TITAN MINING CORPORATION
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 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		June 30, 2022		December 31, 2021
Assets					
Current assets					
Cash and cash equivalents		$	11,021	$	6,041
Trade and other receivables	6		2,831		3,293
Inventories	7		6,141		3,886
Other current assets			2,436		4,269
			22,429		17,489
Non-current assets					
Mineral properties, plant and equipment	8		54,003		57,483
Right-of-use assets	9a		311		600
Restricted cash	10		1,754		1,753
Other assets					300
Total assets		**$**	**78,497**	**$**	**77,625**
Liabilities					
Current liabilities					
Accounts payable and accrued liabilities		$	3,149	$	4,060
Dividends payable			1,079		1,096
Lease liabilities	9b		208		417
Debt	11		165		95
Acquisition obligations	13b		1,025		1,025
			5,626		6,693
Non-current liabilities					
Loan from related party	12a		-		26,609
Lease liabilities	9b		119		204
Debt	11		35,789		8,008
Reclamation and remediation provision			17,561		19,088
Total liabilities			59,095		60,602
Shareholders' equity					
Equity attributable to shareholders of the Company					
Share capital			61,076		61,076
Reserves			9,038		7,843
Deficit			(50,712)		(51,896)
Total equity			19,402		17,023
Total liabilities and shareholders' equity		**$**	**78,497**	**$**	**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)

	Note	Three months ended June 30, 2022	Three months ended June 30, 2021	Six months ended June 30, 2022	Six months ended June 30, 2021
Revenue	4	$ 20,128	$ 13,265	$ 34,091	$ 24,210
Cost of Sales					
Operating expenses		9,542	8,423	20,388	16,326
Depreciation and depletion		2,691	2,637	5,388	5,316
		12,233	11,060	25,776	21,642
Income from mine operations		**7,895**	**2,205**	**8,315**	**2,568**
Exploration and evaluation expenses	5b	490	1,541	962	3,016
General and administration expenses	5a	608	1,018	1,437	1,687
Interest and other finance expenses	11a,b,12a	706	651	1,384	1,287
Accretion income		(11)	(9)	(34)	(26)
Interest income		(7)	(5)	(7)	(12)
Foreign exchange loss (gain)		182	(480)	1,280	(1,725)
Other expense (income)	11d	3	(2,474)	(13)	(2,486)
		1,971	242	5,009	1,741
Net income for the period		**5,924**	**1,963**	**3,306**	**827**
Other comprehensive income (loss)					
Items that may be reclassified to profit or loss					
Unrealized loss on translation to reporting currency		27	(412)	1,144	(1,543)
Total comprehensive income (loss) for the period		**$ 5,951**	**$ 1,551**	**$ 4,450**	**$ (716)**
Basic and diluted earnings per share		**$ 0.04**	**$ 0.01**	**$ 0.02**	**$ 0.01**
Weighted average shares outstanding (in ‘000)		**138,978**	**138,978**	**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
Shares and share purchase warrants issued in private placements									
Share based compensation		-	-		301	-	301	-	301
Issue of share purchase warrants		-	-		-	-	-	(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		-	-		51	-	51	-	51
Dividend declared		-	-		-	-	-	(2,122)	(2,122)
Total comprehensive income for the period		-	-		-	1,144	1,144	3,306	4,450
Balance, June 30, 2022		138,978	$ 61,076		$ 8,657	$ 381	$ 9,038	$ (50,712)	$ 19,402

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 June 30, 2022	Three months ended June 30, 2021	Six months ended June 30, 2022	Six months ended June 30, 2021
Operating activities					
Profit (loss) for the period		$ 5,924	$ 1,963	$ 3,306	$ 827
Accretion expense		(11)	(9)	(34)	(26)
Amortization of borrowing and transaction costs	12a	25	64	97	124
Depreciation and depletion of mineral property, plant and equipment	8	2,691	2,637	5,388	5,316
Depreciation of right-of-use assets	9c	115	116	229	229
Forgiveness of PPP loan	11d	-	(2,437)	-	(2,437)
Interest and borrowing expense accruals		652	549	1,243	1,128
Interest expense on lease liabilities	9c	5	15	15	26
Interest income accrual on restricted cash		(1)	3	(1)	(1)
Stock-based compensation		26	102	51	213
Unrealized foreign exchange gain		(5)	(1,517)	1,225	(1,533)
		9,421	1,486	11,519	3,866
Changes in non-cash working capital					
Trade and other receivables		69	(133)	462	(1,471)
Inventories		(2,279)	(30)	(2,679)	(37)
Other current assets		2,770	48	1,832	(47)
Change of equipment loan		-	(48)	-	13
Accounts payable and accrued liabilities		(843)	(684)	(495)	(1,746)
Net cash generated in operating activities		9,138	639	10,639	578
Financing activities					
Dividends paid		(1,061)	-	(2,157)	-
Proceeds from bank indebtedness		35,779	-	35,779	-
Payment of bank indebtedness		(8,000)	-	(8,000)	-
Payment of related party loan		(20,710)	-	(20,710)	-
Payment of interest, borrowing and transaction costs	11a	(7,053)	-	(7,169)	(130)
Payment of lease liabilities	9d	(122)	(129)	(244)	(252)
Repayment of equipment loans	11b	(1)	41	(3)	(54)
Net cash used by financing activities		(1,168)	(88)	(2,504)	(436)
Investing activities					
Additions to mineral properties, plant and equipment	8	(273)	(1,398)	(3,101)	(1,478)
Net cash used by investing activities		(273)	(1,398)	(3,101)	(1,478)
Effect of foreign exchange on cash and cash equivalents		88	1,128	(54)	(3)
Increase (decrease) in cash and cash equivalents		7,785	281	4,980	(1,339)
Cash and cash equivalents, beginning of period		3,236	5,882	6,041	7,502
Cash and cash equivalents, end of period		**$ 11,021**	**$ 6,163**	**$ 11,021**	**$ 6,163**

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 June 30, 2022, the Company had cash and cash equivalents of $11,021, working capital of $16,803, a net profit for the period ended June 30, 2022 of $3,306 and a deficit of $50,712. During the quarter ended June 30, 2022, the Company had cash inflows from operating activities of $10,639, cash outflows from financing activities of $2,504, and cash outflows from investing activities of $3,101.

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 may 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 August 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 June 30, 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 June 30, 2022	Three months ended June 30, 2021	Six months ended June 30, 2022	Six months ended June 30, 2021
Zinc concentrate sales	$ 26,196	$ 14,538	$ 42,454	$ 29,401
Zinc concentrate provisional pricing adjustments	(1,636)	16	(1,806)	(1)
Smelting and refining charges	(4,432)	(1,289)	(6,557)	(5,190)
Revenue, net	$ 20,128	$ 13,265	$ 34,091	$ 24,210

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 two quarters 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

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

June 30, 2022, there was $2,788 classified as other current assets held as collateral against this arrangement. Production not subject to the fixed pricing arrangements is sold at market price.

5. OTHER OPERATING EXPENSES

a) General and administration expenses

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
Salaries and benefits	$ 224	$ 547	$ 745	$ 875
Share-based compensation	23	90	46	189
Office and administration	116	49	271	140
Professional fees	215	390	310	423
Amortization of right-to-use assets	21	(70)	42	43
Investor relations	9	12	23	17
	$ 608	$1,018	$ 1,437	$ 1,687

b) Exploration and evaluation expenses

	Three months ended June 30,		Six months ended June 30	
	2022	2021	2022	2021
Salaries and benefits	$ 97	$ 262	$ 227	$ 534
Drilling	-	82	-	595
Assay and analyses	37	430	58	449
Contractor and consultants	293	700	568	1,051
Supplies	9	(229)	14	34
Other	54	296	95	353
	$ 490	$ 1,541	$ 962	$ 3,016

	Three months ended June 30		Six months ended June 30	
	2022	2021	2022	2021
Empire State Mines	$ 468	$ 392	$ 934	$ 857
Mineral Ridge Project	-	1,140	-	2,140
Apache Hills Project	22	9	28	19
Exploration and Evaluation Expenses	$ 490	$ 1,541	$ 962	$ 3,016

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.

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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.

6. TRADE AND OTHER RECEIVABLES

		June 30, 2022		December 31, 2021
Trade receivables	$	2,809	$	3,225
GST receivable		24		16
Advances to related party		(2)		52
	$	2,831	$	3,293

7. INVENTORIES

		June 30, 2022		December 31, 2021
Ore in stockpiles	$	265	$	348
Concentrate stockpiles		1,454		238
Materials and supplies		4,422		3,300
	$	6,141	$	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 June 30, 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
Construction in progress allocation										
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		-		1,245		-		2,156		3,401
Change in reclamation and remediation provision		-		(1,493)		-		-		(1,493)
As at June 30, 2022	$	46,713	$	37,225	$	1,135	$	4,007	$	89,080
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		2,599		2,789		-		-		5,388
As at June 30, 2022	$	14,270	$	20,807	$	-	$	-	$	35,077
Net book value at December 31, 2021	$	35,042	$	19,455	$	1,135	$	1,851	$	57,483
Net book value at June 30, 2022	$	32,443	$	16,418	$	1,135	$	4,007	$	54,003

(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
Additions						
Changes to lease terms		(62)		2		(60)
Depreciation		(42)		(187)		(229)
As at June 30, 2022	$	186	$	125	$	311

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 June 30, 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
Unrealized foreign exchange						
Lease payments		(101)		(395)		(496)
As at December 31, 2021	$	300	$	321	$	621
Additions						
Changes to lease terms		(66)		1		(65)
Interest accretion		10		6		16
Unrealized foreign exchange		(1)		-		(1)
Lease payments		(47)		(197)		(244)
As at June 30, 2022	$	196	$	131	$	327
Current lease liabilities	$	77	$	131	$	208
Non-current lease liabilities		119		-		119
	$	196	$	131	$	327

The maturity analysis of the Company's contractual undiscounted lease liabilities as at June 30, 2022 is as follows:

		< 1 year		1 to 3 years		> 3 years		Total
Lease liabilities	$	222	$	127	$	-	$	349

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

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

	Three months ended June 30, 2022	Six months ended June 30, 2021
Interest on lease liabilities	$ 6	$ 16
Depreciation of right-of-use assets	$ 115	$ 229
Variable lease payments	$ 8	$ 18
Expenses relating to short-term leases	$ 90	$ 146

d) Amounts recognized in Statement of Cash Flows

	Three months ended June 30, 2022	Six months ended June 30, 2021
Payment of lease liabilities	$ 122	$ 244
Variable lease payments	$ 8	$ 18
Expenses relating to short-term leases	$ 90	$ 146

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- Bank of Nova Scotia

On June 6, 2022, the Company repaid the balance of the Credit Facility and associated interest and retired the loan.

	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	-	102	102
Accrued interest and borrowing costs paid	-	(189)	(189)
Repayment of loan	(8,000)	-	(8,000)
Balance, June 30, 2022	$ -	$ -	$ -

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

	As at Jun 30, 2022	As at Dec 31, 2021
Current	$ -	$ 87
Non-current	-	8,000
	$ -	$ 8,087

b) Bank indebtedness- National Bank of Canada

On June 6, 2022, the Company entered into a secured credit agreement for $40,000 (the "Credit Facility") with National Bank of Canada. The Credit Facility will be available to the Company on a revolving basis to consolidate the existing Bank of Nova Scotia and Related Party Loans and to finance the working capital and general corporate requirements with terms including the following:

• The Credit Facility will bear interest at SOFR plus 2.25% or National Bank's base rate plus 1.25%;

• The Company is required to pay a standby fee on the unadvanced portion of the Credit Facility with a rate of 0.5625%;

• The maturity date is December 6, 2023 and includes an annual extension option;

• The Credit Facility is subject to covenants that require the Company to maintain interest coverage ratio of not less than 4.0 to 1.0 and a total leverage ratio of not more than 3.0 to 1.

A guarantee for the Credit Facility was provided by a company controlled by Titan's Executive Chairman at an annual rate of 1.125%.

	Principal	Interest and borrowing costs	Total
Proceeds of loan	35,779	-	35,779
Accrued interest and borrowing costs	-	136	136
Amortization of borrowing costs	21	-	21
Balance, June 30, 2022	$ 35,800	$ 136	$ 35,936

	As at Jun 30, 2022	As at Dec 31, 2021
Current	$ 157	$ -
Non-current	35,779	-
	$ 35,936	$ -

c) 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 June 30, 2022 was:

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

		June 30, 2022		December 31, 2021
Current	$	8	$	8
Non-current		10		8
	$	18	$	16

d) 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).

		Principal		Interest and borrowing costs		Total
Proceeds	$	2,409	$	-	$	2,409
Accrued interest		-		28		28
Loan forgiveness		(2,409)		(28)		(2,437)
Balance, June 30, 2022	$	-	$	-	$	-

12. RELATED PARTY TRANSACTIONS

a) Loan from related party

On June 6, 2022 the Company repaid the balance of the Credit Facility and associated interest and retired the loan.

		Principal		Interest and borrowing costs		Total
Balance, January 1, 2021	$	20,710	$	3,572	$	24,282
Accrued interest		-		2,065		2,065
Repricing of warrant						
Loan extension						
Amortization of borrowing costs		-		262		262
Balance, December 31, 2021	$	20,710	$	5,899	$	26,609
Accrued interest		-		1,005		1,005
Accrued interest and borrowing costs paid		-		(6,980)		(6,980)
Amortization of borrowing costs		-		76		76
Repayment of loan		(20,710)		-		(20,710)
Balance, June 30, 2022	$	-	$	-	$	-

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

	June 30, 2022	December 31 2021
Current		
Non-current	$ -	$ 26,609
	$ -	$ 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 June 30, 2022 was approximately $141, 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 June 30, 2022.

	Three months ended June30,		Six months ended June30,	
	2022	2021	2022	2021
Salaries and benefits	$ 86	$ 284	$ 286	$463
Office and other	7	82	36	124
Marketing and travel	5	7	9	9
	$ 98	$ 373	$ 331	$596

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.

	Three months ended June30,		Six months ended June30,	
	2022	2021	2022	2021
Salaries and benefits	$ 189	$ 432	$ 646	$598
Share-base compensation	13	58	27	137
Directors' fees	54	40	109	78
	$256	$ 530	$ 782	$813

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

		As at June 30, 2022		As at December 31, 2021
Salaries and benefits payable	$	427	$	434
Termination benefits payable – current		-		125
	$	427	$	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.

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

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.

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:

	June 30, 2022		December 31, 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities				
Lease liabilities	$ 475	$ 349	$ 685	$ 606
Bank indebtedness	$ 35,936	$ 35,318	$ 8,087	$ 8,065
Equipment loans	$ 18	$ 16	$ 16	$ 14
Loan from related party	$ -	$ -	$ 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.

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

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 $55,757 and those located in Canada total $311.

16. SUPPLEMENTARY CASH FLOW INFORMATION

	Six months ended June 30,	
	2022	2021
Non-cash investing and financing activities		
Change in accounts payable and accrued liabilities with respect to construction in progress	(3)	(269)
Change in accounts payable and accrued liabilities with respect to inventories	(424)	201
Change in accounts payable and accrued liabilities with respect to operating expenses	369	16
Equipment purchases financed with debt	-	-
Proceeds on sale of equipment used to repay debt	-	-
Proceeds on sale of equipment used to reduce accounts payable	-	25
Change in reclamation and remediation asset	(1,493)	(106)