CURRENCY EXCHANGE INTERNATIONAL, CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTH PERIODS ENDED JANUARY 31, 2015 AND 2014

Scope of Analysis

This Management Discussion and Analysis ("**MD&A**") covers the results of operations, and financial condition of Currency Exchange International, Corp. and its subsidiaries (the "**Company,**" or "**CXI**") for the three month periods ended January 31, 2015 and January 31, 2014, including the notes thereto. This document is intended to assist the reader in better understanding and assessing operations and the financial results of the Company.

This MD&A has been prepared by management at March 12, 2015 in accordance with International Financial Reporting Standards ("**IFRS**) issued by the International Accounting Standards Board ("**IASB**") and interpretations of the International Financial Reporting Interpretations Committee ("**IFRIC**") and should be read in conjunction with the condensed interim consolidated financial statements of the Company for the three month periods ended January 31, 2015 and January 31, 2014 and the notes thereto. A detailed summary of the Company's significant accounting policies is included in Note 2 of the Company's audited consolidated financial statements for the year ended October 31, 2014. The functional currency of the Company and its U.S. subsidiary, Currency Exchange International America Corp. ("**CXIA**"), is the U.S. Dollar. The functional currency of the Company's Canadian subsidiary, Currency Exchange International of Canada Corp. ("**CXIC**"), is the Canadian Dollar. The Company's presentation currency is the U.S. Dollar. Unless otherwise noted, all references to currency in this MD&A refer to U.S. Dollars. The consolidated financial statements and the MD&A have been reviewed by the Company's Audit Committee and approved by its Board of Directors.

In this document, "our", "Company" and "CXI" refer to Currency Exchange International, Corp. collectively with its subsidiaries, CXIC and CXIA.

Additional Information

Additional information relating to the Company, including annual financial statements, is available on the Company's SEDAR profile at www.sedar.com and on the Company's website at www.ceifx.com **("CEIFX").**

Forward Looking Statements

This MD&A contains certain “forward-looking information” as defined in applicable securities laws. These statements relate to future events or the Company’s future performance. All statements other than statements of historical fact are forward-looking information. Often, but not always, forward-looking information can be identified by the use of words such as “plans”, “expects”, “budgeted”, “scheduled”, “estimates”, “continues”, “forecasts”, “projects”, “predicts”, “intends”, “anticipates” or “believes”, or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results “may”, “could”, “would”, “should”, “might” or “will” be taken, occur or be achieved. The forward-looking information in this MD&A speaks only as of the date of this MD&A or as of the date specified in such statements. The following table outlines certain significant forward-looking information contained in this MD&A and provides the material assumptions used to develop such forward-looking information and material risk factors that could cause actual results to differ materially from the forward looking information.

Forward-looking information	Assumptions	Risk factors
Status of CXI’s application to continue its subsidiary as a Canadian Schedule I bank, and the objectives for such bank	Regulatory and governmental approval for the establishment of the bank will be received on a timely basis upon terms favorable to CXI; the bank will be able to attract and retain clients	Approvals are made at the discretion of governmental bodies and may not be granted on terms favorable to CXI or at all; the bank has no history of operations
Sensitivity analyses relating to foreign currencies and interest rates	All factors other than the variable in question remain unchanged; CXI’s entire unhedged balance of foreign currency holdings is affected uniformly by changes in exchange rates; CXI’s interest-bearing instruments and obligations were constant during the period	Exchange rate and interest rate fluctuations

Inherent in forward-looking information are risks, uncertainties and other factors beyond the Company’s ability to predict or control. Please also make reference to those risk factors referenced in the “Risk Factors” section in the Company’s MD&A for the year ended October 31, 2014. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking information in this MD&A, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking information contained in this MD&A.

Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking information. All forward-looking information herein is qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking information. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking information, whether as a result of new information or future events or otherwise, except as may be required by applicable securities laws. If the Company does update any forward-looking information, no inference should be drawn that it will make additional updates with respect to that or other forward-looking information, unless required by applicable securities laws.

Overview

CXI is a publicly traded company (TSX:CXI;OTCBB:CURN) specializing in providing currency exchange and related products to banks, money service businesses, travel companies, and to clients through its company owned branches and inventory on consignment locations, throughout the United States and Canada, by utilizing the Company's proprietary online software system, CEIFX. The Company has developed CEIFX, its proprietary customizable web-based software, as an integral part of its business and believes that it represents an important competitive advantage. CEIFX is also an on-line compliance and risk management tool. The trade secrets associated with CEIFX are protected via copyright, restricted access to both the software and its source code, and secure maintenance of source code by the head office. CEIFX is updated regularly and on-going system development and enhancement is a core activity of the Company.

On November 23, 2012, CXI submitted its application to continue its wholly-owned Canadian subsidiary, CXIC, as a new Canadian Schedule I bank. Subject to review and approval of the application by the Office of the Superintendent of Financial Institutions ("OSFI" - Canada) and the Minister of Finance (Canada), the new bank will be called "Exchange Bank of Canada" in English and "Banque d'échange du Canada" in French and will have its head office in Toronto.

The objective of the Exchange Bank of Canada is to expand current and future business opportunities and become a leading banker's bank for foreign exchange products and services. Obtaining a Canadian bank charter benefits the Canadian banking system by becoming a domestic alternative in providing foreign exchange services to banks in Canada. The currency market for financial institutions in Canada is primarily serviced by foreign institutions. A Canadian bank charter affords the Company numerous advantages including the opportunity to bank with Central Banks, thereby obtaining a source of stable, cost-effective funds, collateral reductions with corresponding banks, and enhancing existing bank relationships.

The Company is a reporting issuer in the provinces of British Columbia, Alberta and Ontario.

The Company has the following sources of revenues which are reported as commissions and fees:

- Commission revenue is comprised of the spread between the cost and selling price of foreign currency products, including bank notes, wire transmissions, cheque collections and draft issuances and the revaluation of foreign exchange positions to market value, combined with the net gain or loss from foreign currency forward contracts used to offset the revaluation of inventory positions and commissions paid to bank and non-bank financial institutions on the sale and purchase of currency products. The amount of this spread is based on competitive conditions and the convenience and value added services offered; and

- Fee revenue is comprised of the following:

    - Fees generated at the Company's branch locations from foreign currency (bank note) exchange, foreign traveller's cheques, and fees collected on payroll cheque cashing; and

    - Fees collected on foreign wire transfers, foreign drafts, and cheque collection transactions.

The following are some of the characteristics of the Company's revenue streams:

Overview (continued)

- The Company operates five vaults located within the United States and Canada that serve as distribution centers for its branch network as well as order fulfillment centers for its clients including banking institutions, money service businesses, and other corporate clients. Revenues generated from vaults have greater scale as the Company maintains a sales force to increase its geographic customer base. Exchange rate margins vary from customer to customer and are dependent on criteria such as exchange volumes and customer setup. On-boarding of new clients, specifically banking clients, normally require an upfront investment, such as training, and currency signage, as well as additional one-time shipping costs to distribute start-up materials. The Company also normally absorbs information technology costs to customize the CEIFX software for specific client use during the customer implementation phase. There are two common customer setups:

    - Centralized setup - For customers with a high volume of foreign currency exchange who maintain and manage their own inventory in central vault facilities, the Company offers bulk wholesale bank note trading. Trades of this nature are generally executed at lower margins as the cost per transaction is low and the average value is high. The customer implementation phase is normally shorter and the costs of on-boarding clients is low;

    - Decentralized setup - Many customers have determined that it is advantageous to avoid a currency inventory and allow their locations to buy and sell directly from CXI. Transactions in a decentralized setup typically are executed at a higher margin as the average transaction is low and the cost to fulfill each trade is higher than that of a centralized setup. Several of the Company's financial institutions outsource their currency needs in return for a commission based upon exchange volume. When a client outsources their currency needs, the Company is granted access to the entire branch network thus immediately increasing its geographic footprint and expanding its customer base. The customer implementation phase is normally longer in a decentralized setup and the cost of client on-boarding is higher as these clients normally require additional training and support;

- The Company operates 32 branch locations which are located in high tourist traffic areas, staffed by CXI employees, and located across the United States. These locations hold domestic and foreign currencies to buy and sell on demand. The currency exchange margins associated with the transactions occurring at these locations are generally higher in order to recapture costs of deployed capital in the form of domestic and foreign currencies, rent, payroll, and other general and administrative costs;

- CXI currently maintains inventory in the form of domestic and foreign bank notes in banks and other high traffic locations. These locations can be very profitable as there are no occupancy costs or payroll. Foreign exchange currency is placed in these locations on a consignment basis. At January 31, 2015, the Company had inventory on consignment in 186 locations, primarily located inside banks across the United States and Canada. To encourage inventory turnover, the Company pays commissions as a percentage on volumes generated by these locations; and

- Company owned branch locations generally act as a net buyer of foreign currency whereas CXI's bank and non-bank clients act as a net seller. Excess currency collected via the branch network can be redeployed to banks and non-bank clients which reduce the need to source currency through wholesale sources at a greater cost, thus increasing currency margins.

The Company has aggressively grown its branch network as well as the number of wholesale relationships over the years. Below is a list of the Company's wholesale company relationships and transacting locations as well as a listing of its 32 branch locations:

(All amounts expressed in U.S. Dollars unless otherwise noted)

Overview (continued)

Store	City	State	Start Date (Fiscal Year)	Store	City	State	Start Date (Fiscal Year)
Apple Bank - Avenue of Americas	New York	NY	2011	MacArthur Mall	Norfolk	VA	2009
Apple Bank - Grand Central Station	New York	NY	2011	Mainplace at Santa Ana	Santa Ana	CA	2013
Apple Bank - Penn Station	New York	NY	2013	Mechanics Bank - Berkeley	Berkeley	CA	2007
Apple Bank - Union Square	New York	NY	2014	Mechanics Bank - San Francisco	San Francisco	CA	2008
Apple Bank - Upper East Side	New York	NY	2014	Montgomery at Bethesda	Bethesda	MD	2013
Arundel Mills Mall	Hanover	MD	2012	Ontario Mills Mall	Ontario	CA	2007
Aventura Mall Booth #1	Aventura	FL	2008	Potomac Mills Mall	Woodbridge	VA	2007
Aventura Mall Booth #2	Aventura	FL	2012	San Francisco City Center	San Francisco	CA	2011
Century City Mall	Los Angeles	CA	2009	San Jose Great Mall	San Jose	CA	2011
Cherry Creek	Denver	CO	2014	Santa Monica Place	Santa Monica	CA	2012
Citadel Outlets	Los Angeles	CA	2014	Sawgrass Mills Mall Booth #1	Sunrise	FL	2007
Copley Place Mall	Boston	MA	2009	Sawgrass Mills Mall Booth #2	Sunrise	FL	2010
Dadeland Mall	Miami	FL	2009	Shops at Northbridge	Chicago	IL	2013
Dolphin Mall	Miami	FL	2009	SouthCenter	Tukwila	WA	2012
Florida Mall Booth #1	Orlando	FL	2007	The Galleria at Fort Lauderdale	Ft. Lauderdale	FL	2013
Florida Mall Booth #2	Orlando	FL	2014	Tyson's Corner Center	Tyson’s Corner	VA	2014

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	Q1 2015
Company owned branch locations	9	14	15	18	23	26	32	32
Wholesale company relationships	26	61	70	123	245	364	469	483
Number of transacting locations	88	190	267	1,983	2,455	5,741	8,274	9,209

The Company’s largest asset is cash. The cash position consists of local currency notes, both in U.S. and Canadian Dollars, held in inventory at its branch and consignment locations to facilitate the buying and selling of foreign currency, as well as foreign currency held at the Company's vaults, branch locations, consignment locations, or cash inventory in transit between Company locations. The Company also has traditional bank deposits which act as reserves to maintain operations and as settlement accounts to facilitate currency transactions at various financial institutions.

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

Accounts payable consist mainly of foreign currency transactions and commissions payable at period end where the Company receives currency from a customer and then remits payment at a later date.

(All amounts expressed in U.S. Dollars unless otherwise noted)

Overview (continued)

Purchase of assets from U.S. Exchange House, Inc.

On March 28, 2014 the Company purchased certain assets of U.S. Exchange House, Inc. ("**USEH**"), pertaining to its bank note operations located in the United States and Canada. The Company acquired USEH's customer trading relationships, certain prepaid and fixed assets and the USEH trading software used to operate the bank note business. CXI paid $2,350,000 in cash on closing and will have two additional contingent payments of up to a maximum of $1,325,000 each on the first and second anniversary after closing. The additional payments will be based on the amount of revenue generated from the customer trading relationships acquired. The Company recorded expenses of $141,353 in legal and other professional fees to complete the transaction.

SELECTED FINANANCIAL DATA

The below chart summarizes the performance of the Company over the last eight fiscal quarters. Operating income for prior periods has been adjusted to exclude the effects of depreciation and amortization.

Period	Date	Revenue	Net operating income*	Net income	Total assets	Total equity	Earnings per share (diluted)
(unaudited)		$	$	$	$	$	$
Three-months ending	31-Jan-15	5,193,869	1,242,367	353,574	38,859,547	32,456,426	0.06
Three-months ending	31-Oct-14	6,552,184	2,279,682	1,045,192	39,709,302	33,025,175	0.19
Three-months ending	31-Jul-14	6,839,330	2,830,097	1,456,004	42,044,018	32,185,439	0.26
Three-months ending	30-Apr-14	4,487,432	1,109,212	466,774	37,244,354	30,586,996	0.09
Three-months ending	31-Jan-14	4,127,007	970,779	451,156	32,844,973	29,835,415	0.08
Four-months ending	31-Oct-13	6,463,406	2,341,712	1,669,609	33,681,819	29,763,976	0.39
Three-months ending	30-Jun-13	3,799,683	1,168,754	1,466,835	19,997,719	17,607,201	0.38
Three-months ending	31-Mar-13	2,919,292	505,207	(575,087)	18,709,964	16,255,314	(0.15)

* Excludes depreciation and amortization expense

Seasonality is reflected in the timing of when foreign currencies are in greater or lower demand. In a normal operating year there is seasonality to the Company's operations with higher revenues generally from March until September and lower revenues 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.

(All amounts expressed in U.S. Dollars unless otherwise noted)

Selected Financial Results for the three month periods ended January 31, 2015 and January 31, 2014

	Three months ended January 31, 2015 (Unaudited) $	Three months ended January 31, 2014 (Unaudited) $
Revenue	5,193,869	4,127,007
Operating expenses*	3,951,502	3,156,227
Net operating income	1,242,367	970,780
Total other income (expense), net	(24,970)	(10,471)
EBITDA**	1,217,397	960,309
Net income	353,574	451,156
Basic earnings per share	0.07	0.08
Diluted earnings per share	0.06	0.08

* Excludes depreciation and amortization expense

** Earnings before interest, taxes, depreciation and amortization

	January 31, 2015 (unaudited) $	October 31, 2014 (audited) $
Total assets	38,859,547	39,709,302
Total long term financial liabilities	585,144	585,144
Total equity	32,456,426	33,025,175

Results of operations – three month periods ended January 31, 2015 and January 31, 2014

A breakdown of revenues by geographic location is presented below:

	Total revenues	
	Three months ended January 31, 2015 $	Three months ended January 31, 2014 $
United States	2,650,676	2,237,042
Canada	2,543,193	1,889,965
Total	5,193,869	4,127,007

During the year ended January 31, 2015 revenues increased by 26% to $5,193,869 compared to $4,127,007 for the three month period ended January 31, 2014. Revenue growth resulted from establishing four new Company-owned branch locations as well as 111 new wholesale relationships, making up 3,454 new locations since January 31, 2014.

For the three month period ended January 31, 2015, commission revenue for the United States increased 18% to $2,650,676 from $2,237,042 compared to the three month period ended January 31, 2014 and relate primarily to new revenue generated from the Company's branch locations, increases in same store sales across most branch locations and existing customers, establishing new relationships with bank and non-bank locations, and increases in volumes of exotic currencies. Since January 31, 2014, the Company has added four Company-owned branch locations and has also added 89 new wholesale relationships representing nearly 3336 locations in the United States.

(All amounts expressed in U.S. Dollars unless otherwise noted)

Results of operations – three month periods ended January 31, 2015 and January 31, 2014 (continued)

Revenues increased 35% in Canada to $2,543,193 during the three month period ended January 31, 2015 from $1,889,965 for the three month period ended January 31, 2014 and are related to the growth of the Canadian customer base. CXIC has added 22 new wholesale relationships with 118 locations since January 31, 2014.

During the three month period ended January 31, 2015, operating expenses increased 25% to 3,951,502 compared to $3,156,227 for the three month period ended January 31, 2014, the major components of which are presented below:

	Three months ended January 31, 2015 $	Three months ended January 31, 2014 $	Change $	Change %
Salaries and benefits	2,226,691	1,586,607	640,084	40%
Rent	560,411	$ 445,199	115,212	26%
Legal, professional and director's fees	258,353	204,660	53,693	26%
Postage and shipping	337,384	268,572	68,812	26%
Stock based compensation	149,869	176,636	(26,767)	-15%
Other general and administrative	418,794	474,553	(55,759)	-12%
Total operating expenses	3,951,502	3,156,227	795,275	25%

- Salaries and benefits increased 40% to $2,226,691 from $1,586,607 which is attributed to increases in the Company's employment base for the period. As of January 31, 2015, the Company employs 200 full and part-time employees in the United States and Canada compared to 163 full and part-time employees at January 31, 2014. The increase in staffing is a result of adding four company owned branch locations and opening a new Los Angeles vault as well as the addition of employees engaged in the areas of compliance, information technology, operations, including vault operations, sales, management, and other administrative positions. The Company also had increases in remuneration to key employees as part of its short-term incentive plan;

- Rent increased 26% to $560,411 from $$445,199 due to the opening of new branch outlets and the addition of one new vault location in Los Angeles. The Company has opened four outlets since January 31, 2014 and has relocated and enlarged its vault facilities in Toronto and Miami and also moved its corporate headquarters in Orlando, Florida;

- Legal, professional and directors fees increased 26% to $258,353 from $204,660.

- Postage and shipping increased 26% to $337,384 from $268,572 and is due to an increase in the frequency of inbound and outbound shipments. The Company incurs shipping fees from couriers and armored carriers to transport currency between the Company's stores and customers. The Company added several new transacting locations since January 31, 2014 which has lead to increased transactional activity thus increasing shipping costs. Additionally, the Company has increased the frequency of inbound and outbound armored shipments due to an increase in high value, bulk shipments to centralized clients. Shipping fees collected by the Company are netted against shipping charges charged to the Company;

- Stock based compensation decreased to $149,869 from $176,636 for the vested portion of stock options granted pursuant to the Company's stock option plan. The options have an expiry date of five years from the date of the grant, unless otherwise stated by the Board of Directors, and have a weighted average exercise price of Cdn$10.54. There were 479,907 options outstanding at January 31, 2015 compared to 378,060 options outstanding at January 31, 2014; and

(All amounts expressed in U.S. Dollars unless otherwise noted)

Results of operations – three month periods ended January 31, 2015 and January 31, 2014 (continued)

- Other general and administrative expenses decreased 12% to $418,794 from $474,553. Other expenses are comprised of insurance, travel and lodging, software maintenance, utilities, bank service charges, foreign exchange gains and losses through profit and loss, and other general and administrative expenses. The decrease is a result of foreign exchange gains compared to the comparable period on the revaluation of foreign financial assets and liability balances, and non-capitalized costs for opening new offices in Toronto, Canada, Orlando, and Miami in 2014, as well as higher expenditures in 2014 to support the expansion of the Company's branch network.

The ratio of operating expenses to total revenue for the three month period ended January 31, 2015 was 76% compared to 76% for the three month period ended January 31, 2014. The ratio traditionally is higher during the winter months and lower during the summer months due to higher exchange volume. This is due to the cyclical nature of the business as the Company typically experiences higher exchange volume from March to September resulting in the Company being better able to redeploy the currency it purchases in the summer months from its branch locations and resell it to other bank and non-bank customers, thus bypassing currency wholesalers and widening its gross margin.

Other income and expenses are comprised of the following:

	Three month period ended January 31, 2015 $	**Three month period ended January 31, 2014 $**
Other income	3,774	19,377
Interest and accretion expense	(2,476)	(3,497)
Expenses related to bank application	(28,744)	(29,848)
Depreciation and amortization	(336,252)	(87,785)
Income tax expense	(525,095)	(417,871)
Total other expense	(888,793)	(519,624)

- Other income decreased to $3,774 from $19,377 and relates primarily to interest collected for surplus cash deposits held at various financial institutions in Canada and the United States;

- Interest and accretion expense decreased to $2,476 from $3,497 and relates to interest payments on credit lines;

- Expenses pertaining to filing and processing the bank license application decreased to $28,744 from $29,848;

- Depreciation and amortization increased to $336,252 from $87,785 and relates to amortization of the Company's intangible assets as well as fixed assets being depreciated over their estimated economic life. Approximately $220,000 of the increase was attributable to amortization of the assets acquired from USEH; and

- Income tax expense increased to $525,095 from $417,871 and is a total of federal income tax as well as various state and provincial taxes for the jurisdictions in which the Company operates. During the three months ended January 31, 2015, the Company completed a reorganization of its corporate structure resulting in a one-time increase in income taxes of approximately $190,000.

(All amounts expressed in U.S. Dollars unless otherwise noted)

Cash flows

Cash flows from operating activities during the three month period ended January 31, 2015 resulted in an inflow of $369,302 compared to an outflow of $1,549,106 during the three month period ended January 31, 2014. The reason for the increase in operating cash was due to a decrease in accounts receivable. The actual amount of accounts receivable and accounts payable fluctuate from period to period due to the volume of activity and timing differences. In most instances accounts receivable and accounts payable have a settlement cycle of 24 to 48 hours. Operating cash flow is generated by commission and fee income, and is offset by operating expenses.

Cash used in investing activities during the three month period ended January 31, 2015 resulted in an outflow of $149,284 compared to an outflow of $167,832 during the three month period ended January 31, 2014.

Cash provided by financing activities during the three month period ended January 31, 2015 was $491,038 resulting from employee stock options exercised as well as drawings of $445,850 on the Company's line of credit held with BMO Harris Bank, N.A. During the three month period ended January 31, 2014, cash provided by financing activities was $Nil.

Liquidity and capital resources

At January 31, 2015, the Company had working capital of $28,413,727 (October 31, 2014 - $28,973,117).

The Company maintains a Cdn$2,000,000 credit line with a shareholder and a revolving line of credit with BMO Harris Bank, N.A. for up to $6,000,000 to assist with its short-term cash flow needs. The Company had total available unused lines of credit of $7,554,150 at January 31, 2015.

Selected annual and quarterly financial information

The following tables set out selected consolidated financial information of the Company for the periods indicated. Each investor should read the following information in conjunction with those financial statements for the relevant period and notes related thereto. The operating results for any past period are not necessarily indicative of results for any future period. The selected financial information set out below has been derived from the consolidated financial statements of the Company.

	Year ended October 31, 2014 Audited $	**Thirteen months ended October 31, 2013 (1) Audited** $	**Year ended September 30, 2012 Audited** $	**Year ended September 30, 2011 Audited** $
Revenues	22,005,953	15,990,434	12,314,473	8,683,705
Net operating income (2)	7,189,769	4,392,515	3,822,328	2,949,260
Net income	3,419,125	2,641,694	2,717,652	1,489,686
Basic earnings per share (3)	0.63	0.64	0.83	0.66
Diluted earnings per share (3)	0.62	0.64	0.83	0.66
Total assets	39,709,302	33,681,819	18,225,628	9,914,292
Total liabilities	6,684,127	3,917,843	1,998,654	3,754,954
Total non-current financial liabilities	585,144	-	-	110,924
Working capital	28,973,117	28,935,018	15,651,326	5,861,804

Notes:

1. The Company changed its year-end to October 31, and reported on the thirteen month period ended October 31, 2013.
2. Operating income for prior periods has been adjusted to exclude depreciation and amortization expense.
3. Adjusted for a 2:1 share split effective June 28, 2011.

(All amounts expressed in U.S. Dollars unless otherwise noted)

The following is a summary of unaudited financial data for the most recently completed eight quarters. The Company has restated operating expenses and operating income to exclude the effects of depreciation and amortization.

Period	Date	Revenue	Net Operating income*	Total assets
(unaudited)		$	$	$
Three-months ending	31-Jan-15	5,193,869	1,242,367	38,859,547
Three-months ending	31-Oct-14	6,552,184	2,279,682	39,709,302
Three-months ending	31-Jul-14	6,839,330	2,830,097	42,044,018
Three-months ending	30-Apr-14	4,487,432	1,109,212	37,244,354
Three-months ending	31-Jan-14	4,127,007	970,780	32,844,973
Four-months ending	31-Oct-13	6,463,406	2,341,712	33,681,819
Three-months ending	30-Jun-13	3,799,683	1,168,754	19,997,719
Three-months ending	31-Mar-13	2,919,292	505,207	18,709,964

*Excludes depreciation and amortization expense

Commitments and contingencies

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 consolidated financial statements.

The Company has entered into non-cancellable operating leases with terms in excess of one year for the use of certain facilities. The minimum rental payments associated with these leases are $4,355,282 and are payable as follows:

Year ended		Remaining minimum payments required
October 31, 2015		1,214,044
October 31, 2016		1,212,656
October 31, 2017		1,105,919
October 31, 2018		655,229
October 31, 2019 and thereafter		167,434
Total	**$**	**4,355,282**

On March 28, 2014 the Company purchased certain assets of USEH. The Company paid $2,350,000 in cash on closing and will have two additional contingent payments of up to a maximum of $1,325,000 each and payable on the first and second anniversary after closing. The additional payments will be based on the amount of revenue generated from the customer trading relationships acquired.

The Company has estimated the likelihood of future revenues to determine the estimated contingent consideration. Management has estimated these payments for the first and second anniversary at $892,723 and $585,144, respectively, for total contingent consideration of $1,477,867.

(All amounts expressed in U.S. Dollars unless otherwise noted)

Off-balance sheet arrangements

There are currently no off-balance sheet arrangements which could have an effect on current or future results or operations, or on the financial condition of the Company.

Hedging activity

Other than as noted below, the Company does not engage in any form of hedged, derivative or leveraged trading. The Company does not extend margin or leverage to any of its customers.

The Company enters into non-deliverable 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 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.

At January 31, 2015 and October 31, 2014 approximately $667,519 and $714,121, 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.

Transactions with related parties

The remuneration of directors and key management personnel during the three month periods ended January 31, 2015 and January 31, 2014 were as follows:

	Three months ended January 31, 2015	**Three months ended January 31, 2014**
	$	$
Short-term benefits	328,410	245,280
Post-employment benefits	24,556	2,531
Stock based compensation	146,531	166,568
	499,497	414,379

The Company incurred legal and professional fees in the aggregate of $22,889 for the three month period ended January 31, 2015 (three month period ended January 31, 2014 $22,252) charged by entities controlled by directors or officers of the Company.

On November 1, 2014, the Company completed a reorganization of its corporate structure resulting in a one-time increase in income taxes of approximately $190,000. This tax liability occurred as a result of the fair value increase in its investment in a subsidiary and was recorded in its entirety during the reporting period.

(All amounts expressed in U.S. Dollars unless otherwise noted)

Option grants

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.

Below is information related to each option grant:

Date of Grant	Expiry Date	Share price at grant date (Cdn$)	Amount granted	Risk-free interest rate	Expected volatility	Exercise Price (Cdn$)	Fair value of option at grant date ($)
May 4, 2012	May 4, 2017	7.30	90,000	0.78%	45%	7.50	2.84
December 17, 2012	December 18, 2017	6.75	116,000	0.74%	49%	7.50	2.66
May 3, 2013	May 3, 2018	7.35	22,000	0.73%	38%	7.65	2.42
October 29, 2013	October 29, 2018	10.86	35,640	1.29%	35%	10.86	3.44
October 29, 2013	October 29, 2018	10.86	114,420	1.29%	35%	10.86	3.44
July 9, 2014	July 9, 2019	13.24	1,762	1.70%	29%	13.24	3.58
October 30, 2014	October 30, 2019	18.00	87,215	1.61%	27%	16.21	4.97
October 30, 2014	October 30, 2019	18.00	24,144	1.61%	27%	16.21	4.97

* Exercise price determined by average share price for previous 20 trading days

The outstanding options at January 31, 2015 and October 31, 2014 and the respective changes during the periods are summarized as follows:

	Number of options	Weighted average exercise price
	#	Cdn$
Outstanding at October 31, 2013	378,060	8.84
Granted	113,121	16.16
Exercised	(4,600)	7.50
Outstanding at October 31, 2014	486,581	10.54
Exercised	(6,674)	8.48
Outstanding at January 31, 2015	479,907	10.59

(All amounts expressed in U.S. Dollars unless otherwise noted)

Option grants (continued)

The following options are outstanding and exercisable at January 31, 2015

Grant Date	Exercise price (Cdn$)	Number outstanding	Average remaining contractual life (years)	Number exercisable
May 4, 2012	$7.50	90,000	2.25	60,000
December 17, 2012	$7.50	106,667	2.88	68,000
May 3, 2013	$7.65	22,000	3.25	7,333
October 29, 2013	$10.86	35,640	3.74	35,640
October 29, 2013	$10.86	112,479	3.74	36,199
July 9, 2014	$13.24	1,762	4.44	1,762
October 31, 2014	$16.21	111,359	4.75	-
Total		479,907		208,934

Subsequent events

On February 20, 2015 the Company entered into an agreement with a syndicate of underwriters who have agreed to purchase 540,000 common shares of the Company, on a bought deal private placement basis, at a price of Cdn$26.75 per Common Share for aggregate gross proceeds of Cdn$14,445,000. The Offering is expected to close on or about March 12, 2015 and is subject to certain conditions including, but not limited to, the receipt of all necessary regulatory and stock exchange approvals, including the approval of the TSX and the applicable securities regulatory authorities. The Company intends to use the net proceeds from the offering for funding of its growing US operations, working capital and general corporate purposes.

Accounting standards and policies

The Company's accounting policies are described in Note 2 to the Company's audited consolidated financial statements for the year ended October 31, 2014.

Risk factors

Major risk factors identified by management are outlined in the MD&A section of the Company's 2014 Annual Report, along with the following major risk factors:

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 insured limits.

(All amounts expressed in U.S. Dollars unless otherwise noted)

Risk factors (continued)

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 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.

A breakdown of accounts receivable by category is set out below:

	At January 31, 2015	At October 31, 2014
Customer type	**$**	**$**
Domestic and international banks	736,292	2,953,383
Money service businesses	2,930,474	1,204,410
Other	22,227	20,765
Total	3,688,993	4,178,558

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 vaults, tills and in transit at January 31, 2015 was approximately $6,450,000 (October 31, 2014 - $5,725,000). The amount of currency that is unhedged and that is not pegged to the U.S. Dollar is approximately $4,725,000 (October 31, 2014 - $4,090,000). 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 +$94,500/-$94,500 (October 31, 2014 gain/loss of approximately +$80,000/-$80,000).

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.

(All amounts expressed in U.S. Dollars unless otherwise noted)

Risk factors (continued)

Interest Rate Risk

At January 31, 2015, the Company had access to interest bearing financial instruments in cash and short term accounts payable. A significant amount of the Company's cash is held as foreign currency banknotes 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 fixed and 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 11 in the Condensed Interim Consolidated Financial Statements for the three month period ended January 31, 2014.

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 nine month period ended January 31, 2015 would have been approximately +$3,000/-$3,000 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 CEO, 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, 2015

Non-derivative financial liabilities	**Carrying amount**	**Estimated contractual amount**	**This fiscal year**	**Future fiscal years**
	$	**$**	**$**	**$**
Line of credit	445,850	445,850	445,850	$Nil
Accounts payable	3,480,445	3,480,445	3,480,445	$Nil
Accrued expenses	755,039	593,759	593,759	$Nil
Contingent consideration	1,477,867	1,477,867	892,723	585,144

At October 31, 2014

Non-derivative financial liabilities	**Carrying amount**	**Estimated contractual amount**	**Next fiscal year**	**Future fiscal years**
	$	**$**	**$**	**$**
Accounts payable	2,903,669	2,903,669	2,903,669	$Nil
Accrued expenses	1,239,367	1,093,044	1,093,044	$Nil
Contingent consideration	1,477,867	1,477,867	892,723	585,144

The Company had available unused lines of credit amounting to $7,554,150 at January 31, 2015 (October 31, 2014 - $8,000,000).