TITANIUM CORPORATION INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED AUGUST 31, 2008

Titanium Corporation Inc. ("Titanium" or the "Company") has prepared the following discussion and analysis (the "MD&A") to provide information to assist its shareholders' understanding of the financial results for the twelve months ended August 31, 2008. This MD&A should be read in conjunction with Titanium's audited financial statements for the years ended August 31, 2008 and 2007, and the notes thereto (the "Financial Statements"). This material is available on Titanium's website at www.titaniumcorporation.com. Additional information about Titanium can be found on SEDAR at www.sedar.com.

The discussion and analysis in this MD&A is based on information available to management as of November 21, 2008.

The Financial Statements have been prepared in accordance with accounting principles generally accepted in Canada ("GAAP"). All amounts included in the MD&A are in Canadian dollars, unless otherwise specified.

This MD&A contains forward-looking information that reflects the current expectations of management about the future results, performance, achievements, prospects or opportunities for Titanium, the oils sands industry and the heavy minerals industry. These statements generally can be identified by use of forward-looking words such as "may", "will", "expect", "estimate", "anticipate", "believe", "project", "should" or "continue" or the negative thereof or similar variations. Forward-looking statements are based upon a number of assumptions and are subject to a number of known and unknown risks and uncertainties, many of which are beyond Titanium's control, which could cause actual results to differ materially from those that are disclosed in or implied by such forward-looking statements.

Examples of such forward-looking information in this document include but are not limited to the following, each of which is subject to significant risks and uncertainties and is based on a number of assumptions which may prove to be incorrect: changes in the worldwide price of zircon, titanium and bitumen; 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; access to oil sands tailings; requirement for additional funding; development timelines; expected capital expenditures; and Titanium's expected future production and cash flows.

While we anticipate that subsequent events and developments may cause our views to change, we do not have an intention to update this forward-looking information, except as required by applicable securities laws. This forward-looking information represents our views as of the date of this MD&A and such information should not be relied upon as representing our views as of any date subsequent to the date of this document. We have attempted to identify important factors that could cause actual results, performance or achievements to vary from those current expectations or estimated expressed or implied by the forward-looking information. However, there may be other factors that cause results, performance or achievements not to be as expected or estimated and that could cause actual results, performance or achievements to differ materially from current expectations. *There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those expected or estimated in such statements. Accordingly, readers should not place undue reliance on forward-looking information.* These factors are not intended to represent a complete list of the factors that could affect us. See the section on "Risks" in this MD&A and risk factors highlighted in materials filed with the securities regulatory authorities in Canada from time to time.

BUSINESS OVERVIEW

The Company is a development stage company whose common shares are listed on the TSX Venture Exchange under the symbol TIC. The Company's Head Office is located in Toronto, Canada. In addition, research facilities are located in Regina, Saskatchewan and on-site pilot facilities are in Fort McMurray, Alberta.

Titanium is developing technology and processes to recover heavy minerals (primarily zircon) and bitumen contained in the waste tailings streams from oil sands mining operations near Fort McMurray, Alberta (the "Oil Sands Project"). The potential benefits from the Oil Sands Project are twofold. First the recovered heavy minerals and bitumen have commercial value and will provide stakeholders with an attractive source of revenue. Second, by using an integrated approach to recovering heavy minerals and bitumen there is a potential for industry wide environmental benefits.

Growing environmental awareness calls for solutions that address air emissions, water use and treatment, waste management, land reclamation and maximized use of non-renewable resources. It is well known that there is a significant amount of bitumen currently discharged into tailings which will grow concurrent with the development of the industry. Recovering a meaningful portion of this lost bitumen, together with heavy minerals, represents a very large opportunity to create value for shareholders and environmental improvements by processing this waste.

The Company has been conducting a series of research and development ("R&D") programs to develop technology to process oil sands tailings directly from the pipeline. Since commencing its research and pilot programs, the Company has made significant progress in a number of important areas including:

- Established a mineral research and processing plant in Regina, Saskatchewan.
- Operated a bulk sampling plant in Fort McMurray, Alberta. This allowed the Company to tap into an oil sands froth tailings stream and extract a concentrate of heavy minerals and bitumen.
- Operated the first on-site pilot mineral concentrator plant in Fort McMurray, Alberta. 98% of heavy minerals were recovered from the tailings stream; however, traces of bitumen remained on the heavy minerals.
- Commenced a bitumen removal and recovery research and development program.

Analysis to date has shown the removal and recovery of bitumen is necessary to effectively recover the heavy minerals. In fiscal 2007, the Company initiated a bitumen R&D project designed to remove residual bitumen from the heavy minerals and recover bitumen from the tailings stream. 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.

The Company has launched phased research programs both internally and with external research firms. The objective of this initial laboratory scale work (Phase 1) is to identify the most prospective laboratory-based solutions and move them to continuous bench scale testing (Phase 2) followed by a pilot plant testing stage (Phase 3). Following the completion of its research and development program and successful piloting, the Company plans to commercialize the technology by establishing facilities to recover heavy minerals and bitumen. Presently there are four large oil sands mining operations which are candidates to utilize this process, and a number of other mining projects under various stages of development.

SIGNIFICANT EVENTS IN FISCAL 2008

Over the past year, Titanium has made significant progress towards gaining stakeholder support and resolving technical and business issues related to the Oil Sands Project. Activities have focused on executing the R&D program and obtaining funding and stakeholder support.

Support from the Government of Alberta

In March 2008, the Government of Alberta awarded the Company an Energy Innovation Fund Grant of $3.5 million (the “Grant”). The funds from this Grant will be matched by Titanium during an approximate 24 month, $7 million R&D program directed toward achieving environmental and economic benefits from the recovery of hydrocarbons and heavy minerals from oil sands tailings.

The acknowledgement of the Company’s Oil Sands Project potential through this Grant is significant. There is increasing pressure on governments and the oil sands industry in areas of environmental and resource stewardship. The Government of Alberta has endorsed the project and has a vested interest in its success. Under the Alberta Government agreement, Titanium is fortunate to now have access to an advisory committee, comprised of valued stakeholders from government, industry and leading research organizations.

The research and development activities discussed below are being conducted under the Grant program.

Update on R&D Programs

Titanium's technical programs during fiscal 2008 focused on bitumen removal and recovery, and minerals concentration and separation. The R&D programs are being managed by Titanium's in-house experts in minerals and oil sands research who are being supported by relationships with leading independent research firms.

Minerals Concentration and Separation – Development programs were conducted at the Company's Regina facility during 2008 to increase the recovery of higher grade zircon products. Prospective new technologies, tested in conjunction with external firms, have shown improved results and testing is continuing.

Bitumen Removal and Recovery – Titanium focused on the challenges of removing residual bitumen from the heavy minerals and recovering bitumen from the tailings stream. The Company's technical team developed research and development programs and conducted bitumen removal testing at its Regina facility. Additionally, two independent research firms were contracted to execute related laboratory scale R&D programs. The Company is progressing through its phased research approach and is nearing the completion of Phase 1 laboratory-based testing. Laboratory results have been encouraging and the research firms have been commissioned to progress the work from laboratory scale testing through to continuous bench testing (Phase 2). The Company also developed and commenced laboratory testing programs for bitumen recovery. A number of independent research firms have been contracted to conduct specific R&D programs addressing the multiple aspects of bitumen recovery. Titanium is moving towards continuous bench scale testing with the goal of commencing pilot scale testing thereafter.

Increase Oil Sands Expertise

In July 2008, Titanium announced that Dr. Kevin Moran had joined the Company as Vice President, Process Development. Dr. Moran recently managed research and pilot programs in oil sands bitumen extraction and froth treatment technologies for Syncrude Canada Ltd. Dr. Moran brings an extensive oil sands background to the management team, and is a recognized leader of bitumen extraction and recovery technologies. His mandate is to lead and accelerate bitumen recovery programs through the current R&D phases, field pilot testing and commercial feasibility to full scale operations.

Engage Additional Research Organizations

Titanium has commenced a phase of intensive R&D activity with multiple research partners aimed at resolving the remaining technical challenges of bitumen recovery and bitumen removal from heavy minerals. Retaining leading independent research firms provides a source of additional expertise and should accelerate the process of developing solutions to the technical issues.

COMMODITY MARKET TRENDS

Heavy minerals

Market conditions, prices and prospects for heavy minerals remained steady during fiscal 2008. However, global demand and prices are expected to be adversely affected by the global financial crisis and economic slowdown. In particular, growth in heavy minerals demand has been driven by China where the economy is now expected to grow at a more moderate pace. The zircon market has been strong and growing with attractive pricing. Zircon prices doubled over a three year period commencing in 2004 and have stabilized in 2007 and 2008 at around US$800 per tonne. During 2008, considerable market development work was undertaken with a number of leading international firms.

In contrast to zircon, prices for titanium minerals have been increasing very moderately while declining in local currencies. Titanium minerals continue to sell below US$100 per tonne as the market has been oversupplied with a number of expansions and new projects coming on stream. The high grade leucoxene minerals are being targeted to be sold to markets in Asia.

The other titanium related minerals (ilmenite and lower grade leucoxene) do not have viable markets at this time. Accordingly the Company will continue to focus on the recovery of zircon.

Bitumen

The sharp drop in world oil prices from highs of around US$147 per barrel has affected bitumen prices and resulted in the slowing down, delay or deferral of oil sands expansion and development projects. However, the Company is focused on the large oil sands mining projects already in operation which have a history of continuing to operate in a low commodity price environment.

OUTLOOK FOR FISCAL 2009

The business plan for fiscal 2009 is focused on resolving the technical issues of recovering bitumen and zircon from waste tailings streams. Fiscal 2009 will be an extremely active year with multiple R&D programs underway, the most critical of which are focused on bitumen removal and recovery. During 2009, Titanium will follow its process of concluding lab scale work (Phase 1) and advance to bench scale testing (Phase 2). The timing and success of bench scale continuous testing will determine the technical factors and timing for an integrated pilot testing project (Phase 3).

The following lists the key objectives for fiscal 2009:

- Completion of bitumen removal and recovery R&D bench scale testing;
- Commence planning for an integrated pilot project to be commissioned thereafter;
- Continue close collaboration with Government stakeholders including accessing funding programs designed to support technology R&D and piloting;
- Control costs and manage cash resources conservatively; and
- Develop alternate sources of project support, funding and partnering.

SUMMARY OF FINANCIAL RESULTS FOR YEAR ENDED AUGUST 31, 2008

The following summarizes our financial performance for 2008 as compared to 2007:

- During the fiscal year ended August 31, 2008, and since inception, the Company did not generate any operating revenue as it is in the development stage.

- Expenses increased due to higher research and development activities professional fees and certain administrative costs. These increases were offset by reduced stock compensation expense for the year compared to fiscal 2007. All of these variances are discussed later in this MD & A.

- **T**he Company capitalized $95,589 and $514,962 in the fourth quarter and in fiscal 2008 respectively, of 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 fourth quarter and in fiscal 2008 of $463,281 and $1,192,739 respectively. 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).

- For the fiscal year ended August 31, 2008, the Company incurred a net loss of $4,030,695 or $0.07 per share, compared to a net loss of $3,000,158 or $0.05 per share for fiscal 2007. For the fourth quarter of fiscal 2008, the net loss was $1,271,880 or $0.02 per common share, which compares to a net loss of $1,048,091 ($0.01 per share) for the fourth quarter of 2007.

The following table presents a summary of selected operating performance measures.

	Three months ended			**Fiscal year ended**		
	August 31, 2008	**August 31, 2007**	**Increase (Decrease)**	**August 31, 2008**	**August 31, 2007**	**Increase (Decrease)**
Expenses	$1,419,111	$1,269,903	$149,208	$4,759,444	$3,911,968	$847,476
Interest Income	$147,231	$221,812	($74,581)	$728,749	$911,810	($183,061)
Net loss	$1,271,880	$1,048,091	$223,789	$4,030,695	$3,000,157	$1,030,537
Net loss per share	$0.02	$0.01	-	$0.07	$0.05	$0.02

Expenses

Corporate General and Administrative Costs

The following table provides details of these costs for the periods noted:

	Three months ended		**Fiscal year ended**	
	August 31, 2008	**August 31, 2007**	**August 31, 2008**	**August 31, 2007**
Administration and compensation	$384,198	$206,343	$1,339,584	$1,091,298
Directors' fees	43,900	44,125	188,530	170,500
Insurance	20,047	36,040	119,645	138,259
Loss (gain) on foreign exchange	1,429	7,295	20,099	28,948
Professional fees	187,345	126,346	599,788	302,635
Shareholders' communication and filing fees	22,292	83,426	280,271	342,394
Travel and promotion	107,820	85,684	312,514	316,739
TOTAL	**$767,031**	**$589,259**	**$2,860,431**	**$2,390,773**

Costs as outlined above increased in the fourth quarter and in fiscal 2008 compared to the same periods of fiscal 2007. Administration and compensation costs reflect the addition of senior management during the latter part of the year. The increase in professional fees in the fourth quarter and in fiscal 2008 of $60,999 and $297,153 respectively, relates primarily to higher recruitment fees related to the addition of new senior management and costs related to advisory services.

Stock-based Compensation

In the fourth quarter and in fiscal 2008 the cost of stock-based compensation declined compared to the same periods of fiscal 2007 as the value of options that vested in the periods declined.

Research and Development Expense

Certain costs incurred by the Company on bitumen recovery and heavy mineral extraction at the Regina facility have been treated as Research and Development costs and expensed in fiscal 2008. In fiscal 2007, costs incurred at the facility, primarily related to heavy minerals recovery were deferred. The Research and Development expense in 2008 reflects the focus of the Company on the research aspects related to bitumen recovery.

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

	Three months ended		**Fiscal year ended**	
	Aug. 31, 2008	**Aug. 31, 2007**	**Aug. 31, 2008**	**Aug. 31, 2007**
Salaries	$99,618	$75,845	$458,691	$75,845
Consulting	-	$323,307	$109,754	$323,307
Administration	$25,876	$42,005	$104,584	$42,005
Other	$530,681	$33,636	$712,604	$33,636
Less Alberta Grant portion	$(192,894)	-	$(192,894)	-
Total	**$463,281**	**$474,793**	**$1,192,739**	**$474,793**

Other research and development costs incurred in the fourth quarter of 2008, principally for third party research work, were higher in the fourth quarter, and for the fiscal year, which is consistent with the increased focus on research currently in progress. A portion of certain program costs is being funded from the proceeds of the grant from the Province of Alberta. All other research and development expenditures incurred in the fourth quarter did not vary materially from the level of expenditure incurred in the other quarters of the year.

Interest income

Interest income reflects earnings on the Company's cash balances.

Oil Sands Project

The Company capitalizes all direct costs of the Oil Sands Project which meet the generally accepted criteria for deferral (see Critical Accounting Estimates). 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 fiscal 2008 amounted to $514,962, which compares to $1,611,453 for fiscal 2007, as summarized below.

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

Fiscal Year Ended

	Aug. 31, 2008	**Aug. 31, 2007**
Beginning Balance	**$14,823,946**	**$13,212,493**
Engineering and consulting fees	10,464	538,846
Stock option compensation charge	32,050	126,408
Building	-	14,844
Maintenance	-	9,727
Salaries	187,889	74,428
Equipment	-	315,976
Travel	25,705	56,060
General and administrative	-	70,009
Regina facility rent	85,915	175,470
Sampling and assays	142,428	168,945
Transport-feedstock, samples, tailings	30,511	60,740
Ending Balance	**$15,338,908**	**$14,823,946**

Summary of Quarterly Results

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

	Q4 Aug. 31, 2008	**Q3 May 31, 2008**	**Q2 Feb. 29, 2008**	**Q1 Nov. 30, 2007**
Statement of Loss				
Net loss	$1,271,880	$856,301	$1,152,544	$749,970
Basic and diluted loss per share	$0.02	$0.02	$0.02	$0.01
Balance Sheet				
Working capital	$16,866,080	$18,003,428	$18,775,700	$19,620,555
Non-current restricted cash	$3,330,742	$3,500,000		
Total assets	$36,172,453	$37,156,772	$34,496,291	$35,084,012

	Q4 Aug 31, 2007	**Q3 May 31, 2007**	**Q2 Feb.28, 2007**	**Q1 Nov. 30, 2006**
Statement of Loss				
Net loss	$1,048,091	$428,331	$908,772	$614,964
Basic and diluted loss per share	$0.01	$0.01	$0.02	$0.01
Balance Sheet				
Working capital	$20,325,611	$21,020,898	$21,536,736	$21,423,343
Total assets	$35,545,956	$36,205,660	$36,552,213	$36,264,506

LIQUIDITY AND CAPITAL RESOURCES

The Company finances in current operations, research and development program and capital expenditures from its current cash resources. The Alberta energy grant was a significant contribution to the Company's cash position in the year. Currently, the Company is not generating any income from its Oil Sands Project. Current demands on the Company's capital resources stem from management's plans for continued research and development on, and eventual 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, Government Grants, issue of equity capital, exercise of stock options, project financing and entering into joint ventures. The Company is in a strong financial position with $17,065,004 in unrestricted cash and short-term investments at August 31, 2008, which compares to $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 working capital balance of $16,866,080 at August 31, 2008, including $192,894 of restricted cash. This compares to working capital of $20,325,611 at August 31, 2007. In addition, the Company had $3,330,742 of non-current restricted cash at August 31, 2008 ($nil - August 31, 2007).

The current volatility and uncertainty of the global financial markets means that for at least the immediate future, there will probably be no opportunity to raise funds in the capital markets. The Company is reviewing all costs with a view to conserve available cash resources as much as possible. On the basis of the Operating Plan and Budget that was prepared by Management for fiscal 2009, the Company has sufficient funds to meet its current obligations.

The Company's short-term investments are bankers' acceptances and guaranteed investment certificates issued by Schedule A Canadian banks.

OFF-BALANCE SHEET ARRANGEMENTS

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

OUTSTANDING SHARE DATA

The following table summarizes the changes in the common shares for fiscal 2008:

	Common Shares	**$**
Balance August 31, 2007	56,207,651	$47,968,417
Shares issued on exercise of options	101,666	203,699
Reallocation from contributed surplus relating to the exercise of stock options	-	128,775
Balance August 31, 2008 and November 21, 2008	56,309,317	$48,300,891

OPTIONS TO PURCHASE COMMON SHARES

The following table summarizes the changes in options to purchase common shares for the fiscal year ended August 31, 2008.

	Options	Exercise Price	Expiry Dates
Balance Aug 31, 2007	2,430,000	\$1.85 - \$3.86	Nov. 2007 –Dec. 2011
Granted	1,475,000	\$0.70 - \$2.25	Nov.2012 – July 2013
Exercised	(101,666)	\$1.98 - \$2.02	-
Cancelled/Expired	(578,334)	\$1.97 - \$3.86	-
Balance Aug 31, 2008 and November 21, 2008	3,225,000	\$0.70 – \$3.86	Jan. 2009 –July 2013

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.

Development risks

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.

Operational risks

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 Company has necessarily relied on the 1996 study by the Alberta Chamber of Resources (Mineral Development Agreement Study) and oil sands' 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 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.

Technological risks

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.

The Company continues to develop and test processes for cleaning and extracting minerals 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.

Marketing risks

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 zircon and titanium mineral products 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.

Financial risks

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.

Management and staff risks

The Company's business is dependent on retaining the services of a small number of key personnel of the appropriate caliber 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.

Competitive risks

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.

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.

COMPLIANCE

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.

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash and cash equivalents, marketable securities, 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.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

In August 2008, the Canadian Securities Administrators (the CSA) issued CSA Notice 52-109 (the Notice) - "Certification of Disclosure in Issuers' Annual and Interim Filings". This rule replaces and expands upon the previous requirements for CEO and CFO certification.

Under the Notice, the CEO and CFO of a Venture issuer are not required to certify that they have designed and evaluated the effectiveness of disclosure controls and procedures and internal control over financial reporting. In addition, revised wording for interim and annual certificates was provided. Titanium will file these revised certificates for the fiscal year ended August 31, 2008 and for future filings

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