustment is based on the assumption that the shares issued to Star Mountain in connection with the Acquisition on December 30, 2016 were issued on January 1, 2016. This changed the pro forma weighted average number of shares outstanding for the year ended December 31, 2016. The pro forma income for the year was divided by the pro forma weighted average number of shares outstanding to calculate the pro forma income per share for the year ended December 31, 2016.

Consolidated Financial Statements of

Balmat Holding Corp.

Years Ended December 31, 2016, 2015 and 2014

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of Balmat Holding Corp. have been prepared by management in accordance with International Financial Reporting Standards and reflect management's best estimates and judgment based on information currently available. The financial information contained elsewhere in this report has been reviewed to ensure consistency with the consolidated financial statements.

Management maintains systems of internal control designed to provide reasonable assurance that the assets are safeguarded. All transactions are authorized and duly recorded, and financial records are properly maintained to facilitate financial statements in a timely manner. The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements. The Board carries out this responsibility principally through its Audit Committee.

The Audit Committee of the Board of Directors has reviewed the consolidated financial statements with management and the external auditors. Haynie & Company, an independent firm of certified public accountants, appointed as external auditors by the shareholders, have audited the consolidated financial statements and their report is included herein.

/s/ Richard W. Warke
Executive Chairman

/s/ Saurabh Handa
Chief Financial Officer

May 2, 2017

BALMAT HOLDING CORP.

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INDEPENDENT AUDITOR'S REPORT

To the Stockholders of Titan Mining Company

We have audited the accompanying consolidated financial statements of Balmat Holdings Corporation, which comprise the consolidated statements of financial position as at December 31, 2016, 2015, and 2014 as well as January 1, 2014, and the consolidated statements of net income (loss) and comprehensive income, statements of changes in shareholders' deficit and statements of cash flows for the years ended December 31, 2016, 2015 and 2014, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Balmat Holdings Corporation as at December 31, 2016, 2015, and 2014 as well as January 1, 2014, and its financial performance and its cash flows for the years ended December 31, 2016, 2015 and 2014 in accordance with International Financial Reporting Standards.

(signed) Haynie & Company

Haynie & Company
May 2, 2017
Littleton, Colorado

BALMAT HOLDING CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(In thousands of U.S. dollars)

	December 31, 2016	December 31, 2015	December 31, 2014	January 1, 2014
ASSETS				
CURRENT ASSETS:				
Cash and cash equivalents	$ 81	$ 82	$ 103	$ 58
Prepaid expenses and other current assets	165	172	157	170
Parts and supplies inventory	499	500	742	742
Total current assets	745	754	1,002	970
PROPERTY & EQUIPMENT, NET	296	-	-	-
MINERAL PROPERTIES	2,500	2,500	2,500	2,500
RESTRICTED CASH	1,663	1,663	1,663	1,663
TOTAL ASSETS	$ 5,204	$ 4,917	$ 5,165	$ 5,133
LIABILITIES AND SHAREHOLDER'S DEFICIT				
CURRENT LIABILITIES:				
Accounts payable and accrued liabilities	$ 394	$ 50	$ 173	$ 224
Notes payable	500	-	-	-
Total current liabilities	894	50	173	224
DUE TO RELATED PARTY	-	402	103,626	109,974
ASSET RETIREMENT OBLIGATION	14,111	18,467	18,599	18,632
TOTAL LIABILITIES	15,005	18,919	122,398	128,830
COMMITMENTS AND CONTINGENCIES (Note 13)				
SHAREHOLDERS' DEFICIT				
Common shares, no par value – 2,500 shares authorized; 222 shares issued and outstanding as of December 31, 2016 and 2015 and 100 shares issued and outstanding as of December 31, 2014 and January 1, 2014	-	-	-	-
Additional paid in capital	95,355	93,070	-	-
Retained deficit	(105,156)	(107,072)	(117,233)	(123,697)
Total shareholders' deficit	(9,801)	(14,002)	(117,233)	(123,697)
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIT	$ 5,204	$ 4,917	$ 5,165	$ 5,133

The accompanying notes are an integral part of these consolidated financial statements.

BALMAT HOLDING CORP.
CONSOLIDATED STATEMENTS OF NET INCOME (LOSS) AND COMPREHENSIVE INCOME
(In thousands of U.S. dollars, except share and per-share data)

	For the years ended December 31,		
	2016	**2015**	**2014**
EXPENSES			
Operating costs	$ -	$ -	$ 6
Exploration and development	93	152	69
Accretion and depreciation	419	404	325
Loss on asset impairment	-	242	-
Revisions to asset retirement obligation estimates	(4,775)	(536)	(358)
Care & maintenance	2,334	2,694	2,781
Income (LOSS) FROM OPERATIONS	1,929	(2,956)	(2,823)
Interest income (expense)	(13)	8	9
NET INCOME (LOSS)	1,916	(2,948)	(2,814)
OTHER COMPREHENSIVE INCOME			
Gain on foreign exchange	-	13,109	9,278
COMPREHENSIVE INCOME	$ 1,916	$ 10,161	$ 6,464
INCOME (LOSS) PER SHARE – BASIC AND DILUTED	$ 8,632	$ (24,574)	$ (28,158)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	222	120	100

The accompanying notes are an integral part of these consolidated financial statements.

BALMAT HOLDING CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIT
(In thousands of U.S. dollars, except share and per-share data)

	Common Shares		Additional Paid In	Accumulated	Total Shareholders'
	Shares	Amount	Capital	Deficit	Deficit
Balance at January 1, 2014	100	$ -	$ -	$ (123,697)	$ (123,697)
Net Loss	-	-	-	(2,814)	(2,814)
Other Comprehensive Income	-	-	-	9,278	9,278
Balance at December 31, 2014	100	-	-	(117,233)	(117,233)
Shares Issued in Exchange for Debt	122	-	93,070	-	93,070
Net Loss	-	-	-	(2,948)	(2,948)
Other Comprehensive Income	-	-	-	13,109	13,109
Balance at December 31, 2015	222	-	93,070	(107,072)	(14,002)
Exchange for Debt	-	-	2,285	-	2,285
Net Income	-	-	-	1,916	1,916
Balance at December 31, 2016	222	$ -	$ 95,355	$ (105,156)	$ (9,801)

The accompanying notes are an integral part of these consolidated financial statements.

BALMAT HOLDING CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands of U.S. dollars)

	For the years ended December 31,		
	2016	**2015**	**2014**
CASH FLOWS USED IN OPERATING ACTIVITIES			
Comprehensive Income	$ 1,916	$ 10,161	$ 6,464
Items Not Affecting Cash:			
Accretion and depreciation	419	404	325
Amortization of debt issuance costs	10	-	-
Loss on asset impairment	-	242	-
Unrealized foreign exchange gain	-	(13,109)	(9,278)
Asset retirement obligation	(4,775)	(536)	(358)
Changes in operating assets and liabilities:			
Prepaid expenses and other current assets	7	(15)	13
Accounts payable and accrued liabilities	344	(122)	(50)
Net cash used in operating activities	(2,079)	(2,975)	(2,884)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of equipment	(296)	-	-
Net cash used in investing activities	(296)	-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of notes	490	-	-
Advances from parent company	1,884	2,954	2,929
Net cash provided by financing activities	2,374	2,954	2,929
NET INCREASE (DECREASE) IN CASH	(1)	(21)	45
CASH - Beginning of year	82	103	58
CASH - End of period	$ 81	$ 82	$ 103

The accompanying notes are an integral part of these consolidated financial statements.

1. ORGANIZATION AND NATURE OF BUSINESS

Balmat Holding Corp. (“Balmat Holding”) was incorporated under the laws of the State of Delaware on January 30, 2003. Balmat Holding operates through its wholly owned subsidiary, St. Lawrence Zinc Company, LLC (“SLZ”), a company incorporated under the laws of the State of Delaware on January 30, 2003, whose primary business is mineral exploration and the mining and processing of zinc from the Balmat Mine (now the Empire State Mine) in upper New York State. Balmat Holding was a wholly owned subsidiary of Hudbay Minerals Inc. (“Hudbay”), a Canadian corporation whose primary activity is base metals production until November 2, 2015 when Balmat Holding was acquired by Star Mountain Resources, Inc. (“Star Mountain”), a Nevada corporation. On December 30, 2016, Balmat Holding was acquired by Titan Mining Corporation (“Titan”), a British Columbia corporation. While the effective date for this transaction was December 30, 2016, any payments that were due upon closing were made on January 4, 2017. The financial statements contained herein were prepared on the basis that Titan’s acquisition had no effect on Balmat Holding’s financial statements as of December 31, 2016.

In 2003, SLZ acquired the previously operating Balmat zinc mine (now the Empire State Mine) and processing assets and held these under care and maintenance for a period of time. In November 2005, Hudbay announced its intention to reopen the Empire State Mine. The Empire State Mine re-opened in 2006 and operated until 2008. The Empire State Mine was closed and placed on care and maintenance in the fall of 2008 after the previous owner’s projected smelter needs were addressed, in the face of a general economic turndown and resulting fall in zinc prices.

Going Concern - The ability of Balmat Holding to continue as a going concern is dependent on the continued financial support from its ultimate parent company, now Titan, or achieving profitable operations in the future which cannot be predicted at this time. These factors raise substantial doubt about Balmat Holding’s ability to continue as a going concern.

The financial statements have been prepared on the basis that Balmat Holding will be able to discharge its obligations and realize its assets in the normal course of business at the values at which they are carried in these financial statements, and that Balmat Holding will be able to continue its business activities. Should this going concern assumption not be appropriate and there was in-fact substantial doubt surrounding the ability of Balmat Holding to continue as a going concern, certain asset and liability accounts may require adjustment and reclassification.

2. BASIS OF PRESENTATION

Principles of consolidation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”) and are inclusive of the accounts of Balmat Holding and its wholly-owned subsidiary, SLZ. Certain comparative figures have been reclassified to conform to the financial statement presentation adopted for the current year. All numbers in the consolidated financial statements are presented in U.S. dollars and in thousands, unless otherwise denoted.

The Board of Directors authorized these financial statements for issue on April 30, 2017.

Basis of Measurement

These consolidated financial statements have been prepared on a historical cost basis except for financial instruments classified as fair value through profit and loss or available for sale securities which are stated at their fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Basis of Consolidation

These consolidated financial statements include the consolidation of Balmat Holding and its wholly owned subsidiary, SLZ. Subsidiaries are all entities over which Balmat Holding has control. Balmat Holding controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control is transferred to Balmat Holding until the date that control ceases. All intercompany transactions and balances have been eliminated on consolidation.

Use of estimates

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Actual results could differ from those estimates. The amounts which involve significant estimates include (i) expense allocations from Hudbay and Star Mountain, (ii) property, plant and equipment estimated salvage values and assessment of impairment, (iii) fair value of certain assets and liabilities, (iv) contingent liabilities and (v) asset retirement obligations. These estimates are reviewed at least annually and, as adjustments become necessary, they are reported in earnings in the period in which they became known. Actual results could differ from those estimates.

Translation of foreign currencies

Balmat Holding's functional currency is the U.S. dollar while the functional currency of Hudbay was the Canadian dollar through June 30, 2015 at which time Hudbay switched its functional currency from the Canadian dollar to the U.S. dollar. Therefore, transactions between Hudbay and Balmat Holding during those periods in which Hudbay and Balmat Holding had different functional currencies required currency translation, including those allocations of expense from Hudbay to Balmat Holding as well Hudbay's funding of Balmat Holding's operations, which resulted in a payable to Hudbay.

Monetary assets and liabilities were translated at period-end exchange rates and non-monetary assets and liabilities were translated at historical rates. Gains and losses on translation of monetary assets and monetary liabilities are reflected in earnings.

First time adoption of IFRS

Balmat Holding adopted IFRS effective for the year ended December 31, 2014 and in prior periods Balmat Holding had prepared its financial statements under U.S. Generally Accepted Accounting Principles ("GAAP"). In preparing the financial statements, Balmat Holding's opening Statement of Financial Position was prepared as at January 1, 2014, Balmat Holding's date of transition to IFRS.

Under IFRS 1, First-time Adoption of International Financial Reporting Standards, the IFRS are applied retrospectively at the date of transition with all adjustments to assets and liabilities as stated under GAAP taken to retained earnings unless certain exemptions are applied. Balmat Holding has applied the following exemption:

- Certain assets were carried in the Statement of Financial Position as at January 1, 2014 at the values that had previously been impaired under U.S. GAAP as the impaired value approximated the fair value at the date of transition.

After applying the exemption above to the Statement of Financial Position at the date of transition, Balmat

Holding had the following adjustments on its financial statements which were previously reported under U.S. GAAP:

- January 1, 2014 Statement of Financial Position – there were no adjustments required.
- December 31, 2014 financial statements
  - Statement of Financial Position - the asset retirement obligation (“ARO”) as at December 31, 2014 under U.S. GAAP was $19,824 and under IFRS was $18,599 decreasing the liabilities under IFRS by $1,225.
  - Statement of Net Income (Loss) - The change to the ARO liability resulted in a change on the Statement of Net Income (Loss) whereby under U.S. GAAP Balmat Holding had taken an ARO charge for revisions of estimates of $867 and under IFRS this resulted in an ARO recovery for revisions of estimates of $358, this change resulted in the net loss under U.S. GAAP of $4,039 versus a net loss under IFRS of $2,814 decreasing the net loss under IFRS by $1,225.
- December 31, 2015 financial statements
  - Statement of Financial Position - the ARO as at December 31, 2015 under U.S. GAAP was $17,906 and under IFRS was $18,467 increasing the liabilities under IFRS by $561.
  - Statement of Net Income (Loss) - The change to the ARO liability resulted in a change on the Statement of Net Income (Loss) whereby under U.S. GAAP Balmat Holding had taken an ARO recovery for revisions of estimates of $2,120 and under IFRS this resulted in an ARO recovery for revisions of estimates of $536. Also, under U.S. GAAP Balmat Holding had taken a depletion charge related to the ARO of $202 and under IFRS the depletion charge was $404. These two changes resulted in the net loss under U.S. GAAP of $1,164 versus a net loss under IFRS of $2,950 increasing the net loss under IFRS by $1,786.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and liquid investments with an original maturity of three months or less and were held in bank accounts with financial institutions in the U.S.

Restricted Cash

Balmat Holding maintains cash deposits and/or surety bonds as required by regulatory bodies as assurance for the funding of future reclamation costs associated with Balmat Holding’s asset retirement obligation. These funds are restricted to that purpose and are not available for Balmat Holding’s use until the reclamation obligations have been fulfilled. Restricted cash is classified as a noncurrent asset.

At December 31, 2016, 2015 and 2014 and January 1, 2014, the amounts of these restricted cash deposits totaled $1,663 with the funds invested in a certificate of deposit which renews automatically for additional terms of one year or more. The $1,663 is in lieu of a mined land reclamation bond and is held in escrow for the New York State Department of Environmental Conservation. Interest earned on the certificate of deposit is not part of the bonding obligation and as such is classified as a current asset.

Inventories

Parts and supplies are expected to be held and consumed during development or resumption of mining activities and are valued at the lower of cost or replacement value. Cost is determined on an average basis.

Care and Maintenance

Balmat Holding's Empire State Mine was placed on care and maintenance in the latter part of 2008. Costs incurred for maintaining the idled mine and mill such as personnel, site security, permitting, property taxes and electricity are expensed as incurred.

Property, Plant and Equipment

(i) Mineral property, exploration and mine development expenditures:

Mineral property acquisition costs and resource exploration and evaluation costs are capitalized on an individual project basis once the legal right to explore a specific area has been obtained.

Capitalized costs are considered to be tangible assets as they form part of the underlying mineral property and are recorded at cost less impairment charges, if applicable. No amortization is charged during the exploration and evaluation phase because the asset is not available for use. When Balmat Holding considers that the technical feasibility and commercial viability of extracting a mineral resource are demonstrable, the associated exploration and evaluation assets are tested for impairment then reclassified to mineral properties.

Exploration and evaluation assets for properties placed into production will be amortized on a unit-of production basis, based on proven and probable reserves. Costs for prospects that are abandoned are written off at the time a decision is made not to continue exploration and development.

Balmat Holding reviews and evaluates its exploration and evaluation assets for impairment when events or changes in circumstances indicate that the carrying amounts may not be recoverable. Where such indications exist the recoverable amount is estimated by calculating the higher of the asset's fair value less cost to sell and its value in use. Where information is available estimated future net cash flows are calculated using estimated future prices, proven and probable reserves, resources and operating and capital costs on a discounted basis. If the estimated discounted future net cash flows are less than the carrying value of the asset, an impairment charge is recorded. Where estimated future cash flows are not available the carrying value is written down to its estimated fair value.

A previously recognized impairment loss is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized such that the recoverable amount has increased.

(ii) Property, plant and equipment (PP&E):

Expenditures for PP&E additions, major replacements and improvements are capitalized at cost. PP&E is depreciated over the estimated useful lives of the assets using either the straight-line method or the units-of-production method.

Cost is comprised of the fair value of consideration given to acquire or construct an asset and includes the direct charges associated with bringing the asset to the location and condition necessary for putting it into use, along with the future cost of dismantling and removing the asset.

Expenditure on major maintenance or repairs includes the cost of replacement parts of assets and overhaul costs. Where an asset or part of an asset is replaced and it is probable that further future economic benefit will flow to Balmat Holding, the expenditure is capitalized. Similarly, overhaul costs associated with major maintenance are capitalized when it is probable that future economic benefit will flow to Balmat Holding and any remaining costs of previous overhauls relating to the same asset are derecognized. All other expenditures are expensed as incurred.

(iii) Impairment of assets:

Balmat Holding reviews and evaluates the carrying value of its assets when events or circumstances indicate that the carrying amounts of related assets or groups of assets may not be recoverable, or at least annually. If the estimated future economic benefit is less than the carrying amount of the asset, an impairment charge is recorded based on the difference between the carrying amount and its estimated fair value (less costs to sell for assets to be disposed of by sale) as a charge to operations.

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. An impairment loss with respect to goodwill is never reversed.

Asset Retirement Obligations

In connection with Balmat Holding's business, it is required to reclaim the sites at which it is conducting its mining activities once those activities have been completed. The fair value of that liability is measured based on an expected cash flow approach, discounted using a credit-adjusted risk-free rate. If a change in timing or estimated expected cash flows results in a downward revision of the asset retirement obligation, then the undiscounted revised estimate of expected cash flows is discounted using the credit-adjusted risk-free rate in effect at the date of initial measurement and recognition of the original asset retirement obligation.

Income Taxes

Balmat Holding accounts for income taxes under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under the asset and liability method, the effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance is recognized if it is more likely than not that the entire or some portion of the deferred tax asset will not be recognized.

Balmat Holding's policy is to recognize potential accrued interest and penalties related to unrecognized tax benefits within income tax expense. For the years ended December 31, 2016, 2015 and 2014, Balmat Holding did not recognize any interest or penalties, nor did we have any interest or penalties accrued as of December 31, 2016, 2015 or 2014, related to unrecognized benefits.

Balmat Holding recognizes tax benefits on losses or other deductible amounts where the probable criteria for the recognition of deferred tax assets has been met. Balmat Holding's unrecognized deductible temporary differences and net operating loss carryforwards ("NOLs") for which no deferred tax asset is recognized consist of NOLs of $35,993 which expire between 2034 and 2036.

The NOLs related to Balmat Holding are subject to review and potential adjustment by tax authorities. Under Section 382 of the Internal Revenue Code of 1986, substantial changes in ownership may limit the net amount of NOLs as well as the amount of NOLs that could be utilized annually in the future to offset taxable income. Any such reduction or annual limitation may significantly reduce the amount of the NOLs or Balmat Holding's ability to utilize the NOLs before they expire. Balmat Holding is in the process of completing an assessment of the tax implications of the acquisition and expects to have the assessment of the acquisition implications completed in 2017. Part of that assessment will include an analysis of prior acquisitions as well as various tax elections available to Balmat Holding and a detailed analysis of the NOLs that will be available to Balmat Holding to offset future income. The results of any assessment could indicate that the U.S. losses may be materially limited, however, the amount of such limitation cannot be reasonably quantified at this time, but may be significant.

Income (Loss) Per Share

Income (Loss) per share is computed using the weighted average number of shares outstanding during the period. To calculate diluted income (loss) per share, Balmat Holding uses the treasury stock method and the if-converted method. Balmat Holding had no potentially dilutive securities as of December 31, 2016, 2015 and 2014.

Financial Assets

Upon initial recognition, all financial assets are initially recorded at fair value and designated into one of the following three categories: available-for-sale, loans and receivables, or at fair value through profit or loss (“FVTPL”). The designation depends on the purpose for which the financial assets were acquired.

Financial assets classified as available-for-sale are initially recorded at fair value plus transaction costs, and are subsequently carried at fair value. All unrealized gains and losses arising from changes in the fair value of assets classified as available-for-sale are recognized directly in other comprehensive loss, except for unrealized foreign exchange gains or losses on monetary financial assets and impairment losses which are recognized in the statement of loss. Any reversal of a previously recognized impairment loss on a non-monetary asset is recognized directly in other comprehensive loss. Realized gains and losses from the derecognition of available-for-sale assets are recognized in the consolidated statement of loss in the period derecognized with any unrealized gains or losses being recycled from other comprehensive loss. Balmat Holding has not classified any financial assets as available-for-sale.

Financial assets classified as loans and receivables are measured at amortized cost. Balmat Holding’s cash and cash equivalents and amounts receivable are classified as loans and receivables.

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through earnings. Balmat Holding has not designated any financial assets upon initial recognition as FVTPL. Transaction costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

Financial Liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss (“FVTPL”) or other financial liabilities. All of Balmat Holding’s financial liabilities are classified as other financial liabilities.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial liability, to, where appropriate, a shorter period. Balmat Holding’s accounts payable and accrued liabilities and due to related party are classified as other financial liabilities.

New Accounting Standards

(In thousands of U.S. dollars, except per share data)

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or IFRIC. Some updates that are not applicable or are not consequential to Balmat Holding may have been excluded.

IFRS 9, Financial Instruments: Classification and Measurement is the first part of a new standard on classification and measurement of financial assets that will replace IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 has two measurement categories: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is measured at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is measured at fair value through profit or loss. The standard was initially effective for annual periods beginning on or after January 1, 2013, but the complete version of IFRS 9, issued in July 2014, moved the mandatory effective date to January 1, 2018. Balmat Holding expects to adopt this standard effective January 1, 2018 and has not yet assessed the impact on its financial reporting.

On January 13, 2016, the IASB issued IFRS 16, Leases ("IFRS 16"), according to which, all leases will be on the Statement of Financial Position, except those that meet the limited exception criteria. The standard is effective for annual periods beginning on or after January 1, 2019. Balmat Holding has not yet assessed the impact of IFRS 16 on its financial statements.

4. PREPAID EXPENSES AND OTHER CURRENT ASSETS

In the normal course of business, Balmat Holding pays in advance for goods and/or services to be received in the future. Our prepaid expense balances at December 31, 2016, 2015 and 2014 were comprised of the following:

	December 31, 2016	December 31, 2015	December 31, 2014	January 1, 2014
Prepaid insurance	$ 1	$ 4	$ 15	$ 29
Prepaid property taxes	153	151	142	141
Prepaid employee benefits	11	13	-	-
Other receivables	-	4	-	-
Total prepaid expenses and other current assets	$ 165	$ 172	$ 157	$ 170

All amounts are being amortized over the time period associated with the prepaid expense.

5. PARTS AND SUPPLIES INVENTORY

Parts and supplies inventories, which includes critical spare parts and other replacement parts, are valued at the lower of cost and net realizable value. As of December 31, 2016, 2015 and 2014 and January 1, 2014, the values of Balmat Holding's parts and supplies inventories totaled $499, $500, $742 and $742, respectively.

6. RESTRICTED CASH

Balmat Holding maintains a certificate of deposit of $1,663 as financial assurance for the New York State Department of Environmental Conservation's (NYSDEC) mined land regulations. The certificate of deposit renews annually for additional terms of one year or more unless otherwise approved by the NYSDEC.

7. PROPERTY, PLANT and EQUIPMENT

As of December 31, 2016, 2015 and 2014 and January 1, 2014, the carrying values of Balmat Holding's property, plant and equipment totaled $296, $0, $0 and $0, respectively, due to impairment write-downs taken by Balmat Holding in prior years. The balance of $296 at December 31, 2016 related to work being performed on the electrical substation at the Empire State Mine that was classified as construction-in-progress at year-end.

(In thousands of U.S. dollars, except per share data)

There was no depreciation expense for the years ended December 31, 2016, 2015 and 2014.

8. MINERAL PROPERTIES

Mineral properties in the amount of $2,500 represent the value of exploration properties purchased on September 23, 2003. As Balmat Holding's operations were limited to care and maintenance activities, no amortization expense was recognized for the years ended December 31, 2016, 2015 and 2014.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Our accounts payable and accrued liabilities balances as of December 31, 2016, 2015 and 2014 and January 1, 2014 were comprised of the following:

	December 31, 2016	December 31, 2015	December 31, 2014	January 1, 2014
Trade payables	$ 348	$ 38	$ 95	$ 114
Accrued wages	10	11	6	29
Accrued electricity	30	-	30	34
Other accrued expense	6	1	42	47
Total accounts payable and accrued liabilities	$ 394	$ 50	$ 173	$ 224

10. DEBT

On March 15, 2016, SLZ issued a $500 promissory note bearing interest at 2.3% per annum to the Development Authority of the North Country, a New York public benefit trust ("DANC"). The maturity date of the note is April 1, 2017, and SLZ is obligated to pay interest-only payments on a monthly basis beginning April 1, 2016. Pursuant to the terms of the note, SLZ granted a security interest in certain of its machinery and equipment as well as mining rights to DANC. In addition, unconditional guarantees were provided by Balmat Holding and Star Mountain. During the year ended December 31, 2016, SLZ paid $8 in interest. Net proceeds received after fees were $490.

The DANC note was subsequently repaid in full on January 4, 2017 in conjunction with the closing of Titan's acquisition of Balmat Holding.

11. RELATED PARTY TRANSACTIONS

In recent years, Balmat Holding has relied on advances from its parent companies (Hudbay, then Star Mountain and now Titan) to meet its obligations as they became due. These advances have been unsecured, non-interest bearing and have no fixed terms of repayment. As the majority of these advances under Hudbay's ownership were funded in Canadian dollars, any movements in exchange rates were recognized in the statement of operations through June 30, 2015 when Hudbay switched its functional currency from the Canadian dollar to the U.S. dollar.

The accumulated advances owed to Hudbay were exchanged for 122 shares of Balmat Holding's common stock just prior to Star Mountain's acquisition of Balmat Holding on November 2, 2015. Similarly, the accumulated advances owed to Star Mountain were written off to additional paid in capital just prior to Balmat Holding's acquisition by Titan on December 30, 2016.

(In thousands of U.S. dollars, except per share data)

The accumulated advances outstanding as of December 31, 2016, 2015 and 2014 and January 1, 2014 were comprised of:

	December 31, 2016	December 31, 2015	December 31, 2014	January 1, 2014
Due to Star Mountain	$ -	$ 402	$ -	$ -
Due to Hudbay	-	-	103,626	109,974
	$ -	$ 402	$ 103,626	$ 109,974

The above related party transactions have been recorded at the amounts agreed to and exchanged between the parties.

12. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT

Balmat Holding's financial instruments are classified into the following categories of financial assets and liabilities (shown at carrying value):

Category	Measurement	December 31, 2016	December 31, 2015	December 31, 2014	January 1, 2014
Cash and cash equivalents	Loans and receivables	$ 81	$ 82	$ 103	$ 58
Restricted cash	Loans and receivables	1,663	1,663	1,663	1,663
Accounts payable and accrued liabilities	Other financial liabilities	394	50	173	224
Note payable	Other financial liabilities	500	-	-	-
Due to related parties	Other financial liabilities	-	402	103,626	109,974

The carrying values of Balmat Holding's financial instruments in the table above approximate their fair value as a result of their short-term nature.

Financial Risk Management

Balmat Holding is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure and attempts to manage the risk, where possible. These risks include market risk, liquidity risk and credit risk.

a) Market risk

Market risk represents the risk that the fair value of cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised by three types of risk: interest rate risk, foreign currency risk and other price risk.

(i) Interest rate risk

Interest rate risk consists of the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Balmat Holding is not materially exposed to interest rate risk at this time.

(ii) Foreign exchange risk

Foreign exchange risk represents the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate. As of December 31, 2016, Balmat Holding was not exposed to foreign exchange risk.

(ii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. Balmat Holding has no financial instruments exposed to other price risk at December 31, 2016.

b) Liquidity risk

Liquidity risk is the risk that Balmat Holding will encounter difficulty in satisfying financial obligations as they fall due. Balmat Holding manages its liquidity risk by forecasting cash flows required by operations and anticipated investing and financing activities.

Balmat Holding has relied principally upon parent company advances for financing. Balmat Holding intends to continue relying upon advances from its parent company to finance its future activities for at least as long as Balmat Holding's Empire State Mine remains on care and maintenance. There can be no assurance that such parent company advances will be available on a timely basis or under terms acceptable to Balmat Holding. See discussion of going concern in Note 1.

c) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation. Credit risk arises for Balmat Holding from cash and cash equivalents held with banks and financial institutions, as well as its restricted cash deposits being held as assurance for the funding of future reclamation costs associated with Balmat Holding's asset retirement obligation. Balmat Holding's maximum exposure to credit risk is equal to the carrying value of its financial assets.

13. COMMITMENTS AND CONTINGENCIES

Royalty Payments

On a portion of the Empire State Mine's mineral leases, Balmat Holding is subject to royalty payments of up to 4% of the net smelter return of ore removed from these properties.

Regulatory Oversite

In the normal course of business, Balmat Holding is subject to regulation and examination by the Mine Safety and Health Administration (MSHA), the organization responsible for enforcement of compliance with MSHA standards as a means to eliminate mine-related accidents and injuries.

Potential Environmental Contingency

Our exploration and development activities are subject to various federal and state laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. Balmat Holding conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. We have made, and expect to make in the future, expenditures to comply with such laws and regulations.

(In thousands of U.S. dollars, except per share data)

14. INCOME TAXES

The provision for income taxes reported differs from the amount computed by applying the cumulative Federal and State tax rates to the loss before the tax provision due to the following:

	December 31,		
	2016	2015	2014
Income for the year	$ 1,916	$ 10,161	$ 6,464
Statutory tax rate	39%	39%	39%
Expected tax expense (recovery)	747	3,963	2,521
Non-deductible expenses	(2,532)	(8,941)	(3,549)
Unrecognized tax losses	1,785	4,978	1,028
Income tax expense (recovery)	$ -	$ -	$ -

Balmat Holding recognizes tax benefits on losses or other deductible amounts where the probable criteria for the recognition of deferred tax assets has been met. Balmat Holding's unrecognized deductible temporary differences and unused tax losses for which no deferred tax asset is recognized consist of non-capital losses at December 31, 2016 were $35,993 (2015 - $34,208, 2014 - $29,240) which expire between 2034 and 2036.

Balmat Holding has not made any adjustments to deferred tax assets or liabilities. Balmat Holding did not identify any material uncertain tax positions of Balmat Holding on returns that have been filed or that will be filed. Balmat Holding has not had income from operations and has deferred items consisting entirely of unused net operating losses as disclosed above. Since it is unknown whether this net operating loss will ever produce a tax benefit, even if examined by taxing authorities and disallowed entirely, there would be no effect on the financial statements.

Balmat Holding has filed the federal income tax return in the U.S. for the years ended December 31, 2015 and 2014. The tax years ended December 31, 2016, 2015 and 2014 are open for examination for federal income tax purposes and by other major taxing jurisdictions to which we are subject.

15. ASSET RETIREMENT OBLIGATION

Balmat Holding's provision for environmental rehabilitation consists of costs accrued based on the current best estimate of mine closure and reclamation activities that will be required at the Empire State Mine site upon completion of mining activity. These activities include costs for earthworks, including land re-contouring and revegetation, water treatment and demolition. Balmat Holding's provision for future site closure and reclamation costs is based on the level of known disturbance at the reporting date, known legal requirements and estimates prepared by internal and third party specialists.

Activity in the asset retirement obligation account for the years ended December 31, 2016, 2015 and 2014 was as follows:

	December 31,		
	2016	2015	2014
Beginning balance	$ 18,467	$ 18,599	$ 18,632
Accretion expense	419	404	325
Revisions to cost estimates	(4,775)	(536)	(358)
Ending balance	$ 14,111	$ 18,467	$ 18,599

For the years ended December 31, 2016, 2015 and 2014, Balmat Holding revised its accounting estimates related to its asset retirement obligation due to revisions in estimated future cash flows. These estimated future cash flows reflect management's expectations for when these reclamation and closure activities will be settled at or near the closure of the Empire State Mine's mining and process facilities. At December 31, 2016, 2015 and 2014 Balmat Holding used an inflation rate of 2.00% and discount rates of 2.45%, 2.27% and 2.17%, respectively.

16. COMMON STOCK

Authorized: 2,500 shares, no par value. 222 shares issued and outstanding at December 31, 2016 and 2015 and 100 shares issued and outstanding at December 31, 2014 and January 1, 2014. As of December 31, 2016, all 222 of the issued and outstanding shares were held indirectly by Titan through a wholly-owned subsidiary.

During the year ended December 31, 2015, Balmat Holding issued 122 shares of its common stock to Hudbay as settlement in full of all intercompany loans owed to Hudbay. These shares were in-turn acquired by Star Mountain on November 2, 2015 and then by Titan on December 30, 2016 in conjunction each company's acquisition of Balmat Holding on those dates.

17. SEGMENT INFORMATION

Balmat Holding's only operating segment is its Empire State Mine mine/mill complex in upper New York State.

18. LITIGATION/REGULATORY REVIEWS

Balmat Holding is party to various audits and reviews by Mine Safety and Health Administration and other government agencies arising in the normal course of business. In the opinion of management, there are no regulatory or environmental reviews or audits pending against Balmat Holding that are likely to have a material adverse effect on its financial position, results of operations or cash flows.

19. SUBSEQUENT EVENTS

None.

SCHEDULE A

TITAN MINING CORPORATION
(the "Company")

AUDIT COMMITTEE CHARTER

The Audit Committee (the "Committee") is a committee of the Board of Directors (the "Board") of Titan Mining Corporation (the "Company") to which the Board delegates its responsibilities for the oversight of the accounting and financial reporting process and financial statement audits.

The Committee will:

(a) review and report to the Board on the following before they are published:

(i) the financial statements and MD&A (management discussion and analysis) (as defined in National Instrument 51-102) of the Company;

(ii) the auditor's report, if any, prepared in relation to those financial statements; and

(iii) all other filings with regulatory authorities and any other publicly disclosed information containing the Company's financial statements, including any certification, report, opinion or review rendered by the independent accountants, and all financial information and earnings guidance intended to be provided to analysts and the public or to rating agencies, and consider whether the information contained in these documents is consistent with the information contained in the financial statements.

(b) review the Company's annual and interim earnings press releases, if any, before the Company publicly discloses this information;

(c) satisfy itself that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements and periodically assess the adequacy of those procedures;

(d) recommend to the Board the external auditor to be nominated for the purposes of preparing and issuing an auditor's report or performing other audit, review or attest services for the Company and the compensation of such external auditor;

(e) be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting;

(f) monitor and report to the Board on the integrity of the financial reporting process and the system of internal controls that management and the Board have established;

(g) establish procedures for:

(i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and

(ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

(h) pre-approve all non-audit services to be provided to the Company or its subsidiary entities by the Company's external auditor, including as contemplated by National Instrument 52-110;

(i) review and approve the Company's hiring of partners, employees and former partners and employees of the external auditor of the Company;

(j) with respect to ensuring the integrity of disclosure controls and internal controls over financial reporting, understand the process utilized by the Chief Executive Officer and the Chief Financial Officer to comply with National Instrument 52-109;

(k) review any changes proposed by management to accounting policies and report to the Board on such changes;

(l) oversee the opportunities and risks inherent in the Company's financial management and the effectiveness of the controls thereon;

(m) review major transactions (acquisitions, divestitures and funding), in respect of which a special committee of the Board is not established;

(n) review the reports of the Chief Executive Officer and Chief Financial Officer regarding any significant deficiencies or material weaknesses in the design of operation of internal controls and any fraud that involves management or other employees of the Company who have a significant role in managing or implementing the Company's internal controls and evaluate whether the internal control structure, as created and as implemented, provides reasonable assurances that transactions are recorded as necessary to permit the Company's external auditor to reconcile the Company's financial statements in accordance with applicable securities laws;

(o) review with management the adequacy of the insurance and fidelity bond coverage, reported contingent liabilities, and management's assessment of contingency planning. Review management's plans regarding any changes in accounting practices or policies and the financial impact of such changes, any major areas in management's judgment that have a significant effect upon the financial statements of the Company, and any litigation or claim, including tax assessments, that could have a material effect upon the financial position or operating results of the Company;

(p) periodically review and discuss with the external auditor all significant relationships the external auditor has with the Company to determine the independence of the external auditor, including a review of service fees for audit and non-audit services; and

(q) consider, in consultation with the external auditor, the audit scope and plan of the external auditor and approve the proposed audit fee and the final fees for the audit.

Composition of the Committee

The Committee shall be composed of at least three independent directors. Independence of the Board members will be as defined by applicable legislation and as a minimum each committee member will have no direct or indirect relationship with the Company which, in the view of the Board, could reasonably interfere with the exercise of a member's independent judgement.

All members of the Committee must be financially literate or must become financially literate within a reasonable period of time after his or her appointment to the Committee. "Financial literate" means that such member has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. One or more members of the Committee shall, in the judgment of the Board, have accounting or financial management expertise.

Appointing Members

The members of the Committee shall be appointed or re-appointed by the Board on an annual basis. Each member of the Committee shall continue to be a member thereof until such member's successor is appointed, unless such member shall resign or be removed by the Board or such member shall cease to be a director of the Company. Where a vacancy occurs at any time in the membership of the Committee, it may be filled by the Board and shall be filled by the Board if the membership of the Committee is less than three directors as a result of the vacancy or the Committee no longer has a member who has, in the judgment of the Board, accounting or financial management expertise.

Authority

The Committee has the authority to engage independent counsel and other advisors as it deems necessary to carry out its duties and the Committee will set the compensation for such advisors.

The Committee has the authority to communicate directly with and to meet with the external auditors and the internal auditor, without management involvement. This extends to requiring the external auditor to report directly to the Committee.

The Committee has the authority to approve, if so delegated by the board of directors, the interim financial statements and management discussion and analysis and to cause the filing of the same together with all required documents and information with the securities commissions and other regulatory authorities in the required jurisdictions.

The Committee shall have full access to the books, records and facilities of the Company in carrying out its responsibilities.

The Board shall adopt resolutions which provide for appropriate funding, as determined by the Committee, for (i) services provided by the external auditor in rendering or issuing an audit report, (ii) services provided by any adviser employed by the Committee which it believes, in its sole discretion, are needed to carry out its duties and responsibilities, or (iii) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties and responsibilities.

Reporting

The reporting obligations of the Committee will include:

(a) reporting to the Board on the proceedings of each Committee meeting and on the Committee's recommendations at the next regularly scheduled directors meeting; and

(b) reviewing and reporting to the Board on its concurrence with the disclosure required by Form 52-110F1 in any management information circular prepared by the Company.

Meetings

The time and place of meetings of the Committee and the procedure at such meetings shall be determined from time to time by the members thereof provided that:

- A quorum for meetings shall be at least a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permit all persons participating in the meeting to speak and hear each other;
- The Committee shall meet at least quarterly (or more frequently as circumstances dictate); and
- Notice of the time and place of every meeting shall be given in writing or facsimile communication to each member of the Committee and the external auditors of the Company at least 48 hours prior to the time of such meeting.

While the Committee is expected to communicate regularly with management, the Committee shall exercise a high degree of independence in establishing its meeting agenda and in carrying out its responsibilities. The Committee shall submit the minutes of all meetings of the Committee to, or discuss the matters discussed at each Committee meeting with, the Board.

The members of the Committee must elect a chair from among the members of the Committee. On request of the auditor of the Company, the chair of the Committee must convene a meeting of the Committee to consider any matter that the auditor believes should be brought to the attention of the directors or shareholders.

Adopted June 1, 2017

CERTIFICATE OF ISSUER

Date: October 12, 2017

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required under the securities legislation of each of the provinces and territories of Canada, other than Québec.

By: (Signed) RICHARD W. WARKE
Chief Executive Officer

By: (Signed) SAURABH HANDA
Chief Financial Officer

On behalf of the Board of Directors

By: (Signed) Purni Parikh
Director

By: (Signed) Len Boggio
Director

CERTIFICATE OF THE UNDERWRITERS

Date: October 12, 2017

To the best of our knowledge, information and belief, this prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required under the securities legislation of each of the provinces and territories of Canada, other than Québec.

SCOTIA CAPITAL INC. By: (Signed) Elian Terner	CANACCORD GENUITY CORP. By: (Signed) Gunnar Eggertson	NATIONAL BANK FINANCIAL INC. By: (Signed) Morten Eisenhardt

PI FINANCIAL CORP.
By: (Signed) Dan Barnholden

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CERTIFICATE OF THE PROMOTER

Date: October 12, 2017

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of each of the provinces and territories of Canada, other than Québec.

By: (Signed) RICHARD W. WARKE

TITAN