Quarterly Report
Q1 Fiscal 2018

titan logix corp.

November 30, 2017

COMPANY PROFILE

Founded in 1979, Titan Logix Corp. ("Titan" or "the Company") is a developer, manufacturer and marketer of innovative fluid measurement and management solutions. The Company's products include Guided Wave Radar (GWR) gauges for level measurement and overfill prevention, primarily for use in the mobile tanker truck market, level gauges for storage tanks, and communication systems for remote alarming and control. Our products are mainly used in the upstream/midstream oil and gas industry. Secondary industries for our products include the aviation, waste fluid collection, and chemical industries.

Titan's products are all developed to be a part of a complete asset management solution. The ultimate solution will consist of Titan's products integrated with best-in-class third party solutions to enable complete fluid management throughout each stage of their fluid handling processes. This is captured by our slogan "Advanced Technology Fluid Management Solutions, In the Field, On the Road, In the Office"™.

- In the Field: "In the Field" refers to Titan's solution offerings for storage tanks and process vessels.
- On the Road: "On the Road" refers to Titan's solution offerings for mobile tanker trucks and trailers.
- In the Office: "In the Office" refers to Titan's solution offerings that enable customers to monitor their fluid assets remotely from the convenience of their dispatch center or other back office environment through a wired or wireless connection.

Titan's solutions have traditionally focused upon the "On the Road" mobile level sensor solutions. We maintain capacity to seamlessly integrate with "In the Field" stationary level sensor solutions, that to date, have been third party offerings. Titan's recently launched telematics offerings are initiating a full fledged entry into the "In the Office" offerings of our vision.

Titan Logix Corp. is a public company listed on the TSX Venture Exchange and its shares trade under the symbol TLA.

MISSION

Titan's mission is to provide our customers with innovative, integrated, and advanced technology solutions to enable them to manage their fluid assets more effectively in the field, on the road, and in the office.

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis (MD&A) has been prepared by management as of January 22, 2018. It updates the annual MD&A included in our 2017 annual report and should be read in conjunction with the unaudited interim consolidated financial statements and notes for the period ended November 30, 2017 as well as the audited consolidated financial statements and MD&A included in the Company's 2017 annual report for fiscal year ended August 31, 2017. The Company prepares and files its interim consolidated financial statements in Canadian dollars and in accordance with International Financial Reporting Standards (IFRS). This MD&A compares the Company's fiscal 2018 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, 2017, as well as the 2017 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;*
- *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.*

QUARTERLY HIGHLIGHTS

- Due to the slowdown in the mobile tanker truck new construction market the weakness in demand experienced in the prior two years continued into fiscal 2018. Revenues for the first quarter of fiscal 2018 improved slightly to $882,140, a $58,481 increase from the $823,659 recorded in the comparative prior period.
- The gross profit for the first fiscal quarter of fiscal 2018 improved to $410,935 or 47% of revenue compared to $273,072 or 33% of revenue in the comparative prior period, an increase of $137,863. This significant improvement is due to both a reduction in production costs and fixed overhead allocated to inventory units.
- The operating loss before other items in the first quarter of fiscal 2018 was $251,847, a decrease of 30% compared to $361,019 in the comparative prior period. This substantial improvement in the operating loss before other items was primarily due to the improvement in the gross profit.
- Despite the improvement in gross profit the net loss after taxes for the first quarter of fiscal 2018 was $186,093 compared with net income of $18,794 for the comparative prior period that was due primarily to a gain of $335,434 recorded on the sale of the TPZ3310 product line.
- The Company invested $7,006,837 in certain fixed income and equity securities to generate cash to fund operations and product development. $5,000,000 was invested in a secured loan with an expected rate of return of 9% per year, based on prevailing floating rates during the term of the loan and, subject to any early repayment. A further $2,000,000 was invested in equity securities with an expected rate of return of 5%.

FISCAL 2018 Q1 RESULTS OF OPERATIONS

	Three months ended November 30,			
	2017	2016	Increase (Decrease)	
	$	$	$	%
Revenue	**882,140**	823,659	58,481	7
Cost of sales	**471,205**	550,587	(79,382)	(14)
Gross profit	**410,935**	273,072	137,863	50
Gross margin (%)	**47**	33		
Expenses				
General and administration	**335,241**	371,281	(36,040)	(10)
Marketing and sales	**251,997**	193,497	58,500	30
Engineering	**40,345**	20,876	19,469	93
Depreciation and amortization	**69,450**	89,374	(19,924)	(22)
(Gain) on foreign exchange	**(34,611)**	(40,937)	6,326	(15)
Total expenses	**662,422**	634,091	28,331	4
Operating loss before other items	**(251,487)**	(361,019)	109,532	(30)
Other items	**65,394**	379,813	(314,419)	(83)
Net (loss) earnings	**(186,093)**	18,794	(204,887)	(1090)
EPS - Diluted	**(0.01)**	0.00	(0.01)	

Revenue and gross profit

The Company's revenue is largely derived from instrument sales of its GWR product line of technologies (TD80, Finch II and related components) throughout Canada and the U.S. These technologies are sold primarily into the mobile tanker truck market, servicing upstream/midstream customers and designated as Titan's "On the Road" solution offering. Due to continued weak demand for the GWR product line in the new tanker construction market both in Canada and the U.S. the Company did not realize any significant improvements in revenues in the current fiscal quarter. For the first quarter of fiscal 2018 revenue increased by 7% to $882,140 as compared to $823,659 for the first quarter of fiscal 2017. This slight increase in revenues is largely due to improved sales into the Canadian market and offset with the negative foreign currency impact due to the strengthening of the Canadian dollar on revenues generated outside of Canada. As a percentage of revenue, sales of the GWR product line contributed 90% to sales in the first quarter of fiscal 2018 as compared with 81% in the comparable first quarter of fiscal 2017. The increase in sales of this product line as a percentage of revenue is primarily due to the reduction in the revenue from the TPZ and 3500 Controller product line sold and other storage tank products.

Sales outside of Canada, primarily to the U.S, for the first quarter of fiscal 2018 were $431,234, a decrease of $24,593 or 5% when compared with sales of $455,827 in the comparable three-month period. Demand in the U.S. region remained relatively flat and this decrease in revenues is largely due to the negative impact of the strengthening of the Canadian dollar. Sales outside of Canada are transacted in U.S. dollars and are subject to exchange fluctuations against the Company's Canadian dollar functional currency; therefore, any significant change in the U.S. dollar exchange rate impacts the reported Canadian dollar amount of sales. Average exchange rate differences accounted for 4% of the decrease. The average foreign currency exchange rate of 1.26 Canadian was used to translate these revenues in the current quarter. This compares with 1.32 in the comparative prior period. Canadian sales for the first quarter of fiscal 2018 were $450,906, an increase of $83,074 or 23% when compared with sales of $367,832 in the comparable three-month period.

Gross profit was $410,935 for the first quarter of fiscal 2018 compared with $273,072 for the previous year's first quarter. As a percentage of sales, gross margin improved in the current quarter to 47% as compared with 33% in the first quarter of fiscal 2017. The improvement in gross margin reflects the decrease in the cost of sales as a percentage of revenue. Cost of sales decreased by $79,382 or 14% to $471,205 for the first quarter of fiscal 2018 as compared to $550,587 in the comparable three-month period. Cost of sales consists primarily of materials, direct labour and production overhead costs. Cost of sales also includes expenses for service and engineering related support and sustainment costs. The reduction in cost of sales was primarily due to a decrease in production overhead costs from the closure of the Saskatchewan warehouse and service facility in the first quarter of fiscal 2017 combined with a higher percentage of the fixed overhead costs being absorbed in the cost of finished goods due to an increase in built product in the quarter. To meet required lead times the Company carries a certain level of finished goods inventory. Based on the changes to this level overhead costs are absorbed in the cost of finished good or expensed.

Expenses, general and administration

General and administrative expenses (G&A) for the first quarter of fiscal 2018 were $335,241, a decrease of $36,040 or 10% from the $371,281 recorded in the first quarter of fiscal 2017. The decrease is primarily a result of a decrease in IT consulting fees and professional fees. G&A, as a percentage of revenue, was 38% for the first quarter of fiscal 2018 compared to 45% in the comparable three-month period.

Expenses, marketing and sales

Marketing and sales expenses for the first quarter of fiscal 2018 were $251,997 an increase of $58,500 or 30% from the $193,497 recorded in the first quarter of fiscal 2017. The increase is primarily a result of increased trade show expenses, third-party product trial costs and compensation compared to the prior period. As a percentage of revenue, marketing and sales expenses was 29% for the first quarter of fiscal 2018 compared to 23% in the comparable three-month period.

Expenses, engineering

Engineering expenses are incurred primarily for new product research and the preparation and introduction of new third-party products into Titan's product suite. Engineering expenses for the first quarter of fiscal 2018 were $40,345 an increase of $19,469 or 93% when compared with $20,876 in the first quarter of fiscal 2017. The increase in engineering expenses as compared with the previous fiscal period is primarily due to increased cost for the preparation and introduction of new third-party products partially offset by an increase in time dedicated to capitalized project development activities.

Expenses, depreciation and amortization

Depreciation and amortization expenses included in operating expenses in the first quarter of fiscal 2018 totalled $69,450 compared to $89,374 in the first quarter of fiscal 2017. This decrease in depreciation and amortization expenses in the current fiscal quarter is largely due to the reduction in intangible assets including software and fully amortized product development costs. Additional depreciation expenses recorded in cost of sales in the current quarter totalled $2,611, compared to $4,135 in the comparable three-month 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 $34,611 on foreign currency exchange in the first quarter of fiscal 2018 consisting of a realized gain on exchange of $7,102 and an unrealized gain of $27,509. This compares to a gain of $40,937 in the previous fiscal year which consisted of a $6,935 realized gain on exchange and an unrealized gain of $34,002.

Operating loss and net loss

The operating loss before other items and income taxes was $251,487 for the first quarter of fiscal 2018 as compared to an operating loss before other items and income taxes of 361,019 in the first quarter of fiscal 2017. The significant improvement in the operating loss before taxes and other items was primarily due to the improvement in gross profit due to the reduction in production overhead costs included in cost of sales, combined with a slight increase in revenue. Despite these improvements, the Company incurred an operating loss, largely due to continued weaker demand for the Company's products and the resulting low revenues.

The net loss after income taxes was $186,093 in the first quarter of fiscal 2018 as compared to a net income of $18,794 in the first quarter of fiscal 2017. This decline in net earnings in the current fiscal quarter was primarily due to a $335,434 gain recorded in the corresponding fiscal quarter on the sale of the TPZ 3310 and 3500 controller product line. The fiscal 2018 net loss was improved by an increase in finance income of $50,112 primarily from the interest income of $31,302 on the investment in the secured loan and dividend income of $25,640 on investments in marketable securities. An unrealized loss on marketable securities of $24,393 offset the dividend income.

Product development costs

The Company continues to invest in development activities to support and maintain its current product line and the development and introduction of new products. Total engineering related expenditures including engineering costs expensed amounted to $202,879 for the first quarter of fiscal 2018 compared to $172,024 for the previous year's comparable period. During the year, the Company continued to invest in development activities for the ongoing development of its next generation of digital GWR propriety products. During the current quarter, the Company invested $162,534 on development activities that were capitalized as compared with $151,148 in the three-month period ended November 30, 2016. This increase in development expenditures is primarily due to an increase in time dedicated to project activities.

SUMMARY OF QUARTERLY RESULTS

($000's, except per share amount)

Fiscal year	2018	2017				2016		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Revenue	**882**	989	828	872	824	706	744	945
Gross profit	**411**	290	258	349	273	11	99	169
Operating loss before other items and income taxes	**(251)**	(380)	(381)	(344)	(361)	(905)	(1,106)	(1,001)
Net (loss) earnings before income taxes	**(186)**	(346)	(336)	(327)	19	(1,977)	(1,063)	(967)
Net (loss) earnings	**(186)**	(338)	(336)	(327)	19	(1,888)	(799)	(659)
EPS - Basic	**(0.01)**	(0.01)	(0.01)	(0.01)	0.00	(0.07)	(0.03)	(0.03)
EPS - Diluted	**(0.01)**	(0.01)	(0.01)	(0.01)	0.00	(0.07)	(0.03)	(0.03)

Quarterly financial data is derived from the Company's consolidated financial statements and are prepared in accordance with IFRS.

The Company has withstood the difficult conditions in the mobile tanker truck market. The Company's quarterly revenues and operating loss for the last eight quarters continue to reflect the negative impact of lower oil and gas prices and the subsequent collapse in demand for new crude oil tankers.

The improved quarterly gross profit over the last five quarters when compared to the last two quarters of fiscal 2016 is primarily a result of the increased revenue and the decrease in cost of sales. The improvement in costs of sales was due to cost reduction initiatives undertaken in fiscal 2016 and the reduction in production labour costs.

Due to the decline in the demand for the Company's TD80 in fiscal 2016 the production facility was not operating at full capacity. As a result, gross profit for the third and fourth quarters of fiscal 2016 was negatively impacted by a larger percentage of the fixed overhead not being absorbed in the cost of built product. Gross profit was also negatively impacted by an impairment of inventory of $119,082 in the fourth quarter of fiscal 2016. Fiscal 2017's fourth quarter was negatively impacted by an impairment of inventory of $90,221.

The reduction in operating losses before other items and income taxes in the current quarter and fiscal 2017 as compared to the comparative prior periods reflects the significant reduction in operating expenses resulting from management's cost reduction initiatives combined with the improvement in quarterly gross profit.

Significant losses in the fourth quarter of fiscal 2016 are a result of intangible asset impairment losses of $940,924 recognized as a result of a reduction in the recoverable amount of product development costs. The net earnings improvement in the first quarter of fiscal 2017 is primarily due to the $335,434 gain on sale of the assets related to the TPZ 3310 and 3500 Controller product lines sold in conjunction with the closing of Titan's under-performing Saskatchewan warehouse and service facility.

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 will continue to focus 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 $16,508,659 on November 30, 2017 as compared to $16,685,920 on August 31, 2017. Cash, cash equivalents decreased by $7,053,114 to $6,474,713. Investments of $2,006,837 in marketable securities and $4,925,000 in a secured loan were recorded in the first quarter of fiscal 2018. Accounts receivable decreased by $144,339 and inventories increased by $64,618. Total liabilities increased by $3,801. As at November 30, 2017, Titan had positive working capital (current assets less current liabilities) of $7,895,879 compared to $14,663,433 at August 31, 2017. The investments in marketable securities are classified as non-current assets and the long-term portion of the investment in a secured loan is $4,508,558.

Summary of Cash Flows

Operating Activities

Net cash flows used in operating activities for the three-month fiscal period totalled $73,852, compared to cash flows generated from operating activities of $65,831 in the comparative period. This increase in cash flows used in operating activities is primarily due to a reduction in cash generated from changes in non-cash working capital accounts, partially offset by the decreased net loss, when excluding non-cash items and finance income.

Non-cash 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 working capital generated in the amount of $100,543 in the first quarter of fiscal 2018 is largely a result of cash flow generated from the collection of accounts receivable balances, offset by an increase in inventory. This compares with non-cash working capital generated in the comparable period in the amount of $287,500, largely as a result of cash flow generated from the consumption of inventory, offset by an increase in accounts receivable.

Investing Activities

Net cash flows used in investing activities for the three-month fiscal period totalled $6,975,418 as compared with $1,202,239 generated in the comparative prior period. This significant increase in cash invested was primarily due to a $4,925,000 investment in secured loan (net of a $75,000 upfront commitment fee) and a $2,006,837 purchase of marketable securities combined with cash used for product development, and partially offset by interest income and payments received on the secured note. This compares with $1,202,239 generated from investing activity in the comparable period, primarily due to the maturity of $1,000,000 of short-term investments and proceeds of $346,377 from the sale of assets, offset by cash used for product development.

Financing Activities

Net cash flows used in financing activities in the first quarter of fiscal 2018 amounted to $3,844 for finance lease obligations as compared to $6,856 in the comparable period.

CONTRACTUAL OBLIGATIONS

The Company has no commitments for future capital assets and its only financial obligations are finance lease obligations on company vehicles and 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 22, 2018	**November 30, 2017**	**August 31, 2017**
Common shares issued and outstanding	28,536,132	28,536,132	28,536,132
Options outstanding	505,000	505,000	545,000

During the first quarter of fiscal 2018, 40,000 stock options were forfeited. For the three-month period, the Company has recorded stock option compensation expense of $5,031 as compared to $7,016 in the comparable period.

BUSINESS OUTLOOK

The continuing recovery of the crude oil price has stabilized demand for Titan's products. The existing backlog of tanker trailers appears to be dropping and some of the large Original Equipment Manufacturers are slowly beginning to build new tankers. Titan's sensors are maintaining their strong market share of that new tanker construction market. We continue to aggressively pursue retrofit and repair opportunities within the existing operating fleets. Titan's recently released Gateway for mobile tankers provides remote data communications from Titan's TD80, Finch II and AirWeigh products. Titan's Gateway is increasing marketplace opportunities by linking our widely respected legacy sensor technologies to the worldwide cloud/web. The Company's traditional market's interest in universal 'Internet of Things' solutions is driving both new and retrofit decisions. Introduction of the new Titan Gateway telematics solution is progressing very positively through initial pilot trials and is expected to begin securing commitments for retrofit installments on existing operational fleets. These sales opportunities will be 'lumpy' in that each initiative is targeting large existing fleets, often more than 100 tankers. These are comparatively large capital decisions for fleet operators in comparison to ordering 5-10 replacement new tankers. The decision requires substantial review and analysis prior to issuing a purchase order for retrofitting an entire operational fleet within a relatively short period. It is an all-in or out decision.

Product development is progressing on Titan's next generation digital Guided Wave Radar product, the TD100, and market introduction is expected in fiscal 2018's third quarter. This digital renewal of the TD80 legacy is opening doors to improved reliability and expanded capabilities for the next generation of Titan customers.

BUSINESS RISKS AND UNCERTAINTIES

Titan Logix Corp. faces a number of 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 and competition as described in the Company's business risks and uncertainties in its 2017 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 2017 annual report. There have been no significant changes to the Company's business risks and uncertainties described in its 2017 annual report.

ADDITIONAL INFORMATION

Additional information relating to Titan Logix Corp., including its 2017 Audited Financial Statements, is available on SEDAR at www.sedar.com or on its website, www.titanlogix.com.

Notice of No Auditor Review of Interim Consolidated Financial Statements

These interim consolidated financial statements and related notes for the period ended November 30, 2017 have been prepared by and are the responsibility of management of Titan Logix Corp. The auditors of Titan Logix Corp. have not audited or reviewed these interim financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(unaudited)

	November 30, 2017 $	August 31, 2017 $
ASSETS		
Current assets		
Cash and cash equivalents (note 4)	**6,474,713**	13,527,827
Accounts receivable	**417,696**	562,035
Inventories	**867,391**	802,773
Prepaid expenses	**88,314**	101,491
Income tax recoverable	**153,862**	153,862
Current portion of investment in secured loan (note 5)	**384,205**	-
Total current assets	**8,386,181**	15,147,988
Non-current assets		
Investments in marketable securities (note 5)	**1,982,444**	-
Property, plant and equipment	**243,793**	259,785
Intangible assets	**1,387,683**	1,278,147
Investment in secured loan (note 5)	**4,508,558**	-
Total assets	**16,508,659**	16,685,920
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	**461,261**	453,616
Current portion of finance lease obligations	**29,041**	30,939
Total current liabilities	**490,302**	484,555
Non-current liabilities		
Finance lease obligations	**24,558**	26,504
Total liabilities	**514,860**	511,059
Equity		
Share capital (note 7)	**5,730,279**	5,730,279
Contributed surplus	**723,104**	718,073
Retained earnings	**9,540,416**	9,726,509
Total equity	**15,993,799**	16,174,861
Total liabilities and equity	**16,508,659**	16,685,920

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

On behalf of the Board

"Douglas Carruthers"
Director

"Helen Cornett"
Director

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF EARNINGS (LOSS) AND COMPREHENSIVE INCOME (LOSS)
(unaudited)

For the three months ended November 30,	**2017** **$**	2016 $
Revenue	**882,140**	823,659
Cost of sales	**471,205**	550,587
Gross profit	**410,935**	273,072
Expenses		
General and administration	**335,241**	371,281
Marketing and sales	**251,997**	193,497
Engineering	**40,345**	20,876
Depreciation of property, plant and equipment	**16,452**	21,583
Amortization of intangible assets	**52,998**	67,791
(Gain) on foreign exchange	**(34,611)**	(40,937)
Total expenses	**662,422**	634,091
Operating loss before other items	**(251,487)**	(361,019)
Other items		
Gain on disposal of property, plant and equipment	**-**	5,554
Gain on disposal of non-current assets held for sale (note 6)	**-**	335,434
Unrealized (loss) on marketable securities (note 5)	**(24,393)**	-
Finance income (note 5)	**89,787**	39,675
Interest on finance leases	**-**	(850)
Total other items	**65,394**	379,813
(Loss) earnings before income taxes	**(186,093)**	18,794
Income tax	**-**	-
Net (loss) income and comprehensive (loss) income	**(186,093)**	18,794
(Loss) earnings per share (note 9)		
Basic	**(0.01)**	0.00
Diluted	**(0.01)**	0.00

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(unaudited)

	Common Shares #	Share Capital $	Contributed Surplus $	Retained Earnings $	**Total Equity $**
Balance, August 31, 2017	28,536,132	5,730,279	718,073	9,726,509	**16,174,861**
Share-based compensation	-	-	5,031	-	**5,031**
Net loss	-	-	-	(186,093)	**(186,093)**
Balance, November 30, 2017	**28,536,132**	**5,730,279**	**723,104**	**9,540,416**	**15,993,799**

	Common Shares #	Share Capital $	Contributed Surplus $	Retained Earnings $	Total Equity $
Balance, August 31, 2016	28,286,132	5,566,479	766,830	10,708,897	**17,042,206**
Share-based compensation	-	-	7,016	-	**7,016**
Net earnings	-	-	-	18,794	**18,794**
Balance, November 30, 2016	**28,286,132**	**5,566,479**	**773,846**	**10,727,691**	**17,068,016**

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

titan logix corp.
FLUID MANAGEMENT SOLUTIONS

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(unaudited)

For the three months ended November 30,	**2017** **$**	2016 $
Cash provided by (used in)		
Operating activities		
Net (loss) earnings	**(186,093)**	18,794
Adjustments for:		
Non-cash items included in net (loss) earnings		
Depreciation of property, plant and equipment	**19,063**	25,718
Amortization of intangible assets	**52,998**	67,791
Share-based compensation	**5,031**	7,016
Unrealized loss on marketable securities (note 5)	**24,393**	
Gain on disposal of property, plant and equipment	**-**	(5,554)
Gain on disposal of non-current assets held for sale (note 6)	**-**	(335,434)
Finance income	**(89,787)**	-
Changes in non-cash working capital (note 10)	**100,543**	287,500
Net cash (used in) provided by operating activities	**(73,852)**	65,831
Investing activities		
Purchases of marketable securities (note 5)	**(2,006,837)**	-
Investment in secured loan (note 5)	**(4,925,000)**	-
Payments received on investment in secured note (note 5)	**32,236**	-
Finance income	**89,787**	-
Maturity of short term investments	**-**	1,000,000
Purchases of property, plant and equipment	**(3,070)**	(950)
Purchase of intangible assets	**-**	(476)
Proceeds from disposal of property, plant and equipment	**-**	8,436
Proceeds from disposal of assets held for sale (note 6)	**-**	346,377
Product development costs capitalized	**(162,534)**	(151,148)
Net cash (used in) provided by investing activities	**(6,975,418)**	1,202,239
Financing activities		
Payment of finance lease obligation	**(3,844)**	(6,856)
Net cash (used in) financing activities	**(3,844)**	(6,856)
Net (decrease) increase in cash and cash equivalents	**(7,053,114)**	1,261,214
Cash and cash equivalents, beginning of period	**13,527,827**	12,788,278
Cash and cash equivalents, end of period	**6,474,713**	14,049,492

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three months ended November 30, 2017 and 2016
(unaudited)

1. NATURE OF OPERATIONS

Titan Logix Corp. (the "Company") is a public company incorporated and domiciled in Canada and its common shares trade on the TSX Venture Exchange under the symbol TLA. The head office for the Company is located in Edmonton, Alberta, Canada. The address of the Company's registered office is 421 7 Ave SW #1700, Calgary, AB T2P 4K9.

Titan Logix Corp. is a developer, manufacturer and marketer of innovative fluid measurement and management solutions. The Company's Guided Wave Radar (GWR) solutions are primarily used in the upstream/midstream oil and gas industry. Secondary industries for its products include the aviation, waste fluid collection, and chemical industries. The Company's products are all developed to be part of a complete asset management solution. The ultimate solution will consist of the Company's products integrated with best-in-class third party solutions to enable complete fluid management throughout each stage of the customers fluid handling processes. This is captured by the Company's slogan "Advanced Technology Fluid Management Solutions, In the Field, On the Road, In the Office"™.

- In the Field: "In the Field" refers to Titan's solution offerings for storage tanks and process vessels.
- On the Road: "On the Road" refers to Titan's solution offerings for mobile tanker trucks and trailers.
- In the Office: "In the Office" refers to Titan's solution offerings that enable customers to monitor their fluid assets remotely from the convenience of their dispatch center or other back office environment through a wired or wireless connection.

2. BASIS OF PRESENTATION

Statement of compliance

These condensed consolidated interim financial statements for the three months ended November 30, 2017 and November 30, 2016 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). They have been prepared in accordance with IAS 34, "Interim Financial Reporting" and do not contain all necessary annual disclosures in accordance with IFRS.

The unaudited interim consolidated financial statements of the Company for the three months ended November 30, 2017 were authorized for issue in accordance with a resolution of the directors on January 22, 2018.

Principles of consolidation

These condensed consolidated interim financial statements include the financial statements of Titan Logix Corp. and its wholly owned subsidiary, Titan Logix USA Corp. The financial statements for the subsidiary are prepared for the same reporting period as the parent company using consistent accounting policies. All intercompany transactions and balances have been eliminated in the preparation of these consolidated financial statements.

Functional and presentation currency

These condensed consolidated interim financial statements are presented in Canadian dollars which is the functional currency of Titan Logix Corp. and its subsidiary.

3. SIGNIFICANT ACCOUNTING POLICIES

These condensed consolidated interim financial statements, in all material respects, follow the same accounting policies and method of application as the annual audited consolidated financial statements of the preceding fiscal year except as noted below. Accordingly, these condensed consolidated interim financial statements should be read in conjunction with the annual consolidated financial statements for the year ended August 31, 2017.

The Financial Instruments significant accounting policy note has been updated in this fiscal quarter to include the Company's investments in marketable securities and its investment in a secured note.

Financial instruments

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the financial instrument. The Company classifies its financial instruments at initial recognition in the following categories depending on the purpose for which the instruments were acquired.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial assets and financial liabilities at fair value through profit or loss:

The Company classified its investment in marketable securities at "fair value through profit or loss".

The Company's investments in marketable securities are initially recognized at fair value. Subsequently, they are measured at fair value with gains and losses arising from changes in the fair value included in the profit or loss in the period in which they arise. 'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When available, the Company measures the fair value of an instrument using the quoted price in an active market for its investments. A market is regarded as active if transactions for the assets take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Dividends earned from such investments are recognized in profit or loss, unless the dividend clearly represents a repayment of part of the cost of the investment.

Loans and receivables:

In addition to its cash, cash equivalents and accounts receivable the Company classified its investment in the secured note as "loans and receivables".

These financial instruments are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Company's investment in the secured loan was recognized when the cash was advanced and recognized at fair value less transaction costs. Subsequently, the loan is measured at amortized cost using the effective interest method, less any impairment. Any changes in value are recognized in the profit or loss. Interest income is recognized by applying the effective interest rate.

Impairment of financial assets

At each reporting date the Company assesses whether there is objective evidence that its investments are impaired. Financial assets are impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset, and that the loss event has an impact on the future cash flows on the asset than can be estimated reliably. Objective evidence that financial assets, which include its investments in marketable securities and its secured loan, are impaired can include:

- default or delinquency by a borrower;
- indications that the borrower will enter bankruptcy;
- the disappearance of an active market for a security; or
- other observable data such as adverse changes in the payment status of the borrower.

Impairment losses on investment in the secured loan carried at amortised cost are measured as the difference between the carrying amount of the financial assets and the present value of estimated cash flows discounted at the assets' original effective interest rate. Losses are recognised in profit or loss.

New standards and interpretations not yet adopted

The following new accounting pronouncements have been issued but are not effective and may have an impact on the Company's consolidated financial statements in the future:

IFRS 9 - Financial Instruments will replace IAS 39 Financial Instruments: Recognition and Measurement. The new standard includes guidance on recognition and de-recognition of financial assets and financial liabilities, extensive changes to IAS 39's guidance on the classification and measurement of financial assets, impairment and hedge accounting. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company is considering the implications of the standard, the impact on the Company and the timing of its adoption by the Company. The full extent of the impact has not yet been determined

IFRS 15 – Revenue from Contracts with Customers replaces IAS 11 Construction Contracts, IAS 18 Revenue and IFRIC 13 Customer Loyalty Programmes. This standard outlines a single comprehensive model for entities to account for revenue arising from contracts with customers. IFRS 15 becomes effective for annual periods beginning on or after January 1, 2018, with early adoption permitted and is to be applied retrospectively. The Company is considering the implications of the standard, the impact on the Company and the timing of its adoption by the Company. Management is evaluating its revenue streams in the context of the new standard.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

New standards and interpretations not yet adopted (cont'd)

IFRS 16 – Leases will replace IAS 17 - Leases. IFRS 16 specifies how to recognize, measure, present and disclose leases effective for annual periods beginning on or after January 1, 2019. The standard provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, unless the lease term is 12 months or less or the underlying asset has a low value. Lessor accounting however remains largely unchanged from IAS 17 and the distinction between operating and finance leases is retained. The Company is considering the implications of the standard, the impact on the Company and the timing of its adoption by the Company. Management is evaluating the impact the standard will have on its operating leases.

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following components:

As at	**November 30 2017 $**	August 31, 2017 $
Cash on hand and balances with banks	**1,399,713**	3,527,827
Guaranteed investment certificates	**5,075,000**	10,000,000
	6,474,713	13,527,827

5. INVESTMENTS

In order to increase investment returns the Company invested in certain fixed income and equity securities.

Investments in marketable securities

As at	**November 30, 2017 $**	August 31, 2017 $
Marketable securities, at cost	**2,006,837**	-
Unrealized loss on marketable securities	**(24,393)**	-
	1,982,444	-

During the three months ended November 30, 2017 dividend income of $25,640 (November 30, 2016 - $nil) related to investments in marketable securities was included in finance income and an unrealized change in fair value of $24,393 (November 30, 2016 - $nil) (note 13), was recognized in profit or loss.

5. INVESTMENTS (cont'd)

Investment in secured loan

As at	**November 30, 2017 $**	August 31, 2017 $
Current portion of investment in secured loan	**384,205**	-
Long-term portion of investment in secured loan	**4,508,558**	-
	4,892,763	-

On November 6, 2017 the Company entered into a loan participation agreement with Greypoint Capital Inc. (as administrative agent) and Greypoint Capital L.P. (as co-lender). Pursuant to the loan participation agreement, the Company has co-invested $5 million of a $10 million five-year secured loan to a company in the energy services industry (the "Borrower"). The loan is secured by a first priority security interest in the Borrower's real estate and equipment and a second priority security interest on the working capital assets of the Borrower. The loan is for a 60-month term and bears interest at the 30-day bankers' acceptance rate plus 7.5%, with a payment of $33,333 principal plus interest paid monthly. The Borrower may prepay the loan at any time subject to set terms. The terms of the agreement included an upfront commitment fee from the Borrower of $75,000 and therefore the Company recorded the initial value of the investment in secured loan at an amortized cost of $4,925,000. The $75,000 commitment fee is amortized over the term of the loan and included in interest income.

During the three months ended November 30, 2017, the Company's investment in the secured loan to Greypoint Capital Inc. generated interest income of $31,302 (November 30, 2016 - $nil) at an effective interest rate is 9.28%.

6. DISPOSAL OF ASSETS HELD FOR SALE

In September 2016 the Company sold assets related to its TPZ 3310 and 3500 Controller product lines. These products were level measurement gauges and alarm systems for the oilfield storage and control industry. Under the terms of the sale agreement of the Company received proceeds of $450,294 prior to a holdback of $23,940. The carrying value of assets sold included inventory of $156,016 and property, plant and equipment of $10,943. The sale of the assets resulted in a gain on disposal of $307,275 for the year ended August 31, 2017 after an adjustment to the gain of $335,434 recorded in the three months ended November 30, 2016. In conjunction with this divesture the Company closed its branch in Lampman, SK. The Company continues to offer other level measurement solutions for the oilfield storage industry.

7. SHARE CAPITAL

a) Authorized

The Company has authorized an unlimited number of common shares without par value.

b) Issued

The Company has 28,536,132 issued common shares (August 31, 2017 – 28,536,132).

c) Share-based compensation

The Company has a stock option plan for directors, officers, employees and consultants and permits the issue of options to purchase common shares of the Company. Subject to approval by the Board of Directors and the TSX Venture Exchange, a maximum of 3,000,000 (August 31, 2017 – 3,000,000) common shares are reserved for issue under this plan. The number of options and exercise price is set by the Board of Directors of the Company at the time of issue, provided that the exercise price shall not be less than the market price of the common shares on the stock exchange on which such shares are traded. The options issued vest in accordance with vesting schedules determined at the time of grant and may be exercised for a period not longer than five years from the time of issue.

7. SHARE CAPITAL (cont'd)

c) Share-based compensation (cont'd)

At November 30, 2017, the Company has 505,000 (August 31, 2017 – 545,000) options outstanding, which expire on dates between January 2019 and February 2021. The continuity of the Company's outstanding and exercisable options is as follows:

	Three months ended November 30, 2017		Twelve months ended August 31, 2017	
	Number of options outstanding #	**Weighted average exercise price $**	Number of options outstanding #	Weighted average exercise price $
Outstanding, beginning of period	**545,000**	**0.64**	1,005,000	0.64
Exercised	**-**	**-**	(250,000)	0.38
Forfeited	**(40,000)**	**0.70**	(210,000)	0.83
Outstanding, end of period	**505,000**	**0.69**	545,000	0.69
Exercisable, end of period	**330,000**	**0.75**	370,000	0.74

The following table summarizes information about stock options outstanding and exercisable as at November 30, 2017.

Exercise price	**Options outstanding**	**Average remaining life (in years)**	**Options vested**	**Options not vested**
$ 1.28	40,000	1.12	40,000	-
$ 1.14	40,000	2.14	40,000	-
$ 0.65	100,000	3.12	100,000	-
$ 0.57	100,000	3.18	100,000	-
$ 0.57	225,000	3.18	50,000	175,000
Total, end of period	**505,000**		**330,000**	**175,000**

During the three months ended November 30, 2017 and November 30, 2016 no options were granted, 40,000 stock options that had a weighted average exercise price of $0.70 were forfeited.

Compensation expense is recognized evenly over the vesting period of the stock options. For the three months ended November 30, 2017, share based compensation and a corresponding credit to contributed surplus of $5,031 was recorded (three months ended November 30, 2016 - $7,016).

8. NATURE OF EXPENSES

The Company presents certain expenses in the Consolidated Statements of Loss and Comprehensive Loss by function. The following table presents these expenses by nature.

For the three months ended November 30,	**2017**	2016
	$	$
Employee salaries and benefits		
Included in cost of sales	**103,428**	111,192
Included in total expenses	**527,247**	478,615
Total employee salaries and benefits	**630,675**	589,807
Depreciation and amortization		
Included in cost of sales	**2,611**	4,135
Included in total expenses	**69,450**	89,374
Total depreciation and amortization	**72,061**	93,509

9. LOSS PER SHARE

The following table sets forth the computation of basic and diluted loss per share:

For the three months ended November 30,	**2017**	2016
	$	$
Net (loss) income (numerator for basic and diluted loss per share)	**(186,093)**	18,794
Weighted average number of shares outstanding – basic (denominator for basic loss per share)	**28,536,132**	28,286,132
Effect of dilutive securities		
Stock options converted to common shares	**2,693**	62,102
Weighted average number of shares outstanding – diluted (denominator for diluted loss per share)	**28,538,825**	28,348,234
Basic loss per share	**(0.01)**	0.00
Effect of dilutive securities	**(0.00)**	0.00
Diluted loss per share	**(0.01)**	0.00

For the three months ended November 30, 2017 there were 180,000 antidilutive options (2016 – 755,000). The average market value of the Company's shares for purposes of this calculation were based on quoted market prices for the period during which the options were outstanding.

10. CHANGE IN NON-CASH OPERATING WORKING CAPITAL

For the three months ended November 30,	**2017** $	2016 $
Accounts receivable	**144,339**	(89,925)
Inventories	**(64,618)**	376,104
Prepaid expenses	**13,177**	39,376
Accounts payable and accrued liabilities	**7,645**	(38,055)
	100,543	287,500

11. RELATED PARTY TRANSACTION

Key Management Personnel Compensation

The Company's key management personnel include its directors and executive. Compensation to key management personnel of the Company for the period was as follows:

For the three months ended November 30,	**2017** $	2016 $
Salaries and short-term employee benefits	**158,182**	147,731
Share-based compensation	**5,031**	7,016
	163,213	154,747

During the three months ended November 30, 2017 and 2016, there were no long-term employee benefits, post-employment benefits or termination benefits recognized. Short-term employee benefits consist of salaries, bonuses, director fees, and all other short-term benefits.

12. CAPITAL MANAGEMENT

The Company manages its capital to safeguard the Company's ability to continue as a going concern, to provide an adequate return to shareholders, and to preserve the financial flexibility in order to fund growth and expansionary opportunities that may arise. The Company's capital management practices are focused on preserving a solid capital base and a strong statement of financial position. The Company's capital consists of its finance lease obligations (less current portion) and its shareholders' equity which is comprised of issued shares, contributed surplus and retained earnings. The Company is not subject to any externally imposed capital requirements. The Company manages and maintains its capital structure based on current economic conditions. In order to maintain or adjust its capital structure, the Company may attempt to raise additional funds by issuing additional equity securities or assuming additional indebtedness. There were no changes to management's capital management objectives, practices or policies in the period.

As at	**November 30, 2017** $	August 31, 2017 $
Finance lease obligations	**24,558**	26,504
Share capital	**5,730,279**	5,730,279
Contributed surplus	**723,104**	718,073
Retained earnings	**9,540,416**	9,726,509
	16,018,357	16,201,365

13. FINANCIAL INSTRUMENTS – FAIR VALUE MEASUREMENT

The following methods and assumptions were used to estimate the fair values of each class of financial instruments:

Cash and cash equivalents, accounts receivables, accounts payable and accrued liabilities - The carrying value approximate fair value due to the short-term nature and limited credit risk of these assets and liabilities.

Investment in marketable securities – The fair value measurement of the investment in marketable securities based on the quoted market prices resulted in an unrealized loss of $24,393 for the three months ended November 30, 2017 (three months ended November 30, 2016 - $nil).

Investment in secured loan – Using the effective interest rate method, the fair value of the secured loan approximates its carrying value as the effective interest rate approximates the market interest rate.

14. FINANCIAL RISK MANAGEMENT

The Company is exposed to a number of risks as a result of holding financial instruments. These risks include credit risk, liquidity risk and market risk. The nature of the financial risks and the Company’s strategy for managing these risks has not changed significantly from the prior period. The Company does not use financial derivatives.

a) Credit risk

Credit risk arises from the possibility that the entities to which the Company provides services may experience financial difficulty and be unable to fulfill their obligations. Financial instruments that potentially subject the Company to credit risk include cash and cash equivalents, accounts receivable and loans receivable. The Company’s cash on deposit and short-term investments are held with reputable financial institutions, from which management believes the risk of loss is low. The Company's maximum exposure to credit risk is as indicated by the carrying amount of its cash, cash equivalents, accounts receivable and investment in secured loan. The Company has a credit policy and regularly monitors its credit risk exposure and takes steps to mitigate the likelihood of these exposures resulting in actual loss. The Company carries out credit evaluations of its customers who receive credit and carries adequate provisions for possible losses arising from credit risk associated with financial assets.

The Company’s maximum exposure to credit risk for accounts receivable is the carrying value of its accounts receivable balance at November 30, 2017 of $435,604 (August 31, 2017 - $579,943). The Company’s allowance for doubtful accounts as at November 30, 2017 amounted to $17,908 (August 31, 2017 - $17,908). As at November 30, 2017, the percentages of past due trade accounts receivable were as follows: 3% past due 61 to 90 days (August 31, 2017– 1%) and 6% past due greater than 90 days (August 31, 2017 – 3%) prior to including the allowance for doubtful accounts. It is management’s view that these balances, net of the allowance for doubtful accounts, have a low risk of not being collected.

The Company’s maximum exposure to credit risk for its investment in secured loan is the carrying value of the investment in secured loan’s balance at November 30, 2017 of $4,966,667. In investing in the secured loan, the Company considered the Company's future liquidity requirements and evaluated whether the Company had plans to sell the investment in the secured loan before recovery. The Company considered general industry conditions, the credit worthiness and credit history of the Borrower. The Company also considered specific conditions related to the financial health of and business outlook for the Borrower, including business outlook, industry and sector performance, changes in technology, and operational and financing cash flow factors. The Company also took into consideration security interest issued as collateral. The Company’s investment in secured loan is subject to compliance with reasonable and customary positive and negative covenants for loans of its nature. As at November 30, 2017 the Borrower is in compliance with all terms of the loan agreement.

b) Equity price risk

The cost of equity investments which are subject to equity price risk at November 30, 2017 was $2,006,837 (August 31, 2017 - $nil). The Company is exposed to equity price risk as the result of changes in market conditions. Fluctuations in market prices may affect the market value of its portfolios of securities mainly for exchange traded funds. These securities are classified and accounted for as financial assets at fair value through profit and loss.

The primary investment objective is to optimize the return on surplus cash while preserving the Company's capital. The Board of Directors is responsible for the management and oversight of its investment portfolio. As part of the Company’s risk management strategy, extensive corporate governance policies and practices have been applied. Each individual investment is evaluated separately, and trading guidelines specified. Economic and sector research influences the overall investment weighting. Limits are also established for the portfolio value at risk.

14. FINANCIAL RISK MANAGEMENT (cont'd)

c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due or to fund the programs and commitments that the Company has planned. The Company manages liquidity risk through management of its capital structure in conjunction with cash flow forecasting including anticipated investing and financing activities. The Company believes that internally generated cash flows and current cash balances will be sufficient to cover its normal operating and capital expenditures for the current fiscal year.

d) Market risk

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is exposed to interest rate risk arising from fluctuations in interest rates received on its cash and cash equivalents and its investment in secured loan. The Company manages interest rate risk by maximizing the interest earned in excess funds while maintaining the liquidity necessary to maintain day-to-day operating cash flow requirements.

At November 30, 2017, based on management's interest rate risk sensitivity analysis, a one-half percent change in market interest rates would have had an impact of approximately $13,867 (three months ended November 30, 2016 – $15,045) on the Company's net earnings.

Currency risk

Foreign currency risk arises from fluctuations in the value of foreign currencies and the degree of volatility of these currencies relative to the Canadian dollar. The Company is subject to foreign currency risk in that it has both current assets and liabilities denominated in foreign currencies. It is management's opinion that a change in foreign currency exchange rates could affect the Company's results of operations and cash flows, but would not materially impair or enhance its ability to pay its foreign exchange obligations. The Company does not use hedging tools to reduce its exposure to foreign currency risk.

At November 30, 2017, the Company held net financial assets of US$716,382 (November 30, 2016 - US$1,216,962) that were exposed to foreign exchange risk. Based on the Company's foreign currency exposures, with other variables unchanged, a five percent appreciation/ depreciation in the Canadian dollar would have impacted net earnings by approximately $46,164 (three months ended November 30, 2016 - $81,713).

15. SEGMENTED REPORTING

The Company operates substantially all of its activities in one reportable segment, technology fluid management solutions, which include the developing, manufacturing and marketing of innovative fluid measurement and management solutions. The ultimate solution will consist of the Company's products integrated with best-in-class third party solutions to enable complete fluid management throughout each stage of the customers' fluid handling processes. Operating segments are defined as components of the Company for which separate financial information is available that is evaluated regularly by the chief operating decision makers in allocating resources and assessing performance. The chief operating decision makers of the Company are the President and Chief Executive Officer.

Segmented information is provided on the basis of geographic segments as the Company sells into two primary geographic regions: Canada and the United States.

Revenues

For the three months ended November 30,	**2017** **$**	2016 $
Canada	**450,906**	367,832
United States and other	**431,234**	455,827
	882,140	823,659

For the three months ended November 30, 2017 and 2016, no revenue from a single customer of the Company exceeded 10% of total revenue in the period.

At November 30, 2017, non-current assets held in Canada were $8,117,025 (August 31, 2017 - $1,528,659) and in the United States were $5,453 (August 31, 2017 - $9,273).

titan logix corp.
FLUID MANAGEMENT SOLUTIONS

Corporate Address:

4130 – 93 Street
Edmonton, Alberta, Canada T6E 5P5
Phone: (780) 462-4085; Fax: (780) 450-8369

Branch Address:

Overland Park, Kansas
United States of America
Phone: (877) 462-4085

Exchange Listing:

The Toronto Venture Stock Exchange (TSX-V)
Stock Symbol: TLA

Investor Information:

Investor Relations, Titan Logix Corp.
4130 – 93 Street
Edmonton, Alberta, Canada T6E 5P5
Phone: (780) 462-4085; Fax: (780) 450-8369
Email: invest@titanlogix.com

Transfer Agent:

Computershare Investor Services Inc.
Stock Transfer Services
600, 530 – 8th Avenue SW, Calgary, Alberta, Canada
T2P 3S8
Telephone: 1-800-564-6253

Directors:

S. Grant Reeves, BA
Chairperson of the Board

Helen Cornett, CPA, CA
Audit Committee Chairperson

Warren J. White, CPA, MBA
Executive Compensation and Corporate Governance Committee Chairperson

Alvin Pyke, P.Eng.

Douglas Carruthers, BA
Chief Executive Officer

Greg McGillis, P.Eng., EE
President and Chief Technology Officer

Officers:

Douglas Carruthers, BA
Chief Executive Officer

Greg McGillis, P.Eng., EE
President and Chief Technology Officer

Angela Schultz, CPA, CMA
Chief Financial Officer

Auditors:

Grant Thornton LLP

www.titanlogix.com