TITANIUM CORPORATION INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTH PERIOD ENDED NOVEMBER 30, 2007

The information in the Management's Discussion and Analysis or "MD&A" is intended to assist the reader in the understanding and assessment of the financial condition and results of operations of Titanium Corporation Inc. ("Titanium" or the "Company"). This MD&A has been prepared for the three month period ended November 30, 2007, and includes material information available up to January 22, 2008. As this MD&A provides an update to the MD&A for the year ended August 31, 2007, it should be read in conjunction with the unaudited financial statements for the three month period ended November 30, 2007 and the annual MD &A for the year ended August 31, 2007.

The Company's financial statements are prepared in accordance with accounting principles generally accepted in Canada, or Canadian GAAP. All amounts included in the MD&A are in Canadian dollars, unless otherwise specified. The Company's public filings, including its most recent annual audited financial statements at August 31, 2007 can be reviewed via the SEDAR website at www.sedar.com or the Company's website at www.titaniumcorporation.com.

Certain statements included herein including future potential of the Oil Sands Project and other statements that express management's expectation or estimates regarding the timing of completion of various aspects of the projects' development or of the Company's future performance, constitute "forward-looking statements". The words "believe", "expect", "anticipate", "contemplate", "target", "plan", "intends", "continue", "budget", "estimate", "may", "will", "should", "schedule", "potential", and similar expressions identify forward-looking statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management, are inherently subject to significant business, economic and competitive uncertainties and contingencies. In particular, the MD&A includes many such forward-looking statements and such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual financial results, performance or achievements of Titanium to be materially different from its estimated future results, performance or achievements expressed or implied by those forward-looking statements and its forward-looking statements are not guarantees of future performance. Titanium expressly disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, events or otherwise, except where required by law. These risks, uncertainties and other factors include, but are not limited to: changes in the worldwide price of zircon and titanium; fluctuations in exchange rates; legislative, political or economic developments including changes to relevant legislation in Canada; operating or technical difficulties in connection with development activities; requirement for additional funding; development timelines; expected capital expenditures; and Titanium's expected future production and cash flows. For further expansion of certain risks and uncertainties that could contribute to a difference in results, please review those risks listed under the heading "Risks" in this MD&A.

Corporate Overview

The Company is in the development stage and is a reporting issuer in Ontario, British Columbia, Alberta and Quebec. The common shares of Titanium trade on the TSX Venture Exchange under the symbol TIC.

The Company's vision is to create a new industry in Alberta by processing a waste material into valuable products. The Company is developing technology and processes to recover heavy minerals, primarily zircon, and a portion of the bitumen contained in the froth treatment tailings streams of oil sands mining extraction operations. The potential exists in such processes to not only recover previously wasted resources but to simultaneously deliver environmental benefits. Following the successful completion of development and testing, the Company plans to commercialize the recovery of minerals and bitumen by establishing operations in the oil sands region of Fort McMurray in Northern Alberta.

The Canadian oil sands industry is experiencing an extended period of rapid growth. There are currently three large oil sands mining operations that would be candidates to utilize the Company's planned processes and a number of other mining projects under development. As the Company develops its Oil Sands Project it is committed to achieving the highest standards in areas of good corporate governance, open communication with all affected stakeholders and excellence with best accepted engineering design practices with safety, environmental protection, and risk mitigation as key components of the commercial process.

First Quarter Performance

During the first quarter, the Company's continued efforts focused on technical programs designed to recover heavy minerals and associated bitumen directly from the oil sands froth treatment tailings stream. During the period, the Company also conducted a comprehensive strategic business planning process to review technical progress, outcomes, markets and business conditions to assist with planning the next phase of the Oil Sands Project. While the business plan was still under review at quarter end, it confirmed the requirement to focus on bitumen removal from the mineral concentrate and bitumen recovery from the tailings stream. The technical and economic success of the project relies on the recovery of both heavy minerals and a portion of the bitumen currently lost in the tailings stream. The recovery of both minerals and bitumen represents an expanded opportunity for the Company and efforts are being redoubled to conduct the necessary research, development and pilot testing work.

For the three month period ended November 30, 2007, the Company incurred a net loss of $749,970 or $0.01 per share, compared to a net loss of $614,964 or $0.01per share for the comparable period of fiscal 2007. As at November 30, 2007, the Company had $20,001,923 in cash and short-term investments compared to $21,969,275 at November 30, 2006

The Company's technical programs during the quarter focused on bitumen removal and recovery and minerals separation as discussed below.

Bitumen Removal and Recovery: The Company's work in this area is aimed at improving the removal of bitumen during the concentration stage, reducing solvent usage, recovering solvent and separating and recovering bitumen from the tailings stream. The Company has engaged industry experts including the Alberta-based research unit of CANMET Energy Technology Centre "CANMET" to assist with the necessary research and development work “R&D”. The Company’s Regina facility and technical team are located on the campus of the Saskatchewan Research Council “SRC”. SRC has also been engaged and has commenced R&D work for the Company. Both organizations are conducting various testing measures at laboratory scale related to bitumen characterization and removal. Test work will move to pilot scale as prospective solutions are identified. During the quarter, in conjunction with strategic business planning, technical consultants were also engaged to recommend additional R&D approaches.

Minerals Separation: Work is ongoing to increase recovery levels and grades and improve the removal of bitumen from the minerals. During the quarter, further tonnages of minerals concentrate were processed at the Company’s Regina facility to produce sample quantities of zircon and leucoxene for market testing. The Company’s technical marketing expert has been visiting potential customers operations throughout Asia during the period. Market development activities in Asia have been facilitated by relationships the Company has established with large oil sands operators in the region. In October, the Company arranged and hosted a visit by a group from Asia who visited the Company’s facilities in Regina and the pilot concentrator on-site in Fort McMurray. Under confidentiality agreements, the Company is required not to disclose the names of these relationship parties.

Market conditions, prices and prospects for heavy minerals remained steady during the quarter. Demand and prices for zircon remained strong worldwide, particularly in China. Titanium mineral markets continued to be well supplied pressuring pricing. Accordingly, the Company will continue to give priority to the development of recovery of zircon, leucoxene and bitumen.

Outlook for Fiscal 2008

The Company views the oil sands in Alberta as a large and growing opportunity as described in the following section. This section contains forward-looking statements about the Company’s outlook for fiscal 2008. Reference should be made to the cautionary language on page 1 of the MD&A. For a discussion of certain risks and uncertainties that could contribute to a difference in results and the types of assumptions being made in respect of the forward-looking statements in the following, please review the “Risks” section in this MD&A.

The oil sands sector in Canada is growing rapidly through expansions of existing operations and a number of new projects under development with an increased focus on sustainable development. Sustainable development requires superior performance in environmental, social and economic areas.

The recovery of a portion of the bitumen currently lost in froth treatment tailings streams represents an expanded opportunity with the potential for general environmental and economic benefits. The expectation of continuing high oil prices and heightened environmental concerns has resulted in an increased focus by the public, government and industry on new technologies and processes that address these issues. In management's view, the potential market for tailings processing is substantial with three large mining oil sands sites currently in operation, one to be commissioned in 2008 and several others planned for the ensuing years.

2008 Programs

The Company's Oil Sands Project has advanced to an integration of bitumen recovery and minerals recovery directly from oil sands froth treatment tailings streams. In 2008, the Company is redoubling its efforts to conduct necessary research, development and pilot testing programs to remove bitumen from heavy minerals and recover bitumen from the froth treatment tailings stream. Specific R&D programs are underway. The work is being conducted in stages which include hydrocarbon classification, further removal from mineral sands, solvent use and recovery and separation of bitumen from fines. The programs involve independent research agencies as well as the Company's resources. The Company has engaged and is working closely with Canmet and SRC who are actively working on laboratory test programs. Prospective lab scale solutions will be taken to larger bench and then pilot scale. Planning is also underway with a third private research firm in the United States for the first phase of an additional R&D program. The first approximate three month phase of this additional program is expected to commence in February. Results from the programs will then be assessed and a second phase planned. The Company aims to complete a significant portion of the laboratory scale work from all programs by the end of August 2008 and review results for pilot testing. The costs associated with bitumen recovery are unknown in advance of the research and development work to be conducted and the potential benefits are in a wide range and are entirely dependent upon the success of the R&D work and subsequent pilot testing.

Additional minerals work is also being conducted at the Company's Regina facilities to improve overall zircon recoveries and the quality of lower grade zircon. The Company aims to complete the minerals separation programs by the end of June, 2008. Depending on the results from the final minerals programs and the R&D to remove final traces of bitumen that remain on the zircon concentrate, the Company plans to commence evaluating and testing upgrading processes and the potential for downstream value-added processing.

The Company plans to pursue all available options to resolve the technical areas outlined above and leverage its expertise and expand into broader commercial activities. In addition to the larger opportunity to recover both bitumen and minerals, the strategic plan has identified other potential business opportunities in the broader resource, environmental and services areas which the Company is evaluating.

New Appointments

On November 19, 2007, Mr. C. Bruce Burton was appointed a Director the Company. Mr. Burton is an experienced corporate executive with more than 25 years experience in the natural resources sector.

On December 19, 2007, Mr. Gordon Pridham was appointed Executive Chairman of the Company. Mr. Pridham was first appointed to the Board in December, 2006, and will work closely with senior management and key stakeholders as the Company moves into the next phase of development.

Summary of Financial Results for Three Months Ended November 31, 2007

For the three months ended November 30. 2007, the Company incurred a net loss of $749,970 or $0.01 per share, which compares to a loss of $614,964 or $0.01 per share for the three months ended November 30, 2006. The Company capitalized certain expenditures incurred at the Company's Regina facilities as the development of the Oil Sands Project continues. In addition, the Company incurred Research and Development costs in the first quarter of fiscal 2008 which did not meet the criteria for deferral.

General and administrative costs (excluding Research and Development) were lower in the first quarter of fiscal 2008 than the comparable period of 2007.

During the three month periods ended November 30, 2006 and 2007, and since inception, the Company did not generate any operating revenue as it is in the development stage.

Expenses

Corporate General and Administrative Costs

Corporate costs (excluding Research and Development) declined in the first quarter of fiscal 2008 compared to the same period of fiscal 2007. Office and administration includes the costs of increased staff during the transition of the new CFO. Professional fees were greater in the first quarter of 2008 than in 2007 as a result of the additional focus on the strategic business planning process. The reduction in travel and promotion in 2008 compared to the comparable quarter of fiscal 2007 reflects less travel (both domestic and international) as the company entered a new development phase as explained earlier.

In the first quarter of fiscal 2008 the cost of stock-based compensation declined compared to 2007 as the value of options that vested in the respective period declined. Also in the same period of 2008, the company incurred a foreign exchange loss on funds held in US currency as the value of the US dollar declined.

Research and Development

Certain costs incurred by the Company at the Regina facility have been treated as Research and Development costs and expensed in the first quarter of fiscal 2008. In the comparable period of 2007, costs incurred at the facility were deferred. Total expenditures were less in the 2008 period than in 2007. Included in the costs for fiscal 2008 is a stock-based compensation expense of $33,329, which compares to $65,894 that was included in the related deferred charge in the applicable 2007 period.

Interest income

The reduction in interest income in the period reflects lower average cash balances in the quarter compared to the similar 2007 period.

Summary of Quarterly Results

The following are the highlights of financial data on the Company for the most recently completed eight quarters.

	Q1 Nov 30, 2007	Q4 Aug, 31, 2007	Q3 May 31, 2007	Q2 Feb 28, 2007
Statement of Loss				
Net loss	$749,970	$1,048,091	$428,331	$908,772
Basic and diluted loss per share	$0.01	$0.01	$0.01	$0.02
Balance Sheet				
Working capital	$19,620,555	$20,325,611	$21,020,898	$21,536,736
Total assets	$35,084,012	$35,545,956	$36,205,660	$36,552,213
Statement of Cash flows				
Cash flow from financing activities	-	-	-	$1,171,075

	Q1 Nov 30, 2006	Q4 Aug, 31, 2006	Q3 May 31, 2006	Q2 Feb 28, 2006
Statement of Loss				
Net loss	$614,964	$746,293	$786,375	$987,438
Basis and diluted loss per share	$0.01	$0.02	$0.01	$0.02
Balance Sheet				
Working capital	$21,423,343	$22,524,604	$24,479,995	$25,082,720
Total assets	$36,264,506	$36,863,876	$36,696,565	$36,358,235
Statement of Cash flows				
Cash flow from financing activities	$4,000	-	$738,251	$1,587,973

The net loss in the first quarter of fiscal 2008 compared to the similar period of fiscal 2007 reflects the increased expenditures on research and development in 2008, offset by a reduction in corporate costs during the period.

Oil Sands Project

The Company capitalizes all direct costs of the Oil Sands Project which meet the generally accepted criteria for deferral. Other costs which do not meet the criteria for deferral, but are incurred as part of the Company's research program, are expensed.

Costs which were capitalized in the first quarter of fiscal 2008 amounted to $132,161, which compares to $869,742 capitalized in the first quarter of fiscal 2007.

The following is a summary of Oil Sands Project capitalized expenditures:

	Three Months Ended November 30	
	2007	**2006**
Beginning Balance	**$14,823,946**	**$13,212,493**
Engineering and consulting fees	-	363,635
Stock option compensation charge	-	65,894
Building	-	13,899
Maintenance	-	129
Salaries	39,945	22,800
Equipment	-	241,600
Travel	25,705	32,954
General and administrative	-	64,025
Regina development facility rent	24,149	48,879
Sampling and assays	28,237	60,875
Transport-feedstock, samples, tailings	14,125	20,946
Ending Balance	**$14,956,107**	**$14,148,129**

Liquidity and Capital Resources

In management's view, the most meaningful information concerning the Company relates to its current liquidity given that, currently, it is not generating any income from its Oil Sands Project. Current demands on the Company's capital resources stem from management's pursuit to add shareholder value through the development and commercialization of the Oil Sands Project. The Company's only sources of liquidity until the Oil Sands Project reaches commercial production and profitability are current cash balances, issue of equity capital, exercise of warrants and stock options outstanding, obtaining project financing and entering into joint ventures. The Company is in a strong financial position through the feasibility stage of project development with $20,001,923 in cash and short-term investments at November 30, 2007. To complete the development to commercial production, the Company will need to obtain external financing. The ability to develop the Oil Sands Project is dependent on the Company's ability to raise the necessary financing to build the required plant and infrastructure through debt or equity issues or other strategic alternatives.

The Company had a net working capital balance of $19,620,555 at November 30, 2007 compared to $21,423,343 at November 30, 2006 and $ 20,325,611 at August 31, 2007. On the basis of the Operating Plan and Budget that was prepared by Management for fiscal 2008, the Company has sufficient funds to meet its cash requirements for the balance of the fiscal year.

The Company's primary assets at November 30, 2007 were cash and short term investments totaling $20,001,923 ($21,969,275 at November 30, 2006) and development costs for its Oil Sands Project of $14,956,107 ($14,148,129 at November 30, 2006).

Off-Balance Sheet Arrangements

The Company has not entered into any off-balance sheet transactions.

Critical Accounting Estimates

Oil Sands Project Development Costs

All direct costs which meet the generally accepted criteria for deferral related to the Oil Sands Project are capitalized as incurred. These criteria include having a clearly defined process with identifiable associated costs, establishment of technical feasibility, an intention to process and sell the recovered minerals to a clearly defined market, and adequate resources exist or are expected to be available to complete the project to commercial production.

Other costs that are incurred in connection with the Oil Sands Project that do not meet the criterion for deferral are expensed in the period in which they are incurred.

Stock-based Compensation

The Company accounts for all employee and non-employee stock-based awards pursuant to the amended recommendations of the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3870, Stock-based Compensation and Other Stock-based Payments. The stock-based compensation recorded by the Company is a critical accounting estimate because of the value of compensation recorded and the many assumptions required to calculate the compensation expense.

Compensation expense is recorded for stock options issued to employees and non-employees using the fair value method. The Company must calculate the fair value of stock options issued and amortize the fair value to stock compensation expense over the vesting period, and adjust the amortization for stock option forfeitures and cancellations. The Company uses the Black-Scholes model to calculate the fair value of stock options issued which requires that certain assumptions including the expected life of the option and expected volatility of the stock be estimated at the time that the options are issued.

Risks

The following discussion pertains to the outlook and conditions currently known to management that may have a material impact on the financial condition and results of operations of the Company. This discussion, by its nature, is not all-inclusive. Other factors may affect the Company in the future.

In general, development projects have no operating history upon which to base estimates of future cash capital and operating costs. For development projects such as the Oil Sands Project, estimates of tailings supply are, to a large extent, based upon the interpretation of geological data obtained from drill holes and other sampling techniques and feasibility studies. This information is used to calculate estimates of the capital cost, cash operating costs based upon anticipated tonnage and grades to be processed, expected recovery rates, facility and equipment operating costs, anticipated climatic conditions and other factors. In addition, there remains to be undertaken certain work on the Oil Sands Project that could adversely impact estimates of capital and operating costs of the project and such differences could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

There can be no assurance that the Company will be able to complete development of the Oil Sands Projects at all or on time or to budget due to, among other things, changes in the economics of the project, the delivery and installation of plant and equipment and cost overruns, or that the current personnel, systems, procedures and controls will be adequate to support the Company's operations. Should any of these events occur it would have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Potential customers for heavy mineral products have unique manufacturing processes that utilize feedstock with specific characteristics. The oil sands have more impurities and on average have a slightly finer grain size than typical beach mineral sand deposits. There is also a larger than normal variance of the heavy minerals. These factors present additional challenges to the efficient processing of the heavy mineral concentrate. The critical steps required to create marketable-grade titanium dioxide and zircon from the oil sands include making a heavy mineral concentrate from the tailings and removal of the remaining hydrocarbons from the concentrate. Once removed, the hydrocarbons together with the solvents added to aid removal, must be recovered. There is no assurance that the Company will overcome such challenges on a commercial scale and that its products will meet certain of the customers' specifications.

The development of the Oil Sands Project and the construction of processing facilities and commencement of commercial production will require substantial additional financing. Failure to obtain sufficient financing will result in a delay or indefinite postponement of further development and commercial production. The only sources of funds currently available to the Company are through the issue of equity capital, the entering into of joint ventures or incurring project financing. Additional financing may not be available when needed or if available, the terms of such financing might not be favourable to the Company and might involve substantial dilution to existing shareholders.

The Company continues to develop and test its process for cleaning and extracting concentrates from oil sands tailings and recovering the associated hydrocarbons. Unforeseen difficulties with scale-up to commercial scale, unexpected utility costs, natural gas costs, labour costs or shortages, engineering costs and related industrial process risks could negatively impact the viability of the project.

The Company may not be able to negotiate fair commercial arrangements with Syncrude or other oil sands operators, and in such event, the Company may not be able to secure supplies of tailings or customers.

The Company has necessarily relied on the 1996 study by the Alberta Chamber of Resources (Mineral Development Agreement Study) and Syncrude's own data to establish the extent and consistency of the tailings supply. This involves more risk than the typical situation where a company can control its own source of supply.

The Company has filed or is in the process of filing patent applications in the United States and Canada with respect to its technology for recovering heavy minerals. There can be no assurance that such patent applications will be allowed or that, if issued, the patents will not be challenged by any third parties, or that the patents of others will not have an adverse effect on the ability of the Company to commercially exploit its technology. Furthermore, there can be no assurance that others will not independently develop similar technology, duplicate the Company’s product or design around the patented technology developed by the Company. In addition, the Company could incur substantial costs in defending itself in suits brought against it in respect of such patents or in suits in which the Company attempts to enforce its own patents against other parties.

The Company’s business is dependent on retaining the services of a small number of key personnel of the appropriate calibre as the business develops. The Company has entered into employment agreements with certain of its key executives. The success of the Company is, and will continue to be, to a significant extent, dependent on the expertise and experience of the directors and senior management and the loss of one or more could have a materially adverse effect on the Company.

Competition

The Company competes with international companies that have substantially greater financial and technical resources to support their business activities as well as for the recruitment and retention of qualified employees. The Company has not operated its minerals processing technology at a commercial scale nor recovered hydrocarbons that are integral to the recovery of the minerals. Accordingly, it cannot describe processing efficiencies and costs associated with its titanium and zircon processing technology or compare such efficiencies and costs to those of competitors. The manufacturing methods and costs to manufacture also vary greatly, with certain methods lending themselves to specific niche applications and deposits. As a result, competition within the industry is driven by a variety of factors, principally cost of production, price and product attributes.

Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, marketable securities, accounts receivable, prepaid expenses, accounts payable and accruals. The designation of the financial instruments, where relevant, is fully disclosed in the Company's financial statements. It is management's opinion that the Company is not exposed to significant interest, currency, liquidity or credit risks arising from its financial instruments and that their fair values approximated their carrying values unless otherwise noted.

Outstanding Share Data

The following table summarizes the changes in the common shares and options to purchase common shares for the three month period ended November 30, 2007.

	Common Shares	Options
Balance August 31, 2007	56,207,651	2,430,000
Issued/Exercised	-	-
Granted	-	75,000
Cancelled/Expired	-	325,000
Balance November 30, 2007	56,207,651	2,180,000
Shares issued on exercise of options	101,666	
Granted	-	475,000
Cancelled/Expired	-	133,334
Exercised	-	101,666
Balance January 22, 2008	56,309,317	2,420,000

As at August 31, 2007 and November 30, 2007 there are 56,207,651 common shares outstanding. On December 24, 2007, 101,666 options were exercised for cash proceeds of $203,699.

As at August 31, 2007, there were 2,430,000 options to purchase common shares outstanding at exercise prices ranging from $1.85 to $3.86 with expiry dates that range between November 2007 and December 2011. There are currently 2,420,000 options outstanding at exercise prices that range from $1.85 to $3.86 with expiry dates that range from March 2008 to December 2012. In the first quarter of fiscal 2008, 75,000 options were granted at an exercise price of $2.00 and an expiry date of November 2012. Also in the first quarter of fiscal 2008, 325,000 options were cancelled or expired. Subsequent to the end of the first quarter of fiscal 2008, 475,000 options were granted at an exercise price of $2.25 and an expiry date of December 2012. Also in this period, 101,666 options were exercised for cash proceeds of $203,669 and 133,334 options were cancelled or expired.

Disclosure Controls and Procedures and Internal Control over Financial Reporting

As of the end of the period covered by this MD & A, management of the Company, with the participation of the Chief Executive Officer and the Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures as required by Canadian securities laws. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer have concluded that the disclosure controls and procedures were effective to provide reasonable assurance that material information related to the Company required to be disclosed in the Company's annual filings and other reports filed or submitted under Canadian securities laws is recorded, processed, summarized and reported within the time periods specified by those laws and that material information is accumulated and communicated to management of the Company, including the Chief Executive Officer and the Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure, particularly during the period in which the annual filings are being prepared.

The Chief Executive Officer, the Chief Financial Officer and the management of the Company have designed and implemented internal controls over financial reporting, or caused them to be designed under supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. In designing the internal control over financial reporting, the size of the Company, its business environment and the complexity of its operations have all been considered. The Company is currently improving the documentation of procedures and controls over financial reporting. This process will be completed in the second quarter of fiscal 2008. Based on an evaluation of internal controls over financial reporting, the Chief Executive Officer and the Chief

Financial Officer have concluded that the internal controls over financial reporting provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP.

There has been no change in the design of the Company's internal control over financial reporting during the quarter ended November 30, 2007 that has materially affected or is reasonably likely to materially affect the Company's internal control over financial reporting.

Additional Information

Additional information relating to the Company is available on SEDAR at
www.sedar.com