TITAN MINING CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2023

This Management's Discussion and Analysis ("MD&A") is intended to help the reader understand Titan Mining Corporation ("Titan", "we", "our" or the "Company"), our operations, financial performance, and current and future business environment. This MD&A is intended to supplement and complement our audited consolidated financial statements for the year ended December 31, 2022, prepared in accordance with International Financial Reporting Standards ("IFRS") and our unaudited consolidated financial statements for the three and six months ended June 30, 2023.

Additional information regarding Titan, including the risks related to our business and those that are reasonably likely to affect our financial statements in the future, is contained in our continuous disclosure materials, including our most recent Annual Information Form ("AIF"), consolidated financial statements and Management Information Circular, which are available on the Company's website at www.titanminingcorp.com and under the Company's profile on the SEDAR website at www.sedar.com.

This MD&A is dated August 11, 2023. All dollar amounts reported herein are in US dollars unless otherwise indicated.

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(In thousands of US Dollars, unless otherwise indicated)

OUR BUSINESS

Titan is a natural resource company engaged in the acquisition, exploration, development and production of mineral properties. Our corporate office is in Vancouver, British Columbia, and our shares are listed on the Toronto Stock Exchange under the symbol "TI".

The Company's principal asset is a group of 100%-owned, high-grade zinc mines located in the Balmat–Edwards mining district in northern New York State, near Gouverneur and 35 miles south of the Port of Ogdensburg and include the Empire State Mine's #2, #3, #4, Hyatt, Pierrepont and Edwards mines (collectively the "Empire State Mine" or "ESM") Titan declared commercial production at ESM on January 1, 2020. The Company also continues to maintain its unpatented mining claims in New Mexico, USA.

STRATEGY AND OUTLOOK

Titan's mission is to deliver extraordinary shareholder value through exploration, development and operational excellence.

Titan believes that the district surrounding ESM remains underexplored despite the long operating history of the district. The Company is focused on discovering and developing additional high-grade, low-cost mineral resources to feed the mill at ESM. ESM's #4 mine is connected to its #2 mine, and there is potential for significant mineral resource expansion which is expected to support production growth. Other historic mines and new targets within the district will be a focus for Titan's exploration team.

Mining and milling activities at ESM continued to increase during the past year with a record 52.5 million payable pounds of zinc produced. Increased productivities are expected to continue into 2023 and have better positioned the mine for future success. The decision to mine underground at the near-mine, fully permitted Turnpike project (formerly Sphaleros) rather than mine Hoist House, Turnpike and Pumphouse as smaller open pits is expected to improve operating efficiencies by adding incremental ore feed to the mill and allow for longer-lived production from the historic #2 mining zone.

In addition, the Company continues to examine various financing options to bolster the Company's treasury.

FINANCIAL AND OPERATIONAL SUMMARY

	Three months ended June 30,			Six months ended June 30,		
Financial Performance	**2023**	**2022**	**Change**	**2023**	**2022**	**Change**
Net loss (income) before tax	$ 4,841	$ (5,924)	$ 10,765	$ 3,738	$ (3,306)	$ 7,044
Operating cash inflow before changes in non-cash working capital	$ (110)	$ 9,421	$ (9,531)	$ 3,241	$ 11,519	$ (8,278)

Financial Condition	**June 30, 2023**	**December 31, 2022**
Cash and cash equivalents	$ 2,895	$ 6,720
Working capital	$ 12,721	$ 7,289
Total assets	$ 59,951	$ 65,999
Equity	$ 3,438	$ 10,513

(In thousands of US Dollars, unless otherwise indicated)

	Three months ended June 30,			Six months ended June 30,		
Operating Data	**2023**	**2022**	**Change**	**2023**	**2022**	**Change**
Payable zinc produced (mlbs)	15.0	16.5	(1.5)	28.8	26.5	2.3
Payable zinc sold (mlbs)	15.0	15.0	-	29.8	25.4	4.4
Average provisional zinc price (per lb)	$ 1.15	$ 1.74	$ (0.59)	$ 1.28	$ 1.67	$ (0.39)

HIGHLIGHTS

Significant events and operating highlights for the second quarter ended June 30, 2023 and up to the date of this MD&A include the following:

- There were no Lost Time Injuries during the second quarter.
- Tons milled were consistent with milling rates in the prior quarter and payable pounds of zinc produced were 9% higher than the prior quarter due to higher zinc grades than planned from Mahler and temporary suspension of mining activities in N2D.
- Announced results of surface and underground drilling programs. The surface drilling program included a total of 16,240 ft targeting modeled extents of near mine, near surface mineralization at the planned Turnpike (formerly Sphaleros) expansion project. Significant mineralized intercepts from surface include:
    - 49.5 feet assaying 9.3% zinc, 3.2% lead, and 24.3 g/t silver
    - Including 15.1 feet assaying 16.1% zinc, 5.2% lead, and 37.8 g/t silver
    - 27 feet assaying 13.2% zinc, 3.6% lead, and 30.6 g/t silver
    - Including 12.6 feet assaying 19.8% zinc, 5.6% lead, and 49.4 g/t silver
    - 26.3 feet assaying 14.9% zinc, 3.9% lead, and 34.9 g/t silver
    - 23.9 feet assaying 14% zinc, 3.7% lead, and 33.4 g/t silver
    - 15.5 feet assaying 14.9% zinc, 0.6% lead, and 6.9 g/t silver
- Underground exploration continues to target a newly identified zone of mineralization between the Mahler and New Fold mining areas, first announced in the company's press release dated January 31, 2023 (Titan Mining Announces Discovery of New Zone of Near-Mine Mineralization Including 48.7 ft at 23.91% Zinc). Assays from drill holes completed to date continue to support the robust nature of the zone.

(In thousands of US Dollars, unless otherwise indicated)

		2023		2022				
		Q2	**Q1**	**FY**[1]	**Q4**	**Q3**	**Q2**	**Q1**
Production								
Ore mined	tons	112,528	114,888	419,104	111,213	107,437	111,758	88,696
Ore milled	tons	112,082	114,261	425,022	112,751	109,587	110,416	92,268
Feed grade	zn %	8.1	7.4	7.5	7.9	6.5	9.1	6.7
Recovery	%	96.3	96.1	96.4	96.2	96.3	96.5	96.3
Payable zinc	mlbs	15.0	13.8	52.5	14.4	11.6	16.5	10.1
Concentrate grade	zn %	59.8	59.0	58.8	58.2	58	60.4	58.20
Zinc concentrate produced	tons	14,727	13,785	52,547	14,573	11,744	16,040	10,191
Sales								
Payable zinc	mlbs	15.0	14.8	51.1	13.0	12.6	15.0	10.4
Average provisional zinc price	$/lb	$ 1.15	1.42	$1.55	$1.36	$1.49	$1.74	$1.57
C1 cash cost per payable zinc pound sold[2]	$/lb	$ 1.05	$1.23	$1.11	$1.06	$1.26	$0.93	$1.25
Sustaining capital expenditures[2]	$/lb	$ 0.07	$0.03	$0.05	$0.02	$0.02	$0.01	$0.17
AISC[2]	$/lb	$ 1.12	$1.26	$1.16	$1.08	$ 1.28	$0.94	$1.42

(1) The full-year figure may not equal the sum of the quarters due to rounding.
(2) C1 cash cost, Sustaining Capital Expenditures, and All-In Sustaining Cost ("AISC") are non-GAAP measures. These terms are not standardized financial measures under IFRS and might not be comparable to similar financial measures disclosed by other issuers. See *Non-GAAP Performance Measures* below for additional information.

OPERATIONS REVIEW

Mining efforts in the second quarter of 2023 focused on the Mahler, New Fold, and Mud Pond zones. Mining activities were temporarily suspended in the N2D zone in response to lower than expected zinc prices. Waste development continued to advance on the Mahler ramp system which provided access to a high-grade ore horizon in the Lower Mahler mining zone. It is expected that ore from this zone will continue to support head grade at planned levels for the remainder of the year. The long hole stoping program for New Fold continued to produce ore in the second quarter but stope blasting is being paused to focus on a mining methods study and extraction sequence to maximize ore recovery.

Work on projects was minimal as muted zinc prices let the Company to reduce spending at ESM. While planning for future development of the Turnpike underground project (formerly "Sphaleros") continued, work was temporarily suspended in order to preserve cash. The Company' is committed to investing in the Turnpike project when zinc prices recover. The Company's decision to commence construction at the Turnpike project was not based on a technical report. See the risk factor titled "Construction at Sphaleros" in the risk factors section of the Company's MD&A for the year ended December 31, 2022. Development of additional ground support utilizing shotcrete in Newfold commenced in the first quarter and was completed in the second quarter. The counterweight rail replacement project in the #4 shaft started in the first quarter and was completed in the second quarter. There were no equipment purchases in the second quarter of 2023.

EXPLORATION UPDATE

Empire State Mine

Historic Data

The review, compilation, digitization, and modelling of historic data collected over approximately 100 years by the previous operators of ESM continues to contribute to the exploration success at ESM, with several near-mine mineralized zones identified, including the N2D zone and Turnpike.
Titan's exploration team has continued to generate additional near-mine and district targets using historic soil, stream sediment, drilling, and geophysical data. These historic data sets are also being utilized to identify additional near-surface mineralization in the vicinity of the other historic mining areas (Hyatt, Pierrepont, Edwards, and Rossie-Macomb), which are being prioritized for drill testing in 2023. The team continues to research and consolidate mineral rights interests in high priority target areas. Surface sampling and mapping is scheduled to continue in these priority areas in 2023.

Historic documentation of graphite bearing lithologies within St. Lawrence County, and elsewhere in New York state is under review.

2023 Drill Programs

Underground:

Drill programs in the second quarter of 2023 focused on exploring near mine targets within proximity to active mine areas. All underground drilling was completed with Company-owned underground drills by Company employees. A total of 12 holes totaling 6,235 ft were completed targeting mineralized extensions of New Fold and Mahler. Drilling is planned to continue to target Mahler and commence at Fowler in the third quarter of 2023.

Surface:

Surface drilling in the second quarter of 2023 focussed on delineating and expanding the known near surface mineralization within the footprint of the Turnpike project area. A total of 8 holes totaling 4,628 ft were completed testing the Streeter target.

One district exploration hole was completed in the second quarter at 24 Crescent, a near mine district target, totaling 796 ft. Regional drill targets have been identified for testing in the fourth quarter of 2023 with planning underway for 2024.

New Mexico

The Company began prospecting for base metals in an area of New Mexico in 2017. In 2018, the Company completed the first phase of its drilling program and was encouraged by the results. Annual claim maintenance fees have been renewed since allowing the Company to maintain control of the current land position while evaluating future exploration activities. No additional exploration activities were performed on the property during the first two quarters of 2023.

(In thousands of US Dollars, unless otherwise indicated)

TREND ANALYSIS

Selected Quarterly Information

	2023		2022				2021	
	Q2	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**
Revenues ($)	8,952	16,742	13,945	14,025	20,128	13,963	16,399	14,985
Net income (loss) ($)	(4,841)	1,103	(4,014)	(161)	5,924	(2,618)	1,358	(1,458)
Basic & diluted income (loss) per share ($)	(0.03)	0.01	(0.03)	-	0.04	(0.02)	-	(0.01)
Cash and cash equivalents ($)	2,895	7,411	6,720	13,568	11,021	3,236	6,041	5,357
Total assets ($)	59,951	67,916	65,999	78,199	78,497	74,755	77,625	77,810
Total liabilities ($)	56,513	58,953	55,486	62,147	59,095	60,352	60,602	60,814

Seasonality has a limited impact on the Company's operating results.

Total assets decreased in the fourth quarter of 2021, mainly due to increase of cash and cash equivalents, trade and other receivables, prepaid expenses, and other non-current assets, offset by decrease of inventories, mineral properties, plant and equipment, and right-of-use assets.

Total assets decreased in the first quarter of 2022 mainly due to a decrease of cash, mineral properties, plant and equipment, trade and other receivables, and right-of-use assets, net of additions of inventories and other current assets. Total assets increased in the second quarter of 2022 mainly due to an increase of cash and cash equivalents and inventory, offset by decrease of trade and other receivables, other current assets, mineral properties, plant and equipment, and right-of-use assets. Total assets decreased in the third quarter of 2022 mainly due to a decrease of trade and other receivables, inventories, other current assets, mineral properties, plant and equipment, and right-of-use assets, partially offset by an increase of cash and cash equivalents, derivative asset, and restricted cash. Total assets decreased significantly in the fourth quarter of 2022 mainly due to a decrease of cash and cash equivalents, derivative asset, other current assets, mineral properties, plant and equipment, and right-of-use assets, partially offset by an increase of trade and other receivable and inventories.

Total assets increased in the first quarter of 2023, mainly due to increase of cash and cash equivalents, derivative asset, and other current assets, partially offset by decrease of trade and other receivables, inventories, mineral properties, plant and equipment, and right-of-use assets. Total assets decreased in the second quarter of 2023, mainly due to decrease of cash and cash equivalents, right-of-use assets, trade and other receivables, restricted cash, other assets, and mineral properties, plant and equipment, partially offset by increased of derivative asset, other current assets, and inventories.

Net loss turned to net income in the fourth quarter of 2021 as a result of higher realized zinc prices and lower general & administration expenses and foreign exchange loss.

Net income turned to net loss in the first quarter of 2022 as a result of a decrease in zinc concentrate sold, and an increase of the operating expenses and foreign exchange loss. Net loss turned to income in the second quarter of 2022 as a result of higher realized zinc prices and lower general and administration expenses and foreign exchange loss, partially offset by higher operating, exploration and evaluation expenses and interest and other finance expenses. Net income turned to net loss again in the third quarter of 2022 as a result of lower realized zinc prices and higher operating, depreciation and depletion, exploration and evaluation expenses, and general and administration expenses, partially offset by higher foreign exchange gain, gain on derivative, and lower interest and other finance expenses. Net loss increased further in the fourth quarter of 2022 as a result of lower realized zinc prices and higher operating expenses, exploration and evaluation expenses, share based compensation, interest and other finance expenses, general and administration expenses, unrealized loss on derivative, loss on Star Mountain settlement, and lower foreign exchange gain, partially offset by realized gain on derivative and gain on modification.

Net loss turned to net income in the first quarter of 2023 as a result of higher unrealized gain on derivative and foreign exchange gain, and absence of loss on Star Mountain settlement booked in the prior quarter, partially offset by lower realized gain on derivative, gain on loan modification, higher general and administration expenses and interest and other finance expenses. Net income turned to net loss in the second quarter of 2023 as a result of lower revenue and unrealized gain on derivative, higher foreign exchange loss, interest and other finance expenses, partially offset by lower exploration and evaluation expenses, general and administration expenses, and higher realized gain on derivative.

Cash and cash equivalents increased in the fourth quarter of 2021 due to higher provisional price, net cash provided in operating activities, and less cash spent on capital assets, partially offset by repayment of debt and dividend distribution.

Cash and cash equivalents decreased in the first quarter of 2022 as a result of a decrease in zinc concentrate sold and an increase of operating expenses. Cash and cash equivalents increased in the second quarter of 2022 as a result of an increase in zinc concentrate sold and a decrease of operating expenses and fewer capital additions at ESM. Cash and cash equivalents increased in the third quarter of 2022 as a result of higher working capital generated from trade and other receivables, inventories, and accounts payable and accrued liabilities, partially offset by a loss for the period and higher cash used in financing and investing activities. Cash and cash equivalents decreased significantly in the fourth quarter of 2022 as a result of lower working capital generated from trade and other receivables, inventories, accounts payable and accrued liabilities, and higher cash used in financing and investing activities.

Cash and cash equivalents increased in the first quarter of 2023 as a result of net cash provided in operating activities, and less cash spent on financing activities, partially offset by cash spent on capital assets. Cash and cash equivalents decreased in the second quarter of 2023 as a result of higher cash used in operating activities, partially offset by less cash spent on capital assets and more cash generated from financing activities.

FINANCIAL REVIEW

Financial Results

($000's)		**Three months ended June 30**		**Six months ended June 30**
Net income for the 2022 period	$	5,924	$	3,306
Increase (decrease) in components of income:				
Revenues		(11,176)		(8,397)
Cost of sales		(1,859)		(5,527)
Other income		2,270		6,880
Net income (loss) for the 2023 period	$	(4,841)	$	(3,738)

During the period ended June 30, 2023, revenues decreased compared to the same period in 2022 as a result of zinc concentrate sold (Q2 2023 – 15.0 mlbs vs. Q2 2022 – 15.0 mlbs) at a lower average provisional price (Q2 2023 - $1.15/lb vs. Q2 2022 - $1.74/lb) and negative provisional and final pricing adjustments (Q2 2023 – negative $3,726 vs. Q2 2022 – negative $1,636).

During the first quarter of 2023, cost of sales increased with the increased volume of tons milled and inflationary operating expenditure increases.

During the period ended June 30, 2023, other expenses decreased compared to the same period of 2022 due to foreign exchange income, realized and unrealized gain on derivative, and interest income, which were partially offset by an increase of professional fees, exploration and evaluation expenses, interest and other finance expenses, share based compensation, and office and administration expenses.

Revenue

	Three months ended June 30,			Six months ended June 30,		
($000's)	**2023**	**2022**	**Change**	**2023**	**2022**	**Change**
Zinc concentrate sales	$ 17,255	$ 26,196	$ (8,941)	$ 38,308	$ 42,454	$ (4,146)
Zinc concentrate provisional pricing adjustments	(3,726)	(1,636)	(2,090)	(3,980)	(1,806)	(2,174)
Smelting and refining charges	(4,577)	(4,432)	(145)	(8,634)	(6,557)	(2,077)
Revenue, net	$ 8,952	$ 20,128	$ (11,176)	$ 25,694	$ 34,091	$ (8,397)

Revenues were lower during the period ended June 30, 2023 than the same period of 2022 due to zinc concentrate sold at a lower average provisional price. Specifically, revenues for the three months ended June 30, 2023 include sales of 15.0 million payable pounds of zinc (Q2 2022 – 15.0 million) at an average realized price per pound of $1.15 (Q2 2022 – $1.74). Revenues for the six months ended June 30, 2023 include sales of 29.8 million payable pounds of zinc (YTD Q2 2022 – 25.4 million) at an average realized price per pound of $1.28 (Q2 2022 – $1.67).

Cost of sales

	Three months ended June 30,			Six months ended June 30,		
($000's)	**2023**	**2022**	**Change**	**2023**	**2022**	**Change**
Operating expenses	$ 10,042	$ 10,130	$ (88)	$ 22,253	$ 19,946	$ 2,307
Transportation costs	975	983	(8)	1,826	1,556	270
Royalties	13	13	-	20	19	1
Depreciation and depletion	3,007	2,691	316	6,073	5,388	685
Change of Inventory	55	(1,584)	1,639	1,131	(1,133)	2,264
Total	$ 14,092	$ 12,233	$ 1,859	$ 31,303	$ 25,766	$ 5,527

In the three months ended June 30, 2023, cost of sales increased compared to the same period in 2022 due to increases in depreciation and change of inventory. Depreciation and depletion expense increased comparatively due to capital assets put into use and a higher number of tons mined. Change of inventory increase is a result of ending inventory level change due to timing difference of sale of zinc concentrate.

In the six months ended June 30, 2023, cost of sales increased compared to the same period in 2022 due to inflationary increases in operating expenses and transportation costs. Royalties, depreciation, and change of inventory also increased compared to the same period in 2022. The increase in operating expenses was due to a higher number of tons milled (YTD Q2 2023- 226,000 tons vs. YTD Q2 2022 – 203,000 tons) and inflationary pressures. Depreciation and depletion expense increased comparatively due to a higher number of tons mined.

The impact of inflation on the Company's financial position, operational performance, or cash flows over the next twelve months cannot be determined with any degree of certainty.

(In thousands of US Dollars, unless otherwise indicated)

Other income

	Three months ended June 30,				Six months ended June 30,			
	2023	2022	Change	%	2023	2022	Change	%
G&A expenses:								
Salaries and benefits	$ 250	$ 224	$ 26	12	800	745	55	7
Share-based compensation	97	23	74	>100	194	46	148	>100
Professional fees	208	215	(7)	(3)	1,327	310	1,017	>100
Office and administration	183	137	46	34	507	313	194	62
Investor relations	14	9	5	56	27	23	4	17
	$ 752	$ 608	$ 144	24	2,855	1,437	1,418	99
Exploration and evaluation ("E&E") expenses:								
Salaries and benefits	$ 129	$ 97	$ 32	33	276	227	49	22
Assay and analyses	39	37	2	5	132	58	74	128
Contractors and consultants	115	293	(178)	(61)	538	568	(30)	(5)
Other	43	63	(20)	(32)	117	109	8	7
	$ 326	$ 490	$ (164)	(33)	1,063	962	101	10

G&A expenses for the three months ended June 30, 2023 have increased 24% compared to the same period ended June 30, 2022 as a result of increases in share-based compensation due to issuance of stock options, office and administration expenses due to additional consulting fees and inflationary increases, partially offset by decreases of professional fees.

G&A expenses for the six months ended June 30, 2023 have increased over 99% compared to the same period ended June 30, 2022 as a result of increases in salaries and benefits, professional fees, share-based compensation, office and administration expenses, and investor relations. The most significant increases arose due to additional legal fee expenses related to the Star Mountain settlement and inflationary increases.

E&E expenses for the three months ended June 30, 2023 decreased 33% compared to the same period in 2022 as a result of less exploration activities performed at the Empire State Mine.

E&E expenses for the six months ended June 30, 2023 increased 10% compared to the same period in 2022 as a result of more exploration activities performed in the first quarter of 2023 at the Empire State Mine.

Other expenses (income)

Three months ended June 30,				Six months ended June 30,			
2023	2022	Change	%	2023	2022	Change	%
$ (1,377)	$ 873	$ (2,250)	<(100)	$(5,789)	$ 2,611	$ (8,400)	<(100)

For the three months ended June 30, 2023, other income increased compared to the same period of 2022. The increase was primarily due to increases in realized and unrealized gains on derivative, interest income, and other income, partially offset by an increase of interest and other finance expenses, accretion expense, and foreign exchange loss.

For the six months ended June 30, 2023, other income increased significantly compared to the same period of 2022. The increase was primarily due to increases in realized and unrealized gains on derivative, foreign exchange gain, interest income, and other income, partially offset by an increase of interest and other finance expenses and accretion expense.

LIQUIDITY AND CAPITAL RESOURCES

Credit Facilities

Bank of Nova Scotia

On January 21, 2019, the Company and the Bank of Nova Scotia ("Lender") amended the $15,000 secured credit agreement (the "BNS 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 BNS 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 BNS 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 BNS 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 BNS 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 BNS 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 BNS 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.

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

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.

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

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 is secured by a general charge on the assets of the Company, and was used to consolidate the Company's previously existing loans with Bank of Nova Scotia and the Company's Executive Chairman, and is available to the Company on a revolving basis to finance the working capital and general corporate requirements. In addition to the Credit Facility, National Bank provided the Company with an up to $15 million treasury line enabling additional access to funds for future zinc contract commitments. Terms of the Credit Facility include the following:

• The Credit Facility will bear interest at the Secured Overnight Financing Rate 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 at a rate of 0.5625% per annum;

• The maturity date is December 6, 2023 and includes an annual extension option; the maturity date was subsequently extended to December 6, 2024 on December 20, 2022.

• 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 1.0. At June 30, 2023 Titan was in breach of the covenants and obtained waiver from National Bank on covenants for the period of June 30, 2023 to October 1, 2023. The Company will continue to monitor the financial covenants going forward.

(In thousands of US Dollars, unless otherwise indicated)

A guarantee for the Credit Facility was provided by a company controlled by Titan's Executive Chairman with a standby charge applicable to the $40,000 amount at an annual rate of 1.125%. The guarantee was extended to December 6, 2024 concurrent with the extension of the maturity date of the Credit Facility. A total guarantee fee of $224 was accrued and paid in the first two quarters of 2023.

The Company withdrew additional $5,900 on June 09, 2023, therefore, $2,830 of the Credit Facility was undrawn as of June 30, 2023.

Financial Condition

		June 30, 2023		December 31, 2022
Cash and cash equivalents	$	2,895	$	6,720
Total debt	$	36,327	$	30,032
Net debt (cash)[1]	$	33,432	$	23,312
Working capital	$	12,721	$	7,289

[1] Net debt is a non-GAAP measure. This term is not a standardized financial measure under IFRS and might not be comparable to a similar financial measure disclosed by other issuers. See "Non-GAAP performance measures" of this MD&A for a discussion of non-GAAP performance measures.

Cash and cash equivalents as at June 30, 2023 decreased by $3,825 compared to December 31, 2022. Lower cash was generated from positive operating cash flows before changes in working capital of $3,241 during the six month period ended June 30, 2023 (YTD Q2 2022 –$11,519), offset by cash outflow from changes in non-cash working capital of $8,674 (YTD Q2 2022 – negative $880). Cash inflow related to financing activities was $2,543 (YTD Q2 2022 – negative $2,504). The Company received proceeds from National Bank and warrant exercises, partially offset by interest payments of bank indebtedness, payments of lease liabilities, and dividends paid. Additional spending related to investing activities of $1,824 (YTD Q2 2022 - $3,101) and the effect of foreign exchange of $889 (YTD Q2 2022 – negative $542) on cash and cash equivalents.

At June 30, 2023, the Company's debt was comprised of a loan from the Credit Facility of $36,101. The Company accrued interest of $226 and amortized borrowing cost of $353 related to the Credit Facility for the period ended June 30, 2023.

Working capital increased for the period ended June 30, 2023 compared to December 31, 2022 as a result of higher derivative asset, inventory, other current assets, and lower accounts payable and accrued liabilities, partially offset by lower cash and cash equivalents, trade and other receivables, and higher current portion of lease liabilities, and current portion of debt.

Cash Flows

	Six Months Ended June 30,					
		2023		2022		Change
Operating cash flows before changes in working capital	$	3,241	$	11,519	$	(8,278)
Changes in working capital		(8,674)		(880)		(7,794)
Net cash flows generated by (used in) operating activities		(5,433)		10,639		(16,072)
Net cash flows generated by (used in) financing activities		2,543		(2,504)		5,047
Net cash flows generated by (used in) investing activities		(1,824)		(3,101)		1,277
	$	(4,714)	$	$5,034	$	(9,748)

Net cash flows generated from operating activities were lower in the first two quarters of 2023 than the same period in 2022 as a result of less cash generated from decreased zinc sales on lower average concentrate zinc price, lower cash generated from accounts payable and accrued liabilities, cash settlement for Star Mountain, and unrealized gain on derivative, partially offset by higher cash flows generated in trade and other receivable, lower cash flows used in inventories and release of restricted cash. A discussion of the changes from period to period is set out above under "Financial Results" and "Other Operating Expenses".

Net cash flows used in investing activities in the period ended June 30, 2023 were lower compared with the same period in 2022 as the Company spent less on capital equipment.

Net cash flows used in financing activities during the period ended June 30, 2023 reflect $5,900 of bank indebtedness proceeds, $130 of warrant exercise proceeds, $2,102 of dividends paid, $1,370 of interest payments, and $15 of repayment of equipment loans. For comparison, Net cash flows used in financing activities by the Company in the same period in 2022 reflect $2,157 of dividends paid, $7,169 of associated interest payments, $244 of payments made on lease liabilities, and $3 of repayment of equipment loans.

Capital Expenditures

The Company invested $1,663 in capital assets in the six months ended June 30, 2023 compared to $3,101 capital expenditures made in the same period of 2022. A new telehandler, a scissor truck, and a weasel drill were added to the mobile equipment fleet and additional expenditures were made on development of the Turnpike, primarily road building.

Liquidity

As at June 30, 2023, the Company had total liquidity of $2,895 in cash and cash equivalents and $2,830 undrawn on its Credit Facility. The Company had working capital of $12,721 and a deficit of $60,996. For the period ended June 30, 2023, the Company had positive operating cash flows before changes in working capital of $3,241 and a net loss of $3,738. On June 14, 2023, the Company announced that it temporarily suspended the payment of its quarterly dividend in order to preserve capital and strengthen its balance sheet as it navigates the downturn in zinc prices. The Company continues to monitor zinc prices and the impact on financial covenants associated with the Credit Facility.

As at December 31, 2022, the Company had total liquidity of $6,720 in cash and cash equivalents and $8,730 undrawn on its Credit Facility with National Bank of Canada. The Company had working capital of $7,289 and a deficit of $57,067. For the year ended December 31, 2022, the Company had positive operating cash flows before changes in working capital of $15,055 and a net loss before tax of $870.

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, pay dividends to its shareholders 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, loans, debt and the balance of the acquisition obligations. The Company manages the capital structure and adjusts it in response to 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 partners. Management reviews its capital management approach on a regular basis. The Company anticipates being able to generate sufficient amounts of cash and cash equivalents, in the short and long term, to maintain the Company's capacity and to fund development activities.

Contractual obligations and commitments

The Company's contractual obligations and commitments as at June 30, 2023 and their approximate timing of payment are as follows:

(In thousands of US Dollars, unless otherwise indicated)

	< 1 year	1 to 3 years	4 – 5 years	>5 years	Total
Debt:					
Repayment of principal	$ -	$ 36,101	$ -	$ -	$ 36,101
Repayment of interest	226	-	-	-	226
Leases	117	49	-	-	166
Reclamation and remediation provision	-	-	-	16,116	16,116
	$ 343	$ 36,150	$ -	$ 16,166	$ 52,609

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

Outstanding Securities

As of the date of this MD&A, the Company had 136,366,599 common shares issued, 22,146,656 warrants and 8,235,000 options outstanding.

FINANCIAL INSTRUMENT

a) Carrying amount versus fair value

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, 2023		December 31, 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities				
Lease liabilities	$ 156	$ 99	$ 192	$ 127
Bank indebtedness	$ 36,327	$ 37,007	$ 30,016	$ 31,115
Equipment loans	$ -	$ -	$ 16	$ 14

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 and derivative asset 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 of the derivative asset is determined using discounted cash flow models that incorporate commodity forward prices, credit risk adjustments and discount rates.

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.

(In thousands of US Dollars, unless otherwise indicated)

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.

b) Derivatives

In August 2022, the Company entered into a Monthly Cash Settled LME Zinc Swap contract with National Bank of Canada for approximately 50% of the Company's zinc production for the period of August 2022 to December 2022 at a price of $1.615 per pound of zinc.

In the first quarter of 2023, the Company entered into a Monthly Cash Settled LME Zinc Swap contract with National Bank of Canada for approximately 30% of the Company's zinc production for the period of February 01, 2023 to December 31, 2023 at a price of $1.55 per pound of zinc.

For the year ended December 31, 2022, the Company recognized $1,733 of realized gain on settlement of swaps, and $473 of unrealized gains from changes in the fair value of open positions. This derivative asset shown in the statements of financial position at December 31, 2022 was received on January 2, 2023.

For the six months ended June 30, 2023, the Company recognized $1,970 of realized gain on settlement of swaps, and $4,771 of unrealized gains from changes in the fair value of open positions.

RELATED PARTY TRANSACTIONS

Management company (Manco)

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, 2023 was approximately $182, determined based on the Company's average share of rent paid in the immediately preceding 12 months.

The Company was charged for the following with respect to this arrangement in the period ended June 30, 2023.

	Three months ended June30,		Six months ended June30,	
	2023	2022	2023	2022
Salaries and benefits	$ 106	$ 86	$ 299	$ 286
Office and other	62	39	105	100
Marketing and travel	4	5	7	9
	$ 172	$ 130	$ 411	$ 395

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, President and Chief Executive Officer, Chief Financial Officer, and Directors.

(In thousands of US Dollars, unless otherwise indicated)

		Three months ended		June30,		Six months ended		June30,
		2023		2022		2023		2022
Salaries and benefits	$	239	$	189	$	843	$	646
Share-base compensation		86		13		170		27
Directors' fees		54		54		109		109
	$	379	$	256	$	1,122	$	782

		As at June 30, 2023		As at December 31, 2022
Salaries and benefits payable	$	415	$	406
	$	415	$	406

ACCOUNTING CHANGES AND CRITICAL ESTIMATES

Estimates and judgments

The preparation of consolidated financial statements in accordance 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 revenues and expenses during the year. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future years if the revision affects both current and future years.

These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions and judgments about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, which could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to the following areas:

- Estimated mineral resources;
- Revenue recognition
- Reclamation and remediation provision;
- Impairment;
- Fair value measurement
- Determination of useful life of assets for depreciation purposes;
- Share-based compensation;
- Taxation

See note 3 of our 2022 annual audited consolidated financial statements for a detailed discussion of these accounting estimates and judgments.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

The Company's management, under the supervision of the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), have designed disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in National Instrument 52-109, *Certification of Disclosure in Issuers' Annual and Interim Filings*, based on the 2013 control framework developed by the Committee of Sponsoring Organizations of the Treadway Commission.

The DC&P have been designed to provide reasonable assurance that material information relating to the Company is made known to the CEO and CFO, particularly during the period in which the interim filings are prepared and the information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified. The ICFR has been designed to provide reasonable assurance regarding the reliability of financial reporting for external purposes in accordance with international financial reporting standards. Due to the inherent limitations associated with any such controls and procedures, management recognizes that, no matter how well designed, they may not prevent or detect misstatements on a timely basis.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

NI 52-109 also requires Canadian public companies to disclose any changes in ICFR during the most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, ICFR. No material changes were made to internal controls in the quarter ended June 30, 2023.

NOTES TO READER

Cautionary note regarding forward-looking information

Certain information contained in this document constitutes forward-looking statements. All statements, other than statements of historical facts, are forward looking statements, including but not limited to that Titan believes that the district surrounding ESM remains underexplored despite the long operating history of ESM; the nature, extent, location, and timing of future exploration and testing at ESM; that testing at targets prioritized for surface sampling, mapping and drilling occurs as scheduled, if at all; increased productivities are expected to continue into 2023 and have better positioned the mine for future success; the timing and results of construction and mining at the Turnpike project, including that the decision to mine underground at the near-mine, fully permitted Turnpike project rather than mine the Hoist House, Turnpike and Pumphouse deposits as smaller open pits will improve operating efficiencies by adding incremental ore feed to the mill and allow for longer-lived production from the historic #2 mining zone; production guidance; that the Company continues to examine various financing options to bolster the Company's treasury; that the Company may require additional funding in the next twelve months; and that 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. Forward-looking statements are often, but not always, identified by the use of words such as may, will, seek, anticipate, believe, plan, estimate, budget, schedule, forecast, project, expect, intend, or similar expressions.

The forward-looking statements are based on a number of assumptions which, while considered reasonable by the Company, are subject to risks and uncertainties. The Company cautions readers that forward-looking statements involve and are subject to known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements to differ materially from those expressed in or implied by such forward looking statements and forward-looking statements are not guarantees of future results, performance or achievement. The Company has made assumptions based on or related to many of these risks, uncertainties and factors. These risks, uncertainties and factors include general business, economic, competitive, political, regulatory and social uncertainties; actual results of exploration activities and economic evaluations; fluctuations in currency exchange rates; changes in project parameters; changes in costs, including labour, infrastructure, operating and production costs; future prices of zinc and other minerals; variations of mineral grade or recovery rates; operating or technical difficulties in connection with exploration, development or mining activities, including the failure of plant, equipment or processes to operate as anticipated; delays in completion of exploration, development or construction activities; changes in government legislation and regulation; the ability to maintain and renew existing licenses and permits or obtain required licenses and permits in a timely manner; the ability to obtain financing on acceptable terms in a timely manner; contests over title to properties; risks of making a production decision at Turnpike (formerly Sphaleros) that is not based on a technical report; employee relations and shortages of skilled personnel and contractors; the speculative nature of, and the risks involved in, the exploration, development and mining business; and the factors discussed in the section entitled "Risks Factors" in the Company's most recent annual information form filed on SEDAR.

Although the Company has attempted to identify important risks, uncertainties and other factors that could cause actual performance, achievements, actions, events, results or conditions to differ materially from those expressed in or implied by the forward-looking information, there may be other risks, uncertainties and other factors that cause performance, achievements, actions, events, results or conditions to differ from those anticipated, estimated or intended. Unless otherwise indicated, forward-looking statements contained herein are as of the date hereof and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise, except as required by applicable law.

Risk Factors

The Company's activities and related results are subject to a number of different risks at any given time. A summary of the Company's financial instruments risk exposure is provided in the Financial Instruments section of the Company's 2022 Annual Financial Statements. For a comprehensive list of other risks and uncertainties affecting our business, please refer to the sections entitled "Risk Factors" in both our most recent Annual Information Form and Annual MD&A, which are available at www.sedar.com.

Qualified Person

The technical and scientific information in this MD&A has been reviewed and approved by Donald R. Taylor, MSc., PG, President and Chief Executive Officer of the Company, a qualified person for the purposes of NI 43-101. Mr. Taylor has more than 25 years of mineral exploration and mining experience and is a Registered Professional Geologist through the SME (registered member #4029597).

For additional information, please see the technical report titled "Empire State Mines 2021 NI 43-101 Technical Report (Amended) with an effective date of February 24, 2021, filed on SEDAR at www.sedar.com.

Non-GAAP performance measures

This document includes non-GAAP performance measures, discussed below, that do not have a standardized meaning prescribed by IFRS. The performance measures may not be comparable to similar measures reported by other issuers. The Company believes that these performance measures are commonly used by certain investors, in conjunction with conventional GAAP measures, to enhance their understanding of the Company's performance. The Company uses these performance measures extensively in internal decision-making processes, including to assess how well ESM is performing and to assist in the assessment of the overall efficiency and effectiveness of the mine site management team. The tables below provide a reconciliation of these non-GAAP measures to the most directly comparable IFRS measures as contained within the Company's issued financial statements.

(In thousands of US Dollars, unless otherwise indicated)

C1 cash cost per payable pound sold

C1 cash cost is a non-GAAP measure. C1 cash cost represents the cash cost incurred at each processing stage, from mining through to recoverable metal delivered to customers, including mine site operating and general and administrative costs, freight, treatment and refining charges.

The C1 cash cost per payable pound sold is calculated by dividing the total C1 cash costs by payable pounds of metal sold.

All-In Sustaining Cost (AISC)

AISC measures the estimated cash costs to produce a pound of payable zinc plus the estimated capital sustaining costs to maintain the mine and mill. This measure includes the C1 cash cost and capital sustaining costs divided by pounds of payable zinc sold. AISC does not include depreciation, depletion, amortization, reclamation and exploration expenses.

	Three months ended June 30,				Six months ended June 30,			
	2023		2022		2023		2022	
C1 cash cost per payable pound	Total	Per pound	Total	Per pound	Total	Per pound	Total	Per pound
Pounds of payable zinc sold (millions)		15.0		15.0		30.0		25.4
Operating expenses and selling costs	$ 11,085	$ 0.74	$ 9,543	$ 0.64	$ 25,230	$ 0.85	$ 20,388	$ 0.80
Concentrate smelting and refining costs	4,600	0.31	4,432	0.29	8,656	0.29	6,557	0.26
Total C1 cash cost	$ 15,685	$ 1.05	$ 13,975	$ 0.93	$ 33,886	$ 1.14	$ 26,945	$ 1.06
Sustaining Capital Expenditures	$ 1,042	$ 0.07	$ 146	$ 0.01	$ 1,519	$ 0.05	$ 1,875	$ 0.07
AISC	$ 16,727	$ 1.12	$ 14,121	$ 0.94	$ 35,405	$ 1.19	$ 28,820	$ 1.13

Sustaining capital expenditures

Sustaining capital expenditures are defined as those expenditures which do not increase payable mineral production at a mine site and excludes all expenditures at the Company's projects and certain expenditures at the Company's operating sites which are deemed expansionary in nature. Expansionary capital expenditures are expenditures that are deemed expansionary in nature. The following table reconciles sustaining capital expenditures and expansionary capital expenditures to the Company's additions to mineral, properties, plant and equipment (or total capital expenditures):

	Six months ended June 30	
	2023	2022
Sustaining capital expenditures	$ 1,519	$ 1,875
Expansionary capital expenditures	401	1,526
Additions to mineral, properties, plant and equipment	$ 1,920	$ 3,401

(In thousands of US Dollars, unless otherwise indicated)

Net Debt

Net debt is calculated as the sum of the current and non-current portions of long-term debt, net of the cash and cash equivalent balance as at the balance sheet date. A reconciliation of net debt is provided below.

		June 30, 2023		Year ended December 31, 2022
Current portion of debt	$	226	$	176
Non-current portion of debt		36,101		29,856
Total debt	$	36,327	$	30,032
Less: Cash and cash equivalents		(2,895)		(6,720)
Net debt	$	33,432	$	23,312

Free Cash Flow

		Six months ended June 30, 2023		Six months ended June 30, 2022
Net cash provided (used) by operating activities	$	(5,433)	$	10,639
Less: Capital expenditures		(1,663)		(3,101)
Free cash flow	$	(7,096)	$	7,538