Management's Discussion and Analysis
Q1 Fiscal 2023

November 30, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis (MD&A) has been prepared by management as of January 18, 2023. It updates the annual MD&A included in our 2022 annual report and should be read in conjunction with the unaudited condensed consolidated interim financial statements and notes for the period ended November 30, 2022 as well as the audited consolidated financial statements and MD&A included in the Company's 2022 annual report for fiscal year ended August 31, 2022. The Company prepares and files its condensed consolidated interim financial statements in Canadian dollars and in accordance with International Financial Reporting Standards (IFRS). This MD&A compares the Company's fiscal 2023 first quarter results to the previous year's first quarter. We have not provided an update where an item is not material or where there has been no material change from the discussion in our annual MD&A.

The condensed consolidated interim financial statements and MD&A for the three months ended November 30,2022 as well as the 2022 annual audited financial statements and MD&A and additional information regarding Titan Logix Corp. are available at www.sedar.com and on the Company's website at www.titanlogix.com. Titan Logix Corp.'s board members and its audit committee have reviewed and approved the discussion in this MD&A.

Cautionary Note Regarding Forward-Looking Statements

Some of the information contained in this MD&A may contain forward-looking statements. These forward-looking statements may include, among others, statements regarding our plans, costs, objectives or economic performance, or the assumptions underlying any of the foregoing. Forward-looking statements are based on information available at the time they are made, on the date of this report, and should not be read as guarantees of future performance or results as they are subject to risks and uncertainties, many of them beyond our control. We do not undertake any obligation to publicly update or to revise any forward-looking statements except as expressly required by applicable securities laws.

Such risks and uncertainties include, but are not limited to the following:

- *Titan's ability to successfully market to current and new customers;*
- *Industry competition;*
- *Technological developments;*
- *Uncertainties as to Titan's ability to implement its strategic plan;*
- *Titan's ability to obtain raw materials from suppliers;*
- *The impact of general economic and industry conditions;*
- *The impact of pandemics and natural disasters;*
- *Fluctuations in oil and gas prices;*
- *Fluctuations in the level of oil and gas industry expenditures that affect demand for Titan's products and services;*
- *Fluctuations in currency rates;*
- *The ability to attract and retain key personnel or management;*
- *Expansion of products by internal growth, partnerships or acquisitions;*
- *Incorrect assessment of value of acquisitions;*
- *Inability to complete strategic acquisitions of additional business;*
- *Stock market volatility;*
- *Obtaining required approvals from regulatory authorities;*
- *Titan's ability to achieve an acceptable return on investment from new product development costs in a timely manner; and,*
- *Other risks described under the heading "Business Risks and Uncertainties" in this document.*

CORPORATE OVERVIEW

Founded in 1979, Titan Logix Corp. ("Titan" or "the Company") is a public company listed on the TSX Venture Exchange and its shares trade under the symbol TLA.

For over 25 years, Titan Logix Corp. has designed and manufactured mobile liquid measurement solutions to help businesses reduce risk and maximize efficiencies in bulk liquids transportation. Titan's TD Series of tank level monitors are a market leader in mobile liquid measurement, and are known for their high level of accuracy, rugged design, and solid-state reliability. Our solutions are designed for hazardous and non-hazardous applications, and we serve customers in a wide range of applications including petroleum, environmental solutions, chemical, and agriculture. We proudly deliver our mobile tanker solutions to market through partnerships with Original Equipment Manufacturers (OEMs), dealers, and private fleets across Canada, the United States, and Mexico.

Titan currently serves the petroleum, chemical, and water markets with the TD80™ and TD100™ series of mobile gauges, offering fleet operators accurate level measurement, reliable overfill protection, and a variety of automation, integration, and control capabilities for their tanker truck operations. Building on our years of success in the crude oil market, our strategy is to grow our business into other liquid commodity verticals through investment in market, product, and channel partner development. Our next generation of TD products will leverage our accurate, reliable, and proven guided wave radar (GWR) technology and connect to Titan Data Services (TDS), a cloud-based software platform designed to help customers manage their bulk liquid inventory. TDS will provide customers with an easy integration into their existing transportation management system (TMS), positioning Titan to be the leader in mobile liquid measurement solutions for the bulk liquids transport industry in North America.

QUARTERLY HIGHLIGHTS

- Revenues for the first quarter of fiscal 2023 improved over the comparative prior period as the demand for the GWR product line continued to strengthen, resulting in a $878,986 or a 141% increase in the Company's revenues for the first quarter compared to the comparative prior period. Revenues in the first quarter were $1,503,120, compared with the $624,134 recorded in the comparative prior period. This increase in demand for the GWR was due to an improvement in the global supply chain for tanker OEMs from the crude oil, recycled oil, and aviation refueling sectors.
- Gross profit for the first quarter of fiscal 2023 increased by $506,738 to $836,621 or 56% of revenue compared to $329,883 or 53% of revenue in the comparative period. This increase in gross profit is primarily due to the increase in unit demand and revenue. The increase in the gross profit percentage is primarily the result of increased utilization of the Company's production capacity from increased product levels.
- Total expenses in the first quarter of fiscal 2023 decreased by $40,158 to $593,826 as compared with $633,984 in the comparative prior period. This decrease in total expenses was primarily due to lower engineering costs and an increase in foreign currency exchange gains. These were partially offset by increased general and administrative expenses and sales and marketing costs.
- In the first quarter of fiscal 2023, the Company reported an operating income before other items of $242,795 compared to an operating loss of $304,101 in the first quarter of fiscal 2022. The significant improvement in the operating loss before other items for the first quarter of fiscal 2023 was largely due to higher gross profits from increased volumes for the GWR product line.
- Net earnings after income taxes for the first quarter of fiscal 2023 amounted to $414,685 compared to a net loss after taxes of $162,958 in the comparative prior period. The increase in the net earnings was primarily due to the significant improvement in the operating loss before other items combined with the unrealized gain on the investment in Bri-Chem Corp. common shares.

FISCAL 2023 Q1 RESULTS OF OPERATIONS

	Three months ended November 30			
	2022	**2021**	**Increase (Decrease)**	
	$	**$**	**$**	**%**
Revenue	**1,503,120**	624,134	878,986	141
Cost of sales	**666,499**	294,251	372,248	127
Gross profit	**836,621**	329,883	506,738	154
Gross margin (%)	**56%**	53%		
Expenses				
General and administration	**302,970**	265,900	37,070	14
Marketing and sales	**221,229**	177,572	43,657	25
Engineering	**81,361**	142,447	(61,086)	(43)
Depreciation and amortization	**65,089**	81,012	(15,923)	(20)
(Gain) loss on foreign exchange	**(76,823)**	(32,947)	(43,876)	133
Total expenses	**593,826**	633,984	(40,158)	(6)
Unrealized gain on marketable securities	**48,500**	-	48,500	100
Finance income	**126,392**	145,763	(19,371)	(13)
Other items	**(3,002)**	(4,620)	1,618	(35)
Net earnings (loss)	**414,685**	(162,958)	577,643	354
EPS – Basic and Diluted	**0.01**	(0.01)	0.02	

Revenue and gross profit

The Company's revenue is primarily derived from instrument sales of its GWR product line of technologies (TD100™, Finch II and related components) throughout Canada and the U.S. These technologies are sold into the bulk liquids transport industry, serving fleets of liquid tanker trucks. The Company's revenue in the first quarter of fiscal 2023 increased by $878,986 or 141% to $1,503,120, as compared to $624,134 for the first quarter of fiscal 2022. The Increase in was primarily due to the increase in demand and volume increases for GWR products from the crude oil sector due to increased confidence in the global supply chain for tanker OEMs and an increase in activity in the crude oil, recycled oil, and aviation refueling sectors.

Revenues generated from the Canadian market increased by $289,900 or 127% to $518,096 as compared to $228,196 in the comparative prior period. Sales to the U.S, increased by $589,086 or 149% to $985,024 as compared to $395,938 in the comparative period. These sales accounted for 66% of the revenues in the first quarter of fiscal 2023 (2022 – 63%). These sales are transacted in U.S. dollar currency and any change in the exchange rate affects the value at which transactions are recorded. Revenue was recorded at an average exchange rate of $1.36 Canadian during the three months ended November 30, 2022, compared with $1.26 Canadian for the prior period.

As a percentage of revenue, sales of the Company's GWR product line of technologies contributed 98% to sales in the first quarter of fiscal 2023. This compares to 92% in the comparative prior period.

Gross profit for the first quarter of fiscal 2023 increased to $836,621 or 56% as a percentage of sales compared with $329,883, or 53% as a percentage of sales for the comparative period. This increase in gross profit is primarily due to the increase in unit demand and revenue. The increase in the gross profit percentage is primarily the result of increased utilization of the Company's production capacity from increased product levels.

Expenses, general and administration

General and administrative expenses (G&A) for the first quarter of fiscal 2023 were $302,970, an increase of $37,070 or 14% from the $265,900 recorded in the comparative prior period. The increase is primarily a result of increased travel and compensation costs, including stock based compensation. G&A, as a percentage of revenue, was 20% for the first quarter of fiscal 2023 compared to 43% for the same period of fiscal 2022.

Expenses, marketing and sales

Marketing and sales expenses for the first quarter of fiscal 2023 were $221,229 an increase of $43,657 or 25% from the $177,572 recorded in the comparative prior period. The increase is primarily a result of an increase in promotional marketing costs which partially offset a decrease in travel expenses. As a percentage of revenue, marketing and sales expenses were 15% for the first quarter of fiscal 2023 as compared to 28% for the same period of fiscal 2022.

Expenses, engineering

Engineering expenses for the first quarter of fiscal 2023 were $81,361 a decrease of $61,086 or 43% from the $142,447 recorded in the comparative prior period. The decrease is primarily due to lower salary expenses due to the decrease in the number of engineers on staff combined with a decrease in development consulting services, and partially offset by a decrease in wage and development government grants. During the fiscal quarter product development focussed on compliance and recertification activities for the TD100™ product line. Research and development expenditures are expected to increase in fiscal 2023, primarily as a result of the expected development of the Company's product roadmap.

Expenses, depreciation and amortization

Depreciation and amortization expenses included in operating expenses in the first quarter of fiscal 2023 totalled $65,089 compared to $81,012 in the previous prior period. Additional depreciation expenses recorded in cost of sales in the quarter totalled $21,470, compared to $22,257 in the comparable period.

Expenses, foreign exchange

Changes in the value of the Canadian dollar during the period and management of conversion of receipts from U.S. revenue resulted in a gain of $76,823 on foreign currency exchange in first quarter of fiscal 2023 consisting of a realized gain on exchange of $34,966 and an unrealized gain of $41,857. This compares to a gain of $32,947 on foreign currency exchange in the previous period consisting of a realized gain on exchange of $10,367 and an unrealized gain of $22,580.

Operating income and net earnings

Operating income before other items and income taxes for the first quarter of fiscal 2023 was $242,795 as compared to an operating loss before other items and income taxes of $304,101 for the comparative prior period. The improvement in the operating loss was primarily due to the increase in revenue and gross profit combined with a decrease in total expenses. Net earnings and comprehensive earnings in the first quarter of fiscal 2023 increased to $414,685 after tax, compared to an after tax net loss of $162,958 reported in the comparable prior period. This significant improvement in net earnings was primarily due to the increased operating income combined with a $48,500 unrealized gain on the investment in Bri-Chem Corp. common shares, which partially offset the decrease in interest income. The reduction in interest income was partially due to the principal repayment of the secured loan and offset by an increase in income earned from guaranteed income investments. Interest income in the fiscal quarter was $126,392 compared with $145,763 in the prior period.

SUMMARY OF QUARTERLY RESULTS

($000's, except per share amount)

Fiscal year	**2023**	**2022**				**2021**		
	Q1	**Q4**	**Q3**	**Q2**	**Q1**	Q4	Q3	Q2
Revenue	**1,503**	**1,324**	**1,292**	**1,088**	**624**	871	1,064	750
Gross profit	**837**	**721**	**713**	**629**	**330**	547	558	353
Operating income (loss) before other items and income taxes	**243**	**206**	**147**	**(275)**	**(304)**	(154)	(140)	(255)
Net earnings (loss) before income taxes	**415**	**1,022**	**403**	**(137)**	**(163)**	(11)	6	(65)
Net earnings (loss)	**415**	**1,022**	**403**	**(137)**	**(163)**	(26)	6	(65)
EPS – Basic and Diluted	**0.01**	**0.04**	**0.01**	**(0.00)**	**(0.01)**	(0.00)	0.00	(0.00)

FINANCIAL CONDITION AND LIQUIDITY

The Company's principal cash requirements are for ongoing operating costs, working capital and product development costs. The Company intends to fund its liquidity needs primarily from cash flow from operations and when necessary from cash on hand. Management continues to work on maintaining an optimal inventory level and the timely collection of accounts receivable to minimize its working capital requirements. As well, the Company continually focuses on cost management and control programs. The Company expects that current cash balances and funds from operations will be sufficient in the near-term to meet anticipated obligations and to fund intended capital expenditures and product development. As needed, the Company will assess and select funding mechanisms for long term growth including additional R&D projects, expansion of the distribution channels and corporate development activities.

Total assets of the Company were $17,755,679 on November 30, 2022 as compared to $17,499,282 on August 31, 2022. Cash and short term investments increased by $104,721 to $12,871,827. Accounts receivable increased by $3,829 and inventories increased by $208,233. Total liabilities decreased by $174,471. As at November 30, 2022, Titan had positive working capital (current assets less current liabilities) of $16,330,493 compared to $15,857,691 at August 31, 2022.

Summary of Cash Flows

Operating Activities

Net cash flows generated in operating activities for the three-month fiscal period totalled $24,833, compared to $191,346 used in the comparative period. This increase in cash flows generated in operating activities is primarily due to the increase in net earnings, partially offset by changes in non-cash operating working capital accounts.

Non-cash operating working capital generated or consumed is largely a result of the timing of cash receipts and payments in the normal course of business. Non-cash operating working capital used in the amount of $320,704 in the three-month fiscal period is largely a result of an increase of inventory to meet anticipated demand, a decrease in accounts payable and an increase in accounts receivables, offset by the decrease in prepaids. This compares with non-cash working capital provided in the comparable period in the amount of $9,486, largely a result of cash flow from a collection of accounts receivables, offset by the increase of inventory and prepaids and the decrease in accounts payable.

Investing Activities

Net cash flows generated in investing activities for the three-month fiscal period totalled $3,616,458 as a result of finance income and the maturity of a $3,500,000 GIC partially offset by capital equipment purchases. The GIC was reinvested and classified as cash and cash equivalent as it is cashable within 90 days of investment. Cash flows generated of $210,374 in the comparative prior period were as a result of the finance income and principal repayments received on the secured loan.

Financing Activities

Net cash flows used in financing activities for the three-month fiscal period and the comparable period amounted to $36,570 for payment of lease obligations.

CONTRACTUAL OBLIGATIONS

The Company has no commitments for future capital assets and its only financial obligations are operating leases for office equipment, office spaces and its manufacturing facility.

OFF-BALANCE SHEET ARRANGEMENTS

The Company did not enter into any off-balance sheet arrangements during the current or comparable reporting period.

OUTSTANDING SHARE DATA

Titan Logix Corp. has authorization to issue an unlimited number of common shares with no par value. The common shares of the Company trade on the TSX Venture Exchange under the symbol "TLA".

Issued and Outstanding

	January 18, 2023	**August 31, 2022**	**August 31, 2021**
Common shares issued and outstanding	28,536,132	28,536,132	28,536,132
Options outstanding	1,300,000	950,000	300,000

On November 24, 2022 350,000 stock options were granted at an exercise price of $0.51, with vesting over a period from 1 year to 5 years, provided defined performance metrics are achieved and certain share price targets are achieved, and expire on November 24, 2027. The weighted average grant date fair value of $0.20 was estimated on November 24, 2022 using the Black-Scholes pricing model. Stock based compensation of $16,183 was recorded during the period related to the vesting of options granted August 31, 2022 and November 24, 2022. During the period ended November 30, 2021 no options were granted or forfeited.

BUSINESS OUTLOOK

The backlog for new tanker builds remains at an all-time high leading into the second quarter of fiscal 2023. Titan's core business is focused on servicing 3 key segments of the tanker market: Crude Oil, Recycled Oil, and Aviation Refueling. We expect demand for Titan's TD100 series products to hold strong in each of these segments over the coming quarter. Titan's accurate, reliable, overfill protection continues to be a key differentiator among the competition. Titan's core business serves as the foundation for executing the company's strategic growth plan.

The Company's long-term strategic growth plan is to position Titan as the leader in mobile liquid measurement solutions and focuses on deploying Titan's resources in 3 strategic areas:

- Product and market development to diversify Titan's business into identified, addressable, mobile liquid markets outside of the crude and used oil segments
- Develop a cloud-connected product offering to bring new value to existing customers of the TD series products, and a differentiated offering to adjacent markets
- Evaluate investment, and acquisition opportunities that align with Titan's strategic roadmap

We have identified the refined fuels and chemical transport markets as potential long-term growth opportunities for the Company to diversify its core business. Titan will be investing in product, and market development initiatives with select fleet operators over the course of the next two quarters.

The Company has hired a Chief Product Officer (CPO) to develop and grow the product and engineering teams to execute on our product roadmap. The CPO's focus is to work directly with fleet operators to prioritize product development investments to meet the demands of the market. We are ready to move forward on our roadmap, bringing new value to our existing markets, and positioning Titan with a differentiated offering in new markets.

BUSINESS RISKS AND UNCERTAINTIES

Titan Logix Corp. faces risks that have the potential of affecting its financial condition, results of operations and cash flow. The Board and management of the Company take prudent measures to mitigate risks which may affect the Company. The Company's sales are substantially derived from one product line and as a result, a sudden or sustained decline in demand for, or production of, the product could have a material adverse effect on the Company's financial condition and results of operations. Events which could cause a drop in demand include industry factors, market economic conditions, competition and impact of pandemics as described in the Company's business risks and uncertainties in its 2022 annual report. Events that could cause an interruption in the Company's ability to produce the product include supply shortages and proprietary protections. A complete discussion of business risk factors faced by the Company can be found in the "Business Risks and Uncertainties" section of the MD&A portion of its 2022 annual report.

ADDITIONAL INFORMATION

Additional information relating to Titan Logix Corp., including its 2022 Audited Financial Statements, is available on SEDAR at www.sedar.com or on its website, www.titanlogix.com.

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www.titanlogix.com