CURRENCY EXCHANGE INTERNATIONAL

2011 Annual Report

CXI CURRENCY EXCHANGE INTERNATIONAL

Financial Highlights 2011

	Twelve Months Ended September 30, 2011	Nine Months Ended September 30, 2010	Twelve Months Ended December 31, 2009
Exchange Volume	$409,351,138	$115,654,277	$154,457,661
Revenues	$8,683,705	$3,407,289	$3,747,899
Operating Income	$2,796,779	$269,298	$385,189
Number of Shares Outstanding	2,492,068*	1,058,950	883,000
Total Assets	$9,914,292	$5,007,511	$3,928,493
Stockholder's Equity	$6,159,338	$3,343,392	$1,982,643

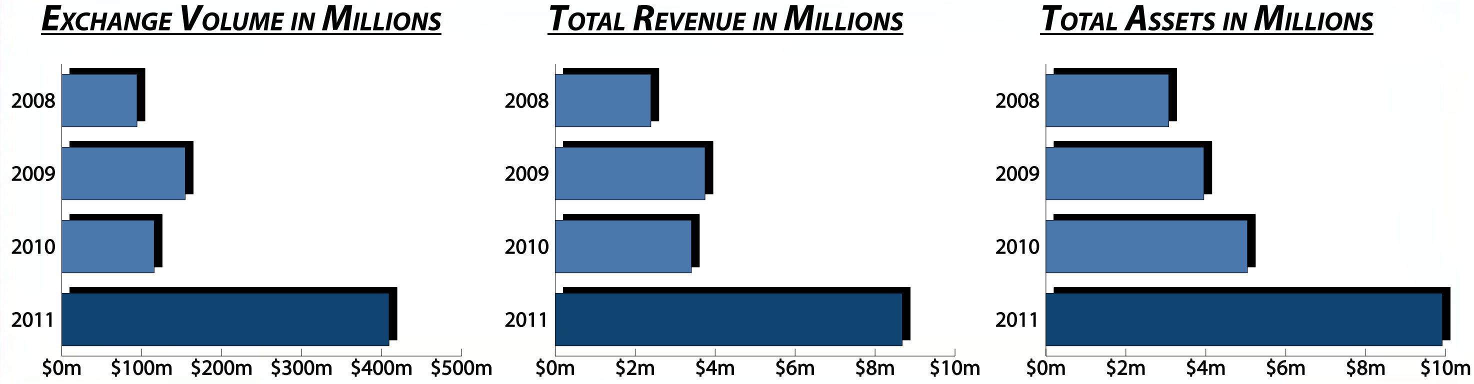
*After 2 for 1 stock split.

On June 28, 2011, the company's shares were split at a 2:1 basis, in anticipation of the Company becoming publicly traded on the Toronto Stock Exchange (TSX:CXI). The Number of Shares Outstanding as of September 30, 2011 was 2,492,068 after accounting for the share split.

At the same time, Currency Exchange International opted to unify its marketing under the new CXI brand.

Key Ratios

Earnings Per Share	Return on Assets	Debt to Equity Ratio	Expense to Income Ratio
$0.66	15%	37%	68%



CEO and Chairman of the Board

A Message To Our Shareholders

I am pleased to provide the 2011 Annual Report for Currency Exchange International ("CXI"). This was our first full year of operation with our new fiscal year end of September 30th. As a result, the audited financials in this annual report present and compare the results of the last 12 months against the previous year's results over nine months. I am proud to present herein the achievements that have been made at CXI during the 12 months since our last year end.

"CXI COMMENCED CURRENCY EXCHANGE AND INTERNATIONAL WIRE TRANSFER SERVICES FOR SEVERAL REGIONAL FINANCIAL INSTITUTIONS. THESE NEW RELATIONSHIPS...RESULTED IN AN INCREASE OF OVER $285 MILLION IN TOTAL EXCHANGE VOLUME."

During this fiscal year, CXI commenced currency exchange and international wire transfer services for several regional financial institutions. These new relationships, combined with increased volumes from many new retail and wholesale customers, resulted in an increase of over $285 million in total exchange volume compared with the previous fiscal year. Revenue growth significantly outpaced expense growth to generate income before interest and taxes of nearly $2.8 million, a tenfold increase over the previous period.

Key financial ratios across the balance sheet and income statement show that our team managed the growth during the past year with great efficiency. Compared to the previous year, total current assets increased to nearly $10 million, compared to just over $5 million at the previous year end, and total Shareholder's Equity increased from $3.3 million to $6.2 million, showing the increasingly strong financial health of the Company.

Also throughout last year, CXI's retail stores turned in strong year-over-year performances. We are pleased to report that all of the retail stores contributed to CXI's profit growth, as the investments made in previous years are clearly paying off. During 2011, CXI saw an unprecedented number of local American customers buying an assortment of currencies, many being exotic currencies like the Iraqi Dinar and the Vietnamese Dong. Due to the limited availability and higher risk of these currencies, CXI enjoyed a much larger profit margin on the exchanges. These extra profits account for a significant amount of our "above budget" performance during the 2011 fiscal year and should not be expected to be recurring in the years ahead.

Substantial resources were devoted during 2011 to further develop CXI's proprietary software, CEIFX. This web based application provides foreign currency inventory management for CXI, as well as, CXI's clients and its clients' customers. During 2011, the software was significantly enhanced to successfully process international payments, clear international checks, and included improved inventory and non-inventory currency exchange platforms. The software is extremely flexible and allows for unique customizations for a wide range of institutions. We are pleased that CXI is able to accommodate the unique needs of our large, institutional clients. CEIFX's easy to use platform incorporates all of the reporting, compliance, and risk management features that one would expect from a full service provider of international services. The system's compliance functions are at the core of the platform using its proprietary CVS (Compliance Verifications Systems) technology with special features like "Live Stop", which does live aggregating of transactions across a client's entire retail network and stops transactions live based on the rules prescribed by the institution.

2011 GROWTH

Revenue for the 12 months ended September 30, 2011 increased more than 150% over the previous fiscal year, from $3.4 million to nearly $8.7 million. During 2011, CXI increased the total number of wholesale client locations that it services from 300 to approximately 2,000 locations. Our wholesale operations provide world-class customer service, phone support, and training to our clients. CXI works continuously to identify new and better ways to offer our clients and their customers excellent service at the best possible prices.

During 2011, all of the retail locations were profitable, contributing to a large increase in Net Income. Net Income in 2011 increased impressively over the previous fiscal year, from $129,000 to nearly $1.5 million. CXI also opened two new retail locations during 2011, in the desirable markets of San Francisco and San Jose. In addition to these newly opened locations, CXI converted two retail locations with Apple Bank in Manhattan to the CXI brand, one on Avenue of the Americas and the other on 42nd Street at Grand Central Station. Retail profits are expected to continue to grow in 2012, as CXI negotiates to open new locations in attractive markets.

> ***"These investments achieve CXI and its clients' common goals of providing exceptionally responsive service in a fully transparent and compliant environment while preparing the company for the significant growth expected in the years ahead."***

Additionally during 2011, CXI continued to invest in resources and functionality to ensure that our company complies with all of the regulatory standards that apply to our business and our clients' businesses. CXI continues to make significant investments into the resources necessary to conduct our internal audit, compliance, information security, and accounting responsibilities in a manner which exceeds regulatory expectations. CXI is proud to have expanded its board from four to six members by adding several key Directors, one being a career banker with years of experience in foreign exchange at a leading global bank. These investments achieve CXI and its clients' common goals of providing exceptionally responsive service in a fully transparent and compliant environment, while preparing the company for the significant growth expected in the years ahead.

LOOKING FORWARD

CXI is prepared to experience tremendous growth in 2012. We have a strong, experienced management team to lead all areas of the company. We have contracted with many new, prestigious customers throughout the country to begin offering our services. We have many more new clients in advanced negotiations and anticipate continuing to win the business of new clients in various markets, including Canada, in the coming year.

CXI has formed a Canadian federal corporation and opened a new office in Toronto, Canada. Currency Exchange International of Canada was incorporated in October 2011 to provide service to our Canadian wholesale and financial institution clients. This opening, combined with CXI's impending public offering on the Toronto Stock Exchange, solidifies our presence in Canada and opens up many new possibilities for strategic growth and development. CXI believes that the solid foundation that we have built during the past several years combined with the vast experience of CXI's Management and Board of Directors will enable our Canadian operations to quickly become profitable.

Overall, I am extremely proud of the achievements this past year and the team of excellent employees, customers, and shareholders. The tremendous planning that has gone into preparing for the addition of many new customers across the USA and Canada should well position CXI for success for many years to come. I thank all of CXI's employees, shareholders, and customers for your continued support of Currency Exchange International. I look forward to continuing to work together in the coming years and remain available to discuss our company and its goals with you personally.

Sincerely Yours,

Randolph Pinna
CEO and Chairman of the Board

Company Profile

Board of Directors

Randolph W. Pinna
CEO and Chairman of the Board

Mark Mickleborough
Chief Legal Counsel, Board Member

Dr. Sanford Pinna
Board Member

Joe August
External Board Member

Tom Coletta
External Board Member

James White
External Board Member

Management

Matthew Schillo
COO

Wade Bracy
CFO

Stacey Prakash
Senior Vice President

Artem Garashko
Lead Programmer

Paul Ohm
Network Administrator

Catherine Shepardson
Compliance Officer

Company History

Currency Exchange International has been operating since 1997 under the direction of Randolph Pinna. Randolph was the CEO of Foreign Currency Exchange Corp. from 1987 until 2007. In 2007, Randolph acquired the existing retail business, which is now known as CXI, from the Bank of Ireland Group.

CXI has been growing steadily in the four years since separating from the Bank of Ireland Group, building a solid customer base while compiling a quality team of employees. This growth is visible throughout the company, especially in the cultivation of new and existing wholesale relationships. CXI concluded an impressive fiscal year in 2011 with over 400 corporate clients, accounting for nearly 2,000 distinct customer locations. At the same time, company owned locations and affiliate locations throughout the United States, showed marked improvements in volume and profitability. In the years to come, CXI anticipates growing rapidly by offering a full range of international services to new corporations and financial institutions, as well as continuing to establish additional retail locations in key markets.

	2011 (12 months ended September 30, 2011)	2010 (9 months ended September 30, 2010)	2009 (12 months ended December 31, 2009)	2008 (12 months ended December 31, 2008)
Wholesale Customer Locations	1983	267	190	88
Retail Outlet and Affiliate Locations	29	24	18	10

Corporate Governance

At Currency Exchange International, we strongly believe that good corporate governance is important to our long-term success and the protection of the interests of our many stakeholders.

The Board of Directors is responsible for the stewardship of the company and for supervising the management of the Company's business affairs with the goal of enhancing shareholder value. To do so, the Board of Directors has approved a set of corporate governance guidelines to promote the effective functionality of the Board of Directors, its Committees, and to set forth a common set of expectations as to how the Board and the Company should manage its affairs and perform its responsibilities.

The CXI Board has several Committees that assist the Board with its responsibilities. These Committees include:

(1) **The Audit Committee:**
- assists in the oversight of the integrity of financial statements and compliance with legal and regulatory requirements;
- reviews risk management policies of the company's management;
- ensures the qualifications, independence, and performance of the independent auditors and CXI's internal audit function.

(2) **The Compensation Committee:**
- recommends the members of the Senior Management of the Company and their compensation.
- recommends the compensation of the members of the Board of Directors;

(3) **The Nominating & Corporate Governance Committee:**
- reviews the Company's Corporate Governance policies and practices and recommend updates;
- reviews governance disclosure in annual proxy and information circular;
- monitors Board composition, performance, recommends actions to maintain effective Board structure, and recommends Committee compositions.

(4) **The Disclosure Committee:**
- ensures timely, complete, and factual disclosure is disseminated as widely as necessary;
- approves releases of information, and supports adherences to insider trading reporting and rules.

Corporate Governance Structure of CXI

CXI CEIFX

Functionality

CEIFX is CXI's customizable web based software. CEIFX accommodates foreign currency, foreign and U.S. travelers checks, foreign check clearing, and wire transfers. It is extremely flexible and allows for unique customizations for its many different deployment needs.

Viewed as a leading application in currency exchange, the CEIFX software continues to drive interest with new and potential customers. The core features allow for fully customized setups, compliance integration, instinctual GUI, user management, and reporting capabilities. Along with a development cycle that allows for new features and requests to be fulfilled quickly, the system has continuously proven to drive interest in the company as a whole.

Operating Environment

CEIFX currency software operates through a secure web portal available anywhere online. The web site operates in a "white label" environment, thereby allowing it to look exactly like CXI's web site or, for selected customers, to look and feel like it is the CXI client's web site. The functionality of the web site is fully customizable for each client at setup with intuitive end user interaction making FX transactions quick and easy while maintaining compliance integrity. Currently, CEIFX is being utilized in five languages (English, Spanish, German, Russian, and Japanese).

Customer/Location Management

The CEIFX software allows for CXI customers to have a variety of unique setups and relationships with their affiliates, customers, and/or with CXI directly. Therefore, a CXI customer can use the CEIFX software for its own clients by setting them up online. Their end user can transact directly online with the customer's unique client locations. The system keeps track of all necessary information, such as phone number and e-mail, as well as the customized exchange rates and permissions.

Users

CEIFX has many different types of users such as system administrator, company administrator, teller, audit user, and compliance user. Each company administrator can setup all of their own locations, employees and users and manage their own permissions as allowed by the overall system administrator. Complete user access and limitations can be determined by the company using CEIFX.

Inventory & Non-Inventory

The CEIFX system allows for a location to be either an inventory location or non-inventory location. If the location is set up as an inventory location, it can either own its inventory or be setup as an inventory on consignment location.

Reports

CEIFX is pre-programmed with all of the reports that customers commonly require, including volume, inventory, profit and loss reports and compliance reports. Custom reports can be built in at the installation customization meeting.

"The online system with CXI is very user friendly and has all the functionality needed. We were able to implement their system in a short period of time and with little training. Great customer service."

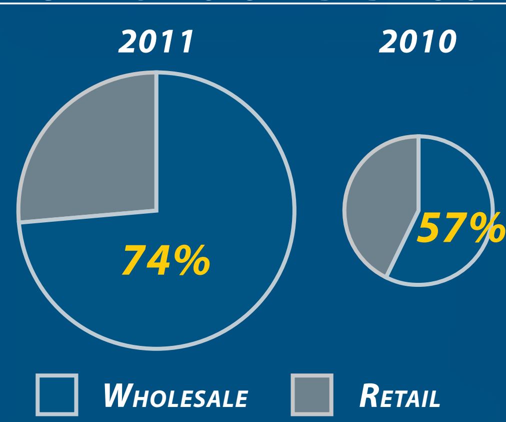
William Gambon Jr - Senior Vice President
Century Bank

Wholesale

EXPANSION TO FINANCIAL INSTITUTIONS

CXI has invested considerable resources into building its online trading platform, expanding and enhancing its operations, and developing a thorough compliance program in order to be able to service financial institutions throughout North America. In 2011, those expenditures proved to be well placed, as CXI won the service contracts of many banks throughout the United States and Canada. CXI added over 1,600 new bank locations, increasing not only its client base but also exchange volume and profits.

EXCHANGE VOLUME BY DIVISION

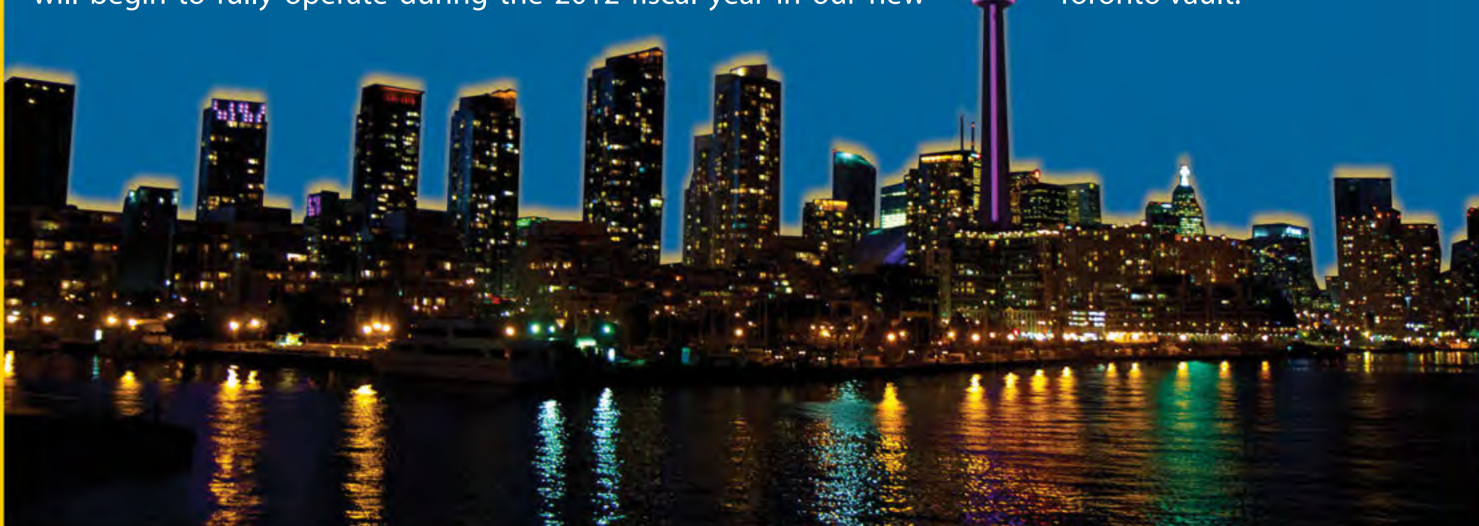


CXI's wholesale exchange volume raced to 74% of the company's total banknote volume in 2011.

EXPANSION INTO CANADA

During the third quarter, CXI expanded its Board to bring on new members with diverse and strategic backgrounds. CXI now has three Board Members in Toronto and this will greatly benefit the company as it continues to plan its IPO on the Toronto Stock Exchange. The Board believes that the additional equity and prominence of trading on a large stock exchange are necessary in order for the company to continue to manage its growth and continue providing services to large financial institutions. Upon completion of the offering, the company will be traded under the symbol "CXI."

Additionally, CXI's presence in Canada has opened the doors for CXI to service financial institutions and wholesale clients throughout Canada. As such, CXI has formed a subsidiary in Canada which will begin to fully operate during the 2012 fiscal year in our new Toronto vault.



2011 In Review

Retail

CXI opened inside the Westfield San Francisco Centre as one of four new locations in 2011.

Two New York based retail locations opened in the heart of Manhattan in 2011 .

For the fourth consecutive year, CXI has experienced outstanding growth in its retail volume. The expansion of the retail network in new and established markets has attributed to the increasingly strong retail division. Confirming CXI's stance that investing in new branch locations will reap positive return, all of CXI's branches opened prior to 2011 have become profitable and have created a foothold in each market.

In 2011, CXI has continued its current strategy of maintaining solid growth in expanding its retail locations. After reviewing the California markets, the company opened two new locations, in downtown San Francisco's Westfield Centre and the San Jose area's Great Mall. CXI was able to staff the new locations with experienced employees from CXI's team, which proved to be a tremendous asset as they blitzed the new markets, raising awareness of their branch. Combined with the benefit of less dedicated training, this has been a successful opening strategy.

Accompanying the two newly opened locations in California, CXI opened two locations in New York City. These branches are optimally located in Midtown Manhattan, an area CXI had wholesale relationships previously. These locations were immediately profitable for CXI, have an established clientele, and CXI's focused marketing in the area has paid dividends. With its higher margins and fee income, the retail division provides a complimentary unit to the Company's wholesale division. CXI will continue to explore new possible branch locations in the coming years.

Management's Discussion and Analysis of Financial Condition and Results of Operations

Annual Financial Commentary – Fiscal Year 2011

The following discussion and analysis provides a review of the activities and a comparison of the results of retail and wholesale operations of Currency Exchange International (CXI) for the twelve months ended September 30, 2011 and a comparison of the retail and wholesale operations for the nine months ended September 30, 2010. The difference in periods is due to the fact that CXI changed from a calendar year to a fiscal year and for comparison purposes we are required to compare a full year of audited transactions in 2011 against the 2010 fiscal year. This discussion should be read in conjunction with the financial statements and accompanying notes.

Overview of Company

The Corporation specializes in providing retail and wholesale currency exchange and related products to banks as a third party vendor, to travel companies, and to retail clients through its 29 company owned or affiliate retail locations, throughout North America, by utilizing the Corporation's proprietary online software system, CEIFX.

The corporation has the following sources of revenues which are segmented in to commissions and fees:

- commission revenue comprised of the spread between the cost of foreign currency and the proceeds received from the sale of such currencies. The amount of this spread is based on competitive conditions and the convenience and value added services offered, particularly through CEIFX:

- fee revenue comprising the following:

  a) international banking services fees, including foreign currency (banknote) exchange, foreign travelers checks, foreign drafts, and foreign wire transfers;

  b) licensing fees derived from licensing CEIFX; and

  c) ancillary fees from the sale of telephone cards, attraction tickets, travel reservations and other travel related products and services through wholly owned and affiliate retail locations.

The sources of revenue are complementary and inter-dependent and, therefore, it is not practical or useful to consider them separately, particularly given the early stage of the business of the Corporation. The following are some of the characteristics of the Corporation's revenue streams:

- the retail business has higher margins but the wholesale business has greater scale and can be expanded more quickly. The retail businesses involve greater care in selection of locations and require comparatively more management time;

- the retail locations generally act as a net buyer of foreign currency whereas the wholesale business acts as a net seller. When the retail and wholesale businesses are in sufficiently close proximity, excess currency collected via retail customers can be redeployed to wholesale customers which eliminates the need to source currency through wholesale sources at a greater cost;

- exotic currencies have higher profit margins than other currencies;

- there has been a trend of increasing foreign currency purchases on a per customer basis, presumably in order to avoid currency fluctuation risks perceived to be associated with U.S. dollars;

- affiliated retail locations in high traffic locations can be lucrative as there are no occupancy costs or payroll. Essentially, foreign exchange currency is placed with retail locations on a consignment basis; and

- the sale of telephone cards, attraction tickets, travel reservations and other travel related products and services through wholly owned and affiliate retail locations is complementary to currency exchange, but also generates high profit margins.

The Corporation's largest assets are cash and inventory (i.e. foreign cash). The cash position consists of U.S. dollar inventory held at its retail and affiliate stores to facilitate the buying and selling of foreign currency. Inventory consists of highly liquid foreign currency held at the Corporation's vault, retail outlets, affiliate stores, or inventory in transit between the Corporation and its locations, available to trade on a retail or wholesale basis. The Corporation also has traditional foreign currency bank deposits which act as reserves to maintain operations and to facilitate currency transactions at various financial institutions.

Accounts receivable consist primarily of bulk wholesale transactions where the Corporation is awaiting payment. Receivables are highly liquid and typically have a settlement time of two business days with most buyers being banks.

Accounts payable consist mainly of wholesale currency transactions where the Corporation receives currency from a wholesale supplier and then remits payment at a later date.

Selected Financial Information

	Twelve Months Ended September 30, 2011 (Audited) (US$)	Nine Months Ended September 30, 2010 (1) (Audited) (US$)	Years Ended December 31,	
			2009 (Audited) (US$)	2008 (Audited) (US$)
Revenue	8,683,705	3,407,289	3,747,899	2,393,444
Net Operating Income	2,796,779	269,298	385,189	14,746
Net Income & Comprehensive Income	1,489,686	129,098	215,486	37,875
Earnings Per Share (2)	.66	0.07	0.12	0.03
Total Assets	9,914,292	5,007,511	3,928,493	3,074,816
Total Long Term Financial Liabilities	208,619	739,284	516,671	Nil

Notes:

(1) The Corporation changed its year-end to September 30, and reported on the nine months ended September 30, 2010 as a transition year.

(2) Adjusted for a 2:1 share split effective June 28, 2011.

Results of Operations

Twelve Months Ended September 30th, 2011

The Corporation's total revenue for the twelve month period ended September 30, 2011 was US$8,683,705 compared to US$3,407,289 for the nine month period ended September 30, 2010. The commissions from trading increased to US$7,780,555 and the fee income increased to US$903,150, as compared to US$2,924,157 and US$483,132, respectively, for the nine months ended September 30, 2010. The increase in trading commissions can be attributed to retaining new financial institution customers during the period, which is higher volume but lower margin business, as well as the increased sale of exotic currencies at relatively lower volumes but higher margins. For instance, the Corporation has noted increased purchases of Iraqi Dinars, which is a source of high margin currency trades. The increase in fee income reflects the addition of new retail and wholesale customers. Fee income generally exhibits growth that correlates to the Corporation's increase in its customer base.

For the twelve month period ending September 30, 2011, operating expenses were US$5,886,926 (nine months ended September 30, 2010 - US$3,137,991), the main components of which were salary, rent, shipping, professional fees, insurance and other expenses. These expenses are expected levels of overhead to support the current volume of activity. Net operating income was US$2,796,779 (nine months ended September 30, 2010 – US$269,928).

Other income and expenses were comprised of interest income, accretion expense, unrealized loss on a forward contract, interest expense and loss on disposal of equipment. Interest income of US$546 for the twelve months ended September 30, 2011 (nine months ended September 30, 2010 - US$201) relates to interest income on surplus cash balances and such income was minimal during the period as surplus cash was deployed in the business and prevailing interest rates were relatively low. Accretion expense of US$45,239 for the twelve months ended September 30, 2011 (nine months ended September 30, 2010 - US$Nil) relates to the currency exchange expense arising from the net present value of a $2,000,000 senior promissory note. Unrealized loss on a forward contract of US$175,847 for the twelve months ended September 30, 2011 (nine months ended September 30, 2010 - US$Nil) relates to a loss on a US dollar forward contract purchased to establish a currency exchange rate to pay a $2,000,000 senior promissory note. This loss is entirely offset by an unrecorded gain on this loan of US$188,457. Interest expense of US$141,648 for the twelve months ended September 30, 2011 (nine months ended September 30, 2010 - US$52,171) has increased as a result of increased business activity and the need to rely on external borrowings to fund the increased currency inventory. In addition, the Corporation realized a gain on the disposal of non-core equipment for the twelve months ended September 30, 2011 of US$1,000 (nine months ended September 30, 2010 - US$Nil). Income tax expense for the twelve months ended September 30, 2011 of US$945,905 (nine months ended September 30, 2010 - US$88,230) is a total of U.S. federal income tax as well as various state and municipal taxes for the jurisdictions in which the Corporation operates. Net income for the twelve months ended September 30, 2011 was US$1,489,686 (nine months ended September 30, 2010 – US$129,098).

CURRENCY EXCHANGE INTERNATIONAL, CORP.

Financial Statements
As at September 30, 2011 and 2010 and for the year ended September 30, 2011, nine-month period ended September 30, 2010, and year ended December 31, 2009
(Expressed in U.S. Dollars)

CURRENCY EXCHANGE INTERNATIONAL, CORP.

Financial Statements
As at September 30, 2011 and 2010 and for the year ended September 30, 2011, nine-month period ended September 30, 2010, and year ended December 31, 2009
(Expressed in U.S. Dollars)

TABLE OF CONTENTS

McGovern, Hurley, Cunningham, LLP
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Currency Exchange International, Corp.

We have audited the accompanying financial statements of Currency Exchange International, Corp., which comprise the statements of financial position as at September 30, 2011 and 2010, and the statements of income and comprehensive income, statements of changes in equity and statements of cash flows for the year ended September 30, 2011, the nine-month period ended September 30, 2010, and the year ended December 31, 2009, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of Currency Exchange International, Corp. as at September 30, 2011 and 2010, and its financial performance and its cash flows for the year ended September 30, 2011, the nine-month period ended September 30, 2010, and the year ended December 31, 2009 in accordance with International Financial Reporting Standards.

McGOVERN, HURLEY, CUNNINGHAM, LLP

McGovern, Hurley, Cunningham, LLP

Chartered Accountants
Licensed Public Accountants
TORONTO, Canada
January 17, 2012

2005 Sheppard Avenue East, Suite 300, Toronto, Ontario, Canada, M2J 5B4
Telephone: (416) 496-1234 – Fax: (416) 496-0125 – E-Mail: info@mhc-ca.com – Website: www.mhc-ca.com

CURRENCY EXCHANGE INTERNATIONAL, CORP.
Statements of Financial Position
(Expressed in U.S. Dollars)

	September 30, 2011	September 30, 2010
ASSETS	$	$
Current assets		
Cash and cash equivalents	8,588,662	3,209,206
Accounts receivable	239,933	818,967
Subscription receivable (Note 15)	-	500,150
Restricted cash held in escrow (Note 3)	99,518	38,407
Other current assets (Note 19)	480,025	136,010
Total current assets	9,408,139	4,702,740
Property and equipment (Note 5)	356,112	213,418
Intangible assets (Note 6)	134,301	64,790
Other assets	15,740	26,563
Total assets	9,914,292	5,007,511
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable	775,372	349,647
Accrued expenses	288,970	233,275
Income taxes payable	134,316	-
Deferred rent	28,423	28,423
Shareholder loan payable (Note 11)	167,010	206,630
Short-term note payable (Note 10)	1,865,180	-
Current portion of notes payable (Note 9)	111,217	106,860
Forward contract liability (Note 13)	175,847	-
Total current liabilities	3,546,335	924,835
Long term liabilities		
Deferred tax liability (Note 7)	97,695	18,000
Convertible debentures (Note 9)	-	500,004
Notes payable, net of current portion (Note 9)	110,924	221,280
Total liabilities	3,754,954	1,664,119
Equity		
Share capital (Note 15)	2,492,068	1,058,950
Equity reserves (Note 15)	1,847,842	1,954,700
Retained earnings	1,819,428	329,742
Total equity	6,159,338	3,343,392
Total liabilities and equity	9,914,292	5,007,511

Commitments and Contingencies (Notes 4 and 20)

Subsequent events (Note 20)

Approved on behalf of the Board of Directors:

(Signed) "Mark D. Mickleborough"	(Signed) "Joseph August"
Mark D. Mickleborough, Director	Joseph August, Director

See accompanying notes to the financial statements.

CURRENCY EXCHANGE INTERNATIONAL, CORP.
Statements of Income and Comprehensive Income
(Expressed in U.S. Dollars)

	Year Ended September 30, 2011	Nine Months Ended September 30, 2010	Year Ended December 31, 2009
	$	$	$
Revenues			
Commissions from trading	7,780,555	2,924,157	3,248,291
Fee income	903,150	483,132	499,608
Total revenues	8,683,705	3,407,289	3,747,899
Operating expenses (Note 17)	5,886,926	3,137,991	3,362,710
Net operating income	2,796,779	269,298	385,189
Other income (expense)			
Rent income	-	-	10,154
Interest income	546	201	9,518
Miscellaneous income	-	-	289
Unrealized loss on forward contract liability (Note 13)	(175,847)	-	-
Accretion expense	(45,239)	-	-
Interest expense	(141,648)	(52,171)	(34,568)
Gain (loss) on disposal of equipment	1,000	-	(1,720)
Total other (expense)	(361,188)	(51,970)	(16,327)
Net income before income taxes	2,435,591	217,328	368,862
Income tax (expense) (Note 7)	(945,905)	(88,230)	(153,376)
Net income and comprehensive income	1,489,686	129,098	215,486
Earnings per share - basic and diluted (Note 16)	$0.66	$0.07	$0.12

See accompanying notes to the financial statements.

CURRENCY EXCHANGE INTERNATIONAL, CORP.
Statements of Changes in Equity
For the year ended September 30, 2011, nine-month period ended September 30, 2010, and year ended December 31, 2009
(Expressed in U.S. Dollars)

	Share Capital		Equity	(Deficit) Retained	
	Shares	Amount	Reserves	Earnings	Total
	#	$	$	$	$
Balance at December 31, 2008	1,756,000	878,000	869,000	(5,078)	1,741,922
Issuance of common shares for services (Note 15)	8,000	4,000	24,000	-	28,000
Issuance of common shares for cash (Note 15)	2,000	1,000	6,000	-	7,000
Distribution of S-Corporation earnings (Note 2)	-	-	-	(9,764)	(9,764)
Net income	-	-	-	215,486	215,486
Balance at December 31, 2009	1,766,000	883,000	899,000	200,644	1,982,644
Issuance of common shares for cash (Note 15)	351,900	175,950	1,055,700	-	1,231,650
Net income	-	-	-	129,098	129,098
Balance at September 30, 2010	2,117,900	1,058,950	1,954,700	329,742	3,343,392
Issuance of common shares for cash (Note 15)	81,500	40,750	283,506	-	324,256
Issuance of common shares for services (Note 15)	1,000	500	1,500	-	2,000
Issuance of common shares from debenture conversion (Note 15)	291,668	145,834	854,170	-	1,000,004
Stock split (Note 15)	-	1,246,034	(1,246,034)	-	-
Net income	-	-	-	1,489,686	1,489,686
Balance at September 30, 2011	2,492,068	2,492,068	1,847,842	1,819,428	6,159,338

See accompanying notes to the financial statements.

CURRENCY EXCHANGE INTERNATIONAL, CORP.
Statements of Cash Flows
(Expressed in U.S. Dollars)
Year ended September 30, 2011, nine-month period ended September 30, 2010, and year ended December 31, 2009

	Year Ended September 30, 2011	Nine Months Ended September 30, 2010	Year Ended December 31, 2009
Cash flows from operating activities	$	$	$
Net income	1,489,686	129,098	215,486
Adjustments to reconcile net income to net cash flows from operating activities:			
Stock based compensation (Note 15)	2,000	-	28,000
Allowance for bad debt	-	11,173	-
Amortization	152,481	98,351	82,783
(Gain) loss on sale of equipment	(1,000)	-	1,720
Increase (decrease) in cash due to:			
Decrease (increase) in accounts receivable	579,034	(465,448)	(34,587)
(Increase) in other assets	(333,192)	(24,227)	(70,645)
(Increase) decrease in restricted cash held in escrow	(61,111)	(11,319)	494,177
Increase (decrease) in accounts payable, accrued expenses, income taxes payable, deferred tax liability and deferred rent	695,430	56,508	(149,516)
Net cash flows used in operating activities	2,523,328	(205,864)	567,418
Cash flows from investing activities			
Purchases of property and equipment	(282,832)	(70,461)	(186,884)
Purchases of intangible assets	(81,854)	(67,347)	-
Proceeds from sale of equipment	1,000	-	500
Sale of certificate of deposit	-	-	52,409
Net cash flows used in investing activities	(363,686)	(137,808)	(133,975)
Cash flows from financing activities			
Exercise of stock options	20,000	-	-
Proceeds from issue of common shares	304,256	731,500	7,000
Proceeds from issuance of convertible debenture	500,000	-	500,004
Decrease in subscription receivable	500,150	-	-
(Repayment) on term loan	(105,999)	(92,693)	(33,333)
Borrowings on term loan	-	354,167	100,000
(Repayment) borrowings on notes payable (Note 9 (c))	-	(400,000)	400,000
(Repayment) borrowings on line of credit	-	(250,000)	6,587
Borrowings on short-term note payable	2,041,027	-	-
Proceeds of shareholder loan payable	192,771	715,154	19,885
Repayment of shareholder loan payable	(232,391)	(664,864)	(223,214)
Distributions to shareholder (Note 2)	-	-	(9,764)
Net cash flows provided by financing activities	3,219,814	393,264	767,165
Net change in cash and cash equivalents	5,379,456	49,592	1,200,608
Cash and cash equivalents, beginning of period	3,209,206	3,159,614	1,959,006
Cash and cash equivalents, end of period	8,588,662	3,209,206	3,159,614

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash paid during the period for income taxes	697,261	142,637	35,821
Cash paid during the period for interest	80,954	54,037	28,680

SUPPLEMENTAL NONCASH INVESTING AND FINANCING ACTIVITIES

Conversion of convertible debentures (Note 9(a))	1,000,004	-	-
Common shares issued for subscription receivable (Note 15)	-	(500,150)	-
Cash and cash equivalents are comprised of:			
Cash	8,588,662	3,209,206	3,159,614
Cash equivalents	-	-	-

1. Nature of Operations, Basis of Presentation and Change in Reporting Period

Nature of Operations
Currency Exchange International, Corp. (the "Company") is a Florida Corporation formed on October 19, 2007. The Company operates as a money service business and provides currency exchange, wire transfer, and cheque cashing services at its locations throughout North America. The Company currently maintains a head office as well as 18 branch locations. The Company's registered and head office is located at 4901 Vineland Road, Suite 580, Orlando, Florida 32811, United States of America and substantially all of the Company's operating expenses are incurred in the United States. Effective January 1, 2010, the Company changed its fiscal year end from December 31 to September 30.

Basis of Presentation
The financial statements of the Company were prepared in accordance 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"). The accounting policies set out below in Note 2 have been applied consistently to all periods presented in these financial statements.

The functional and presentational currency of the Company's financial statements is the U.S. dollar. These financial statements have been prepared on a historical cost basis except for certain financial instruments. In addition these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Use of Estimates
The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates
Significant assumptions about the future that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- the recoverability of accounts receivable;
- management's estimate of the useful lives and impairment assessment for property and equipment and intangible assets;
- management's impairment assessments for other current assets;
- valuation of the equity and liability components of convertible debentures;
- estimates for provisions;
- valuation of share-based payments;
- valuation of forward contract liability;
- valuation of the short-term note payable and all such related items;
- accrued expense provisions; and
- management's position that there are no income tax considerations required within these financial statements, with exception to those discussed in Note 2 and Note 7.

2. Significant Accounting Policies

Cash and cash equivalents
Cash and cash equivalents includes, but are not limited to:

- local and foreign currency notes;
- local and foreign monies held in tills and vaults;
- local and foreign monies in transit;
- local and foreign monies in branches and/or distribution centers;
- bank accounts; and
- term deposits with financial institutions with an original maturity of less than three months.

Foreign cash is recorded at market value based on foreign exchange rates as at September 30, 2011 and 2010, respectively.

Accounts Receivable
Trade accounts receivable are stated net of an allowance for doubtful accounts. Management estimates the allowance based on an analysis of specific customers, taking into consideration the age of past due accounts and an assessment of the customer's ability to pay. The Company does not accrue interest on past due receivables. Management determined that the allowance for doubtful accounts was $Nil and $11,173 as of September 30, 2011 and 2010, respectively.

Postage and Delivery Costs
Postage and delivery costs billed to customers is considered sales revenue and the related costs are included in operating expenses.

Revenue Recognition
Foreign currency income is the difference between the cost and selling price of currency (foreign currency margin) and the revaluation of open foreign exchange positions to market value, together with commissions on the sale and purchase of currencies, and the net gain or loss from foreign currency forward contracts used to offset the changes in foreign currency balances. These revenue streams are all reflected in commissions from trading and are recognized at the time each transaction takes place or at the end of each period when revaluations of foreign exchange positions take place.

Fee income includes fees collected on cheque cashing, wire transfers, and currency exchange transactions. Fee income is recognized when the transaction is made, on a trade date basis.

Foreign Currencies
Transactions denominated in foreign currencies are translated at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated at the rates at that date. Exchange gains and losses, which arise from normal trading activities, are included in operating expenses in the statement of income and comprehensive income as incurred.

2. Significant Accounting Policies (continued)

Foreign Currency Forward Contracts
Foreign currency forward contracts are recognized on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. The instrument is derecognized from the statement of financial position when the contractual rights or obligations arising from that instrument expire or are extinguished. Foreign currency forward contracts are recognized at fair value. The gain or loss on fair value is recognized immediately in the statement of income and comprehensive income.

Income Taxes
For the period January 1, 2008 to September 30, 2008, the Company elected to be taxed under the provisions of Subchapter S of the Internal Revenue Code. Accordingly, the financial statements do not include a provision for income taxes for this period. Instead, its earnings and losses are included in the shareholders' personal income tax returns and are taxed based on the shareholders' personal tax strategies. On October 1, 2008, with the consent of its shareholders, the Company elected to revoke its status as an S Corporation under the Internal Revenue Code. Distributions of $9,764 in 2009 are post termination period distributions of S Corporation earnings prior to effective termination of the S-Corporation election on September 30, 2008.

Current income tax assets and liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the statement of financial position date.

Deferred income taxes are calculated using the liability method on temporary differences. Deferred tax is generally provided on the difference between the carrying amounts of assets and liabilities and their tax bases. Tax losses available to be carried forward as well as other income tax credits are assessed for recognition as deferred tax assets.

Deferred tax assets and liabilities are calculated, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted at the statement of financial position date. This provision is not discounted. Deferred tax liabilities are always provided for in full. Deferred tax assets are recognized to the extent that it is probable that they will be able to be offset against future taxable income.

Management bases its assessment of the probability of future taxable income on the Company's latest approved forecasts, which are adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. The specific tax rules in the numerous jurisdictions in which the Company operates are also carefully taken into consideration. If a positive forecast of taxable income indicates the probable use of a deferred tax asset that deferred tax asset is recognized in full. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

Changes in deferred tax assets or liabilities are recognized as a component of tax expense in the statement of income and comprehensive income, except where they relate to items that are charged or credited directly to equity in which case the related deferred tax is also charged or credited directly to equity.

2. Significant Accounting Policies (continued)

Leases
The Company has entered into operating leases. Payments on operating lease agreements are recognized in expense on a straight-line basis. Associated costs, such as maintenance and insurance, are expensed as incurred.

Property and Equipment
Property and equipment are initially recorded at cost and amortized over its estimated useful life. Cost includes expenditure which is directly attributable to bringing the asset into working condition for its intended use.

Amortization is calculated on a straight line basis, as follows:

Vehicles	3 years
Computer equipment	3 years
Furniture and equipment	3 years
Leasehold improvements	over the term of the lease

When parts of an asset have different useful lives, amortization is calculated on each separate part. In determining the useful lives of the component parts, the Company considers both the parts' physical and technological life limitations. Estimates of remaining useful lives and residual values are reviewed annually. Changes in estimates are accounted for prospectively.

Provisions
Provisions are recognized when (a), the Company has a present obligation (legal or constructive) as a result of a past event, and (b), it is probably that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of income and comprehensive income net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Convertible Debentures
Convertible debentures are debt obligations that may be converted to share capital at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value.

The liability component of the convertible debenture is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

2. Significant Accounting Policies (continued)

Intangible Assets
Intangible assets are comprised of internally developed software and various modules relating to this software. Costs related to the development of software prior to technological feasibility are expensed. Once the Company concludes that technological feasibility has been obtained, all subsequent development costs are capitalized and reported at cost less any accumulated amortization and any accumulated losses.

Amortization is calculated on a straight line basis over the estimated useful life of 5 years.

Impairment of Assets
For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash generating units). As a result, some assets are tested individually for impairment and some are tested at a cash generating unit level.

An impairment loss is recognized for the amount by which the asset or cash generating unit's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of fair value less costs to sell and value in use. In order to calculate fair value, the Company estimates the discounted present value of future cash flows, plus terminal value.

Impairment losses for cash generating units reduce first the carrying amount of any goodwill allocated to that cash generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash generating unit. Non-financial assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist.

The Company also assesses at each statement of financial position date whether there is objective evidence that a financial asset or a group of financial assets is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and defaults in payment are considered an indication that the receivable is impaired. The carrying amount of these assets is reduced and the amount of the provision is recognized in the statement of income and comprehensive income.

Management has assessed that as at September 30, 2011 and 2010, there were no asset impairments with the exception of an allowance for receivables of $Nil and $11,173 as of September 30, 2011 and 2010, respectively.

Share-based Payments
The Company's share option plan allows employees and consultants to acquire shares of the Company. Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a graded vesting basis over the period during which the employee becomes unconditionally entitled to equity instruments, based on the Company's estimate of equity instruments that will eventually vest. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity reserves.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service. For those options that expire after vesting, the recorded value is transferred to retained earnings.

2. Significant Accounting Policies (continued)

Financial Instruments

Financial assets

Financial assets within the scope of IAS 39 *Financial Instruments: Recognition and Measurement* are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or derivatives. The Company determines the classification of its financial assets at initial recognition. All financial assets are recognized initially at fair value plus directly attributable transaction costs. The Company's financial assets include cash, accounts receivable, subscription receivable, financial instruments included in other current assets and restricted cash held in escrow, and are all classified as loans and receivables. Cash equivalents are classified as at fair value through profit or loss.

Fair value through profit and loss

Financial assets at fair value through profit or loss are initially recognized at fair value with changes in fair value recorded through income. Cash and cash equivalents are included in this category of financial assets.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

Financial liabilities

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss or other financial liabilities. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value. The Company's financial liabilities include accounts payable, accrued expenses, shareholder loan payable, notes payable and convertible debentures and are all classified as other financial liabilities. Forward contract liability is classified as fair value through profit or loss.

Other financial liabilities

Other financial liabilities are recognized initially at fair value net of any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest and any transaction costs over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or (where appropriate) to the net carrying amount on initial recognition. Other financial liabilities are derecognized when the obligations are discharged, cancelled or expired.

2. Significant Accounting Policies (continued)

Financial Instruments (continued)
Financial instruments recorded at fair value
Financial instruments recorded at fair value in the statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on 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); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As of September 30, 2011 and 2010, cash and cash equivalents held in tills and vaults are classified as Level 1 financial instruments. Forward contract liability is classified as a Level 2 financial instrument.

Earnings per Share
The Company presents basic and diluted earnings per share data for its common shares, calculated by dividing the earnings attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. The treasury stock method is used to arrive at the diluted earnings per share, which is determined by adjusting the earnings attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all warrants and options outstanding that may add to the total number of common shares. Diluted earnings per share for the periods presented do not include the effect of stock options as they are anti-dilutive..

Future Accounting Pronouncements
Certain pronouncements were issued by the IASB or the IFRIC. Many are not applicable or do not have a significant impact to the Company and have been excluded from the table below. The following standards have not yet been adopted and are being evaluated to determine their impact on the Company.

IFRS 7 *Financial instruments - Disclosures* ("IFRS 7") was amended by the IASB in October 2010 and provides guidance on identifying transfers of financial assets and continuing involvement in transferred assets for disclosure purposes. The amendments introduce new disclosure requirements for transfers of financial assets including disclosures for financial assets that are not derecognized in their entirety, and for financial assets that are derecognized in their entirety but for which continuing involvement is retained. The amendments to IFRS 7 are effective for annual periods beginning on or after July 1, 2011. The Company has not yet determined the impact of the amendments to IFRS 7 on its financial statements.

IFRS 9 *Financial Instruments* ("IFRS 9") was issued in November 2009 and contained requirements for financial assets. This standard addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments, and such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. This standard is required to be applied for accounting periods beginning on or after January 1, 2013, with earlier adoption permitted. The Company has not yet determined the impact of the amendments to IFRS 9 on its financial statements.

(Expressed in U.S. Dollars)

2. Significant Accounting Policies (continued)

Future Accounting Pronouncements (continued)

IFRS 13 *Fair Value Measurement* ("IFRS 13") converges IFRS and U.S. GAAP on how to measure fair value and the related fair value disclosures. The new standard creates a single source of guidance for fair value measurements, where fair value is required or permitted under IFRS, by not changing how fair value is used but how it is measured. The focus will be on an exit price. IFRS 13 is effective for annual periods beginning on or after January 1, 2013, with early adoption permitted. The Company has not yet determined the impact of the amendments to IFRS 13 on its financial statements.

3. Restricted Cash Held in Escrow and Other Assets

Certain of the Company's secured transactions and derivative contracts require the Company to post cash collateral or maintain minimum cash balances in escrow. The foreign currency forward contracts can be closed within a twenty-four hour period resulting in the collateral being liquidated.

The Company had the following cash collateral amounts as at September 30, 2011 and 2010:

	September 30, 2011	September 30, 2010
Restricted cash		
Collateral related to foreign currency forward contracts (Note 13)	$ 99,518	$ 38,407
Total restricted cash	$ 99,518	$ 38,407

4. Operating Leases

The Company has entered into non-cancellable operating lease agreements with terms in excess of one year for the use of certain facilities. The rent expense associated with these leases for the year ended September 30, 2011 was approximately $820,000 (nine-month period ended September 30, 2010 - $522,000, year ended December 31, 2009 - $521,000).

The following is a schedule of future minimum rental payments required under these leases for subsequent years ending September 30:

Less than one year	$ 686,720
One to five years	279,334
	$ 996,054

The Company is also responsible for its proportionate share of operating costs.

(Expressed in U.S. Dollars)

5. Property and Equipment

Property and equipment consisted of the following as at September 30, 2011 and 2010:

Cost	Vehicles	Computer equipment	Furniture and equipment	Leasehold improvements	Total
	$	$	$	$	$
Balance December 31, 2009	52,547	54,347	62,389	197,615	366,898
Additions	-	17,684	25,174	27,603	70,461
Balance September 30, 2010	52,547	72,031	87,563	225,218	437,359
Additions	16,520	16,031	13,363	236,917	282,832
Disposals	(17,500)	-	-	-	(17,500)
Balance September 30, 2011	51,567	88,062	100,926	462,135	702,691

Amortization and impairment	Vehicles	Computer equipment	Furniture and equipment	Leasehold improvements	Total
	$	$	$	$	$
Balance December 31, 2009	22,368	27,851	29,012	48,917	128,148
Amortization	13,137	16,245	17,738	48,673	95,793
Balance September 30, 2010	35,505	44,096	46,750	97,590	223,941
Amortization	12,141	20,527	20,003	87,467	140,138
Disposals	(17,500)	-	-	-	(17,500)
Balance September 30, 2011	30,146	64,623	66,753	185,057	346,579

Carrying amounts	Vehicles	Computer equipment	Furniture and equipment	Leasehold improvements	Total
	$	$	$	$	$
At September 30, 2010	17,042	27,935	40,813	127,628	213,418
At September 30, 2011	21,421	23,439	34,173	277,078	356,112

(Expressed in U.S. Dollars)

6. Intangible Assets

Intangible assets are comprised of the Company's internally developed software and its related modules. Amortization is computed on an individual product basis over the estimated economic life of the product using the straight-line method. The balance of intangible assets as of September 30, 2011 and 2010 consisted of:

	Costs	Amortization	Net Book Value
Balance December 31, 2009	$ -	$ -	$ -
Additions	67,347	2,557	64,790
Balance September 30, 2010	67,347	2,557	64,790
Additions	81,854	12,343	69,511
Balance September 30, 2011	$ 149,201	$ 14,900	$ 134,301

7. Income Taxes

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities as at September 30, 2011 and 2010 consist of the following:

	September 30	September 30	December 31
Deferred tax assets	2011	2010	2009
Accrued expenses	$ 40,176	$ 29,800	$ 14,685
Operating loss carry-forwards	-	-	5,432
Allowance for doubtful accounts	686	4,200	-
Total deferred tax asset	$ 40,862	$ 34,000	$ 20,117
Deferred tax liabilities			
Intangible assets	51,867	23,400	-
Property and equipment	86,690	28,600	34,607
Total deferred tax liability	$ 138,557	$ 52,000	$ 34,607
Net deferred tax liability	$ 97,695	$ 18,000	$ 14,490

(Expressed in U.S. Dollars)

7. Income Taxes (continued)

A reconciliation of the provision for income taxes to the amount calculated using the Company's statutory tax rate for the year ended September 30, 2011, nine-month period ended September 30, 2010 and the year ended December 31, 2009 is as follows:

	Year ended September 30, 2011	Nine months ended September 30, 2010	Year ended December 31, 2009
Net income before taxes	$ 2,435,591	$ 217,328	$ 368,862
Statutory tax rate	34%	38%	34%
Tax expense at statutory rate	828,100	82,600	125,400
Non-deductible and other amounts	117,805	5,630	27,976
Income tax expense (benefit)	$ 945,905	$ 88,230	$ 153,376

The provision for income taxes for the year ended September 30, 2011, nine-month period ended September 30, 2010 and the year ended December 31, 2009 consists of the following:

Current	**Year ended September 30, 2011**	**Nine months ended September 30, 2010**	**Year ended December 31, 2009**
Federal	$ 700,210	$ 70,320	$ 114,920
State	166,000	14,400	25,706
Benefit of tax loss carryover	-	-	(9,198)
Total current income tax expense	$ 866,210	$ 84,720	$ 131,428
Deferred	79,695	3,510	21,948
Income tax expense (benefit)	$ 945,905	$ 88,230	$ 153,376

Examinations that may be conducted by U.S. federal and state jurisdictions are governed by the statutes of limitations that are currently in force.

(Expressed in U.S. Dollars)

8. Seasonality of Operations

Seasonality is reflected in the timing of when foreign currencies are in greater or lower demand. In a normal operating year there is some seasonality to the Company's operations with higher commissions generally in the three months ended September, and fewer commissions generally in the three months ended December.

9. Debentures and Notes Payable

Debentures, loans and notes payable are comprised of the following:

	September 30, 2011	September 30, 2010	December 31, 2009
Convertible debenture-related party (a)	$ -	$ 500,004	$ 500,004
Note payable (b)	222,141	328,140	66,667
Note payable (c)	-	-	400,000
	222,141	828,144	966,671
Less: current portion	(111,217)	(106,860)	(450,000)
	$ 110,924	$ 721,284	$ 516,671

(a) In June 2009, the Company entered into a convertible debenture agreement with a shareholder of the Company for $500,004. The convertible debenture bears interest rate at 8% per annum, maturing on June 30, 2014. The debenture, which is unsecured, requires quarterly interest payments with principal due at maturity. The holder of the debenture may call the principal amount together with all accrued interest by delivering to the Company a call notice after the first anniversary and setting a call date that is not less than 150 days or more than 180 days prior to the next anniversary date. In November 2010, the call date of not less than 150 days or more than 180 days prior to the next anniversary date was amended to 212 days and 243 days respectively. The debenture can be converted to 166,668 shares of common stock at a price of $3 a share. During the year ended September 30, 2011, the Company recognized approximately $34,000 in interest costs (nine-month period ended September 30, 2010 - $30,000; year ended December 31, 2009 - $23,000).

Management has assessed as at the date of issuance of the convertible debenture that the interest rate charged approximated market rate and as a result, a nominal amount was allocated to the equity component of the convertible debenture.

(Expressed in U.S. Dollars)

9. Debentures and Notes Payable (continued)

The convertible debenture was subordinate to the line of credit from RBC Bank (USA) described in Note 10 and is subordinate to the note payable described in Note 9(b).

In October 2010, the Company entered into a convertible debenture agreement with the same individual for $500,000. The convertible debenture bears interest at 8% per annum, maturing on September 30, 2015. The debenture requires quarterly interest payments with principal due at maturity. After the third anniversary of the date of issue, the holder of the debenture may call the capital amount together with all accrued interest by delivering to the Company a call notice and setting a call date that is not less than 120 days or more than 150 days prior to the next anniversary date. The debenture can be converted to 125,000 shares of common stock at a price of $4 a share. Management has assessed as at the date of issuance of this convertible debenture that the interest rate charged approximated market value and as a result, a nominal amount was allocated to the equity component of the convertible debenture.

On June 23, 2011, the convertible debentures issued on June 2009 and October 2010, as discussed above, were converted into 166,668 and 125,000 shares, respectively.

(b) On April 17, 2009, the Company entered into a loan agreement with RBC Bank (USA). The Company borrowed $100,000 and is to repay the loan in 23 principal payments of approximately $4,000 and one final principal repayment. The Company is obligated to repay all of the accrued unpaid interest with each principal payment, accruing at the greater of the prime rate plus 1% and 4%, to a maximum of 18%.

On June 16, 2010, the Company amended this loan with RBC Bank (USA), increasing the face amount to $354,167. The amended note payable is due in monthly installments of $9,838 including interest at the greater of the prime rate plus 1% and 4%, with the final payment due on June 16, 2013. The note payable is subject to increases in interest rates upon default and is secured by the Company's foreign cash accounts, chattel paper, accounts receivable, equipment and intangibles. The provisions of this loan require that the Company comply with certain covenants.

Future principal repayments of the note payable are as follows:

Years Ending September 30,		
2012	$	111,000
2013		111,000
	$	222,000

(c) On December 17, 2009, the Company entered into a loan agreement with a shareholder of the Company for $400,000. The note payable was non-interest bearing, subordinate to the convertible debentures as discussed in Note 9(a) and due and subsequently repaid in January 2010.

10. Line of credit and short-term note payable

The Company had a $250,000 line of credit with RBC Bank (USA). The note issued against the line of credit had an interest rate at the greater of the bank's prime rate or 4%, payable monthly, and was due on July 1, 2010, and subsequently renewed to August 1, 2011. The amounts drawn were subject to increases in interest rates if payments were in default.

The note is collateralized by a first lien position on all foreign cash and accounts receivables. The provisions of the line of credit agreement require that the Company comply with certain covenants. The Company was in compliance with the covenants as at September 30, 2011 and September 30, 2010. This line of credit was paid off in full and the account was closed prior to the 2011 year-end.

On January 4, 2011, the Company entered into another line of credit for up to Cdn$5,000,000 ($5,157,000) with a company controlled by a shareholder of the Company. This additional line of credit is subordinate to all obligations of the Company. Specific repayment terms and interest rates are negotiated when drawings are made. As at September 30, 2011, the outstanding balance on this line of credit was Cdn$2,000,000 ($1,925,113), comprised of the following:

- In May 2011, the Company received a senior promissory note from a family member of a significant shareholder of the Company whereby Cdn$972,333 ($1,037,691) was received and a face amount of Cdn$1,000,000 ($1,035,090) was to be repaid in August 2011.
- On July 29, 2011, the Company received an amended senior promissory note to replace the note dated May 2011 from the same individual, whereby an additional Cdn$919,780 ($1,003,336) was lent on August 2, 2011 for an aggregate balance of Cdn$2,000,000 ($2,103,934) and will be repaid on December 1, 2011. This note is unsecured, interest free and subordinated to the debentures and notes payable as discussed in Note 9. After discounting the liability to its estimated fair value, the liability portion of the short-term note payable was Cdn$1,919,780 ($2,002,758). This liability was accreted to its face value of Cdn$2,000,000 ($1,925,113) using the effective interest rate method at a 12.5% discount rate.

11. Shareholder loan payable

From time to time, the majority shareholder, who is also an officer and director of the Company, advances funds to the Company. As at September 30, 2011, the Company owed this individual $167,010 (September 30, 2010 - $206,630, December 31, 2009 - $156,340). The balance of these advances bears interest at 5.5% per annum, is unsecured, and is due on demand.

12. Risk Management

The Company manages its capital to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, obtaining loan financing, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

The Company considers its capital to be equity, which comprises share capital, equity reserves and retained earnings, which as at September 30, 2011, totaled $6,159,338 (September 30, 2010 - $3,343,392). The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on activities related to its daily operations. Selected information is provided to the Board of Directors of the Company. The Company's capital management objectives, policies and processes have remained unchanged during the year ended September 30, 2011, the nine-month period ended September 30, 2010 and year ended December 31, 2009.

Credit Risk:
Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents and accounts receivable.

The Company maintains its cash accounts in high quality financial institutions. At various times, the Company's cash in bank balances may exceed the federally insured limits.

The Company provides credit, in the normal course of business, to customers. The Company performs ongoing credit evaluations of its customers, generally does not require collateral and maintains allowances for potential credit losses, which when realized, have been within the range of management's expectations.

Foreign Currency Price Risk:
The Company's foreign currency holdings may be volatile due to differences or changes in the political and financial environment of the corresponding issuing country. Management believes its exposure to foreign currency fluctuations is mitigated by the short-term nature and rapid turnover of foreign currency inventory, as well as their use of forward contracts to offset these fluctuations.

Liquidity Risk:
Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. Management does not feel that there is a significant risk with respect to liquidity given the nature of operations.

12. Risk Management (continued)

Interest Risk:
The Company has cash balances and debt that are subject to interest risk fluctuations. A significant portion of the Company's cash is held in foreign currencies and is not subject to interest risk. The Company's debt is subject to interest rate fluctuations as various lines of credits and loans are affected by the bank's prime rate. Management monitors the status of its loans on a consistent basis and will base financing decisions accordingly.

Sensitivity analysis:
Based on management's knowledge and experience of the financial markets, the Company believes the following movements are reasonably possible:

(i) Some cash may be subject to floating interest rates.

A fluctuation in interest may cause the line of credit as discussed in Note 10 to increase as this may be a factor in negotiations when drawings are made. A change of interest rates of plus or minus one percentage point would affect the Company's note payable as discussed in Note 9(b).

Sensitivity to a plus or minus one percentage point change in interest rates would affect the Company's reported net income and comprehensive income by approximately $1,000.

(ii) The Company holds significant balances in various foreign currencies. The Company mitigates this risk through the usage of foreign currency forward contracts. Refer to Note 13 for additional details. Because most positions are covered by these forward contracts, Management does not anticipate a material impact with respect to the fluctuation of foreign currencies.

13. Foreign Currency Forward Contracts

The Company enters into foreign currency forward contracts on a daily basis to mitigate the risk of fluctuations in the exchange rates of its major currency holdings. The forward contracts are recognized at fair value and any gain or loss is recorded daily and is included in commissions on the statements of income and comprehensive income. The Company's management strategy is to reduce the risk of fluctuations associated with foreign exchange rate changes. The foreign currency forward contracts can be closed within a twenty-four hour period resulting in the collateral being liquidated. For the year ended September 30, 2011, the change in foreign currency value resulted in a net (loss) of ($44,615) (nine-month period ended September 30, 2010 – gain of $22,627; year-ended December 31, 2009 – gain of $128,343), and the net loss from foreign currency forward contracts was $19,322 (nine-month period ended September 30, 2010 $46,634; year-ended December 31, 2009 - $86,403).

Refer to Note 3 for collateral being held on these contracts.

As at September 30, 2011, September 30, 2010, and December 31, 2009, management has assessed that the fair value of the daily foreign currency forward contracts was a nominal amount, given their short term nature.

The Company also entered into a forward currency contract for Cdn$2,000,000 ($1,925,113), maturing on December 1, 2011, to mitigate the foreign currency exchange risk relating to the short-term note payable described in Note 10. The fair value of this forward contract resulted in a liability of $175,847 as at September 30, 2011 (September 30, 2010 - $Nil)

14. Retirement Plan

The Company has a 401(k) plan which covers substantially all employees who are twenty-one years of age and have achieved 1,000 hours of service with the Company in a period of twelve consecutive months. Participating employees may elect to contribute, on a tax-deferred basis, a portion of their compensation, in accordance with Section 401(k) of the Internal Revenue Code. The Company may make discretionary matching contributions. For the year ended September 30, 2011, the Company's matching contribution expense was $46,003 (nine-month period ended September 30, 2010 - $18,088; year-ended December 31, 2009 - $22,533).

15. Shareholders' Equity

Share Capital

The authorized share capital consists of up to 100,000,000 common shares. The common shares have a par value of $1.

In June 2011, the Company obtained approval to split its shares on a 2:1 basis. All references to common shares and per share amounts for all periods presented have been retroactively restated to reflect the share split, with the exception of the dollar amounts of share capital and equity reserves. An adjustment to the share capital and equity reserves balances was made during the year ended September 30, 2011 to reflect the adjusted par value of the Company's common shares after the stock split.

During the year ended September 30, 2011, management issued 1,000 shares of the Company's common shares as a bonus to an employee. The shares were issued at their estimated fair value of $2.00 per share, based on the price of the most recently completed share issuance. Compensation expense related to these shares was $2,000.

During the year ended September 30, 2011, the Company issued 61,000 common shares at $3.50-$5.00 per share for cash proceeds of approximately $222,000. Of these shares, 4,000 were issued to a significant shareholder in the Company upon the exercise of stock options. The Company also issued 20,500 common shares at Cdn$5.00 ($5.00 - $5.14) per share for cash proceeds of approximately $105,000. The convertible debentures (refer to Note 9(a) for details) were converted during the 2011 fiscal year, which resulted in an additional 291,668 common shares being issued for gross proceeds of $1,000,004.

During the nine-month period ended September 30, 2010, the Company issued 209,000 common shares at $3.50 per share for cash proceeds of $731,500. On September 30, 2010, the Company entered into a subscription agreement with an existing shareholder of the Company for 142,900 common shares at a price of $3.50 per share for total consideration of $500,150, which was reflected as subscription receivable as at September 30, 2010. The Company received payment of the $500,150 on October 15, 2010. Of these shares issued in the nine-month period ended September 30, 2010, 142,900 shares were issued to a significant shareholder and 4,000 shares were issued to an individual who is both an officer and director of the Company.

During the year ended December 31, 2009, management issued 8,000 shares of the Company's common shares as compensation for services. The shares were issued as bonuses to employees. The shares were issued at their estimated fair value of $3.50, based on the price of the most recently completed share issuance. Compensation expense related to these shares was $28,000. Of these 8,000 shares, 3,000 were issued to an individual who is both a director and officer and 5,000 shares were issued to officers of the Company.

(Expressed in U.S. Dollars)

15. Shareholders' Equity (continued)

Share Capital (continued)

During the year ended December 31, 2009, the Company issued 2,000 common shares at $3.50 per share for cash proceeds of $7,000.

Stock Options

In the nine month period ended September 30, 2010, the Company issued 709,900 stock options to various employees and consultants. The stock options vested on the date in which the board of directors passed a resolution to proceed with an initial public offering ("IPO") in any jurisdiction in North America and expired 45 days afterwards. The options were exercisable into one common share for $5 per share.

The Company records a charge to the statement of income and comprehensive income using the Black-Scholes option pricing model. The valuation is dependent on a number of estimates, including the risk free interest rate, the level of stock volatility, together with an estimate of the level of forfeiture. Management has assessed the grant date fair value of these stock options to be a nominal amount. The following inputs were used in this valuation:

Expected dividend yield	*0%*
Expected volatility	*29%*
Risk-free interest rate	*0.2%*
Expected life	*0.74 years*

Option pricing models require the input of highly subjective assumptions including the expected price volatility, especially given the Company's limited share trading history. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable measure of the fair value of the Company's share purchase options.

The Company adopted an incentive stock option plan dated April 28, 2011 (the "Plan"). The Plan is a rolling stock option plan, under which 10% of the outstanding shares at any given time are available for issuance thereunder. The purpose of the Plan is to promote the profitability and growth of the Company by facilitating the efforts of the Company to attract and retain directors, senior officers, employees, management and consultants. Vesting terms under the Plan will occur 1/3 upon the first anniversary, 1/3 upon the second anniversary and 1/3 upon the third anniversary of the grant.

In June 2011, 4,000 stock options were exercised for gross proceeds of $20,000 and 705,900 options expired unexercised.

The following table reflects the continuity of stock options:

	Number of stock options	Weighted average exercise price
Balance, December 31, 2008 and 2009	-	$ -
Stock option issuances	709,900	5.00
Balance, September 30, 2010	709,900	$ 5.00
Exercised	(4,000)	5.00
Expired	(705,900)	5.00
Balance, September 30, 2011	-	$ -

(Expressed in U.S. Dollars)

16. Net Earnings Per Common Share

The calculation of basic and diluted earnings per share for the nine-month period ended September 30, 2011 was based on the profits attributable to shareholders of $1,489,686 (nine-month period ended September 30, 2010 - $129,098; year ended December 31, 2009 - $215,486) and the weighted average number of common shares outstanding of 2,259,454 (nine-month period ended September 30, 2010 – 1,817,526; year ended December 31, 2009 – 1,756,411). For the nine month period ended September 30, 2010, diluted earnings per share did not include the effect of 709,900 stock options as they were anti-dilutive. There were no options outstanding as at September 30, 2011 and December 31, 2009.

17. Operating Expenses

	Year Ended September 30, 2011	Nine Months Ended September 30, 2010	Year Ended December 31, 2009
	$	$	$
Salaries and benefits	2,892,787	1,637,619	1,722,949
Rent	821,407	523,105	521,259
Legal and professional	633,117	202,865	228,409
Insurance	177,977	96,867	93,430
Postage and shipping	462,621	155,581	160,561
Share-based payments	2,000	-	28,000
License and fees	151,004	13,217	17,754
Amortization	152,481	98,351	82,783
Software maintenance	207,447	70,043	161,919
Foreign exchange (gain) loss	(161,031)	1,610	(196)
Other expenses	547,116	338,733	345,842
Operating Expenses	5,886,926	3,137,991	3,362,710

(Expressed in U.S. Dollars)

18. Compensation of Key Management Personnel and Related Party Transaction

The remuneration of directors and other members of key management personnel during the year ended September 30, 2011, nine-month period ended September 30, 2010 and the year ended December 31, 2009 were as follows:

	Year Ended, September 30 2011	Nine Months Ended September 30 2010	Year Ended, December 31 2009
	$	$	$
Short-term benefits	428,607	220,964	328,242
Post-employment benefits	8,857	3,844	7,678
Share-based payments	-	-	28,000
	437,464	224,808	363,920

See Notes 9, 10 and 11 for a description of financing arrangements with related parties.

See Note 15 for a description of share transactions with related parties.

During the year ended September 30, 2011, the Company entered into currency transactions with an individual who is both a director and officer, totaling $24,812 (Nine months ended September 30, 2010 - $16,058, year ended December 31, 2009 - $28,194) included in commissions from trading. The Company also incurred legal and professional fees in the aggregate of $65,631 (Nine months ended September 30 2010 - $50,181, year ended December 31, 2009 - $18,650) from companies controlled by directors or officers.

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

19. Other current assets

	September 30, 2011	September 30, 2010
Prepaid rent	$ 85,096	66,492
Prepaid insurance	20,679	6,796
Forward escrow deposits (i)	250,413	-
Rent deposits	15,741	-
Foreign currency forward contracts	30,632	-
Other	77,464	62,722
Total other current assets	$ 480,025	$ 136,010

(i) Forward escrow deposits were amounts paid to a third party holding cash in escrow in relation to the foreign currency forward contracts as discussed in Note 13.

20. Subsequent Events

The Company is planning to file a prospectus qualifying the distribution of 1,200,000 units of the Corporation (each, a "Unit") at a price of $7.00 per Unit (the "Issue Price") to purchasers resident in the provinces of Ontario, Alberta and British Columbia (the "Offering Jurisdictions") for gross proceeds of $8,400,000 (the "Offering"). Each Unit shall be comprised of one common share of the Corporation (each a "Share" and collectively, the "Shares") and one common share purchase warrant (each such whole warrant, a "Warrant"), each Warrant entitling the holder thereof to purchase one additional Share at a price of $7.50 per Share (the "Exercise Price").

The Company has granted to the Agents an option (the "Over-Allotment Option"), exercisable in whole or in part at any time up to the Closing Date, to arrange for the purchase and sale of up to 180,000 additional Units (the "Additional Units") at the Issue Price and on the same terms as set forth herein. If the Over-Allotment Option is exercised in full, the total price to the public for all of the Units will be $9,660,000, the Agents' Commission will be $579,600 and the net proceeds to the Company (after deducting the expenses of the Offering estimated to be $200,000) will be $8,880,400.

The Agents will be paid a cash commission equal to 6% of the gross proceeds raised pursuant to the Offering, including pursuant to the exercise of the Over-Allotment Option. In addition, the Agents will receive an option entitling the Agents to purchase that number of Agents' Units that is equal to 6% of the number of Units issued pursuant to the Offering. Each Agents' Option entitles the holder to purchase one (1) Agents' Unit at the Issue Price for a period of 12 months from the Closing Date. The Broker Warrants underlying the Agents' Units are exercisable on the same terms as the Warrants sold pursuant to the Offering.

On October 1, 2011, the Company entered into an employment agreement with the President and CEO of the Company. Pursuant to this agreement, the Company is committed to pay an annual base salary of $160,500 per annum indefinitely until such time as the agreement is terminated. This contract contains clauses requiring additional payments of a minimum of $321,000 to be made upon the occurrence of certain events such as a change of control or termination for reasons other than cause. Where the income before taxes of the Company meets or exceeds the budget for such item approved by the Board for a financial year of the Company, the CEO shall be paid an annual cash bonus, in an amount determined by the Board other than the CEO, but not less than twenty (20%) percent and not more than forty (40%) percent of the annual base salary in effect during such financial year of the Company.

On October 6, 2011, the Company incorporated a wholly owned subsidiary under the Canada Business Corporations Act, The registered office and head office of Currency Exchange International of Canada Corp. is located at Suite 701, 90 Adelaide Street West, Toronto, Ontario M5H 3V9.

On November 16, 2011, the term of the short-term note payable described in Note 10 was extended to February 1, 2012 for additional interest of Cdn$40,767 ($39,241).

On November 9, 2011, the Company entered into a lease for office space terminating November 30, 2014 for Cdn$29,300 ($28,203) per annum.

21. Approval of the Financial Statements

The financial statements of the Company for the year ended September 30, 2011, nine-month period ended September 30, 2010, and year ended December 31, 2009 were approved and authorized for issue by the Board of Directors on November 23, 2011.

Currency Exchange International Board of Directors:

Randolph W. Pinna - Chairman, Director, President and CEO

Mr. Pinna was appointed the Chief Executive Officer, President and a director of the Corporation when the Corporation began operating in October 2007. From 1989 to 2007, Mr. Pinna was President, Chief Executive Officer and director of Foreign Currency Exchange Corp. Bank of Ireland Group. Mr. Pinna was responsible for the growth of Foreign Currency Exchange Corp. from a small one location operation in Tampa Bay, to being a multinational publicly traded company on the TSX with over 30,000 customer and client bank locations.

Mr. Pinna received a Bachelor degree in Finance from the University of Central Florida in Orlando, Florida.

Joseph A. August - Director*

Mr. August was appointed as a director of the Corporation in April 2011. Mr August served as the Managing Director and Head of Foreign Exchange Services at Royal Bank of Canada from 2004 through until the time of his retirement in 2009. In Mr. August's extensive banking career, he also worked in branch operations, commercial lending, cash management services, and foreign exchange management and delivery.

Mr. August received a Bachelor of Science degree from Widener University in Chester, Pennsylvania

D. Thomas Coletta - Director*

Mr. Coletta was appointed as a director of the Corporation in April 2011. Since July 2010, Mr. Coletta has served as the President and Chief Executive Officer of Advocate Auto Consultants. Prior to that, from 2007 to 2010, he was the Executive Vice President and Orlando Market President of Anderen Bank. Prior to 2007, Mr. Coletta held similar roles with other banks, including Florida Choice Bank, Southern Community Bank, and SunTrust Bank, between 1998 and 2007.

Mr. Coletta received a Masters in Finance degree from Rochester Institute of Technology in Rochester, New York and a Bachelors degree in Accounting from St. John Fisher College in Rochester, New York.

Mark D. Mickleborough - Director

Mr. Mickleborough was appointed as a director of the Corporation in December 2007. Since 2006, Mr. Mickleborough has been a partner with the law firm Fournie Mickleborough LLP. Prior to that, he was a partner with the law firm Rogers, Campbell, Mickleborough from 1997 to 2005.

Mr. Mickleborough received a Bachelor of Arts (Economics) degree from Princeton University in Princeton, New Jersey and a Juris Doctor degree from Osgoode Hall Law School in Toronto, Ontario. Mr. Mickleborough is a member in good standing with the Law Society of Upper Canada.

Sanford Pinna, M.D. - Director

Dr. Pinna was appointed a director of the Corporation in December 2007. Dr. Pinna maintained a medical practice from 1987 to 2002. He also founded Foreign Currency Exchange Corp. in 1987 and was Chairman and President until 1989 and then served as a director until 2002.

Dr. Pinna received his Doctor of Medicine degree from the University of Bologna in Bologna, Italy.

James D.A. White – Director*

Mr. White was appointed a director of the Corporation in April 2011. Since 1993 Mr. White has been the Managing Partner of Baynes & White Inc., an employee pension and benefits consulting firm. Prior to founding Baynes & White Inc., Mr. White was the Chief Operating Officer at T.I. Benefit Consultants, for seven years.

*Indicates an independent external director to CXI Corp.