



TITAN MINING CORPORATION
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2017

(Unaudited)
(Expressed in U.S. Dollars)

Notice to Reader

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of Titan Mining Corporation (the "Company") as at September 30, 2017, and for the nine months ended September 30, 2017, 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 standards established by the Chartered Professional Accountants of Canada ("CPA Canada") for a review of interim financial statements by an entity's auditor.

TITAN MINING CORPORATION
Condensed Consolidated Interim Statements of Financial Position
(Unaudited)
(In U.S. Dollars)

		As at	
	NOTES	September 30, 2017	December 31, 2016
ASSETS			
Current assets			
Cash and cash equivalents	4	\$ 48,237	\$ 8,156,928
Accounts receivable		125,446	1,229
Prepaid expenses and deposits		791,031	166,543
Supplies inventory		311,310	311,310
		1,276,024	8,636,010
Property, plant and equipment	5	25,033,289	25,019,791
Mineral interests		3,695,151	3,695,151
Restricted cash		1,662,870	1,662,870
Other assets		70,582	-
TOTAL ASSETS		\$ 31,737,916	\$ 39,013,822
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	9	\$ 1,712,349	\$ 806,691
Acquisition obligations	6	13,018,794	13,870,648
		14,731,143	14,677,339
Reclamation and remediation provision	7	14,554,561	14,111,332
		29,285,704	28,788,671
EQUITY			
Share capital	8	10,368,927	10,368,927
Share option reserve	8	616,841	-
Currency translation adjustment		35,413	(77,382)
Retained deficit		(8,568,969)	(66,394)
		2,452,212	10,225,151
TOTAL LIABILITIES AND EQUITY		\$ 31,737,916	\$ 39,013,822

The accompanying notes are an integral part of these condensed consolidated interim financial statements

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS:

/s/ Richard W. Warke
Richard W. Warke - Director

/s/ Lenard Boggio
Lenard Boggio - Director

TITAN MINING CORPORATION
Condensed Consolidated Interim Statements of Comprehensive Loss
(Unaudited)
(In U.S. Dollars)

		Three months ended September 30,		Nine months ended September 30,	
	NOTES	2017	2016	2017	2016
SITE EXPENSES					
Care and maintenance costs		\$ 1,411,782	\$ -	\$ 3,333,887	\$ -
Depreciation	5	293,282	-	879,847	-
Exploration and evaluation expenses		268,799	-	1,660,527	-
		1,973,863	-	5,874,261	-
ADMINISTRATIVE EXPENSES					
Investor relations		10,816	-	23,761	-
Office and administration expenses		40,558	-	75,630	-
Professional fees		39,580	-	189,263	-
Rent		37,092	-	83,984	-
Share based compensation		483,291	-	616,841	-
Wages and benefits		244,682	-	549,470	-
		856,019	-	1,538,949	-
FINANCE COSTS					
Accretion expense	7	84,233	-	256,677	-
Interest expense	9	126,643	-	326,883	-
		210,876	-	583,560	-
OTHER EXPENSES/(INCOME)					
Foreign exchange loss		5,801	-	18,725	-
Interest income		(3,326)	-	(27,030)	-
Acquisition obligation amendment fee	6	25,000	-	525,000	-
Other		-	-	(10,890)	-
		27,475	-	505,805	-
LOSS FOR THE PERIOD		3,068,233	-	8,502,575	-
OTHER COMPREHENSIVE LOSS/(INCOME)					
Unrealized loss/(gain) on translation to reporting currency		(29,804)	-	(112,795)	-
COMPREHENSIVE LOSS FOR THE PERIOD		\$ 3,038,429	\$ -	\$ 8,389,780	\$ -
LOSS PER SHARE					
Basic and diluted		\$ 0.05	-	\$ 0.14	-
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING					
Basic and diluted		62,346,900	1,000	62,346,900	1,000

The accompanying notes are an integral part of these condensed consolidated interim financial statements

TITAN MINING CORPORATION
Condensed Consolidated Interim Statements of Changes in Equity
(Unaudited)
(In U.S. Dollars)

	Number of shares	Share Capital	Share Option Reserve	Currency Translation Adjustment	Retained deficit	Total
Balances as at January 1, 2016 and September 30, 2016	1,000	\$ 10	\$ -	\$ -	\$ -	\$ 10
Balances as at January 1, 2017	62,346,900	\$ 10,368,927	\$ -	\$ (77,382)	\$ (66,394)	\$ 10,225,151
Share based compensation	-	-	616,841	-	-	616,841
Total comprehensive loss for the period	-	-	-	112,795	(8,502,575)	(8,389,780)
Balance as at September 30, 2017	62,346,900	\$10,368,927	\$ 616,841	\$ 35,413	\$ (8,568,969)	\$ 2,452,212

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TITAN MINING CORPORATION
Condensed Consolidated Interim Statements of Cash Flows
(Unaudited)
(In U.S. Dollars)

		Nine months ended September 30,	
	NOTES	2017	2016
OPERATING ACTIVITIES			
Loss for the period		\$ (8,502,575)	\$ -
Adjustments for:			
Accretion expense		256,677	-
Acquisition obligation amendment fee		525,000	-
Depreciation		879,847	-
Interest expense	9	326,883	-
Interest income		(27,030)	-
Interest received		20,550	-
Share based compensation	8	616,841	-
Unrealized foreign exchange loss		21,840	-
Changes in non-cash working capital:			
Accounts receivable		(124,217)	-
Prepaid expenses and deposits		(63,578)	-
Accounts payable and accrued liabilities		146,310	-
Cash used in operating activities		(5,923,452)	-
INVESTING ACTIVITIES			
Acquisition of Property, plant and equipment		(508,355)	-
Acquisition of other assets		(70,582)	-
Cash used in investing activities		(578,937)	-
FINANCING ACTIVITIES			
Interest paid	9	(234,528)	-
Increase in acquisition obligations	6	675,000	-
Payment of acquisition obligations	6	(2,051,854)	-
Cash used in financing activities		(1,611,382)	-
Effect of foreign exchange on cash		5,080	-
Changes in cash during the period		(8,108,691)	-
Cash and cash equivalents, beginning of period		8,156,928	10
Cash and cash equivalents, end of period		\$ 48,237	\$ 10

The accompanying notes are an integral part of these condensed consolidated interim financial statements

TITAN MINING CORPORATION
Notes to the Condensed Consolidated Interim Financial Statements
For the Three and Nine Months ended September 30, 2017 and 2016
(Unaudited)
(In U.S. Dollars unless otherwise indicated)

1. NATURE OF OPERATIONS

Titan Mining Corporation ("Titan" or the "Company") was incorporated on October 15, 2012 under the laws of British Columbia and is a natural resources company engaged in the acquisition, exploration and development of mineral properties. Through its acquisition (Note 2) of Balmat Holding Corp. ("Balmat Holding") and Balmat Holding's wholly owned subsidiary St. Lawrence Zinc Company, LLC ("St. Lawrence Zinc") on December 30, 2016, the Company holds a 100% indirect ownership interest in Empire State Mines (formerly known as the Balmat Mines, Mill and Satellite Mines) ("Empire State Mine Project") in Northern New York State, United States. Part of the Empire State Mine Project is the Empire State Mines No. 4 Mine (formerly known as the Balmat No. 4 Mine) ("Empire State Mine"). For the years ended December 31, 2015 and prior, the Company had minimal assets, no liabilities and did not generate any revenues or incur any expenses.

The Company's head office, principal address, and registered and records office are located at 555-999 Canada Place, Vancouver, BC, Canada V6C 3E1.

These condensed consolidated interim financial statements have been prepared on a going-concern basis, which contemplates the Company will continue into operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. The Company has in place a planning, budgeting, and forecasting process that is used to determine the funds required to support the Company's operations. The Company's ability to continue as a going concern is dependent on its ability to complete the refurbishment of the Empire State Mine to return the mine to production, and the establishment of profitable operations at the Empire State Mine. These condensed consolidated interim financial statements do not contain any adjustments to the assets or liabilities should the Company cease to be a going concern.

As at September 30, 2017, the Company had cash and cash equivalents of \$48,237 (December 31, 2016 - \$8,156,928) and current liabilities of \$14,734,143 (December 31, 2016 - \$14,677,339). Subsequent to September 30, 2017, on October 19, 2017, the Company completed an Initial Public Offering ("IPO"), listing its shares on the Toronto Stock Exchange. As part of the IPO the Company issued, including the over-allotment, 36,950,000 common shares for gross proceeds of \$41,428,655 (Cdn\$51,730,000). The Company is in the development stage and its financial success will be dependent upon the extent to which it can refurbish the Empire State Mine and successfully generate positive cash flow from its operation. The Company does not expect to receive significant income from the Empire State Mine until it has successfully returned to commercial production. The Company intends to meet all cash requirements for operation from external funding sources including funds raised from the Company's IPO. Future funding needs of the Company are dependent upon the Company's ability to generate positive cash flow from the Empire State Mine and its continued ability to obtain equity and/or debt financing to meet its financial obligations as they come due.

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2. EMPIRE STATE MINE PROJECT ACQUISITION

On December 30, 2016 the Company, through its wholly owned subsidiary Titan Mining (US) Corporation, completed the acquisition of Balmat Holdings and its wholly owned subsidiary St. Lawrence Zinc, owner of the Empire State Mine Project, from Star Mountain Resources Inc. ("Star Mountain"). Star Mountain had previously acquired the same two entities from Hudbay Minerals Inc. ("Hudbay") on November 2, 2015. Pursuant to the agreement between the Company and Star Mountain (the "Purchase Agreement"), the Company acquired 100% of the issued and outstanding shares of Balmat Holdings from Star Mountain. The effective closing date for the transaction was December 30, 2016.

Purchase accounting

The transaction has been accounted for as an asset acquisition using the purchase method, rather than as a business combination, as the net assets acquired did not constitute a business under IFRS. The Company capitalized transaction costs of \$346,385 as part of the acquisition bringing the total purchase price to \$16,428,269 as follows:

Consideration	Amount
Shares issued on acquisition	\$ 2,211,237
Cash payment to Star Mountain	1,000,000
Note payable to Star Mountain	2,000,000
Note payable to Augusta Investments Inc.	3,318,794
Pre-closing liabilities paid on Star Mountain's behalf	51,854
Letter agreement to pay Hudbay	7,500,000
Capitalized transaction costs	346,384
Total purchase price	\$ 16,428,269

The total purchase price was allocated to the assets acquired and liabilities assumed on a relative fair value basis as follows:

Assets acquired and liabilities assumed	Amount
Cash	\$ 81,430
Prepaid expenses and deposits	164,588
Supplies inventory	311,310
Property, plant and equipment	25,019,791
Mineral interests	3,695,151
Restricted cash	1,662,870
Accounts payable and accrued liabilities	(395,539)
Reclamation and remediation provision	(14,111,332)
Total purchase price	\$ 16,428,269

For additional details about the acquisition see Note 2 of the Company's annual financial statements for the year ended December 31, 2016.

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3. BASIS OF PRESENTATION

(a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). Accordingly, they do not include all of the information and notes to the consolidated financial statements required by IFRS for complete financial statements and should be read in conjunction with the Company's most recent audited consolidated financial statements.

(b) Basis of presentation

The accounting policies used in the preparation of these condensed consolidated interim financial statements are the same as those applied in the Company's most recent audited consolidated annual financial statements for the year ended December 31, 2016.

(c) Critical accounting estimates and judgements

The preparation of the condensed consolidated interim financial statements in conformity with IAS 34 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Note 3(e) of the Company's most recent audited consolidated financial statements for the year ended December 31, 2016 contains a discussion of the Company's critical accounting judgements and estimates.

4. CASH AND CASH EQUIVALENTS

	As at	
	September 30, 2017	December 31, 2016
Cash	\$ 48,237	\$ 82,198
Short-term investments	-	8,074,730
Cash and cash equivalents	\$ 48,237	\$ 8,156,928

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(In U.S. Dollars unless otherwise indicated)

5. PROPERTY, PLANT AND EQUIPMENT

	Plant and Equipment	Land	Total
Cost			
As at January 1, 2016	\$ -	\$ -	\$ -
Asset acquisition (Note 2)	23,938,344	1,081,447	25,019,791
As at December 31, 2016	23,938,344	1,081,447	25,019,791
Additions	893,345	-	893,345
As at September 30, 2017	24,831,689	1,081,447	25,913,136
Accumulated Depreciation			
As at January 1, 2016	-	-	-
Charge for the period	-	-	-
As at December 31, 2016	-	-	-
Charge for the period	879,847	-	879,847
As at September 30, 2017	879,847	-	879,847
Carrying amount			
As at December 31, 2016	\$ 23,938,344	\$ 1,081,447	\$ 25,019,791
As at September 30, 2017	\$ 23,951,842	\$ 1,081,447	\$ 25,033,289

6. ACQUISITION OBLIGATIONS

As described in Note 2, as part of the Company's acquisition of the Empire State Mine Project the Company has some outstanding obligations which at September 30, 2017 and December 31, 2016 were as follows:

	As at	
	September 30, 2017	December 31, 2016
Note payable to Star Mountain	\$ 1,025,000	\$ 2,000,000
Cash payable to Star Mountain upon closing	-	1,051,854
Note payable to Augusta Investments Inc.	3,993,794	3,318,794
Letter Agreement to pay Hudbay	8,000,000	7,500,000
Acquisition obligations as at June 30, 2017	\$ 13,018,794	\$ 13,870,648

Note payable to Star Mountain

The promissory note issued to Star Mountain is payable in quarterly installments with \$500,000 due three months, six months, nine months and twelve months after December 30, 2016. The first and second \$500,000 due were paid on March 30, 2017 and June 30, 2017, respectively. The Company entered into an agreement with Star Mountain to extend the timing of the payment of the \$500,000 which was due on September 30, 2017 under the Purchase Agreement. The Company extended the payment date to the earlier of (a) five days from the date of the Company's IPO and (b) October 31,

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(Unaudited)

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2017. As consideration for the extension the Company agreed to pay Star Mountain an additional \$25,000, this amount was recorded as an increase to the acquisition obligations with the corresponding amount represented as an expense on the interim statement of comprehensive income. The \$525,000 payment was due October 24, 2017, however pursuant to the Purchase Agreement the Company is holding that payment pending the outcome of the claim brought against Star Mountain discussed in Note 12.

Note payable to Augusta Investments Inc.

As part of the acquisition the Company assumed \$3,318,794 in debts from Star Mountain which were paid on the Company's behalf by Augusta Investments Inc. ("Augusta"), a related party to the Company. Concurrent with the closing of the acquisition the Company entered into a debenture agreement (the "Original Debenture") with Augusta whereby the Company will repay the amounts owed at the earlier of a demand from Augusta and December 31, 2017. The Original Debenture bore interest at 12% per annum and interest was payable on a monthly basis in arrears. In August 2017 and September 2017, the Company entered into additional debenture agreements (the "Additional Debentures") to borrow up to an additional \$800,000 from Augusta. The Additional Debentures had an upfront fee due upon funding of 2% and had the same terms and conditions as the Original Debenture, bearing interest at a rate of 12% per annum with the interest payable on a monthly basis in arrears. As at September 30, 2017, the outstanding balance for the Original Debenture was \$3,318,794, the outstanding balance for the Additional Debentures was \$675,000, the outstanding balance for upfront fees was \$13,500, and there was \$78,855 in unpaid accrued interest.

Subsequent to September 30, 2017, on October 20, 2017, the outstanding balance for the Original Debenture was \$3,318,794, the outstanding balance for the Additional Debentures was \$800,000, the outstanding balance for upfront fees was \$16,000, and there was \$106,230 in unpaid accrued interest and on October 20, 2017 all amounts due to Augusta were repaid in full and the balance owing to Augusta at that date was \$nil.

Letter agreement to pay Hudbay

As described in Note 2 of the Company's audited consolidated financial statements for the year ended December 31, 2016, the Company entered into an agreement (the "Letter Agreement") with Hudbay that modified the options for payment of the remaining purchase price obligation owed to Hudbay under the 2015 purchase agreement between Hudbay and Star Mountain. The Company has three different options for payment of the remaining obligations to Hudbay and has recorded a liability for the fair value of the contingent obligation payable to Hudbay. During the second quarter of 2017, the Company entered into discussions with Hudbay to extend the timing of the payment of \$5,000,000 which was due on June 28, 2017 under the Letter Agreement. The Company finalized an agreement with Hudbay to extend the date to October 31, 2017 and as consideration for the extension increased the value of common shares upon completion of an IPO from \$2,500,000 to \$3,000,000. This increase has been recorded as an increase to the acquisition obligations by \$500,000 with the corresponding amount represented as an expense on the interim statement of comprehensive income.

Subsequent to September 30, 2017, on October 20, 2017, the Company paid Hudbay in full by paying \$5,000,000 in cash and by issuing to Hudbay 2,673,857 common shares of the Company and the balance owing to Hudbay at that date was \$nil.

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7. RECLAMATION AND REMEDIATION PROVISION

The Company has recognized a provision for the present value of estimate future site reclamation and remediation costs associated with Empire State Mine. Although the ultimate amounts for future site reclamation and remediation are uncertain, the best estimate of these obligations is based on the information currently available, including current legislation, third party estimates, and management estimates. The amounts and timing of the mine closure plan will vary depending on several factors including the ultimate life of the Empire State Mine, future economic conditions, and changes in applicable environmental regulations.

Changes to the Company's provision were as follows:

	Nine months ended September 30, 2017	Year ended December 31, 2016
Balance, beginning of period	\$ 14,111,332	\$ -
Initial recognition on acquisition (Note 2)	-	14,111,332
Accretion	256,677	-
Change in estimate of future costs	186,552	-
Balance, end of period	\$ 14,554,561	\$ 14,111,332

As at September 30, 2017, the estimated future cash flows have been adjusted using an inflation rate of 2.00% (December 31, 2016 – 2.00%) and have been discounted using a discount rate of 2.33% (December 31, 2016 – 2.45%). The total undiscounted amount for the estimated future cash flows is \$18,327,265 (December 31, 2016 – \$19,100,515) and cash outflows are expected to begin in the year 2025.

8. SHARE CAPITAL

(a) Authorized capital

The Company's authorized share capital consists of an unlimited number of Class A common shares without par value.

(b) Issued and outstanding

As at September 30, 2017 and December 31, 2016, the Company had 62,346,900 common shares issued and outstanding.

During the nine months ended September 30, 2017, the Company did not issue any shares. Subsequent to September 30, 2017, on October 19, 2017, the Company completed an IPO listing its shares on the Toronto Stock Exchange. As part of the IPO the Company issued, including the over-allotment, 36,950,000 common shares for gross proceeds of \$41,428,655 (Cdn\$51,730,000). On October 20, 2017, the Company issued 2,673,857 shares to Hudbay in conjunction with the \$3,000,000 owed to Hudbay for the Letter Agreement (for additional details see Note 6).

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During the twelve months ended December 2016 the Company issued 59,377,000 common shares in private placements for proceeds of \$8,157,680 and 2,968,900 shares to Star Mountain in relation to the acquisition of the Empire State Mine Project with a deemed value of \$2,211,237.

(c) Stock options

The Company has implemented a stock option plan whereby the Board of Directors of the Company may grant directors, officers, employees and consultants stock options to acquire common shares of the Company. Pursuant to the stock option plan, options granted are non-assignable, may be granted for a term not exceeding ten years, may not exceed 10% of issued and outstanding shares of the Company, and the vesting periods are determined by the Board of Directors at the time of grant.

During the nine months ended September 30, 2017, the Company granted 5,675,000 stock options. During the year ended December 31, 2016 the Company did not grant any stock options. The weighted average fair value for the options granted in the nine months ended September 30, 2017 was \$0.44 (Cdn\$0.59) per option, which was estimated at the date of the grant using the Black-Scholes option pricing model using the following weighted average assumptions: weighted average exercise price – Cdn\$1.00⁽¹⁾; risk-free interest rate – 0.98%; expected dividend yield – \$nil; expected stock price volatility – 71.50%; expected option life – 5.0 years; and, estimated forfeiture rate – 0.00%.

During the nine months ended September 30, 2017, the Company recorded share based compensation expense of \$616,841 (December 31, 2016 – nil) related to outstanding stock options. Option pricing models require the input of highly subjective assumptions and changes in the subjective inputs can materially affect the fair value estimate.

As at September 30, 2017, the Company has 5,650,000 stock options outstanding (December 31, 2016 – nil) with a weighted average exercise price of Cdn\$1.00⁽¹⁾ and a remaining contractual life of 4.68 years. As at September 30, 2017, none of the stock options outstanding had vested and the Company had no exercisable stock options (December 31, 2016 – nil).

- (1) For purposes of estimating the fair value of the stock options granted in the period, the Company used the exercise price of Cdn\$1.00. Subsequent to September 30, 2017, on the closing of the Company's IPO, the exercise price of the stock options granted in the period was adjusted to the price of the offering for the Company's IPO being Cdn\$1.40.

9. RELATED PARTY TRANSACTIONS

(a) Key management compensation

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company's key management personnel for the three and nine months ended September 30, 2017, were its Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, and Directors. The remuneration for the Company's key management for the three months ended September 30, 2017 was \$168,339. For the three months ended September 30, 2016, there was no compensation paid to key management of the Company. The remuneration for the Company's key management for the nine months ended September 30, 2017 was \$426,947. For the nine months ended September 30, 2016, there was no compensation paid to key management of the Company. As at September 30, 2017, the Company's payables included \$21,017 (December 31, 2016 - \$25,239) that is payable to the Company's key management personnel related

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to remuneration including \$984 related to reimbursement of expenses incurred on the Company's behalf (December 31, 2016 - \$6,619).

(b) Other related party transactions

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

The Company shares office space, equipment, personnel and various administrative services with other companies (Arizona Mining Inc., NewCastle Gold Ltd. and Armor Minerals Inc.) related to it by virtue of certain directors and management in common. These services have been mainly provided through a management company, 688284 BC Ltd. (the "Management Company") equally owned by the related companies. Costs incurred by the Management Company are allocated between the companies based on time incurred and use of services and are charged at cost. As at September 30, 2017, the Company's payables included \$16,442 that are payable to the Management Company (December 31, 2016 - \$nil). The Company's related party transactions with the Management Company in the three and nine months ended September 30, 2017 were included in the following expense categories:

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2017	2016	2017	2016
Investor relations	\$ 8,028	\$ -	\$ 14,199	\$ -
Office and administration expenses	19,701	-	33,579	-
Professional fees	2,321	-	3,141	-
Rent	37,092	-	83,984	-
Wages and benefits	96,823	-	229,451	-
Total for period	\$ 163,965	\$ -	\$ 364,354	\$ -

During the three months ended September 30, 2017, the Company incurred charges of \$nil and during the nine months ended September 30, 2017, the Company incurred charges of \$1,456 from a corporation related to the Company's President and Chief Executive Officer. These charges, were included in office and administration expenses. There were no charges from this related party in the three and nine months ended September 30, 2016. At September 30, 2017, the Company's payables included \$nil (December 31, 2016 - \$70,631) that are payable to this related party.

On December 30, 2016, the Company entered into the Original Debenture for \$3,318,794 with Augusta, a corporation controlled by the Company's President and Chief Executive Officer, in connection with the acquisition of the Empire State Mine Project (Note 2). The Original Debenture was payable at the earlier of a demand for payment by Augusta and December 31, 2017 and bore interest at 12% per annum. Interest was payable on a monthly basis in arrears. In August 2017 and September 2017, the Company entered into the Additional Debentures to borrow up to an additional \$800,000 from Augusta. The Additional Debentures had an upfront fee due upon funding of 2% and have the same terms and conditions as the Original Debenture, bearing interest at a rate of 12% per annum with the interest payable on a monthly basis in arrears. During the three months ended September 30, 2017, the Company incurred interest expense of \$113,149 and paid interest of \$34,294 with respect to these loan agreements. During the nine months ended September 30, 2017, the Company incurred interest expense of \$326,883 and paid interest of \$234,528 with respect to these loan agreements. During the three and nine months ended September 30, 2017, the Company incurred upfront fees of \$13,500 with

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respect to the Additional Debentures. As at September 30, 2017, the outstanding balance for the Original Debenture was \$3,318,794, the outstanding balance for the Additional Debentures was \$675,000, the outstanding balance for upfront fees was \$13,500, and there was \$78,855 in unpaid accrued interest. Subsequent to September 30, 2017, on October 20, 2017, the outstanding balance for the Original Debenture was \$3,318,794, the outstanding balance for the Additional Debentures was \$800,000, the outstanding balance for upfront fees was \$16,000, and there was \$106,230 in unpaid accrued interest and on October 20, 2017 all amounts due to Augusta were repaid in full.

10. COMMITMENTS

As at September 30, 2017, the Company has contractual commitments for the following items:

- obligations related to the acquisition of the Empire State Mine Project;
- obligations related to minimum advance royalty payments on its mineral rights; and
- obligations related to the office spaces being used by the Company.

The Company's commitments as at September 30, 2017 and their approximate timing of payment are as follows:

	2017	2018 - 2019	2020 - 2021	2022+	Total
Accounts payable and accrued liabilities	\$ 1,712,349	\$ -	\$ -	\$ -	\$ 1,712,349
Acquisition obligations ⁽¹⁾	13,018,794	-	-	-	13,018,794
Operating lease obligations	22,179	106,791	77,704	32,377	239,051
Advance royalties on mineral rights ⁽²⁾	5,532	39,391	39,391	-	84,314
Total contractual obligations	\$14,758,854	\$ 146,182	\$ 117,095	\$ 32,377	\$15,054,508

¹ See Note 6 for additional details. Subsequent to September 30, 2017, the majority of these amounts owing were repaid and as of October 20, 2017, the outstanding balance for the Acquisition Obligations is \$1,025,000.

² The land upon which the mineral rights exist are either leased or optioned by the Company. Leases may be renewable and also may be subject to the payment of royalties to the land owner. Average royalties for the Empire State Mine mineral production are estimated to average 0.3% over the life of the mine. Leases generally have an initial 20-year term, renewable for an additional 20 years, and are subject to a 4% NSR royalty. Optioned mineral rights have a renewable 5-year initial term. Option payments are \$4 per acre per year. The amounts shown are the minimum advance royalty payments for the next five years only.

11. SEGMENTED INFORMATION

The Company operates in one reportable segment being the acquisition, exploration and development of mineral properties. All of the Company's non-current assets are located in the United States.

TITAN MINING CORPORATION

Notes to the Condensed Consolidated Interim Financial Statements For the Three and Nine Months ended September 30, 2017 and 2016

(Unaudited)

(In U.S. Dollars unless otherwise indicated)

12. SUBSEQUENT EVENTS

Subsequent to September 30, 2017:

- The Company completed an IPO listing the Company's shares on the Toronto Stock Exchange, the shares began trading on October 19, 2017 under the symbol "TI" (TSX: TI). In conjunction with the IPO the Company issued, including the over-allotment, 36,950,00 common shares of the Company for gross proceeds of \$41,428,655 (Cdn\$51,730,000).
- The Company received notice on October 10, 2017 that Aviano Financial Group LLC ("Aviano"), a creditor of Star Mountain, intended to amend a pre-existing action initially filed in February 2017 in Colorado against Star Mountain to collect debts owing by Star Mountain to Aviano aggregating approximately \$800,000. The amended action of Aviano against Star Mountain was filed in the state of Colorado on October 12, 2017, adding claims for damages and a claim to set aside the conveyance of the Empire State Mine Project by Star Mountain to the Company alleging that it was a fraudulent conveyance. In addition, the Aviano notice stated that it intends to file an analogous action in New York alleging fraudulent conveyance, naming Star Mountain and the Company as defendants. As at the date hereof, no litigation has been commenced by Aviano against the Company. Pursuant to the Purchase Agreement, Star Mountain has agreed to indemnify the Company against certain claims including the proposed action by Aviano against the Company. Irrespective of the merits of the claim, if the fraudulent conveyance claim is resolved adversely against the Company or Star Mountain, this could materially adversely affect the Company by terminating its interest in the Empire State Mine Project and the Company's ability to develop the Empire State Mine Project. Such a result would have a significant negative impact on the Company and could have a material effect on these financial statements.