TITUS CAPITAL CORP.
(A Capital Pool Company)

Condensed Interim Financial Statements

Nine months ended February 29, 2012

Expressed in Canadian Dollars

(unaudited)

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim consolidated financial statements have been prepared by and are the responsibility of the management.

The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

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Condensed interim statements of financial position

	Notes		February 29, 2012		May 31, 2011
ASSETS					
Current assets					
Cash and cash equivalents		$	1,573,665	$	1,621,194
Taxes recoverable			11,941		7,382
TOTAL ASSETS		**$**	**1,585,606**	**$**	**1,628,576**
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities		$	-	$	12,331
SHAREHOLDERS' EQUITY					
Share capital	4		1,667,386		1,667,386
Share based reserve			35,329		35,329
Deficit			(117,109)		(86,470)
TOTAL EQUITY			1,585,606		**1,616,245**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$**	**1,585,606**	**$**	**1,628,576**

Nature and continuance of operations (Note 1)

Approved by the Board of Directors and authorized for issue April 26, 2012

Approval on behalf of the Board of Directors:

"Anita Algie"

Director

"Reza Mohammed"

Director

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Condensed interim statements of loss and comprehensive loss

	Notes	Three month period ended February 29, 2012	Three month period ended February 28, 2011	Nine month period ended February 29, 2012	Nine month period ended February 28, 2011
Expenses					
Bank Charges		$ 27	$ 28	$ 100	$ 278
Office and administration	4	7,500	12,817	22,500	29,250
Professional fees		2,250	9,670	9,720	37,982
Stock-based compensation		-	-	-	5,946
Filing fees		1,576	-	7,319	2,066
Loss before other item		**(11,353)**	**(22,515)**	**(39,639)**	**(53,008)**
Other Item					
Interest Income		3,500	-	9,000	-
Net and comprehensive loss		**$ (7,853)**	**$ (22,515)**	**$ (30,639)**	**$ (53,008)**
Loss per share – basic and diluted		**$ (0.00)**	**$ (0.00)**	**$ (0.00)**	**$ (0.01)**

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Condensed interim statements of equity

	Notes	Share capital		Subscriptions receivable	Reserve		
		Number of shares	Amount		Share-based payment reserve	Deficit	Total
Balance at June 1, 2010		**2,800,000**	**$ 140,000**	**$ (20,000)**	**$ -**	**$ (5,420)**	**$ 114,580**
Subscriptions received		-	-	20,000	-	-	20,000
Shares issued		2,500,000	181,629	-	-	-	181,629
Agents warrants		-	-	-	13,254	-	13,254
Stock based compensation		-	-	-	5,946	-	5,946
Loss and comprehensive loss		-	-	-	-	(75,522)	(75,522)
Balance at February 28, 2011		**5,300,000**	**$ 321,629**	**$ -**	**$ 19,200**	**$ (80,942)**	**$ 259,887**
Balance at June 1, 2011		**12,725,000**	**$ 1,667,386**	**$ -**	**$ 35,329**	**$ (86,470)**	**$ 1,616,245**
Loss and comprehensive loss		-	-	-	-	(30,639)	(30,639)
Balance at February 29, 2012		**12,725,000**	**$ 1,667,386**	**$ -**	**$ 35,329**	$ (117,109)	**$ 1,585,606**

The accompanying notes are an integral part of these financial statements

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Condensed interim statements of cash flows

	Nine month periods ended	
	February 29, 2012	February 28, 2011
Operating activities		
Net loss	$ (30,639)	$ (75,522)
Adjustments for non-cash items:		
Changes in non-cash working capital items:		
Prepaid	-	2,500
Taxes recoverable	(4,559)	-
Accounts payable and accrued liabilities	(12,331)	(6,482)
Net cash flows from operating activities	(47,529)	(79,504)
Financing Activities		
Deferred financing charges	-	5,000
Proceeds from share issuance	-	200,829
Subscription receivable	-	20,000
	-	225,829
Decrease in cash and cash equivalents	(47,529)	146,324
Cash and cash equivalents, beginning	1,621,194	109,580
Cash and cash equivalents, ending	$ 1,573,665	$ 255,904

The accompanying notes are an integral part of these financial statements

1. INCORPORATION AND CONTINUANCE OF OPERATIONS:

Titus Capital Corp. (the "Company") was incorporated under the British Columbia Business Corporations Act on February 17, 2010 and is classified as a Capital Pool Company as defined in Policy 2.4 of the TSX Venture Exchange (the "Exchange").

The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or business for future investment, with the exception that up to 30% of the gross proceeds or $210,000, whichever is less, may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company. These restrictions apply until completion of a Qualifying Transaction ("QT") by the Company as defined under the policies of the Exchange.

These unaudited condensed consolidated interim financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at February 29, 2012 the Company had not completed its QT and is not able to finance day to day activities through operations. The Company's continuation as a going concern is dependent upon its ability to complete a QT and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION

Statement of compliance and conversion to International Financial Reporting Standards

The interim financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). Therefore, these financial statements comply with International Accounting Standard ("IAS") 34 "Interim Financial Reporting".

The same accounting policies and methods of computation were followed in the preparation of these interim condensed financial statements for the three month period ended August 31, 2011.

3. STANDARDS ISSUED BUT NOT YET APPLIED

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee that are mandatory for accounting periods beginning after January 1, 2012 or later periods.

The following new standards, amendments and interpretations that have not been early adopted in these financial statements, is not expected to have a material effect on the Company's future results and financial position:

a) IFRS 9 Financial Instruments (New; to replace IAS 39 and IFRIC 9);

b) IFRS 10 Consolidated Financial Statements (New; to replace consolidation requirements in IAS 27 (as amended in 2008) and SIC-12);

c) IFRS 11 Joint Arrangements (New; to replace IAS 31 and SIC-13);

d) IFRS 12 Disclosure of Interests in Other Entities (New; to replace disclosure requirements in IAS 27 (as amended in 2008), IAS 28 (as revised in 2003) and IAS 31);

e) IFRS 13 Fair Value Measurement (New; to replace fair value measurement guidance in other IFRSs);

f) IAS 1 Presentation of Financial Statements, (Amendments regarding Presentation of Items of Other Comprehensive Income);

g) IAS 19 Employee Benefits (Amended in 2011);

3. STANDARDS ISSUED BUT NOT YET APPLIED (continued)

h) IAS 27 Separate Financial Statements (Amended in 2011);

i) IAS 28 Investments in Associates and Joint Ventures (Amended in 2011); and

j) IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine (New).

4. SHARE CAPITAL

(a) Authorized:

Unlimited number of voting common shares without nominal or par value.

(b) Issued common shares:

	Number of Shares	Amount $
Balance on inception	-	-
Issued for cash by private placement	2,800,000	140,000
Balance, May 31, 2010	2,800,000	140,000
Issued for cash in initial public offering	2,500,000	180,655
Issued for cash by private placement	7,425,000	1,346,731
Balance, May 31, 2011 and February 29, 2012	12,725,000	1,667,386

(c) Shares held in escrow:

Under the requirements of the Exchange, 2,800,000 common shares are held in escrow and will be released in stages over a period of three years from the date of acceptance by the Exchange of the Company's QT.

(d) Warrants

As at February 29, 2012, 695,200 warrants are outstanding with a weighted average life and weighted average exercise price of 0.8 years and $0.16, respectively.

(e) Stock Options:

The Company has established a stock option plan for its directors, officers and technical consultants under which the Company may grant options to acquire a maximum number of common shares equal to 10% of the total issued and outstanding common shares of the Company.

During the year ended May 31, 2011, the Company granted a total of 200,000 options to the directors and officers of the Company. The options are exercisable at a price of $0.15 per share for a period of five years following the date of issue.

The fair value of these options at the date of grants was $5,926 and was estimated using the Black-Scholes options pricing model with the following weighted average assumptions: expected life of five years, risk-free interest rate of 2.68%; expected dividend yield of 0% and an expected volatility of 100%.

The weighted average life and weighted average exercise price of the options are 3.51 years and $0.15, respectively.

5. RELATED PARTY TRANSACTIONS

During the nine months ended February 29, 2012, the Company paid or accrued fees for office services of $22,500 (2010 - $Nil) to a company controlled by a director.

6. FINANCIAL INSTRUMENTS

Fair Value Measurement

The Company classifies the fair value of financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument:

- Level 1 – quoted prices in active markets for identical assets or liabilities.
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e.: as prices) or indirectly (i.e. derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data.

All of the Company's financial instruments that are held at fair value are categorized as Level 1. Amounts receivable and trade and other payables are held at carrying value which approximates fair value due to the short-term nature of these instruments.

Financial Instrument Risk Exposure

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes.

Credit Risk

Credit risk arises from the potential for non-performance by counterparties of contractual financial obligations. The Company's exposure to credit risk is on its cash and amounts receivable. The Company reduces its credit risk by maintaining its bank accounts at a large international financial institution. The maximum exposure to credit risk is equal to the fair value or carrying value of the Company's financial assets.

Liquidity Risk

The Company's cash is invested in business accounts and is available on demand. Management has concluded that the Company has adequate financial resources to settle obligations as at February 29, 2012.

Market Risk

The only significant market risk to which the Company is exposed is interest rate risk. The Company's cash earns interest at variable rates. The fair value of its portfolio is relatively unaffected by changes in short-term interest rates as a result of the short-term nature of these instruments. The Company's future earned interest is exposed to short-term rates.

7. MANAGEMENT OF CAPITAL

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern such that it can continue to provide returns for shareholders and benefits for other stakeholders. The Company considers the items included in shareholders' equity as capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions, business opportunity and the risk characteristics of the underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares or return capital to its shareholders. The Company is not exposed to externally imposed capital requirements.