

TITANSTAR™

TitanStar Announces Results of the Special Meeting of Holders of Convertible Redeemable Unsecured Subordinated Debentures

September 28, 2018. TitanStar Properties Inc. (TSX Venture: TSP-V) (“TitanStar” or the “Company”) announced today that the previously announced special meeting (the “Meeting”) of the holders (the “Debentureholders”) of 8.5% Convertible Redeemable Unsecured Subordinated Debentures (the “Debentures”) was held today.

TitanStar is pleased to announce that the Debentureholders have approved the extraordinary resolution (the “Resolution”) which was placed in front of them at the Meeting as more specifically set out in the Management Information Circular dated August 29, 2018. The Resolution passed with 95.79% of the Debentureholders present in person or represented by proxy at the meeting voting in favour. The Resolution authorizes TitanStar to make certain amendments to the trust indenture governing the Debentures as set out in the aforementioned Management Information Circular and as summarized below:

- Extending the maturity date of the Debentures from September 30, 2018 to September 30, 2020;
- Decreasing the conversion price at which the Debenture may be converted into common shares of the Corporation from \$0.08125 to \$0.06 per common share; and
- Increasing the interest rate payable on the Debentures from 8.5% per annum to 9.5% per annum, with effect as of October 1, 2018.

There will also be certain incidental amendments resulting from the foregoing.

In order to effect the amendments to the Debentures, TitanStar will be required to enter into a supplemental trust indenture with the trustee for the Debentures, BNY Trust Company of Canada. The amendments to the Debentures will be effective on September 28, 2018.

There is currently \$4,542,000 principal amount of Debentures issued and outstanding. Each Debenture has a face value of \$1,000. The Debentures are currently listed on the TSX Venture Exchange (“TSXV”) under the symbol “TSP.DB.”

TitanStar has applied to the TSXV to list the amended and extended Debentures under a new symbol. The current Debentures will be de-listed from the TSXV to be effective at market open on October 1, 2018. The amended Debentures will be listed on the TSXV shortly.

The Company also announced today that it has received notice of a technical default from the lender to the Metro Gateway property in Phoenix, AZ for breach of the minimum net worth and liquidity covenants in the loan document. The Company is actively working to remedy the situation, which should occur imminently.

Additionally, the Company announced today that it has closed the refinancing on Martin Downs Center located in Palm City, FL. As part of the refinancing, the Company acquired an additional 9% beneficial interest bringing the Company’s total beneficial interest to 58%.

FOR FURTHER INFORMATION PLEASE CONTACT:

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About TitanStar

TitanStar is a real estate issuer which currently holds the following assets:

- A 58% beneficial interest in Martin Downs Town Center, a 36,252 square foot retail shopping centre, located in Palm City, Florida;
- A 100% beneficial interest in Metro Gateway Shopping Center, a 64,793 square foot retail shopping centre, located in Phoenix, Arizona; and
- A 100% beneficial interest in 116th Street Centre, a 44,854 square foot retail centre, located in Carmel, Indiana.

This news release includes certain forward-looking information and statements within the meaning of Canadian securities laws. Such forward-looking information and statements are not representative of historical facts or information or current condition, but instead represent only the Company's beliefs regarding future events, plans or objectives, many of which, by their nature, are inherently uncertain and outside of the Company's control.

Generally, such forward-looking information or statements can be identified by the use of forward-looking terminology such as "plans", "expects", "intends", "anticipates", or variations of such words and phrases. All statements other than statements of historical facts included in this news release, including statements regarding the Meeting, may constitute forward-looking information. By identifying such information and statements in this manner, the Company is alerting the reader that such information and statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results to be materially different from those expressed or implied by such information and statements.

These statements are based on management's reasonable assumptions and beliefs in light of the information available to them at the time such statements are made. By its very nature, forward-looking information requires the Company to make assumptions and is subject to inherent risks and uncertainties which give rise to the possibility that the Company's predictions, forecasts, expectations or conclusions will not prove to be accurate, that the Company's assumptions may not be correct and that the Company's objectives, strategic goals and priorities will not be achieved. Although the Company believes that the predictions, forecasts, expectations or conclusions reflected in the forward-looking information are reasonable, it can give no assurance that such matters will prove to have been correct. Such forward-looking information is not fact but only reflects management's estimates and expectations. These forward-looking statements are subject to uncertainties and other factors that could cause actual results to differ materially from such statements. These factors include but are not limited to the uncertainties and risks discussed in the Company's materials filed with the Canadian securities regulatory authorities from time to time.

The Company cautions that the list of important factors is not exhaustive and other factors could also adversely affect its results. Readers are urged to consider the risks, uncertainties and assumptions carefully in evaluating the forward-looking information, and are cautioned not to place undue reliance on such forward-looking information. The forward-looking information in this news release reflects the Company's expectations as of the date hereof, and is subject to change after this date. The Company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the Company other than as required by applicable securities laws.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.