CURRENCY EXCHANGE INTERNATIONAL, CORP.

Condensed Interim Consolidated Financial Statements
For the three month periods ended January 31, 2018 and 2017
(Expressed in U.S. Dollars)
(Unaudited)

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Management's Responsibility for Condensed Interim Consolidated Financial Statements

The accompanying unaudited condensed interim consolidated financial statements of Currency Exchange International, Corp. (the "**Company**") are the responsibility of management and the Board of Directors.

The unaudited condensed interim consolidated financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the unaudited condensed interim consolidated financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the statement of financial position date. In the opinion of management, the unaudited condensed interim consolidated financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34 - Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

Management has established processes, which are in place to provide it with sufficient knowledge to support management's representations that it has exercised reasonable diligence that (i) the unaudited condensed interim consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of, and for the periods presented by, the unaudited condensed interim consolidated financial statements and (ii) the unaudited condensed interim consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of, and for the periods presented by, the unaudited condensed interim consolidated financial statements.

The Board of Directors is responsible for reviewing and approving the unaudited condensed interim consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the unaudited condensed interim consolidated financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited condensed interim consolidated financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

(signed) *"Randolph Pinna"*
Randolph Pinna
President and Chief Executive Officer

(signed) *"Stephen Fitzpatrick"*
Stephen Fitzpatrick
Chief Financial Officer

Orlando, Florida
March 14, 2018

CURRENCY EXCHANGE INTERNATIONAL, CORP.
Condensed Interim Consolidated Statements of Financial Position
January 31, 2018 and October 31, 2017
(Expressed in U.S. Dollars)
(Unaudited)

ASSETS

	January 31, 2018	October 31, 2017
Current assets	$	$
Cash (Note 4)	65,128,430	51,147,685
Accounts receivable (Note 12)	8,584,867	6,444,031
Restricted cash held in escrow (Note 5)	2,257,985	1,972,168
Forward contract assets (Note 13)	-	17,858
Other current assets (Note 18)	686,020	671,944
Total current assets	76,657,302	60,253,686
Property and equipment (Note 7)	946,816	1,003,639
Intangible assets (Note 8)	1,354,025	1,510,665
Other assets	88,460	90,923
Net deferred tax asset	747,892	1,109,314
Total assets	79,794,495	63,968,227

LIABILITIES AND EQUITY

	January 31, 2018	October 31, 2017
Current liabilities		
Accounts payable	18,508,220	4,939,749
Line of Credit (Note 10)	308,074	-
Accrued expenses	1,613,024	2,115,943
Forward contract liability (Note 13)	462,474	-
Income taxes payable	1,093,627	419,917
Total current liabilities	21,985,419	7,475,609
Total liabilities	21,985,419	7,475,609
Equity		
Share capital	6,263,427	6,263,427
Equity reserves	27,671,939	26,671,629
Retained earnings	23,873,710	23,557,562
Total equity	57,809,076	56,492,618
Total liabilities and equity	79,794,495	63,968,227

Commitments and contingencies (Note 6)
Subsequent events (Note 19)

CURRENCY EXCHANGE INTERNATIONAL, CORP.
Condensed Interim Consolidated Statements of Income and Other Comprehensive Income
Three month periods ended January 31, 2018 and 2017
(Expressed in U.S. Dollars)
(Unaudited)

	Three months ended	
	January 31, 2018	**January 31, 2017**
Revenues	$	$
Commissions from trading	7,926,648	5,682,512
Fee income	476,207	404,630
Total revenues (Note 3)	8,402,855	6,087,142
Operating expenses (Note 16)	6,638,559	5,797,118
Net operating income	1,764,296	290,024
Other income		
Other income	2,936	4,490
Total other income	2,936	4,490
Earnings before interest, taxes, depreciation and amortization	1,767,232	294,514
Interest and accretion	64,819	44,169
Depreciation and amortization	335,857	314,372
Income (loss) before income taxes	1,366,556	(64,027)
Income tax expense	1,050,409	21,749
Net income (loss) for the period	316,148	(85,776)
Other comprehensive income, after tax		
Net income (loss) for the period	316,148	(85,776)
Items that may subsequently be reclassified to profit or loss		
Exchange differences on translating foreign operations	803,982	494,403
Total other comprehensive income	1,120,130	408,627
Earnings per share (Note 15)		
-basic	$0.05	($0.01)
-diluted	$0.05	($0.01)
Weighted average number of common shares outstanding (Note 15)		
-basic	6,263,427	6,146,527
-diluted	6,332,385	6,376,667

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

CURRENCY EXCHANGE INTERNATIONAL, CORP.
Condensed Interim Consolidated Statements of Changes in Equity
(Expressed in U.S Dollars)
(Unaudited)

	Share Capital		Equity Reserves				Retained Earnings	Total Equity
	Shares	Amount	Share premium	Accumulated Other Comprehensive Income (Loss)	Stock Options		Amount	Amount
	#	$	$	$	#	$	$	$
Balance at November 1, 2017	6,263,428	6,263,428	30,208,552	(5,154,332)	442,223	1,617,408	23,557,562	56,492,618
Stock based compensation (Note 14)	-	-	-	-	-	196,328	-	196,328
Gain on foreign currency translation	-	-	-	803,982	-	-	-	803,982
Net income	-	-	-	-	-	-	316,148	316,148
Balance, January 31, 2018	6,263,428	6,263,428	30,208,552	(4,350,350)	442,223	1,813,736	23,873,710	57,809,076
Balance at November 1, 2016	6,134,815	6,134,815	29,082,296	(5,763,851)	521,592	1,562,998	19,736,093	50,752,351
Stock based compensation (Note 14)	-	-	-	-	-	192,349	-	192,349
Issue of share capital and share premium on exercise of stock options (Note 14)	15,000	15,000	112,976	-	(15,000)	(42,600)	-	85,376
Gain on foreign currency translation	-	-	-	494,403	-	-	-	494,403
Net loss	-	-	-	-	-	-	(85,776)	(85,776)
Balance, January 31, 2017	6,149,815	6,149,815	29,195,272	(5,269,448)	506,592	1,712,747	19,650,317	51,438,703

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

CURRENCY EXCHANGE INTERNATIONAL, CORP.
Condensed Interim Consolidated Statements of Cash Flows
Three month periods ended January 31, 2018 and 2017
(Expressed in U.S. Dollars)
(Unaudited)

	Three months ended	
	January 31, 2018	**January 31, 2017**
Cash flows from operating activities	**$**	**$**
Net income (loss)	316,148	(85,776)
Adjustments to reconcile net income to net cash flows from operating activities		
Depreciation and amortization	335,857	314,372
Stock based compensation	196,328	192,349
Change in fair value of forward contract positions (Note 13)	478,207	344,519
Deferred taxes	367,013	(363,527)
Increase (decrease) in cash due to change in:		
Accounts receivable	(1,969,836)	(1,222,664)
Restricted cash held in escrow	(285,817)	(425,760)
Other assets	(6,777)	14,938
Accounts payable, accrued expenses, and income taxes payable	13,655,664	(1,171,559)
Net cash flows from operating activities	13,086,784	(2,403,108)
Cash flows from investing activities		
Purchase of property and equipment	(52,538)	(107,545)
Purchase of intangible assets	(67,054)	(38,949)
Net cash outflow from investing activities	(119,591)	(146,494)
Cash flows from financing activities		
Proceeds from exercise of stock options (Note 14)	-	85,376
Net borrowings (payments) on line of credit (Note 10)	299,488	(1,632,709)
Net cash flows from financing activities	299,489	(1,547,333)
Net change in cash	13,266,681	(4,096,935)
Cash, beginning of period	51,147,685	48,435,544
Exchange difference on foreign operations	714,064	448,011
Cash, end of period	65,128,430	44,786,620
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the period for income taxes	917	1,123,625
Cash paid during the period for interest	64,819	44,169
Cash received during the year for interest	2,936	4,490

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

1. Nature of Operations and Basis of Presentation

Nature of operations
Currency Exchange International, Corp. (the "**Company**") was originally incorporated under the name Currency Exchange International, Inc. under the Florida Business Corporation Act on April 7, 1998. The Company changed its name to Currency Exchange International, Corp. on October 19, 2007 and commenced its current business operations at that time. The Company is a public corporation whose shares are listed and posted for trading on the Toronto Stock Exchange ("**TSX**") under the symbol "CXI," and the over the counter market ("**OTCBB**") in the United States under the symbol "CURN". The Company operates as a money service business and provides currency exchange, international payments, and cheque cashing services at its locations in the United States and Canada. The Company maintains a head office and five vaults as well as 41 branch locations. The Company's registered head office is located at 6675 Westwood Boulevard, Suite 300, Orlando, Florida, 32821, United States of America. In September 2016, the Company's wholly-owned Canadian Subsidiary, Currency Exchange International of Canada Corp ("**CXIC")** received letters patent to continue as a schedule 1 Bank. The continued entity, Exchange Bank of Canada ("**EBC**") is a non-deposit taking, non-lending financial institution engaged in foreign exchange services.

Basis of presentation
These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34 ("**IAS 34**"), Interim Financial Reporting and do not include all of the information required in annual financial statements in accordance with International Financial Reporting Standards ("**IFRS"**). The accounting policies in these condensed interim consolidated financial statements are consistent with those disclosed in the Company's annual consolidated financial statements for the year ended October 31, 2017. The condensed interim consolidated financial statements should be read in conjunction with the Company's annual consolidated financial statements for the year ended October 31, 2017, which have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("**IASB**").

These condensed interim consolidated financial statements were authorized for issue and approved by the Board of Directors on March 14, 2018.

2. Future Accounting Pronouncements

Certain pronouncements were issued by the IASB or International Financial Reporting Interpretations Committee ("**IFRIC**"). Many are not applicable or do not have a significant impact to the Company and have been excluded. The following standards have not yet been adopted and are being evaluated to determine their impact on the Company.

IFRS 9 *Financial Instruments* ("**IFRS 9**") was issued in July 2014. IFRS 9 replaces IAS 39 *Financial Instruments: Recognition and Measurement*. The new standard includes guidance on recognition and derecognition of financial assets and financial liabilities, impairment and hedge accounting. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company has performed a preliminary assessment and does not expect the adoption of IFRS 9 to have a significant impact on its condensed interim consolidated financial statements.

IFRS 15 *Revenue from Contracts with Customers* ("**IFRS 15**") was issued in May 2014. IFRS 15 replaces IAS 18 *Revenue*, IAS 11 *Construction Contracts*, and some revenue related Interpretations. IFRS 15 establishes a new control-based revenue recognition model; changes the basis for deciding whether revenue is to be recognized over time or at a point in time; provides new and more detailed guidance on specific topics; and expands and improves disclosures about revenue. In July 2015, the IASB approved a one-year deferral of the effective date of IFRS 15 to fiscal periods beginning on or after January 1, 2018, with early adoption permitted. The Company has performed a preliminary assessment and does not expect the adoption of IFRS 15 to have a significant impact on its condensed interim consolidated financial statements.

2. Future Accounting Pronouncements (continued)

IFRS 16 *Leases* (“**IFRS 16**”) was issued in January 2016. IFRS 16 replaces IAS 17 *Leases*. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. IFRS 16 is effective for fiscal periods beginning on or after January 1, 2019, with early adoption permitted. The Company has not yet determined the impact of IFRS 16 on its condensed interim consolidated financial statements.

3. Segments

The Company operates in the United States and Canada. The Company's revenue from external customers and information about its assets by geographical location and product line are detailed below:

	Revenues by Geography ($)		
	United States	Canada	Total
Three months ended January 31, 2018	7,352,932	1,049,923	8,402,855
Three months ended January 31, 2017	5,419,452	667,690	6,087,142

	Revenues by Product Line ($)		
	Banknotes	Payments	Total
Three months ended January 31, 2018	7,933,280	469,575	8,402,855
Three months ended January 31, 2017	5,837,944	249,198	6,087,142

	At January 31, 2018			At October 31, 2017		
Assets	**United States**	**Canada**	**Total**	**United States**	**Canada**	**Total**
	$	$	$	$	$	$
Cash	42,850,058	22,278,372	65,128,430	34,935,125	16,212,560	51,147,685
Accounts receivable	3,974,344	4,610,523	8,584,867	4,272,920	2,171,111	6,444,031
Restricted cash held in escrow	2,257,985	-	2,257,985	1,972,168	-	1,972,168
Forward contract assets	-	-	-	17,858	-	17,858
Other current assets	579,655	106,364	686,020	576,351	95,593	671,944
Property and equipment	741,603	205,213	946,816	799,758	203,881	1,003,639
Intangible assets	1,098,770	255,256	1,354,026	1,200,712	309,953	1,510,665
Other assets	88,458	-	88,460	90,923	-	90,923
Net deferred tax asset	622,986	124,906	747,892	1,001,597	107,717	1,109,314
Total assets	52,213,859	27,580,635	79,794,495	44,867,412	19,100,815	63,968,227

4. Cash

Included within cash of $65,128,430 at January 31, 2018 (October 31, 2017 - $51,147,685) are the following balances:

	At January 31, 2018 $	At October 31, 2017 $
Cash held in transit, vaults, tills and consignment locations	51,968,700	43,786,752
Cash deposited in bank accounts in jurisdictions in which the Company operates	13,159,730	7,360,933
Total	65,128,430	51,147,685

5. Restricted Cash Held in Escrow

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 immediately resulting in the collateral being liquidated. The Company had cash collateral amounts of $2,257,985 at January 31, 2018 (October 31, 2017 - $1,972,168).

6. Operating Leases

The Company and its wholly-owned subsidiary entered into non-cancellable operating leases with terms in excess of one year for the use of certain facilities. The rent expense associated with these leases for the three month period ended January 31, 2018 was $847,520 (2017 - $673,025).

7. Property and Equipment

Property and equipment consisted of the following:

Cost	**Vehicles** $	**Computer equipment** $	**Furniture and equipment** $	**Leasehold improvements** $	**Total** $
Balance, October 31, 2016	80,247	253,411	527,082	1,502,864	2,363,604
Additions	-	56,668	220,445	471,221	748,334
Net exchange differences	-	1,435	5,541	5,956	12,932
Balance, October 31, 2017	80,247	311,514	753,068	1,980,041	3,124,870
Additions	-	23,033	11,853	17,652	52,538
Net exchange differences	-	2,298	10,424	10,091	22,812
Balance, January 31, 2018	80,247	336,845	775,345	2,007,784	3,200,220

Depreciation	**Vehicles** $	**Computer equipment** $	**Furniture and equipment** $	**Leasehold improvements** $	**Total** $
Balance, October 31, 2016	49,993	206,371	340,315	1,047,671	1,644,350
Additions	16,188	39,221	142,780	270,876	469,065
Net exchange differences	-	1,036	2,751	4,029	7,816
Balance, October 31, 2017	66,181	246,628	485,846	1,322,576	2,121,231
Additions	2,637	206,127	142,780	270,876	622,420
Net exchange differences	-	(195,340)	(99,565)	(195,342)	(490,247)
Balance, January 31, 2018	68,818	257,415	529,061	1,398,110	2,253,404

Carrying amounts	**Vehicles** $	**Computer equipment** $	**Furniture and equipment** $	**Leasehold improvements** $	**Total** $
Balance, October 31, 2017	14,066	64,886	267,222	657,465	1,003,639
Balance, January 31, 2018	11,429	79,429	246,284	609,674	946,816

8. Intangible Assets

Intangible assets are comprised of the Company's internally developed software ("**CEIFX**") and its related modules as well as purchased software and customer trading relationships acquired in March 2014. Amortization for intangibles is computed on an individual basis over the estimated useful life using the straight-line method as follows:

Internally developed software	5 years
Software purchased from USEH	2 years
Customer trading relationships	5 years

Intangible assets consist of the following at January 31, 2018:

	Internally developed software	Acquired software	Customer trading relationships	Total
Cost	$	$	$	$
Balance, October 31, 2016	1,188,137	480,000	3,288,283	4,956,420
Additions	227,980	-	-	227,980
Balance, October 31, 2017	1,416,117	480,000	3,288,283	5,184,400
Additions	67,054	-	-	67,054
Balance, January 31, 2018	1,483,171	480,000	3,288,283	5,251,454

	Internally developed software	Acquired software	Customer trading relationships	Total
Amortization	$	$	$	$
Balance, October 31, 2016	605,973	480,000	1,698,946	2,784,919
Amortization	231,159	-	633,688	864,847
Net exchange differences	-	-	23,969	23,969
Balance, October 31, 2017	837,132	480,000	2,356,603	3,673,735
Amortization	59,280	-	166,273	225,553
Net exchange differences	-	-	(1,859)	(1,859)
Balance, January 31, 2018	896,412	480,000	2,521,017	3,897,429

	Internally developed software	Acquired software	Customer trading relationships	Total
Carrying amounts	$	$	$	$
Balance, October 31, 2017	578,985	-	931,680	1,510,665
Balance, January 31, 2018	586,759	-	767,266	1,354,025

9. 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 from March until September and lower commissions from October to February. This coincides with peak tourism seasons in North America when there are generally more travelers entering and leaving the United States and Canada.

10. Line of Credit

The Company maintains a line of credit for access to capital during peak business periods. The Company has a revolving line of credit with BMO Harris Bank, N.A. for up to $15,000,000. The credit line is secured against the Company's cash and other non-cash assets. The line of credit bears interest at Libor plus 2.0% [at January 31, 2018 – 3.56% (2017 – 1.26%)]. At January 31, 2018, the balance outstanding was $Nil (October 31, 2017 - $Nil).

In April of 2017, the Company's wholly-owned Canadian subsidiary, EBC established a revolving line of credit with Bank of Montreal with available credit of Cdn$3,000,000 ($2,440,413) being secured against cash assets held in its vaults. The line of credit bears interest at CDN prime plus 0.5% [at January 31, 2018 – 3.95% (2017 – 3.20%)]. At January 31, 2018, the balance outstanding was $308,074 (October 31, 2017 - $Nil).

11. Fair Value Measurement of Financial Instruments

IAS 34 requires that interim financial statements include certain disclosures about the fair value of financial instruments as set out in IFRS 13 and IFRS 7. These disclosures include the classification of fair values within a three-Level hierarchy. The three Levels are defined based on the observation of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability

The fair value determination is the estimated amount that the Company would receive to sell a financial asset or pay to transfer a financial liability in an orderly transaction between market participants at the measurement date.

There were no transfers between Level 1 and Level 2 during the three month period ended January 31, 2018 and the year ended October 31, 2017. The following table shows the Levels within the hierarchy of financial assets and liabilities measured at fair value.

	At January 31, 2018			
	Level 1	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**
Financial assets				
Cash	65,128,430	-	-	65,128,430
Total Assets	65,128,430	-	-	65,128,430
Financial liabilities				
Forward contract liabilities	-	462,474	-	462,474
Total liabilities	-	462,474	-	462,474

	At October 31, 2017			
	Level 1	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**
Financial assets				
Cash	51,147,685	-	-	51,147,685
Forward contract assets	-	17,858	-	17,858
Total assets	51,147,685	17,858	-	51,165,543

11. Fair Value Measurement of Financial Instruments (continued)

Cash (Level 1)
The Company's cash balances consisting of local and foreign currency notes held in tills, vaults, bank accounts, and in transit are based upon foreign exchange rates quoted in active markets as of January 31, 2018 and October 31, 2016.

Forward contract positions (Level 2)
The Company's forward contract positions are not traded in active markets. The fair value of these instruments has been determined using observable forward exchange rates. The effects of non-observable inputs are not significant for foreign contract positions.

Due to their short term nature, the carrying value of the following financial instruments approximates their fair value at the balance sheet date:

- Accounts receivable
- Restricted cash held in escrow
- Accounts payable, accrued expenses, line of credit and income taxes receivable and payable

12. Risk Management

The Company's activities expose it to a variety of financial risks: credit risk, foreign currency risk, interest rate risk, and liquidity risk. The Company's risk management policies are designed to minimize the potential adverse effects on the Company's financial performance.

Financial risk management is carried out by the Chief Financial Officer ("**CFO**") under policies approved by senior management and the Board of Directors. Policies are in place to evaluate and monitor risk and in some cases, prescribe that the Company hedge its financial risks.

The analysis below presents information about the Company's exposure to each of these financial risks arising from financial instruments and the Company's objectives, policies and processes for measuring and managing these risks.

Credit Risk

Credit risk is the risk of financial loss associated with counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash in bank accounts, accounts receivable and forward contracts from hedging counterparties.

All banking relationships are negotiated by senior management. The Company maintains accounts in high quality financial institutions. At various times, the Company's bank balances exceed insured limits.

The credit risk associated with accounts receivable is limited, as the Company's receivables consist primarily of bulk currency trades with a settlement cycle of 24 to 48 hours. There is minimal counterparty risk as the majority of the Company's receivables reside with banks, money service business customers and other financial institutions. The company has longstanding relationships with most of its money service business customers and has a strong repayment history. For the purpose of risk control, the customers are grouped as follows: domestic and international banks, money service businesses, and other customers. Credit limits are established for each customer, whereby the credit limit represents the maximum open amount without requiring payments in advance. These limits are reviewed regularly by senior management. Due to seasonality, amounts in accounts receivable are usually at their highest during peak periods.

12. Risk Management (continued)

A breakdown of accounts receivable by category is below:

	At January 31, 2018	At October 31, 2017
Customer type	**$**	**$**
Domestic and international banks	2,170,439	3,625,821
Money service businesses	6,323,295	2,674,168
Other	91,133	144,042
Total	8,584,867	6,444,031

The maximum exposure to credit risk is represented by the carrying amount of each financial asset on the statement of financial position. There are no commitments that could increase this exposure to more than the carrying amount.

Foreign Currency Risk

The volatility of the Company's foreign currency holdings may increase as a result of the political and financial environment of the corresponding issuing country. Several currencies have limited exchange rate exposure as they are pegged to the U.S. Dollar, the reporting currency of the Company. Management believes its exposure to foreign currency fluctuations is mitigated by the short-term nature and rapid turnover of its foreign currency inventory, as well as the use in certain instances of forward contracts to offset these fluctuations. Due to their nature, some minor and exotic foreign currencies cannot be hedged or are too cost prohibitive to hedge. In order to mitigate the risks associated with holding these foreign currencies, the Company assigns wider bid/ask spreads and maintains specific inventory targets to minimize the impact of exchange rate fluctuations. These targets are reviewed regularly and are increased or decreased to accommodate demand within acceptable risk tolerances. The amount of unhedged inventory held in tills, vaults and in transit at January 31, 2018 was approximately $9,780,000 (October 31, 2017 - $7,930,000). The amount of currency that is unhedged and that is not pegged to the U.S. Dollar is approximately $7,910,000 (October 31, 2017 - $5,320,000). A 2% increase/reduction in the market price for the aggregate of the Company's unhedged/un-pegged foreign currencies would result in an exchange gain/loss of approximately +$160,000/-$160,000 (October 31, 2017 gain/loss of approximately +$106,000/-$106,000).

On a consolidated basis, the Company is also exposed to foreign currency fluctuations between the U.S. Dollar and the Canadian Dollar, being the functional currency of its Canadian subsidiary. The Company does not hedge its net investment in its Canadian subsidiary and the related foreign currency translation of its earnings.

Interest Rate Risk

At January 31, 2018, the Company had access to interest bearing financial instruments in cash, short term accounts payable and line of credit. A significant amount of the Company's cash is held as foreign currency bank notes in tills and vaults. These amounts are not subject to interest rate risk. Cash held in some of the Company’s accounts are interest bearing; however, since prevailing interest rates are low there is minimal interest rate risk. Borrowings bear interest at variable rates. Cash and borrowings issued at variable rates expose the Company to cash flow interest rate risk. For the interest rate profile of the Company's interest bearing financial liabilities, refer to Note 10.

12. Risk Management (continued)

The Company manages interest rate risk in order to reduce the volatility of the financial results as a consequence of interest rate movements. For the decision whether new borrowings shall be arranged at a variable or fixed interest rate, senior management focuses on an internal long-term benchmark interest rate and considers the amount of cash currently held at a variable interest rate. Currently the interest rate exposure is un-hedged.

If interest rates had been 50 basis points higher/lower with all other variables held constant, after tax profit for the three month period ended January 31, 2018 would have been approximately +$3,200/-$3,200 higher/lower as a result of credit lines held at variable interest rates.

Liquidity Risk

Liquidity Risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The CFO informs the Chief Executive Officer, the Board of Directors, and the Audit Committee of capital and liquidity issues as they occur in accordance with established policies and guidelines. The Company targets to have a cash reserve or credit lines greater than 15% of the Company's prior year's revenues.

The following are non-derivative contractual financial liabilities:

At January 31, 2018

Non-derivative financial liabilities	Carrying amount	Estimated contractual amount	This fiscal year	Future fiscal years
	$	$	$	$
Accounts payable	18,508,220	18,508,220	18,508,220	$Nil
Accrued expenses	1,613,024	1,384,026	1,384,026	$Nil
Income taxes payable	1,093,627	1,093,627	1,093,627	$Nil
Forward Contract Liabilities	462,474	462,474	462,474	$Nil
Line of credit	308,074	308,074	308,074	$Nil

At October 31, 2017

Non-derivative financial liabilities	Carrying amount	Estimated contractual amount	Next fiscal year	Future fiscal years
	$	$	$	$
Accounts payable	4,939,749	4,939,749	4,939,749	$Nil
Accrued expenses	2,115,943	1,885,351	1,885,351	$Nil
Income taxes payable	419,917	419,917	419,917	$Nil

The Company had available unused lines of credit amounting to $17,132,339 at January 31, 2018 (October 31, 2017 - $17,326,844).

12. Risk Management (continued)

Capital Management

The Company manages capital through its financial and operational forecasting processes. The Company defines working capital as total current assets less current liabilities. The Company reviews its working capital and forecasts its cash flows based on operating expenditures, and other investing and financing activities related to its daily operations.

	At January 31, 2018	At October 31, 2017
Current assets	76,657,302	60,253,686
Current liabilities	(21,985,419)	(7,475,609)
Working capital	54,671,883	52,778,077

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.

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 holdings of major currencies. Changes in the fair value of the contracts and the corresponding gains or losses are recorded daily and are included in commissions from trading on the consolidated 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 immediately resulting in the collateral being liquidated.

The fair value of forward contracts, which represents the amount that would be received/(paid) by the Company if the forward contracts were terminated at January 31, 2018 was $(462,474) - (October 31, 2017 - $17,858).

At January 31, 2018 and October 31, 2017, approximately $2,257,985 and $1,972,168, respectively, were being held as collateral on these contracts and are reflected as restricted cash held in escrow in the consolidated statements of financial position. See Note 5.

14. Equity

Share Capital
The authorized share capital consists of 100,000,000 common shares. The common shares have a par value of $1.00. The options exercised during the current and prior periods are summarized as follows:

Period Exercised	Num of Shares	USD value	Cdn$
Q3 2016	13,894	$ 94,686	$ 120,885
Q4 2016	3,000	$ 16,810	$ 22,500
Q1 2017	15,000	$ 85,376	$ 112,500
Q2 2017	83,363	$ 652,742	$ 871,666
Q3 2017	5,594	$ 57,077	$ 75,757
Q4 2017	47,229	$ 407,929	$ 513,709
Q1 2018	-	-	-

14. Equity (continued)

Stock 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, and management. 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 unless otherwise specified by the Board of Directors.

The outstanding options at January 31, 2018 and the respective changes during the periods are summarized as follows:

	Number of options #	Weighted average price Cdn$
Outstanding at October 31, 2016	521,592	18.50
Granted	111,885	25.17
Exercised	(128,613)	9.99
Cancelled through cashless exercise	(22,572)	17.28
Forfeited	(40,069)	25.54
Outstanding at October 31, 2017	442,223	22.31
Outstanding at January 31, 2018	442,223	22.31

15. Earnings per Share

The calculation of earnings per share is presented below. Diluted earnings per share for the three month period ended January 31, 2018 include all stock option grants with the exception of the options granted March 11, 2015, October 26, 2016 and October 20, 2017 as the strike price exceeded the average stock price for the period.

	Three months ending	
	January 31, 2018	**January 31, 2017**
Basic		
Net (loss) income	$316,148	($85,776)
Weighted average number of shares outstanding	6,263,427	6,146,527
Basic (loss) earnings per share	$0.05	($0.01)
Diluted		
Net (loss) income	$316,148	($85,776)
Weighted average number of shares outstanding	6,332,385	6,376,667
Diluted (loss) earnings per share	$0.05	($0.01)

16. Operating Expenses

	Three months ended	
	January 31, 2018	January 31, 2017
	$	$
Salaries and benefits	3,715,407	3,040,586
Rent	847,520	673,025
Legal, professional and director's fees	666,413	415,295
Postage and shipping	747,029	623,076
Stock based compensation	196,328	192,349
Executive replacement costs	18,542	165,803
Software maintenance	132,037	107,499
Insurance	96,581	83,191
Other general and administrative	218,704	496,294
Operating expenses	6,638,559	5,797,118

17. Compensation of Key Management Personnel and Related Party Transactions

In accordance with IAS 24 *Related Party Disclosures*, key management personnel are those persons having authority and responsibility for planning, directing and controlling activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. The remuneration of directors and other members of key management personnel during the three month period ended January 31, 2018 and 2017 was as follows:

	Three months ended	
	January 31, 2018	**January 31, 2017**
	$	$
Short-term benefits	658,767	564,255
Post-employment benefits	20,750	46,353
Stock based compensation	190,908	184,765
	870,425	795,373

The Company incurred legal and professional fees in the aggregate of $19,477 for the three month period ended January 31, 2018 (2017 - $38,760) charged by entities controlled by directors or officers of the Company.

On October 1, 2011, the Company entered into an employment agreement with the President and CEO of the Company. Such agreement contains clauses requiring additional payments of a minimum of $450,000 to be made upon the occurrence of certain events such as a change of control of the Company or termination for reasons other than cause. As the likelihood of a change of control of the Company is not determinable, the contingent payments have not been reflected in the interim consolidated financial statements.

17. Compensation of Key Management Personnel and Related Party Transactions (continued)

Advances between CXI and EBC are provided under a Revolving Line of Credit, renewed May 31, 2017; loans attract interest at LIBOR + 2%, are repayable on demand, and are unsecured. At January 31, 2018, the intercompany loan balance was $7,228,974 (October 31, 2017 - $1,100,000) and was eliminated upon consolidation.

18. Other Current Assets

	At January 31, 2018	At October 31, 2017
	$	$
Prepaid rent	219,238	224,067
Prepaid insurance	115,939	134,847
Due on debit and credit cards	64,917	79,625
Other assets	285,926	233,405
Total	686,020	671,944

19. Subsequent Events

The Company evaluated subsequent events through March 14, 2018, the date these condensed interim consolidated financial statements were issued. There were no material subsequent events that required recognition or additional disclosure in the financial statements.