CURRENCY EXCHANGE
INTERNATIONAL

Currency Exchange International
2014 Annual Report

CURRENCY EXCHANGE INTERNATIONAL

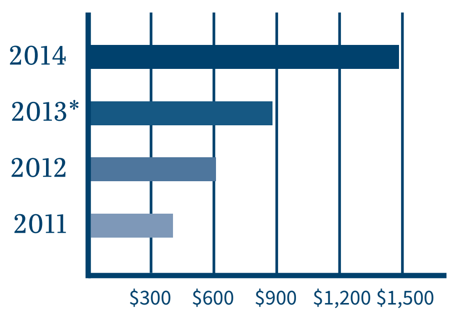
FINANCIAL HIGHLIGHTS

	2014	2013*	2012	2011
Exchange Volume: In Millions	$1,456	$878	$605	$409
Total Revenue: In Millions	$22.0	$16.0	$12.3	$8.7
Total Assets: In Millions at Fiscal Year-End	$39.7	$33.7	$18.2	$9.9

All amounts in this report are stated in USD unless otherwise noted.

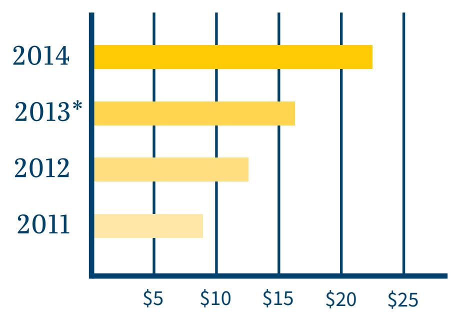
Exchange Volume
$ Millions

66% Year Over Year



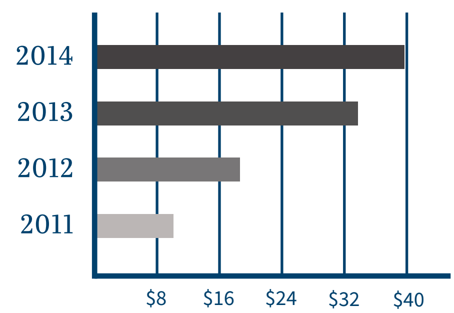
Total Revenue
$ Millions

38% Year Over Year



Total Assets
$ Millions

18% Year Over Year



Key Ratios

	2014	2013*
Earnings Per Share	$0.62	$0.49
Return On Assets	9.2%	9.1%
Return On Equity	11.0%	10.4%
Efficiency Ratio	67.3%	72.5%

2013 Key Ratios exclude a one-time non-cash gain of $458,241 from the revaluation of the Company's warrant liability and net income has been annualized to conform to a twelve month period.

Corporate Customers and Transacting Locations

	2014	2013*	2012	2011
Company-Owned Branch Locations	32	26	23	18
Wholesale Company Relationships	469	364	245	123
Transacting Locations	8,274	5,741	2,455	1,983

Quarterly Stock Price (TSX:CXI)

TSX stock prices are quoted in Cdn$

Q4 Ended 10/31/2014	Q3 Ended 7/31/2014	Q2 Ended 4/30/2014	Q1 Ended 1/31/2014
$18.65	$13.15	$13.30	$11.72

*13 month period-ended October 31, 2013

Dear CXI Shareholders, Employees and Customers

I am pleased to present the progress and achievements of Currency Exchange International for our fiscal year-ended October 31, 2014.

Randolph W. Pinna
President & CEO

All amounts expressed in USD unless otherwise noted.

Continuing CXI's Strong Growth

During the last fiscal year, CXI commenced currency exchange services with more than 100 new wholesale companies, including several large financial institutions, representing over 2,500 new transacting locations for the company. This growth is attributable to adding new customers and increasing market-share combined with the company's acquisition of certain assets of U.S. Exchange House in March 2014.

CXI also added six new wholly-owned branch locations during the last fiscal year and now operates a total of 32 branches in the United States. We expect to continue to increase the number of branches during the coming year in strategic locations throughout the United States. CXI's dedication to growing its branch network is attributed to the contributions the locations bring to the company's financial assets.

In addition to these company-owned and operated branches, CXI provides inventory on consignment to customers in 180 locations throughout the United States and Canada, mostly in banks and select high-traffic locations. These locations are able to provide immediate currency exchange services to their retail customers and are profitable for CXI, as there are no occupancy or payroll costs associated with this business.

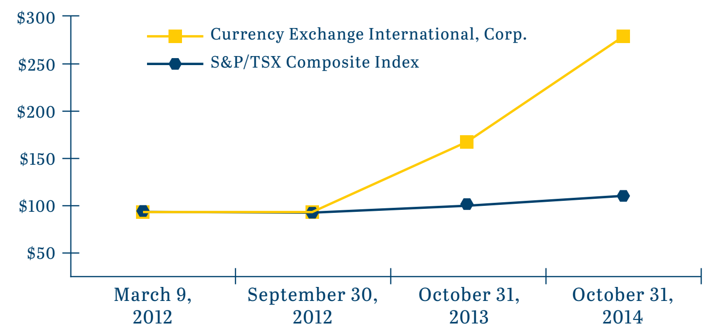
As a result of this impressive expansion, total exchange volume increased by 66% compared to the previous year, to just under $1.5 billion. Revenues also showed strong growth, increasing by $6.0 million to $22.0 million compared to $16.0 million for the previous year. Compared to the previous year, total assets increased to $39.7 million from $33.7 million, an increase of 18%, while shareholder's equity increased to $33.0 million from $29.8 million. Net income grew to $3.4 million up from $2.6 in the previous year.

Shareholder's Equity $ Millions	
October 31, 2014	$33.0
October 31, 2013	$29.8
September 30, 2012	$16.2
September 30, 2011	$6.2

Strategic Initiatives

During 2014, CXI continued to invest resources to enhance its core, proprietary operating software - CEIFX.com. This web-based application is the core system of the company and is used to manage inventory, conduct foreign currency exchange transactions, clear foreign cheques, send wire payments, as well as provide for mandated regulatory reporting and record keeping. During 2014, the company continued to customize the software to meet the unique needs of its client base, as well as to win customers away from competitors. In addition, the company continued to make significant investments in its web-based platform to enhance the security and functionality of the system and satisfy the stringent requirements of our many financial institution clients.

Shareholder Performance Graph



	09/03/12	30/09/12	31/10/13	31/10/14
CXI/TSX	$100	$100	$168.42	$280.45
S&P/TSX Composite Index	$100	$98.51	$106.86	$116.87

This graph compares the yearly percentage change in the cumulative total shareholder return for Cdn$ invested in Currency Exchange International, Corp. on March 9, 2012, against the cumulative total shareholder return of the S&P/TSX Composite Index for the three most recently completed financial years of CXI, Corp., assuming the reinvestment of all dividends.

Application for CXI Canada to Continue as Exchange Bank of Canada

CXI submitted an application to the Office of the Superintendent of Financial Institutions (OSFI) in Canada in November 2012 to continue its wholly-owned subsidiary, Currency Exchange International of Canada Corp., as a Canadian Schedule 1 Bank. If approved, the bank will be known as "Exchange Bank of Canada" in English and "Banque d'échange du Canada" in French. CXI has been consistently working with OSFI throughout the year and believes that the progress made has been very positive. During the year, CXI appointed a new independent director with extensive executive level experience in personal and commercial banking, finance, audit and risk management. In addition, CXI appointed a new Chief Anti-Money Laundering Officer during the last fiscal year. These appointments enable the company to effectively manage its risk and compliance with all regulatory requirements now and for the anticipated significant growth forecasted over the next three years.

The objective of becoming a Toronto based bank is to expand current and future business opportunities and become a leading banker's bank for foreign exchange products and services. By obtaining a bank charter, the company will be able to bank with central banks, which will provide the company with a source of stable, cost-effective funds, in addition to enhancing the company's existing bank relationships. Exchange Bank of Canada will not take deposits or make loans.

Positioned for Growth in the Years Ahead

The board of directors and CXI management team are extremely proud of the achievements made during the last year with the help and support of our outstanding employees, customers, and shareholders.

I am personally very optimistic about the opportunities that the company expects to capitalize on in the coming years and I believe that we are well positioned to successfully navigate the continued expansion of our business. We continue to bring in new, prestigious banking clients and we believe that this growth will be further accelerated if the bank license is approved. In view of the current status of these initiatives, we believe that 2015 will be another profitable growth year and that our stock will continue to reflect the company's strong performance.

I personally thank all of CXI's employees, shareholders, customers and friends for their continued support of Currency Exchange International. Should you have any questions or wish to discuss anything at all, I remain available to discuss our company and its goals with you personally.

Sincerely,

Randolph W. Pinna
President and CEO

CXI begins operations: Randolph Pinna purchases eight retail branches of Foreign Currency Exchange Corp. from the Bank of Ireland Group.

CXI launches its proprietary, web-based FX software solution: CEIFX. Three vaults are established in the U.S.: CXI's main currency processing center in Miami, Florida and regional vaults in New York and California.

CXI commences services for financial institutions, allowing its wholesale partnerships to grow rapidly.

CXI Canada opens for business and its Toronto vault is established. CXI completes its IPO on the Toronto Stock Exchange (TSX).

CXI Canada files application to continue as a new Schedule 1 Bank in Canada.

Expiration of the Regulation S restriction from CXI.S Common Shares - now trades as CXI on the TSX.
98% of Common Share Purchase Warrants and Broker Compensation Units are exercised for total gross proceeds of Cdn$11.3 million.

CXI purchases assets of U.S. Exchange House in U.S. and Canada.
Market cap surpasses Cdn$ 100 million mark.
CXI grows to 469 customers at 8,274 transacting locations.
$1.5 billion worth of currency is exchanged through CXI.

CXI KEY ACTIVITIES

New Appointment to Board of Directors and Chief Anti-Money Laundering Officer

Ms. Linda A. Stromme joined CXI's board of directors as an independent director and was appointed to the Audit Committee in July 2014. Ms. Stromme brings to CXI a successful 23 year career with the Bank of Montreal, with executive level roles in personal and commercial banking, finance, audit and risk management. Ms. Stromme is now the Principal and Founder of End Result Coaching & Consulting Inc., providing consulting services to financial institutions. Ms. Stromme graduated with a Bachelor of Commerce (Honours) from the University of Manitoba, is a Chartered Professional Accountant (CPA, CA), and holds a Certification in Risk Management Assurance (CRMA).

Ms. Stromme replaced Dr. Sanford Pinna, who retired from the board after several years of service to its shareholders. As the original founder of Foreign Currency Exchange Corp. (FCE) in 1987, Dr. Pinna along with his son Randolph, grew FCE from a small operation in Tampa, Florida to an international, publicly-traded company, later merging with Bank of Ireland in 2003. In 2007, Randolph Pinna purchased the retail currency exchange division of FCE to create Currency Exchange International, Corp. where Dr. Pinna has provided insight and strategic advice as a valued director.

Ms. Laura M. Houlihan joined CXI as Vice President and Chief Anti-Money Laundering Officer (CAMLO) of CXIC in July 2014. Ms. Houlihan was previously VP & Senior Global Financial Crimes Compliance Specialist at Bank of America. Ms. Houlihan brings to CXI more than 15 years of anti-money laundering (AML) and anti-terrorist financing (ATF) compliance experience in the financial services industry. In previous roles, she was responsible for developing, executing and maintaining AML/ATF compliance programs for Canadian financial institutions. Ms. Houlihan holds the Certified Anti-Money Laundering Specialist (CAMS) designation.

CXI Closes Purchase Agreement with U.S. Exchange House

During the year, CXI acquired certain assets of U.S. Exchange House, Inc. (USEH) pertaining to the wholesale bank note operations located in the United States and Canada. CXI paid $2.35 million in cash on closing along with two additional contingent payments of up to $1.325 million payable on the first and second anniversary after closing. These additional payments will be based on the amount of revenue generated from the customers acquired.

The assets acquired from USEH have been merged and integrated into CXI's current banknote business and will continue to use the CXI brand name. Operational efficiencies were achieved due to the similar business operations and overlap of back office functions. CXI retained some of USEH's currency trading staff, who have been used to open CXI's Los Angeles, California vault in order to service the company's U.S. based west coast operations.

CXI Ends Fiscal Year with Record Market Cap

CXI ended October 31, 2014 with a stock price of Cdn$18.65 and 5,395,073 shares outstanding resulting in a market capitalization of more than Cdn$100 million on the Toronto Stock Exchange. This is a record fiscal year-end market cap for the company that began trading on the Toronto Stock Exchange after its IPO in March 2012 with an opening price of Cdn$6.65. Since that time, the stock has continued to increase in value year-over-year. The market cap underscores the market's confidence in CXI's business.

Business Overview

At its core, CXI is a business that successfully pairs its resources and relationships to provide the specialized service of foreign exchange to its customers. Whether it's a financial institution, money-service business (MSB) or individual, CXI provides its services in a manner that leaves both the company and its clients better off. As an industry leader in foreign exchange, CXI has built a scalable currency exchange business that services financial institutions including top 10 U.S. banks, as ranked by number of locations, comprising of more than 8,200 transacting locations that interact with CXI as their currency exchange provider. The company has developed the highest consumer-rated* national foreign currency exchange branch network within the U.S., with more markets experiencing why exchanging with CXI is the best option each year. The company continues to fully dedicate its time and energy into expanding its customer base and services without sacrificing the quality of its service to any customer.

The impressive growth of the company has been spurred on by its ability to continue to attract and retain new customers in the form of financial institutions, MSBs and other corporate clients in the United States and Canada. The company-owned branch network provides a balance of higher margin currency trades with individuals. Since the branch network is a net buyer of foreign currency for the company's vaults, the higher margin transactions serve as a way to source foreign currencies that the company can then make available through its network of relationships, such as financial institutions, who are generally net sellers of foreign currency. Reducing the need for CXI to sell-off excess currency affords the company wider margins in all aspects of its bank note business.

Company-Owned Branch Network

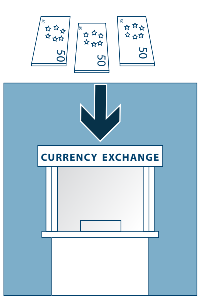
The CXI branch network currently consists of 32 company-owned currency exchange locations across the United States. These locations service clients in heavily touristed or affluent traveling regions of the U.S. targeting inbound foreign travelers, outbound locals traveling internationally, or in the best markets both. CXI branches are established in popular regional shopping centers or implanted within bank branches within these target markets. In the 2014 fiscal year, the company opened six branches in five states.

In the first quarter of the 2014 fiscal year, CXI opened the doors for two branches: one branch at Tysons Corner Center, a super-regional shopping mall in Tysons Corner, Virginia and another at The Florida Mall in Orlando, Florida, the second branch in the mall for CXI. Tysons Corner Center, located in northern Virginia, had a WMATA metro line open shortly after the CXI branch began transacting. This has linked the mall with Washington D.C. and provides better accessibility to the branch for those in the city center and those traveling through Washington Dulles International Airport. The Florida Mall marks the third shopping center where CXI has established a second exchange booth within the same mall. The Florida Mall has long been one of the highest trafficked locations and the expansion within the mall has given more exposure to CXI from mall patrons.

The third location opened during the fiscal year, saw CXI retake ownership of the Citadel Outlets branch in Commerce, California. After transferring ownership of the branch to the mall management for eight months, an agreement was reached for CXI to once again run the branch operations. The next branch location was a first for CXI as it opened in a new market, Denver, Colorado in May 2014. CXI selected downtown Denver's Cherry Creek Shopping Center as the site for its branch marking the ninth state to house a company-owned location.

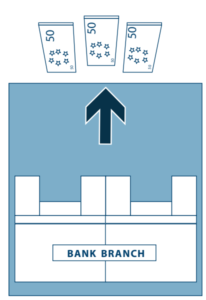
In the final three months of the 2014 fiscal year, CXI set its sights on one of its most successful markets, Manhattan, New York, by beginning to transact at two new Apple Bank implant locations. CXI's Union Square location opened first in August 2014 with the Upper East Side location following in October. The partnerships established by CXI in New York City have confirmed to the company that there is still plenty of market-share opportunity in the largest tourist city in the United States.

The expansion of the company-owned branch network at the current rate displays the dedication to the strategic growth plan the company's management team and board of directors have been crafting by expanding into areas beyond its previously existing markets, as well as pin-pointing opportunities within known markets. Every branch opening requires up-front investments in both personnel and capital. These internal investments have over time continuously proven their positive return for the company.



Company-Owned Branches

- Net buyer of foreign currency
- Wider margins on transactions
- Smaller transaction size
- Varying amounts of capital investment to open
- 32 locations in high tourist or affluent-traveling markets across nine states



Customer Relationships

- Financial institutions, MSBs, and corporations
- Net seller of foreign currency
- Smaller margins with larger volume trades
- Little to no investment upfront
- 469 company relationships accounting for 8,274 transacting locations

* As an aggregate company average rate online through Google My Business and Yelp as rated by consumers of a currency exchange specific company operating in at least nine states within the U.S..

United States Business Environment

CXI changed the landscape of the foreign currency exchange marketplace when it completed the purchase of certain assets of U.S. Exchange House (USEH). At the time of the purchase, USEH was a strong competitor in the foreign bank note market in both the U.S. and Canada. The consolidation of customers underneath the CXI umbrella enabled the company to solidify a number of longstanding relationships and keep its business development team focused on financial institutions, which has been the main organic growth area for the company. New customers, either acquired or cultivated through business development channels, quickly find what makes CXI different from its competition and why existing customers remain loyal to the company. CXI fully embodies the belief that it is in business to create mutually beneficial relationships, in which all parties involved are better off than prior to their interaction.

Between the acquisition of USEH and the business development process, CXI added more than 75 new customer relationships exceeding 2,400 new transacting locations across the United States. These relationships are with financial institutions, MSBs and other corporate clients. Each relationship varies in utilized services ranging from one or all of the following: foreign currency banknotes, international wire transfers, issuing foreign drafts, and clearing foreign denominated cheques.

New and existing customers find numerous advantages when switching or starting foreign exchange programs with CXI. Not only is the pricing competitive for those dealing with CXI, the company is uniquely positioned to provide industry leading FX software, versatile service options, and service experience that combines to bring the best product to the table for clients. Whether a client's situation calls for extensive integration into their current service offering by implementing CXI's software to every station or as simple as calling in bulk shipments to traders, CXI has the resources, experience and knowledge to deliver the best service experience possible.

Canadian Business Environment

The CXIC team has seen growth over the past fiscal year in both the customers it services and its executive staff. The newest executive brought on to enhance the team was Laura Houlihan, Vice President and Chief Anti-Money Laundering Officer. There has never been a time when compliance has been stressed to the degree as it is in today's regulatory environment. CXI understands the responsibilities that come with working in the financial industry where "Know Your Customer" and other regulations mean tightly scrutinizing all customers who exchange with the company. The CXI team is always committed to following all oversight provisions determined by the various regulating bodies. The compliance staff within the company, its procedures and the tools at their disposal through the CEIFX software, gives the company and all of its customers the confidence that it is fully compliant with its regulatory obligations.

The other aspect of growth for the company was found in the number of customers taking advantage of the services provided by CXIC. The business has been active in the market gaining more than 25 new customer relationships with north of 125 distinct locations, which began to fully transact in fiscal year 2014. As more customers join CXI, the company creates new advocates for the transparent and customer-friendly manner in which it conducts its business.

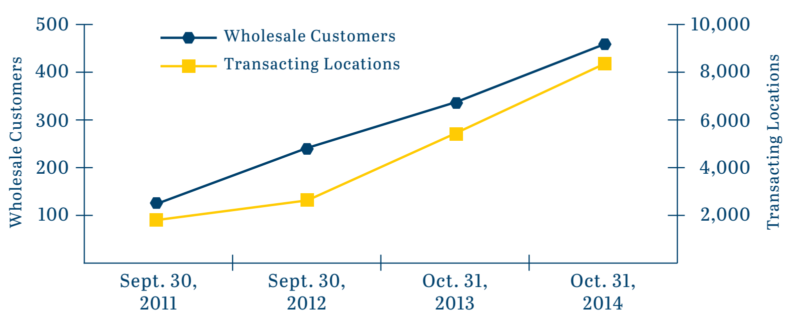
CEIFX Software Advantage

Viewed as a leading application in foreign currency exchange, the CEIFX software continues to generate interest with new and potential customers. The core features allow for fully customized customer setups, compliance integration, instinctual user interface, user management and robust reporting capabilities.

The web-based software accommodates all product lines offered by CXI including banknotes, traveler's cheques, foreign cheque clearing, foreign draft issuance, multi-currency prepaid cards, and wire transfer payments. At its core, the system is driven by its Compliance Verification System (CVS). The CVS allows for live compliance checks of regulatory watch lists, easy to review matches, live-stop capabilities, branch-hopper aggregation, compliance reporting and it maintains compliance with all current U.S. and Canadian regulations.

Even with such robust capabilities the system remains flexible for many setup types and deployment needs. The versatility of the software offers a full white-label environment, where the software can be deployed to look like the customer's own website, allowing CXI to operate completely behind the scenes. The company is dedicated to maintaining and continually enhancing its software to keep its place as the leading foreign currency software in the industry. With financial regulations and customer needs always changing, CEIFX remains an integral part of the company's competitive advantage.

Wholesale Customers and Transacting Locations



	2011	2012	2013	2014
Wholesale Customers	123	245	364	469
Transacting Locations	1,983	2,455	5,741	8,274

CURRENCY EXCHANGE INTERNATIONAL, CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTH PERIOD AND YEAR ENDED OCTOBER 31, 2014 AND FOUR MONTH AND THIRTEEN MONTH PERIODS ENDED OCTOBER 31, 2013

CXI CURRENCY EXCHANGE INTERNATIONAL

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 period and year ended October 31, 2014 and the four month and thirteen month periods ended October 31, 2013, 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 as at January 13, 2015 in accordance with National Instrument 51-102 – *Continuous Disclosure Obligations* adopted by the Canadian Securities Administrators. This information has been prepared by management of the Company in accordance with International Financial Reporting Standards ("**IFRS**") and should be read in conjunction with the audited consolidated financial statements of the Company for the year ended October 31, 2014 and the thirteen month period ended October 31, 2013, 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. 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
Expectations regarding CXI’s ratio of operating expenses to total revenues	The operations of CXI in the near term, and the costs associated therewith, will be consistent with management’s current expectations; foreign exchange rates and other applicable economic conditions are favorable to CXI; CXI will be able to successfully execute its expansion plans	The possibility that operations will not be consistent with recent history and management’s expectations; increases in transactional or other costs; fluctuations in foreign exchange markets; changes in economic conditions
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 “Risks Factors” section beginning on page 21 in the Company’s MD&A. 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 Statements (continued)

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.

Change in reporting period

Effective February 2013, CXI changed its fiscal year end to October 31, 2013 to conform with the same change in fiscal year end made by its wholly-owned Canadian subsidiary corporation, CXIC, to comply with the reporting period for Canadian chartered banks as part of the ongoing process of CXIC applying for a bank license in Canada. As a result, the audited consolidated financial statements are presented as the year ended October 31, 2014 and the thirteen month period ended October 31, 2013. The MD&A is presented as the three month period and year ended October 31, 2014 compared to the four month and thirteen month periods ended October 31, 2013.

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 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 at the Company.

On November 23, 2012, CXI submitted its application to continue its wholly-owned 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.

Overview (continued)

On October 31, 2013 the Company added additional capital into CXIC as part of its bank application process.

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;

- 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 check collection transactions.

Overview (continued)

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

- 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 October 31, 2014, the Company had inventory on consignment in 180 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.

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

Overview (continued)

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:

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
Company owned branch locations	9	14	15	18	23	26	32
Wholesale company relationships	26	61	70	123	245	364	469
Number of transacting locations	88	190	267	1,983	2,455	5,741	8,274

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)

Initial Public Offering

On March 9, 2012, the Company completed its initial public offering ("**IPO,**" or "**Offering**") on the Toronto Stock Exchange ("**TSX**") by issuing 1,380,000 units at a price of Cdn$6.65 per unit for aggregate proceeds of Cdn$9,177,000. Each Unit was comprised of one common share in the capital stock of the Company ("**Common Share**") and one Common Share Purchase Warrant ("**Warrant**") which was able to be exercised at a price of Cdn$7.50 per share until an expiration of September 8, 2013. In addition, the Company issued 82,800 broker compensation units which were comprised of one Common Share and one Warrant which were able to be exercised at $7.50 per share. During the thirteen month period ended October 31, 2013, 82,680 broker units were exercised for proceeds of Cdn$549,822 ($548,264) and 1,435,725 warrants were exercised for proceeds of Cdn$10,767,938 ($10,384,109). Funds received were used to finance an asset acquisition, increase foreign currency inventories at vault locations, increase its branch and inventory on consignment network, and enhance its proprietary software, CEIFX, as well as for debt reduction.

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	Operating income*	Net income	Total assets	Total equity	Earnings per share (diluted)
(unaudited)		$	$	$	$	$	$
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)
Three months ending	31-Dec-12	2,808,053	376,843	80,338	19,929,308	16,734,553	0.02

* 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 months and year ended October 31, 2014 and the four month and thirteen month period ended October 31, 2013

	Three Months October 31, 2014 (Unaudited) $	Four months ended October 31, 2013 (Unaudited) $	Year ended October 31, 2014 (Audited) $	Thirteen month period ended October 31, 2013 (Audited) $
Revenue	6,552,184	6,463,406	22,005,953	15,990,434
Operating expenses*	4,272,502	4,121,694	14,816,184	11,597,919
Net operating income	2,279,682	2,341,712	7,189,769	4,392,515
Total other income (expense), net	(17,851)	232,146	(177,226)	199,363
EBITDA**	2,261,831	2,573,858	7,012,543	4,591,878
Net income	1,045,192	1,669,609	3,419,125	2,641,694
Basic earnings per share	0.19	0.39	0.63	0.64
Diluted earnings per share	0.19	0.39	0.62	0.64

* Excludes depreciation and amortization expense
** Earnings before interest, taxes, depreciation and amortization

	October 31, 2014 (audited) $	October 31, 2013 (audited) $
Total assets	39,709,302	33,681,819
Total long term financial liabilities	585,144	-
Total equity	33,025,175	29,763,976

Results of operations – year ended October 31, 2014 compared to thirteen month period ended October 31, 2013

A breakdown of revenues by geographic location is presented below:

	Total revenues	
	Year ended October 31, 2014 $	Thirteen month period ended October 31, 2013 $
United States	11,949,822	14,382,012
Canada	10,056,131	1,608,422
Total	22,005,953	15,990,434

During the year ended October 31, 2014 revenues increased by 38% to $22,005,953 compared to $15,990,434 for the thirteen month period ended October 31, 2013. Revenue growth resulted from establishing six new Company-owned branch locations as well as 105 new wholesale relationships, of which 61 were added as a result of the acquisition of customer trading relationships from USEH, making up 2,533 new locations since October 31, 2013.

Additionally, there was a continuation of higher trading volumes of exotic currencies, such as the Iraqi Dinar and the Vietnamese Dong which are primarily speculative in nature. Due to their speculative nature, the Company charges a premium when buying and selling these currencies.

On October 31, 2013, the Company restructured its operations to add additional capital into CXIC as part of its bank application process. As a result, the cash and capital in the Canadian subsidiary increased substantially. For the year ended October 31, 2014, the Company realized revenues of $7,291,089 in its Canadian subsidiary that would have previously been recognized in the United States operating company.

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

Results of operations – year ended October 31, 2014 compared to thirteen month period ended October 31, 2013 (continued)

If the aforementioned revenues of $7,291,089 (as stated above) were to be subtracted from Canada and added back to the United States for the year ended October 31, 2014, commission revenue would increase 34% to $19,240,911 from $14,382,012 compared to the thirteen month period ended October 31, 2013 and relate primarily to new revenue generated from the Company's branch locations, increases in same store sales, instituting an increased pricing strategy during peak periods on the weekends, establishing new relationships with bank and non-bank locations, and increases in volumes of exotic currencies. Since October 31, 2013, the Company has added six Company-owned branch locations and also added 78 new wholesale relationships representing nearly 2,407 locations in the United States.

After adjusting revenues downward by $7,291,089 (as stated above), revenues increased 72% in Canada to $2,765,042 during the year ended October 31, 2014 from $1,608,422 for the thirteen month period ended October 31, 2013; and are related to the growth of the Canadian wholesale operation. CXIC has added 27 new wholesale relationships with 126 locations since October 31, 2013.

During the year ended October 31, 2014, operating expenses increased 28% to $14,816,184 compared to $11,597,919 for the thirteen month period ended October 31, 2013, the major components of which are presented below:

	Year ended October 31, 2014 $	Thirteen month period ended October 31, 2013 $	Change $	Change %
Salaries and benefits	7,363,075	5,742,923	1,620,152	28%
Rent	2,024,290	1,683,547	340,743	20%
Legal, professional and director's fees	915,745	1,089,853	(174,108)	-16%
Postage and shipping	1,729,684	1,187,081	542,603	46%
Stock based compensation	567,055	289,019	278,036	96%
Other general and administrative	2,216,335	1,605,496	610,839	38%
Total operating expenses	14,816,184	11,597,919	3,218,265	28%

- Salaries and benefits increased 28% to $7,363,075 from $5,742,923 which is attributed to increases in the Company’s employment base for the period. As of October 31, 2014, the Company employs 195 full and part-time employees in the United States and Canada compared to 161 full and part-time employees at October 31, 2013. The increase in staffing is a result of adding six 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 20% to $2,024,290 from $1,683,547 due to the opening of new branch outlets and the addition of one new vault location in Los Angeles. The Company has opened six outlets since October 31, 2013 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 decreased 16% to $915,745 from $1,089,081. During the thirteen month period ended October 31, 2013, the Company incurred costs of $49,789 in connection with registering its shares for listing on the Over the Counter Bulletin Board (“OTCBB”) and additional legal and consulting fees of $66,856 relating to the restructuring of its operations;

Results of operations – year ended October 31, 2014 compared to thirteen month period ended October 31, 2013 (continued)

- Postage and shipping increased 46% to $1,729,684 from $1,187,081 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. During the year ended October 31, 2014, the Company added several new transacting locations which have 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 increased to $567,055 from $289,019 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 486,581 options outstanding at October 31, 2014 compared to 378,060 options outstanding at October 31, 2013; and

- Other general and administrative increased 38% to $2,216,335 from $1,605,496. 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 increase is a result of foreign exchange losses on the revaluation of foreign financial assets and liability balances, non-capitalized costs for opening new offices in Toronto, Canada, Orlando, Florida, and Miami, Florida as well as expenditures to support the expansion of the Company's branch network.

The ratio of operating expenses to total revenue for the year ended October 31, 2014 was 67% compared to 73% for the thirteen month period ended October 31, 2013. 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 volumes 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. The Company expects this ratio to remain relatively steady in the short term. In time, the Company can increase its operating efficiency by the addition of new bank and non-bank financial institutions in Canada and the United States and by redeploying excess currency purchased by its branches, affiliate partners, and other clientele.

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

Results of operations – year ended October 31, 2014 compared to thirteen month period ended October 31, 2013 (continued)

Other income and expenses are comprised of the following:

	Year ended October 31, 2014 $	Thirteen month period ended October 31, 2013 $
Other income (expense)	90,225	13,126
Fair value change in warrant liability	-	458,241
Interest and accretion expense	(66,482)	(37,874)
Expenses related to bank application	(126,098)	(272,004)
Expenses related to USEH asset acquisition	(141,353)	-
Depreciation and amortization	(924,225)	(347,052)
Income tax expense	(2,602,711)	(1,565,258)
Total other income/(expense)	(3,770,644)	(1,750,821)

- Other income increased to $90,225 from $13,126 and relates primarily to interest collected for surplus cash deposits held at various financial institutions in Canada and the United States;

- Fair value change in warrant liability is $Nil during the year ended October 31, 2014 from a gain of $458,241 for the thirteen month period ended October 31, 2013 and relates to a marked to market adjustment of the Company's issued and outstanding warrant liability. On September 8, 2013 warrants that had not been exercised expired, and the fair value adjusted liability was extinguished at that time;

- Interest and accretion expense increased to $66,483 from $37,874 and relates to interest payments on credit lines;

- Expenses pertaining to filing and processing the bank license application decreased to $126,098 from $272,004;

- Expenses related to asset acquisition increased to $141,353 from $Nil for legal and other professional fees incurred to complete the acquisition of the assets of the bank note business of USEH;

- Depreciation and amortization increased to $924,225 from $347,052 and relates to amortization of the Company's intangible assets as well as fixed assets being depreciated over their estimated economic life. Approximately $525,000 of the increase was attributable to amortization of the assets acquired from USEH; and

- Income tax expense increased to $2,602,711 from $1,565,258 and is a total of federal income tax as well as various state and provincial taxes for the jurisdictions in which the Company operates.

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

Results of operations – three month period ended October 31, 2014 compared to the four month period ended October 31, 2013

A breakdown of revenues by geographic location is presented below:

	Total revenues	
	Three months ended October 31, 2014 $	**Four months ended October 31, 2013 $**
United States	3,590,745	5,840,939
Canada	2,961,439	622,467
Total	6,552,184	6,463,406

During the three month period ended October 31, 2014 revenues increased 1% to $6,552,184 compared to $6,463,406 for the four month period ended October 31, 2013 due primarily to using three month and four month comparative periods. Revenue growth resulted from establishing six new Company owned branch locations as well as establishing new wholesale relationships with 105 companies representing 2,533 new locations since October 31, 2013.

Additionally, there was a continuation of higher trading volumes of exotic currencies, such as the Iraqi Dinar and the Vietnamese Dong which are primarily speculative in nature. The Company charges a premium when buying and selling these currencies.

On October 31, 2013 the Company restructured its operations to add additional capital into CXIC as part of its bank application process. As a result, the cash and capital in the Canadian subsidiary increased substantially. Additionally for the three month period ended October 31, 2014, the Company realized revenues of $2,163,513 in its Canadian subsidiary that would have previously been classified as being recognized in the United States operating company.

If the aforementioned revenues of $2,163,513 (as stated above) were to be subtracted from Canada and added back to the United States, commission revenue would decrease 2% to $5,727,258 from $5,840,939 for the four month period ended October 31, 2013. Slower revenue growth was due primarily to using three month and four month comparative periods. Since October 31, 2013, the Company has added six Company-owned branch locations and also added 78 new wholesale relationships representing 2,407 new locations in the United States.

After adjusting revenues downward by $2,163,513 (as stated above), revenues increased 28% in Canada to $797,926 during the three month period ended October 31, 2014 from $622,467 for the four month period ended October 31, 2013 and are related to the growth of the Canadian wholesale operation. Since October 31, 2013, the Company has added 27 new customers representing approximately 126 new locations in Canada.

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

Results of operations – three month period ended October 31, 2014 compared to the four month period ended October 31, 2013 (continued)

During the three month period ended October 31, 2014, operating expenses increased 4% to $4,272,502 compared to $4,121,694 for the four month period ended October 31, 2013, the major components of which are presented below:

	Three months ended October 31, 2014 $	Four months ended October 31, 2013 $	Change $	Change %
Salaries and benefits	2,130,256	2,077,222	53,034	3%
Rent	591,201	562,584	28,617	5%
Legal, professional and director's fees	255,056	447,357	(192,301)	-43%
Postage and shipping	560,668	429,718	130,950	30%
Stock based compensation	125,114	93,911	31,203	33%
Other general and administrative	610,207	510,902	99,305	19%
Total operating expenses	4,272,502	4,121,694	150,808	4%

- Salaries and benefits increased 3% to $2,130,256 from $2,077,222 which is attributed to increases in the Company's employment base for the period. As of October 31, 2014, the Company employs 195 full and part-time employees in the United States and Canada compared to 161 full and part-time employees at October 31, 2013. The increase in staffing is a result of adding six 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 to $591,201 from $562,584 due to the opening of new branch outlets and the addition of one new vault location in Los Angeles, California. The Company has opened six outlets since June 30, 2013 and has relocated and enlarged its vault facilities in Toronto and Miami, and also moved its corporate headquarters in Orlando;

- Legal, professional and directors fees decreased 43% to $255,056 from $447,357. During the four months ended October 31, 2013, the Company incurred one-time costs in connection with registering its shares for listing on the OTCBB and additional legal and consulting fees of $66,856 relating to the restructuring of its operations;

- Postage and shipping increased to $560,668 from $429,718 and are 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. During the three month period ended October 31, 2014, the Company added several new transacting locations which have 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 increased to $125,114 from $93,911 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 486,581 options outstanding at October 31, 2014 compared to 378,060 options outstanding at October 31, 2013; and

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

Results of operations – three month period ended October 31, 2014 compared to the four month period ended October 31, 2013 (continued)

- Other general and administrative increased to $610,207 from $510,902. 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 increase is a result of foreign exchange losses on the revaluation of foreign financial assets and liability balances, non-capitalized costs for opening new offices in Toronto, Canada, Orlando, Florida, and Miami, Florida, as well as expenditures to support the expansion of the Company's branch network.

The ratio of operating expenses to total revenue for the three month period ended October 31, 2014 was 65% compared to 64% for the four month period ended October 31, 2013. 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 months ended October 31, 2014 $	**Four months ended October 31, 2013 $**
Other income (expense)	4,876	4,890
Fair value change in warrant liability	-	278,288
Interest and accretion expense	(21,485)	(22,875)
Expenses related to bank application	(19,387)	(51,032)
Expenses related to USEH asset acquisition	(3,340)	-
Depreciation and amortization	(335,806)	(134,295)
Income tax expense	(859,348)	(747,079)
Total other income/(expense)	(1,234,490)	(672,103)

- Other income decreased to $4,876 from $4,890 and relates primarily to income collected for surplus cash deposits held at various financial institutions in Canada and the United States;

- Fair value change in warrant liability is $Nil during the three month period ended October 31, 2014 from a gain of $278,288 for the four month period ended October 31, 2013 and relates to a marked to market adjustment of the Company's issued and outstanding warrant liability. On September 8, 2013 warrants that had not been exercised expired, and the liability was extinguished at that time;

- Interest and accretion expense increased to $21,486 from $22,875 and relates to interest payments on credit lines;

- Expenses pertaining to filing and processing the bank license application decreased to $19,387 from $51,032;

Results of operations – three month period ended October 31, 2014 compared to the four month period ended October 31, 2013

- Depreciation and amortization increased to $335,806 from $134,295 and relates to amortization of the Company's intangible assets as well as fixed assets being depreciated over their economic life. Approximately $225,000 of the increase was attributable to amortization of assets acquired from USEH; and

- Income tax expense increased to $859,348 from $747,079 and is a total of federal income tax as well as various state and provincial taxes for the jurisdictions in which the Company operates.

Cash flows

Cash flows from operating activities year ended October 31, 2014 resulted in an inflow of $2,216,775 compared to an inflow of $4,556,326 during thirteen month period ended October 31, 2013. The reason for the decrease in operating cash was due to increases 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 year ended October 31, 2014 resulted in an outflow of $3,035,843 compared to an outflow of 598,182 during the thirteen month period ended October 31, 2013. During the year ended October 31, 2014, the Company paid $2,350,000 to acquire USEH's customer trading relationships, prepaid and fixed assets, and software.

Cash provided by financing activities during the year ended October 31, 2014 was $31,264 resulting from 4,600 options exercised at a price of Cdn$7.50. During the thirteen month period ended October 31, 2013 cash provided from financing activities was $10,932,373 resulting from the exercise 82,680 broker options at a price of Cdn$6.65 per option and 1,435,725 warrants exercised at a price of Cdn$7.50.

Liquidity and capital resources

At October 31, 2014, the Company had working capital of $28,973,117 (October 31, 2013 - $28,935,018).

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 $8,000,000 at October 31, 2014.

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

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.

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	Operating income*	Total assets
(unaudited)		$	$	$
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	970,779	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
Three months ending	31-Dec-12	2,808,053	376,843	19,929,308

*Excludes depreciation and amortization expense

1. 4 month period ended October 31, 2013.

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

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 $4,206,234 and are payable as follows:

Year ended	Remaining minimum payments required
October 31, 2015	$1,512,998
October 31, 2016	$1,012,842
October 31, 2017	$891,438
October 31, 2018	$559,577
October 31, 2019 and there after	$229,379
Total	**$4,206,234**

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.

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.

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

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 October 31, 2014 and October 31, 2013 approximately $714,121 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.

Transactions with related parties

The remuneration of directors and key management personnel during the three month period and year ended October 31, 2014 and the four and thirteen month periods ended October 31, 2013 were as follows:

	Three months ended October 31, 2014	Four months ended October 31, 2013	Year ended October 31, 2014	Thirteen month period ended October 31, 2013
	$	$	$	$
Short-term benefits	608,642	664,728	1,275,100	1,090,856
Post-employment benefits	21,650	8,250	30,123	18,700
Stock based compensation	120,298	81,052	542,876	255,535
	750,590	754,030	1,848,099	1,365,091

The Company incurred legal and professional fees in the aggregate of $6,867 and $138,218 for the three month period and year ended October 31, 2014 (four and thirteen month periods ended October 31, 2013 $42,736 and $86,171, respectively) charged by entities controlled by directors or officers of the Company.

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

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

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

	Number of options #	Exercise price Cdn$
Outstanding at October 1, 2012	90,000	7.50
Granted	288,060	9.26
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

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

Option grants (continued)

The following options are outstanding and exercisable at October 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	2.51	60,000
December 17, 2012	$7.50	111,400	3.13	34,066
May 3, 2013	$7.65	22,000	3.50	7,333
October 29, 2013	$10.86	35,640	3.99	35,640
October 29, 2013	$10.86	114,420	3.99	38,140
July 9, 2014	$13.24	1,762	4.69	1,762
October 30, 2014	$16.21	87,423	5.00	-
Total		462,645		176,941

Subsequent events for the year ended October 31, 2014

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 will be recorded in the first quarter of 2015.

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

The operations of the Company are speculative due to the high-risk nature of its business and its present stage of development. These risk factors could materially affect the Company's financial condition and/or future operating results and could cause actual events to differ materially from those described in forward-looking statements relating to the Company. Although the following are major risk factors identified by management, they do not comprise a definitive list of all risk factors related to the Company, and other risks and uncertainties not presently known by management could impair the Company and its business in the future.

Limited operating history
The Company has only a limited operating history upon which an evaluation of the Company and its prospects can be based. Although the Company anticipates increases in revenues, it is also incurring substantial expenses in the establishment of its business. To the extent that such expenses do not result in appropriate revenue increases, the Company's long-term viability may be materially and adversely affected.

Risk factors (continued)

A significant portion of the Company's financial resources have been and will continue to be, directed to the development of its business and marketing activities. The success of the Company will ultimately depend on its ability to generate cash from its business. There is no assurance that the future expansion of the Company's business will be sufficient to cover the related operational cost as well as costs associated with continuing the development of its business and marketing activities.

Future capital needs and uncertainty of additional financing

The Company may need to raise funds in order to support more rapid expansion, develop new or enhanced services and products, respond to competitive pressures, acquire complementary businesses or technologies or take advantage of unanticipated opportunities. The Company may be required to raise additional funds through public or private financing, strategic relationships or other arrangements. There can be no assurance that such additional funding, if needed, will be available on terms attractive to the Company, or at all. Furthermore, any additional equity financing may be dilutive to shareholders and debt financing, if available, may involve restrictive covenants. If additional funds are raised through the issuance of equity securities, the percentage ownership of the shareholders of the Company will be reduced, shareholders may experience additional dilution in net book value per share, or such equity securities may have rights, preferences or privileges senior to those of the holders of Common Shares. If adequate funds are not available on acceptable terms, the Company may be unable to develop or enhance its business, take advantage of future opportunities or respond to competitive pressures, any of which could have a material adverse effect on the Company's business, financial condition and operating results.

Competition

The Company faces competition from established competitors such as Travelex Group, Wells Fargo Bank, Bank of America and American Express, and also from competitors using alternative technologies.

While the market for foreign currency exchange is highly fragmented in the United States, the Company believes that it must continue to develop new products and services and introduce enhancements to its existing products and services in a timely manner if it is to remain competitive. Even if the Company introduces new and enhanced products and services, it may not be able to compete effectively because of the significantly greater financial, technical, marketing and other resources available to some of its competitors. As the markets for the Company's products and services expand, additional competition may emerge and competitors may commit more resources to competitive products and services. There can be no assurance that the Company will be able to compete successfully in these circumstances.

Management of Growth

The Company has recently experienced, and may continue to experience, rapid growth in the scope of its operations. This growth has resulted in increased responsibilities for the Company's existing personnel, the hiring of additional personnel and, in general, higher levels of operating expenses. In order to manage its current operations and any future growth effectively, the Company will need to continue to implement and improve its operational, financial compliance and management information systems, as well as hire, manage and retain its employees and maintain its compliant corporate culture including technical and customer service standards. There can be no assurance that the Company will be able to manage such growth effectively or that its management, personnel or systems will be adequate to support the Company's operations.

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

Risk Factors (continued)

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 customer relationships are negotiated by senior management. The Company maintains accounts in high quality financial institutions. At various times, the Company's bank balances exceed the federally 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. 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 October 31, 2014	**At October 31, 2013**
Customer type	**$**	**$**
Domestic and international banks	2,953,383	443,739
Money service businesses	1,204,410	584,109
Other	20,765	5,511
Total	**4,178,558**	**1,033,359**

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 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 October 31, 2014 was approximately $5,725,000 (2013 - $3,040,000). The amount of currency that is unhedged and that is not pegged to the U.S. Dollar is approximately $4,090,000 (2013 - $1,550,000). A 2% increase/decrease 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 +$80,000/-80,000 (2013 gain/loss of approximately +$30,000/-$30,000).

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

Risk factors (continued)

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, CXIC.

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

Interest Rate Risk
At October 31, 2014, 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 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 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 13 in its financial statements for the year ended October 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 should be arranged at either 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 year ended October 31, 2014 would have been approximately +$4,500/-$4,500 higher/lower as a result of credit lines held at variable interest rates (October 31, 2013 - +$1000/-$1,000 higher/lower).

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 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

At 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	$Nil
Accrued expenses	801,166	757,237	757,237	$Nil

The Company had available unused lines of credit amounting to $8,000,000 at October 31, 2014 (October 31, 2013 - $4,000,000).

Risk factors (continued)

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

The Company 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.

Product Development and Rapid Technological Change
The advent of the “cashless society” may erode the physical bank note currency markets resulting in a significant adverse effect upon the Company’s continued growth and profitability. While the enabling technology has existed for over a decade, the development of a truly cashless society continues to be slowed by such factors as issues respecting infrastructure, cultural resistance, distribution problems and patchwork regulations. Nevertheless, the success of the Company could be seriously affected by a competitor’s ability to develop and market competing technologies.

To remain competitive, the Company must continue to enhance and improve the responsiveness, functionality and features of its technology and website, CEIFX. The Internet and the e-commerce industry are characterized by rapid technological change, changes in user and customer requirements and preferences, frequent new product and service introductions embodying new technologies and the emergence of new industry standards and practices that could render the Company’s existing operations and proprietary technology and systems obsolete. The Company’s success will depend, in part, on its ability to develop leading technologies useful in its business, enhance its existing services, develop new services and technology that address the increasingly sophisticated and varied needs of its existing and prospective customers and respond to technological advances and emerging industry standards and practices on a cost-effective and timely basis. The development of Internet based and other proprietary technology entails significant technical, financial and business risks. There can be no assurance that the Company will successfully implement new technologies or adapt its website, proprietary technology and transaction-processing systems to customer requirements or emerging industry standards. If the Company is unable to adapt in a timely manner in response to changing market conditions or customer requirements for technical, legal, financial or other reasons, the Company’s business could be materially adversely affected.

Intellectual Property
Proprietary rights are important to the Company’s success and its competitive position. Although the Company seeks to protect its proprietary rights, its actions may be inadequate to protect any trademarks and other proprietary rights or to prevent others from claiming violations of their trademarks and other proprietary rights. In addition, effective copyright and trademark protection may be unenforceable or limited in certain countries, and the global nature of the Internet makes it impossible to control the ultimate protection of the Company’s intellectual work product. Any of these claims, with or without merit, could subject the Company to costly litigation and the diversion of the time and attention of its technical management personnel.

Risk factors (continued)

Government Regulation and Compliance
Any non-compliance with regulatory currency licensing and transaction reporting procedures could result in significant financial penalties and the possibility of criminal prosecution. While the Company is largely exempt from these procedures given that (i) transactions originating with hospitality sector clients are subject to certain floor limits that represent a small fraction of the reporting threshold limits, and (ii) transactions originating with banks are subject to the bank's own internal compliance reporting procedures, effectively relieving the Company of this reporting responsibility, the risk is nevertheless present. Several countries prohibit non-banks from providing currency exchange transaction services. While the Company believes the possibility is remote, the risk does exist that the jurisdictions in which it operates may someday institute regulations to prohibit non-banks from providing foreign currency exchange services.

Network Security Risks
Despite the implementation of network security measures by the Company, its infrastructure is potentially vulnerable to computer break-ins and similar disruptive problems. Concerns over Internet security have been, and could continue to be, a barrier to commercial activities requiring consumers and businesses to send confidential information over the Internet. Computer viruses, break-ins or other security problems could lead to misappropriation of proprietary information and interruptions, delays or cessation in service to the Company's clients. Moreover, until more comprehensive security technologies are developed, the security and privacy concerns of existing and potential clients may inhibit the growth of the Internet as a medium for commerce.

Risk of System Failure or Inadequacy
The Company's operations are dependent on its ability to maintain its equipment in effective working order and to protect its systems against damage from fire, natural disaster, power loss, telecommunications failure or similar events. In addition, the growth of the Company's customer base may strain or exceed the capacity of its computer and telecommunications systems and lead to degradations in performance or systems failure. The Company may in the future experience failure of its information systems which may result in decreased levels of service delivery or interruptions in service to its customers. While the Company continually reviews and seeks to upgrade its technical infrastructure and maintains a fully integrated, offsite, backup server farm to limit the likelihood of systems overload or failure, any damage, failure or delay that causes interruptions in the Company's operations could have a material and adverse effect on the Company's business.

In addition, some of the Company's applications are hosted by third parties. Any failure on the part of third parties to maintain their equipment in good working order and to prevent system disruptions could have a material and adverse effect on the Company's business.

Risk factors (continued)

Theft and Risk of Physical Harm to Personnel
The Company stores and transports bank notes as part of its daily business and faces the risk of theft and employee dishonesty.

The Company maintains a crime insurance policy which provides coverage against theft and employee dishonesty, but any particular claim is subject to verification that it is within policy limits which may not be assured and may require legal proceedings to enforce coverage. Of particular concern are circumstances where employees could collude with customers to engage in theft by evasion of internal and other controls and cause damage which may not be predictable or within the terms of existing insurance coverage. The Company's Audit Committee monitors internal controls and the CEIFX technology monitors and accounts for all fund balances in real time.

In addition, employees and agents of the Company are potentially subject to physical harm if subjected to a forcible robbery. The Company's Risk Committee oversees the deployment of a comprehensive security program which includes surveillance cameras, alarms, safe/vault equipment alarms and additional intrusion protection devices, as well as multiple staff on site at all times.

Reliance on Key Personnel
The Company currently has a small senior management group, which is sufficient for the Company's present level of activity. The Company's future growth and its ability to develop depend, to a significant extent, on its ability to attract and retain highly qualified personnel. The Company relies on a limited number of key employees, consultants and members of senior management and there is no assurance that the Company will be able to retain such key employees, consultants and senior management. The loss of one or more of such key employees, consultants or members of senior management, if not replaced, could have a material adverse effect on the Company's business, financial condition and prospects.

The development of the Company is dependent upon its ability to attract and retain key personnel, particularly the services of the President and CEO, Randolph W. Pinna. The loss of Mr. Pinna's services could have a materially adverse impact on the business of the Company. There can be no assurance that the Company can retain its key personnel or that it can attract and train qualified personnel in the future. The Company currently has key person insurance on Mr. Pinna of $4.5 million.

Control of the Company
Randolph W. Pinna, the Chief Executive Officer and Chairman of the Company, is the principal shareholder of the Company and the promoter of the Company. Mr. Pinna beneficially owns approximately 25% of the issued and outstanding Common Shares.

By virtue of his status as the principal shareholder of the Company and by being a director and officer of the Company, Randolph W. Pinna has the power to exercise significant influence over all matters requiring shareholder approval, including the election of directors, amendments to the Company's articles and by-laws, mergers, business combinations and the sale of substantially all of the Company's assets. As a result, the Company could be prevented from entering into transactions that could be beneficial to the Company or its other shareholders. Also, third parties could be discouraged from making a take-over bid. As well, sales by Randolph W. Pinna of a substantial number of Common Shares could cause the market price of Common Shares to decline.

Risk factors (continued)

Mr. Randolph Pinna's influence over the control of the Company is mitigated by the Company's appointment of a Lead Independent Director, Chirag Bhavsar, on December 7, 2012 as well as the independent majority of its Board of Directors and its Committees.

Global Economic and Financial Market Conditions

Market events and conditions, including disruption in the U.S. and Canadian, international credit markets and other financial systems and the deterioration of U.S. and Canadian, global economic conditions, could, among other things, impact tourism and impede access to capital or increase the cost of capital, which would have an adverse effect on the Company's ability to fund its working capital and other capital requirements.

Market disruptions could, among other things, make it more difficult for the Company to obtain, or increase its cost of obtaining, capital and financing for its operations. The Company's access to additional capital may not be available on terms acceptable to the Company or at all.

Market Price and Volatile Securities Markets

Market forces may render it difficult or impossible for the Company to secure purchasers to purchase its securities at a price which will not lead to severe dilution to existing shareholders, or at all. In addition, shareholders may realize less than the original amount paid on dispositions of their Common Shares during periods of such market price decline.

International Issuer, Management and Directors

The Company is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada. Substantially all of the Company’s assets are located outside of Canada. Certain of the officers and directors of the Company reside outside of Canada. Although the Company and such persons have appointed Peterson Law Professional Company as their agents for service of process in Canada, it may not be possible for investors to enforce judgments obtained in Canada against the Company or such persons.

CURRENCY EXCHANGE INTERNATIONAL, CORP.

Consolidated Financial Statements
For the year ended October 31, 2014 and the thirteen month period ended October 31, 2013
(Expressed in U.S. Dollars)

CURRENCY EXCHANGE INTERNATIONAL, CORP.

Consolidated Financial Statements
For the year ended October 31, 2014 and the thirteen month period ended October 31, 2013
(Expressed in U.S. Dollars)

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Grant Thornton

Independent auditor's report

Grant Thornton LLP
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To the shareholders of
Currency Exchange International, Corp.

We have audited the accompanying consolidated financial statements of Currency Exchange International, Corp., which comprise the consolidated statements of financial position as at October 31, 2014 and October 31, 2013, and the consolidated statements of income and comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the year and thirteen-month period then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

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

Auditor's responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Currency Exchange International, Corp. as at October 31, 2014 and October 31, 2013, and its financial performance and its cash flows for the year and thirteen-month period then ended in accordance with International Financial Reporting Standards.

Grant Thornton LLP

Burlington, Canada
January 13, 2015

Chartered Accountants
Licensed Public Accountants

CURRENCY EXCHANGE INTERNATIONAL, CORP.
Consolidated Statements of Financial Position
October 31, 2014 and October 31, 2013
(Expressed in U.S. Dollars)

ASSETS

	October 31, 2014	October 31, 2013
Current assets	$	$
Cash (Note 6)	29,630,744	31,130,866
Accounts receivable (Note 15)	4,178,558	1,033,359
Restricted cash held in escrow (Note 7)	714,121	200,707
Other current assets (Note 23)	548,677	439,795
Total current assets	35,072,100	32,804,727
Property and equipment (Note 9)	668,080	461,273
Intangible assets (Note 10)	3,730,374	371,130
Other assets	69,650	44,689
Net deferred tax asset (Note 11)	169,098	-
Total assets	39,709,302	33,681,819

LIABILITIES AND EQUITY

	October 31, 2014	October 31, 2013
Current liabilities		
Accounts payable	2,903,669	2,918,054
Accrued expenses	1,239,367	801,166
Income taxes payable (Note 11)	1,063,224	150,489
Contingent consideration - current (Note 4)	892,723	-
Total current liabilities	6,098,983	3,869,709
Contingent consideration - long term (Note 4)	585,144	-
Deferred tax liability (Note 11)	-	48,134
Total liabilities	6,684,127	3,917,843
Equity		
Share capital	5,395,073	5,390,473
Equity reserves	17,032,203	17,194,729
Retained earnings	10,597,899	7,178,774
Total equity	33,025,175	29,763,976
Total liabilities and equity	39,709,302	33,681,819

Commitments and contingencies (Notes 4 and 22)
Subsequent events (Note 24)

Approved on behalf of Board of Directors:

(signed) "Randolph Pinna", Director   (signed) "Chirag Bhavsar", Director

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

CURRENCY EXCHANGE INTERNATIONAL, CORP.
Consolidated Statements of Income and Comprehensive Income
Year ended October 31, 2014 and thirteen month period ended October 31, 2013
(Expressed in U.S. Dollars)

	Year ended October 31, 2014	Thirteen month period ended October 31, 2013
Revenues	$	$
Commissions from trading	20,442,242	14,674,438
Fee income	1,563,711	1,315,996
Total revenues (Note 5)	22,005,953	15,990,434
Operating expenses (Note 20)	14,816,184	11,597,919
Net operating income	7,189,769	4,392,515
Other income (expense)		
Other income	90,225	13,126
Fair value change in warrant liability (Note 17)	-	458,241
Expenses related to asset acquisition (Note 4)	(141,353)	-
Expenses related to bank application (Note 21)	(126,098)	(272,004)
Total other income (expense)	(177,226)	199,363
Earnings before interest, taxes, depreciation and amortization	7,012,543	4,591,878
Interest and accretion expense	(66,482)	(37,874)
Depreciation and amortization	(924,225)	(347,052)
Income before income taxes	6,021,836	4,206,952
Income tax expense (Note 11)	(2,602,711)	(1,565,258)
Net income for the period	3,419,125	2,641,694
Other comprehensive income, after tax		
Net income	3,419,125	2,641,694
Items that may subsequently be reclassified to profit or loss		
Exchange differences on translating foreign operations	(756,245)	(286,670)
Total other comprehensive income	2,662,880	2,355,024
Earnings per share (Note 19)		
-Basic	$0.63	$0.64
-Diluted	$0.62	$0.64
Weighted average number of common shares outstanding (Note 19)		
-Basic	5,391,053	4,126,996
-Diluted	5,509,753	4,133,075

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

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

	Share Capital		Equity Reserves						Retained Earnings	Total
	Shares	Amount	Share premium	Accumulated Other Comprehensive Income (Loss)	Broker Options		Stock Options		Amount	Amount
	#	$	$	$	#	$	#	$	$	$
Balance at November 1, 2013	5,390,473	5,390,473	17,127,971	(286,670)	-	-	378,060	353,428	7,178,774	29,763,976
Stock based compensation (Note 18)	-	-	-	-	-	-	113,121	567,055	-	567,055
Issue of share capital and share premium on exercise of stock options (Note 18)	4,600	4,600	39,098	-	-	-	(4,600)	(12,434)	-	31,264
Loss on foreign currency translation	-	-	-	(756,245)	-	-	-	-	-	(756,245)
Net income	-	-	-	-	-	-	-	-	3,419,125	3,419,125
Balance, October 31, 2014	5,395,073	5,395,073	17,167,069	(1,042,915)	-	-	486,581	908,049	10,597,899	33,025,175
Balance, October 1, 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 18)	1,518,405	1,518,405	9,413,968	-	-	-	-	-	-	10,932,373
Exercise of broker options (Note 18)	-	-	89,910	-	(82,680)	(129,324)	-	-	-	(39,414)
Expiry of broker options (Note 18)	-	-	188	-	(120)	(188)	-	-	-	-
Stock based compensation (Note 18)	-	-	-	-	-	-	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

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

CURRENCY EXCHANGE INTERNATIONAL, CORP.
Consolidated Statements of Cash Flows
Year ended October 31, 2014 and thirteen month period ended October 31, 2013

	Year ended October 31, 2014	Thirteen month period ended October 31, 2013
Cash flows from operating activities	**$**	**$**
Net income	3,419,125	2,641,694
Adjustments to reconcile net income to net cash flows from operating activities		
Depreciation and amortization	924,225	347,052
Stock based compensation (Note 18)	567,055	289,019
Gain on disposal of assets	-	(6,380)
Deferred taxes	(217,232)	11,524
Fair value change in warrant liability	-	(458,241)
Increase/(Decrease) in cash due to change in:		
Accounts receivable	(3,188,445)	(461,760)
Restricted cash held in escrow	(513,414)	(73,530)
Other assets	(137,113)	(140,794)
Accounts payable, accrued expenses, and income taxes payable	1,362,574	2,407,741
Net cash inflows from operating activities	2,216,775	4,556,326
Cash flows from investing activities		
Purchase of property and equipment	(502,350)	(355,693)
Purchase of intangible assets	(2,533,493)	(260,797)
Proceeds from sale of equipment	-	18,308
Net cash outflows from investing activities	(3,035,843)	(598,182)
Cash flows from financing activities		
Proceeds from exercise of stock options, broker options and share warrants (Note 18)	31,264	10,932,373
Net cash inflows from financing activities	31,264	10,932,373
Net change in cash	(787,804)	14,890,517
Cash, beginning of period	31,130,866	16,564,453
Exchange difference on foreign operations	(712,318)	(324,104)
Cash, end of period	29,630,744	31,130,866
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the period for income taxes	1,900,273	1,540,733
Cash paid during the period for interest, net	20,448	19,797
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES		
Warrants issue on conversion of broker options	-	39,414

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 (OTCBB) 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 three vaults that serve Canada and United States as well as two small vaults that serve local markets on the West Coast and Northeast regions of the United States. The Company also operates 32 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, the Company changed its fiscal year end to October 31st to conform to the reporting period for Canadian chartered banks.

Basis of presentation
The presentation currency of the Company's consolidated financial statements is the U.S. Dollar. The accounting policies set out in Note 2 have been applied consistently to all periods presented in these consolidated financial statements. These consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which are stated at their fair value: financial instruments classified as fair value through profit or loss ("**FVTPL**"), foreign currency forward contracts and share-based payment plans. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Statement of compliance
The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**").

The consolidated financial statements were authorized for issue and approved by the Board of Directors on January 13, 2015.

Significant management judgment in applying accounting policies and estimation uncertainty
When preparing the financial statements, management makes a number of judgments, estimates, and assumptions about the recognition and measurement of assets, liabilities, income and expense.

Significant management judgment
The following are significant management judgments in applying the accounting policies of the Company and have the most significant effect on the financial statements:

Carrying value of internally developed software
The Company makes significant judgments about the value of its proprietary software, www.ceifx.com. Once the scope of a project is deemed technologically feasible, the Company capitalizes costs incurred for the planning, development, and testing phases of modules developed within its software. Subsequent to the completion of the software development cycle, each module is amortized over its estimated useful economic life, which has been assessed as a period of five years. Costs relating to software maintenance, regular software updates, and minor software customizations are expensed as incurred. The Company reviews completed software modules within www.ceifx.com for impairment on an ongoing basis.

1. Nature of Operations and Basis of Presentation (continued)

Income taxes and recoverability of potential deferred tax assets
In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. The Company considers whether relevant tax planning opportunities are within the Company's control, are feasible, and are within management's ability to implement. Examination by applicable tax authorities is supported based on individual facts and circumstances of the relevant tax position examined in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. Also, future changes in tax laws could limit the Company from realizing the tax benefits from the deferred tax assets. The Company reassesses unrecognized income tax assets at each reporting period.

Estimation uncertainty
Estimates and underlying assumptions are reviewed on an ongoing basis. Information about estimates and assumptions that have the most significant effect on recognition and measurements of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Share-based payments including broker options
Management determines the overall expense for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. The determination of the most appropriate valuation model is dependent on the terms and conditions of the grant. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates, future employee stock option exercise behaviors and corporate performance. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 18. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

Assets' carrying values and impairment charges
In the determination of carrying values and impairment charges, management looks at the higher of recoverable amount or fair value less costs to sell (in the case of non-financial assets) and at objective evidence, for a significant or prolonged decline of fair value on financial assets indicating impairment. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period. The Company reviews property and equipment and intangible assets for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

Amortization expense
The Company's property and equipment and intangible assets are amortized over their estimated useful economic lives. Useful lives are based upon management's best estimates of the length of time that the assets will generate revenue, which is reviewed at least annually for appropriateness. Changes to these estimates can result in variations in the amounts charged for amortization and in the assets' carrying amounts.

1. Nature of Operations and Basis of Presentation (continued)

Fair value measurement
Management uses valuation techniques to determine the fair value of certain financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as much as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Contingencies
The Company is subject to contingencies that are not recognized as liabilities because they are either:

- possible obligations that have yet to be confirmed whether the Company has a present obligation that could lead to an outflow of resources embodying economic benefits; or
- present obligations that do not meet recognition criteria because either it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or a sufficiently reliable estimate of the amount of the obligation cannot be made.

Refer to Notes 4 and 22.

2. Accounting Policies

Principles of consolidation
The consolidated financial statements comprise the financial statements of the Company and its wholly-owned subsidiaries, Currency Exchange International of Canada Corp. ("**CXIC**"), a corporation incorporated under the Canada Business Corporations Act and Currency Exchange International America Corp. ("**CXIA**"), a corporation incorporated under the Florida Business Corporation Act.

Subsidiaries are entities over which the Company has control, where control is defined as the power to govern financial and operating policies of an entity so as to obtain benefit from its activities. Subsidiaries are fully consolidated from the date control is transferred to the Company, and are de-consolidated from the date control ceases. All material intercompany transactions are eliminated on consolidation.

Cash
Cash includes, but is not limited to:

- local and foreign currency notes;
- local and foreign currencies held in tills and vaults;
- local and foreign currencies in transit;
- local and foreign currencies in branches or distribution centers; and
- cash in bank accounts.

Foreign cash is recorded at fair value based on foreign exchange rates as of October 31, 2014 and 2013, respectively.

2. Accounting Policies (continued)

Accounts receivable

Trade accounts receivable are stated net of an allowance for doubtful accounts. Accounts receivable consist primarily of bulk currency trades with a settlement cycle of 24 to 48 hours. The amount of accounts receivable varies widely from period to period due to the volume of activity and timing differences. There is minimal counter-party risk as the bulk 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. Management estimates the allowance based on an analysis of specific customers, taking into consideration the age of past due accounts and an assessment of the customer's ability to pay. The Company does not accrue interest on past due receivables. Management determined that allowance for doubtful accounts was $Nil as of October 31, 2014 and 2013, respectively.

Revenue recognition

Commissions from trading are the difference between the cost and selling price of foreign currency products, including bank notes, wire transmissions, cheque collections and draft issuances (foreign currency margin) and the revaluation of open foreign exchange positions to market value, together with the net gain or loss from foreign currency forward contracts used to offset the changes in foreign exchange positions and commissions paid on the sale and purchase of currencies. The amount of this spread is based on competitive conditions and the convenience and value added services offered. These revenue streams are all reflected in commissions from trading and are recognized at the time each transaction takes place or at the end of each reporting period when revaluations of foreign exchange positions take place.

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

Foreign currency translation

Transactions denominated in foreign currencies are translated at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the consolidated statement of financial position date are translated at rates at that date. Exchange gains and losses, which arise from normal trading activities, are included in operating expenses in the consolidated statements of income and comprehensive income when incurred. The functional currency of CXIC is the Canadian Dollar and the functional currency of the Company and CXIA is the U.S. Dollar.

In situations where the functional currency is not the same as the presentation currency, foreign currency denominated assets and liabilities are translated to their U.S. Dollar equivalents using foreign exchange rates in effect at the consolidated statement of financial position date. Revenues and expenses are translated at average rates of exchange during the period. Exchange gains or losses arising on foreign currency translation of the Canadian subsidiary are included in accumulated other comprehensive income. On disposal of a foreign operation, the related cumulative translation differences recognized in equity reserves are reclassified to profit or loss and are recognized as part of the gain or loss on disposal.

Foreign currency forward contracts

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

2. Accounting Policies (continued)

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

Property and equipment
Property and equipment is initially recorded at its cost and depreciated over its estimated useful life. Cost includes expenditures which are directly attributable to bringing the asset into working condition for its intended use. Depreciation is calculated on a straight line basis, as follows:

Vehicles	3 years
Computer equipment	3 years
Furniture and equipment	3 years
Leasehold improvements	lesser of the lease term or useful life

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

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

Intangible assets
Intangible assets are comprised of the Company's internally developed software (“**CEIFX**”) and its related modules as well as software and customer trading relationships purchased from U.S. Exchange House, Inc. (“**USEH**”) (Note 4). Costs that are directly attributable to a project’s development phase are recognized as intangible assets, provided they have met the following recognition requirements:

- the development costs can be measured reliably;
- the project is technically and commercially feasible ;
- the Company intends to and has sufficient resources to complete the project;
- the Company has the ability to use or sell the software; and
- the software will generate probable future economic benefits.

Development costs not meeting these criteria for capitalization are expensed as incurred.

Amortization for intangibles is computed on an individual basis over the estimated economic life using the straight-line method as follows:

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

2. Accounting Policies (continued)

Residual values and useful lives are reviewed at each reporting date.

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

Financial instruments
Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at FVTPL which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities is described below.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognized when it is extinguished, discharged, cancelled or expires.

Financial assets
Financial assets within the scope of International Accounting Standards ("**IAS**") 39 *Financial Instruments: Recognition and Measurement ("***IAS 39**") are classified as financial assets at FVTPL, loans and receivables, held-to-maturity investments or available-for-sale financial assets for purposes of subsequent measurement. The Company determines the classification of its financial assets at initial recognition. Note that the Company does not hold any held-to-maturity or available-for-sale financial assets.

All financial assets except for those at FVTPL are reviewed for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

Fair value through profit or loss
Financial assets at fair value through profit or loss include financial assets that are either classified as held for trading or they meet certain conditions and are designated at FVTPL upon initial recognition. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply. Assets within this category are initially recognized at fair value with changes in fair value recorded through income. The fair values of financial assets in this category are determined by reference to active market transaction or using a valuation technique where no active market exists. Cash in local and foreign currencies held in tills, vaults, or in transit as well as derivatives are included in this category of financial assets.

Derivatives are initially recognized at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at each reporting date. The resulting gain or loss is recognized in profit or loss immediately. A derivative with a positive fair value is recognized as a financial asset whereas a derivative with a negative fair value is recognized as a financial liability. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realized or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

2. Accounting Policies (continued)

Loans and receivables
Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses. Financial assets including accounts receivable, financial instruments included in other current assets and restricted cash held in escrow are all classified as loans and receivables.

Individually significant receivables are considered for impairment when they are past due or when objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the type of counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group.

Financial liabilities
Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss or other financial liabilities. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value. The Company's financial liabilities include accounts payable, accrued expenses and contingent consideration. All financial liabilities are classified as other financial liabilities, with the exception of contingent consideration, which is classified as fair value through profit or loss.

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

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

- Level 1: 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; and
- Level 3: unobservable inputs for the asset or liability.

Earnings per share
The Company presents basic and diluted earnings per share data for its common shares, calculated by dividing the earnings attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings per share is determined by adjusting the earnings attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive warrants and options outstanding that may add to the total number of common shares.

2. Accounting Policies (continued)

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

Deferred income taxes are calculated using the liability method on temporary differences. Tax losses available to be carried forward as well as other income tax credits are assessed for recognition as deferred tax assets.

Deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted at the consolidated statement of financial position date. This provision is not discounted. Deferred tax liabilities are generally recognized in full, although IAS 12 *Income Taxes* ("**IAS 12**") specifies limited exemptions. Deferred tax assets are recognized to the extent that it is probable that they will be able to be offset against future taxable income.

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

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

3. New Accounting Policies and Future Accounting Pronouncements

New accounting policies

IFRS 10 *Consolidated Financial Statements* ("**IFRS 10**") supersedes IAS 27 Consolidated and Separate Financial Statements ("**IAS 27**") and SIC 12 Consolidation – Special Purpose Entities. IFRS 10 revises the definition of control and provides extensive new guidance on its application. These new requirements have the potential to affect which of the Company's investees are considered to be subsidiaries and therefore to change the scope of consolidation. The requirements on consolidation procedures, accounting for changes in non-controlling interests and accounting for loss of control of a subsidiary are unchanged. The Company has adopted this standard for the annual period commencing November 1, 2013. The adoption of this standard had no measurement impact on the Company's financial results.

IFRS 12 *Disclosure of Involvement with Other Entities* ("**IFRS 12**") requires a parent company to disclose information about significant judgments and assumptions it has made in determining whether it has control, joint control, or significant influence over another entity and the type of joint arrangement when the arrangement has been structured through a separate vehicle. An entity should also provide these disclosures when changes in facts and circumstances affect the entity's conclusion during the reporting period. The Company has adopted this standard for the annual period commencing November 1, 2013. The adoption of this standard had no disclosure impact on the Company's financial results.

3. New Accounting Policies and Future Accounting Pronouncements (continued)

FRS 13 *Fair Value Measurement* ("**IFRS 13**") defines fair value, sets out in a single IFRS a framework for measuring fair value and identifies required disclosures about fair value measurements. The Company has adopted this standard for the annual period commencing November 1, 2013. The adoption of this standard had no measurement impact on the Company's financial results. Enhanced disclosures have been included in Note 14 of the consolidated financial statements.

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. 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 is currently evaluating the impact of IFRS 9 on its 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 and is effective for annual periods beginning on or after January 1, 2017, with early adoption permitted. The Company is currently evaluating the impact of IFRS 15 on its consolidated financial statements.

IFRIC 21 Levies ("**IFRIC 21**") was issued in May 2013 and is an interpretation of IAS 37 Provisions, Contingent Liabilities and Contingent Assets. A levy is an outflow of resources embodying economic benefits that is imposed by government on entities in accordance with legislation, other than income taxes within the scope of IAS 12 and fines or other penalties imposed for breaches of legislation. IFRIC 21 clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. IFRIC 21 is effective for annual periods beginning on or after January 1, 2014, with early adoption permitted. The Company is currently evaluating the impact of IFRIC 21 on its consolidated financial statements.

IAS 32 *Financial Instruments – Presentation* ("**IAS 32**") was amended to clarify the criteria that should be considered in determining whether an entity has a legally enforceable right of set off in respect of its financial instruments. Amendments to IAS 32 are effective for annual periods beginning on or after January 1, 2014, with early adoption permitted. The Company is currently evaluating the impact of the amendments to IAS 32 on its consolidated financial statements.

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

On March 28, 2014 the Company purchased certain assets of 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. 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. The Company allocated this contingent consideration to customer trading relationships. An increase (decrease) in the estimate of the amount of revenue generated from the customer trading relationships acquired of +/- 10% would increase (decrease) the fair value of the contingent consideration by approximately $480,000.

This transaction did not meet the criteria of an acquisition of a business under IFRS 3 thus the transaction did not result in any goodwill being recognized. The Company allocated the purchase price and contingent consideration of $3,827,867 as follows:

Customer trading relationships	$3,288,283
Fixed and prepaid assets	59,584
Computer software	480,000
Total	$3,827,867

The Company recorded expenses of $141,353 in legal and other professional fees to complete the transaction.

5. Geographical Segments

The Company only has a single reportable segment, but operates in both 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
Year ended October 31, 2014	11,949,822	10,056,131	22,005,953
Thirteen months ended October 31, 2013	14,382,012	1,608,422	15,990,434

	At October 31, 2014			At October 31, 2013		
Assets	**United States**	**Canada**	**Total**	**United States**	**Canada**	**Total**
	$	$	$	$	$	$
Cash	2,241,023	27,389,721	29,630,744	6,451,236	24,679,630	31,130,866
Accounts receivable	19,610	4,158,948	4,178,558	59,640	973,719	1,033,359
Restricted cash held in escrow	-	714,121	714,121	-	200,707	200,707
Other current assets	273,774	274,903	548,677	297,838	141,957	439,795
Property and equipment	528,048	140,032	668,080	348,001	113,272	461,273
Intangible assets	2,675,720	1,054,654	3,730,374	371,130	-	371,130
Other assets	34,137	35,513	69,650	31,636	13,053	44,689
Deferred tax asset	174,890	(5,792)	169,098	-	-	-
Total assets	5,947,202	33,762,100	39,709,302	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, CXIC, as part of its bank application process. As a result, cash and capital in CXIC increased substantially. Additionally, for the year ended October 31, 2014 the Company realized revenues of $7,291,089 in its Canadian subsidiary that would have previously been recognized in the United States operating company.

6. Cash

Included within cash of $29,630,744 at October 31, 2014 (2013 - $31,130,866) are the following balances:

	At October 31, 2014	At October 31, 2013
	$	$
Cash held in transit, vaults, tills and consignment locations	21,826,848	15,427,028
Cash deposited in bank accounts in jurisdictions in which the Company operates	7,803,896	15,703,838
Total	29,630,744	31,130,866

7. 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 $714,121 at October 31, 2014 (2013 - $200,707).

8. Operating Leases

The Company and its subsidiary companies 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 year ended October 31, 2014 was $2,024,290 (thirteen month period ended October 31, 2013 - $1,683,547).

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

Year ended	Remaining minimum payments required
October 31, 2015	$1,512,998
October 31, 2016	$1,012,842
October 31, 2017	$891,438
October 31, 2018	$559,577
October 31, 2019 and thereafter	$229,379
Total	**$4,206,234**

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

9. Property and equipment

Property and equipment consisted of the following at October 31, 2014:

Cost	Vehicles $	Computer equipment $	Furniture and equipment $	Leasehold improvements $	Total $
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	16,918	86,157	118,853	277,164	499,092
Disposals	-	(2,891)	-	(43,692)	(46,583)
Net exchange differences	-	(1,506)	(3,628)	(7,928)	(13,062)
Balance, October 31, 2014	65,121	213,996	313,517	1,053,677	1,646,311

Depreciation	Vehicles $	Computer equipment $	Furniture and equipment $	Leasehold improvements $	Total $
Balance, September 30, 2012	42,246	86,644	96,748	335,407	561,045
Depreciation	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
Depreciation	15,150	42,339	49,502	173,534	280,525
Disposals	-	(2,891)	-	(43,692)	(46,583)
Net exchange differences	-	(655)	(2,146)	1,499	(1,302)
Balance, October 31, 2014	33,701	130,629	178,976	634,925	978,231

Carrying amounts	Vehicles $	Computer equipment $	Furniture and equipment $	Leasehold improvements $	Total $
Balance, October 31, 2013	29,652	40,400	66,672	324,549	461,273
Balance, October 31, 2014	31,420	83,367	134,541	418,752	668,080

10. Intangible assets

Intangible assets consisted of the following at October 31, 2014:

Cost	Internally developed software $	Acquired software $	Customer trading relationships $	Total $
Balance, September 30, 2012	231,590	-	-	231,590
Additions	260,797	-	-	260,797
Balance, October 31, 2013	492,387	-	-	492,387
Additions	234,620	480,000	3,288,283	4,002,903
Balance, October 31, 2014	727,007	480,000	3,288,283	4,495,290

Amortization	Internally developed software $	Acquired software $	Customer trading relationships $	Total $
Balance, September 30, 2012	45,661	-	-	45,661
Amortization	75,596	-	-	75,596
Balance, October 31, 2013	121,257	-	-	121,257
Amortization	119,864	140,000	383,836	643,700
Net exchange differences	-	-	(41)	(41)
Balance, October 31, 2014	241,121	140,000	383,795	764,916

Carrying amounts	Internally developed software $	Acquired software $	Customer trading relationships $	Total $
Balance, October 31, 2013	371,130	-	-	371,130
Balance, October 31, 2014	485,886	340,000	2,904,488	3,730,374

11. Income taxes

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities as of October 31, 2014 and 2013 consist of the following:

	October 31, 2014	October 31, 2013
	$	$
Deferred tax assets		
Accrued expenses	45,444	63,468
Stock based compensation	340,748	137,837
Other	27,811	-
Total deferred tax assets	414,003	201,305
Deferred tax liabilities		
Intangible assets	(187,175)	(144,741)
Net property and equipment	(57,730)	(104,698)
Total deferred tax liabilities	(244,905)	(249,439)
Net deferred tax asset/(liability)	169,098	(48,134)

Reconciliation of the provision for income taxes to the amount calculated using the Company's statutory tax rate for the year ended October 31, 2014 and the thirteen month period ended October 31, 2013 are as follows:

	October 31, 2014	October 31, 2013
	$	$
Income before taxes	6,021,836	4,206,952
Statutory tax rate	38.5%	38%
Tax expense at statutory rate	2,318,407	1,598,642
Tax on dividend income	210,192	-
Withholding tax payment	79,541	-
Foreign tax rate adjustment	(70,252)	-
Other non-deductible differences (benefit)	64,823	(33,384)
Income tax expense	2,602,711	1,565,258

11. Income taxes (continued)

The enacted tax rates in Canada of 26.5% (2013 – 26.5%) and in the United States of 38.5% (2013 – 38%) where the Company operates are applied in the tax provision calculation. The Canadian rate remained unchanged, whereas the increase in the United States rate was due to change in income allocations amongst the states.

The provisions for income taxes for the year ended October 31, 2014 and the thirteen month period ended October 31, 2013 consists of the following:

	October 31, 2014	October 31, 2013
	$	$
Current tax expense	2,819,943	1,553,734
Deferred tax (benefit) expense	(217,232)	11,524
Income tax expense	2,602,711	1,565,258

12. 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.

13. Lines of credit

The Company maintains two lines of credit for liquidity during peak business periods. The Company has a revolving line of credit with BMO Harris Bank, N.A. for up to $6,000,000. 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 October 31, 2014 – 2.16%). At October 31, 2014, the balance outstanding was $Nil (2013 - $Nil).

On January 4, 2011, the Company entered into an unsecured Master Purchasing Agreement with a shareholder of the Company. The Company has available credit of Cdn$2,000,000 under the agreement. Specific repayment terms and interest rates are negotiated when drawings are made. Any and all drawings from the credit facility are subordinate to the line of credit with BMO Harris Bank, N.A. At October 31, 2014, the balance outstanding was $Nil (2013 - $Nil).

14. Fair Value Measurement of Financial Instruments

Financial assets and financial liabilities measured at fair value in the consolidated statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as outlined in Note 2.

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.

14. Fair Value Measurement of Financial Instruments (continued)

The following table shows the Levels within the hierarchy of financial assets and liabilities measured at fair value at October 31, 2014:

	At October 31, 2014			
	Level 1	Level 2	Level 3	Total
	$	$	$	$
Financial assets				
Cash	29,630,744	-	-	29,630,744
Forward contract positions	-	117,732	-	117,732
Total assets	29,630,744	117,732	-	29,748,476
Financial Liabilities				
Contingent consideration	-	-	1,477,867	1,477,867
Total liabilities	-	-	1,477,867	1,477,867

	At October 31, 2013			
	Level 1	Level 2	Level 3	Total
	$	$	$	$
Financial assets				
Cash	31,130,866	-	-	31,130,866
Forward contract positions	-	83,430	-	83,430
Total assets	31,130,866	83,430	-	31,214,296

*There were no transfers between Level 1 and Level 2 during the year ended October 31, 2014.

Cash (Level 1)
The Company’s cash consisting of local and foreign currency notes held in vaults, tills, bank accounts, and in transit are based upon foreign exchange rates quoted in active markets as of October 31, 2014 and 2013, respectively.

Forward contract positions (Level 2)
The Company’s forward contract positions are not traded in active markets. These have been fair valued using observable forward exchange rates. The effects of non-observable inputs are not significant for foreign contract positions

Contingent Consideration (Level 3)
The fair value of contingent consideration, related to the USEH asset acquisition described in Note 4, is estimated based on the amount of revenue generated from the acquired customer trading relationships. The significant input for the fair value estimate is management’s estimate of revenues from acquired customers to continue transacting with the Company. For information about the sensitivity of the fair value measurement to the changes in the input at October 31, 2014, see Note 4. The fair value estimate of cash outflows is $1,477,867 at October 31, 2014. This reflects management’s best estimate of a retention rate of key acquired customers in year 1 and in year 2.

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 and accrued expenses

15. 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.

15. Risk Management (continued)

Financial risk management is carried out by the Chief Financial Officer ("**CFO**") under policies approved by the 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, accounts receivable, and forward contracts from hedging counterparties.

All customer relationships are negotiated by senior management. The Company maintains accounts in high quality financial institutions. At various times, the Company's bank balances 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. 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 below:

	At October 31, 2014	**At October 31, 2013**
Customer type	**$**	**$**
Domestic and international banks	2,953,383	443,739
Money service businesses	1,204,410	584,109
Other	20,765	5,511
Total	**4,178,558**	**1,033,359**

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.

15. 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 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 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 October 31, 2014 was approximately $5,725,000 (2013 - $3,040,000). The amount of currency that is unhedged and that is not pegged to the U.S. Dollar is approximately $4,090,000 (2013 - $1,550,000). A 2% increase/decrease 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 +$80,000/-80,000 (2013 - gain/loss of approximately +$30,000/-$30,000).

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, CXIC.

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

Interest Rate Risk

At October 31, 2014, 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 13.

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 twelve month period ended October 31, 2014 would have been approximately +$4,500/-$4,500 higher/lower (October 31, 2013 +$1,000/-$1,000 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. CFO informs the Chief Executive Officer (“**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 minimum cash reserve or credit lines greater than 15% of the Company's prior year's revenues.

15. Risk Management (continued)

The following are non-derivative contractual financial liabilities:

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

At 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	$Nil
Accrued expenses	801,166	757,237	757,237	$Nil

The Company had available unused lines of credit amounting to $8,000,000 at October 31, 2014 (2013 - $4,000,000).

Capital Management

The Company manages working capital through its financial and operational forecasting processes. The Company defines working capital as total current assets less other 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.

	October 31, 2014	**October 31, 2013**
Current assets	35,072,100	32,804,727
Current liabilities	(6,098,983)	(3,869,709)
Capital	28,973,117	28,935,018

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.

16. Foreign Currency Forward Contracts

The Company enters into non-deliverable foreign currency forward contracts 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 October 31, 2014 and 2013, $714,121 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 7. The fair value of the forward positions on October 31, 2014 and 2013 were $117,732, and $83,430, respectively (Note 23).

17. 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 18). 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 18 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 18 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 18 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 year ended October 31, 2014, the Company realized a non-cash gain of $Nil on the revaluation and expiration of the liability (thirteen-month period ended October 31, 2013 - non-cash gain of $458,241).

18. Equity

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

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

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

In September of 2014, 4,600 employee stock options were exercised at a price of Cdn$7.50, for proceeds of $31,264 (Cdn$34,500).

18. 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.

Below is information related to each option grant:

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

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

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

	Number of options #	Exercise price Cdn$
Outstanding at October 1, 2012	90,000	7.50
Granted	288,060	9.26
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

The following options are outstanding and exercisable at October 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	2.51	60,000
December 17, 2012	$7.50	111,400	3.13	34,066
May 3, 2013	$7.65	22,000	3.50	7,333
October 29, 2013	$10.86	35,640	3.99	35,640
October 29, 2013	$10.86	114,420	3.99	38,140
July 9, 2014	$13.24	1,762	4.69	1,762
October 30, 2014	$16.21	111,359	5.00	-
Total		486,581		176,941

19. Earnings per Share

The calculation of earnings per share is presented below. Diluted earnings per share for the year ended October 31, 2014 and for the thirteen month period ended October 31, 2013 included all stock options outstanding.

	Year ended October 31, 2014	Thirteen month period ended October 31, 2013
Basic		
Net income	$3,419,125	$2,641,694
Weighted average number of shares outstanding	5,391,053	4,126,996
Basic earnings per share	$0.63	$0.64
Diluted		
Net income	$3,419,125	$2,641,694
Weighted average number of shares outstanding	5,509,753	4,133,075
Diluted earnings per share	$0.62	$0.64

20. Operating expenses

	Year ended October 31, 2014	Thirteen month period ended October 31, 2013
	$	$
Salaries and benefits	7,363,075	5,742,923
Rent	2,024,290	1,683,547
Legal and professional	915,745	1,089,853
Postage and shipping	1,729,684	1,187,081
Stock based compensation	567,055	289,019
Other general and administrative	2,216,335	1,605,496
Operating expenses	14,816,184	11,597,919

21. Expenses Related to Bank Application

On November 23, 2012, the Company submitted its application to continue its wholly-owned 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**") and the Minister of Finance, 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 Company continues to hold regular communications with OSFI in pursuit of its banking license. During the year ended October 31, 2014, the Company recognized legal and administrative expenses of $126,098 in relation to the application process (thirteen month period ended October 31, 2013 – $272,004).

22. 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 year ended October 31, 2014 and the thirteen month period ended October 31, 2013 was as follows:

	Year ended October 31, 2014	Thirteen month period ended October 31, 2013
	$	$
Short-term benefits	1,275,100	1,090,856
Post-employment benefits	30,123	18,700
Stock based compensation	542,876	255,535
	1,848,099	1,365,091

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 incurred legal and professional fees in the aggregate of $138,218 for the year ended October 31, 2014 (thirteen month period ended October 31, 2013 $86,171) charged by entities controlled by directors or officers of the Company.

23. Other current assets

	At October 31, 2014	At October 31, 2013
	$	$
Prepaid rent	171,428	131,034
Prepaid insurance	105,522	92,871
Due on debit and credit cards	40,177	33,447
Forward contract positions	117,732	83,430
Other assets	113,818	99,013
Total	548,677	439,795

24. Subsequent Events

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 will be recorded in the first quarter of 2015.

Randolph W. Pinna
CEO, President, Chairman of the Board

Mr. Pinna was appointed the Chief Executive Officer, President and Director of CXI when it began operating in October 2007. From 1989 to 2003, Mr. Pinna was President, Chief Executive Officer and Director of Foreign Currency Exchange Corp. and remained in this role after the friendly acquisition by Bank of Ireland Group until October 2007. Mr. Pinna was responsible for the growth of Foreign Currency Exchange Corp. from a small, one location operation in Tampa, Florida to an international, publicly-traded company on the TSX. Mr. Pinna has more than 25 years of experience in international banking with an emphasis on foreign exchange.

Joseph August
Director of CXI
Independent Board Member

Chirag Bhavsar
Lead Director of CXI
Independent Board Member

Mark D. Mickleborough
Director of CXI
Board Member

Linda Stromme
Director of CXI
Independent Board Member

V. James Sardo
Director of CXI
Independent Board Member

James D.A. White
Director of CXI
Independent Board Member

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