

*Transcript of
Titanium Corporation Inc. (TIC)
Quarterly Update Conference Call
May 1, 2008*

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Participants

Scott Nelson, Chief Executive Officer
Gordon Pridham, Executive Chairman

Presentation

Operator

Good day, ladies and gentlemen. Welcome to the Titanium Corporation's Quarterly Update Conference Call. The discussion held during this conference call may contain forward-looking statements. While these statements represent management's current expectations, actual results may materially change. These risks and uncertainties are more particularly described and updated by Titanium Corporation's quarterly MD&A filed for the six-month period ended February 29, 2008 on SEDAR at www.sedar.com. Most notably, these risks and assumptions include but are not limited to: changes in the worldwide prices of zircon, titanium, and crude oil; fluctuation 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 of additional funding; development timelines and priorities; assumptions about off-take contracts and commercial agreements with customers and oil sands producers respectively; expected capital expenditures; and Titanium's expected future production and cash flows. These and all subsequent forward-looking statements are based on estimates and opinions of management on the dates they are made and expressly qualified in their entirety by this notice. Titanium assumes no obligation to update forward-looking statements should circumstances or management's estimates or opinions change.

I would now like to turn the meeting over to Mr. Scott Nelson, CEO of Titanium Corporation. Please go ahead, Mr. Nelson.

Scott Nelson – Titanium Corporation Inc. – Chief Executive Officer

Thank you, Sam and good morning, everyone.

This morning, I'll be reviewing a number of important developments which have occurred over the past quarter and since our annual general meeting at the end of February. Our Chairman, Gordon Pridham, is joining me for the Q&A portion of the call.

During the quarter, we completed a strategic planning process which we had commenced late last year. The Strategic Plan reached a number of important



conclusions and set the programs for the next phase of our projects. The findings from the Strategic Plan included: 1) There is a large and very attractive opportunity for the development of tailings processing technology at multiple oil sands sites; 2) heightened environmental concerns, government actions, and the increased value of energy resources are supportive of this new technology development; 3) further R&D is warranted and necessary to remove the trace amounts of bitumen from mineral concentrates and recover a portion of the bitumen that's lost in the froth tailings streams and; 4) we identified that there are potential new areas to leverage our resources and expertise which would broaden the Company's business opportunities.

Consistent with the direction of the Strategic Plan, we've embarked on an aggressive business plan which includes: 1) gaining government support for our projects; 2) broadening our focus to an industry wide solution; 3) partnering with best in class research firms; 4) adding internal and external resources with additional oil sands expertise; and finally, investigating new business opportunities.

I would now like to spend a few minutes reporting on our progress and activities in a number of these key areas.

First of all, in the area of gaining government support, I would say this is probably one of the more exciting things that occurred for our company in the last few years. On March the 28th, Alberta's Energy Minister announced a \$3.5 million Energy Innovation Grant had been awarded to Titanium Corporation in support of our tailings recovery program. On March 31st, we announced that we would be matching the \$3.5 million Grant and conducting a \$7 million R&D program which is scheduled to take approximately 24 months and is aimed at the objectives outlined in the Minister's announcement. These objectives included focusing on bitumen and minerals recovery and associated environmental improvements for mining oil sands operations. There are currently three large oil sands mining operations and an additional operation commissioning later this year. We're very gratified with this support from Alberta and pleased with the recognition our project has received. The funds were received a few weeks ago, an advisory committee has been formed and work is underway on a number of fronts.

Number two, we're broadening our focus to an industry-wide solution. As we conducted our technical programs, environmental studies, and met with government over the past months, it has become clear that heightened environmental concerns warrant a concerted effort to develop technology solutions in oil sands industry tailings. This became further evident as both Alberta and the Canadian Government had moved forward with stronger environmental regulation. Additionally, both levels of government have announced consistent programs that are focused on new technology. In meetings with the oil sands operators, they have told us they're interested and supportive of the recovery of bitumen in tailings. Our project is in the forefront of meeting these challenges. We've been successful in gaining significant support from Alberta and we're pursuing additional federal programs. With this broader mandate and government support and funding, we announced that we will not be seeking to renew the Exclusivity Agreement with Syncrude, scheduled to expire on May 16, 2008. We plan to continue our tailings testing, R&D programs, and collaboration with our research partners, the government, and the oil sands industry.

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The agreement with Syncrude was developed several years ago and has served us well through the earlier stages of the project. Since that time, our project has broadened its focus and changed significantly. We expect to continue to work closely with Syncrude and the other operators.

Number three, in the area of partnering with best in class research firms and adding expert resources, we've assembled a first class team comprised of top energy researchers at CANMET in Edmonton, the "SRC" - Saskatchewan Research Council in Regina and two firms in the United States.

During the past quarter, we've visited and worked with the US research firms to develop a phased program which will enable them to apply their experience and expertise to oil sands tailings. The first phase is about three months in duration and is now underway. This is a gate process where the subsequent phases are based on the results from the earlier phases. We've also engaged outside consultants and we're in the process of recruiting additional expertise to our technical management team.

In the area of investigating new business opportunities, since completing our Strategic Plan, we've identified business areas that would be complementary. We've met with external advisers and we've been assessing certain new opportunities on a confidential basis.

This is an exciting time for our Company. We have valuable new support from stakeholders like the Alberta government. Our partners now include premier firms in development of technology for oil sands tailings and we're focused on a large opportunity to develop an industry wide solution and a new business dealing with recovering value from waste.

Finally, turning to our financial position, as reported in the last quarter, expenses for the quarter and six months were \$1.4 million and \$2.3 million respectively. This represents about a 20% increase from last year and this is the result of increased activity related to our research and development work. We continue to maintain a strong balance sheet at quarter end with no debt and \$19 million in cash before receiving the \$3.5 million from the Province of Alberta.

Again, thank you for joining our call. Gordon Pridham will join me now during the Q&A and I'd be pleased to answer any question you have and I've already got a couple of questions that have been sent in that we'll address right off the bat but I'll return to the operator.

Operator

Thank you. Ladies and gentlemen, if you would like to ask a question, please press *1 on your touchtone phone. To withdraw your question, press the # sign. Please standby for our first question.

Scott Nelson – Titanium Corporation Inc. – Chief Executive Officer

Thanks, Sam. One question that has been forwarded in is that we've had a lot of inquiries about the Syncrude Agreement specifically, what does this mean for the Company now that we're not renewing the Syncrude Agreement? And really, having

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pointed out this Agreement was developed four years ago and is now out-of-date; the expiry will not inhibit us going forward. We plan to continue work with Syncrude as well as the rest of the industry. We're now partly funded by the government to deliver an industry-wide solution and we felt we couldn't be seen to be favouring one of the oil sands companies. The Syncrude Agreement is out-of-date and dealt mainly with minerals whereas we are now focused on both bitumen and minerals. We've also been asked to if it was our decision or Syncrude's and really, we can only speak for ourselves after careful consideration and in light of the many changes in the project and the involvement of multiple stakeholders, we decided not to pursue renewal of the Agreement.

I think we'll open up to any other questions on the line right now. Thank you.

Operator

We have a question coming in from Kevin Lennon from Trillium Corporate Communications. Please go ahead.

Kevin Lennon – Trillium Corporate Communications

Hello, Scott. I'm just wondering if any of the recent developments on the environmental front out in the oil sands area particularly the recent one we're all reading about in the tailing lakes is going to accelerate or impact your future project in any way?

Scott Nelson – Titanium Corporation Inc. – Chief Executive Officer

Thanks, Kevin. Of course, we've all been reading the same press coverage of that incident and I suspect most of us reacted the same way. All we know is what we've been reading in the media so we really don't have anything further to add to that. Thanks, though.

Operator

Thank you. And as a reminder, ladies and gentlemen, if you would like to ask a question, please press *1 on your touchtone phone. And at the moment, we don't have any more questions.

Scott Nelson – Titanium Corporation Inc. – Chief Executive Officer

Okay. Well, I would certainly offer to our listeners and our shareholders in general to give us a call in Toronto. Carolyn Muir is always available to take calls and we can always be reached. So, again thanks for taking the time to listen in. We do see quite a number of listeners on the call and again, we'll keep you informed over the next period as we move through our programs. Thank you very much. Good morning.

Gordon Pridham – Titanium Corporation Inc. – Executive Chairman

Thanks.

Operator

Ladies and gentlemen, this does conclude your conference call. Thank you for attending and you may now disconnect your lines.

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