Quarterly Report
Q1 Fiscal 2021

November 30, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis (MD&A) has been prepared by management as of January 20, 2021. It updates the annual MD&A included in our 2020 annual report and should be read in conjunction with the unaudited condensed consolidated interim financial statements and notes for the period ended November 30, 2020 as well as the audited consolidated financial statements and MD&A included in the Company's 2020 annual report for fiscal year ended August 31, 2020. 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 2021 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 30,2020 as well as the 2020 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.*

THE TITAN VISION, BRAND PROMISE AND CORE VALUES

Titan Logix Corp.'s VISION is to be a "Catalyst for Transformative Thinking" for our customers. We do this by enabling our customers to be leaders in the gathering, management, and analysis of their data, making smarter, faster business decisions more adaptable to change. We aim to transform our customer's value of data-centric decisions on commercial transportation applications by delivering operational efficiencies, regulatory compliance and inventory tracking to let them be more profitable and to lead in their respective industries.

Our Brand Promise: "Be ahead of the Traffic with Titan - Data that works."

Titan Logix has four core values that are integrated into the work we do and are the cornerstone of our strong corporate culture. Our commitment to; **Be Curious, Be Collaborative, Have an Innovative Mindset**, and **Own It** are instrumental in inspiring our team and guiding our decisions and actions for a successful future.

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.

Titan focuses on providing data driven solutions for Supply Chain Management (SCM) of goods and services supplied to oil and gas, and the transportation industries. Titan's solutions have traditionally focused on mobile liquid level sensor technology. Our cloud connected products enable data from our edge sensor technology and others' sensors to be collected, managed and packaged for business intelligence and control. The complete solution consists of Titan's sensor products interconnected by rugged gateway devices to the internet and integrated to enable best-in-class data analytics and end-to-end Industrial Internet of Things (IIoT) solutions for our customers.

For almost 30 years, Titan Logix Corp. has designed and manufactured advanced technology instruments for businesses that transport corrosive, hazardous and/or valuable liquids while ensuring accurate, automated inventory management of these assets. Our technology is designed to reduce the risks of hazardous, costly, and time-consuming overfills and spills. Titan's TD Series of tank level monitors are the market leader in mobile fluid measurement, and are known for their rugged, solid-state reliability with no floats or moving parts that can fail in challenging environments. These Guided Wave Radar (GWR) level monitoring technologies are a part of a complete IIoT digital supply chain management solution. Operating independently or as part of a fully integrated data collection and analytics system, these liquid level monitoring devices provide time-sensitive data for business decision and control.

For our clients that require a complete solution that enables real-time monitoring of their assets at each stage in the workflow process as they move their products to market, Titan's IIoT solution enable them to monitor their fluid assets from the convenience of their dispatch center, back office environment, or through a mobile device. Titan's edge computer, the Titan Gateway, re-introduced as the SmartTruck Edge for mobile tankers, provides the ability to transmit the asset data from Titan's TD100™, Finch II, LoadMaxx products and other 3rd party sensors and data devices. The Titan SmartTruck Edge can collect real time data on driver performance, driver health, equipment status, fluid level and weight inventories, alarm conditions, and GPS location data. All data is conditioned and packaged for efficiency and transmitted to our TDS cloud platform. Through cloud-based technology, data can be displayed on web enabled dashboards to provide customers with a unique view into productivity, environmental compliance, driver behavior and driver health monitoring. The supply chain management solution equips business managers with a variety of business intelligence and data analytics to effectively measure, manage and enhance the performance of their mobile tanker fleet.

We currently serve the crude oil, produced water, refined fuel, used oil collection, aircraft refueling, chemical, and vacuum truck markets. New drilling activity employs mobile tankers to deliver necessary process fluids to well sites. The initial well head activity requires offsite transfer of process fluids and wastewater for treatment or disposal. Production wells not directly connected to pipeline networks require mobile transfer of crude oil to pipeline terminals and processing. Each stage requires mobile tanker engagement. These liquids are transported in many shapes and sizes of mobile tankers. Each of these tankers requires a level measurement and overfill prevention system to enable rolling-stock inventory management, ensure against overfills (which would result in high-impact environmental incidents), protect equipment from damage, improve the efficiency of the operation and help ensure driver safety. Titan's TD80™ and TD100™ provides these valuable features. Titan's main sales channel for our transport products is through mobile tank Original Equipment Manufacturers (OEMs), dealers, and channel partners in Canada, the U.S. and Mexico.

Titan Logix in partnership with its tech partners have developed industry leading supply chain management solutions for the management of various fluids.

Titan solutions enable customers to track and monitor their assets while simultaneously automating transportation logistics. Improved road safety and addressing environmental issues is our mission. Titan systems support accuracy across the supply chain from ticketing through invoicing. We put the right numbers in front of the customer, measured with precision, so that the focus can be on what matters and make the best decisions for the business. Titan solutions save time and operating costs, creating efficiency in the supply chain. Our advanced hardware and software technology are reliable and secure from source to customer software systems. Our innovative software orchestrates and helps manage and track the supply chain across vendors instantaneously. Exploration and production (E&P) companies are beginning to understand the value proposition that comes with the implementation of our SCM solutions.

Titan's strategy is to research, design, develop and/or acquire field sensor products (data generators) that are:

- Safe to install, operate, and maintain,
- Ruggedized to withstand the harshest of industrial environments,
- Simple and cost effective to implement,
- Best in class technologically,
- Flexible in application,
- Designed to be system agnostic and platform independent,
- Forward thinking and scalable to meet customer needs today and tomorrow.

Building upon a solid foundation in advanced fluid management for mobile tankers we continue to develop applications internally and seek out technology partners externally.

QUARTERLY HIGHLIGHTS

- Revenues for the first quarter of fiscal 2021 ending November 30, 2020 were $849,184, a $559,192 or a 40% decrease from the $1,408,376 recorded in the comparative period. Revenues were impacted by the decline in global oil prices, combined with the lack of access to markets in Canada, and the continued impact of the COVID-19 pandemic.
- Gross profit for the first quarter of fiscal 2021 decreased by $358,043 to $381,173 or 45% of revenue compared to $739,216 or 52% of revenue in the comparative prior period. This decrease in gross profit is primarily due to the decrease in unit demand and the reduction in revenue. The reduction in gross margin as a percentage of sales is primarily due to underutilized capacity costs included in cost of sales.
- Total expenses in the first quarter of fiscal 2021 were $682,143 as compared with $843,411 in the comparative prior period. This reduction in expenses is primarily due to benefits received of $89,982 from the Company's continued participation in the Canada Emergency Wage Subsidy Program ("CEWS") combined with cost savings realized from cost containment efforts implemented in fiscal 2020, which included wage reductions and cuts on discretionary spending. The Company continued with its product enhancements including the development of IIoT solutions. Sales and marketing programs focused on expanding applications through product differentiators and reaching new customer channels with digital platforms.
- The Company reported an operating loss before other items of $300,970 compared to an operating loss of $104,195 in the first quarter of fiscal 2020. Adjusted for interest income and other items, the net loss after income taxes for the first quarter of fiscal 2021 was $142,488 compared to net earnings after taxes of $69,060 in the prior period. The operating loss before other items and the loss and after income taxes in the current fiscal quarter was due to the decrease in sales and gross profit and was positively impacted by the reduction in total expenses which included the receipt of COVID-19 related government subsidies combined with cost containment efforts implemented in fiscal 2020.

FISCAL 2021 Q1 RESULTS OF OPERATIONS

	Three months ended November 30,			
	2021	2020	Increase (Decrease)	
	$	$	$	%
Revenue	**849,184**	1,408,376	(559,192)	(40)
Cost of sales	**468,011**	669,160	(201,149)	(30)
Gross profit	**381,173**	739,216	(358,043)	(48)
Gross margin (%)	**45**	52		
Expenses				
General and administration	**240,938**	286,681	(45,743)	(16)
Marketing and sales	**207,133**	283,581	(76,448)	(27)
Engineering	**131,977**	181,657	(49,680)	(27)
Depreciation and amortization	**96,519**	92,195	4,324	5
Loss (gain) on foreign exchange	**5,576**	(703)	6,279	(893)
Total expenses	**682,143**	843,411	(161,268)	(19)
Net (loss) earnings	**(142,488)**	69,060	(211,548)	(306)
EPS - Diluted	**(0.00)**	0.00	0.00	

Revenue and gross profit

The Company's revenue is largely 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 primarily into the mobile tanker truck market, servicing upstream/midstream oil customers. Primarily due to industry conditions, including the impact of COVID-19, revenue in the first quarter of fiscal 2021 decreased by 40% to $849,184, as compared to $1,408,376 for the first quarter of fiscal 2020.

Revenues generated from the Canadian market in the current quarter decreased by $150,502 or 40% to $221,799 as compared to $372,301 in the comparative prior period. Sales to the U.S, decreased by $408,690 or 39% to $627,385 as compared to $1,036,075 in the comparative period. These sales accounted for 74% of the revenues in the first quarter of fiscal 2021 (2020 – 74%). 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 $1.32 Canadian during the three months ended November 30, 2020 and for the comparative prior period.

As a percentage of revenue, sales of the Company's GWR product line of technologies contributed 96% to sales in the first quarter of fiscal 2021. This compares to 91% in the comparative prior period.

Gross profit decreased by $358,043 to $381,173, or 45% as a percentage of sales for the first quarter of fiscal 2021 compared with $739,216, or 52% as a percentage of sales for the comparative period. This decrease in gross profit is primarily due to the decrease in unit demand and the reduction in revenue. Gross margin as a percentage of sales declined to 45% from the 52% recorded in the corresponding fiscal period largely due to the reduction in unit demand and excess capacity costs included in cost of sales.

Expenses, general and administration

General and administrative expenses (G&A) for the first quarter of fiscal 2021 were $240,938, a decrease of $45,743 or 16% from the $286,681 recorded in the first quarter of fiscal 2020. The decrease is primarily a result of a decrease in compensation costs combined with benefits of $23,437 received from the CEWS program. These positive impacts largely offset one-time consulting costs for the implementation and conversion of its accounting and manufacturing software to a new ERP system. G&A, as a percentage of revenue, was 28% for the three months ended November 30, 2020 compared to 20% for the same period of fiscal 2020.

Expenses, marketing and sales

Marketing and sales expenses for the first quarter of fiscal 2021 were $207,133 a decrease of $76,448 or 27% from the $283,581 recorded in the first quarter of fiscal 2020. The decrease is primarily a result of a decrease in compensation costs, a reduction in travel expenses and benefits of $23,159 received from the CEWS program. As a percentage of revenue, marketing and sales expenses were 24% for the three months ended November 30, 2020 compared to 20% for the same period of fiscal 2020.

Expenses, engineering

Engineering expenses for the first quarter of fiscal 2021 were $131,977 a decrease of $49,680 from the $181,657 recorded in the first quarter of fiscal 2020 The decrease is primarily due to $43,386 received from the CEWS program and $16,875 received from Alberta innovates funding. The wage subsidies offset engineering consulting costs, development of additional versions of its TD100™ transmitter, (including a wireless version, a low-cost version and a version for stationary tanks) and the development of products for its software portfolio.

Expenses, depreciation and amortization

Depreciation and amortization expenses included in operating expenses in the first three months of fiscal 2021 totalled $96,519 compared to $92,195 in the comparable period of fiscal 2020. Additional depreciation expenses recorded in cost of sales in the current three month period totalled $22,440, compared to $23,256 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 loss of $5,576 on foreign currency exchange in the three months ended November 30, 2020 consisting of a realized gain on exchange of $1,432 and an unrealized loss of $7,008. This compares to a gain of $703 on foreign currency exchange in the previous period consisting of a realized gain on exchange of $5,902 and an unrealized loss of $5,199.

Operating loss and net earnings

The operating loss before other items and income taxes was $300,970 for the first quarter of fiscal 2021 as compared to an operating loss before other items and income taxes of $104,195 in the comparative prior period. The increase in the operating loss was due to the decrease in the gross profit. The reduction in gross profit was positively impacted by the reduction in operating expenses which included the impact of subsidies received under the CEWS program and compensation savings from wage rollbacks. In the fiscal quarter, the Company benefited from COVID-19 government wage subsidy programs in the amount of $113,835. The net loss after income taxes was $142,488 in the current quarter as compared to net earnings of $69,060 in the comparative prior period. This decrease in net earnings was primarily due to the increase in the operating loss and a decrease in finance income to $165,396 from $181,118 in the prior period.

SUMMARY OF QUARTERLY RESULTS

($000's, except per share amount)

Fiscal year	2021	2020				2019		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Revenue	**849**	609	782	1,311	1,408	1,375	1,316	1,405
Gross profit	**381**	355	382	695	739	675	742	760
Operating (loss) earnings before other items and income taxes	**(301)**	(262)	(580)	(293)	(104)	(147)	(159)	4
Net (loss) earnings before income taxes	**(142)**	(108)	(417)	(122)	69	24	16	167
Net (loss) earnings	**(142)**	(108)	(417)	(122)	69	(28)	16	167
EPS - Basic	**(0.00)**	(0.00)	(0.01)	0.00	(0.00)	0.00	0.00	0.01
EPS - Diluted	**(0.00)**	(0.00)	(0.01)	0.00	(0.00)	0.00	0.00	0.01

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

The reduction in revenue and quarterly gross profits in the current quarter and last two quarters of fiscal 2020 when compared to the previous five quarters is primarily a result of the decrease in demand due to low oil prices caused by the COVID-19 pandemic. Gross profits in the fourth quarters of fiscal 2020 and fiscal 2019 were negatively impacted by impairments of inventory of $1,537 and $64,349, respectively.

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 $16,425,074 on November 30, 2020 as compared to $16,711,107 on August 31, 2020. Cash and cash equivalents increased by $164,675 to $9,548,354. Collections from customers decreased accounts receivable by $53,148 and inventories decreased by $168,883. Total liabilities decreased by $143,545. As at November 30, 2020, Titan had positive working capital (current assets less current liabilities) of $10,982,553 compared to $10,963,795 at August 31, 2020.

Summary of Cash Flows

Operating Activities

Net cash flows used in operating activities for the three-month fiscal period totalled $34,072, compared to $203,742 used in the comparative period. This decrease in cash flows used in operating activities is primarily due to changes in non-cash working capital accounts and partially offset by the net loss as compared to net earnings in the comparative prior period.

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 provided in the amount of $147,939 in the three-month fiscal period is largely a result of cash flow from a consumption of inventory and the collection of accounts receivables, offset by the decrease in accounts payable. This compares with non-cash working capital used in the comparable period in the amount of $214,998, largely a result of cash flow used for an increase in inventories and decrease in accounts payable.

Investing Activities

Net cash flows generated in investing activities for the three-month fiscal period totalled $238,830 primarily as a result of the finance income and payments received on the secured note offset by capital equipment purchases. This compares with $2,311,436 generated in the comparative prior period primarily as a result of the maturity of $2,041,227 of short term investments combined with finance income and payments received on the secured note.

Financing Activities

Net cash flows used in financing activities for the three-month fiscal period amounted to $40,083 for payment of finance lease obligations as compared to $41,199 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

	January 20, 2021	**November 30, 2020**	**August 31, 2020**
Common shares issued and outstanding	28,536,132	28,536,132	28,536,132
Options outstanding	300,000	300,000	300,000

IMPACT OF COVID-19 PANDEMIC

In March 2020, the World Health Organization declared a world-wide pandemic resulting from the outbreak of coronavirus, specifically identified as "COVID-19". Many countries enacted emergency measures to combat the spread of the virus. These measures, which included the implementation of travel bans, temporary restriction on all non-essential business, self-imposed quarantine periods and social distancing, caused material disruption to businesses globally resulting in an economic slowdown. The Company has assessed the economic impacts of the COVID-19 pandemic on its interim consolidated financial statements. As at November 30, 2020, 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.

The current lack of global demand combined with over-supply of oil has resulted in a significant decrease in spot and forward oil prices. The impact of COVID-19 combined with the decrease in oil prices have resulted in a decrease in demand for our products and the Company has experienced a material decline in revenues and gross profit in the year. Cost containment efforts have been implemented in order to mitigate the impact of the decline in revenues and gross profit. The Company has reduced discretionary spending and downsized production costs to match current demand. Compensation was rolled back by 10% to 20% for employees and directors and certain employee benefits were also suspended. The Company received subsidy funding through the Government of Canada's, Canada Emergency Wage Subsidy ("CEWS") and Canada Emergency Rent Subsidy ("CERS") that was available to any Canadian employer and business, subject to eligibility criteria, whose business has been adversely affected by COVID-19.

Management of the Company has enacted its COVID-19 business continuity plan including safety protocol and remote working arrangements and currently only has experienced minimal disruptions to its business operations. At this point, management cannot reasonably estimate the duration, complexity, or severity of this pandemic, which could have a material adverse impact on the Company's business, results of operations, financial position and cash flows. Other possible effects may include disruptions in the demand for our products, absenteeism in the Company's labor workforce, unavailability of products and supplies used in operations, and a decline in the fair value of assets held by the Company. The full extent of the impact that the COVID-19 outbreak may have on the Company will depend on future developments that are highly uncertain and that cannot be predicted with confidence. Management is closely monitoring the impact of the pandemic on all aspects of its business.

BUSINESS OUTLOOK

We expect continued weakness in demand for our traditional hardware for tank manufacturers and tanker sales companies in the O&G sector. Uncertainty in the markets, low oil prices and the changing political landscape have led us to compensate for low sales with the roll out of our IoT initiatives and ramping up development of new marketing materials focusing on a new class of channel partners, including software IoT companies creating digital solutions to transportation logistics problems. In reaction to our reduction in revenue we continue to maintain discretionary spending controls and are focused on sales programs, improvement of corporate culture and overall performance.

Our marketing is focused on expanding applications through product differentiators and reaching new customer channels with digital platforms. Several of our combined hardware/software solutions are in trial, with others currently in the works. Titan is committed to entering new markets with its TD100™ GWR product line as sales in the traditional crude market recover and the company gains momentum with its Industrial Internet of Things (IIoT) product sales and marketing.

The Company continues to invest in its TD100™ hardware technology, including an upgrade to our smart battery uninterruptable power supply (UPS) module. To better access broader market applications, Titan will introduce three additional versions of its standard TD100™ hazardous area base product. Our software products include the AWS enabled Titan Data System, TDS and Titan Application Program Interface, TAPI. We believe these products will generate hardware sales into non-traditional markets, such as bulk fuel transport, hydrovac service companies and aggregates supply chain companies. We are on target with our engineering projects.

On the IIoT front Titan has engaged in networking, social media and digital marketing efforts to partner with clients to solve their transportation and logistical challenges. The Company's evolution from primarily a hardware provider to an IIoT solutions provider is leading to new relationships in other markets. The adoption of Titan's IIoT technology for generating, collecting and managing data for its customers will bring value to those who want to see improvement in the management of their resources.

Titan's expanded vision of data management has opened market opportunities in data mining and analytics for business control solutions. Titan's focus on providing timely, accurate, relevant data to its customers will enhance market penetration of its hardware in the target markets. Titan is in a unique position; it creates and controls the liquid asset data required by many of the newest IIoT use cases being solved by great data science companies. Our strategy is that the need for our data will create the demand for our hardware and software as the many great use case solutions for fluid transport supply chains begin to emerge.

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 2020 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 2020 annual report.

ADDITIONAL INFORMATION

Additional information relating to Titan Logix Corp., including its 2020 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, 2020 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 consolidated financial statements.

	November 30, 2020 $	August 31, 2020 $
ASSETS		
Current assets		
Cash and cash equivalents (note 4)	**9,548,354**	9,383,679
Accounts receivable	**553,571**	606,719
Inventories	**864,650**	1,033,533
Prepaid expenses	**80,748**	116,349
Current portion of investment in secured loan (note 5)	**385,484**	385,363
Total current assets	**11,432,807**	11,525,643
Non-current assets		
Property, plant and equipment	**271,057**	271,221
Right-of-use assets	**466,768**	503,040
Intangible assets	**975,787**	1,045,862
Investment in secured loan (note 5)	**3,278,655**	3,365,341
Total assets	**16,425,074**	16,711,107
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	**320,517**	430,210
Income tax payable	**788**	788
Current portion of finance lease obligations (note 6)	**128,949**	130,850
Total current liabilities	**450,254**	561,848
Non-current liabilities		
Finance lease obligations (note 6)	**351,989**	383,940
Total liabilities	**802,243**	945,788
Equity		
Share capital (note 7)	**5,730,279**	5,730,279
Contributed surplus	**780,708**	780,708
Retained earnings	**9,111,844**	9,254,332
Total equity	**15,622,831**	15,765,319
Total liabilities and equity	**16,425,074**	16,711,107

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

On behalf of the Board

"Alvin Pyke"
Director

"Helen Cornett"
Director

For the three months ended November 30,	**2020**	2019
	$	$
Revenue	**849,184**	1,408,376
Cost of sales	**468,011**	669,160
Gross profit	**381,173**	739,216
Expenses		
General and administration	**240,938**	286,681
Marketing and sales	**207,133**	283,581
Engineering	**131,977**	181,657
Depreciation of property, plant and equipment	**9,348**	5,612
Depreciation of right-of-use assets	**17,096**	16,866
Amortization of intangible assets	**70,075**	69,717
Loss (gain) on foreign exchange	**5,576**	(703)
Total expenses	**682,143**	843,411
Operating (loss) before other items	**(300,970)**	(104,195)
Other items		
Finance income (note 8)	**165,396**	181,118
Interest on finance leases	**(6,231)**	(7,863)
Loss on disposal of property, plant and equipment	**(683)**	-
Total other items	**158,482**	173,255
(Loss) earnings before income taxes	**(142,488)**	69,060
Income tax expense	**-**	-
Net (loss) earnings and comprehensive (loss) earnings	**(142,488)**	69,060
(Loss) earnings per share (note 10)		
Basic	**(0.00)**	0.00
Diluted	**(0.00)**	0.00

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

.

	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)	-	-	-	(142,488)	**(142,488)**
Balance, November 30, 2020	**28,536,132**	**5,730,279**	**780,708**	**9,111,844**	**15,622,831**

	Common Shares #	Share Capital $	Contributed Surplus $	Retained Earnings $	Total Equity $
Balance, August 31, 2019	28,536,132	5,730,279	770,208	9,832,688	**16,333,175**
Net earnings	-	-	-	69,060	**69,060**
Balance, November 30, 2019	**28,536,132**	**5,730,279**	**770,208**	**9,901,748**	**16,402,235**

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

For the three months ended November 30,	**2020** $	2019 $
Cash provided by (used in)		
Operating activities		
Net (loss) earnings	**(142,488)**	69,060
Non-cash items included in net (loss) earnings		
Interest on finance leases	**6,231**	7,863
Depreciation of property, plant and equipment	**12,612**	9,693
Depreciation of right-of-use assets	**36,272**	36,041
Amortization of intangible assets	**70,075**	69,717
Loss on disposal of property, plant and equipment	**683**	-
Finance income (note 8)	**(165,396)**	(181,118)
Changes in non-cash working capital (note 11)	**147,939**	(214,998)
Net cash (used in) operating activities	**(34,072)**	(203,742)
Investing activities		
Proceeds on maturity of short term investments	**-**	2,041,227
Payments received on investment in secured loan (note 5)	**100,000**	100,000
Finance income received and receivable (note 8)	**151,961**	173,133
Purchase of property, plant and equipment	**(13,231)**	(2,924)
Proceeds from disposal of property, plant and equipment	**100**	-
Net cash provided by investing activities	**238,830**	2,311,436
Financing activities		
Payment of finance lease obligation (note 6)	**(40,083)**	(41,199)
Net cash (used in) financing activities	**(40,083)**	(41,199)
Net increase in cash and cash equivalents	**164,675**	2,066,495
Cash and cash equivalents, beginning of period	**9,383,679**	7,171,837
Cash and cash equivalents, end of period	**9,548,354**	9,238,332

The accompanying notes are an integral part of these 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.

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 designed to be part of a complete Supply Chain Management solution. The ultimate solution consists of the Company's products integrated with best-in-class data management to enable end-to-end Industrial Internet of Things solutions for its customers' Supply Chain Management.

In March 2020, the World Health Organization declared a world-wide pandemic resulting from the outbreak of coronavirus, specifically identified as "COVID-19". Many countries had enacted emergency measures to combat the spread of the virus. These measures, which included the implementation of travel bans, temporary restriction on all non-essential business, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. The Company has assessed the economic impacts of the COVID-19 pandemic on its consolidated financial statements. As at November 30, 2020, 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. The full extent of the impact that the COVID-19 outbreak may have on the Company will depend on future developments that are highly uncertain and that cannot be predicted with confidence. Management is closely monitoring the impact of the pandemic on all aspects of its business.

2. BASIS OF PRESENTATION

Statement of compliance

These condensed consolidated interim financial statements for the three months ended November 30, 2020 and November 30, 2019 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 three months ended November 30, 2020 were authorized for issue in accordance with a resolution of the directors on January 20, 2021.

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 consolidated financial statements.

Functional and presentation currency

The 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. 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, 2020.

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following components:

As at	**November 30, 2020** **$**	August 31, 2020 $
Cash on hand and balances with banks	**1,580,885**	1,416,210
Guaranteed investment certificates	**7,967,469**	7,967,469
	9,548,354	9,383,679

5. INVESTMENTS

Investment in secured loan

As at	
August 31, 2020	**$ 3,750,704**
Principal repayments	(100,000)
Amortization of commitment fee and amendment fee	13,435
November 30, 2020	**$ 3,664,139**

As at	**November 30, 2020** **$**	August 31, 2020 $
Current portion of investment in secured loan	**385,484**	385,363
Long-term portion of investment in secured loan	**3,278,655**	3,365,341
	3,664,139	3,750,704

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 9.5% (2019 – 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. Principal repayments of $100,000 were received in the three months ended November 30, 2020 (November 30, 2019 - $100,000). 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.

In December 2018, May 2019 and July 2020, the credit agreement with the Borrower was amended for covenant terms, subject to an amendment fee. The amendment fees of $112,500 are amortized over the remaining term of the loan and included in finance income.

During the three months ended November 30, 2020, the Company's investment in the secured loan to Greypoint Capital Inc. generated finance income of $114,126 (November 30, 2019 - $128,868) (note 8).

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, 2020	514,790
Finance costs	6,231
Lease payments	(40,083)
Balance at November 30, 2020	**480,938**
Lease liabilities due within one year	128,949
Lease liabilities due beyond one year	351,989

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, 2020 – 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, 2020 – 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.

At November 30, 2020, the Company has 300,000 (August 31, 2020 – 300,000) options outstanding, which expire on dates between April 2024 and January 2025. The continuity of the Company's outstanding and exercisable options is as follows:

		Three months ended November 30, 2020		Twelve months ended August 31, 2020
	Number of options outstanding #	**Weighted average exercise price $**	Number of options outstanding #	Weighted average exercise price $
Outstanding, beginning of period	**300,000**	**0.56**	420,000	0.62
Granted	**-**	**-**	50,000	0.49
Forfeited	**-**	**-**	(170,000)	0.68
Outstanding, end of period	**300,000**	**0.56**	300,000	0.56
Exercisable, end of period	**300,000**	**0.56**	300,000	0.56

The following table summarizes information about stock options outstanding and exercisable as at November 30, 2020.

Exercise price	**Options outstanding**	**Average remaining life (in years)**	**Options vested**	**Options not vested**
$ 0.57	250,000	3.39	250,000	-
$ 0.49	50,000	4.16	50,000	-
Total, end of period	**300,000**		**300,000**	**-**

During the three months ended November 30, 2020 and November 30, 2019 no options were granted.

8. FINANCE INCOME

For the three months ended November 30,	**2020**	2019
	$	$
Interest from investment in secured loan	**114,126**	128,868
Interest from investments in guaranteed investment certificates	**50,957**	41,209
Other interest income	**313**	11,041
	165,396	181,118

9. NATURE OF EXPENSES

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

For the three months ended November 30,	**2020**	2019
	$	$
Employee salaries and benefits		
Included in cost of sales	**82,209**	138,156
Included in total expenses	**368,024**	533,457
Total employee salaries and benefits	**450,233**	671,613
Depreciation and amortization		
Included in cost of sales	**22,440**	23,256
Included in total expenses	**96,519**	92,195
Total depreciation and amortization	**118,959**	115,451

During the three months ended November 30, 2020, in response to the COVID-19 pandemic the Company received wage subsidy funding through the Government of Canada's, Canada Emergency Wage Subsidy ("CEWS") that was available to any employer, subject to eligibility criteria, whose business has been adversely affected by COVID-19. Payroll expenses for the three months ended November 30, 2020 were reduced by $113,835 with respect to the CEWS program (November 30, 2019: $nil).

10. (LOSS) EARNINGS PER SHARE

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

For the three months ended November 30,	**2020**	2019
	$	$
Net (loss) earnings (numerator for basic and diluted (loss) earnings per share)	**(142,488)**	69,060
Weighted average number of shares outstanding – basic (denominator for basic (loss) earnings per share)	**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 (loss) earnings per share)	**28,536,132**	28,536,132
Basic (loss) earnings per share	**(0.00)**	0.00
Effect of dilutive securities	**0.00**	0.00
Diluted (loss) earnings per share	**(0.00)**	0.00

For the three months ended November 30, 2020, there were 300,000 antidilutive options (2019 – 420,000). 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

For the three months ended November 30,	**2020** **$**	2019 $
Accounts receivable	**53,148**	45,010
Inventories	**168,883**	(111,672)
Prepaid expenses	**35,601**	19,817
Accounts payable and accrued liabilities	**(109,693)**	(168,153)
	147,939	(214,998)

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 year was as follows:

For the three months ended November 30,	**2020** $	2019 $
Salaries and short-term employee benefits	**95,043**	123,301
	95,043	123,301

During the three months ended November 30, 2020 and 2019, 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 three months ended November 30, 2020 were reduced by $12,673 with respect to Government of Canada's, CEWS program (November 30, 2019: $nil).

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 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, 2020** **$**	August 31, 2020 $
Share capital	**5,730,279**	5,730,279
Contributed surplus	**780,708**	780,708
Retained earnings	**9,111,844**	9,254,332
	15,622,831	15,765,319

14. FINANCIAL INSTRUMENTS – FAIR VALUE MEASUREMENT

The Company's financial instruments consist of cash and cash equivalents, short-term investments, 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, 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, 2020 of $609,081 (August 31, 2020 - $662,229). The Company's allowance for doubtful accounts as at November 30, 2020 amounted to $55,510 (August 31, 2020 - $55,510). As at November 30, 2020, the percentages of past due trade accounts receivable were as follows: 8% past due 61 to 90 days (August 31, 2020– 13%) and 17% past due greater than 90 days (August 31, 2020 – 10%) 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, 2020 of $3,766,667 (August 31, 2020 - $3,866,667). 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, 2020, the Borrower is in compliance with all terms of the loan agreement. Management monitors the investment in secured loan for indications of impairment on an ongoing basis including the extended impact of COVID-19 on the Borrower's business.

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 November 30, 2020 of $320,517 and finance lease obligations of $480,938 (August 31, 2020 – accounts payable and accrued liabilities of $430,210 and finance lease obligations of $514,790).

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 November 30, 2020, 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 $14,330 (November 30, 2019 – $15,250) 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.

15. FINANCIAL RISK MANAGEMENT (cont'd)

c) Market risk (cont'd)

At November 30, 2020, the Company held net financial assets of US$1,102,393 (November 30, 2019 - US$1,146,301) 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 $71,463 (November 30, 2019 - $76,166).

16. 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. 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

For the three months ended November 30	**2020**	2019
	$	$
Canada	**221,799**	372,301
United States and other	**627,385**	1,036,075
	849,184	1,408,376

For the three months ended November 30, 2020 revenue from a single customer made up 17% of total revenue in the period and for the three months ended November 30, 2019, revenue from a single customer of the Company made up 15% of total revenue in the period.

At November 30, 2020, non-current assets held in Canada were $4,984,828 (August 31, 2020 - $5,174,232) and in the United States were $7,439 (August 31, 2020 - $11,232).

TITAN LOGIX

Corporate Address:

4130 – 93 Street NW
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 NW
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
800, 324 – 8th Avenue SW, Calgary, Alberta, Canada
T2P 2Z2
Telephone: 1-800-564-6253

Directors:

S. Grant Reeves, BA
Chairperson of the Board

Helen Cornett, CPA, CA
Audit Committee Chairperson

Victor Lee, P.Eng.
Executive Compensation and Corporate Governance Committee Chairperson

Alvin Pyke, P.Eng.
Chief Executive Officer

Officers:

Alvin Pyke, P. Eng.
Chief Executive Officer

Angela Schultz, CPA, CMA
Chief Financial Officer

Auditors:

Grant Thornton LLP

www.titanlogix.com