CURRENCY EXCHANGE INTERNATIONAL, CORP.

Condensed Interim Consolidated Financial Statements
For the three months ended January 31, 2014 and the three months ended December 31, 2012
(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) *“Peter Scherer”*
Peter Scherer
Chief Financial Officer

Orlando, Florida
March 10, 2014

CURRENCY EXCHANGE INTERNATIONAL, CORP.
Condensed Interim Consolidated Statements of Financial Position
As at January 31, 2014 and October 31, 2013
(Expressed in U.S. Dollars)
(Unaudited)

	January 31, 2014	October 31, 2013
ASSETS		
Current assets	$	$
Cash (Note 4)	28,960,663	31,130,866
Accounts receivable	2,181,167	1,033,359
Restricted cash held in escrow (Note 5)	330,233	200,707
Other current assets (Note 20)	407,772	439,795
Total current assets	31,879,835	32,804,727
Property and equipment (Note 7)	502,286	461,273
Intangible assets (Note 8)	408,084	371,130
Other assets	54,767	44,689
Total assets	32,844,972	33,681,819
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable	2,261,953	2,918,054
Accrued expenses	475,087	801,166
Income taxes payable	172,126	150,489
Total current liabilities	2,909,166	3,869,709
Deferred tax liability	100,391	48,134
Total liabilities	3,009,557	3,917,843
Equity		
Share capital (Note 15)	5,390,473	5,390,473
Equity reserves (Note 15)	17,127,971	17,127,971
Stock options (Note 15)	530,064	353,428
Retained earnings	7,629,930	7,178,774
Accumulated other comprehensive loss	(843,023)	(286,670)
Total equity	29,835,415	29,763,976
Total liabilities and equity	32,844,972	33,681,819

Commitments and contingencies (Notes 6 and 19)

Subsequent events (Note 21)

Approved on behalf of Board of Directors:

(signed) "Randolph Pinna", Director

(signed) "Chirag Bhavsar", Director

Refer to accompanying notes to the unaudited condensed interim consolidated financial statements .

CURRENCY EXCHANGE INTERNATIONAL, CORP.
Condensed Interim Consolidated Statements of Income and Comprehensive Income
Three months ended January 31, 2014 and the three months ended December 31, 2012
(Expressed in U.S. Dollars)
(Unaudited)

	Three months ended January 31, 2014	Three months ended December 31, 2012
Revenues	$	$
Commissions from trading	3,777,155	2,552,675
Fee income	349,852	255,378
Total revenues (Note 3)	4,127,007	2,808,053
Operating expenses (Note 17)	3,244,012	2,499,820
Net operating income	882,995	308,233
Other income (expense)		
Fair value change in warrant liability (Note 13)	-	2,871
Interest and accretion (Note 10)	(3,497)	(5,648)
Expenses related to Exchange Bank of Canada (Note 18)	(29,848)	(133,389)
Other income	19,377	1,913
Total other income (expense)	(13,968)	(134,253)
Income before income taxes	869,027	173,980
Income tax expense	417,871	93,642
Net income	451,156	80,338
Other comprehensive income for the year, after tax		
Net Income	451,156	80,338
Items that may be subsequently reclassified to profit or loss		
Exchange differences on translating foreign operations	(556,353)	-
Total comprehensive income	(105,197)	80,338
Earnings per share (Note 16)		
- basic	$0.08	$0.02
- diluted	$0.08	$0.02
Weighted average number of common shares outstanding (Note 16)		
- basic	5,390,473	3,873,371
- diluted	5,477,174	3,873,860

Refer to accompanying notes to the unaudited condensed interim consolidated financial statements.

CURRENCY EXCHANGE INTERNATIONAL, CORP.
Condensed Interim Consolidated Statements of Changes in Equity
Three months ended January 31, 2014
(Expressed in U.S Dollars)
(Unaudited)

	Common Stock				Broker Options		Stock Options			
	Shares	Amount	Equity Reserves	Accumulated Other Comprehensive Income (Loss)	Broker Options	Amount	Stock Options	Amount	Retained Earnings	Total
	#	$	$	$	#	$	#	$	$	$
Balance, September 30, 2012	3,872,068	3,872,068	7,623,905	-	82,800	129,512	90,000	64,409	4,537,080	16,226,974
Issuance of shares (Note 15)	1,518,405	1,518,405	9,413,968	-	-	-	-	-	-	10,932,373
Exercise of broker options (Note 15)	-	-	89,910	-	(82,680)	(129,324)	-	-	-	(39,414)
Expiry of broker options (Note 15)	-	-	188	-	(120)	(188)	-	-	-	-
Issuance of stock options (Note 15)	-	-	-	-	-	-	288,060	289,019	-	289,019
Loss on foreign currency translation	-	-	-	(286,670)	-	-	-	-	-	(286,670)
Net income	-	-	-	-	-	-	-	-	2,641,694	2,641,694
Balance, October 31, 2013	5,390,473	5,390,473	17,127,971	(286,670)	-	-	378,060	353,428	7,178,774	29,763,976
Issuance of stock options (Note 15)	-	-	-	-	-	-	-	176,636	-	176,636
Loss on foreign currency translation	-	-	-	(556,353)	-	-	-	-	-	(556,353)
Net income	-	-	-	-	-	-	-	-	451,156	451,156
Balance, January 31, 2014	5,390,473	5,390,473	17,127,971	(843,023)	-	-	378,060	530,064	7,629,930	29,835,415

Refer to accompanying notes to the unaudited condensed interim consolidated financial statements.

CURRENCY EXCHANGE INTERNATIONAL, CORP.
Condensed Interim Consolidated Statements of Cash Flows
Three months ended January 31, 2014 and the three months ended December 31, 2012
(Expressed in U.S. Dollars)
(Unaudited)

	Three months ended January 31, 2014	Three months ended December 31, 2012
Cash flows from operating activities	**$**	**$**
Net income	451,156	80,338
Adjustments to reconcile net income to net cash		
flows from operating activities		
Amortization	87,785	68,610
Stock based compensation	176,636	45,847
Gain on disposal of assets	-	(1,500)
Deferred taxes	-	19
Accretion expense	-	2,775
Fair value change in warrant liability	-	(2,871)
Increase (decrease) in cash due to change in:		
Accounts receivable	(1,206,479)	(723,099)
Restricted cash held in escrow	(129,525)	(27,589)
Other assets	18,817	36,530
Accounts payable and accrued expenses	(947,496)	(84,943)
Net cash flows from operating activities	(1,549,106)	(605,883)
Cash flows from investing activities	-	
Purchase of property and equipment	(105,137)	(69,164)
Purchase of intangible assets	(62,695)	(64,941)
Proceeds from sale of equipment	-	1,500
Net cash outflow from investing activities	(167,832)	(132,605)
Cash flows from financing activities	-	
Proceeds from exercise of broker options and share warrants	-	399,531
Borrowings on lines of credit and notes payable	-	1,262,984
Net cash flows from financing activities	-	1,662,515
Net change in cash	(1,716,938)	924,027
Cash, beginning of period	31,130,866	16,564,453
Exchange difference on foreign operations	(453,265)	-
Cash, end of period	28,960,663	17,488,480
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the period for income taxes	343,723	142,057
Cash paid during the period for interest	997	335
Cash received during the year for interest	19,377	413

Refer to accompanying notes to the 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 Corporations 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 (OTC) under the symbol “CURN:. The Company operates as a money service business and provides currency exchange, wire transfer, and cheque cashing services at its locations in the United States and Canada. The Company currently maintains a head office and four vaults as well as 28 branch locations. The Company’s registered head office is located at 6675 Westwood Boulevard, Suite 300, Orlando, Florida, 32821, United States of America.

Change in reporting period
Effective February 2013, Currency Exchange International, Corp. changed its fiscal year end to October 31, 2013 to conform to the reporting period for Canadian chartered banks.

Basis of presentation
These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) applicable to the preparation of interim financial statements, including International Accounting Standards 34 (IAS 34), Interim Financial Reporting. The accounting policies in these condensed consolidated interim financial statements are consistent with those disclosed in the Company's annual consolidated financial statements for the thirteen-month period ended October 31, 2013. The condensed consolidated interim financial statements should be read in conjunction with the Company's annual consolidated financial statements for the thirteen-month period ended October 31, 2013, which have been prepared in accordance with IFRS as issued by the IASB.

Comparative figures
Comparative figures have been reclassified to conform to the current period's presentation.

2. New Accounting Polices and Future Accounting Pronouncements

New accounting policies and future accounting pronouncements
The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed and disclosed in the preparation of the most recent annual consolidated financial statements for the thirteen-month period ended October 31, 2013.

3. Operating 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 are detailed below:

	Revenues ($)		
	United States	**Canada**	**Total**
Three months ended January 31, 2014	2,237,042	1,889,965	4,127,007
Three months ended December 31, 2012	2,500,732	307,321	2,808,053

	January 31, 2014			**October 31, 2013**		
Assets	**United States**	**Canada**	**Total**	**United States**	**Canada**	**Total**
	$	$	$	$	$	$
Cash	7,067,921	21,892,742	28,960,663	6,451,236	24,679,630	31,130,866
Accounts receivable	1,161	2,180,006	2,181,167	59,640	973,719	1,033,359
Restricted cash held in escrow	-	330,233	330,233	-	200,707	200,707
Other current assets	285,579	122,193	407,772	297,838	141,957	439,795
Property and equipment	334,841	167,445	502,286	348,001	113,272	461,273
Intangible assets	380,674	27,410	408,084	371,130	-	371,130
Other assets	31,636	23,131	54,767	31,636	13,053	44,689
Total assets	8,101,812	24,743,160	32,844,972	7,559,481	26,122,338	33,681,819

On October 31, 2013 the Company restructured its operations to add additional capital into its wholly-owned subsidiary, Currency Exchange International of Canada Corp. "CXIC" as part of its bank application process. As a result, the cash and capital in CXIC increased substantially. Additionally, the Company realized revenues of $1,434,569 in Canada that would have previously been classified as being generated in the United States.

4. Cash

Included within cash of $28,960,663 at January 31, 2014 (October 31, 2013 - $31,130,866) are the following balances:

	January 31, 2014	**October 31, 2013**
	$	$
Cash held in transit, vaults, tills and consignment locations	14,552,512	15,427,028
Cash deposited in bank accounts in jurisdictions in which it operates	14,408,151	15,703,838
Total	28,960,663	31,130,866

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 $330,233 at January 31, 2014 (October 31, 2013 - $200,707).

6. Operating Leases

The Company has 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 months ended January 31, 2014 was $445,199 (three months ended December 31, 2012 - $375,524).

The following is a schedule of future minimum rental payments and license fees required under these agreements as of October 31, 2014:

7. Property and Equipment

Property and equipment consisted of the following as of January 31, 2014 and October 31, 2013:

	Vehicles	**Computer equipment**	**Furniture and equipment**	**Leasehold improvements**	**Total**
Cost	$	$	$	$	$
Balance, September 30, 2012	66,373	124,484	171,826	589,487	952,170
Additions	31,683	33,564	33,327	254,958	353,532
Disposals	(49,853)	(25,812)	(6,861)	(16,312)	(98,838)
Balance, October 31, 2013	48,203	132,236	198,292	828,133	1,206,864
Additions	-	20,805	17,720	64,532	103,057
Disposals	-	(2,891)	-	(43,692)	(46,583)
Balance, January 31, 2014	48,203	150,150	216,012	848,973	1,263,338

	Vehicles	**Computer equipment**	**Furniture and equipment**	**Leasehold improvements**	**Total**
Amortization	$	$	$	$	$
Balance, September 30, 2012	42,246	86,644	96,748	335,407	561,045
Amortization	14,231	31,003	41,733	184,489	271,456
Disposals	(37,926)	(25,811)	(6,861)	(16,312)	(86,910)
Balance, October 31, 2013	18,551	91,836	131,620	503,584	745,591
Amortization	4,017	8,803	9,075	40,149	62,044
Disposals	-	(2,891)	-	(43,692)	(46,583)
Balance, January 31, 2014	22,568	97,748	140,695	500,041	761,052

	Vehicles	**Computer equipment**	**Furniture and equipment**	**Leasehold improvements**	**Total**
Carrying amounts	$	$	$	$	$
Balance, October 31, 2013	29,652	40,400	66,672	324,549	461,273
Balance, January 31, 2014	25,635	52,402	75,317	348,932	502,286

8. 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 January 31, 2014 and October 31, 2013 consisted of:

	Cost	**Amortization**	**Net Book Value**
	$	$	$
Balance, September 30, 2012	231,590	45,661	185,929
Additions	260,797	75,596	185,201
Balance, October 31, 2013	492,387	121,257	371,130
Additions	62,695	25,741	36,954
Balance, January 31, 2014	555,082	146,998	408,084

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 fewer 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. Lines of credit

The Company maintains two lines of credit for access to capital during peak business periods. In May of 2012, the Company entered into a line of credit agreement with Branch Banking and Trust Company for a principal amount of up to $1,000,000 for a one-time fee of $10,000. The line of credit bears interest at the bank's prime rate (as of January 31, 2014 3.25%) and is secured against the Company's cash and non-cash assets and renews annually. Any and all future debt is subordinate to the credit line. In May of 2013, the Company amended the note to increase the principal to an amount of up to $2,000,000 for a one-time fee of $10,000. At January 31, 2014, the balance on the line of credit was $Nil (October 31, 2013 - $Nil). During the three months ended January 31, 2014, the Company recognized interest expense of $3,497 respectively (three months ended December 31, 2012 - $56).

On January 4, 2011, the Company entered into a Master Purchasing Agreement to borrow up to Cdn$5,000,000 with a shareholder of the Company. On December 14, 2011, the Company amended the terms of the Master Purchasing Agreement to reduce the available credit from Cdn$5,000,000 to Cdn$2,000,000 upon completion of the offering described in Note 15. The Master Purchasing Agreement is subordinate to the credit line held with Branch Banking and Trust Company described above and is unsecured. Specific repayment terms and interest rates are negotiated when drawings are made. During the three month period ended January 31, 2014, the Company recognized interest and accretion expense of $Nil (three months ended December 31, 2012 - $2,775).

11. Risk Management

The Company's activities expose it to a variety of financial risk: 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 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 the 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 a counterparty’s inability to fulfill its payment obligations. The Company’s credit risk is primarily attributable to cash in bank accounts and accounts receivable.

All domestic and international banking relationships are selected by senior management. The Company maintains accounts in high quality financial institutions. At various times, the Company's bank balances may exceed the federally or provincially 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 and other financial institutions. For the purpose of risk control, the customers are grouped as follows: domestic and international financial institutions, 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. A breakdown of accounts receivable by category is below:

	January 31, 2014	**October 31, 2013**
Customer type	**$**	**$**
Domestic and international banks	992,711	443,739
Money service businesses	1,187,364	584,109
Other	1,092	5,511
Total	**2,181,167**	**1,033,359**

These limits are reviewed regularly by senior management.

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.

11. Risk Management (continued)

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 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. The amount of unhedged inventory held in vaults, tills and in transit at January 31, 2014 was approximately $2,220,000 (October 31, 2013 - $3,040,000). The amount of currency that is unhedged and that is not pegged to the U.S. Dollar is $1,200,000 (October 31, 2013 - $1,550,000). 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 +$24,000/-$24,000 (October 31, 2013 gain/loss of approximately +$30,000/-$30,000).

On a consolidated basis, the Company is also exposed to foreign currency fluctuations between the US dollar and the functional currencies of its subsidiaries. The major foreign currency giving rise to currency risk is the Canadian dollar.

The Company does not hedge its net investment in its foreign subsidiary and the related foreign currency translation of local earnings.

Interest Rate Risk

As of January 31, 2014, the Company had access to interest bearing financial instruments in cash and short term note payables. 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 10.

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 months ended January 31, 2014 would have been approximately +$250/-$250 higher/lower as a result of credit lines held at variable interest rates.

11. Risk Management (continued)

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:

As of January 31, 2014

Non-derivative financial liabilities	Carrying amount	Contractual amount	This fiscal year	Future fiscal years
	$	$	$	$
Accounts payable	2,261,953	2,261,953	2,261,953	-
Accrued expenses	475,087	431,073	431,073	-

As of October 31, 2013

Non-derivative financial liabilities	Carrying amount	Contractual amount	Next fiscal year	Future fiscal years
	$	$	$	$
Accounts payable	2,918,054	2,918,054	2,918,054	-
Accrued expenses	801,166	757,237	757,237	-

The Company had unused lines of credit amounting to $4,000,000 at January 31, 2014 (October 31, 2013 - $4,000,000).

The Company manages capital through its financial and operational forecasting processes. 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.

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.

12. Foreign Currency Forward Contracts

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. For the three months ended January 31, 2014, the change in foreign currency value was a gain of $34,079 (three months ended December 31, 2012 - gain of $122,880), the net change from foreign currency forward contracts related to foreign currency inventory holdings was a loss of $81,311 (three months ended December 31, 2012 - loss - $96,301).

12. Foreign Currency Forward Contracts (continued)

As of January 31, 2014 and October 31, 2013 approximately $330,233 and $200,707, 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.

13. Warrant Liability

On March 9, 2012, the Company completed a public offering by issuing 1,380,000 units for gross proceeds of Cdn$9,177,000 (Note 15). Each unit was comprised of one common share and one common share purchase warrant and expired on September 12, 2013. The grant date fair value of $1,381,235 was allocated to the warrants based on the Black-Scholes option pricing model using the following inputs:

	March 9, 2012
Risk-free interest rate	0.20%
Expected volatility	59%
Expected dividend yield	Nil
Expected life (years)	1.5
Fair value of common share at grant date	Cdn$5.66

Warrants issued by the Company to purchase common shares, for a fixed price stated in Canadian dollars, a currency other than the Company's functional currency of US dollars, and not offered pro rata to all existing shareholders of the same class at the time of issuance, are considered derivative financial liabilities under IFRS. Such warrants are required to be measured and recognized at fair value as a liability with changes subsequent to initial recognition included in the consolidated statement of income and comprehensive income. Subsequently, the warrants became publically traded and the fair value of the warrants is based on the quoted market price of the warrants at each reporting date. The warrant liability is classified as Level 1 within the fair value hierarchy.

On December 24, 2012, 59,634 broker compensation options described in Note 15 were exercised enabling each option holder one common share and one common share purchase warrant.

In February 2013, 40 broker compensation options described in Note 15 were exercised enabling each option holder one common share and one common share purchase warrant.

In March of 2013, 23,006 broker compensation options described in Note 15 were exercised enabling each option holder one common share and one common share purchase warrant.

Prior to the expiry date, a total of 1,435,725 warrants were converted in to common shares and 26,955 warrants remained outstanding. At the time of expiry, the warrant liability was extinguished and the gain was recognized on the consolidated statement of income and comprehensive income. During the three months ended January 31, 2014, the Company realized a non-cash gain of $Nil on the revaluation of the liability as the warrant liability had been extinguished (three months ended December 31, 2012 - gain - $2,871).

14. Retirement Plan

The Company has a defined contribution 401(k) retirement plan which covers substantially all employees in the United States 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 defer a portion of their compensation on a before or after tax basis in accordance with Section 401(k) of the Internal Revenue Code. The Company makes matching dollar for dollar contributions of up to 4% of each plan participant's gross wages. For the three months ended January 31, 2014 the Company's matching contribution expense was $23,332 (three months ended December 31, 2012 - $23,359).

15. Shareholders' Equity

Share Capital
The authorized share capital consists of 100,000,000 common shares. The common shares have a par value of $1.00.

On March 9, 2012, the Company completed a public offering by issuing 1,380,000 units at a price of Cdn$6.65 per unit for gross proceeds of Cdn$9,177,000 ($9,240,936). Each unit was comprised of one common share and one common share purchase warrant. Each warrant entitled its holder to purchase one additional share at a price of Cdn$7.50 until September 8, 2013. An amount of $1,381,235 was allocated as a warrant liability on the date of issue as described in Note 13. In connection with the offering, officers and directors combined to purchase 8,100 common shares.

The Company issued broker compensation options entitling the agents to acquire a maximum of 82,800 units at Cdn$6.65 per unit until March 11, 2013. Each unit consisted of one common share and one common share purchase warrant exercisable at a price of Cdn$7.50 until September 12, 2013. The grant date fair value of the broker options of $129,512 was determined based on the Black-Scholes option pricing model using the assumptions as presented below:

Risk-free interest rate	0.18%
Expected volatility	59%
Expected dividend yield	Nil
Expected life (years)	1
Fair value of unit at grant date	Cdn$6.65
Fair value of option at grant date	$1.56

During the thirteen-months ended October 31, 2013, 82,680 broker compensation units were exercised at a price of Cdn$6.65 per unit, for proceeds of Cdn$549,822 ($548,264).

In August and September of 2013, 1,435,725 common share purchase warrants were exercised for one common share of stock at a price of Cdn$7.50 for proceeds of Cdn$10,767,938 ($10,384,109).

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, 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 unless otherwise specified by the Company’s board of directors.

15. Shareholders' Equity (continued)

Below is information related to each option grant:

Date of Grant	**May 4, 2012**	**December 17, 2012**	**May 3, 2013**	**October 29, 2013**	**October 29, 2013**
Expiry Date	May 4, 2017	December 18, 2017	May 3, 2018	October 29, 2018	October 29, 2018
Vesting Schedule	1/3 annually	1/3 annually	1/3 annually	1 year	1/3 annually
Amount granted	90,000	116,000	22,000	35,640	114,420
Exercise Price	Cdn$7.50	Cdn$7.50	Cdn$7.65	Cdn$10.86	Cdn$10.86
Risk-free interest rate	0.78%	0.74%	0.73%	1.29%	1.29%
Expected volatility	45%	49%	38%	35%	35%
Expected dividend yield	Nil	Nil	Nil	Nil	Nil
Expected life (years)	5	5	5	5	5
Fair value of share at grant date	Cdn$7.30	Cdn$6.75	Cdn$7.35	Cdn$10.86	Cdn$10.86
Fair value of option at grant date	$2.84	$2.66	$2.42	$3.44	$3.44
Total amount vested as of October 31, 2013	$ 183,067	$ 155,366	$ 12,335	$ 1,343	$ 1,317
Amount vested for the three months ended January 31, 2014	$ 26,642	$ 46,711	$ 11,822	$ 30,879	$ 60,582
Total amount vested as of January 31, 2014	$ 209,709	$ 202,077	$ 24,157	$ 32,222	$ 61,899

The outstanding options as of January 31, 2014 and October 31, 2013 and the respective changes during the periods are summarized as follows:

	January 31, 2014			**October 31, 2013**		
	Number of options	Weighted average exercise price	Vesting attributable to period	Number of options	Weighted average exercise price	Vesting attributable to period
	#	Cdn$	$	#	Cdn$	$
Outstanding, beginning of period	378,060	8.84	176,636	90,000	7.50	64,409
Granted	-	-	-	288,060	9.26	289,019
Exercised	-	-	-	-	-	-
Expired	-	-	-	-	-	-
Outstanding, end of period	378,060	8.84	176,636	378,060	8.84	353,428

15. Shareholders' Equity (continued)

The following options are outstanding and exercisable at January 31, 2014:

	Options Outstanding and Exercisable			
Grant Date	**Exercise price**	**Number outstanding**	**Average remaining contractual life**	**Number exercisable**
	Cdn$	**#**	**(years)**	**#**
May 4, 2012	$7.50	90,000	3.26	30,000
December 17, 2012	$7.50	116,000	3.88	38,666
May 3, 2013	$7.65	22,000	4.25	-
October 29, 2013	$10.86	35,640	4.75	-
October 29, 2013	$10.86	114,420	4.75	-
Total		378,060		68,666

16. Earnings per Common Share

The calculation of earnings per share is presented below.

	Three months ended January 31, 2014	**Three months ended December 31, 2012**
Basic		
Net income	$451,156	$80,338
Weighted average number of shares outstanding	5,390,473	3,873,371
Basic earnings per share	$0.08	$0.02
Diluted		
Net income	$451,156	$80,338
Weighted average number of shares outstanding	5,477,174	3,873,860
Diluted earnings per share	$0.08	$0.02

17. Operating Expenses

	Three months ended	
	January 31, 2014	**December 31, 2012**
	$	**$**
Salaries and benefits	1,586,607	1,146,203
Rent	445,199	375,524
Legal and professional	204,660	211,914
Postage and shipping	268,572	257,248
Stock based compensation	176,636	45,847
Amortization	87,785	68,610
Other general and administrative	474,553	394,474
Operating expenses	3,244,012	2,499,820

18. Exchange Bank of Canada

On November 23, 2012, the Company submitted its application to continue 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 (Canada) and the Minister of Finance (Canada), the new bank will be called "Exchange Bank of Canada" in English and "Banque de Change du Canada" in French and will have its head office in Toronto. During the three months ending January 31, 2014, the Company recognized legal and administrative expenses of $29,848 in relation to the application process (three months ending December 31, 2012 - $133,389).

19. 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 months ended January 31, 2014 and the three months ended December 31, 2012 was as follows:

	Three months ended January 31, 2014	**Three months ended December 31, 2012**
	$	$
Short-term benefits	245,280	124,024
Post-employment benefits	2,531	5,416
Stock based compensation	166,568	44,241
	414,379	173,681

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

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. In October, 2013, the Compensation Committee of the Board of Directors agreed to increase the base salary to $225,000 per annum with a maximum cash bonus of up to 62.5% of the annual base salary as part of the Company's short term incentive plan ("STIP"). 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. As the likelihood of a change on control is not determinable, the contingent payments have not been reflected in the consolidated financial statements.

On October 29, 2013, the Compensation Committee of the Board of Directors approved STIP for key officers and executives of the Company. The maximum amount of STIP payable for key officers and executives for the fiscal year ending October 31, 2014 will be $416,000 and will be paid upon the achievement of performance objectives.

The Company incurred legal and professional fees in the aggregate of $22,252 for the three months ending January 31, 2014 (three months ending December 31, 2012 - $9,625) charged by entities controlled by directors or officers of the Company. During the three months ended January 31, 2014, the Company incurred an expense of $166,568 from stock options to officers and directors (three months ended December 31, 2012 - $44,241).

20. Other Current Assets

	January 31, 2014	October 31, 2013
	$	$
Prepaid rent	146,233	131,034
Prepaid insurance	63,707	92,871
Forward escrow deposits	2,547	2,836
Due on debit and credit cards	38,015	33,447
Forward contract positions	53,318	83,430
Other assets	103,952	96,177
Total	407,772	439,795

21. Subsequent Events

The Company evaluated subsequent events through March 10, 2014, the date these financial statements were issued. There were no material subsequent events that required recognition or additional disclosure in the financial statements.