TITANIUM CORPORATION INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE SIX MONTH PERIOD ENDED FEBRUARY 29, 2008

This Management Discussion and Analysis or "MD&A" should be read in conjunction with the unaudited financial statements of Titanium Corporation Inc. ("Titanium" or the "Company") for the six month period ended February 29, 2008 and the annual audited financial statements for the year-ended August 31, 2007. This MD&A has been prepared for the three and six month period ended February 29, 2008, and includes material information available up to April 29, 2008.

The Company's financial statements are prepared in accordance with accounting principles generally accepted in Canada, or Canadian GAAP. All dollar figures stated herein are expressed 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, titanium and crude oil; 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 particularly the removal and recovery of bitumen; 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 Profile

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. At April 29, 2008, there were 56,309,317 common shares outstanding.

The Company's Head Office is located in Toronto, Canada and its research facilities are in Regina, Saskatchewan. In addition, the Company has on-site pilot facilities which are located in Fort McMurray, Alberta.

Overview

The Company intends to create a new sustainable industry in Alberta by processing a waste material into valuable products. The Company is developing technology and processes to integrate the recovery of heavy minerals, specifically titanium and zircon, and bitumen contained in the froth treatment tailings streams of oil sands mining extraction operations (the "Oil Sands Project"). The potential also exists to simultaneously deliver environmental benefits.

The Company has been conducting a series of research and development ("R&D") programs on-site and at its Regina facility to develop technology to process oil sands tailings directly from the pipeline. Analysis to date has shown that the removal and recovery of bitumen is necessary in order to effectively recover heavy minerals. The technical and economic success of the project relies on the integrated recovery of both heavy minerals and a portion of the bitumen currently lost to tailings.

In May 2005, the Company filed an independent study, the Whitcomb Report, with respect to its Oil Sands Project. This study was prepared over three years ago and should no longer be relied upon as circumstances surrounding the project have changed. As previously described, the Company's Oil Sands Project has evolved to an integrated approach to the recovery of bitumen and minerals from oil sands tailings.

Mr. Neil Dawson, Principal of Titanatek (Pty) Ltd. of Australia, and a registered member of AusIMM is the independent consultant who acts as the Qualified Person ("QP") for the Company on its Oil Sands Project.

Second Quarter Update

During the second quarter and the first six months of fiscal 2008, the Company completed its strategic business plan, which reviewed technical progress, outcomes, markets and business conditions. The business plan confirmed the requirement to focus on programs aimed at removing bitumen from the heavy mineral concentrate and recovering bitumen from oil sands tailings streams.

In addition to the larger opportunity to recover bitumen and minerals from tailings, the strategic plan identified other potential business opportunities in the broader resource, environmental and services areas, which the Company is evaluating.

On March 28, 2008, the Alberta Energy Minister announced that the Company had been awarded a $3.5 million Energy Innovation Fund Grant from the Province of Alberta to be matched by the Company for a total program expenditure of $7 million over a two-year period. The Company received the funds on April 8, 2008 and issued a letter of credit in the amount of $3,500,000 in support of this Grant. The funding will be directed toward planned and on-going research programs and on the environmental benefits of recovering hydrocarbons and heavy minerals from oil sands tailings. Under the terms of the Grant, the Company has established an Advisory Committee comprised of individuals drawn from the research community, government agencies and industry.

The Company has engaged the Alberta-based research unit of CANMET Energy Technology Centre “CANMET” to assist with research and development programs. The Saskatchewan Research Council (“SRC”) has also been engaged and has commenced R&D work for the Company. Both organizations are continuing to conduct various testing measures at laboratory scale related to bitumen characterization and removal.

The Company also developed additional research programs, working with a US research organization and expects these programs to be underway in the third quarter.

Following the successful completion of lab scale R&D programs, the Company would be required to pilot test prospective new technologies. The costs associated with bitumen recovery are unknown in advance of the 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 being conducted at the Company’s Regina facilities to improve overall zircon recoveries and to improve the quality of lower grade zircon. The Company aims to complete the minerals separation programs during 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 zircon upgrading processes and the potential for downstream value-added processing.

The Company has an Exclusivity Agreement with Syncrude Canada Ltd. which is scheduled to expire on May 16, 2008. In conducting the next phase of its research and development programs, the Company will be collaborating with independent research organizations, government agencies and the oil sands industry with a view to developing an industry-wide solution. Accordingly, the Company will not seek to renew the Exclusivity Agreement. The Company intends to continue testing of tailings and associated research programs in cooperation with its research partners and the industry.

Market Trends

Market conditions, prices and prospects for heavy minerals remained steady during the second quarter and the first half of fiscal 2008. Demand and prices for zircon remained strong worldwide, particularly in China. Titanium mineral markets continued to be well supplied putting pressure on pricing. Accordingly, the Company will continue to give priority to the development of recovery of zircon and bitumen.

Outlook

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 during 2008 and several others planned for the ensuing years.

Summary of Financial Results for Three and Six Month Periods Ended February 29, 2008

For the three month period ended February 29, 2008, the Company incurred a net loss of $1,152,544 or $0.02 per share, compared to a net loss of $908,772 or $0.02 per share for the comparable period of fiscal 2007. For the six months ended February 29, 2008 the net loss was $1,902,514 or $0.03 per share, compared with a net loss of $1,523,736 ($0.03 per share) for the same period of 2007. As at February 29, 2008, the Company had $19,107,303 in cash and short-term investments compared to $21,639,053 at

February 28, 2007 and $20,547,208 at August 31, 2007. The increase in the net loss for both the second quarter and first six months of fiscal 2008 compared to the comparable 2007 periods was due to an increase in professional fees and research and development expenses. These increases are discussed later in this MD & A.

In both the second quarter and first six months of fiscal 2008, the Company capitalized certain expenditures incurred at the Company's Regina facilities related to the development of the Oil Sands Project. In addition, the Company incurred research and development costs in the second quarter and first six months of fiscal 2008 of $308,097 and $524,521 respectively which did not meet the criteria for deferral. In order to be deferred, the costs incurred must relate directly to the development of the Oil Sands Project. Other costs incurred at the Company's research facilities in Regina are expensed as incurred (see Research and Development Expenses and Oil Sands Project).

During the three and six month periods ended February 29, 2008 and February 28, 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

The following table summarizes certain corporate costs for the periods noted:

	Three months ended		Six months ended	
	Feb 29, 2008	**Feb 28, 2007**	**Feb 29, 2008**	**Feb 28, 2007**
Consulting	$251,690	$280,917	$354,048	$422,418
Office and administration	142,838	138,123	276,258	211,051
Directors' fees	43,880	43,750	91,463	87,500
Insurance	31,254	35,345	65,314	68,899
Loss (gain) on foreign exchange	75	5,787	21,131	(1,919)
Professional fees	141,894	106,176	299,503	158,401
Shareholders' communication and filing fees	196,274	185,117	227,502	240,964
Travel and promotion	78,390	75,750	140,097	184,556
	$886,295	$870,965	$1,475,316	$1,371,870

Corporate costs as outlined above increased slightly in the second quarter and the first six months of fiscal 2008 compared to the same periods of fiscal 2007. The increase in professional fees in the second quarter of 2008 of $35,718 ($141,102 for the first six months) relates to higher legal and recruitment fees, and the strategic planning process.

Stock-based Compensation

In the second quarter and first six months 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.

Research and Development

As previously explained certain costs incurred by the Company on bitumen recovery at the Regina facility have been treated as Research and Development costs and expensed in the second quarter and first half of fiscal 2008. In the comparable period of 2007, costs incurred at the facility, primarily related to heavy minerals, were deferred.

The following table summarizes research and development costs which were expensed in the periods noted:

	Three months ended		Six months ended	
	Feb 29, 2008	**Feb 28, 2007**	**Feb 29, 2008**	**Feb 28, 2007**
Salaries	$168,235	-	$261,419	-
Consulting	77,676	-	148,057	-
Administration	27,461	-	55,053	-
Other	34,725	-	59,992	-
	$308,097	-	$524,521	-

Salary costs increased in the second quarter of 2008 compared to the first quarter reflecting the cost of staff bonuses paid in that period. All other research and development expenditures incurred in the second quarter did not vary materially from the level of expenditure incurred in the first quarter.

Interest income

Interest income reflects earnings on the Company's cash balances. The Company's short-term investments are principally bankers' acceptances.

Summary of Quarterly Results

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

	Q2 Feb. 29, 2008	**Q1 Nov. 30, 2007**	**Q4 Aug. 31, 2007**	**Q3 May 31, 2007**
Statement of Loss				
Net loss	$1,152,544	$749,970	$1.048,091	$428,331
Basic and diluted loss per share	$0.02	$0.01	$0.01	$0.01
Balance Sheet				
Working capital	$18,775,700	$19,620,555	$20,325,611	$21,020,898
Total assets	$34,496,291	$35,084,012	$35,545,956	$36,205,660
Statement of Cash flows				
Cash flow from financing activities	$203,699	-	-	-

	Q2 Feb.28, 2007	Q1 Nov. 30, 2006	Q4 Aug. 31, 2006	Q3 May 31, 2006
Statement of Loss				
Net loss Basis and diluted loss per share	$908,772 $0.02	$614,964 $0.01	$746,293 $0.02	$786,375 $0.01
Balance Sheet				
Working capital	$21,536,736	$21,423,343	$22,524,604	$24,479,995
Total assets	$36,552,213	$36,264,506	$36,863,876	$36,696,565
Statement of Cash flows				
Cash flow from financing activities	$1,171,075	$4,000	-	$738,250

The increase in the net loss in the second quarter and first six months of fiscal 2008 of $243,772 and $378,778 compared to the similar period of fiscal 2007 reflects the increased expenditures on research and development in 2008 of $308,097 and $524,521 respectively, offset by immaterial reductions in other costs.

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 second quarter and first six months of fiscal 2008 amounted to $142,598 and $274,759 respectively, which compares to $438,520 and $1,374,156 for the comparable periods of fiscal 2007.

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

	Three Months Ended		Six Months Ended	
	Feb 29, 2008	**Feb 28, 2007**	**Feb 29, 2008**	**Feb 28, 2007**
Beginning Balance	**$14,956,107**	**$14,148,129**	**$14,823,946**	**$13,212,493**
Engineering and consulting fees	-	119,639		335,000
Stock option compensation charge	13,283	53,206	13,283	119,100
Building	-	945		14,844
Maintenance	-	7,128		7,257
Salaries	83,614	120,000	123,559	291,074
Equipment	-	(5,584)		236,016
Travel	-	20,040	25,705	52,994
General and administrative	-	16,812		80,837
Regina facility rent	24,131	48,432	48,280	97,311
Sampling and assays	11,179	45,628	39,416	106,503
Transport-feedstock, samples, tailings	10,391	12,274	24,516	33,220
Ending Balance	**$15,098,705**	**$14,586,649**	**$15,098,705**	**$14,586,649**

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 sources of liquidity until the Oil Sands Project reaches commercial production and profitability are current cash balances, obtaining Government Grants, 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 with $19,107,303 in cash and short-term investments at February 29, 2008 ($20,001,923 at November 30, 2007 and $20,547,208 at August 31, 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 $18,775,700 at February 29, 2008 compared to $21,536,736 at February 28, 2007 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 current obligations.

The Company's primary assets at February 29, 2008 were cash and short term investments totaling $19,107,303 ($21,639,053 at February 28, 2007) and development costs for its Oil Sands Project of $15,098,705 ($14,586,649 at February 28, 2007).

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.

The nature of developing appropriate new technologies contains inherent risks and there can be no assurance that these technologies will be successful. The inability to develop commercially viable technologies to successfully recover bitumen and minerals from oil sands tailings could have a material adverse effect on the Company’s future business and financial performance.

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 sources of funds currently available to the Company are through the issue of equity capital, the entering into of joint ventures, project financing or government funding. 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 oil sands operators, and in such event, the Company may not be able to secure supplies of tailings.

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 heavy minerals processing technology at a commercial scale nor recovered hydrocarbons that are integral to the recovery of the minerals. 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 six month period ended February 29, 2008.

	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	-	1,225,000
Cancelled/Expired	-	133,334
Exercised	-	101,666
Balance February 29, 2008 and April 29, 2008	56,309,317	3,170,000

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

Options to Purchase Common Shares

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. In the first six months of fiscal 2008, 1,300,000 options were granted at exercise prices of $2.00 and $2.25 and expiry dates of November and December, 2012. Also in the first half of fiscal 2008, 458,334 options were cancelled or expired. As at April 29, 2008 there are 3,170,000 options outstanding at exercise prices that range from $1.85 to $3.86 with expiry dates that range from March 2008 to December 2012.

Disclosure Controls and Procedures and Internal Control over Financial Reporting

On November 23, 2007 the Canadian Securities Administrators (the CSA) issued CSA Notice 52-319 (the Notice) - “Status of Proposed Repeal and Replacement of Multilateral Instrument 52-109 - Certification of Disclosure in Issuers’ Annual and Interim Filings”. The Notice indicated that an amended version of MI 52-109 would be published and the proposed implementation date of June 30, 2008 would not be would met.

The Notice also indicated that the amended MI 52 -109 would not require the CEO and the CFO of a Venture Issuer to certify that they have designed and evaluated the effectiveness of disclosure controls and procedures and internal control over financial reporting. In addition, the Notice included revised wording for interim and annual certificates. Titanium will file these revised certificates for the quarter ended February 29, 2008.

Titanium has developed procedures to evaluate the effectiveness of disclosure controls. In addition, Titanium has designed and implemented internal controls over financial reporting to provide reasonable assurance concerning the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. This work was completed in the second quarter of fiscal 2008, and based on this work the CEO and the CFO have concluded that internal controls over financial reporting provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements as previously discussed.

For future reporting, there will be no need for Titanium to comment on these controls in the certificates that are filed. However, the Company intends to continue to review its disclosure controls and internal controls over financial reporting on an annual basis.

Additional Information

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