

## FORM 5

### QUARTERLY LISTING STATEMENT

Name of CNSX Issuer: Titan Goldworx Resources Inc. (the Issuer”).

Trading Symbol: TTN

This Quarterly Listing Statement must be posted on or before the day on which the Issuer’s unaudited interim financial statements are to be filed under the *Securities Act*, or, if no interim statements are required to be filed for the quarter, within 60 days of the end of the Issuer’s first, second and third fiscal quarters. This statement is not intended to replace the Issuer’s obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the CNSX Policies. If material information became known and was reported during the preceding quarter to which this statement relates, management is encouraged to also make reference in this statement to the material information, the news release date and the posting date on the CNSX.ca website.

#### **General Instructions**

- (a) Prepare this Quarterly Listing Statement using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.
- (b) The term “Issuer” includes the CNSX Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

There are three schedules which must be attached to this report as follows:

#### **SCHEDULE A: FINANCIAL STATEMENTS**

Please see attached.

#### **SCHEDULE B: SUPPLEMENTARY INFORMATION**

The supplementary information set out below must be provided when not included in Schedule A.

## 1. Related party transactions

Provide disclosure of all transactions with a Related Person, including those previously disclosed on Form 10. Include in the disclosure the following information about the transactions with Related Persons:

The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence were as follows:

Services provided by:	Notes	Nine months ended July 31,	
		2012	2011
		\$	\$
Baron Global Financial Canada Ltd.	(a)	10,000	-

On July 6, 2012, the Company entered into a corporate advisory agreement with Baron Global Financial Canada Ltd. ("Baron") to provide accounting and administrative services. The agreement expires at the earlier of November 30, 2012, or the closing of the proposed transaction between the Company and 2333300 Ontario Inc. ("ONCo") whereby the Company will acquire 100% of the issued and outstanding common shares of ONCo by issuing to the ONCo shareholders 30,000,000 Titan shares at a deemed price of \$0.15 per share for total aggregate consideration of \$4,500,000. The CEO and director of the Company is also the managing director of Baron. For the nine months ended July 31, 2012, the Company has paid consulting fees of \$10,000 (July 31, 2011 – Nil) to Baron.

## 2. Summary of securities issued and options granted during the period.

Provide the following information for the period beginning on the date of the last Listing Statement (Form 2A):

- (a) summary of securities issued during the period,

Date of Issue	Type of Security (common shares, convertible debentures, etc.)	Type of Issue (private placement, public offering, exercise of warrants, etc.)	Number	Price	Total Proceeds	Type of Consideration (cash, property, etc.)	Describe relationship of Person with Issuer (indicate if Related Person)	Commission Paid
May 15, 2012	Common Shares	Initial public offering	2,000,000	\$0.15	\$300,000	Cash	Arm's length Party	Commission of 160,000 common shares and 160,000 agent's warrants; corporate finance fee of \$30,000 payable in cash and 50,000 common shares
May 15, 2012	Common Shares	Initial public offering's commission to Agent	160,000	\$0.15	N/A	N/A	Arm's length Party	\$0
May 15, 2012	Warrants	Initial public offering's commission to Agent	160,000	\$0.15	N/A	N/A	Arm's length Party	\$0
May 15, 2012	Common Shares	Initial public offering's corporate finance fee	50,000	\$0.15	N/A	N/A	Arm's length Party	\$0
May 15, 2012	Common Shares	Consideration for a mineral property option agreement	150,000	\$0.15	N/A	Option to earn 70% interest in the Tait Township Property	Arm's length Party	\$0

(b) summary of options granted during the period,

Date	Number	Name of Optionee if Related Person and relationship	Generic description of other Optionees	Exercise Price	Expiry Date	Market Price on date of Grant
May 15, 2012	125,000	Denise Lok	N/A	\$0.15	May 15, 2022	\$0.15
May 15, 2012	125,000	Herrick Lau	N/A	\$0.15	May 15, 2022	\$0.15
May 15, 2012	125,000	Yaron Conforti	N/A	\$0.15	May 15, 2022	\$0.15
May 15, 2012	125,000	John King Burns	N/A	\$0.15	May 15, 2022	\$0.15
May 15, 2012	125,000	Henry J. Sandri	N/A	\$0.15	May 15, 2022	\$0.15

### 3. Summary of securities as at the end of the reporting period.

Provide the following information in tabular format as at the end of the reporting period:

- (a) description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,
- (b) number and recorded value for shares issued and outstanding,
- (c) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and
- (d) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer.

Shares Authorized	Issued & Outstanding	Options	Warrants/ Convertible Securities	Escrow Securities
Common Shares, unlimited number of shares	16,445,000 common shares issued and outstanding; the recorded value for shares issued and outstanding is \$1,144,946.	625,000 options with an expiry date of May 15, 2022, and an exercise price of \$0.15.	277,650 warrants with an expiry date of July 29, 2013, and exercise price of \$0.10; 160,000 warrants with an expiry date of May 15, 2014, and exercise price of \$0.15.	1,800,000

4. List the names of the directors and officers, with an indication of the position(s) held, as at the date this report is signed and filed.

Herrick Lau – CEO and Director  
Denise Lok – CFO and Corporate Secretary  
John King Burns – Director  
Henry Sandri – Director  
Yaron Conforti – Director

#### **SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS**

Please see attached.

## Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Quarterly Listing Statement.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to CNSX that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all CNSX Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated September 27, 2012\_\_\_\_\_.

\_\_\_\_\_  
Denise Lok  
Name of Director or Senior Officer

\_\_\_\_\_  
"Denise Lok"  
Signature

\_\_\_\_\_  
CFO & Corporate Secretary  
Official Capacity

<b>Issuer Details</b>		For Quarter Ended	Date of Report YY/MM/DD
Name of Issuer		July 31, 2012	2012/09/27
Titan Goldworx Resources Inc.			
Issuer Address			
1980 – 1075 West Georgia Street			
City/Province/Postal Code		Issuer Fax No.	Issuer Telephone No.
Vancouver BC V6E 3C9		( 778 ) 329-9361	( 604 ) 688-9588
Contact Name		Contact Position	Contact Telephone No.
Ronan Sabo-Walsh		Executive	(604) 688-9588
Contact Email Address		Web Site Address	
ronan.sabo-walsh@barongroupintl.com		none	

**TITAN GOLDWORX RESOURCES INC.**

(AN EXPLORATION STAGE ENTERPRISE)

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(EXPRESSED IN CANADIAN DOLLARS)

**THIRD QUARTER ENDED JULY 31, 2012**

**TITAN GOLDWORX RESOURCES INC.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION**  
**EXPRESSED IN CANADIAN DOLLARS**  
**(UNAUDITED)**

	<b>July 31, 2012</b>	<b>October 31, 2011</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	\$ 1,043,421	\$ 956,989
Receivables	16,417	1,685
Prepaid Expenses	1,062	-
<b>Total Current Assets</b>	<b>1,060,900</b>	<b>958,674</b>
<b>Non-Current Assets</b>		
Deferred Financing Costs (Note 4)	-	15,000
Exploration & Evaluation Assets (Note 3)	40,200	15,000
<b>Total Non-Current Assets</b>	<b>40,200</b>	<b>30,000</b>
<b>TOTAL ASSETS</b>	<b>\$ 1,101,100</b>	<b>\$ 988,674</b>
<b>LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>		
<b>Current Liabilities</b>		
Accounts Payable & Accrued Liabilities	\$ 28,711	\$ 34,872
<b>Total Current Liabilities</b>	<b>28,711</b>	<b>34,872</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (Note 4)	1,144,946	955,800
Reserves (Note 4)	97,141	14,635
Deficit	(169,698)	(16,633)
<b>Total Shareholders' Equity</b>	<b>1,072,389</b>	<b>953,802</b>
<b>TOTAL LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>	<b>\$ 1,101,100</b>	<b>\$ 988,674</b>

**Nature and Continuance of Operations** (Note 1)

Approved and authorized by the Board of Directors on September 27, 2012:

*"Herrick Lau"*

Herrick Lau, Director

*"Yaron Conforti"*

Yaron Conforti, Director

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



**TITAN GOLDWORX RESOURCES INC.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS**  
**EXPRESSED IN CANADIAN DOLLARS**  
**(UNAUDITED)**

	<b>Three months ended July 31, 2012</b>	<b>Three months ended to July 31, 2011</b>	<b>Nine months ended July 31, 2012</b>	<b>From February 4, 2011 (incorporation) to July 31, 2011</b>
<b>EXPENSES</b>				
Audit and accounting	\$ 5,000	\$ -	\$ 19,760	-
Consulting fees	10,000	-	10,000	-
Legal fees	21,931	-	21,931	-
Office and general	1,523	117	3,446	117
Regulatory fees	1,373	-	23,282	-
Share-based payments	69,866	-	69,866	-
Transfer agent	4,330	-	4,780	-
<b>Net loss and comprehensive loss for the period</b>	<b>\$ (114,023)</b>	<b>\$ (117)</b>	<b>\$ (153,065)</b>	<b>(117)</b>
<b>Basic and diluted loss per share</b>	<b>\$ (0.01)</b>	<b>\$ (0.00)</b>	<b>\$ (0.01)</b>	<b>(0.00)</b>
<b>Weighted average number of common shares outstanding</b>	<b>16,060,217</b>	<b>14,085,000</b>	<b>14,748,212</b>	<b>14,085,000</b>

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

**TITAN GOLDWORX RESOURCES INC.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY**  
**EXPRESSED IN CANADIAN DOLLARS**  
**(UNAUDITED)**

	Number of Shares	Share Capital \$	Deficit \$	Reserves \$	Total \$
<b>Balance at February 4, 2011</b>	-	-	-	-	-
Share Issued Upon Incorporation	1	1	-	-	1
Non-Brokered Private Placement, May 25, 2011	2,000,000	20,000	-	-	20,000
Non-Brokered Private Placement, May 26, 2011	4,600,000	230,000	-	-	230,000
Repurchase of Shares and Cancellation, July 29, 2011	(1)	(1)	-	-	(1)
Non-Brokered Private Placement, July 29, 2011 (net of share issuance costs)	3,335,000	305,435	-	-	305,435
Finder's Warrants	-	(14,635)	-	14,635	-
Net loss for the period	-	-	(117)	-	(117)
<b>Balance at July 31, 2011</b>	<b>9,935,000</b>	<b>540,800</b>	<b>(117)</b>	<b>14,635</b>	<b>555,318</b>
Non-Brokered Private Placement, August 26, 2011	4,150,000	415,000	-	-	415,000
Net loss for the period	-	-	(16,516)	-	(16,516)
<b>Balance at October 31, 2011</b>	<b>14,085,000</b>	<b>955,800</b>	<b>(16,633)</b>	<b>14,635</b>	<b>953,802</b>
Initial Public Offering ("IPO"), May 15, 2012 (net of share issuance costs)	2,210,000	166,646	-	-	166,646
IPO Agent's Warrants	-	-	-	12,640	12,640
Issuance Pursuant to Mineral Property Option Agreement	150,000	22,500	-	-	22,500
Share-Based Payments	-	-	-	69,866	69,866
Net loss for the period	-	-	(153,065)	-	(153,065)
<b>Balance at July 31, 2012</b>	<b>16,445,000</b>	<b>1,144,946</b>	<b>(169,698)</b>	<b>97,141</b>	<b>1,072,389</b>

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

**TITAN GOLDWORX RESOURCES INC.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS**  
**EXPRESSED IN CANADIAN DOLLARS**  
**(UNAUDITED)**

	<b>Nine Months Ended July 31, 2012</b>	<b>From February 4, 2011 (incorporation) to July 31, 2011</b>
	<b>\$</b>	<b>\$</b>
Net loss for the period	(153,065)	(117)
Adjustments for items not involving cash:		
Share-based payments	69,866	-
Foreign exchange	-	224
Changes in non-cash operating working capital:		
Receivables	(14,732)	-
Accounts payable and accrued liabilities	23,839	10
Prepaid expenses	(1,063)	-
<b>Net cash provided by (used in) operating activities</b>	<b>(75,155)</b>	<b>117</b>
Exploration Expenditures	(17,700)	-
<b>Net cash used in investing activities</b>	<b>(17,700)</b>	<b>-</b>
Share capital	300,000	555,435
Share issue costs	(120,713)	-
<b>Net cash provided by financing activities</b>	<b>179,287</b>	<b>555,435</b>
<b>Increase (decrease) in cash</b>	<b>86,432</b>	<b>555,552</b>
<b>CASH, BEGINNING OF PERIOD</b>	<b>956,989</b>	<b>-</b>
<b>CASH, END OF PERIOD</b>	<b>1,043,421</b>	<b>555,552</b>

**Supplemental Disclosure of Cash Flow Information** (Note 7)

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

**TITAN GOLDWORX RESOURCES INC.**  
NOTES TO UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
EXPRESSED IN CANADIAN DOLLARS  
FOR THE NINE MONTHS ENDED JULY 31, 2012

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**1. NATURE AND CONTINUANCE OF OPERATIONS**

Titan Goldworx Resources Inc. (the “Company”) was incorporated under the Business Corporations Act (British Columbia) on February 4, 2011. The Company is engaged primarily in the business of evaluating, acquiring and exploring natural resource properties. The Company’s shares commenced trading on the Canadian National Stock Exchange (the “CNSX”) under the trading symbol “TTN” on May 15, 2012.

The head office of the Company is located at 1075 West Georgia Street, Suite 1980, Vancouver, British Columbia, V6E 3C9 and the registered office of the Company is located at 1055 West Georgia Street, Suite 1500, Vancouver, British Columbia, V6E 4N7.

The financial information is presented in Canadian Dollars (“CDN”), which is the functional currency of the Company.

These condensed consolidated interim financial statements have been prepared with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation.

In order to continue as a going concern and meet its corporate objectives, the Company will require additional financing through debt or equity issuances or other available means. There is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. The Company believes its current working capital is sufficient to maintain current operations for the next 12 months.

The condensed consolidated interim financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

	July 31, 2012	October 31, 2011
Deficit	\$169,698	\$16,633
Working capital	\$1,032,189	\$923,802

**2. SIGNIFICANT ACCOUNTING POLICIES**

These condensed consolidated interim financial statements do not include all the disclosures required for annual financial statements and should be read in conjunction with the audited financial statements for the period ended October 31, 2011. The accounting policies used in the preparation of these condensed consolidated interim financial statements are consistent with those followed in the preparation of the annual financial statements for the period ended October 31, 2011.

**a) Basis of presentation**

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting (“IAS 34”) using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

**2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

**b) Basis of measurements**

These financial statements have been prepared on a historical cost basis except for certain financial instruments that have been measured at fair value.

**c) Basis of consolidation**

These condensed consolidated interim financial statements include the financial statements of the Company's wholly-owned subsidiary as follows:

- 2336882 Ontario Inc., Ontario, Canada, a mineral exploration company

All inter-company transactions, balances, income and expenses are eliminated in full upon consolidation.

**d) Use of estimates and judgments**

The preparation of financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during the period.

Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

The most significant accounts that require estimates as the basis for determining the stated amounts include the recoverability of mineral properties, valuation of share-based compensation, and recognition of deferred tax amounts.

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

*Economic Recoverability and Probability of Future Economic Benefits of Mineral Property Interests*

Management has determined that exploration, evaluation, and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including, geologic and other technical information, a history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustments are as follows:

*Valuation of Share-Based Compensation*

The Company uses the Black-Scholes Option Pricing Model (the "Black-Scholes Model") for valuation of share-based compensation. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

**2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

**d) Use of estimates and judgments (cont'd...)**

*Income Taxes*

In assessing the probability of realizing income tax assets, management makes estimates related to expectation of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

**e) Related party transactions**

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

**f) Standards issued but not yet effective**

Standards issued but not yet effective up to the date of issuance of the Company's financial statements are listed below. This list is of standards and interpretations issued which the Company reasonably expects to be applicable at a future date. The Company intends to adopt those standards when they become effective. The Company does not expect the impact of such changes on the financial statements to be material.

*IFRS 9, Financial Instruments*

IFRS 9 Financial Instruments is part of the IASB's wider project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The standard is effective for annual periods beginning on or after January 1, 2015. The Company is in the process of evaluating the impact of the new standard on the accounting for the available-for-sale investment.

*IFRS 10 Consolidated Financial Statements*

IFRS 10 builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The Company is yet to assess the full impact of IFRS 10 and intends to adopt the standard no later than the accounting period beginning on January 1, 2013.

*IFRS 11 Joint Arrangements*

IFRS 11 describes the accounting for arrangements in which there is joint control; proportionate consolidation is not permitted for joint ventures (as newly defined). IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC 13 Jointly Controlled Entities — Non-Monetary Contributions by Venturers. The standard is assessed not to have any impact on the Company's condensed consolidated interim financial statements.

*IFRS 13 Fair Value Measurement*

IFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRS. The requirements, which are largely aligned between IFRS and United States Generally Accepted Accounting Principles ("US

**TITAN GOLDWORX RESOURCES INC.**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**EXPRESSED IN CANADIAN DOLLARS**  
**FOR THE NINE MONTHS ENDED JULY 31, 2012**

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**2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

**f) Standards issued but not yet effective (cont'd...)**

*IFRS 13 Fair Value Measurement (cont'd...)*

GAAP”), do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRS or US GAAP. The Company is yet to assess the full impact of IFRS 13 and intends to adopt the standard no later than the accounting period beginning on January 1, 2013.

*IAS 28 Investments in Associates and Joint Ventures*

As a consequence of the issue of IFRS 10, IFRS 11 and IFRS 12, IAS 28 has been amended and will provide the accounting guidance for investments in associates and to set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. The amended IAS 28 will be applied by all entities that are investors with joint control of, or significant influence over, an investee.

*IAS 1 Presentation of Financial Statements*

The IASB amended IAS 1 with a new requirement for entities to group items presented in other comprehensive income on the basis of whether they are potentially re-classifiable to profit or loss.

*IAS 27 Separate Financial Statements*

As a result of the issue of the new consolidation suite of standards, IAS 27 has been reissued, as the consolidation guidance will now be included in IFRS 10. IAS 27 will now only prescribe the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements.

There are no other IFRS or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

**3. EXPLORATION AND EVALUATION ASSETS**

<b>Tait Township Property, Ontario, Canada</b>	<b>\$</b>
Acquisition Costs	15,000
Mineral Property Interest	15,000
<b>Balance October 31, 2011</b>	<b>15,000</b>
Acquisition Costs	22,500
Mineral Property Interest	22,500
Exploration Costs	
Geological consulting	2,700
<b>Balance July 31, 2012</b>	<b>40,200</b>

On July 25, 2011, the Company signed a Letter of Intent (“LOI”) with Quantum Rare Earth Developments Corp. (“Quantum”) in order to acquire an undivided 70% interest in the Tait Township Property, Ontario (the “Property”). The Property is subject to an option agreement (the “Original Option Agreement”) between Perry English for Rubicon Minerals Corporation (“Rubicon”) and Silver Mountain Mines Corp. (“Silver Mountain”) dated July 31, 2009. On January 31, 2011, Quantum completed the acquisition of Silver Mountain, pursuant to which Silver Mountain became a wholly owned subsidiary of Quantum.

On October 21, 2011, the Company entered into an option and joint venture agreement (the “Option and Joint Venture Agreement”), which was subsequently amended on November 28, 2011, to acquire an undivided 70% interest in the Property and the Original Option Agreement. The terms of the Option and Joint Venture Agreement include cash payments of \$140,000 in total and issuance of 150,000 common shares within 30 days

**TITAN GOLDWORX RESOURCES INC.**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**EXPRESSED IN CANADIAN DOLLARS**  
**FOR THE NINE MONTHS ENDED JULY 31, 2012**

**3. EXPLORATION AND EVALUATION ASSETS (cont'd...)**

of completion of the Company's initial public offering (the "IPO"). Upon earning the 70% interest, the Company will form a joint venture with Silver Mountain.

As at July 31, 2012, the Company has the following future requirements to fulfill its obligation under the Option and Joint Venture Agreement:

<b>Date</b>	<b>Shares</b>	<b>Cash Payments</b>
Pay within 5 business days of the closing date	-	\$15,000 (paid)
Issue within 30 days of completion of the IPO	150,000 (issued)	-
On or before the first anniversary of the closing date	-	\$15,000
On or before the second anniversary of the closing date	-	\$20,000
On or before the third anniversary of the closing date	-	\$40,000
On or before the fourth anniversary of the closing date	-	\$50,000
<b>Total</b>	<b>150,000</b>	<b>\$140,000</b>

**4. SHARE CAPITAL AND RESERVES**

**a) Authorized share capital**

As at July 31, 2012, the authorized share capital of the Company was an unlimited number of common shares without par value and an unlimited number of preferred shares without par value.

**b) Issued share capital**

- (i) Upon incorporation on February 4, 2011, the Company issued one common share at \$1.00 per share.
- (ii) On May 25, 2011, the Company issued 2,000,000 founders' shares at a price of \$0.01 per share for gross proceeds of \$20,000.
- (iii) On May 26, 2011, the Company completed a private placement of 4,600,000 common shares at a price of \$0.05 per share for gross proceeds of \$230,000.
- (iv) On July 29, 2011, the Company completed the first tranche of a private placement of 3,335,000 common shares at a price of \$0.10 per share for gross proceeds of \$333,500. In accordance with a finder's fee agreement, the Company issued 277,650 finder's warrants (the "Finder's Warrants") to the finder (the "Finder"). The fair value of the Finder's Warrants was calculated using the Black-Scholes Model and was determined to be \$14,635.
- (v) Also on July 29, 2011, the Company repurchased one common share for \$1.00 and returned it to treasury for cancellation.
- (vi) On August 26, 2011, the Company completed the second tranche of a private placement of 4,150,000 common shares at a price of \$0.10 per share for gross proceeds of \$415,000.
- (vii) On May 15, 2012, the Company completed its IPO pursuant to its prospectus dated February 28, 2012. Under the Offering, the Company issued 2,000,000 common shares of the Company (the "Shares") at a price of \$0.15 per Share.

As part of the IPO, the Company incurred share issuance costs of \$149,854, which included 160,000 Shares ("Agent's Shares") at a value of \$0.15 per Agent's Share, agent's warrants to purchase up to 160,000 shares at a price of \$0.15 per share for a period of 24 months after the closing of the IPO ("Agent's Warrants") with a value of \$12,640, and a corporate finance fee comprised of \$30,000 and 50,000 shares at a value of \$0.15 per share.



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**4. SHARE CAPITAL AND RESERVES (cont'd...)**

**b) Issued share capital (cont'd...)**

(viii) On May 15, 2012, pursuant to the Option and Joint Venture Agreement, the Company issued 150,000 common shares of the Company to Quantum at \$0.15 per share, for total fair value of \$22,500 (Note 3).

**c) Share Purchase Warrants**

The continuity of warrants for the period ended July 31, 2012 is as follows:

	July 31, 2012		October 31, 2011	
	Number of Warrants	Weighted Average Exercise Price \$	Number of Warrants	Weighted Average Exercise Price \$
Warrants outstanding, beginning of the period	277,650	0.10	-	-
Issued	160,000	0.15	277,650	0.10
Warrants outstanding, end of the period	437,650	0.12	277,650	0.10

Warrants outstanding as at July 31, 2012 are as follows:

Expiry Date	Price Per Share \$	Warrants Outstanding
July 29, 2013	0.10	277,650
May 15, 2014	0.15	160,000
		437,650

On July 29, 2011, the Company issued 277,650 Finder's Warrants to purchase up to 277,650 shares at a price of \$0.10 per share for a period of 24 months to the Finder. The Finder's Warrants were valued at \$14,635, or \$0.05 per Finder's Warrant, using the Black-Scholes Model.

On May 15, 2012, the Company completed its IPO and issued 160,000 Agent's Warrants to purchase up to 160,000 shares at a price of \$0.15 per share for a period of 24 months. The Agent's Warrants were valued at \$12,640 or \$0.08 per warrant, using the Black-Scholes Model.

The Company used the Black-Scholes Model to estimate the fair value of the Finder's Warrants and Agent's Warrants at the grant dates using the following weighted average assumptions:

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**4. SHARE CAPITAL AND RESERVES (cont'd...)**

**c) Share Purchase Warrants (cont'd...)**

	<b>2012</b>	<b>2011</b>
Risk-free interest rate	1.29%	1.39%
Dividend yield	-	-
Expected volatility	100.00%	100.00%
Expected option life	2 years	2 years

**d) Stock Options**

The Company has a stock option plan whereby the Company is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common shares of the Company. Vesting and the term of an option is determined at the discretion of the Board of Directors of the Company.

The continuity of stock options for the period ended July 31, 2012 is as follows:

	<b>July 31, 2012</b>		
	Number of Options	Weighted Avg. Exercise Price \$	Weighted Avg. Remaining Contractual Life
Options Outstanding, Beginning of Period	-	-	-
Directors' and Officers' Options Granted	625,000	0.15	9.79
Outstanding as at July 31, 2012	625,000	0.15	9.79
Options Exercisable as at July 31, 2012	625,000	0.15	9.79

On May 15, 2012, the Company granted 625,000 stock options to officers and directors of the Company, whereby the option holders can purchase up to 625,000 shares at a price of \$0.15 per share. The options vested immediately and are exercisable until May 15, 2022.

The weighted average fair value of the share options awarded on May 15, 2012, estimated using the Black-Scholes Model, was \$0.11 per option, with a total fair value of \$69,866. The Company used the Black-Scholes Model to estimate the fair value of the options at the grant date using the following weighted average assumptions:

**4. SHARE CAPITAL AND RESERVES (cont'd...)**

**d) Stock Options (cont'd...)**

	2012
Risk-free interest rate	1.35%
Dividend yield	-
Expected volatility	100%
Expected option life	5 years

The Black-Scholes Model was developed for use in estimating the fair value of stock options and compensatory warrants that have no vesting provisions and are fully transferable. Also, option-pricing models require the use of estimates and assumptions including the expected volatility. Due to the Company's limited history, the Company uses expected volatility rates which are based upon the average volatility rates of other companies in the same industry. Changes in the underlying assumptions can materially affect the fair value estimates.

**e) Escrow Shares**

As at July 31, 2012, the Company had 1,800,000 common shares held in escrow (October 31, 2012 – Nil).

**5. CAPITAL MANAGEMENT**

Capital is comprised of shareholders' equity and any long-term debt that the Company may issue. The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness, and to maximize returns for shareholders over the long term.

The Company sets the amount of capital in proportion to risk. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue common shares through private placements. The Company is not exposed to any externally imposed capital requirements.

**6. FINANCIAL INSTRUMENTS**

The Company's financial instruments are exposed to a number of financial and market risks including credit, liquidity, interest rate, and price risks. The Company may or may not establish, from time to time, active policies to manage these risks. The Company does not currently have in place any active hedging or derivative trading policies to manage these risks since the Company's management does not believe that the current size, scale, and pattern of its operations would warrant such hedging activities.

*Fair Value*

Assets and liabilities measured at fair value on a recurring basis as at July 31, 2012, are as follows:

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**6. FINANCIAL INSTRUMENTS (cont'd...)**

*Fair Value (cont'd...)*

	Fair Value Measurements Using			Balance, July 31, 2012	Balance, October 31, 2011
	Quoted prices in active markets for identical instruments	Significant other observable inputs	Significant unobservable inputs		
	(Level 1) \$	(Level 2) \$	(Level 3) \$		
Cash	1,043,421	-	-	1,043,421	956,989

The fair values of other financial instruments, which include receivables, accounts payable and accrued liabilities, approximate their carrying values due to the relatively short-term maturity of these instruments.

*Credit risk*

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. The Company believes it has no significant credit risk.

*Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure (Note 5).

*Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk.

*Price Risk*

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

**7. SUPPLEMENTAL CASH FLOW INFORMATION**

Non-cash operating and cash and financing activities include:

	Nine Months Ended	
	July 31,	
	2012	2011
	\$	\$
Fair value of Finder's Warrants	-	14,635
Fair value of Agent's Warrants	12,640	-
Fair value of Agent's Shares	24,000	-
Fair value of shares issued for mineral property	22,500	-
Deferred financing costs moved to share issuance costs	15,000	-

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**8. RELATED PARTY TRANSACTIONS**

The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence were as follows:

<b>Services provided by:</b>	<b>Notes</b>	<b>Nine months ended</b>	
		<b>2012</b>	<b>July 31,</b>
		<b>\$</b>	<b>\$</b>
Baron Global Financial Canada Ltd.	(a)	10,000	-

- (a) On July 6, 2012, the Company entered into a corporate advisory agreement with Baron Global Financial Canada Ltd. (“Baron”) to provide accounting and administrative services. The agreement expires at the earlier of November 30, 2012, or the closing of the proposed transaction between the Company and 2333300 Ontario Inc. (“ONCo”) whereby the Company will acquire 100% of the issued and outstanding common shares of ONCo by issuing to the ONCo shareholders 30,000,000 Titan shares at a deemed price of \$0.15 per share for total aggregate consideration of \$4,500,000. The CEO and director of the Company is also the managing director of Baron. For the nine months ended July 31, 2012, the Company has paid consulting fees of \$10,000 (July 31, 2011 – Nil) to Baron.

# TITAN GOLDWORX RESOURCES INC.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

JULY 31, 2012

### GENERAL

The following information, prepared as of September 27, 2012, should be read in conjunction with the condensed interim financial statements of Titan Goldworx Resources Inc. (the "Company" or "Titan") for the period ended July 31, 2012, as well as the audited financial statements of the Company for the period from incorporation on February 4, 2011, to October 31, 2011. The following disclosure and associated condensed interim financial statements are presented in accordance with the International Accounting Standard ("IAS") 34, Interim Financial Reporting ("IFRS"). The Company's shares commenced trading on the Canadian National Stock Exchange (the "CNSX") under the trading symbol "TTN" on May 15, 2012.

During the quarter ended July 31, 2012, the Company's critical accounting estimates and significant accounting policies have remained substantially unchanged and are still applicable to the Company unless otherwise indicated. All amounts are expressed in Canadian dollars unless noted otherwise.

The risk factors identified in previous management's discussion and analysis (the "MD&A") have also remained substantially unchanged but the risk factor of future financings has assumed a greater importance to the Company in view of the current economic climate and stock market volatility. Management has assessed and will continue to address the implications of recent events in order to ensure that Titan can continue to achieve its long term objectives.

### CAUTIONARY NOTE REGARDING FORWARDING LOOKING STATEMENTS

Certain statements contained in the foregoing MD&A constitute forward-looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks set forth below. New factors emerge from time to time, and it is not possible for management to predict all of such factors and to assess in advance the impact of each such factor on Titan's business or the extent to which any factor, or combination of factors, may cause actual realities to differ materially from those contained in any forward-looking statements.

### DESCRIPTION OF BUSINESS

The Company was incorporated on February 4, 2011, pursuant to the *Business Corporations Act*, British Columbia. The Company's principal business activity is the exploration of mineral properties.

The Company is a junior mineral exploration company engaged in the acquisition and exploration of strategic mineral properties. The Company holds an option to acquire an undivided 70% interest in the Tait Township Property (the "Property"). The Property is situated in the Kenora Mining Division of the Province of Ontario and consists of 8 mineral claims.

### OVERALL PERFORMANCE

The following discussion of the Company's financial performance is based on the condensed interim financial statements for the period ended July 31, 2012, and the audited financial statements for the period from incorporation on February 4, 2011, to October 31, 2011.

# TITAN GOLDWORX RESOURCES INC.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

**JULY 31, 2012**

The condensed interim statements of financial position as of July 31, 2012, indicate a cash position of \$1,043,421 (October 31, 2011 - \$956,989) and total current assets of \$1,060,900 (October 31, 2011 - \$958,674). The increase in total current assets was due to the completion of the Company's initial public offering (the "IPO") on May 15, 2012. Current liabilities at July 31, 2012, total \$28,711 (October 31, 2011 - \$34,872). Shareholders' equity is comprised of capital stock of \$1,144,946 (October 31, 2011 - \$955,800), reserves of \$97,141 (October 31, 2011 - \$14,635) and accumulated deficit of \$169,698 (October 31, 2011 - \$16,633) for a net shareholders' equity of \$1,072,389 (October 31, 2011 - \$953,802).

Working capital, which is current assets less current liabilities, is \$1,032,189 at July 31, 2012, compared to \$923,802 at October 31, 2011. Management believes that there is sufficient working capital to cover potential option payments, mineral property exploration projects and maintain its day-to-day operations.

During the period ended July 31, 2012, the Company reported a net loss of \$153,065 (\$0.01 basic and diluted loss per share) compared to a net loss of \$117 (\$0.00 basic and diluted loss per share) for the period from February 4, 2011 (incorporation date) to July 31, 2011. Losses in the period ended July 31, 2012, represent operating expenses of \$153,065.

The weighted average number of common shares outstanding for the period ended July 31, 2012, was 14,748,212 (July 31, 2011 - 14,085,000).

All direct costs related to the acquisition of resource property interests have been capitalized. The Company has no operating revenue and its level of expenditures is dependent on the sale of equity capital to finance its exploration operations. Therefore, it is difficult to identify any meaningful trends or develop an analysis from cash flows.

### RESULTS OF OPERATIONS

#### Current Quarter

During the three months ended July 31, 2012, the Company reported a net loss of \$114,023 (\$0.01 basic and diluted loss per share). The net loss of \$114,023 was due to accounting fees of \$5,000 (July 31, 2011 - \$nil), consulting fees of \$10,000 (July 31, 2011 - \$nil), legal fees of \$21,931 (July 31, 2011 - \$nil), office and general expenses of \$1,523 (July 31, 2011 - \$117), regulatory fees of \$1,373 (July 31, 2011 - \$nil), share-based payments of \$69,866 (July 31, 2011 - \$nil), and transfer agent fees of \$4,330 (July 31, 2011 - \$nil).

The increase in accounting fees is attributable to the Company's review of its financial statements and MD&A for the period ended July 31, 2012. The increase in consulting fees is attributable to financial advisory fees paid to a consulting firm affiliated to the officers and directors of the Company (the "Advisory Firm"). The increase in legal fees is attributable to the incorporation and organization of the Company, the raising of seed capital, the acquisition of the Property, the completion of the Company's IPO, and general corporate legal matters. The increase in office and general expenses is attributable to general corporate matters. The increase in regulatory fees and transfer agent fees is attributable to the completion of the Company's IPO and monthly fees the Company now incurs as a reporting issuer. Share-based payments are recognized since 625,000 options were granted to the directors and officers of the Company on May 15, 2012.

For the three months ended July 31, 2012 and 2011, there were no operating revenues as the Company was still in the acquisition and exploration stage. The Company's current exploration focus is on the Property. Costs incurred during the quarter ended July 31, 2012, were primarily related to general and administrative activities, the IPO, and the mineral interest of the Property. The mineral interest expenditures on the Property included acquisition costs of \$22,500.

## TITAN GOLDWORX RESOURCES INC.

### MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

**JULY 31, 2012**

#### Year-to-Date

During the nine months ended July 31, 2012, the Company reported a net loss of \$153,065 (\$0.01 basic and diluted loss per share). The net loss of \$153,065 was due to accounting fees of \$19,760 (February 4, 2011 (incorporation date) to July 31, 2011 - \$nil), consulting fees of \$10,000 (February 4, 2011 (incorporation date) to July 31, 2011 - \$nil), legal fees of \$21,931 (February 4, 2011 (incorporation date) to July 31, 2011 - \$nil), office general expenses of \$3,446 (February 4, 2011 (incorporation date) to July 31, 2011 - \$117), regulatory fees of \$23,282 (February 4, 2011 (incorporation date) to April 30, 2011 - \$nil), share-based payments of \$69,866 (February 4, 2011 (incorporation date) to April 30, 2011 - \$nil), and transfer agent fees of \$4,780 (February 4, 2011 (incorporation date) to April 30, 2011 - \$nil).

The increase in accounting fees is attributable to the Company's review of its financial statements and MD&A for the period ended July 31, 2012, IPO closing matters, the filing of the Company's T2 corporate income tax return filing, the review of the Company's prospectus, and the audit of the Company's fiscal year ended October 31, 2011. The increase in consulting fees is attributable to financial advisory fees paid to the Advisory Firm. The increase in legal fees is attributable to the incorporation and organization of the Company, the raising of seed capital, the acquisition of the Property, the completion of the Company's IPO, and general corporate legal matters. The increase in office and general expenses is attributable to general corporate matters. The increase in regulatory fees and transfer agent fees is attributable to the completion of the Company's IPO and monthly fees the Company now incurs as a reporting issuer. Share-based payments are recognized since 625,000 options were granted to the directors and officers of the Company on May 15, 2012.

For the nine months ended July 31, 2012, and the period from February 4, 2011 to July 31, 2011, there were no operating revenues as the Company was still in the acquisition and exploration stage. The Company's current exploration focus is on the Property. Costs incurred during the nine month period ended July 31, 2012, were primarily related to business development and the mineral interest of the Property. The mineral interest on the Property included the acquisition costs of \$37,500 and a geological consulting fee of \$2,700.

As the Company is a junior mineral exploration company without any significant revenue, it will continue to require funds to meet its ongoing day-to-day operating requirements and will have to continue to rely on equity and debt financing during the year. There can be no assurance that financing, whether debt or equity, will always be available to the Company in the amount required at any particular year or if available, that it can be obtained on terms satisfactory to the Company.

#### **SUMMARY OF QUARTERLY RESULTS**

The following table presents unaudited selected financial information for each of the last eight quarters:

	<b>Qtr 3 July 31, 2012</b>	<b>Qtr 2 April 30, 2012</b>	<b>Qtr 1 January 31, 2012</b>	<b>Qtr 4 October 31, 2011</b>	<b>Qtr 3 July 31, 2011</b>	<b>Qtr 2 April 30, 2011</b>	<b>Qtr 1 January 31, 2011</b>	<b>Qtr 4 October 31, 2010</b>
Revenue	-	-	-	-	-	-	N/A	N/A
Net Loss	\$114,023	\$16,420	\$22,622	\$16,494	\$117	\$22	N/A	N/A
Basic and diluted loss per share	\$0.01	\$0.00	\$0.00	\$0.01	\$0.00	\$22	N/A	N/A
Total assets	\$1,101,100	\$964,945	\$972,605	\$988,674	\$555,540	(\$12)	N/A	N/A
Working Capital	\$1,032,189	\$834,061	\$868,480	\$923,802	\$555,530	(\$22)	N/A	N/A



## TITAN GOLDWORX RESOURCES INC.

### MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

JULY 31, 2012

#### Net Loss

Overall, accounting and regulatory fees are the major components that caused variances in net losses from quarter to quarter.

During the nine months ended July 31, 2012 the major expenses of the Company were share-based payments of \$69,866, legal fees of \$21,931, and audit fees of \$19,760.

During the six months ended April 30, 2012, the major expenses of the Company were accounting fees of \$4,560 and regulatory fees of \$9,744.

During the three months ended January 31, 2012, the major expenses of the Company were accounting fees of \$10,200 and regulatory fees of \$12,165.

During the quarter ended October 31, 2011, the major expenses of the Company were geological consulting fees of \$12,750 and office and general expenses of \$2,723.

#### Total Assets

The third quarter ended July 31, 2012, reflects an increase of \$136,155 in total assets compared to the previous quarter ended April 30, 2012. The increase is mainly due to an inflow of cash from the Company's IPO.

The second quarter ended April 30, 2012, reflects a decrease of \$7,660 in total assets compared to the previous quarter ended January 31, 2012. The decrease is mainly due to outflow of cash to pay for general and administrative expenses of the Company.

The first quarter ended January 31, 2012, reflects a decrease of \$16,069 in total assets compared to the previous quarter ended October 31, 2011. The decrease is mainly due to outflow of cash to pay for general and administrative expenses of the Company.

#### Working Capital

The third quarter ended July 31, 2012, reflects an increase of \$198,128 in working capital compared to the previous quarter ended April 30, 2012. The increase is due to an increase in cash from the Company's IPO.

### MINERAL PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES

#### Tait Township Property, Ontario, Canada

<b>Tait Township Property, Ontario, Canada</b>	<b>\$</b>
Acquisition Costs	15,000
Mineral Property Interest	15,000
<b>Balance October 31, 2011</b>	<b>15,000</b>
Acquisition Costs	22,500
Mineral Property Interest	22,500
Exploration Costs	
Geological consulting	2,700
<b>Balance July 31, 2012</b>	<b>40,200</b>

On July 25, 2011, the Company signed a Letter of Intent ("LOI") with Quantum Rare Earth Developments Corp. ("Quantum") in order to acquire an undivided 70% interest in the Property. The Property is subject to an option agreement (the "Original Option Agreement") between Perry English for Rubicon Minerals Corporation ("Rubicon") and Silver Mountain Mines Corp. ("Silver Mountain") dated July 31, 2009. On January 31, 2011,

## TITAN GOLDWORX RESOURCES INC.

### MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

JULY 31, 2012

Quantum completed the acquisition of Silver Mountain, pursuant to which Silver Mountain became a wholly owned subsidiary of Quantum.

On October 21, 2011, the Company entered into an option and joint venture agreement (the "Option and Joint Venture Agreement"), which was subsequently amended on November 28, 2011, to acquire an undivided 70% interest in the Property and the Original Option Agreement. The terms of the Option and Joint Venture Agreement include cash payments of \$140,000 in total and issuance of 150,000 common shares within 30 days of completion of the Company's IPO. Upon earning the 70% interest, the Company will form a joint venture with Silver Mountain.

As at July 31, 2012, the Company has the following future requirements to fulfill its obligation under the Option and Joint Venture Agreement:

<b>Date</b>	<b>Shares</b>	<b>Cash Payments</b>
Pay within 5 business days of the closing date	-	\$15,000 (paid)
Issue within 30 days of completion of IPO	150,000 (issued)	-
On or before the first anniversary of the closing date	-	\$15,000
On or before the second anniversary of the closing date	-	\$20,000
On or before the third anniversary of the closing date	-	\$40,000
On or before the fourth anniversary of the closing date	-	\$50,000
<b>Total</b>	<b>150,000</b>	<b>\$140,000</b>

### FINANCING ACTIVITIES

The Company has engaged in the following financing activities:

- i) Upon incorporation on February 4, 2011, the Company issued one common share at \$1.00 per share.
- ii) On May 25, 2011, the Company issued 2,000,000 founders' shares at a price of \$0.01 per share for gross proceeds of \$20,000.
- iii) On May 26, 2011, the Company completed a private placement of 4,600,000 common shares at a price of \$0.05 per share for gross proceeds of \$230,000.
- iv) On July 29, 2011, the Company completed the first tranche of a private placement of 3,335,000 common shares at a price of \$0.10 per share for gross proceeds of \$333,500. In accordance with a finder's fee agreement, the Company issued 277,650 finder's warrants (the "Finder's Warrants") to the finder (the "Finder"). The fair value of the Finder's Warrants was calculated using the Black-Scholes Option Pricing Model (the "Black-Scholes Model") and was determined to be \$14,635.
- v) Also on July 29, 2011, the Company repurchased one common share for \$1.00 and returned it to treasury for cancellation.
- vi) On August 26, 2011, the Company completed the second tranche of a private placement of 4,150,000 common shares at a price of \$0.10 per share for gross proceeds of \$415,000.
- vii) On May 15, 2012, the Company completed its IPO pursuant to its prospectus dated February 28, 2012. Under the Offering, the Company issued 2,000,000 common shares of the Company (the "Shares") at a price of \$0.15 per Share.

As part of the IPO, the Company incurred share issuance costs of \$149,854, which included 160,000 Shares ("Agent's Shares") at a value of \$0.15 per Agent's Share, agent's warrants to purchase up to 160,000 shares

## TITAN GOLDWORX RESOURCES INC.

### MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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at a price of \$0.15 per share for a period of 24 months after the closing of the IPO ("Agent's Warrants") with a value of \$12,640, and a corporate finance fee comprised of \$30,000 and 50,000 shares at a value of \$0.15 per share.

- viii) On May 15, 2012, pursuant to the Option and Joint Venture Agreement, the Company issued 150,000 common shares of the Company to Quantum at \$0.15 per share, for total fair value of \$22,500.

#### LIQUIDITY AND CAPITAL RESOURCES

As at July 31, 2012, the Company's cash balance was recorded as \$1,043,421 (October 31, 2011 - \$956,989) and the Company had a working capital of \$1,032,189 (October 31, 2011 - \$923,802). At July 31, 2012, the Company has share capital of \$1,144,946 (October 31, 2011 - \$955,800) representing 16,445,000 (October 31, 2011 - 14,085,000) common shares, reserves of 97,141 (October 31, 2011 - \$14,635) and an accumulated deficit of \$169,698 (July 31, 2011 - \$117).

The Company has not yet put into commercial production any of its mineral properties and therefore has no operating revenues. Accordingly, the Company is dependent on the equity markets as its sole source of operating working capital. The Company's capital resources are largely determined by the strength of the junior resource markets, the status of the Company's projects in relation to these markets, and the its ability to compete for the investor support of its projects.

The Company will continue to require funds to meet its obligations under its Option Agreement and as a result, will have to continue to rely on equity and debt financing during such period. There can be no assurance that financing, whether debt or equity, will always be available to the Company in the amount required at any particular time or for any particular period or, if available, that it can be obtained on terms satisfactory to the Company.

#### CONTRACTUAL OBLIGATIONS

A summary of the Company's contractual obligations at July 31, 2012, is detailed in the table below:

Contractual Obligations	Payments Due by Period				
	Total	Less than 1 Year	1 - 3 Years	4 - 5 Years	After 5 Years
Accounts Payable, Accrued and other Liabilities	\$28,711	\$28,711	N/A	N/A	N/A
<b>Total</b>	<b>\$28,711</b>	<b>\$28,711</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

#### OFF BALANCE SHEET ARRANGEMENTS

To the best of management's knowledge, there are no off balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company.

#### TRANSACTIONS WITH RELATED PARTIES

The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence were as follows:

## TITAN GOLDWORX RESOURCES INC.

### MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

JULY 31, 2012

Services provided by:	Notes	Three months ended July 31,		Nine months ended July 31,	
		2012	2011	2012	2011
		\$	\$	\$	\$
Baron Global Financial Canada Ltd.	(a)	10,000	-	10,000	-

- (a) On July 6, 2012, the Company entered into a corporate advisory agreement with the Advisory Firm, Baron Global Financial Canada Ltd. ("Baron"), to provide accounting and administrative services. The agreement expires at the earlier of November 30, 2012, or the closing of the proposed transaction between the Company and 2333300 Ontario Inc. ("ONCo") whereby the Company will acquire 100% of the issued and outstanding common shares of ONCo by issuing to the ONCo shareholders 30,000,000 Titan shares at a deemed price of \$0.15 per share for total aggregate consideration of \$4,500,000 (the "Transaction"). The CEO and director of the Company is also the managing director of Baron. For the nine months ended July 31, 2012, the Company has paid consulting fees of \$10,000 (July 31, 2011 – \$nil) to Baron.

#### PROPOSED TRANSACTIONS

On July 13, 2012, the Company signed a letter of intent (the "LOI") with ONCo in order to proceed with the Transaction.

#### SIGNIFICANT ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES

All significant accounting policies and critical accounting estimates are fully disclosed in Note 2 of the condensed interim financial statements for the period ended July 31, 2012.

#### FINANCIAL INSTRUMENTS

All financial assets and financial liabilities are initially recorded at fair value and designated upon inception into one of the following categories: held-to-maturity, available-for-sale, other financial liabilities, or fair value through profit or loss ("FVTPL").

Financial assets and liabilities classified as FVTPL are measured at fair value with unrealized gains and losses recognized through profit and loss. Available-for-sale instruments are measured at fair value with unrealized gains and losses recognized in other comprehensive income. Held-to-maturity instruments, loans, and receivables and other financial liabilities are measured at amortized cost using the effective interest rate method.

The Company has implemented the following classifications for its financial instruments:

- a) Cash has been classified as FVTPL;
- b) Receivables have been classified as loans and receivables; and
- c) Accounts payable and accrued liabilities have been classified as other financial liabilities, not at FVTPL.

The Company's financial instruments are exposed to a number of financial and market risks including credit, liquidity, interest rate, and price risks. The Company may or may not establish, from time to time, active policies to manage these risks. The Company does not currently have in place any active hedging or derivative trading policies to manage these risks since the Company's management does not believe that the current size, scale, and pattern of its operations would warrant such hedging activities.

# TITAN GOLDWORX RESOURCES INC.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

JULY 31, 2012

### *Fair Value*

Assets and liabilities measured at fair value on a recurring basis as at July 31, 2012, are as follows:

	Fair Value Measurements Using			Balance, July 31, 2012	Balance, October 31, 2011
	Quoted prices in active markets for identical instruments	Significant other observable inputs	Significant unobservable inputs		
	(Level 1)	(Level 2)	(Level 3)		
	\$	\$	\$	\$	\$
Cash	1,043,421	-	-	1,043,421	956,989

The fair values of other financial instruments, which include receivables, accounts payable and accrued liabilities, approximate their carrying values due to the relatively short-term maturity of these instruments.

### *Credit risk*

Credit risk is the risk of loss associated with a counterparty's inability to fulfil its payment obligations. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. The Company believes it has no significant credit risk.

### *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure.

### *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk.

### *Price Risk*

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

## **OTHER MD&A DISCLOSURE REQUIREMENTS**

### **Disclosure of Outstanding Share Data**

The following information relates to share data of the Company as at the date of this MD&A:

#### **Common shares**

Authorized: Unlimited number of common voting shares without nominal or par value

Issued: The Company has 16,445,000 common shares issued and outstanding and its share capital is \$1,144,946.

# TITAN GOLDWORX RESOURCES INC.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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### Share purchase option compensation plan

The Company has adopted a Stock Option Plan (the "Plan") pursuant to which options may be granted to directors, officers, employees and consultants of the Company. Under the terms of the Plan, the Company can issue a maximum of 10% of the issued and outstanding common shares at the time of the grant, and the exercise price of each option is equal to or above the market price of the common shares on the grant date. Options granted under the Plan are determined by, and at the discretion of, the Board of Directors.

On May 15, 2012, the Company granted 625,000 stock options to officers and directors of the Company, whereby the option holders can purchase up to 625,000 shares at a price of \$0.15 per share. The options vested immediately and are exercisable until May 15, 2022.

The weighted average fair value of the share options awarded on May 15, 2012, estimated using the Black-Scholes Model, was \$0.11 per option, with a total fair value of \$69,866. The Company used the Black-Scholes Model to estimate the fair value of the options at the grant date using the following weighted average assumptions:

	2012
Risk-free interest rate	1.35%
Dividend yield	-
Expected volatility	100%
Expected option life	5 years

As at the date of this MD&A, the Company has 625,000 stock options outstanding.

### Warrants

On July 29, 2011, the Company issued 277,650 Finder's Warrants to purchase up to 277,650 shares at a price of \$0.10 per share for a period of 24 months to the Finder. The Finder's Warrants were valued at \$14,635, or \$0.05 per Finder's Warrant, using the Black-Scholes Model.

On May 15, 2012, the Company completed its IPO and issued 160,000 Agent's Warrants to purchase up to 160,000 shares at a price of \$0.15 per share for a period of 24 months. The Agent's Warrants were valued at \$12,640 or \$0.08 per warrant, using the Black-Scholes Model.

The Company used the Black-Scholes Model to estimate the fair value of the Finder's Warrants and Agent's Warrants at the grant dates using the following weighted average assumptions:

	2012	2011
Risk-free interest rate	1.29%	1.39%
Dividend yield	-	-
Expected volatility	100.00%	100.00%
Expected option life	2 years	2 years

### Escrow shares

As at July 31, 2012, the Company had 1,800,000 common shares held in escrow (October 31, 2011 – \$nil).

## TITAN GOLDWORX RESOURCES INC.

### MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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#### Additional Disclosure for Junior Issuers

The Company has expensed the following material cost components:

	Nine months ended July 31, 2012	From February 4, 2011 (incorporation) to July 31, 2011
	\$	\$
Audit and Accounting	19,760	-
Consulting Fees	10,000	-
Legal Fees	21,931	-
Office & General	3,446	117
Regulatory Fees	23,282	-
Share-Based Payments	69,866	-
Transfer Agent	4,780	-

Accounting fees of \$19,760 include IPO closing matters, the accounting services provided for corporate income tax return filing, the review of the Company's prospectus, and the audit of the Company's year ended October 31, 2011.

Consulting fees of \$10,000 include the financial advisory fee to the Advisory Firm.

Legal fees of \$21,931 include fees for the incorporation and organization of the Company, the closing of private placements, the acquisition of the Property, the completion of the Company's IPO, and general corporate legal matters.

Office and general expenses of \$3,446 include general corporate expenses incurred to date.

Regulatory fees of \$23,282 were paid in connection with the filing of the prospectus and listing on the CNSX.

Share-based payments of \$69,866 are recognized since 625,000 options were granted to the directors and officers of the Company on May 15, 2012.

Transfer agent fees of \$4,780 included general transfer agent fees the Company now incurs as a reporting issuer.

The Company has capitalized \$37,500 in acquisition costs and \$2,700 in consulting fees in relation to the Property.

#### **FUTURE ACCOUNTING STANDARDS AND INTERPRETATIONS**

Standards issued but not yet effective up to the date of issuance of the Company's financial statements are listed below. This list is of standards and interpretations issued which the Company reasonably expects to be applicable at a future date. The Company intends to adopt those standards when they become effective. The Company does not expect the impact of such changes on the financial statements to be material.

##### *IFRS 9, Financial Instruments*

IFRS 9 Financial Instruments is part of the IASB's wider project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The standard is effective for annual periods beginning on or after January 1, 2015. The Company is in the process of evaluating the impact of the new standard on the accounting for the available-for-sale investment.

# TITAN GOLDWORX RESOURCES INC.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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### *IFRS 10 Consolidated Financial Statements*

IFRS 10 builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The Company is yet to assess the full impact of IFRS 10 and intends to adopt the standard no later than the accounting period beginning on January 1, 2013.

### *IFRS 11 Joint Arrangements*

IFRS 11 describes the accounting for arrangements in which there is joint control; proportionate consolidation is not permitted for joint ventures (as newly defined). IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC 13 Jointly Controlled Entities — Non-Monetary Contributions by Venturers. The standard is assessed not to have any impact on the Company's condensed consolidated interim financial statements.

### *IFRS 13 Fair Value Measurement*

IFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRS. The requirements, which are largely aligned between IFRS and United States Generally Accepted Accounting Principles ("US GAAP"), do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRS or US GAAP. The Company is yet to assess the full impact of IFRS 13 and intends to adopt the standard no later than the accounting period beginning on January 1, 2013.

### *IAS 28 Investments in Associates and Joint Ventures*

As a consequence of the issue of IFRS 10, IFRS 11 and IFRS 12, IAS 28 has been amended and will provide the accounting guidance for investments in associates and to set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. The amended IAS 28 will be applied by all entities that are investors with joint control of, or significant influence over, an investee.

### *IAS 1 Presentation of Financial Statements*

The IASB amended IAS 1 with a new requirement for entities to group items presented in other comprehensive income on the basis of whether they are potentially re-classifiable to profit or loss.

### *IAS 27 Separate Financial Statements*

As a result of the issue of the new consolidation suite of standards, IAS 27 has been reissued, as the consolidation guidance will now be included in IFRS 10. IAS 27 will now only prescribe the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements.

There are no other IFRS or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

## **RISKS AND UNCERTAINTIES**

The Company is engaged in the exploration and development of mineral properties. These activities involve a high degree of risk which, even with a combination of experience, knowledge and careful evaluation, may not be overcome. Consequently, no assurance can be given that commercial quantities of minerals will be successfully found or produced.

The Company has no history of profitable operations and its present business is at an early stage. As such, the Company is subject to many common risks of new and developing enterprises including under-capitalization, cash shortages, and limitations with respect to personnel, financial and other resources, and the lack of revenues. There is no assurance that the Company will be successful in achieving a positive return on shareholders' investments.

The Company has no source of operating cash flow and no assurance that additional funding will be available to it for further exploration and development of its projects when required. Although the Company has been successful in



## **TITAN GOLDWORX RESOURCES INC.**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

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the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and development of its properties.

The Company's property interests are located in remote, undeveloped areas and the availability of infrastructure such as surface access, skilled labour, fuel, and power at an economic cost cannot be assured. These are integral requirements for exploration, development, and production facilities on mineral properties. Power may need to be generated on site.

The mineral industry is intensely competitive in all its phases. The Company competes with many other mineral exploration companies who have greater financial resources and technical capacity.

The Company is very dependent upon the personal efforts and commitment of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Company could result, and other persons would be required to manage and operate the Company.

#### **ADDITIONAL INFORMATION**

Additional information about the Company is available for viewing on SEDAR at [www.sedar.com](http://www.sedar.com).