MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE SIX MONTH PERIOD ENDED FEBRUARY 28, 2010

Titanium Corporation Inc. ("Titanium" or the "Company") has prepared the following management discussion and analysis (the "MD&A") to provide information to assist in understanding the financial results for the six month period ended February 28, 2010. This MD&A should be read in conjunction with Titanium's unaudited financial statements for the three month period ended February 28, 2010 including the notes thereto (the "Financial Statements") and the annual MD&A for the year ended August 31, 2009. This MD&A is dated as at and based on information available to management as of April 21, 2010. The Company is a development stage company whose common shares are listed on the TSX Venture Exchange under the symbol TIC.

The above referenced material is available on Titanium's website at www.titaniumcorporation.com or it can be found, along with additional information about Titanium, on the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com.

The financial statements have been prepared in accordance with generally accepted accounting principles in Canada ("GAAP"). All amounts included in this MD&A are in Canadian dollars, unless otherwise specified. Certain prior year amounts have been reclassified to conform with the presentation for the current year.

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. 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 information is provided in this document in the discussion of Titanium's research plans under the heading "Titanium's Business" and Titanium's business plans for fiscal 2010 under the heading "Update on the Project" and "Next Steps for the Project". Titanium provides forward-looking information in order to describe management expectations and assist shareholders in understanding our financial position as at and for the periods ended on the dates presented in this report. Readers are cautioned that this information may not be appropriate for other purposes. 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. Forward-looking information is subject to significant risks and uncertainties and is based on a number of Titanium's expectations and assumptions which may prove to be incorrect regarding future stable or increasing prices for zircon and bitumen, stable currency exchange rates between the Canadian and US dollars, *expected capital expenditures and Titanium's expected future research activities. The material risks, uncertainties and other factors that could influence actual results include, but are not limited to:*

- *Operational or technical difficulties in connection with successfully completing research activities;*
- *Results of research activities;*
- *Development timeline delays and problems, including negative impacts on Titanium's technologies caused by unforeseen development costs;*
- *Reliance on a small number of key people to carry out Titanium's business and research activities;*
- *Access to and cost of oil sands tailings necessary to carry out the Project;*
- *Competitors who may develop alternate solutions or Titanium's intellectual property may not be adequately protected;*
- *Changes to environment laws and regulations which may add significant cost to or impair the permitted operation of the Project.*

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 estimates 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 the Company. See the section on "Risks" in this MD&A and risk factors disclosed in materials filed with the securities regulatory authorities in Canada from time to time and available on SEDAR.

Titanium's Business

Titanium is creating a new business to recover heavy minerals and bitumen from waste generated in the oil sands mining operations of northern Alberta. The recovery of bitumen, associated solvents and water will result in important environmental improvements. The research and development activities related to creating this new business are referred to as the "Oil Sands Project" or the "Project".

Oil sands operators mine deposits to extract bitumen (heavy oil trapped in the sands) for further processing into synthetic crude oil. Heavy minerals occurring in the oil sands deposits are concentrated in the froth treatment tailings during one of the bitumen extraction steps.

Titanium has been developing novel processes to recover value from froth treatment tailings, conducting extensive R&D programs over the past 6 years. Initial testing, while encouraging, showed that it was not possible to remove sufficient hydrocarbons from mineral grains by conventional techniques. Therefore, the Company's research programs have been developing new solutions for the production of both the heavy minerals and bitumen. Research has also been focused on the recovery of solvents and water to reduce environment impacts in areas of air emissions, water usage and the footprint of tailings ponds.

The Company has been conducting a phased research program both internally and with external research firms to develop technologies to process oil sands froth treatment tailings directly from the tailings pipeline. The phases of the research programs are as follows:

- <u>Phase I - initial laboratory scale work</u>: the objective was to identify the most prospective laboratory-based solutions;
- <u>Phase II - continuous bench scale testing</u>: the objective was to provide scaling data for piloting;
- <u>Phase III - integrated pilot testing</u>: the objective is to operate the technology in an integrated continuous process.

The Company has completed Phases I and II, successfully executing a two year research program endorsed by the Alberta Government and supported by a $3.5 million Alberta Energy Innovation Fund ("AEIF") grant received in March, 2008. The key achievements of the program were the development of technologies to remove bitumen from heavy minerals and recover bitumen, solvents and water from froth treatment tailings.

This successful work resulted in the award of a $4.9 million Canadian Government grant from Sustainable Development Technologies Canada ("SDTC") in September, 2009. The Company is now executing a Phase III integrated pilot to demonstrate continuous testing of these technologies during 2010 as outlined below in the next two sections.

Update on the "Project"

During the second quarter of fiscal 2010, Titanium focused on activities related to the 2010 integrated demonstration pilot and completion of a number of key agreements. In particular, the following are the major activities and accomplishments for the fiscal quarter:

- In January 2010, the Company entered into a Contribution Agreement with SDTC to financially assist the Company in developing and demonstrating its technology. Under the terms of the agreement SDTC will contribute to the Company up to the lesser of 30.75% of eligible project costs or $4,919,212. The contribution is payable in stages when the Company meets agreed project milestones as set out in the agreement. During the quarter, the Company received $1,562,173 as an initial contribution for eligible expenditures incurred on the project for the period beginning September 1, 2009.
- During the second quarter, SDTC Consortium Agreements were signed with three major oil sands operators who are cooperating with the integrated demonstration pilot.
- Titanium completed an agreement with Natural Resources Canada CanmetENERGY ("Canmet") for the use of facilities and services at Canmet's Devon, Alberta facilities for demonstration piloting for the period from April, 2010 until February, 2011. Canmet operates world class analytical and pilot facilities focused on the development of cleaner fossil fuels and related environmental technologies with a particular focus on oil sands and heavy oil.
- The Company has signed an agreement with SNC-Lavalin for on-going engineering services. SNC-Lavalin is one of the leading engineering and construction groups in the world. The agreement includes initial pilot design and engineering and further engineering services related to commercial feasibility, engineering and construction. Engineering and design work for minerals and bitumen concentration process modules were completed during the quarter.
- Westways Group, Edmonton, has been contracted for procurement, fabrication and installation of minerals and bitumen concentration modules. Westways Group specializes in industrial fabrication including froth treatment pilot plants and tailings processes related to the oil sands industry.
- The Company has engaged Maxxam Analytics for on-going analytical services. Maxxam is Canada's largest independent analytical laboratory services company.
- During the quarter, the Company completed decommissioning its Regina facility and relocated its technical staff from Regina, Saskatchewan to Canmet in Devon, Alberta to focus on the integrated demonstration pilot.

Next Steps for the "Project"

The Company's plans for fiscal 2010 are as follows:

- During April and May, Westways Group will be fabricating and constructing the pilot process modules at third party sites for installation at the Canmet facility. Following installation, the processes will be tested and commissioned during May and June.

- Following commissioning, the Phase III integrated pilot will be operated at Canmet, processing froth treatment tailings transported from oil sands sites from June, 2010 until early 2011. The pilot will demonstrate and test a number of technologies designed to: concentrate and recover heavy minerals and bitumen; recover solvents; treat and recover water and reduce environmental impacts associated with froth tailings streams.

- The expenditure for the construction and operation of the demonstration pilot is expected to cost up to $15 million and will be funded approximately one-half by the Company, one third by the Canadian Government SDTC grant and the remainder by funding under the Alberta Government Energy Innovation Fund program.

- Results from demonstration piloting will more clearly define the requirements for commercialization of the process. Those commercialization activities include: obtaining an independent engineering feasibility study; negotiating commercial arrangements with the oil sands operators, Government and customers; and arranging financing.

- The Company will continue to carefully control overhead costs, focusing its resources on the integrated demonstration pilot.

- The Company believes it has sufficient cash and Government Grant funding to complete the 2010 Phase III integrated pilot and will be evaluating future financing requirements as the Project progresses during 2010.

Financial Information & Analysis

Summary of Quarterly Results

The following table summarizes the financial data of the Company for the most recently completed eight quarters ($ millions except per share data):

	Q2 Feb 28, 2010	Q1 Nov 30, 2009	Q4 Aug 31, 2009	Q3 May 31, 2009
Net Loss	**$ 0.9**	$ 1.6	$ 16.6	$ 1.4
Basic and Diluted Loss per Share	**$ 0.01**	$ 0.03	$ 0.29	$ 0.03
	Q2 Feb 28, 2009	Q1 Nov 30, 2008	Q4 Aug 31, 2008	Q3 May 31, 2008
Net Loss	$ 1.2	$ 1.1	$ 1.3	$ 0.9
Basic and Diluted Loss per Share	$ 0.02	$ 0.02	$ 0.02	$ 0.02

The following summarizes Titanium's financial performance for the six -month period ended February 28, 2010 as compared to the similar period in 2009:

- Net loss increased to $2.5 million for the six months ended February 28, 2010 compared to $2.4 million for the six months ended February 28, 2009. The increase is due largely to higher research expenditures as the Company is executing the plan for its Phase III integrated pilot.

- The Company had $10.8 million in cash and unrestricted short-term investments at the end of the second fiscal quarter. All of the cash and short-term investments are liquid and are in high interest cash accounts and certificates of deposit. The balance at the end of the last fiscal year end was $12.4 million. The decrease in cash and unrestricted short-term investments for the six month period is due to the use of cash to fund the piloting and research activities and general and administrative expenses offset by the $1.6 million received in the quarter under the terms of the Contribution Agreement from SDTC.

- The restricted short-term investment balance (both the current and long-term portion) at the end of the second quarter fiscal 2010 was $2.7 million as compared to $2.9 million at the end of fiscal 2009. The decrease in restricted investment is due to the reduction in the certificate of deposit which is pledged as security to a chartered bank for the letter of credit issued by the bank to the Alberta Government in respect of the AEIF. As the Company incurs eligible research expenditures, the Province of Alberta authorizes a reduction in the letter of credit to release a portion of the restricted investment into the Company's unrestricted short-term investment balance.

- The government grant balance (AEIF and STDC) increased by $0.3 million from $2.2 million at the end of fiscal 2009 to $2.5 million at the end of the second quarter fiscal 2010. The increase reflects the receipt of the $1.6 million from SDTC under the terms of the Contribution Agreement, offset by a $1.3 million reduction in eligible research expenditures incurred.

- Below is a summary of the research spending by major category ($ thousands):

R&D Expenditures

	Three Month Period Ended			Six Month Period Ended		
	Feb 28 2010	Feb 28 2009	Increase (Decrease)	Feb 28 2010	Feb 28 2009	Increase (Decrease)
External Research	85	595	(510)	823	1,011	(188)
Compensation & Benefits	178	136	42	355	257	98
Research & Piloting	1,196	56	1,140	1,600	103	1,497
Subtotal	$1,459	$787	$ 672	$2,778	$1,371	$ 1,407
Less: Alberta Grant (AEIF)	(570)	(297)	(273)	(898)	(487)	(411)
Less: Federal Grant (SDTC)	(425)	-	(425)	(425)	-	(425)
Total	$ 464	$ 490	$ (26)	$1,455	$884	$ 571

Research and development activity spending for the quarter was $1.5 million in fiscal 2010 as compared to $0.8 million for the comparable period in fiscal 2009. These amounts do not include recovery, in the quarter, of government grants in the amounts of $1.0 million and $0.3 million for fiscal 2010 and 2009, respectively. For the six month period ending February 28, 2010 spending on research and development was $2.8 million and $1.4 million for the comparable period in fiscal 2009. These amounts do not include recovery, for the six month period, of government grants in the amounts of $1.3 million and $0.5 million for fiscal 2010 and 2009, respectively. The pilot spending in the first half of fiscal 2010 was primarily related to engineering and fabrication work to prepare for the integrated demonstration pilot. The pilot costs are being recovered from the Contribution Agreement with SDTC and the AEIF grant. Compensation costs are slightly higher in the first half of fiscal 2010 due the allocation of management time spent directly on the pilot project. Certain of these costs are recoverable under the SDTC Contribution Agreement. Research and pilot costs increased in the first half of fiscal 2010 due mainly to engineering and fabrication of the demonstration plant and to a lesser extent costs relating to the decommissioning expenses for the Regina pilot plant.

The following table provides details of general and administrative ("G&A") expenses for the periods noted ($ thousands):

	Three Month Period Ended			Six Month Period Ended		
	Feb 28 2010	Feb 28 2009	Increase (Decrease)	Feb 28 2010	Feb 28 2009	Increase (Decrease)
Compensation & Benefits	117	217	(100)	402	615	(213)
Consulting & Professional Fees	59	117	(58)	208	181	27
Directors' Fees	76	52	24	143	97	46
Travel	26	65	(39)	83	124	(41)
Rent, Insurance & Office	53	74	(21)	106	135	(29)
Investor Relation & Regulatory	43	84	(41)	78	125	(47)
Total	$374	$610	$(236)	$1,020	$1,278	$(258)

G&A expense totaled $1.0 million for the first half of fiscal 2010, lower than the comparable period in fiscal 2009 by $0.3 million. Compensation expense is lower due to fewer staff which is offset partially by higher reliance on consultants and professional fees. The largest portion of the increase in professional fees is due to the annual audit costs, legal fees related to contract preparation and work on IFRS conversion which were expensed in the first half of fiscal 2010.

- Interest income declined to $75,822 in the first half of fiscal 2010 compared to $205,089 in fiscal 2009 reflecting the decline in both interest rates as investments have matured and the lower investment balance.

Liquidity and Capital Resources

The Company has $13.6 million in cash and short-term investments (including $2.7 million of current and non-current restricted investment) at February 28, 2010, which compares to cash and short-term investments of $15.2 million (includes $2.9 million of current and non-current restricted investment) at August 31, 2009. The Company's short-term investments consist of interesting bearing cash accounts and certificates of investment issued by Schedule I Canadian chartered banks. The investments were all purchased with an original term of one year but redeemable, at the Company's option, any time 30 days after purchase. At February 28, 2010, all of the short-term investments (except for the restricted investment) can be redeemed immediately.

The Company has sufficient cash, short-term investments and government grants to fund its research and general and administrative costs for at least the next twelve months. Options available to the Company to fund its future cash requirements include, but are not limited to, new or additional government grants and/or issuances of securities and/or some form of partnership or joint venture.

The following is a summary of the cash flows for the periods noted:

- Cash used in operating activities for the first half of fiscal 2010 was $3.3 million compared to $2.6 million in fiscal 2009. The primary reason for the increase in 2010 was higher spending on designing and fabrication of the demonstration plant and changes in non-cash working capital.

- Cash provided by investing activities was $7.3 million in the first half of fiscal 2010 as the short-term investments had matured and cash was used to fund R&D and G&A expenditures. Short-term investments are not classified as cash equivalents because their initial terms are for one year (even though they are redeemable 30 days after purchase).

- Cash provided from financing activities was $1.6 million in the first half primarily due to the receipt of funding from the Contribution Agreement from SDTC. This balance includes cash received from 58,333 stock options which were exercised during the first fiscal half of 2010. Also included in financing activities is the interest earned on the restricted investment.

Accounting Policy Changes

In January 2009, the Emerging Issues Committee of the CICA issued EIC-173, Credit Risk and the Fair Value of Financial Assets and Financial Liabilities, which applies to interim and annual financial statements for periods ending on or after January 20, 2009. The adoption of this standard had no impact on the Company's presentation of its financial position or results of operations as at February 28, 2010.

During 2009, CICA Handbook Section 3862, "Financial Instruments – Disclosures" was amended to require disclosures about the inputs to fair value measurements, including their classification within a hierarchy that prioritizes the inputs to fair value measurement. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

This amendment will be effective for the year ending August 31, 2010. The adoption of this amended standard had no impact on the Company's presentation of its financial position or results of operations for the three months ended February 28, 2010.

International Financial Reporting Standards ("IFRS")

On February 13, 2008 the Canadian Accounting Standards Board ("AcSB") confirmed the mandatory changeover date to International Financial Reporting Standards ("IFRS") for Canadian profit-oriented publicly accountable entities ("PAEs"). The AcSB requires that IFRS compliant financial statements be prepared for annual and interim financial statements beginning on or after January 1, 2011. Consequently, as the Company has an August 31 year-end, the first unaudited interim financial statements under IFRS will be for the quarter ending November 30, 2011 and the first audited annual financial statements will be for the year ending August 31, 2012; with comparative financial information for the respective prior periods.

Below is a summary of significant standards under IFRS that may impact the financial statements of the Company. It is intended to highlight those areas the Company believes to be the most significant. The future impacts of IFRS will also depend on the particular circumstances prevailing in future years. The differences as described below, which include, but are not limited to, those existing based on Canadian GAAP and IFRS today.

IFRS 1 - First-Time Adoption of International Financial Reporting Standards provides the framework for the first time adoption of IFRS and specifies in general that an entity will apply IFRS principles retrospectively. IFRS 1 also specifies that the adjustments that arise on retrospective conversion to IFRS should be recognized directly in retained earnings. Certain optional exemptions and mandatory exceptions to retrospective application are provided under IFRS 1. Analysis of the various accounting policy choices is ongoing and will be undertaken in 2010.

Under IFRS, the asset impairment test is carried out by comparing the asset's carrying amount with its recoverable amount – being the higher of the asset's or cash generating unit's fair value less costs to sell and its value in use (generally, using discounted cash flows), with the excess of carrying value being recorded as an impairment loss.

Under IAS 37 – Provisions, Contingent Liabilities and Contingent Assets - the threshold for recognition of these items are generally lower under IFRS than under Canadian GAAP. Accordingly, there may be some contingent liabilities that may require recognition that otherwise may not have been required under Canadian GAAP.

The Company has completed the initial "diagnostic" review to identify the major differences between Canadian GAAP and IFRS. Management will continue to prepare a project plan during the next quarter to review the disclosures and measurement differences and ensure that the required information is or will be captured so that the implementation timetable will be met.

Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, short-term investments, accounts payable and accrued liabilities. Management of the Company believes that it 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. The Company manages the risks relating to the financial instruments by holding cash in interest bearing accounts and investing in short-term highly liquid certificates of investment which are issued by Schedule I Canadian chartered banks. The income statement includes interest income and foreign exchange loss which are associated with financial instruments

Risks

The following conditions currently known to management may have a material impact on the financial condition and results of operations of the Company in the future. This discussion is not all-inclusive and other factors may affect the Company in the future.

- The Company may not be able to achieve commercialization of the Project on the timetable anticipated or at all;
- The Company expects its cash reserves will be reduced due to future research expenditures on the Project and on G&A expenses and cannot provide certainty as to how long the cash reserves will last or that the Company will be able to access additional capital when necessary;
- Potential fluctuations in financial and business results and conditions make forecasting difficult for a new Project and may restrict access to funding for a commercialization plan once the research is successfully concluded and a feasibility study has been prepared;
- Exchange rate and commodity price fluctuations are beyond the Company's control and may have a material adverse effect on its business, operating results, financial condition and profitability;
- Markets for the heavy minerals have not been established and may take longer to develop than anticipated;
- The costs for large capital intensive projects in the oil sands are difficult to forecast and there is no assurance that the capital expenditures required to commercialize any products resulting from the Project will not be significantly higher than planned;
- The Company is a research and development company and it has limited experience with completing a commercial operation for a new business;

- The Company is dependent on third party suppliers and the oil sands operators for the supply of key materials and components for the Project and it currently does not have contracts in place for these supplies;
- Regulatory or environmental law changes may impact negatively on the Project and the market for the Company's products;
- Once the Project is developed, the Company could be liable for environmental damages resulting from research activities or commercial operations;
- Failure to protect intellectual property could adversely affect the Company's success and growth. Intellectual property litigation may cause the Company to incur significant expenses or prevent the Company from successfully completing or operating the Project;
- The Company could fail to attract and retain the personnel necessary to run its business;
- Competitors may discover solutions to remove and recover bitumen and minerals prior to the successful commercialization of the Project.

Other Information

Outstanding Share Data - as at April 9, 2010:

Number of common shares – issued and outstanding	56,372,650
Number of common share stock options	3,455,000

Compliance

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 for the Company on its Oil Sands Project.