Titanium Transportation Group Inc.

Management's Discussion and Analysis

For the first quarter ended
March 31, 2019

Dated April 30, 2019

GENERAL INFORMATION

The following is Titanium Transportation Group Inc.'s management discussion and analysis dated April 30, 2019 ("MD&A"), which provides a comparative overview of the Company's performance for its three month period ended March 31, 2019 with the corresponding three month period ended March 31, 2018, and it reviews the Company's financial position as at March 31, 2019. Throughout this MD&A, the term "Company" or "Titanium" shall mean Titanium Transportation Group Inc. and all of its direct and indirect wholly-owned subsidiaries. This discussion should be read in conjunction with the Company's MD&A, audited consolidated financial statements and accompanying notes as at and for the year ended December 31, 2018 as well as the unaudited condensed consolidated interim financial statements of the Company for the first quarter ended March 31, 2019 ("consolidated interim financial statements").

The consolidated interim financial statements of the Company and extracts from those consolidated interim financial statements contained in this MD&A were prepared in accordance with International Financial Reporting Standards ("IFRS"). The consolidated interim financial statements comply with IAS 34, Interim Financial Reporting, and do not include all of the information required for annual financial statements. The Company's presentation currency is the Canadian dollar. All financial information presented has been rounded to the nearest dollar, except per share amounts and where otherwise indicated. The Company's consolidated interim financial statements for the first quarter ended March 31, 2019 were approved by its Board of Directors on April 30, 2019. Readers are cautioned that certain information included herein is forward-looking and based upon assumptions and anticipated results that are subject to uncertainties. Should one or more of these uncertainties materialize or should the underlying assumption prove incorrect, actual results may vary significantly from those expected. See "Forward Looking Statements" and "Risks and Uncertainties".

Unless otherwise indicated, the information in this report is dated as of April 30, 2019. Additional information relating to the Company is available on SEDAR at www.sedar.com.

OVERVIEW

The Company is an asset-based transportation and logistics company servicing Canada and the United States with terminals in Bolton, Bracebridge, Napanee, North Bay and Windsor, Ontario and with additional parking/switch yards in Sudbury, Brantford, Brockville and Trenton, Ontario. The Company has over 1,000 customers across various industries, including large multinational corporations, with no one customer accounting for more than 7% of revenue. The Company has approximately 475 power units, 1,400 trailers, and 600 independent owner operators and full-time employees.

The Truck Transportation segment provides transport of general merchandise by long-haul, dedicated and local trucking services throughout Canada and the U.S. with a variety of trailer types, including dry vans and flatbeds that support both heated and multi-axle services. Through the use of a modern fleet, the Truck Transportation segment provides reliable and timely service to various customers, attains a high asset utilization through its network of terminals and yards across Ontario, and creates a platform for revenue growth and cost efficiencies through the integration of acquisitions.

The Logistics segment is a non-asset-based broker that provides ancillary transportation services, such as third-party logistics services and freight forwarding across all of North America. Through its network, the Logistics segment offers customers a variety of transportation services, including intermodal service, international shipping, specialty services, and expedited services. The Logistics segment succeeds due to the extensive experience and expertise of the Company's dedicated personnel, up to date and innovative information technology infrastructure, and strong strategic relationships with third-party providers.

The Company's operational results are influenced by industry-wide economic factors and by capital allocation as well as operating and spending decisions. Industry-wide economic factors which impact operational results include freight demand, truck capacity, fuel prices, driver availability, unemployment, exchange rates, government regulation and weather. The Company makes key decisions when allocating capital between its Truck Transportation and Logistics segments, hiring employees or independent contractors and determining compensation, investing in new equipment and technology, and considering business acquisitions. Operating and spending decisions are made after the analysis of numerous important financial and operational metrics including EBITDA[1] and operating income, revenue generated per truck and per mile, empty miles, driver retention and fuel efficiency.

Key Highlights

The Truck Transportation segment continued to deliver strong results in the first quarter of 2019. However, these strong results were mitigated by the expected normalization of performance in the Logistics segment relative to the elevated levels in the same period in 2018.

Notwithstanding the softer contribution from Logistics segment this quarter, consolidated Revenue was at the second highest level for the first quarter in the Company's history only exceeded by the same period in 2018, reflecting the core underlying growth of both segments.

On a consolidated basis Revenue (including fuel surcharge) was $39.0 million for the three month period ended March 31, 2019, a 14.3% decrease over the three month period ended March 31, 2018. Operating income was $1.3 million for the quarter and a 41.4% decrease over same period in 2018.

Following an exceptionally strong first half of 2018, reflecting the introduction of mandatory Electronic Logging Devices (“ELDs”) in the United States and economic factors which led to a material constraint in industry capacity, market conditions began to adjust in the second half of 2018 with increased capacity and a gradual normalization of pricing. Market pricing continued to soften in the industry in the first quarter of 2019. Furthermore, North American trade policies negatively impacted cross border volumes and activity levels in some industries. As a result, overall industry conditions during the quarter were softer than anticipated.

More recently, some industry participants have curtail or reverse their initiatives to add additional capacity supply to the market.

The Truck Transportation segment demonstrated continued progress and delivered year over year revenue growth of 7.9%. Organic volume growth and contract rates improvement remained the key factors to the sustained growth in the segment. Moreover, Titanium's focus on driver recruitment and retention has allowed the company to achieve incremental organic growth year over year despite soften economic growth. The Company also benefited from improving operating efficiencies and asset utilization derived from previous and ongoing investments in technology, which enabled operating income to more than double over the three month period ended March 31, 2018.

The Logistics segment, having benefitted materially from the exceptionally favorable market conditions in the first half of 2018, experienced a 40.9% decrease in year over year revenue reflecting a stronger than expected market correction. Given this decrease in revenue, and relatively fixed cost, as well as ongoing investments in IT infrastructure to support the strategic expansion of the U.S. freight brokerage operations and future organic growth, operating income decreased by 73.5% year over year.

[1] Refer to "Results of Operations" on page 4 and "Non-IFRS Financial Measures" on page 13 for more information about EBITDA and for a reconciliation of EBITDA to net income.

As noted, part of the Company's continuing growth strategy is the expansion of Titanium's participation in the U.S. freight brokerage industry. During the quarter, Titanium leased a key location in Charlotte, NC to serve as the head office of the Company's expansion. Along with the required infrastructure improvements, Titanium has also recruited a team with considerable expertise in the U.S. brokerage and logistics industry to service the new segment. The new initiative is expected to be operational in the second quarter of 2019 and is expected to contribute to operating earnings in the fourth quarter of 2019.

In addition to the specific initiative related to the U.S. freight brokerage industry, Titanium continues to sustainably invest in technology and people and remains focused on consistently delivering organic growth through changing industry conditions. Notwithstanding softer industry conditions, Titanium has continued to build market share in its core businesses and expected to continue to do so. Furthermore, market corrections and recent emergence of sources of excess capacity in the marketplace have, in management's view, improved the opportunities for accretive add-on acquisitions in select market segments.

Revenue by Industry	
Manufactured Goods	34.6%
Retail	16.0%
Logistics/ Trucking	12.5%
Metals	12.2%
Automotive	6.7%
Food & Beverage	4.4%
Forest Products	4.8%
Services	3.0%
Other	5.8%

Based on Q1 2019 revenue

[1] Refer to "Results of Operations" on page 4 and "Non-IFRS Financial Measures" on page 13 for more information about EBITDA and for a reconciliation of EBITDA to net income.

RESULTS OF OPERATIONS

Financial Highlights (unaudited)

	3 months ended March 31 2019	(2)(Restated) 3 months ended March 31 2018
Revenue	36,014,796	42,407,298
Fuel surcharge	2,977,414	3,068,560
	38,992,210	45,475,858
Operating expenses	34,407,394	40,076,255
EBITDA(1)	4,584,816	5,399,603
EBITDA margin(1)	12.7 %	12.7 %
Depreciation	3,239,759	3,143,343
Amortization of customer lists	57,150	57,150
Operating income(1)	1,287,907	2,199,110
Operating margin(1)	3.6 %	5.2 %
Gain on sale of property and equipment	(257,818)	(67,614)
Finance costs	879,345	951,499
Finance income	(99,612)	(77,240)
Foreign exchange gain	(40,784)	(59,178)
Income tax expense	262,427	366,783
Net income and comprehensive income attributable to owners of the Company	544,349	1,084,860
Net income per share - basic	0.01	0.03
Net income per share - diluted	0.01	0.03

(1) Refer to "Non-IFRS Financial Measures".

(2) Refer to "Changes in accounting policies". For the three months ended March 2019, lease payments of $441,132 was deemed as repayment of finance leases, resulting in finance cost of $382,908. Depreciation of right-of-use asset as a result of the adoption of IFRS 16 reclassification was $85,737.

Selected Segmented Financial Information (unaudited)

	3 months ended March 31 2019	[2](Restated) 3 months ended March 31 2018
Truck Transportation		
Revenue	25,897,431	23,902,500
Fuel surcharge	2,157,166	2,088,883
	28,054,597	25,991,383
Operating expenses		
Carriers and independent contractors	9,384,446	9,330,390
Vehicle operating	6,823,146	6,263,156
Wages and casual labour	6,609,308	5,974,511
Other operating[2]	827,019	786,083
	23,643,919	22,354,140
EBITDA[1]	4,410,678	3,637,243
EBITDA margin[1]	17.0 %	15.2 %
Depreciation[2]	3,112,510	3,022,588
Amortization of customer lists	57,150	57,150
Operating income[1]	1,241,018	557,505
Operating margin[1]	4.8 %	2.3 %
Gain on sale of property and equipment	(257,818)	(67,614)
Finance costs[2]	848,712	891,011
Finance income	(99,612)	(77,240)
Foreign exchange loss	-	16,972
Income tax expense (recovery)[2]	231,603	(73,609)
Net income (loss)	518,133	(132,015)

(1) Refer to "Non-IFRS Financial Measures".

(2)Refer to "Changes in accounting policies". For the three months ended March 2019, lease payments of $405,841 was deemed as repayment of finance leases, resulting in finance cost of $352,275. Depreciation of right-of-use asset as a result of the adoption of IFRS 16 reclassification was $78,878.

Selected Segmented Financial Information (unaudited)**, continued**

	3 months ended March 31 2019	(2)(Restated) 3 months ended March 31 2018
Logistics		
Revenue	11,241,621	19,420,149
Fuel surcharge	820,248	979,677
	12,061,869	20,399,826
Operating expenses		
Carriers and independent contractors	9,918,345	15,977,478
Wages and casual labour	1,151,444	1,781,341
Other operating(2)	420,426	485,967
	11,490,215	18,244,786
EBITDA/ Operating income(1)	571,654	2,155,040
EBITDA/ Operating margin(1)	5.1 %	11.1 %
Depreciation(2)	127,249	120,755
Finance costs(2)	30,633	60,488
Foreign exchange gain	-	(76,150)
Income tax expense(2)	112,586	540,702
Net income	301,186	1,509,245

(1) Refer to "Non-IFRS Financial Measures".

(2) Refer to "Changes in accounting policies". For the three months ended March 2019, lease payments of $35,291 was deemed as repayment of finance leases, resulting in finance cost of $30,633. Depreciation of right-of-use asset as a result of the adoption of IFRS 16 reclassification was $6,859.

Revenue (unaudited)

	3 months ended March 31 2019	(2)(Restated) 3 months ended March 31 2018
Truck Transportation		
Revenue	25,897,431	23,902,500
Fuel surcharge	2,157,166	2,088,883
	28,054,597	25,991,383
Logistics		
Revenue	11,241,621	19,420,149
Fuel surcharge	820,248	979,677
	12,061,869	20,399,826

For the three month period ended March 31, 2019, the Company's consolidated revenues decreased by $6.5 million or 14.3%, when compared to the three month period ended March 31, 2018. The decrease in revenue was a result of a decrease in logistics segment revenue, which was partially offset by an increase in the Truck Transportation segment.

The Truck Transportation segment delivered an increase in revenue of $2.1 million or 7.9%, for the three month period ended March 31, 2019 when compared to that of 2018. The increase is mainly a result of organic growth in volumes of approximately $0.8 million, largely attributable to successful driver recruitment as well as significantly improved contract rates of approximately $1.1 million compared to the same period in 2018.

The Logistics segment experienced a decrease in revenue of $8.3 million or 40.9% for the three month period ended March 31, 2019, when compared to the same period in 2018. The Logistics segment experienced extraordinary demand in the first two quarters of 2018. Customer demand began to normalize in the second half of the year, and continued into the first quarter of 2019.

Operating Expenses and Income (unaudited)

	3 months ended March 31 2019	(2)(Restated) 3 months ended March 31 2018
Truck Transportation		
Revenue	28,054,597	25,991,383
Operating expenses(2)	23,643,919	22,354,140
EBITDA(1)	4,410,678	3,637,243
EBITDA margin(1)	17.0 %	15.2 %
Depreciation and amortization(2)	3,169,660	3,079,738
Operating income(1)	1,241,018	557,505
Operating margin(1)	4.8 %	2.3 %
Logistics		
Revenue	12,061,869	20,399,826
Operating expenses(2)	11,490,215	18,244,786
EBITDA/ Operating income(1)	571,654	2,155,040
EBITDA/ Operating margin(1)	5.1 %	11.1 %
Corporate		
Operating expenses	397,516	392,680

(1) Refer to "Non-IFRS Financial Measures".

(2) Refer to "Changes in accounting policies". In Truck Transportation, for the three months ended March 2019, lease payments of $405,841 was deemed as repayment of finance leases, resulting in finance cost of $352,275. Depreciation of right-of-use asset as a result of the adoption of IFRS 16 reclassification was $78,878. In Logistics, for the three months ended March 2019, lease payments of $35,291 was deemed as repayment of finance leases, resulting in finance cost of $30,633. Depreciation of right-of-use asset as a result of the adoption of IFRS 16 reclassification was $6,859.

For the Truck Transportation segment, operating expenses increased by $1.3 million or 5.8%, for the three month period ended March 31, 2019, when compared to the same period in 2018. The increase was driven by significant increases in driver pay and organic volume growth. Having invested in driver recruitment and retention, the segment was well positioned to capture favorable contract rates and support increased volume resulting in improved margins.

For the Logistics segment, operating expenses decreased by $6.8 million or 37.0% for the three month period ended March 31, 2019. The decrease was primarily caused by a decrease in spot market demand and volume. The Company has also invested in infrastructure improvements to support the upcoming expansion into the U.S. freight brokerage business as well as future organic growth. Combined, this resulted in a decline in the operating margin for the segment from 11.1% to 5.1% for the three month period.

SUMMARY OF QUARTERLY RESULTS, RESTATED

The following table sets out quarterly financial information for the Company's eight most recently completed quarters:

(in thousands)

	Q1'19	Q4'18(2)	Q3'18(2)	Q2'18(2)	Q1'18(2)	Q4'17(2)	Q3'17(2)	Q2'17(2)
Revenue	38,992	42,687	44,845	51,810	45,476	35,445	31,516	32,794
EBITDA(1)	4,585	5,844	5,694	7,147	5,400	3,991	3,321	3,864
EBITDA margin(1)	12.7 %	14.8 %	13.7 %	14.8 %	12.7 %	12.0 %	11.1 %	12.5 %
Operating income(1)	1,288	2,455	2,344	3,724	2,199	884	624	1,135
Operating margin(1)	3.6 %	6.2 %	5.6 %	7.7 %	5.2 %	2.7 %	2.1 %	3.7 %
Adjusted net income(1)	544	1,299	1,092	2,189	1,085	5,132	29	311
Per share - basic	0.01	0.04	0.03	0.06	0.03	0.00	0.00	0.01
Per share - diluted	0.01	0.04	0.03	0.06	0.03	0.00	0.00	0.01
Net income (loss) and comprehensive income (loss) attributable to the owners of the Company	544	1,299	1,092	2,189	1,085	(3,516)	29	311
Per share - basic	0.01	0.04	0.03	0.06	0.03	(0.10)	0.00	0.01
Per share - diluted	0.01	0.04	0.03	0.06	0.03	(0.10)	0.00	0.01

(1) Refer to "Non-IFRS Financial Measures".

(2) Refer to "Changes in accounting policies".

Changes from quarter to quarter are mainly the result of acquisitions, seasonality of operations and changes in industry conditions. Following the challenging market conditions which persisted in 2016, market conditions improved gradually through 2017, particularly in the United States, reflecting strong economic growth, which along with the persistent shortage of drivers and the introduction of mandatory ELDs, resulted in a tightening of supply putting upward pressure on rates.

Market conditions were exceptionally favorable in the first half of 2018 as these dynamics persisted with restrained capacity resulting in significant improvements in spot rates and demand. Normal industry supply adjustments emerged and industry conditions began to stabilize beginning with the third quarter of 2018. Concurrently, the introduction of import tariffs in the United States, had a dampening impact on overall aggregate demand, especially but not exclusively in the sectors targeted for tariffs. Historically, the Logistics segment is more impacted by changing market conditions and changes in spot rates.

The activities of the Company are also subject to seasonal demand for truck transportation. Historically, the Company has experienced weak demand in the first quarter, moderate demand in the third and fourth quarters and stronger demand in the second quarter. Harsher winter conditions also generally result in lower fuel economy and increased repair costs during the first quarter. In addition, there has historically been an increase in revenue and a decrease in margins in quarters following an acquisition. Following the quarter in which an acquisition has occurred, revenues have often decreased, stabilized and then increased while EBITDA margins have increased. This historical trend can be observed in Q4 2017 following the acquisition of Xpress. It may be difficult to isolate this impact if the integration process of two or more acquisitions overlap or if there are significant changes in industry conditions.

LIQUIDITY AND CAPITAL RESOURCES

	March 31 2019	(4)(Restated) December 31 2018
Working capital (deficit)(1)	(6,481,319)	(6,895,548)
Total assets	146,506,113	146,092,061
Net debt(2)(4)	79,812,373	79,110,651
Shareholders' equity	39,747,546	39,011,697
Net debt to equity ratio(3)(4)	2.01	2.03

(1) Working capital (deficit) is defined as current assets less current liabilities.

(2) Net debt is defined as bank indebtedness, loans payable and finance lease liabilities, net of cash, finance lease receivables and assets held for sale, both current and long-term portions.

(3) Net debt to equity ratio is defined as net debt divided by shareholders' equity.

(4) Refer to "Changes in accounting policies". As a result of the adoption of IFRS16, net debt for March 31, 2019 and December 31, 2018 increased by $34,073,216 and $34,131,440, respectively, for obligations relating to the lease of the Company's head office terminal.

The Company's working capital position improved slightly as at March 31, 2019 when compared to December 31, 2018. Following the significant net debt to equity ratio improvements in 2018, the Company continued its successful capital management strategy and maintained its net debt to equity position. The Company is in a working capital deficit as a result of the Company's bank indebtedness being classified as current. The Company uses its bank indebtedness to finance long-term assets.

Minimal investment in replacement equipment was required during the quarter ended March 31, 2019, as the Company has been improving asset utilization and significant replenishments were made during 2015 and 2016 following the acquisitions of Muskoka Transport Limited and ProNorth. In terms of growth spending, 14 new power units were purchased during the first quarter of 2019. Subsequent to the reporting period, an additional 9 trucks have been purchased for $1.6 million to support growth in the Truck Transportation segment. The Company may purchase up to 34 power units in the second half of 2019 depending on industry conditions. Titanium keeps the average age of its fleet low in order to take advantage of extended warranty periods, reduce driver downtime and keep overall repair costs low. The Company has a policy of replacing trucks after 6 years, vans after 10 years and flatbeds after 15 years. Management believes there is sufficient financing available to fund planned capital expenditures in the future and to provide for the further growth of the business.

The following table sets out the Company's contractual obligations, excluding future interest payments:

(in thousands)	Total	1 Year	2 Years	3 Years	4 Years	5 Years	After 5 Years
Loans	25,218	8,383	5,465	3,854	3,415	1,747	2,354
Restated finance leases(1)	50,219	7,784	6,046	2,732	961	508	32,188
	75,437	16,167	11,511	6,586	4,376	2,255	34,542

(1)Refer to "Changes in accounting policies".

The Company actively seeks debt refinancing when possible, especially with respect to debt acquired through business acquisitions, to the extent that penalties for early retirement of debt are not significant and lower cost financing is available. Management believes that the Company's operating cash flows are sufficient to fund daily operating activities and meet regular debt repayment obligations.

The portion of the Company's bank credit facilities which were unused as of March 31, 2019 include approximately $7.7 million under the revolving demand operating facility, $2 million under a non-revolving acquisition facility, $7.5 million under an accordion acquisition facility and $6 million under a finance lease loan facility. In addition, the Company has available approximately $7 million in finance leasing and loan facilities through other institutions.

The Company's credit facility agreement requires the Company to maintain two covenants on a quarterly basis. These covenants are measured on a consolidated rolling twelve-month basis. The first covenant requires the Company's debt to tangible net worth ratio to be less than 3.5. Debt to tangible net worth is a ratio of total liabilities plus future minimum lease payments on non-realty operating leases to shareholder's equity less goodwill, customer lists and deferred tax assets. The second covenant requires the Company's debt service coverage ratio to be greater than 1.15. Debt service coverage is a ratio of net income before interest income and expenses, gains on sale of equipment, depreciation, amortization and non-cash items, less unfinanced capital expenditures, plus proceeds of sale of equipment, to contractually required principal and interest payments made over the prior twelve months. As a result of the adoption of IFRS16, the Company must calculate its financial position by adjusting its net income and debt to exclude the effects of IFRS 16. The Company was in compliance with all covenants as of March 31, 2019 and believes it will be in compliance with all required covenants for the next twelve months.

Common Shares

In September 2017, the Company implemented a share purchase plan (the "Plan"), which allows all employees and independent contractors, but excluding insiders of the Company, to contribute up to 5% of their compensation to a maximum of $4,800 per year towards the purchase of Titanium common shares. Contributions are matched at a rate of 100% by the Company and shares are issued from treasury in order to fund the Plan. In the case of employees, matched shares are subject to a three year vesting period. In the case of independent contractors, matched shares are issued after three years of service. The maximum number of shares approved for issuance under the Plan is reviewed by the board of directors annually. Of the shares issued to date, 313,339 have not yet vested.

As of April 30, 2019, there are 36,785,359 common shares of the Company outstanding. In addition, there are 1,695,500 stock options outstanding, of which 675,831 are exercisable.

TRANSACTIONS WITH RELATED PARTIES

The Company provides truck transportation services to companies under common control. These companies include Vision Extrusions Group Limited, Vision Profile Extrusions Ltd. and Sunview Patio Doors Ltd. Aggregate revenues from these companies totaled $1,658,360 for the three month period ended March 31, 2019 (2018 - $1,077,132).

The Company also currently rents its head office from Caledon First Investments Limited, a company under common control with the Company. As a result of the adoption of IFRS 16, total rent paid to this company for the three month period ended March 31, 2019 of $441,132 (2018 - $425,468) was classified as repayment of finance lease obligations. The Company has committed to annual base rent of $1,701,875, which will increase to $2,413,123 over a 14 year period.

Trunkeast Investments Canada Limited, the Company's controlling shareholder as of March 31, 2019, provides administrative and support services to the Company on a monthly basis. For these services, the Company was charged $7,500 (2018 - $7,500) for the three month period ended March 31, 2019.

These transactions were carried out in the normal course of business and were measured at the exchange amount, which management has concluded approximates an arm's-length arrangement.

FORWARD LOOKING STATEMENTS

This MD&A contains forward looking statements that reflect the Company's current expectations and projections about its future results. When used in this MD&A, forward looking statements can be identified by the use of words such as "may", or by such words as "will", "intend", "believe", "estimate", "consider", "expect", "anticipate", "objective" and similar expressions or variations of such words. Forward looking statements are, by their nature, not guarantees of the Company's future operational or financial performance and are subject to risks and uncertainties and other factors that could cause the Company's actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward looking statements. No representation or warranty is intended with respect to anticipated future results or that estimates or projections will be sustained.

Readers are cautioned not to place undue reliance on these forward looking statements, which are necessarily based on a number of estimates and assumptions that, while considered reasonable by management as of the date of this MD&A, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The following factors could cause the Company's actual financial performance to differ materially from that expressed in any forward looking statement: highly competitive market conditions, the Company's ability to recruit, train and retain qualified drivers, the Company's ability to identify, successfully complete and integrate suitable acquisitions, fuel price variation and the Company's ability to recover these costs from its customers, foreign currency fluctuations, the impact of environmental standards and regulations, changes in Canadian and US government regulations applicable to the Company's operations, changes in key personnel, adverse weather conditions, accidents and litigation, the market for used equipment, changes in interest rates, changes in the cost of liability insurance coverage, downturns in general economic conditions affecting the Company and its customers and availability of financing on reasonable commercial terms. The Company expressly disclaims any obligation to update forward looking statements if circumstances or management's views or estimates change, except as otherwise required pursuant to applicable law.

From time to time, the Company will disclose its current annual run rate revenue and EBITDA. Although not intended as such, this may be interpreted as forward looking information. Run rates are presented in order to provide investors with insight into the current size of the Company and do not take into account expected future growth or changes in economic conditions. Historical figures may not be a good indicator of the Company's size, due to acquisitions and the time that it takes to fully realize synergies. After releasing Q1 2018 results, the Company estimated that post synergy annualized revenue and EBITDA would be $170 million and $18 million, respectively. Actual revenue and adjusted EBITDA (excluding the impact of IFRS 16) for the last four quarters was $178 million and $21.5 million, respectively. The difference is primarily a result of organic growth and operating efficiencies which is not reflected in the Company's run rates.

NON-IFRS FINANCIAL MEASURES

This MD&A includes the following financial measures that do not have any standardized meaning under IFRS and may not be comparable to similar measures employed by other companies:

"Earnings before interest, income taxes, depreciation and amortization" ("EBITDA") is calculated as net income before depreciation, amortization, asset impairments, gains or losses on the sale of equipment, finance income and costs, gains or losses on foreign exchange, income tax expense, transaction costs, accelerated customer list amortization and goodwill impairment.

"EBITDA margin" is calculated as EBITDA as a percentage of revenue before fuel surcharge.

"Operating income" is calculated as net income before asset impairments, gains or losses on the sale of equipment, finance income and costs, gains or losses on foreign exchange, income tax expense, transaction costs, accelerated customer list amortization and goodwill impairment.

"Operating margin" is calculated as operating earnings as a percentage of revenue before fuel surcharge.

"Adjusted net income" is calculated as net income before items that are not in the normal course of business, such as accelerated customer list amortization and goodwill impairment, net of tax.

Management of the Company believes that these financial measures are useful for investors and other readers, when used in conjunction with other IFRS financial measures, as they are measurers used internally by management to evaluate performance. However, these financial measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of financial performance prepared in accordance with IFRS.

RISKS AND UNCERTAINTIES

The Company's business is subject to a number of risk factors which are described in our most recently filed annual information form. Additional risks and uncertainties not presently known to us or that we currently consider immaterial also may impair our business and operations and cause the price of the common shares to decline. If any of the noted risks actually occur, our business may be harmed and the financial condition and results of operations may suffer significantly. In that event, the trading price of the common shares could decline, and shareholders may lose all or part of their investment.

CHANGES IN ACCOUNTING POLICIES

The following new standards, interpretations and amendments to standards became effective for the period ended March 31, 2019. The full description of each of these changes in accounting policies is available in our consolidated interim financial statements. The impact of the adoption of these standards is outlined below.

IFRIC 23, Uncertainty over Income Tax Treatments, was issued by IASB on June 7, 2017. The adoption of this interpretation did not have a material impact on the consolidated interim financial statements.

IFRS 16, Leases, was issued by the IASB on January 13, 2016, superseding IAS 17, Leases and IFRIC 4, Determining Whether an Arrangement Contains a Lease. The standard was adopted retrospectively, without modifications, to allow for comparability of operating results. As of December 31, 2018, the Company recognized a right-of-use asset of $33,405,497, a reduction of deferred rent liability of $595,055 and a corresponding finance lease obligation of $34,131,440 as a result of the adoption of the new standard. The timing difference of the asset and obligation also gave rise to an additional deferred tax liability of $34,685 and a retained earnings adjustment for prior period losses totalling $96,203. The following tables show the adjustment recognized for each individual line item for the three month period ended March 31, 2018. Line items that were not affected by the adoption of the standard have not been included. As a result, the sub-total and totals disclosed cannot be recalculated from the numbers provided.

	Mar 31, 2018 As Reported	IFRS 16 Adjustments	Mar 31, 2018 Restated
Truck Transportation			
Other operating expenses	1,174,052	(387,969)	786,083
EBITDA(1)	3,249,274	387,969	3,637,243
Depreciation	2,943,710	78,878	3,022,588
Finance costs	536,812	354,199	891,011
Income (loss) before income taxes	(160,516)	(45,108)	(205,624)
Income tax expense (recovery)	(61,655)	(11,954)	(73,609)
Net income (loss)	(98,861)	(33,154)	(132,015)
Logistics			
Other operating expenses	523,467	(37,500)	485,967
EBITDA(1)	2,117,540	37,500	2,155,040
Depreciation	113,896	6,859	120,755
Finance costs	29,688	30,800	60,488
Income before income taxes	2,050,106	(159)	2,049,947
Income tax expense	540,744	(42)	540,702
Net income	1,509,362	(117)	1,509,245

(1) Refer to "Non-IFRS Financial Measures".

The changes pertain largely to the lease of the Company's head office terminal and assume that the purchase option in 2026 will be exercised.

TITANIUM
Transportation Group Inc.

Unaudited Condensed Consolidated Interim Financial Statements

For the first quarter ended
March 31, 2019

Titanium Transportation Group Inc.

Condensed Consolidated Interim Statements of Financial Position

(unaudited)

(in Canadian dollars)

	March 31 2019	December 31 2018 (Restated)
Assets		
Current		
Cash	149,162	237,496
Trade and other receivables (note 14)	29,072,443	27,285,612
Current taxes recoverable	35,815	512,670
Finance lease receivables (note 5, 13)	2,337,005	2,462,208
Prepaid expenses and deposits	2,569,365	2,106,723
Assets held for sale (note 6)	91,327	130,396
	34,255,117	32,735,105
Finance lease receivables (note 5, 13)	4,784,604	5,135,162
Property and equipment (note 3, 7)	45,273,141	44,650,640
Right of use assets (note 3, 8)	58,590,590	60,033,714
Deferred tax assets (note 3)	377,275	254,904
Customer lists (note 9)	1,257,100	1,314,250
Goodwill (note 9)	1,968,286	1,968,286
	146,506,113	146,092,061
Liabilities		
Current		
Bank indebtedness (note 10, 13)	11,735,929	9,364,135
Trade and other payables	12,810,752	13,139,050
Current taxes payable	21,826	475,640
Loans payable (note 10, 13)	8,383,494	8,748,259
Finance lease liabilities (note 3, 10, 13, 14)	7,784,435	7,903,569
	40,736,436	39,630,653
Loans payable (note 10, 13)	16,835,781	16,534,574
Finance lease liabilities (note 3, 10, 13)	42,434,832	44,525,376
Deferred tax liabilities (note 3)	6,751,518	6,389,761
	106,758,567	107,080,364
Commitments and contingencies (note 16)		
Shareholders' Equity		
Share capital (note 11)	23,004,140	22,926,679
Contributed surplus (note 12)	7,781,125	7,667,086
Retained earnings (note 3)	8,962,281	8,417,932
	39,747,546	39,011,697
	146,506,113	146,092,061

Refer to note 3 for details regarding the restatement as a result of a change in accounting policy.

On behalf of the Board

"Ted Daniel"
Director

"Bill Chyfetz"
Director

Titanium Transportation Group Inc.

Condensed Consolidated Interim Statements of Comprehensive Income

Three months ended March 31, 2019 and 2018 (unaudited)

(in Canadian dollars)

	2019	(Restated) 2018
Revenue (note 14)	36,014,796	42,407,298
Fuel surcharge	2,977,414	3,068,560
	38,992,210	45,475,858
Operating expenses		
Carriers and independent contractors	18,178,535	24,392,517
Vehicle operating	6,823,146	6,263,156
Wages and casual labour (note 15)	8,033,967	7,998,987
Other operating (note 3)	1,371,746	1,421,595
	34,407,394	40,076,255
Income before the following	4,584,816	5,399,603
Depreciation (note 3, 7, 8)	3,239,759	3,143,343
Gain on sale of property and equipment	(257,818)	(67,614)
Finance costs (note 3, 14)	879,345	951,499
Finance income	(99,612)	(77,240)
Foreign exchange gain	(40,784)	(59,178)
Amortization of customer lists (note 9)	57,150	57,150
	3,778,040	3,947,960
Income before income taxes	806,776	1,451,643
Income tax expense (note 3)	262,427	366,783
Net income and comprehensive income attributable to owners of the Company	544,349	1,084,860
Earnings per share:		
Basic	0.01	0.03
Diluted	0.01	0.03
Weighted average number of shares outstanding:		
Basic (note 11)	36,424,751	36,172,854
Diluted (note 11)	36,801,487	36,330,171

Refer to note 3 for details regarding the restatement as a result of a change in accounting policy.

Titanium Transportation Group Inc.

Condensed Consolidated Interim Statements of Changes in Equity

Three months ended March 31, 2019 and 2018 (unaudited)

(in Canadian dollars)

	Share Capital	Contributed Surplus	Retained Earnings	Total
Restated balances at December 31, 2018	22,926,679	7,667,086	8,417,932	39,011,697
Share issuance (note 11)	77,461	-	-	77,461
Share-based compensation expense (note 12)	-	114,039	-	114,039
Net income and comprehensive income	-	-	544,349	544,349
Balances at March 31, 2019	23,004,140	7,781,125	8,962,281	39,747,546
Restated balances at December 31, 2017	22,585,503	7,340,115	2,754,048	32,679,666
Share issuance (note 11)	101,019			101,019
Share-based compensation expense	-	64,871	-	64,871
Net income and comprehensive income	-	-	1,084,860	1,084,860
Restated balances at March 31, 2018	22,686,522	7,404,986	3,838,908	33,930,416

Refer to note 3 for details regarding the restatement as a result of a change in accounting policy.

Titanium Transportation Group Inc.

Condensed Consolidated Interim Statements of Cash Flows

Three months ended March 31, 2019 and 2018 (unaudited)

(in Canadian dollars)

	March 31 2019	(Restated) **March 31 2018**
Cash flows from operating activities		
Net income	544,349	1,084,860
Adjustments:		
Depreciation (note 3)	3,239,759	3,143,343
Gain on sale of property and equipment	(257,818)	(67,614)
Finance costs (note 3)	879,345	951,499
Finance income	(99,612)	(77,240)
Amortization of customer lists	57,150	57,150
Share-based compensation expense	114,039	64,871
Income tax expense (note 3)	262,427	366,783
	4,739,639	5,523,652
Net change in non-cash operating working capital	(2,788,985)	(6,901,512)
	1,950,654	(1,377,860)
Interest paid (note 3)	(851,535)	(923,098)
Interest received	99,612	77,240
Income taxes paid	-	(104,790)
	1,198,731	(2,328,508)
Cash flows from investing activities		
Proceeds from finance lease receivables	764,119	478,148
Acquisition of property and equipment (note 7, 13)	(220,969)	(296,964)
Disposition of property and equipment (note 6, 7)	223,750	240,996
	766,900	422,180
Cash flows from financing activities		
Proceeds from bank indebtedness (note 13)	2,365,451	5,769,377
Repayment of loans payable (note 13)	(2,383,186)	(2,253,657)
Repayment of finance lease liabilities (note 3, 13)	(2,113,691)	(1,966,381)
Issuance of shares (note 11)	77,461	101,019
	(2,053,965)	1,650,358
Decrease in cash	(88,334)	(255,970)
Cash, beginning	237,496	479,012
Cash, ending	149,162	223,042

Refer to note 3 for details regarding the restatement as a result of a change in accounting policy.
Refer to note 13 for supplemental cash flow information.

1. REPORTING ENTITY

Titanium Transportation Group Inc. (the "Company" or "Titanium") commenced operations as a transportation company on July 3, 2002. The Company is a truck-based carrier and logistics broker servicing all of North America with distribution terminals based in Bolton, Bracebridge, Napanee, North Bay and Windsor, Ontario. The registered head office of the Company is at 32 Simpson Rd, Bolton, Ontario, L7E 1G9. Titanium was incorporated on July 11, 1989 under the Canada Business Corporations Act but was not under the current ownership and operations until the aforementioned date of operation commencement.

The controlling shareholder of the Company is Trunkeast Investments Canada Limited ("Trunkeast") and the ultimate controlling shareholder is De Zen Investments Canada Limited.

The condensed consolidated interim financial statements include the accounts of the Company and all of its subsidiaries.

2. BASIS OF PRESENTATION

Statement of Compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and with IAS 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB"). These condensed consolidated interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the most recent annual consolidated financial statements of the Company, including the notes thereto, for the year ended December 31, 2018.

These unaudited condensed consolidated interim financial statements have been prepared by and are the sole responsibility of the Company's management. The Company's independent auditors have not performed a review of these condensed consolidated interim financial statements in accordance with the standards established by the Canadian Institute of Chartered Professional Accountants of Canada for the review of interim financial statements.

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors on April 30, 2019.

Basis of Measurement

These condensed consolidated interim financial statements have been prepared on a going concern basis using historical cost, except for assets and liabilities acquired in business combinations, which are measured at fair value at the acquisition date.

Functional and Presentation Currency

These condensed consolidated interim financial statements are presented in Canadian dollars, which is the Company's functional currency. All financial information presented has been rounded to the nearest dollar, except per share amounts and where otherwise indicated.

2. BASIS OF PRESENTATION - continued

Seasonality of Interim Operations

The activities of the Company are subject to seasonal demand for truck transportation. Historically, the Company has experienced weaker demand in the first quarter, moderate demand in the third and fourth quarters and stronger demand in the second quarter. In addition, harsher winter conditions generally result in lower fuel economy and increased repair costs. Furthermore, the timing of acquisitions and variations in industry conditions could have a considerable impact on quarterly results. Consequently, the results of operations for the interim period are not necessarily indicative of the results of operations for the full year.

Use of Estimates

The preparation of condensed consolidated interim financial statements in accordance with IFRS, requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the condensed consolidated interim financial statements and the reported amounts of revenues and expenses for the period. Management makes estimates based on specific facts or circumstances as well as past experiences. Management periodically reviews its estimates and underlying assumptions relating to provisions for receivables, depreciation, deferred taxes, legal settlements, impairment testing, determining the fair value of identifiable assets acquired and liabilities assumed in a business combination, determining the risk free rate of return, expected volatility, expected dividends, expected forfeitures and future market conditions when calculating fair value of stock options and warrants, and determining fair values of financial instruments. Due to the inherent uncertainty involved with making such estimates, actual results could differ from those reported. As adjustments become necessary, they are reported in earnings in the period in which they become known.

Use of Judgment

The preparation of these condensed consolidated interim financial statements in accordance with IFRS, requires management to make judgments that affect the application of accounting policies and the interpretation of accounting standards. Management periodically reviews its judgments and underlying assumptions relating to the classification of leases, determining income tax provisions, assessing impairment of assets, allocating the purchase price in a business combination and determining fair values of financial instruments.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies described in the Company's annual consolidated financial statements have been applied consistently to all periods presented in these condensed consolidated interim financial statements, unless otherwise indicated. The accounting policies have been applied consistently by all subsidiaries.

New Standards Adopted

IFRIC 23, Uncertainty over Income Tax Treatments, was issued by IASB on June 7, 2017. The interpretation provides guidance on the accounting for current and deferred tax assets and liabilities in circumstances in which there is uncertainty over income tax treatments. IFRIC 23 requires the entity to contemplate whether uncertain tax treatments should be considered separately or as a group based on the predictability of the resolution. In addition, the entity should assess if the tax authority will accept uncertain tax treatments, and in the case where it is not probable, the interpretation requires the entity to reflect the uncertainty with disclosure of the most likely amount and the expected value of the income tax payable or recoverable. The interpretation became effective for annual periods beginning on January 1, 2019. The adoption of this interpretation did not have a material impact on the condensed consolidated interim financial statements.

IFRS 16, Leases, was issued by the IASB on January 13, 2016, superseding IAS 17, Leases and IFRIC 4, Determining Whether an Arrangement Contains a Lease. The standard applies a control model to the identification of leases, distinguishing between leases and service contracts on the basis of whether there is an identified asset controlled by the customer. The standard removes the distinction between operating and finance leases with assets and liabilities recognized in respect of all leases. The standard became effective for annual periods beginning on January 1, 2019.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date.

The asset is initially measured at cost, comprised of the initial amount of the lease liability adjusted for any pre-commencement lease payments, plus any initial direct costs incurred, less any lease incentive received. The asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the asset or the end of the lease term. The estimated useful lives of leased assets are determined on the same basis as those of property and equipment. The carrying amount of the leased asset is reduced by impairment losses and remeasurement of the lease liability, if any.

The lease liability is initially measured at the present value of future lease payments, discounted using the interest rate implicit in the lease, or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The lease liability is subsequently measured at amortized cost using the effective interest method. In the event of a change in the Company's assessment of whether it will exercise a purchase, extension or termination option, the lease liability will be remeasured and an adjustment will be made to the carrying amount of the right-of-use asset, or recognized in the consolidated interim statement of comprehensive income if the carrying value of the leased asset is zero.

The Company has elected to apply the practical expedient not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets.

IFRS 16 was adopted retrospectively, without modifications, to allow for comparability of operating results. The following tables show the adjustment recognized for each individual line item. Line items that were not affected by the adoption of the standard have not been included. As a result, the sub-total and totals disclosed cannot be recalculated from the numbers provided.

3. SIGNIFICANT ACCOUNTING POLICIES - continued

	Dec 31, 2018 As Reported	IFRS 16	Dec 31, 2018 Restated
Condensed Consolidated Interim Statement of Financial Position (extract)			
Property and equipment	71,278,857	(26,628,217)	44,650,640
Right-of-use assets	-	60,033,714	60,033,714
Deferred tax assets	239,514	15,390	254,904
Total Assets	**112,671,174**	**33,420,887**	**146,092,061**
Current Liabilities			
Trade and other payables	13,733,603	(594,553)	13,139,050
Finance lease liabilities	18,297,505	34,131,440	52,428,945
Deferred tax liabilities	6,409,056	(19,295)	6,389,761
Total Liabilities	**73,562,772**	**33,517,592**	**107,080,364**
Retained earnings	8,514,637	(96,705)	8,417,932
Total shareholders' equity	**39,108,402**	**(96,705)**	**39,011,697**

	Mar 31, 2018 As Reported	IFRS 16	Mar 31, 2018 Restated
Condensed Consolidated Interim Statements of Comprehensive Income (extract)			
Other operating expenses	1,847,064	(425,469)	1,421,595
Income before the following	**4,974,134**	**425,469**	**5,399,603**
Depreciation	3,057,606	85,737	3,143,343
Finance costs	566,500	384,999	951,499
Income before income taxes	**1,496,910**	**(45,267)**	**1,451,643**
Income tax expense	378,779	(11,996)	366,783
Net income and comprehensive income attributable to owners of the Company	**1,118,131**	**(33,271)**	**1,084,860**

There is no change to the Company's Basic and Diluted Earnings per Share as a result of the restatement.

3. SIGNIFICANT ACCOUNTING POLICIES - continued

	Mar 31, 2018 As Reported	IFRS 16	Mar 31, 2018 Restated
Condensed Consolidated Interim Statements of Cash Flows (extract)			
Net income	1,118,131	(33,271)	1,084,860
Depreciation	3,057,606	85,737	3,143,343
Finance costs	566,500	384,999	951,499
Income tax expense	378,779	(11,996)	366,783
	5,098,183	**425,469**	**5,523,652**
Interest paid	(538,099)	(384,999)	(923,098)
Cash flows from operating activities	**(2,368,978)**	**40,470**	**(2,328,508)**
Repayment of finance lease liabilities	(1,925,911)	(40,470)	(1,966,381)
Cash flows from financing activities	**1,690,828**	**(40,470)**	**1,650,358**

The above adjustments pertain largely to the lease of the Company's head office terminal and assume that the purchase option in 2026 will be exercised.

4. OPERATING SEGMENTS

The Company's business activities are made up of two main segments: Truck Transportation and Logistics. The Truck Transportation segment represents the pickup and delivery of full loads across Canada and the United States using a van, flatbed or other specialized equipment. The Logistics segment represents the brokering of freight across North America. The Company's CEO reviews internal management reports for each operating segment on a monthly basis. Operating segment results that are reported include items directly attributable to each operating segment, as well as those that can be allocated on a reasonable basis. Unallocated items ("Corporate") are comprised mainly of expenses required to operate a publicly traded and multi-entity organization.

	Truck Transportation	Logistics	Corporate	Elimination	Total
Three months ended March 31, 2019					
Revenue - external	26,930,341	12,061,869	-	-	38,992,210
Revenue - internal	1,124,256	-	-	(1,124,256)	-
Total revenue	28,054,597	12,061,869	-	(1,124,256)	38,992,210
Depreciation	3,112,510	127,249	-	-	3,239,759
Finance costs	848,712	30,633	-	-	879,345
Finance income	(99,612)	-	-	-	(99,612)
Income (loss) before income taxes	749,736	413,772	(356,732)	-	806,776
Income taxes (recoveries)	231,603	112,586	(81,762)	-	262,427
Capital expenditures	2,566,305	68,052	-	-	2,634,357
Restated three months ended March 31, 2018					
Revenue - external	25,076,032	20,399,826	-	-	45,475,858
Revenue - internal	915,351	-	-	(915,351)	-
Total revenue	25,991,383	20,399,826	-	(915,351)	45,475,858
Depreciation	3,022,588	120,755	-	-	3,143,343
Finance costs	891,011	60,488	-	-	951,499
Finance income	(77,240)	-	-	-	(77,240)
Income (loss) before income taxes	(205,624)	2,049,947	(392,680)	-	1,451,643
Income taxes (recoveries)	(73,609)	540,702	(100,310)	-	366,783
Capital expenditures	2,508,960	-	-	-	2,508,960

Revenue is attributed to geographical locations based on the location of the origin of the service. All of the Company's assets are located in Canada.

	2019	2018
Canada	24,918,047	25,351,910
United States	14,074,163	20,123,948
	38,992,210	45,475,858

5. FINANCE LEASE RECEIVABLES

During the three month period ended March 31, 2019, the Company entered into new finance leases totaling $904,259, which are receivable over 36 to 60 months with an interest rate of 6.75%

6. ASSETS HELD FOR SALE

Assets held for sale are comprised of excess and aged rolling stock that is inactive and awaiting sale. These assets are expected to be sold over the next six months. No gain or loss was recognized on reclassification of these assets to assets held for sale. These assets relate entirely to the Truck Transportation segment.

Balance, December 31, 2018	130,396
Disposals	(40,143)
Reclassification from property and equipment	1,074
Balance, March 31, 2019	91,327

7. PROPERTY AND EQUIPMENT

	Land, Buildings and Leaseholds	Furniture and Equipment	Rolling Stock	Total
Cost				
Restated balances, December 31, 2018	10,776,660	5,420,336	54,492,371	70,689,367
Reacquisition of rolling stock relating to finance lease receivables	-	-	627,474	627,474
Other additions	-	138,969	2,830,978	2,969,947
Sale of rolling stock relating to finance lease receivables	-	-	(854,231)	(854,231)
Other disposals	-	(798,563)	-	(798,563)
Reclassification to assets held for sale	-	-	(88,190)	(88,190)
Balances, March 31, 2019	10,776,660	4,760,742	57,008,402	72,545,804
Accumulated depreciation				
Restated balances, December 31, 2018	1,258,546	4,057,486	20,722,695	26,038,727
Depreciation	121,261	243,734	1,767,230	2,132,225
Sale of rolling stock relating to finance lease receivables	-	-	(20,109)	(20,109)
Other disposals	-	(791,064)	-	(791,064)
Reclassification to assets held for sale	-	-	(87,116)	(87,116)
Balances, March 31, 2019	1,379,807	3,510,156	22,382,700	27,272,663
Net carrying amounts				
At December 31, 2018, restated	9,518,114	1,362,850	33,769,676	44,650,640
At March 31, 2019	9,396,853	1,250,586	34,625,702	45,273,141

8. RIGHT OF USE ASSETS

	Land and Buildings	Furniture and Equipment	Rolling Stock	Total
Cost				
Restated balances, December 31, 2018	34,220,000	1,023,160	35,308,490	70,551,650
Purchase of lease assets	-	-	(460,000)	(460,000)
Balances, March 31, 2019	34,220,000	1,023,160	34,848,490	70,091,650
Accumulated depreciation				
Restated balances, December 31, 2018	814,503	338,801	9,364,632	10,517,936
Depreciation	85,737	89,527	932,270	1,107,534
Purchase of lease assets	-	-	(124,410)	(124,410)
Balances, March 31, 2019	900,240	428,328	10,172,492	11,501,060
Net carrying amounts				
At December 31, 2018, restated	33,405,497	684,359	25,943,858	60,033,714
At March 31, 2019	33,319,760	594,832	24,675,998	58,590,590

9. GOODWILL AND INTANGIBLES

	Goodwill	Customer Lists	Total
Balances, December 31, 2018	1,968,286	1,314,250	3,282,536
Amortization	-	(57,150)	(57,150)
Balances, March 31, 2019	1,968,286	1,257,100	3,225,386

10. LONG-TERM DEBT

Terms and conditions of outstanding long-term debt are as follows:

	Effective Interest Rate	Year of Maturity	Carrying Amount
Bank indebtedness	PRIME+1.00%	N/A	11,735,929
Loans payable	2.95% - 5.75%	2019-2031	25,219,275
Finance lease liabilities	2.56% - 5.60%	2019-2023	50,219,267
			87,174,471
Current portion			27,903,858
			59,270,613

11. SHARE CAPITAL

Authorized

Unlimited number of common shares with no par value

	Common Shares #	Share Capital $
Issued		
Balances, December 31, 2018	36,655,488	22,926,679
Shares issued as part of share purchase plan	97,359	77,461
Balances, March 31, 2019	36,752,847	23,004,140

In September 2017, the Company implemented a share purchase plan (the "Plan"), which allows all employees and independent contractors, but excluding insiders of the Company, to contribute up to 5% of their compensation to a maximum of $4,800 per year towards the purchase of Titanium common shares. Contributions are matched at a rate of 100% by the Company and shares are issued from treasury in order to fund the Plan. In the case of employees, matched shares are subject to a three year vesting period. In the case of independent contractors, matched shares are issued after three years of service. The maximum number of shares approved for issuance under the Plan is reviewed by the board of directors annually. Of the shares issued to date, 299,795 (2018 - 142,843) have not vested. During the three month period ended March 31, 2019, the Company recognized an expense of $42,194 (2018 - $15,477) relating to the Plan, with a corresponding increase to contributed surplus.

The weighted average number of common shares outstanding has been calculated as follows:

	2019	2018
Issued common shares, beginning	36,655,488	36,191,828
Effect of unvested shares	(279,417)	(71,126)
Effect of issued common shares	48,680	52,152
Weighted average number of common shares	36,424,751	36,172,854
Dilutive effect of restricted common shares, stock options and warrants	376,736	157,317
Weighted average number of diluted common shares	36,801,487	36,330,171

12. CONTRIBUTED SURPLUS

The Company offers a stock option plan for the benefit of certain of its directors, employees and consultants. The maximum number of shares which may be issued under this plan may not exceed 6% of the number of issued and outstanding shares of the Company. Each stock option entitles its holder to receive one common share upon exercise. The majority of options vest over a period of six years, with half vesting three years from issuance and the other half vesting six years from issuance.

During the three month period ended March 31, 2019, 259,000 stock options were issued to various directors and employees. Each stock option entitles the holder to acquire a common share of the Company at an exercise price of $1.50 per common share. During the period, 200,000 stock options were forfeited. No other stock options expired, were exercised or were forfeited during the reporting period. As at March 31, 2019, there were 1,695,500 (December 31, 2018 - 1,636,500) stock options outstanding with a weighted average exercise price of $1.72 (December 31, 2018 - $1.79) and weighted average remaining life of 7.1 years (December 31, 2018 - 7.1 years). Of the stock options outstanding as at March 31, 2019, 943,500 were held by key management personnel. In addition, of the total options outstanding, 675,831 are fully vested and exercisable at a weighted average price of $1.78 (2018 - $1.50). During the three month period ended March 31, 2019, the Company recognized an expense of $71,845 (2018 - $50,332) relating to stock options with a corresponding increase to contributed surplus.

The estimated fair value of stock options was calculated using the Black-Scholes option pricing model with the following assumptions: i) the expected life of each stock option is between 3.5 and 8.5 years; ii) the risk free rate is between 1.89% and 1.94%; iii) the dividend yield will be $NIL; and iv) expected volatility is 60.69%. Volatility was determined using the Company's trading data from the first day of trading to the date of issuance. Variables used in the Black-Scholes option pricing model are based on highly subjective assumptions and any change in the assumptions can materially affect the fair value estimate.

13. SUPPLEMENTAL CASH FLOW INFORMATION

a) A reconciliation of assets arising from investing activities is as follows:

		Cash Flows	Non-Cash Changes		
	Balance Dec 31 2018		**New Leases**	**Reacquired Leases**	**Balance March 31 2019**
Finance lease receivables	7,597,370	(764,119)	904,259	(615,901)	7,121,609

b) A reconciliation of liabilities arising from financing activities is as follows:

		Cash Flows	Non-Cash Changes		
	Restated balance December 31 2018		**New Leases /Loans**	**Foreign Exchange Movement**	**Balance March 31 2019**
Bank indebtedness	9,364,135	2,365,451	-	6,343	11,735,929
Loan payable	25,282,833	(2,383,186)	2,414,122	(94,494)	25,219,275
Finance lease liabilities	52,428,945	(2,113,691)	-	(95,987)	50,219,267
	87,075,913	(2,131,426)	2,414,122	(184,138)	87,174,471

14. RELATED PARTY TRANSACTIONS

During the period, Trunkeast held a significant portion of the shares of the Company and had de facto control. Neither Trunkeast nor the ultimate parent produce consolidated financial statements available for public use.

	2019	(Restated) 2018
Provided truck transportation services to Vision Extrusions Group Limited, Vision Profile Extrusions Ltd. and Sunview Patio Doors Ltd., companies under common control	1,658,360	1,077,132
Paid rent to Caledon First Investments Limited, a company under common control	(441,132)	(425,468)
Paid occupancy costs to Caledon First Investments Limited, a company under common control	(67,925)	(62,563)
Paid management fees to Trunkeast	(7,500)	(7,500)
	1,141,803	581,601

Under IFRS 16, rent paid to Caledon First Investments Limited is considered repayment of finance lease obligations, with deemed interest paid for right-of-use asset included in finance costs of $382,908 (2018, restated - $384,998).

Included in finance lease liabilities as at March 31, 2019 is a total of $34,073,216 payable to Caledon First Investments Limited for the use of the Company's head office terminal.

Included in trade and other receivables as at March 31, 2019 is a total of $636,219 due from these related companies.

These transactions were carried out in the normal course of business and were measured at the exchange amount, which management has concluded approximates an arm's-length arrangement.

15. WAGES AND CASUAL LABOUR

Included in wages and casual labour are the following:

	2019	2018
Share-based compensation expense	114,039	64,871
Employee benefits	171,129	174,381
Key management personnel:		
Salaries and benefits	192,123	232,766
Share-based compensation expense	37,361	26,290

Board members and executive officers are deemed to be key management personnel.

16. COMMITMENTS AND CONTINGENCIES

a) As at March 31, 2019, the Company was committed to purchasing $1.6 million in rolling stock.

b) The Company has a letter of credit outstanding for $665,843 in favour of Caledon First Investments Limited, a company under common control, as a security deposit required under the lease for its Bolton head office.

c) The Company is regularly subject to litigation in the normal course of business. In the opinion of management, the outcome of current pending claims, in aggregate, is not likely to be material to the financial condition or results of operations of the Company.