TITAN MINING CORPORATION
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2020
(Unaudited)

Notice of No Auditor Review of Condensed Interim Consolidated Financial Statements

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

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

	Notes		September 30, 2020		December 31, 2019
Assets					
Current assets					
Cash and cash equivalents		$	7,018	$	1,709
Trade and other receivables	4		1,497		655
Inventories	5		2,158		2,626
Other current assets			603		789
			11,276		5,779
Non-current assets					
Mineral properties, plant and equipment	6		65,434		70,593
Right-of-use assets	7a		164		385
Restricted cash			1,751		1,743
Total assets		**$**	**78,625**	**$**	**78,500**
Liabilities					
Current liabilities					
Accounts payable and accrued liabilities		$	3,356	$	4,435
Lease liabilities	7b		144		271
Debt	8		10,178		180
Loan from related party	9a		24,095		21,093
Acquisition obligations			1,025		1,025
			38,798		27,004
Non-current liabilities					
Lease liabilities	7b		32		146
Debt	8		2,431		10,022
Other payables	9b		193		192
Reclamation and remediation provision			17,636		15,946
Total liabilities			59,090		53,310
Shareholders' equity					
Equity attributable to shareholders of the Company					
Share capital			61,076		56,704
Reserves			7,723		4,975
Deficit			(49,264)		(36,489)
Total equity			19,535		25,190
Total liabilities and shareholders' equity		**$**	**78,625**	**$**	**78,500**

Nature of operations and going concern (Note 1)

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

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

	Note	Three months ended September 30, 2020	Three months ended September 30, 2019	Nine months ended September 30, 2020	Nine months ended September 30, 2019
Revenue	10	$ 9,135	$ 454	$ 21,311	$ 1,600
Cost of Sales					
Operating expenses		6,773	-	20,409	-
Depreciation and depletion		2,566	-	7,202	-
		9,339	-	27,611	-
Earnings (loss) from mine operations		(204)	454	(6,300)	1,600
Exploration and evaluation expenses		245	261	1,118	2,519
General and administration expenses		960	963	2,380	3,249
Interest and other finance expenses		785	757	2,314	2,216
Accretion expense		(7)	81	7	269
Interest income		(3)	(3)	(13)	(19)
Foreign exchange loss (income)		(712)	(8)	788	(59)
Other income		(14)	-	(119)	-
Gain on derivative liability		-	-	-	(181)
Loss on loan extinguishment		-	-	-	1,702
		1,254	2,051	6,475	9,696
Net loss for the period		**1,458**	**1,597**	**12,775**	**8,096**
Other comprehensive loss (gain)					
Items that may be reclassified to profit or loss					
Unrealized loss on translation to reporting currency		721	(66)	(674)	34
Total comprehensive loss for the period		**$ 2,179**	**$ 1,531**	**$ 12,101**	**$ 8,130**
Basic and diluted loss per share (in US $)		**$ 0.01**	**$ 0.02**	**$ 0.10**	**$ 0.08**
Weighted average shares outstanding (in '000)		**124,015**	**104,971**	**123,321**	**103,158**

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

TITAN MINING CORPORATION

Condensed Consolidated Interim Statement of Changes in Equity

(Expressed in thousands of US dollars - Unaudited)

		Share capital		Reserves				
	Notes	Number ('000s)	Amount	Share options and warrants	Currency translation adjustment	Total	Deficit	Total equity
Balances, January 1, 2019, as previously reported		101,971	$ 51,859	$ 2,741	$ (406)	$ 2,335	$ (26,955)	$ 27,239
Impact of change in accounting policy		-	-	-	-	-	1,352	1,352
Adjusted balance, January 1, 2019		101,971	51,859	2,741	(406)	2,335	(25,603)	28,591
Shares and share purchase warrants issued as borrowing costs		3,000	919	493	-	493	-	1,412
Shares and share purchase warrants issued in private placements		18,000	3,926	812	-	812	-	4,738
Share based compensation		-	-	804	-	804	-	804
Issue of share purchase warrants		-	-	1,028	-	1,028	-	1,028
Total comprehensive loss for the period		-	-	-	(497)	(497)	(10,886)	(11,383)
Balance, December 31, 2019		122,971	$ 56,704	$ 5,878	$ (903)	$ 4,975	$ (36,489)	$ 25,190
Units issued in private placements		16,008	4,372	1,616	-	1,616	-	5,988
Share based compensation		-	-	458	-	458	-	458
Total comprehensive gain for the period		-	-	-	674	674	(12,775)	(12,101)
Balance, September 30, 2020		138,979	$ 61,076	$ 7,952	$ (229)	$ 7,723	$ (49,264)	$ 19,535

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

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

	Notes		Nine Months ended September 30, 2020	2019
Operating activities				
Loss for the period		$	(12,775)	(8,096)
Accretion expense			7	269
Amortization of borrowing and transaction costs	9a		562	391
Depreciation and depletion of mineral property, plant and equipment	6		7,202	-
Depreciation of right-of-use assets	7c		229	120
Gain on warrant derivative liability			-	(181)
Loss on loan extinguishment			-	1,702
Interest and borrowing expense accruals	8a,9a		1,662	1,736
Interest expense on lease liabilities	7b,7c		16	85
Interest income accrual on restricted cash			(8)	(7)
Stock-based compensation			458	664
Unrealized foreign exchange loss			769	12
			(1,878)	(3,305)
Changes in non-cash working capital				
Trade and other receivables			(842)	87
Inventories			156	713
Other current assets			186	514
Accounts payable and accrued liabilities			(503)	(1,401)
Net cash used in operating activities			(2,881)	(3,392)
Financing activities				
Proceeds from bank indebtedness			-	6,000
Proceeds from related party loan	9a		1,000	4,015
Proceeds of Paycheck Protection Program loan	8c		2,409	-
Proceeds on issuance of shares and warrants			5,988	3,685
Payment of interest, borrowing and transaction costs	8a		(355)	(518)
Payment of lease liabilities	7d		(261)	(631)
Repayment of equipment loans			(132)	(30)
Net cash provided by financing activities			8,649	12,521
Investing activities				
Additions to mineral properties, plant and equipment			(361)	(7,563)
Net cash used by investing activities			(361)	(7,563)
Effect of foreign exchange on cash and cash equivalents			(98)	(34)
Increase (decrease) in cash and cash equivalents			5,309	1,532
Cash and cash equivalents, beginning of period			1,709	2,290
Cash and cash equivalents, end of period		$	**7,018**	**3,822**

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Titan Mining Corporation ("Titan" or the "Company") was incorporated on October 15, 2012 under the laws of British Columbia and is a natural resources company engaged in the acquisition, exploration, development and production of mineral properties. The Company holds a 100% indirect ownership interest in the Empire State Mine in Northern New York State, United States.

The Company's common shares are listed on the Toronto Stock Exchange and trade under the symbol "TI". The Company's head office is located at 555–999 Canada Place, Vancouver, BC, Canada V6C 3E1.

These condensed consolidated interim financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of operations. These condensed consolidated interim financial statements do not reflect the adjustments to carrying values of assets and liabilities that would be necessary should the going concern assumption prove to be inappropriate, and these adjustments could be material.

As at September 30, 2020, the Company had cash and cash equivalents of $7,018, a working capital deficit of $27,522, a net loss for the nine months ended September 30, 2020 of $12,775 and a deficit of $49,264. During the nine months ended September 30, 2020 the Company had cash outflows from operating activities of $2,881 and cash inflow from financing activities of $8,649. The Company received proceeds of $1,000 under its credit arrangement from a company controlled by Titan's Executive Chairman, $2,409 from the U.S. Paycheck Protection Program, and $5,988 from a private placement during the nine months ended September 30, 2020.

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

2. BASIS OF PRESENTATION

a) Statement of compliance

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

On November 16, 2020, the Company's Board of Directors approved these condensed consolidated interim financial statements for issuance.

b) Basis of presentation

The accounting policies used in the preparation of these financial statements are the same as those applied in the Company's most recent audited consolidated annual financial statements for the year ended December 31, 2019.

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

c) Use of judgments and estimates

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

The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended December 31, 2019.

COVID-19 Pandemic

During the first three quarters of 2020 and subsequent to September 30, 2020, the COVID-19 pandemic has had a material impact on the global economy, the scale and duration of which remain uncertain. In March 2020, New York State Governor Cuomo issued Executive Orders requiring on site business premises workforce reductions followed by business closures for non-essential businesses. Although restrictions in New York State have been relaxed through various reopening phases, ESM continues to reduce employee exposure to COVID-19 through social distancing, thermal scanning of all employees and visitors, cancellation of travel, limiting non-essential visitors and vendors, administrative staff working from home, limiting the number of personnel in meetings and shaft cages and modified work schedules to reduce the number of personnel on site at a time. To date there have been no positive COVID-19 cases amongst the workforce and production has not been negatively impacted. Depending on the duration and extent of the impact of COVID-19, the Pandemic could materially impact the Company's results of operations, cash flows and financial condition and could result in material impairment charges to the Company's Property, plant and mine development and Inventories.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in these condensed consolidated interim financial statements are the same as those applied in the Company's annual audited consolidated financial statements as at and for the year ended December 31, 2019 except for:

Effective January 1, 2020, the Company determined that the infrastructure at Empire State Mines was operating as intended. As such, revenues and final settlement adjustments generated from zinc concentrate sales and costs attributable to producing concentrates during the nine months ended September 30, 2020 are no longer being capitalized to mineral property, plant and equipment as in prior periods and are being recognized in the Company's Consolidated Statement of Loss and Other Comprehensive Loss.

4. TRADE AND OTHER RECEIVABLES

	September 30, 2020	December 31, 2019
Trade receivables	$ 1,438	$ 630
GST receivable	14	23
Advances to related party	45	2
	$ 1,497	$ 655

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

5. INVENTORIES

		September 30, 2020		December 31, 2019
Ore in stockpiles	$	42	$	50
Concentrate stockpiles		68		545
Materials and supplies		2,048		2,031
	$	2,158	$	2,626

6. MINERAL PROPERTIES, PLANT AND EQUIPMENT

		Mineral properties		Plant and equipment		Land		Construction in progress		Total
Cost										
As at January 1, 2019	$	3,695	$	25,642	$	1,081	$	38,118	$	68,536
Additions		-		2,726		-		33,069		35,795
Transfers between categories		-		1,809		-		(1,809)		-
Share in Manco				183				-		183
Change in reclamation and remediation provision		-		1,279		-		-		1,279
Disposals		-		-		-		(1,385)		(1,385)
Impairment of equipment		-		(199)		-		-		(199)
Capitalized revenue		-		-		-		(25,070)		(25,070)
As at December 31, 2019	$	3,695	$	31,440	$	1,081	$	42,923	$	79,139
Construction in progress allocation		-		42,923		-		(42,923)		-
Change in reclamation and remediation provision		-		1,682		-		-		1,682
Additions		-		361		-		-		361
As at September 30, 2020	$	3,695	$	76,406	$	1,081	$	-	$	81,182
Accumulated depreciation										
As at January 1, 2019		127		4,155		-		-		4,282
Depreciation capitalized to construction in progress		227		4,122		-		-		4,349
Impairment of equipment		-		(85)		-		-		(85)
As at December 31, 2019		354	$	8,192	$	-	$	-	$	8,546
Depreciation and depletion		290		6,912		-		-		7,202
As at September 30, 2020	$	644	$	15,104	$	-	$	-	$	15,748
Net book value at December 31, 2019	$	3,341	$	23,248	$	1,081	$	42,923	$	70,593
Net book value at September 30, 2020	$	3,051	$	61,302	$	1,081	$	-	$	65,434

Effective April 1, 2018, the Company determined that certain mineral property, plant and equipment were operating as management intended and, as such, the Company began to depreciate these assets over their estimated useful lives. These assets were used in the commissioning of the #4 mine and, as such, the depreciation expense associated with these assets was capitalized to construction in progress. Effective January 1, 2020, the Company determined that the infrastructure at Empire State Mines was operating as intended. As such, assets and depreciation previously capitalized to construction in progress was reclassed to plant and equipment. The Company began depreciating these assets and expensing them to cost of sales over their estimated useful lives during the nine months ended September 30, 2020.

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

Mineral Ridge Project

The Company signed an Option Agreement on the Mineral Ridge Property located in Esmeralda County, Nevada from Scorpio Gold Corporation through its US affiliates on August 31, 2020. The Mineral Ridge Property is a fully permitted mine and mill operation comprised of approximately 14,000 acres of patented, fee-owned, and unpatented mining claims which include certain water rights. Historically, the property has produced approximately 1 million ounces of gold from underground and open pit mining operations. The recent history of the project under Scorpio Gold focused on identifying Resources and Reserves to support potential for small-scale mining. With this in mind, an Updated Feasibility Study and National Instrument Technical Report on the Mineral Ridge Project was reported on January 2, 2018, showcasing gold hosted in remaining heap leach material and remnant pit areas with Mineral Resources inventory totaling approximately 350,000 ounces of gold, inclusive of Mineral Reserves.

The Agreement requires Titan to spend US$35 million in staged expenditures over a period of 5 years to earn 80% ownership interest in Mineral Ridge Gold LLC ("MRG"), an indirect subsidiary of Scorpio Gold which currently holds all of the mineral rights and water rights comprising the Mineral Ridge Property. In addition to the Earn-in Option, Titan will have the right to acquire 100% interest in MRG upon spending US$7 million by January 1, 2022 and making a cash payment of US$35 million on or before December 31, 2022 Scorpio Gold may continue its gold recoveries from the heap leach operations on the Mineral Ridge Property for its own account until the earlier of December 31, 2021 and the date that Scorpio Gold extracts a further 3200 ounces of gold, with 25% of the proceeds of such operation, net of operating costs, to be held in a trust account for the benefit of Titan, subject to Titan exercising either the Earn-in Option or the Purchase Option. If Titan does not exercise the Earn-in Option or the Purchase Option, the funds in the trust account will be released to Mineral Ridge Gold LLC.
As of September 30, 2020, total expenditures on the Project were $18.

Concurrent with the signing of the option agreement, Augusta Investments Inc., a company beneficially held by the Company's Executive Chairman subscribed to a private placement in Scorpio for an aggregate subscription price of $4,645.

7. LEASES

a) Right-of-use assets

	Office space	Equipment	Total
As at January 1, 2020	252	133	385
Additions	-	-	-
Changes to lease terms	8	-	8
Depreciation	(96)	(133)	(229)
As at September 30, 2020	164	-	164

The Company shares office space with other companies related to it by virtue of certain directors and management in common (note 9b). During the nine months ended September 30, 2020, there were changes to the amount of office space attributable to the Company as reflected in changes in lease terms in the table above.

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

b) Lease liabilities

	Office space	Equipment	Total
As at January 1, 2020	276	141	417
Changes to lease terms	15	-	15
Interest accretion	13	3	16
Unrealized foreign exchange	(11)	-	(11)
Less lease payments	(117)	(144)	(261)
As at September 30, 2020	176	-	176
Current lease liabilities	144	-	144
Non-current lease liabilities	32	-	32
	176	-	176

The maturity analysis of the Company's contractual undiscounted lease liabilities as at September 30, 2020 is as follows:

	< 1 year	1 to 3 years	> 3 years	Total
Lease liabilities	153	34	-	187

c) Amounts recognized in Statement of Loss

	Three months ended September 30, 2020	Nine months ended September 30, 2020
Interest on lease liabilities	$ 3	$ 16
Depreciation of right-of-use assets	$ 33	$ 229
Variable lease payments	$ 18	$ 58
Expenses relating to short-term leases	$ 77	$ 307

d) Amounts recognized in Statement of Cash Flows

	Three months ended September 30, 2020	Nine months ended September 30, 2020
Payment of lease liabilities	$ 40	$ 261
Variable lease payments	$ 18	$ 58
Expenses relating to short-term leases	$ 77	$ 307

8. DEBT

a) Bank indebtedness

On January 21, 2019, the Company and the Bank of Nova Scotia ("Lender") amended the $15,000 secured credit agreement (the "Credit Facility") whereby a maximum of $10,000 (the "Available Credit") was available to the Company on a revolving basis. Prior to March 31, 2019, the Lender was permitted to reduce the maximum amount available to $6,000, subject to the business and financial plan provided by the Company. The interest rate on the

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

Available Credit is either LIBOR plus 4.25% or the Lender's base rate plus 3.25%, and the standby fee is 0.8% of the unadvanced portion of the Credit Facility. If the amount available is reduced to $6,000, the interest rate changes to LIBOR plus 2.25% or the Lender's base rate plus 1.25%, and the standby fee is 0.5625% of the unadvanced portion of the Credit Facility. A $6,000 guarantee was provided by a company controlled by Titan's Executive Chairman.

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

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

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

As at September 30, 2020, the Available Credit was fully drawn and the carrying value was as follows:

	Principal	Interest and borrowing costs	Total
Balance, January 1, 2019	4,000	(88)	3,912
Proceeds received	6,000	-	6,000
Accrued interest and borrowing costs	-	521	521
Accrued interest and borrowing costs paid	-	(518)	(518)
Borrowing costs, shares and share purchase warrants	-	(1,522)	(1,522)
Amortization of borrowing costs	-	66	66
Loss on loan extinguishment	-	1,702	1,702
Balance, December 31, 2019	$ 10,000	$ 161	$ 10,161
Accrued interest and borrowing costs	-	222	222
Accrued interest and borrowing costs paid	-	(355)	(355)
Balance, September 30, 2020	$ 10,000	$ 28	$ 10,028

	As at Sep 30, 2020	As at Dec 30, 2019
Current	$ 10,028	$ 161
Non-current	-	10,000
	$ 10,028	$ 10,161

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

b) Equipment loans

The Company financed the purchase of equipment with 36-month loans that bear interest at 5.95%. In March 2019, the Company returned two pieces of the financed equipment and used the proceeds to eliminate the outstanding balance of the equipment loans.

In March 2019, the Company financed the purchase of maintenance software. This loan has a term of 36 months and is non-interest bearing.

In January 2020, the Company financed the purchase of equipment with a 12-month loan which is non-interest bearing.

		September 30, 2020		December 31, 2019
Current	$	139	$	19
Non-current		22		22
	$	161	$	41

c) Paycheck Protection Program loan

On April 21, 2020, the Company's wholly owned subsidiary Empire State Mines, LLC applied for and received a loan totaling $2,409 under the U.S. Small Business Administration Paycheck Protection Program. Proceeds from this program have been used to assist U.S. small businesses during the COVID-19 pandemic in an effort to keep employees on the payroll and to contribute to utilities, rent and mortgage costs. The loan has a maturity of two years and an interest rate of 1%. The loan will be fully forgiven if the funds are used for payroll and utilities costs if at least 60% of the forgiven amount is used for payroll and full time equivalent employees remain on payroll during the eight week period following the receipt of the funds. Loan payments will also be deferred for six months. No collateral or personal guarantees are required. Due to changes in the program, the original agreement was amended September 16, 2020 such that if loan forgiveness is applied for within ten months of the six month deferral period, no principal or interest payments are required while the loan forgiveness application is being reviewed. The Company submitted the application for loan forgiveness subsequent to the balance sheet date in October 2020.

		Principal		Interest and borrowing costs		Total
Proceeds	$	2,409			$	2,409
Accrued interest				11		11
Balance, September 30, 2020	$	2,409	$	11	$	2,420

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

9. RELATED PARTY TRANSACTIONS

a) Loan from related party

On November 30, 2018, the Company entered a credit agreement with a company controlled by Titan's Executive Chairman, to establish a $18,710 subordinate general security credit facility ("Loan"). The initial advance of $3,710 bears interest at 8% per annum and advances on the subsequent $15,000 bear interest at a floating rate equal to 7% plus the greater of (i) LIBOR and (ii) 1%, per annum. Interest is payable in cash or shares of the Company. The Loan matures on November 30, 2020, but 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.

A summary of the carrying value was as follows:

	Principal	Interest and borrowing costs	Total
Balance, January 31, 2019	15,695	(886)	14,809
Proceeds received	4,015	-	4,015
Accrued Interest	-	1,807	1,807
Amortization of borrowing costs	-	462	462
Balance, December 31, 2019	$ 19,710	$ 1,383	$ 21,093
Proceeds received	1,000	-	1,000
Accrued Interest	-	1,440	1,440
Amortization of borrowing costs	-	562	562
Balance, September 30, 2020	$ 20,710	$ 3,385	$ 24,095

	September 30, 2020	December 31 2019
Current	$ 24,095	$ 21,093
	$ 24,095	$ 21,093

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

b) Key management personnel compensation

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

	Three months ended September 30, 2020	Three months ended September 30, 2019	Nine months ended September 30, 2020	Nine months ended September 30, 2019
Salaries and benefits	$ 276	$ 323	$ 859	$ 809
Share-based compensation	201	240	379	794
Directors' fees	43	49	135	148
	$ 520	$ 612	$ 1,373	$ 1,751

	As at September 30, 2020	As at December 31, 2019
Salaries and benefits payable	$ 356	$ 194
Director fees payable	135	-
Termination benefits payable – current	117	196
Termination benefits payable – non-current	193	192
	$ 801	$ 582

10. REVENUES

	Three months ended September 30, 2020	Three months ended September 30, 2019	Nine months ended September 30, 2020	Nine months ended September 30, 2019
Zinc concentrate sales	$ 11,869	$ -	$ 32,297	$ -
Zinc concentrate provisional pricing adjustments	947	454	(258)	1,600
Smelting and refining charges	(3,681)	-	(10,728)	-
Revenue, net	$ 9,135	$ 454	$ 21,311	$ 1,600

Effective January 1, 2020, the Company determined that the infrastructure at Empire State Mines was operating as intended. As such, revenues and final settlement adjustments generated from zinc concentrate sales during the nine months ended September 30, 2020 are no longer being capitalized to mineral property, plant and equipment as in prior periods and are being recognized in the Company's Consolidated Statement of Loss and Other Comprehensive Loss. Zinc concentrate provisional pricing adjustments consist of provisional and final pricing adjustments made prior to the finalization of the sales contract. Final settlement adjustments, which were capitalized as pre-commercial revenues for the nine months ended September 30, 2019, were $407.

11. CONTINGENCIES

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

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

b) The acquisition obligation owing to Star Mountain remains outstanding pending, among other things, the outcome of a claim brought against Star Mountain by Aviano Financial Group LLC ("Aviano"). The Company received notice on October 10, 2017 that Aviano, a creditor of Star Mountain, intended to amend a pre-existing action initially filed in February 2017 in Colorado against Star Mountain to collect debts owing by Star Mountain to Aviano aggregating approximately $800. The amended action of Aviano against Star Mountain was filed in the state of Colorado on October 12, 2017, adding claims for damages and a claim to set aside the alleged conveyance of Empire State Mine by Star Mountain to the Company alleging that it was a fraudulent conveyance. In addition, the Aviano notice stated that it intends to file an analogous action in New York alleging fraudulent conveyance, naming Star Mountain and the Company as defendants. While subsequent claims were filed by Aviano against Star Mountain, as of the date hereof, no litigation has been commenced by Aviano against the Company. The Company believes that the claim of fraudulent conveyance alleged by Aviano is wholly without merit and will defend against any action by Aviano if and when commenced.

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

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

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

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

c) During 2018, disputes arose between Dumas Contracting USA Inc. and related parties (collectively, "Dumas") and the Company in relation to various matters concerning or relating to the Amended and Restated Empire State Mine Rehabilitation and Contract Mining Project Contract dated August 16, 2018 ("Contract"), certain equipment and equipment leases and performance guarantees provided by Dumas and the Company. Dumas, as claimant, served a Claimant's Notice of Arbitration/Notice of Request to Arbitrate on the Company ("Arbitral Proceedings"); and filed with the Clerk of St. Lawrence County, New York a Notice of Mechanic's Lien dated November 20, 2018 against the premises ("Lien Proceedings"). Dumas, as plaintiff, commenced legal proceedings against the Company ("Legal Proceedings"); and Dumas, as lienor, filed with the Clerk of St. Lawrence County, New York a Notice of Mechanic's Lien dated November 20, 2018 against the premises ("Dumas Lien Proceedings").

On January 11, 2019, the Company entered into a settlement agreement with Dumas which was subsequently amended on March 26, 2019 setting out a revised payment schedule and increased the interest rate from prime base rate for Canadian dollar commercial loans plus 2% to 12%.
Upon payment of the first instalment, the Arbitral Proceedings were dismissed and title in the four pieces of equipment were transferred to the Company. Upon payment of the entire settlement sum and accrued interest, the Lien Proceedings and Dumas Lien Proceedings will be dismissed. Upon payment of the entire settlement sum and accrued interest, as well as the demobilization and return of a bolter to Dumas, the Legal Proceedings will be dismissed. The bolter was returned to Dumas on October 16, 2019.

On October 22, 2019, Dumas filed an Extension of Notice of Mechanic's Lien with the Clerk of St. Lawrence County, New York. and on October 30, 2019, filed a Statement of Claim in the Ontario Superior Court of Justice for the balance of outstanding accounts payable plus accrued interest. On December 5, 2019 the Company filed a Statement of Defense after denying certain allegations in the claim. The Company recorded such liabilities as at September 30, 2020 and believes this lawsuit will not have a material impact on its financial position or results of operations.

12. FINANCIAL INSTRUMENTS

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

	September 30, 2020		December 31, 2019	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities				
Lease liabilities	$ 176	$ 93	$ 417	$ 483
Bank indebtedness	$ 10,028	$ 10,093	$ 10,161	$ 10,155
Equipment loans	$ 161	$ 139	$ 41	$ 32
Paycheck Protection Program loan	$ 2,420	$ 2,327	$ -	$ -
Loan from related party	$ 24,095	$ 23,810	$ 21,093	$ 21,429

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

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

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

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

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

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

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

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

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

13. SEGMENTED INFORMATION

The Company operates one reportable segment, the Empire State Mine. The Company's non-current assets located in the United States total $67,185 and those located in Canada total $164.

14. SUPPLEMENTARY CASH FLOW INFORMATION

	Nine months ended September 30,	
	2020	2019
Non-cash investing and financing activities		
Change in accounts payable and accrued liabilities with respect to property, plant & equipment	$ (36)	$ 1,865
Change in accounts payable and accrued liabilities with respect to inventories	$ (312)	$ 219
Equipment purchases financed with debt	$ (361)	$ 341
Common shares and warrants issued as borrowing costs	$ -	$ 1,412
Proceeds on sale of equipment used to repay debt	$ -	$ 1,318
Proceeds on sale of equipment used to reduce accounts payable	$ 25	$ 37
Change in reclamation and remediation asset	$ 1,682	$ 1,349
Non-cash additions to construction in progress	$ -	$ 336

15. SUBSEQUENT EVENT

On October 12, 2020, following shareholder approval by written consent, the Company repriced 2.5 million warrants from C$1.40 to C$0.75 (the "**Warrant Amendment**") issued to Augusta Investments Inc. (the "**Lender**"), a company controlled by the Company's Executive Chairman, expiring on January 20, 2024 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 US$20.71 million (the "**Facility**"). In consideration for the repricing, the Lender agreed to extend the due date for repayment of the Facility by one additional year from November 30, 2020 to November 30, 2021.