Quarterly Report

Q3 Fiscal 2022

May 31, 2022

TITAN LOGIX

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis (MD&A) has been prepared by management as of July 20, 2022. It updates the annual MD&A included in our 2021 annual report and should be read in conjunction with the unaudited condensed consolidated interim financial statements and notes for the period ended May 31, 2022 as well as the audited consolidated financial statements and MD&A included in the Company's 2021 annual report for fiscal year ended August 31, 2021. 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 2022 third quarter results to the previous year's third 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 nine months ended May 31, 2022 as well as the 2021 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 advanced 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 fluid 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, delivering accurate level measurement, overfill protection, and a wide variety of integrated control capabilities while avoiding costly downtime for repair and maintenance. Building on our years of success in the crude oil market, our strategy is to grow our business through partnerships with customers, dealers, and OEMs, addressing unique challenges in transporting liquids safely and efficiently. Our next generation of TD products is focused on delivering this same reliable operation on a technology platform that enables our customers to mobilize their data as part of a complete Supply Chain Management (SCM) solution.

QUARTERLY HIGHLIGHTS

- Revenues in the third quarter of fiscal 2022 increased by $227,904 or 21% to $1,292,204, from the $1,064,300 recorded in the comparative prior period. This increase was primarily due to increased demand and volume increases for the GWR product line from the crude oil sector due to increased confidence in the global supply chain for tanker OEMs.
- Gross profit for the third quarter of fiscal 2022 increased by $155,333 to $713,497 or 55% of revenue compared to $558,164 or 52% 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 the result of price increases combined with lower overhead costs.
- Total expenses in the third quarter of fiscal 2022 decreased by $132,160 to $566,073 as compared with $698,233 in the comparative prior period. This decrease in total expenses was primarily due to a reduction in engineering costs and reduction in the loss on foreign exchange partially offset by an increase in general and administration expenses. The Company continues to focus on cost management, particularly with respect to discretionary spending. Investment in sales and marketing programs and product development focusing on enhancing product capabilities is ongoing.
- In the third quarter of fiscal 2022, the Company reported an operating income before other items of $147,424 compared to an operating loss of $140,069 in the third quarter of fiscal 2021. Adjusted for interest income and other items, the net earnings after income taxes for the third quarter was $403,414 compared to net earnings after taxes of $6,178 in the prior period. The quarterly improvement in the operating income before other items reflects the increase in revenue and gross profit combined with the decrease in total expenses. This improvement in the operating income combined with the impact of the increase in finance income from the early settlement of its secured loan investment resulted in the increase in the earnings after taxes. On May 9th, the Company's investment in its secured loan was repaid in full. This included the principal amount of $3,200,000, accrued interest of $137,420, plus a make whole fee, representing an additional three months of interest of $90,242.
- During the fiscal year the Company wound-down its participation in the Canada Emergency Wage Subsidy ("CEWS") program. No benefits were received in the third quarter of fiscal 2022, and $76,281 was received for the nine-month period for fiscal 2022. This compares with $161,900 and $345,747 in the comparative prior periods.

FISCAL 2022 Q3 RESULTS OF OPERATIONS

($000's, except gross margin (%) and per share amounts)	Three months ended May 31,				Nine months ended May 31,			
	2022	**2021**	**Increase (Decrease)**		**2022**	**2021**	**Increase (Decrease)**	
	$	$	**$**	**%**	**$**	$	**$**	**%**
Revenue	**1,292**	1,064	228	21	**3,004**	2,663	341	13
Cost of sales	**579**	506	73	14	**1,332**	1,371	(39)	(3)
Gross profit	**713**	558	155	28	**1,672**	1,292	380	29
Gross margin (%)	**55%**	52%			**56%**	49%		
Expenses								
General and administration	**286**	216	70	33	**1,117**	687	430	62
Marketing and sales	**141**	160	(19)	(12)	**481**	513	(32)	(6)
Engineering	**66**	144	(78)	(54)	**309**	380	(71)	(19)
Depreciation and amortization	**65**	88	(23)	(26)	**212**	280	(68)	(24)
Loss (gain) on foreign exchange	**7**	90	(83)	(92)	**(15)**	129	(143)	(112)
Total expenses	**566**	698	(132)	(19)	**2,104**	1,989	115	6
Finance income	**260**	152	108	71	**548**	513	35	7
Other items	**(4)**	(5)	(1)	(29)	**(13)**	(18)	(5)	(30)
Net earnings (loss)	**403**	6	397	6,430	**104**	(201)	305	151
EPS – Basic and Diluted	**0.01**	0.00	0.01		**0.00**	(0.01)	0.01	

Revenue and gross profit

The Company's revenue is primarily derived from instrument sales of its GWR product line of technologies (TD80™/TD100™, Finch II and related components) throughout Canada and the U.S. These technologies are sold into the mobile tanker truck market, servicing upstream/midstream customers. The Company's revenue in the third quarter of fiscal 2022 increased by $227,904 or 21% to $1,292,204, as compared to $1,064,300 for the third quarter of fiscal 2021. Revenue for the nine month period ended May 31, 2022 increased by 13% to $3,004,135 as compared to $2,663,086 for the comparative period. The increase in revenue in the quarter and year-over-year was primarily a combination of 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.

In the current fiscal quarter revenues generated from the Canadian market decreased by $86,582 or 23% to $290,904 as compared to $377,486 in the comparative prior period. For the nine months ended May 31, 2022, year-over-year Canadian revenues increased by 1% to $739,975 and accounted for 2% of the year-over-year increase in revenues. Sales to the U.S, for the three months ended May 31, 2022 increased by $314,486 or 46% to $1,001,300 as compared to $686,814 in the comparative period. Sales to the U.S. for the nine month period ending May 31, 2022 increased by $335,995 or 17% to $2,264,160 as compared to $1,928,165 in the comparative period. These sales accounted for 77% of the revenues in the third quarter of fiscal 2022 (2021 – 65%) and 75% for the nine months May 31, 2022 (2021 – 72%). 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 $1.27 Canadian during the nine months ended May 31, 2022, compared with $1.28 Canadian for the prior period.

As a percentage of revenue, sales of the Company's GWR product line of technologies contributed 97% to sales in the third quarter of fiscal 2022 and 96% year to date. This compares to 97% and 96% in the corresponding prior periods.

Gross profit increased by $155,333 to $713,497 or 55% as a percentage of sales for the third quarter of fiscal 2022 compared with $558,164, or 52% as a percentage of sales for the comparative period. Gross profit increased by $379,768 to $1,672,158 or 56% as a percentage of sales for the nine month period compared with $1,292,390, or 49% as a percentage of sales for the comparative period. The increase in gross profit in the current fiscal quarter and year-over-year is primarily due to the increase in unit demand and revenue. The increase in the gross profit as a percentage of revenue in the current fiscal quarter and year-over year is the result of price increases in the prior year combined with lower overhead costs.

Expenses, general and administration

General and administrative expenses (G&A) for the third quarter of fiscal 2022 were $285,907, an increase of $70,343 or 33% from the $215,564 recorded in the third quarter of fiscal 2021. The increase in the current quarter is primarily due to increased payroll expenses, director fees and professional fees. Payroll expenses in the current quarter did not include benefits of CEWS subsidies compared with benefits of $30,484 recorded in the comparable period. General and administrative expenses for the nine month period were $1,116,690 an increase of $429,311 or 62% from the $687,379 recorded in the comparable prior period. The increase year-over-year is primarily an increase in payroll expenses due to severance costs associated with executive termination combined with an increase in director and professional fees. The year-over-year increase was partially offset by a decrease in one-time consulting costs for the implementation of the new ERP system in the prior period. General and administration expenses include the benefit of CEWS subsidies of $13,884 in the nine month period ending May 31, 2022 compared with $67,999 in the comparable prior period. G&A, as a percentage of revenue, was 22% for the third quarter and 37% for the nine months ended May 31, 2022 compared to 20% and 26% respectively for the same periods of fiscal 2021.

Expenses, marketing and sales

Marketing and sales expenses for the third quarter of fiscal 2022 were $141,034 a decrease of $19,072 or 12% from the $160,106 recorded in the comparative prior period. Marketing and sales expenses for the nine month period were $481,454 a decrease of $31,860 or 6% from the $513,314 recorded in the comparable prior period. The decrease in the current quarter and year-over-year reflects lower payroll related expenses due to a change inf the sales and marketing team combined with a reduction in discretionary costs. The year-over-year cost reductions were partially offset by an increase in trade show and travel costs due to a reduction in restrictions associated with the COVID-19 pandemic. CEWS subsidies of $22,522 were received in the nine month period ending May 31, 2022 compared with $63,854 in the comparable prior period. As a percentage of revenue, marketing and sales expenses were 11% for the third quarter of fiscal 2022 and 16% for the nine months ended May 31, 2022 compared to 15% and 19% respectively for the same periods of fiscal 2021.

Expenses, engineering

Engineering expenses for the third quarter of fiscal 2022 were $66,186 a decrease of $77,626 or 54% from the $143,812 recorded in the comparative prior period. This decrease is primarily due to lower salary expenses due to the decrease in the number of engineers on staff, combined with a decrease in product development consulting costs. Engineering expenses for the nine month period were $308,908 a decrease of $70,836 from the $379,744 recorded in the comparable prior period. The year-over-year decrease is primarily due to the lower salary expenses and was partially offset by an increase in consulting costs and a decrease in refundable tax credits. Development tax credits of $71,497 were earned in the nine month period as compared to $96,360 in the comparable period. CEWS benefits of $30,001 were received in the nine month period ending May 31, 2022 compared to $143,014 in the comparable prior period.

Expenses, depreciation and amortization

Depreciation and amortization expenses included in operating expenses in the first nine months of fiscal 2022 totalled $211,591 compared to $279,726 in the previous prior period. Additional depreciation expenses recorded in cost of sales in the current nine month period totalled $66,481, compared to $67,308 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 $14,851 on foreign currency exchange in the nine months ended May 31, 2022 consisting of a realized gain on exchange of $3,001 and an unrealized gain of $11,850. This compares to a loss of $128,576 on foreign currency exchange in the previous period consisting of a unrealized loss on exchange of $146,224 and a realized gain of $17,648.

Operating income (loss) and net earnings (loss)

The operating income before other items and income taxes was $147,424 for the third quarter of fiscal 2022 as compared to an operating loss before other items and income taxes of $140,069 in the comparative prior period. The operating loss for the first nine months of fiscal 2022 was $431,634 as compared to an operating loss of $696,349 in the comparative prior period. The improvement in operating income in the current fiscal quarter was due to the increase in revenue and gross profit combined with the decrease in total expenses, whereas the year-over-year improvement was primarily due to the gross profit impact of increased sales, which offset the slight increase in expenses.

Net earnings after income taxes were $403,414 in the current quarter as compared to net earnings of $6,178 in the comparable prior period. Net earnings after tax for the first nine months of fiscal 2022 were $103,649 compared to a net loss of $201,287 in the comparative prior period. The increase in the earnings after income taxes in the current fiscal quarter and year-over year was largely due to the impact of higher gross margins earned due to the increase in revenues. The third quarter of the fiscal year was further impacted by the decrease in expenses and the increase in finance income. Finance income increased by $108,164 to $259,810 compared with $151,646 in the corresponding prior period. This increase was primarily due to a make whole fee, representing three months of additional interest, or $ 90,242, recorded upon the early repayment of its secured loan investment on May 9, 2022. In the nine month period, the Company benefited from CEWS subsidies in the amount of $76,281 compared to $345,747 from CEWS subsidies in the comparable period.

SUMMARY OF QUARTERLY RESULTS

($000's, except per share amount)

Fiscal year	2022			2021				2020
	Q3	**Q2**	**Q1**	Q4	Q3	Q3	Q1	Q4
Revenue	**1,292**	**1,088**	**624**	871	1,064	750	849	609
Gross profit	**713**	**629**	**330**	547	558	353	381	355
Operating income (loss) before other items and income taxes	**147**	**(275)**	**(304)**	(154)	(140)	(255)	(301)	(262)
Net earnings (loss) before income taxes	**403**	**(137)**	**(163)**	(11)	6	(65)	(142)	(108)
Net earnings (loss)	**403**	**(137)**	**(163)**	(26)	6	(65)	(142)	(108)
EPS – Basic and Diluted	**0.01**	**(0.00)**	**(0.01)**	(0.00)	0.00	(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 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 $16,373,965 on May 31, 2022 as compared to $16,273,707 on August 31, 2021. Cash and cash equivalents increased by $118,101 to $9,904,405. Accounts receivable increased by $9,268 and inventories increased by $216,934. Total liabilities decreased by $37,891. As at May 31, 2022, Titan had positive working capital (current assets less current liabilities) of $14,779,774 compared to $11,386,485 at August 31, 2021. The increase in working capital is primarily a result of the receipt in the quarter of the remaining principal on the Company's investment in secured loan.

Summary of Cash Flows

Operating Activities

Net cash flows used in operating activities for the nine-month fiscal period totalled $285,029, compared to $313,374 used in the comparative period. This decrease in cash flows used in operating activities is primarily due to the net earnings 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 $165,967 in the nine-month fiscal period is largely a result of an increase of inventory to meet anticipated demand offset by the increase in accounts payable. This compares with non-cash working capital provided in the comparable period in the amount of $35,941, largely as a result of cash flow from a consumption of inventory, offset by the increase in accounts receivables and a decrease in accounts payable.

Investing Activities

Net cash flows generated in investing activities for the nine-month fiscal period totalled $512,840, compared with $744,991 generated in the comparative prior period. This decrease in cash in the nine month period as compared with the corresponding prior period is mainly due to the net changes in cash flow on the Company's investment in the secured loan. In the nine month period cash was generated on the repayment of the Company's principal investment in the secured loan of $3,471,666, and finance income of $542,124. Cash generated from the repayment was used for the reinvestment in a $3,500,000 short-term GIC. This compares with cash generated from principal repayments on the secured loan of $291,667 and finance income of $408,748 in the comparable prior period.

Financing Activities

Net cash flows used in financing activities for the nine-month fiscal period amounted to $109,710 for payment of lease obligations as compared to $116,734 in the comparable period.

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

	July 20, 2022	**May 31, 2022**	**August 31, 2021**
Common shares issued and outstanding	28,536,132	28,536,132	28,536,132
Options outstanding	350,000	350,000	300,000

On January 24, 2022 150,000 stock options were granted at an exercise price of $0.47, with immediate vesting on the grant date and expire on January 24, 2027 (nine months ended May 31, 2021 – no options were granted). The weighted average grant date fair value of $0.23 was estimated on January 24, 2022 using the Black-Scholes pricing model. The Company recorded stock based compensation of $34,500 in respect of the stock options granted and vested. During the nine month period 100,000 options were forfeited.

BUSINESS OUTLOOK

Demand for Titan's products is closely linked to industry demand for new mobile unit tanker builds from original equipment manufacturers (OEMs). New tanker builds have been constrained by supply chain conditions and rising input costs across the entire industry, resulting in increased lead-times and significant delays in new tanker construction. These factors impact the timing of order receipt for our products and revenue. Despite the supply chain impact on new mobile tanker builds, market conditions remain relatively unchanged from the previous quarter with continued strong demand for our products. In order to maintain revenues in view of the uncertainty of order receipt timing Titan supports our dealer and OEM partners with on-hand inventory and next day delivery of our tank gauging and overfill prevention solutions.

In order to grow and expand our market share into new markets and new digital applications the Company plans to build upon its success of its industry-leading technology found in the TD80™ and TD100™ gauges. Development is ongoing on its new product line with added capabilities that combine with the same features found in the TD80™ and TD100™ gauges. The technology, currently named the T-Lite, builds upon a solid foundation of accurate, reliable measurement, while adding feature rich functionality through wireless connectivity in a scalable package. Field trials of the T-Lite system are ongoing with an official release date to be announced once the technology has been field proven.

The Company is currently in the process of finalizing its long-term strategic growth plan that focuses on adjacent market opportunities in the mobile liquid measurement space. The Company has a strong balance sheet to purchase accretive products and services that will accelerate growth as those opportunities are developed.

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 2021 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 2021 annual report.

ADDITIONAL INFORMATION

Additional information relating to Titan Logix Corp., including its 2021 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 Condensed Consolidated Financial Statements

These interim condensed consolidated financial statements and related notes for the period ended May 31, 2022, 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 condensed consolidated financial statements.

	May 31, 2022 $	August 31, 2021 $
ASSETS		
Current assets		
Cash and cash equivalents (note 4)	**9,904,405**	9,786,304
Short term investments	**3,500,000**	-
Accounts receivable	**739,340**	730,072
Inventories	**1,141,263**	924,329
Prepaid expenses	**40,845**	41,924
Current portion of investment in secured loan (note 5)	**-**	385,865
Total current assets	**15,325,853**	11,868,494
Non-current assets		
Property, plant and equipment	**208,651**	243,554
Right-of-use assets	**268,451**	365,839
Intangible assets	**571,010**	715,841
Investment in secured loan (note 5)	**-**	3,079,979
Total assets	**16,373,965**	16,273,707
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	**400,582**	338,539
Income tax payable	**10,380**	13,267
Current portion of lease obligations (note 6)	**135,117**	130,203
Total current liabilities	**546,079**	482,009
Non-current liabilities		
Lease obligations (note 6)	**151,775**	253,736
Total liabilities	**697,854**	735,745
Shareholders' equity		
Share capital (note 7)	**5,730,279**	5,730,279
Contributed surplus	**815,208**	780,708
Retained earnings	**9,130,624**	9,026,975
Total shareholders' equity	**15,676,111**	15,537,962
Total liabilities and shareholders' equity	**16,373,965**	16,273,707

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

On behalf of the Board	"Grant Reeves" Director	"Helen Cornett" Director

	Three months ended		Nine months ended	
	May 31 2022 $	May 31 2021 $	**May 31 2022 $**	May 31 2021 $
Revenue	**1,292,204**	1,064,300	**3,004,135**	2,663,086
Cost of sales	**578,707**	506,136	**1,331,977**	1,370,696
Gross profit	**713,497**	558,164	**1,672,158**	1,292,390
Expenses				
General and administration	**285,907**	215,564	**1,116,690**	687,379
Marketing and sales	**141,034**	160,106	**481,454**	513,314
Engineering	**66,186**	143,812	**308,908**	379,744
Depreciation of property, plant and equipment	**9,102**	9,782	**26,898**	28,784
Depreciation right-of-use assets	**13,287**	13,287	**39,862**	47,212
Amortization of intangible assets	**43,370**	65,440	**144,831**	203,730
Loss (gain) on foreign exchange	**7,187**	90,242	**(14,851)**	128,576
Total expenses	**566,073**	698,233	**2,103,792**	1,988,739
Operating income (loss) before other items	**147,424**	(140,069)	**(431,634)**	(696,349)
Other items				
Finance income (note 8)	**259,810**	151,646	**547,946**	513,186
Interest on leases	**(3,820)**	(5,399)	**(12,663)**	(17,441)
Loss on disposal of property, plant and equipment	**-**	-	**-**	(683)
Total other items	**255,990**	146,247	**535,283**	495,062
Earnings (loss) before income taxes	**403,414**	6,178	**103,649**	(201,287)
Income tax expense	**-**	-	**-**	-
Net earnings (loss) and comprehensive earnings (loss)	**403,414**	6,178	**103,649**	(201,287)
Earnings (loss) per share (note 10)				
Basic and diluted	**0.01**	0.00	**0.00**	(0.01)

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

	Common Shares #	Share Capital $	Contributed Surplus $	Retained Earnings $	**Total Equity $**
Balance, August 31, 2021	28,536,132	5,730,279	780,708	9,026,975	**15,537,962**
Share-based compensation (note 7(c))			34,500		**34,500**
Net earnings	-	-	-	103,649	**103,649**
Balance, May 31, 2022	**28,536,132**	**5,730,279**	**815,208**	**9,130,624**	**15,676,111**

	Common Shares #	Share Capital $	Contributed Surplus $	Retained Earnings $	Total Equity $
Balance, August 31, 2020	28,536,132	5,730,279	780,708	9,254,332	**15,765,319**
Net loss	-	-	-	(201,287)	**(201,287)**
Balance, May 31, 2021	**28,536,132**	**5,730,279**	**780,708**	**9,053,045**	**15,564,032**

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

	Three months ended		Nine months ended	
	May 31 2022 $	May 31 2021 $	**May 31 2022 $**	May 31 2021 $
Cash provided by (used in)				
Operating activities				
Net earnings (loss)	**403,414**	6,178	**103,649**	(201,287)
Non-cash items included in net earnings (loss)				
Interest on leases	**3,820**	5,399	**12,663**	17,441
Depreciation of property, plant and equipment	**11,991**	13,040	**35,853**	38,566
Depreciation of right-of-use assets	**32,462**	32,463	**97,388**	104,738
Amortization of intangible assets	**43,370**	65,440	**144,831**	203,730
Loss on disposal of property, plant and equipment	**-**	-	**-**	683
Share-based compensation (note 7 c))	**-**	-	**34,500**	-
Finance income (note 8)	**(259,810)**	(151,646)	**(547,946)**	(513,186)
Changes in non-cash operating working capital (note 11)	**(27,064)**	(153,183)	**(165,967)**	35,941
Net cash provided by (used in) operating activities	**208,183**	(182,309)	**(285,029)**	(313,374)
Investing activities				
Purchase of short term investment	**(3,500,000)**	-	**(3,500,000)**	-
Payments received on investment in secured note (note 6)	**3,266,666**	91,667	**3,471,666**	291,667
Finance income received (note 8)	**323,936**	118,389	**542,124**	408,748
Purchase of property, plant and equipment	**-**	(3,071)	**(950)**	(16,376)
Proceeds from disposal of property, plant and equipment	**-**	-	**-**	100
Receipt of investment tax credits	**-**	-	**-**	60,852
Net cash provided by investing activities	**90,602**	206,985	**512,840**	744,991
Financing activities				
Payment of lease obligation (note 6)	**(36,570)**	(36,570)	**(109,710)**	(116,734)
Net cash used in financing activities	**(36,570)**	(36,570)	**(109,710)**	(116,734)
Net increase (decrease) in cash and cash equivalents	**262,215**	(11,894)	**118,101**	314,883
Cash and cash equivalents, beginning of period	**9,642,190**	9,710,456	**9,786,304**	9,383,679
Cash and cash equivalents, end of period	**9,904,405**	9,698,562	**9,904,405**	9,698,562

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

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 #2600 10180 101 Street, Edmonton, AB T5J 3Y2.

For over 25 years, Titan Logix Corp. has designed and manufactured advanced 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 fluid 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.

The ongoing COVID-19 global pandemic, and actions taken by governmental authorities in response thereto caused material disruption to businesses globally resulting in an economic slowdown followed by an uncertain recovery, disruptions to global supply chains, reductions in trade volumes and increased political and economic instability. The Company has given consideration to the impact of COVID-19 on its interim consolidated financial statements. As at May 31, 2022, management has determined that the Company's ability to execute its medium and longer term plans, the economic viability of its assets and the carrying value of its long-lived assets are not materially impacted.

2. BASIS OF PRESENTATION

Statement of compliance

These unaudited condensed consolidated interim financial statements for the nine months ended May 31, 2022 and May 31, 2021 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 condensed consolidated interim financial statements of the Company for the nine months ended May 31, 2022 were authorized for issue in accordance with a resolution of the directors on July 20, 2022.

Principles of consolidation

These unaudited 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 unaudited condensed consolidated interim financial statements.

Functional and presentation currency

The unaudited 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 unaudited 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. Accordingly, these unaudited condensed consolidated interim financial statements should be read in conjunction with the annual consolidated financial statements for the year ended August 31, 2021.

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following components:

As at	**May 31, 2022 $**	August 31, 2021 $
Cash on hand and balances with banks	**5,922,903**	7,505,365
Guaranteed investment certificates	**3,981,502**	2,280,939
	9,904,405	9,786,304

5. INVESTMENTS

Investment in secured loan

As at	
August 31, 2021	**$ 3,465,844**
Amendment fee	(5,000)
Principal repayments	(3,466,666)
Amortization of commitment fee and amendment fee	86,929
Payment in kind interest	(81,107)
May 31, 2022	**$ -**

As at	**May 31, 2022 $**	August 31, 2021 $
Current portion of investment in secured loan	-	385,865
Long-term portion of investment in secured loan	-	3,079,979
	-	3,465,844

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 co-invested $5 million of a $10 million five-year secured loan to a company in the energy services industry (the "Borrower"). The loan was 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 was for a 60-month term bearing interest at the 30-day bankers' acceptance rate plus 9.5% (2021 – 9.5%), with a payment of $33,333 principal plus interest paid monthly. The Borrower could 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 was amortized over the term of the loan and included in interest income. In December 2018, May 2019, July 2020, April 2021 and January 2022 the credit agreement with the Borrower was amended for covenant terms, subject to an amendment fee. Cumulative amendment fees of $142,500 (May 31, 2021 - $137,500) were amortized over the remaining term of the loan and included in finance income. The July 2020 amendment included a 2.0% payment-in-kind (PIK) interest to be repaid at loan maturity. Accrued loan and PIK interest were added to the principal amount to be repaid. The credit agreement with the Borrower was contractually due on November 5, 2022.

On May 9, 2022 the loan was fully repaid. Principal repayments of $3,466,666 were recorded in the nine month period (May 31, 2021 - $266,667). In addition, receipts of PIK and loan interest accrued of $137,420 plus a make-whole fee representing 3 months interest of $90,242 were recorded (May 31, 2021 - $nil).

During the nine months ended May 31, 2022, the Company's investment in the secured loan to Greypoint Capital Inc. generated finance income of $473,785 (May 31, 2021 - $400,141) (note 8).

The loan participation agreement with Greypoint Captial Inc. and subsequent amendments provides for the Company's entitlement to 1,250,000 warrants of the Borrower, each warrant representing the right to purchase one common share of the Borrower at an exercise price of $0.10 per common share. The warrants expire July 16, 2024.

6. FINANCE LEASE OBLIGATIONS

The Company has leases and lease liabilities for land, building and office equipment. The leases have been discounted using a 4.95% interest rate.

Lease liabilities

	$
Balance at August 31, 2021	383,939
Finance costs	12,663
Lease payments	(109,710)
Balance at May 31, 2022	**286,892**
Lease liabilities due within one year	135,117
Lease liabilities due beyond one year	151,775

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, 2021 – 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, 2021 – 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. Stock based compensation expense is measured at the grant date based on the estimated fair-value of the grant and recognized as an expense over the vesting period in selling, general and administration expenses in the Consolidated Statements of Earnings and Comprehensive Earnings.

On January 24, 2022 150,000 stock options were granted at an exercise price of $0.47, with immediate vesting on the grant date and expire on January 24, 2027 (nine months ended May 31, 2021 – no options were granted). The fair value of each stock option grant was estimated on the grant date using the Black-Scholes pricing model with following weighted average assumptions; an expected life of 5 years, share volatility of 55.5% and a risk free interest rate of 1.55%. The weighted average grant date value of $0.23 per common share was estimated on January 24, 2022 using the Black-Scholes Option Pricing Model.

At May 31, 2022, the Company has 350,000 (August 31, 2021 – 300,000) options outstanding, which expire on dates between April 2024 and January 2027. The continuity of the Company's outstanding and exercisable options is as follows:

		Nine months ended May 31, 2022		Twelve months ended August 31, 2021
	Number of options outstanding #	**Weighted average exercise price $**	Number of options outstanding #	Weighted average exercise price $
Outstanding, beginning of period	**300,000**	**0.56**	300,000	0.56
Granted	**150,000**	**0.47**	-	-
Forfeited	**(100,000)**	**0.57**	-	-
Outstanding, end of period	**350,000**	**0.52**	300,000	0.56
Exercisable, end of period	**350,000**	**0.52**	300,000	0.56

7. SHARE CAPITAL (cont'd)

The following table summarizes information about stock options outstanding and exercisable as at May 31, 2022.

Exercise price	Options outstanding	Average remaining life (in years)	Options vested	Options not vested
$ 0.57	150,000	1.90	150,000	-
$ 0.49	50,000	2.66	50,000	-
$ 0.47	150,000	4.65	150,000	-
Total, end of period	**350,000**		**350,000**	**-**

8. FINANCE INCOME

	Three months ended		Nine months ended	
	May 31, 2022	May 31, 2021	**May 31, 2022**	May 31, 2021
	$	$	**$**	$
Interest from investment in secured loan	**222,650**	130,754	**473,785**	400,141
Interest from investments in guaranteed investment certificates	**18,341**	6,387	**28,364**	92,562
Other interest income	**18,819**	14,505	**45,797**	20,483
	259,810	151,646	**547,946**	513,186

9. NATURE OF EXPENSES

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

	Three months ended		Nine months ended	
	May 31, 2022	May 31, 2021	**May 31, 2022**	May 31, 2021
	$	$	**$**	$
Employee salaries and benefits				
Included in cost of sales	**94,425**	83,370	**217,293**	267,942
Included in total expenses	**291,829**	344,392	**1,284,161**	1,067,045
Total employee salaries and benefits	**386,254**	427,762	**1,501,454**	1,334,987
Depreciation and amortization				
Included in cost of sales	**22,064**	22,434	**66,481**	67,308
Included in total expenses	**65,759**	88,509	**211,591**	279,726
Total depreciation and amortization	**87,823**	110,943	**278,072**	347,034

During the nine months ended May 31, 2022 and 2021, in response to the COVID-19 pandemic the Company received wage subsidy funding through the Government of Canada's, Canada Emergency Wage Subsidy ("CEWS"). This program was available to any employer, subject to eligibility criteria, whose business has been adversely affected by COVID-19. Payroll expenses for the nine months ended May 31, 2022 were reduced by $76,281 with respect to the CEWS program (May 31, 2021- $345,747).

10. EARNINGS (LOSS) PER SHARE

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

	Three months ended		Nine months ended	
	May 31, 2022 $	May 31, 2021 $	**May 31, 2022 $**	May 31, 2021 $
Net earnings (loss) (numerator for basic and diluted earnings (loss) per share)	**403,414**	6,178	**103,649**	(201,287)
Weighted average number of shares outstanding – basic (denominator for basic earnings (loss) per share)	**28,536,132**	28,536,132	**28,536,132**	28,536,132
Effect of dilutive securities				
Stock options converted to common shares	**-**	-	**-**	-
Weighted average number of shares outstanding – diluted (denominator for diluted earnings (loss) per share)	**28,536,132**	28,536,132	**28,536,132**	28,536,132
Basic earnings (loss) per share	**0.01**	0.00	**0.00**	(0.01)
Effect of dilutive securities	**-**	-	**-**	-
Diluted earnings (loss) per share	**0.01**	0.00	**0.00**	(0.01)

For the nine months ended May 31, 2022, there were 350,000 antidilutive options (2021 – 300,000). 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.

11. CHANGE IN NON-CASH OPERATING WORKING CAPITAL

	Three months ended		Nine months ended	
	May 31, 2022 $	May 31, 2021 $	**May 31, 2022 $**	May 31, 2021 $
Accounts receivable	**(76,757)**	(214,655)	**(9,268)**	(93,462)
Inventories	**(37,314)**	163,405	**(216,934)**	245,140
Prepaid expenses	**82,788**	(71,065)	**1,079**	(15,464)
Accounts payable and accrued liabilities	**7,106**	(29,094)	**62,043**	(89,866)
Income tax payable	**(2,887)**	(1,774)	**(2,887)**	(10,407)
	(27,064)	(153,183)	**(165,967)**	35,941

12. 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:

	Three months ended		Nine months ended	
	May 31, 2022 $	May 31, 2021 $	**May 31, 2022 $**	May 31, 2021 $
Salaries and short-term employee benefits	**125,221**	94,181	**372,441**	292,272
Termination benefits	**-**	-	**253,000**	-
Share-based compensation (note 7 c))	**-**	-	**34,500**	-
	125,221	94,181	**659,941**	292,272

During the nine months ended May 31, 2022 and 2021, there were no long-term employee benefits or post-employment benefits recognized. Short-term employee benefits consist of salaries, consulting fees, bonuses, director fees, and all other short-term benefits. Salaries for the nine months ended May 31, 2022 were reduced by $7,507 with respect to Government of Canada's, CEWS program (May 31, 2021 - $36,767).

13. 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 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	**May 31, 2022 $**	August 31, 2021 $
Share capital	**5,730,279**	5,730,279
Contributed surplus	**815,208**	780,708
Retained earnings	**9,130,624**	9,026,975
	15,676,111	15,537,962

14. FINANCIAL INSTRUMENTS – FAIR VALUE MEASUREMENT

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, investment in secured loan, accounts payable and accrued liabilities and lease liabilities. The carrying amounts of the current financial assets and current financial liabilities recognized in the Company's consolidated financial statements at the end of the reporting period approximate their fair value due to their short period to maturity. 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.

15. 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 investment in secured loan. 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, and accounts receivable. 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 May 31, 2022 of $790,998 (August 31, 2021 - $785,582). The Company's allowance for doubtful accounts as at May 31, 2022 amounted to $51,658 (August 31, 2021 - $55,510). As at May 31, 2022, the percentages of past due trade accounts receivable were as follows: 9% past due 61 to 90 days (August 31, 2021– 4%) and 5% past due greater than 90 days (August 31, 2021 – 20%) 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.

b) 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. The Company's contractual obligations related to financial liabilities are its accounts payable and accrued liabilities balance at May 31, 2022 of $400,582 and lease obligations of $286,892 (August 31, 2021 – accounts payable and accrued liabilities of $338,539 and lease obligations of $383,939).

15. FINANCIAL RISK MANAGEMENT (cont'd)

c) 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 May 31, 2022, 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 $44,554 (May 31, 2021 – $43,020) 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 May 31, 2022, the Company held net financial assets of US$1,597,587 (May 31, 2021 - US$1,173,852) 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 $101,031 (May 31, 2021 - $70,854).

16. SEGMENTED REPORTING

The Company operates substantially all its activities in one reportable segment, technology fluid management solutions, which include the developing, manufacturing and marketing of innovative fluid measurement and management solutions. 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 maker of the Company is the 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	**Three months ended**		**Nine months ended**	
	May 31, 2022	May 31, 2021	**May 31, 2022**	May 31, 2021
	$	$	**$**	$
Canada	**290,904**	377,486	**739,975**	734,921
United States and other	**1,001,300**	686,814	**2,264,160**	1,928,165
	1,292,204	1,064,300	**3,004,135**	2,663,086

For the nine months ended May 31, 2022 revenue from 3 single customers made up 42% of total revenue in the period (customer 1 – 21%, customer 2 and 3 – 11% each) and for the nine months ended May 31, 2021, revenue from a single customer made up 15% of total revenue in the period.

At May 31, 2022, non-current assets held in Canada were $1,045,322 (August 31, 2021 - $4,401,930) and in the United States were $2,790 (August 31, 2021 - $3,283).

TITAN LOGIX

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Stock Symbol: TLA

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Chief Executive Officer

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