TITAN MINING CORPORATION
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2022
(Unaudited)

Notice of No Auditor Review of Condensed Interim Consolidated Financial Statements

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Professional Chartered Accountants for a review of interim financial statements by an entity's auditor.

TITAN MINING CORPORATION

Condensed Consolidated Interim Statement of Financial Position

(Expressed in thousands of US dollars - Unaudited)

	Notes		March 31, 2022		December 31, 2021
Assets					
Current assets					
Cash and cash equivalents		$	3,236	$	6,041
Trade and other receivables	6		2,901		3,293
Inventories	7		4,221		3,886
Other current assets			5,206		4,269
			15,564		17,489
Non-current assets					
Mineral properties, plant and equipment	8		56,712		57,483
Right-of-use assets	9a		426		600
Restricted cash	10		1,753		1,753
Other assets			300		300
Total assets		**$**	**74,755**	**$**	**77,625**
Liabilities					
Current liabilities					
Accounts payable and accrued liabilities		$	4,342	$	4,060
Dividends payable			1,112		1,096
Lease liabilities	9b		304		417
Debt	11		32		95
Acquisition obligations	13b		1,025		1,025
			6,815		6,693
Non-current liabilities					
Loan from related party	12a		27,220		26,609
Lease liabilities	9b		142		204
Debt	11		8,012		8,008
Reclamation and remediation provision			18,163		19,088
Total liabilities			60,352		60,602
Shareholders' equity					
Equity attributable to shareholders of the Company					
Share capital			61,076		61,076
Reserves			8,985		7,843
Deficit			(55,658)		(51,896)
Total equity			14,403		17,023
Total liabilities and shareholders' equity		**$**	**74,755**	**$**	**77,625**

Nature of operations and going concern (Note 1)

The notes form an integral part of these unaudited condensed consolidated interim financial statements.

TITAN MINING CORPORATION
Condensed Consolidated Interim Statement of Income (Loss) and Other Comprehensive Income (Loss)
(Expressed in thousands of US dollars - Unaudited)

			Three Months ended March 31,		
	Notes		2022		2021
Revenue	**4**	$	13,963	$	10,945
Cost of Sales					
Operating expenses			$10,846		$7,903
Depreciation and depletion	8		$2,697		$2,679
			13,543		10,582
Income from mine operations			**420**		**363**
Exploration and evaluation expenses	5b		472		1,475
General and administration expenses	5a		829		669
Interest and other finance expenses	11a, 12a		678		636
Accretion income			(23)		(17)
Interest income			-		(7)
Foreign exchange loss (income)			1,098		(1,245)
Other income			(16)		(12)
			3,038		1,499
Net loss for the period			**2,618**		**1,136**
Other comprehensive income (loss)					
Items that may be reclassified to profit or loss					
Unrealized income (loss) on translation to reporting currency			1,117		(1,131)
Total comprehensive loss for the period		$	**1,501**	**$**	**2,267**
Basic and diluted loss per share		**$**	**0.02**	**$**	**0.01**
Weighted average shares outstanding (in ‘000)			**138,978**		**138,978**

The notes form an integral part of these unaudited condensed consolidated interim financial statements.

TITAN MINING CORPORATION

Condensed Consolidated Interim Statement of Changes in Equity

(Expressed in thousands of US dollars - Unaudited)

		Share capital				Reserves							
	Notes	Number ('000s)		Amount		Share options and warrants		Currency translation adjustment		Total		Deficit		Total equity
Balance, January 1, 2021, as previously reported		138,978	$	61,076	$	8,305	$	(1,583)	$	6,722	$	(50,157)	$	17,641
Share based compensation		-		-		301		-		301		-		301
Dividend declared		-		-		-		-		-		(2,193)		(2,193)
Total comprehensive loss for the year		-		-		-		820		820		454		1,274
Balance, December 31, 2021		138,978	$	61,076	$	8,606	$	(763)	$	7,843	$	(51,896)	$	17,023
Share based compensation		-		-		25		-		25		-		25
Dividend declared		-		-		-		-		-		(1,144)		(1,144)
Total comprehensive income for the period		-		-		-		1,117		1,117		(2,618)		(1,501)
Balance, March 31, 2022		138,978	$	61,076	$	8,631	$	354	$	8,985	$	(55,658)	$	14,403

The notes form an integral part of these unaudited condensed consolidated interim financial statements.

TITAN MINING CORPORATION
Condensed Consolidated Interim Statement of Cash Flows
(Expressed in thousands of US dollars - Unaudited)

	Notes		Three Months ended March 31 2022	2021
Operating activities				
Loss for the year before tax		$	(2,618)	(1,136)
Accretion income			(23)	(17)
Amortization of borrowing and transaction costs	12a		72	60
Depreciation and depletion of mineral property, plant and equipment	8		2,697	2,679
Depreciation of right-of-use assets	9c		114	113
Interest and borrowing expense accruals			591	579
Interest expense on lease liabilities	9c		10	11
Interest income accrual on restricted cash			-	(4)
Stock-based compensation			25	111
Unrealized foreign exchange gain (loss)			1,230	(1,150)
			2,098	1,246
Changes in non-cash working capital				
Trade and other receivables			393	(1,338)
Inventories			(400)	(7)
Other current assets			(938)	(95)
Change of equipment loan			-	61
Accounts payable and accrued liabilities			348	(1,062)
Net cash provided (used) in operating activities		$	1,501	(1,195)
Financing activities				
Dividends paid			(1,096)	-
Payment of interest, borrowing and transaction costs	11a		(116)	(130)
Payment of lease liabilities	9d		(122)	(123)
Repayment of equipment loans	11b		(2)	(95)
Net cash used by financing activities		$	(1,336)	(348)
Investing activities				
Additions to mineral properties, plant and equipment	8		(2,828)	(80)
Net cash used by investing activities		$	(2,828)	(80)
Effect of foreign exchange on cash and cash equivalents			(142)	3
Decrease in cash and cash equivalents			(2,805)	(1,620)
Cash and cash equivalents, beginning of year			6,041	7,502
Cash and cash equivalents, end of year		$	**3,236**	**5,882**

The notes form an integral part of these unaudited condensed consolidated interim financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

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, development and production of mineral properties. The Company holds a 100% indirect ownership interest in the Empire State Mine in Northern New York State, United States.

The Company's common shares are listed on the Toronto Stock Exchange and trade under the symbol "TI". The Company's head office is 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 realization of assets and the satisfaction of liabilities in the normal course of operations. These consolidated financial statements do not reflect the adjustments to carrying values of assets and liabilities that would be necessary should the going concern assumption prove to be inappropriate, and these adjustments could be material.

As at March 31, 2022, the Company had cash and cash equivalents of $3,236, working capital of $8,749, a net loss for the period ended March 31, 2022 of $2,618 and a deficit of $55,658. During the quarter ended March 31, 2022 the Company had cash inflows from operating activities of $1,501, cash outflows from financing activities of $1,336, and cash outflows from investing activities of $2,828.

Based on the Company's plan for Empire State Mine's operations and continued exploration drilling programs, and its current level of corporate overheads, the Company will require additional funding within the next twelve months. The Company has historically raised funds principally through the sale of securities and most recently, through the credit arrangement and advances from a related party. The Company expects that it will continue to obtain funding through similar or other means depending on market conditions and other relevant factors at the time. However, there can be no assurance that the Company will be able to obtain such additional funding or obtain it on acceptable terms. This material uncertainty casts significant doubt about the Company's ability to continue as a going concern.

2. 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 issued by the International Accounting Standards Board ("IFRS"). Accordingly, they do not include all 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.

On May 10, 2022, the Company's Board of Directors approved these condensed consolidated interim financial statements for issuance.

b) Basis of presentation

The accounting policies used in the preparation of these financial statements are the same as those applied in the Company's most recent audited consolidated annual financial statements for the year ended December 31, 2021.

(Expressed in thousands of US dollars, unless otherwise indicated - Unaudited)

c) Use of judgments and estimates

In preparing these condensed interim financial statements, management has made judgments and estimates that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expense. Actual amounts incurred by the Company may differ from these values.

The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended December 31, 2021.

COVID-19 Pandemic

During the first quarter of 2020 and subsequent to March 31, 2022, the COVID-19 pandemic has had a material impact on the global economy, the scale and duration of which remain uncertain. In March 2020, New York State Governor Cuomo issued Executive Orders requiring on site business premises workforce reductions followed by business closures for non-essential businesses. ESM took steps to reduce employee exposure to COVID-19 including, social distancing, cancellation of travel, limiting non-essential visitors and vendors, administrative staff working from home, limiting the number of personnel in meetings and shaft cages, and rearranging staff schedules such that no more than 50% of the workforce was on site at any one time. Precautionary adjustments to employee schedules and work locations relating to the COVID-19 pandemic made during the first quarter of 2020 were lifted by the end of the first three quarters of 2021. Depending on the duration and extent of the impact of COVID-19, the pandemic could materially impact the Company's results of operations, cash flows and financial condition and could result in material impairment charges to the Company's property, plant and mine development and Inventories. Furthermore, the impact of inflation and supply chain disruptions on the Company's financial position, operational performance, or cash flows over the next twelve months cannot be determined with any degree of certainty.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in these condensed consolidated interim financial statements are the same as those applied in the Company's annual audited consolidated financial statements as at and for the year ended December 31, 2021.

4. REVENUES

	Three months ended March 31,	
	2022	2021
Zinc concentrate sales	$ 16,258	$ 14,863
Zinc concentrate provisional pricing adjustments	(170)	(17)
Smelting and refining charges	(2,125)	(3,901)
Revenue, net	$ 13,963	$ 10,945

Zinc concentrate pricing consists of provisional and final pricing adjustments made prior to the finalization of the sales contract. During 2021, the Company entered into fixed zinc pricing arrangements pursuant to its existing offtake agreement with an affiliate of Glencore Ltd. for approximately 50% of the Company's zinc production for the second half of 2021 and approximately 60% of production for the first quarter of 2022. The arrangement for 2021 fixed the zinc price for a six-month period covering July 2021 to December 2021 at a price of $1.35 per pound of zinc. The arrangement for the first quarter of 2022 covers the period of January 2022 to March 2022 and fixed the price at $1.50 per pound of zinc. Additionally, the Company entered into a fixed zinc pricing arrangement for 50% of the Company's budgeted zinc production for the second quarter of 2022 at a price of US$1.76 per pound of zinc. As at March 31, 2022, there was $4,320 classified as other current assets held as collateral against this arrangement. Production not subject to the fixed pricing arrangements is sold at market price.

(Expressed in thousands of US dollars, unless otherwise indicated - Unaudited)

5. OTHER OPERATING EXPENSES

a) General and administration expenses

		Three months ended		March 31,
		2022		2021
Salaries and benefits	$	521	$	328
Share-based compensation		23		99
Office and administration		155		91
Professional fees		95		33
Amortization of right-to-use assets		21		113
Investor relations		14		5
	$	829	$	669

b) Exploration and evaluation expenses

		Three months ended		March 31,
		2022		2021
Salaries and benefits	$	130	$	272
Drilling		-		513
Assay and analyses		21		19
Contractor and consultants		275		351
Supplies		5		263
Other		41		57
	$	472	$	1,475

		Three months ended		Mach 31,
		2022		2021
Empire State Mines		466	$	466
Mineral Ridge Project		-		1,000
Other		6		9
Exploration and Evaluation Expenses	$	472	$	1,475

Mineral Ridge Project

The Company signed an option agreement on the Mineral Ridge Property located in Esmeralda County, Nevada with Scorpio Gold Corporation ("Scorpio") through its US affiliates on August 31, 2020. Concurrent with the signing of the option agreement, Augusta Investments Inc. ("Augusta"), a company beneficially held by the Company's Executive Chairman subscribed to a private placement in Scorpio for an aggregate subscription price of $4,645. The investment in Scorpio resulted in a greater than 20% holding in the company and a board appointment right as long as Augusta maintains 10% ownership.

The Company terminated the option on June 1, 2021. The economic results of the extensive drilling program performed by the Company did not meet Titan's requirements to advance the project.

(Expressed in thousands of US dollars, unless otherwise indicated - Unaudited)

6. TRADE AND OTHER RECEIVABLES

	March 31, 2022	December 31, 2021
Trade receivables	$ 2,877	$ 3,225
GST receivable	20	16
Advances to related party	4	52
	$ 2,901	$ 3,293

7. INVENTORIES

	March 31, 2022	December 31, 2021
Ore in stockpiles	$ 135	$ 348
Concentrate stockpiles	-	238
Materials and supplies	4,086	3,300
	$ 4,221	$ 3,886

8. MINERAL PROPERTIES, PLANT AND EQUIPMENT

The Company depreciates its assets and expenses them to cost of sales over their estimated useful lives of the assets. The carrying value as at March 31, 2022 was as follows:

	Mineral properties	Plant and equipment	Land	Construction in progress	Total
Cost					
As at January 1, 2021	$ 46,713	$ 33,876	$ 1,081	$ -	$ 81,670
Additions	-	2,381	54	1,851	4,286
Change in reclamation and remediation provision	-	1,216	-	-	1,216
As at December 31, 2021	$ 46,713	$ 37,473	$ 1,135	$ 1,851	$ 87,172
Additions	-	441	-	2,387	2,828
Change in reclamation and remediation provision	-	(902)	-	-	(902)
As at March 31, 2022	$ 46,713	$ 37,012	$ 1,135	$ 4,238	$ 89,098
Accumulated depreciation					
As at January 1, 2021	5,343	$ 12,949	$ -	$ -	$ 18,292
Depreciation and depletion	6,328	5,069	-	-	11,397
As at December 31, 2021	11,671	$ 18,018	$ -	$ -	$ 29,689
Depreciation and depletion	1,304	1,393	-	-	2.697
As at March 31, 2022	$ 12,975	$ 19,411	$ -	$ -	$ 32,386
Net book value at December 31, 2021	$ 35,042	$ 19,455	$ 1,135	$ 1,851	$ 57,483
Net book value at March 31, 2022	$ 33,738	$ 17,601	$ 1,135	$ 4,238	$ 56,712

(Expressed in thousands of US dollars, unless otherwise indicated - Unaudited)

9. LEASES

a) Right-of-use assets

	Office space	Equipment	Total
As at January 1, 2021	$ 104	$ 682	$ 786
Additions	295	-	295
Changes to lease terms	(15)	-	(15)
Depreciation	(94)	(372)	(466)
As at December 31, 2021	$ 290	$ 310	$ 600
Changes to lease terms	(60)	-	(60)
Depreciation	(21)	(93)	(114)
As at March 31, 2022	$ 209	$ 217	$ 426

The Company shares office space with other companies related to it by virtue of certain directors and management in common. During the year ended December 31, 2021 and the quarter ended March 31, 2022, there were changes to the amount of office space attributable to the Company as reflected in changes to lease terms in the table above.

b) Lease liabilities

	Office space	Equipment	Total
As at January 1, 2021	$ 114	$ 686	$ 800
Additions	303	-	303
Changes to lease terms	(37)	-	(37)
Interest accretion	21	30	51
Lease payments	(101)	(395)	(496)
As at December 31, 2021	$ 300	$ 321	$ 621
Changes to lease terms	(66)	-	(66)
Interest accretion	5	5	10
Unrealized foreign exchange	3	-	3
Lease payments	(23)	(99)	(122)
As at March 31, 2022	$ 219	$ 227	$ 446

Current lease liabilities	$ 77	$ 227	$ 304
Non-current lease liabilities	142	-	142
	$ 219	$ 227	$ 446

The maturity analysis of the Company's contractual undiscounted lease liabilities as at March 31, 2022 is as follows:

	< 1 year	1 to 3 years	> 3 years	Total
Lease liabilities	$ 323	$ 152	$ -	$ 475

c) Amounts recognized in Statement of Income (Loss) and Other Comprehensive Income (Loss)

	Three months ended March 31, 2022
Interest on lease liabilities	$ 10
Depreciation of right-of-use assets	$ 114
Variable lease payments	$ 10
Expenses relating to short-term leases	$ 56

(Expressed in thousands of US dollars, unless otherwise indicated - Unaudited)

d) Amounts recognized in Statement of Cash Flows

	Three months ended March 31, 2022	
Payment of lease liabilities	$	122
Variable lease payments	$	10
Expenses relating to short-term leases	$	56

10. RESTRICTED CASH

Restricted cash comprises funds held in escrow for the New York State Department of Environmental Conservation as assurance for the funding of future reclamation costs associated with the Company's reclamation and remediation obligations. The funds are invested in a certificate of deposit which renews automatically for additional terms of one year or more.

11. DEBT

a) Bank indebtedness

On January 21, 2019, the Company and the Bank of Nova Scotia ("Lender") amended the $15,000 secured credit agreement (the "Credit Facility") whereby a maximum of $10,000 (the "Available Credit") was available to the Company on a revolving basis. Prior to March 31, 2019, the Lender was permitted to reduce the maximum amount available to $6,000, subject to the business and financial plan provided by the Company. The interest rate on the Available Credit is either LIBOR plus 4.25% or the Lender's base rate plus 3.25%, and the standby fee is 0.8% of the unadvanced portion of the Credit Facility. If the amount available is reduced to $6,000, the interest rate changes to LIBOR plus 2.25% or the Lender's base rate plus 1.25%, and the standby fee is 0.5625% of the unadvanced portion of the Credit Facility. A $6,000 guarantee was provided by a company controlled by Titan's Executive Chairman.

On May 31, 2019, the Company and the Lender further amended the Credit Facility whereby the Available Credit limit continues as $10,000 and the maturity date was extended to April 3, 2021. The interest rate on the Available Credit was changed to LIBOR plus 2.25% or the Lender's base rate plus 1.25%. In addition, the financial covenant requirement on the Credit Facility was removed.

In connection with the amendment, a $10,000 guarantee has been provided by a company controlled by Titan's Executive Chairman (the "Guarantor"), replacing the original $6,000 guarantee. In consideration for the guarantee, the Company issued 3,000,000 common shares with a fair value of $979 and 3,000,000 share purchase warrants with each warrant exercisable for one common share at price of $0.50 per share for a period of five years from the date of issuance with a fair value of $543 at the guarantee effective date for a total fair value of $1,522 recorded as borrowing costs. Such common shares and share purchase warrants were issued on June 14, 2019. The fair market values on the issuance date were $919 and $493, respectively. The difference of $110 was recorded as a gain on derivative liability during the year ended December 31, 2019.

As a result of the amendment, the Company extinguished the face value of the loan prior to the amendment and recorded the fair value of the new loan as at May 31, 2019. A $1,702 loss on the extinguishment of debt was recorded during the year ended December 31, 2019.

On January 8, 2021, the Company and the Lender further amended the $15,000 Credit Facility whereby the Available Credit limit continues as $10,000 and the maturity date was extended to April 3, 2022.

On December 20, 2021 the Company and the Lender further amended the $15,000 Credit Facility whereby the Available Credit limit continues as $10,000 and the maturity date was extended to April 3, 2023. A $2,000 payment was made against the Facility in the fourth quarter reducing the principal value to $8,000 leaving the Company with $2,000 of available credit as at December 31, 2021.

(Expressed in thousands of US dollars, unless otherwise indicated - Unaudited)

The carrying value as at March 31, 2022 was as follows:

		Principal		Interest and borrowing costs		Total
Balance, January 1, 2021	$	10,000	$	93	$	10,093
Repayment of loan		(2,000)		-		(2,000)
Accrued interest and borrowing costs		-		248		248
Accrued interest and borrowing costs paid		-		(254)		(254)
Balance, December 31, 2021	$	8,000	$	87	$	8,087
Accrued interest and borrowing costs		-		53		53
Accrued interest and borrowing costs paid		-		(116)		(116)
Balance, March 31, 2022	$	8,000	$	24	$	8,024

		As at March 31, 2022		As at Dec 31, 2021
Current	$	24	$	87
Non-current		8,000		8,000
	$	8,024	$	8,087

b) Equipment loans

The Company financed the purchase of equipment with a 36-month loan that bears interest at 5.95%.

The equipment loan balance as of March 31, 2022 was:

		March 31, 2022		December 31, 2021
Current	$	8	$	8
Non-current		12		8
	$	20	$	16

c) Paycheck Protection Program loan ("PPP")

On April 21, 2020, the Company's wholly owned subsidiary Empire State Mines, LLC applied for and received a loan totaling $2,409 under the U.S. Small Business Administration Paycheck Protection Program. Proceeds from this program have been used to assist U.S. small businesses during the COVID-19 pandemic in an effort to keep employees on the payroll and to contribute to utilities, rent and mortgage costs. The Company submitted the application for loan forgiveness in October 2020, and the loan and interest forgiveness were granted on June 10, 2021. The total of $2,437 is included in Other Income of The Statement of Income (Loss) and Other Comprehensive Income (Loss).

12. RELATED PARTY TRANSACTIONS

a) Loan from related party

On November 30, 2018, the Company entered a credit agreement with a company controlled by Titan's Executive Chairman, to establish a $18,710 subordinate general security credit facility ("Loan"). The initial advance of $3,710 bears interest at 8% per annum and advances on the subsequent $15,000 bear interest at a floating rate equal to 7% plus the greater of (i) LIBOR and (ii) 1%, per annum. Interest is payable in cash or shares of the Company. The Loan is subject to mandatory prepayment if the Company closes one or more financings that exceeds $30,000 in the aggregate or upon the occurrence of a change of control of the Company. The Loan is a non-revolving facility, and any repayment under the Loan shall not be re-borrowed. The Company is subject to certain general covenants with respect to the Loan.

Pursuant to the Loan, the Company was required to issue the related party 2,500,000 warrants. Each warrant entitles the holder to acquire one common share at a price of C$1.40 per share.

On January 21, 2019, the Company issued 2,500,000 warrants to a company controlled by Titan's Executive Chairman pursuant to the credit agreement. The fair market value of these warrants was $1,099 as at December 31, 2018 and was recorded as a warrant derivative liability and borrowing costs. The fair market value on the issuance date on January 21, 2019 was $1,028. The difference between December 31, 2018 and the issuance date was recorded as a gain on derivative liability of $71 during the year ended December 31, 2019.

On August 21, 2019, the Company entered an addendum to its Loan which made an additional $1,000 available to the Company under the same terms as the original agreement. As such, the Loan was increased to a total of $19,710.

On February 6, 2020, the Company was advanced an additional $1,000 under the same terms as the original agreement. As such, the Loan was increased to a total of $20,710.

On October 13, 2020, the Company repriced 2,500,000 warrants held by a company controlled by Titan's Executive Chairman in connection with the Credit Agreement between the Company and the lender pursuant to which the lender advanced to the Company a second-ranking secured non-revolving credit facility of up to $20,710. The exercise price of the warrants was repriced from C$1.40 to C$0.75. In consideration for the repricing, the due date for repayment of the Facility was extended by one additional year from November 30, 2020 to November 30, 2021. On December 31, 2020 the lender agreed to extend the term of the credit facility to April 5, 2022. An extension fee of $71 was paid by the Company and was recorded in the Consolidated Statement of Income (Loss) and Other Comprehensive Income (Loss) for the year ended December 31, 2020. $291 was recorded as an incremental borrowing cost related to the warrant repricing of the credit agreement which will be amortized over the remaining term of the agreement. As at December 31, 2020, the balance of this incremental borrowing costs was adjusted to $338 after the loan extension.

On December 20, 2021 the lender agreed to further extend the term of the credit facility to April 5, 2023. An extension fee of $75 was paid by the Company and was recorded in the Consolidated Statement of Income (Loss) and Other Comprehensive Income (Loss) for the year ended December 31, 2021. The incremental borrowing costs from the 2020 loan extension were amortized during the year and the balance was $76 as of December 31, 2021.

A summary of the carrying value as at March 31, 2022 was as follows:

(Expressed in thousands of US dollars, unless otherwise indicated - Unaudited)

		Principal		Interest and borrowing costs		Total
Balance, January 1, 2021	$	20,710	$	3,572	$	24,282
Accrued interest		-		2,065		2,065
Amortization of borrowing costs		-		262		262
Balance, December 31, 2021	$	20,710	$	5,899	$	26,609
Accrued interest		-		539		539
Amortization of borrowing costs		-		72		72
Balance, March 31, 2022	$	20,710	$	6,510	$	27,220

		March 31, 2022		December 31 2021
Non-current	$	27,220	$	26,609
	$	27,220	$	26,609

b) Management company

The Company shares office space, equipment, personnel, consultants and various administrative services with other companies related by virtue of certain directors and management in common. These services have been provided through a management company equally owned by each company party to the arrangement. Costs incurred by the management company are allocated and funded by the shareholders of the management company based on time incurred and use of services. If the Company's participation in the arrangement is terminated, the Company will be obligated to pay its share of the rent payments for the remaining term of the officed space rental agreement. The Company's obligation for future rental payments on March 31, 2022 was approximately $126, determined based on the Company's average share of rent paid in the immediately preceding 12 months. The Company has $183 of other assets classified as property, plant and equipment in connection with this arrangement.

The Company was charged for the following with respect to this arrangement in the quarter ended March 31, 2022.

	Three months ended March 31,			
		2022		2021
Salaries and benefits	$	200	$	179
Office and other		61		42
Marketing and travel		4		2
	$	265	$	223

c) Key management personnel compensation

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company, and comprises the Company's Executive Chairman, Chief Executive Officer, President, Chief Financial Officer, Chief Operating Officer and Directors.

(Expressed in thousands of US dollars, unless otherwise indicated - Unaudited)

	Three months ended March 31, 2022	2021
Salaries and benefits	$ 388	$ 92
Consulting fees	69	74
Share-based compensation	55	79
Directors' fees	14	38
	$ 526	$ 283

The Company entered into a consulting arrangement with Augusta Capital Corporation ("ACC"), a private company 100% beneficially held by the Titan's Executive Chairman in 2021. $69 was paid by the Company to ACC during the first quarter of 2022 and is classified as Consulting fees. Amounts paid to the Company's Executive Chairman in the first quarter of 2021 have been re-classified to Consulting fees from Salaries and benefits for comparative purposes.

The following amounts are outstanding as at December 31, 2021 and March 31, 2022 are included in accounts payable and accrued liabilities above.

	As of March 31, 2022	As of December 31, 2021
Salaries and benefits payable	$ 440	$ 434
Termination benefits payable – current	59	125
	$ 499	$ 559

d) Scorpio Gold Corporation

Refer to Note 5(b).

13. CONTINGENCIES

a) On December 30, 2016, pursuant to a purchase agreement between Titan Mining (US) Corporation (a wholly owned US subsidiary of the Company), Star Mountain Resources, Inc., Northern Zinc, LLC, and certain other parties (the "Purchase Agreement"), Titan (US) Corporation acquired from Northern Zinc 100% of the issued and outstanding shares of Balmat Holdings Corp. St. Lawrence Zinc Company, LLC, which owned the Empire State Mine, was a wholly owned subsidiary of Balmat Holdings Corp.

   On or about March 12, 2018, the Company received a letter from legal counsel to SGS Acquisition Company Limited ("SGS") dated March 9, 2018. The letter states that in 2016 SGS filed an action in the US District Court for the District of Colorado against certain parties including Star Mountain. The Company is not a named party in that case. SGS alleges the Company (a) has obligations to SGS under mutual indemnification provisions to Star Mountain for the breach of any representations, warranties or breaches of covenants under the Purchase Agreement and (b) failed to conduct its due diligence in connection with the Purchase Agreement, which allegedly interfered with SGS's ability to recover from Star Mountain. SGS is not a party to the Purchase Agreement. SGS states that "the net economic benefits lost to SGS resulting from Star Mountain's acts, and by extension, the Company, amount to approximately $28,300." The Company believes these claims are wholly without merit.

b) The acquisition obligation owing to Star Mountain remains outstanding pending, among other things, the outcome of a claim brought against Star Mountain by Aviano Financial Group LLC ("Aviano"). The Company received notice on October 10, 2017 that 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. The amended action of Aviano against Star Mountain was filed in the state of Colorado on October 12, 2017, adding claims for damages and a claim to set aside the alleged conveyance of Empire State Mine 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. While subsequent claims were filed by Aviano against Star Mountain, as of the date hereof and despite several years passing since the date of both the sale of Balmat Holdings Corp. to the Company and the threat by Aviano no litigation has been commenced by Aviano against the Company. The Company believes that the claim of fraudulent conveyance alleged by Aviano is wholly without merit and will defend against any action by Aviano if commenced.

On or about February 21, 2018, Star Mountain filed a voluntary petition commencing a Chapter 11 bankruptcy in the United States Bankruptcy Court for the District of Arizona. The filing of the bankruptcy case stayed the SGS and Aviano litigation against Star Mountain. The bankruptcy court has confirmed a Chapter 11 plan of liquidation in the bankruptcy proceedings, which went effective on July 8, 2019. The Chapter 11 plan provides for the appointment of a Plan Trustee to liquidate all of the remaining assets owned by Star Mountain, including causes of action owned by Star Mountain. The Chapter 11 plan indicates that the Plan Trustee will investigate, and may pursue, potential fraudulent conveyance claims against the Company. In August of 2019, the Plan Trustee sent a written demand to the Company to perform what the Plan Trustee asserts are the Company's remaining monetary obligations under the Purchase Agreement.

On November 19, 2019, the Plan Trustee filed a Complaint against the Company, Titan (US) Corporation, and certain former officers and directors of Star Mountain with the Arizona bankruptcy court. The Plan Trustee has filed a Second Amended Complaint (in response to motions to dismiss filed by the Company and Titan (US) Corporation). In his Second Amended Complaint, and as to the Company and Titan (US) Corporation, the Plan Trustee asserts: (a) a claim that the transaction under the Purchase Agreement should be avoided as a fraudulent conveyance as to Star Mountain under federal bankruptcy and state law; and (b) as purported alternative claims, that the Company and Titan (US) Corporation have breached their remaining payment obligations to Star Mountain related to the Purchase Agreement. The Company and Titan (US) Corporation have filed their Answer to the Complaint; they believe that the Plan Trustee's claims are wholly without merit; and they will continue to aggressively defend against the claims.

The Company believes that the potential claim of fraudulent conveyance alleged by Aviano, and all of the claims asserted by the Plan Trustee against the Company and Titan (US) are wholly without merit. Irrespective of the merits of any such claims, however, if a fraudulent conveyance claim is resolved adversely against the Company, this could materially adversely affect the Company by terminating its indirect interest in the Empire State Mine or by potentially resulting in a significant damage claim. Such a result would have a significant negative impact on the Company and could have a material effect on these financial statements.

c) The Company is from time to time involved in various legal proceedings related to its business. Except in the above described proceedings, management does not believe that adverse decisions in any pending or threatened proceeding or that amounts that may be required to be paid by reason thereof will have a material adverse effect on the Company's financial condition or results of operations.

(Expressed in thousands of US dollars, unless otherwise indicated - Unaudited)

14. FINANCIAL INSTRUMENTS

Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those whose carrying amounts are a reasonable approximation of fair value:

	March 31, 2022		December 31, 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities				
Lease liabilities	$ 475	$ 456	$ 685	$ 606
Bank indebtedness	$ 8,024	$ 7,982	$ 8,087	$ 8,065
Equipment loans	$ 20	$ 16	$ 16	$ 14
Loan from related party	$ 27,220	$ 26,033	$ 26,609	$ 26,040

Management assessed that the fair values of cash and cash equivalents, restricted cash, other current assets, other receivables, accounts payable, and dividends payable approximate their carrying amounts due to the short-term maturities of these instruments, and the fair value of acquisition obligations approximate their carrying value as they are non-interest bearing. Trade receivables subject to provisional pricing are already carried at fair value.

Fair values of the Company's lease liabilities, bank indebtedness, equipment loans, and loan from related-party are determined by using discounted cash flow models that use discount rates that reflect the issuer's borrowing rate as at the end of the reporting period.

The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability (interest rate, yield curves), or inputs that are derived principally from or corroborated observable market data or other means.

Level 3 inputs are unobservable (supported by little or no market activity). The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

All financial instruments measured at fair value use Level 2 valuation techniques.

There have been no transfers between fair value levels during the reporting period.

15. SEGMENTED INFORMATION

The Company operates one reportable segment, mineral production and exploration in the United States. The Company's non-current assets located in the United States total $58,765 and those located in Canada total $426.

(Expressed in thousands of US dollars, unless otherwise indicated - Unaudited)

16. SUPPLEMENTARY CASH FLOW INFORMATION

	Three months ended March 31,	
	2022	2021
Non-cash investing and financing activities		
Change in accounts payable and accrued liabilities with respect to construction in progress	(73)	288
Change in accounts payable and accrued liabilities with respect to inventories	(65)	(318)
Change in accounts payable and accrued liabilities with respect to operating expenses	397	(348)
Proceeds on sale of equipment used to reduce accounts payable	-	25
Change in reclamation and remediation asset	(969)	590