Management's Discussion and Analysis

For the third quarter ended
September 30, 2015

Dated November 17, 2015

GENERAL INFORMATION

The following is Titanium Transportation Group Inc.'s management's discussion and analysis ("MD&A"), which provides a comparative overview of the Company's performance for its three month and nine month periods ended September 30, 2015 and the Company's financial position as at September 30, 2015. Throughout this MD&A, the term "Company" 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 MD&A, audited consolidated financial statements and accompanying notes of Titanium Transportation Group Holdings Ltd. (previously Titanium Transportation Group Inc.) ("TTGHL") as at and for the years ended December 31, 2014 and 2013; the MD&A, audited financial statements and accompanying notes of Titanium Transportation Group Inc. (previously Northeastern Group Inc.) as at and for the nine month period ended December 31, 2014; and the unaudited condensed consolidated interim financial statements of the Company for the third quarter ended September 30, 2015 ("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 Company's presentation currency is the Canadian dollar. Unless otherwise stated, dollar amounts expressed in this MD&A are in Canadian dollars. The Company's consolidated interim financial statements were approved by its Board of Directors on November 17, 2015. Readers are cautioned that this MD&A contains certain forward looking information. Please refer to the "Forward Looking Statements" section below for a discussion of the use of such information in this MD&A.

Unless otherwise indicated, the information in this report is dated as of November 17, 2015. Additional information relating to the Company is available on SEDAR at www.sedar.com.

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 reference issues only as of the date made. 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 suitable acquisitions as well as to successfully complete the purchase and integrate operations, 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.

OVERVIEW

The Company is a truck transportation and logistics company servicing Canada and the United States with operations based in Woodbridge, Ontario, terminals in Bracebridge, Orillia and Napanee, Ontario and additional parking/switch yards in Barrie, Bolton, Brantford, Brockville, Burlington and Trenton, Ontario. The Company has over 800 customers across various industries, including large multinational corporations.

On April 1, 2015, a reverse takeover ("RTO") was completed by way of a "three-cornered" amalgamation under the provisions of the *Canada Business Corporations Act*, pursuant to which TTGHL, 9050400 Canada Inc. ("CanCo") and 9105352 Canada Inc. ("9105352"), a wholly-owned subsidiary of the Company, amalgamated and continued as "Titanium Transportation Group Holdings Ltd.". Immediately following the RTO, the Company changed its name from "Northeastern Group Inc." to "Titanium Transportation Group Inc."

Revenue for the three month and nine month periods ended September 30, 2015 was $27.2 million and $83.7 million, respectively, compared to $19.4 million and $50.8 million, respectively, for the three month and nine month periods ended September 30, 2014. Similarly, EBITDA for the three month and nine month periods ended September 30, 2015 was $2.9 million and $9.1 million, respectively, compared to $1.5 million and $4.2 million, respectively, for the three month and nine month periods ended September 30, 2014. EBITDA is a non-IFRS financial measure. For a definition of EBITDA and an explanation of the use of this measure herein, refer to "Non-IFRS Financial Measures".

The Company's workforce and fleet grew between December 31, 2014 and September 30, 2015. Independent owner operators and full-time employees working for the Company totaled 399 as of September 30, 2015 compared to 239 as of December 31, 2014. Similarly, power units and trailers being used by the Company were 318 and 986, respectively, as of September 30, 2015 compared to 176 and 647, respectively, as of December 31, 2014. The Company is currently in the process of replacing aged equipment with new equipment. Subsequent to September 30, 2015, this process continued with the delivery of an additional 57 power units, a portion of which was used to replace aged equipment.

A significant portion of the recent growth in the truck transportation segment, when compared to the same period in the previous year, can be attributed to the Company's acquisition of Muskoka Transport Limited ("MTL") on March 1, 2015 and prior year acquisitions of Wm. H. Cain Agency Limited ("Cain") and Georgian Bay Transport Inc. ("GBT"). The Company's truck transportation segment has grown primarily through business acquisitions while growth in the logistics segment has been organic.

RESULTS OF OPERATIONS

Financial Highlights (unaudited)

	3 months ended Sept 30 2015	3 months ended Sept 30 2014	9 months ended Sept 30 2015	9 months ended Sept 30 2014
Revenue	25,719,323	18,118,025	78,222,697	46,755,349
Fuel surcharge	1,527,269	1,290,244	5,455,176	4,049,665
	27,246,592	19,408,269	83,677,873	50,805,014
Operating expenses	24,344,838	17,907,527	74,608,541	46,561,319
EBITDA(1)	2,901,754	1,500,742	9,069,332	4,243,695
EBITDA margin(1)	11.3 %	8.3 %	11.6 %	9.1 %
Depreciation	1,828,505	764,766	5,024,760	1,868,501
Gain on sale of property and equipment	(231,365)	-	(588,909)	(130,315)
EBIT(1)	1,304,614	735,976	4,633,481	2,505,509
EBIT margin(1)	5.1 %	4.1 %	5.9 %	5.4 %
Finance costs	268,714	206,315	1,101,506	524,199
Finance income	(42,703)	(25,626)	(123,901)	(51,252)
Foreign exchange gain	(823,938)	-	(823,938)	-
Income tax expense	536,139	118,645	1,326,083	510,155
Adjusted net income(1)	1,366,402	436,642	3,153,731	1,522,407
Adjusted net income per share(2) - basic	0.04	0.02	0.11	0.07
Adjusted net income per share(2) - diluted	0.04	0.02	0.10	0.07
Reverse takeover costs, net of tax	-	-	2,404,273	-
Net income and comprehensive income attributable to owners of the Company	1,366,402	436,642	749,458	1,522,407
Net income per share(2) - basic	0.04	0.02	0.03	0.07
Net income per share(2) - diluted	0.04	0.02	0.02	0.07

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

(2) Reflects subdivision of shares that took place on March 31, 2015.

RESULTS OF OPERATIONS - continued

Selected Segmented Financial Information (unaudited)

	Truck Transportation	Logistics	Corporate	Elimination	Total
For the three months ended September 30, 2015					
Revenue	16,950,422	9,018,548	-	(249,647)	25,719,323
Fuel surcharge	1,168,809	358,460	-	-	1,527,269
	18,119,231	9,377,008	-	(249,647)	27,246,592
Operating expenses					
Carriers and independent contractors	5,808,869	7,168,244	-	(249,647)	12,727,466
Vehicle operating	4,762,962	-	-	-	4,762,962
Wages and casual labour	4,402,134	808,447	151,445	-	5,362,026
Other operating	894,712	372,545	225,127	-	1,492,384
	15,868,677	8,349,236	376,572	(249,647)	24,344,838
EBITDA[(1)]	2,250,554	1,027,772	(376,572)	-	2,901,754
EBITDA margin[(1)]	13.3 %	11.4 %			11.3 %
Depreciation	1,828,505	-	-	-	1,828,505
Gain on sale of property and equipment	(231,365)	-	-	-	(231,365)
Finance costs	268,714	-	-	-	268,714
Finance income	(42,703)	-	-	-	(42,703)
Foreign exchange gain	(481,431)	(342,507)	-	-	(823,938)
Reverse takeover costs	-	-	-	-	-
	1,341,720	(342,507)	-	-	999,213
Income before income taxes	908,834	1,370,279	(376,572)	-	1,902,541
Income tax expense	290,439	358,990	(113,290)	-	536,139
Net income	618,395	1,011,289	(263,282)	-	1,366,402
For the three months ended September 30, 2014					
Revenue	11,371,639	6,904,219	-	(157,833)	18,118,025
Fuel surcharge	1,004,652	285,592	-	-	1,290,244
	12,376,291	7,189,811	-	(157,833)	19,408,269
Operating expenses	11,325,034	6,636,452	103,874	(157,833)	17,907,527
EBITDA[(1)]	1,051,257	553,359	(103,874)	-	1,500,742
EBITDA margin[(1)]	9.2 %	8.0 %			8.3 %
Net income	73,543	399,446	(36,347)	-	436,642

RESULTS OF OPERATIONS - continued

Selected Segmented Financial Information (unaudited)

	Truck Transportation	Logistics	Corporate	Elimination	Total
For the nine months ended September 30, 2015					
Revenue	48,922,989	29,860,922	-	(561,214)	78,222,697
Fuel surcharge	4,082,531	1,372,645	-	-	5,455,176
	53,005,520	31,233,567	-	(561,214)	83,677,873
Operating expenses	46,196,841	27,706,652	1,266,262	(561,214)	74,608,541
EBITDA(1)	6,808,679	3,526,915	(1,266,262)	-	9,069,332
EBITDA margin(1)	13.9 %	11.8 %			11.6 %
Net income	1,294,966	2,837,324	(3,382,832)	-	749,458
For the nine months ended September 30, 2014					
Revenue	28,166,102	18,948,611	-	(359,364)	46,755,349
Fuel surcharge	2,827,981	1,221,684	-	-	4,049,665
	30,994,083	20,170,295	-	(359,364)	50,805,014
Operating expenses	27,898,435	18,778,594	243,654	(359,364)	46,561,319
EBITDA(1)	3,095,648	1,391,701	(243,654)	-	4,243,695
EBITDA margin(1)	11.0 %	7.3 %			9.1 %
Net income	660,411	1,001,082	(139,086)	-	1,522,407

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

Revenue

For the three month and nine month periods ended September 30, 2015, total revenue increased by $7,838,323 and $32,872,859, respectively, when compared to the three month and nine month periods ended September 30, 2014. Of the increase, $5,742,940 and $22,011,437, respectively, can be attributed to the truck transportation segment and primarily results from the acquisition of GBT on October 1, 2014 and MTL on March 1, 2015. The truck transportation segment saw a decrease in revenue of $2,087,172 when compared to the previous quarter, primarily resulting from normal fluctuations caused by seasonality of operations and a decline in fuel surcharges.

Similarly, the logistics segment saw an increase of $2,187,197 and $11,063,272, respectively, for the three month and nine month periods when compared to the previous year. The increase primarily results from new business generated and growth with existing customers. The logistics segment saw a decrease in revenues of $3,033,829 when compared to the previous quarter, primarily resulting from normal fluctuations caused by seasonality of operations, a decrease in inbound rates as a result of an increase in foreign exchange rates and a decline in fuel surcharges.

RESULTS OF OPERATIONS - continued

EBITDA

The EBITDA margin increased from 8.3% to 11.3%, year over year, for the three month period ended September 30, 2015. Similarly, the EBITDA margin increased to 11.6% from 9.1%, year over year, for the nine month period ended September 30, 2015. Both the truck transportation and logistics segments contributed to this growth; the EBITDA in each segment approximately doubled.

The EBITDA margin for the truck transportation segment increased from 9.2% to 13.3%, year over year, for the three month period ended September 30, 2015. The increase can be largely attributed to improved Cain EBITDA margins subsequent to the acquisition of Cain on July 1, 2014. The EBITDA margin increased when compared to the previous quarter's EBITDA margin of 13.1% as a result of the Company realizing synergies and cost savings from its acquisition of MTL.

The EBITDA margin for the logistics segment increased from 8% to 11.4%, year over year, for the three month period ended September 30, 2015. The increase is largely a result of a higher volume of revenue compared to relatively stable fixed costs. The EBITDA margin decreased when compared to the previous quarter's EBITDA margin of 13.1%, which can be largely attributed to a decrease in volumes.

Expenses

Operating expenses increased by $6,437,311 and $28,047,222, respectively, for the three month and nine month periods ended September 30, 2015 over the same periods in 2014. The increase is primarily a result of the acquisition of GBT and MTL (offset partially by the turnaround of Cain), as well as higher commissions on larger logistics sales volumes.

Depreciation increased for the three month and nine month periods ended September 30, 2015 when comparing to the same periods in 2014, which is primarily a result of the acquisition of equipment, both through business combinations and financed purchases. The cost of new equipment has increased and a higher proportion of the Company's rolling stock is currently new, resulting in higher depreciation rates. Depreciation decreased slightly when compared to the previous quarter as a result of the timing of delivery of new trucks and a reduction in trailers. The acquisition of new equipment has caused finance costs to increase. In addition, the acquisition of MTL resulted in the Company temporarily assuming debt at higher rates as well as a pre-existing factoring arrangement. During the quarter, the factoring arrangement was terminated with no further obligations and the Company repaid its acquisition line and bank indebtedness in its entirety, significantly reducing its financing costs.

The Company also incurred non-recurring reverse takeover costs in order to complete the reverse takeover of a "reporting issuer" and become a publicly traded company on the TSX Venture Exchange.

Other

The Company realized a foreign exchange gain of $823,938 during the three month period ended September 30, 2015. Foreign exchange gains and losses in previous periods were not significant. The gain this quarter is a result of the rapid increase in US dollar foreign exchange rates during the period.

SUMMARY OF QUARTERLY RESULTS

The following table sets out quarterly financial information for the Company's seven most recently completed quarters. Quarterly financial information prior to 2014 has not been presented as the Company was not a reporting issuer and did not prepare quarterly financial statements for these periods.

(in thousands)

	Q3'15	Q2'15	Q1'15	Q4'14	Q3'14	Q2'14	Q1'14
Revenue	25,719	30,076	22,427	19,541	18,118	15,637	13,001
Fuel surcharge	1,527	2,344	1,584	1,392	1,290	1,438	1,321
	27,246	32,420	24,011	20,933	19,408	17,075	14,322
Operating expenses(1)	24,345	29,051	21,213	18,742	17,908	15,474	13,180
EBITDA(2)	2,901	3,369	2,798	2,191	1,500	1,601	1,142
EBITDA margin(2)	11.3 %	11.2 %	12.5 %	11.2 %	8.3 %	10.2 %	8.8 %
Adjusted net income(2)	1,366	766	1,021	739	437	721	365
Per share - basic(3)	0.04	0.03	0.04	0.03	0.02	0.03	0.02
Per share - diluted(3)	0.04	0.02	0.04	0.03	0.02	0.03	0.02
Net income and comprehensive income attributable to the owners of the Company	1,366	(1,359)	742	450	437	721	365
Per share - basic(3)	0.04	(0.04)	0.03	0.02	0.02	0.03	0.02
Per share - diluted(3)	0.04	(0.04)	0.03	0.02	0.02	0.03	0.02

(1) Q4 2014 operating expenses have been adjusted to reflect $392,799 in RTO transaction costs.
(2) Refer to "Non-IFRS Financial Measures".
(3) Reflects subdivision of shares that took place on March 31, 2015.

Overall, the Company's revenue continued to grow through acquisition and organic growth other than in Q3 2015, which saw a decrease due to seasonality. Generally, EBITDA has been growing as well, although the Company saw a temporary decrease in Q3 2014 as a result of the acquisition of Cain. However, as synergies from this acquisition were realized, EBITDA growth resumed in Q4 2014. The acquisition of MTL in Q1 2015 resulted in a lower EBITDA margin in Q2 2015; however, overall EBITDA still grew during the quarter. Q3 2015 saw a decrease in EBITDA primarily resulting from normal fluctuations of volumes caused by seasonality of operations. Despite this, the EBITDA margin increased.

The activities of the Company are subject to fluctuating demand for truck transportation. Historically, demand has been weakest in the first quarter, strong in the second quarter, weaker in the third quarter and strongest in the fourth quarter. Furthermore, during the winter months, fuel consumption and maintenance costs tend to rise.

LIQUIDITY AND CAPITAL RESOURCES

	September 30 2015	December 31 2014
Working capital(1)	3,660,375	1,595,165
Total assets	65,154,756	41,716,496
Debt(2)	25,978,807	22,762,430
Shareholders' equity	28,962,551	6,748,686
Debt to equity ratio(3)	0.90	3.37

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

(2) Debt is defined as loans payable and finance lease liabilities, both current and long-term portions, as well as bank indebtedness, acquisition loan, due to corporate shareholder and due to related parties.

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

The acquisition of MTL on March 1, 2015, resulted in the assumption of a significant working capital deficit and required the immediate repayment of certain debt. However, overall, working capital increased when comparing September 30, 2015 to December 31, 2014, as a result of the bought deal private placement that closed on July 7, 2015, which resulted in net proceeds to the Company of approximately $10.85 million. Management believes that the Company's operating cash flows are sufficient to fund daily operating activities and meet regular debt repayment obligations.

Over the nine month period ended September 30, 2015, total assets and debt increased significantly as a result of the acquisition of MTL during this period. In addition, the Company purchased $19 million in new equipment during the same period. The Company regularly reinvests in new equipment to keep maintenance costs low and to ensure quality service for its customers. The Company's equipment vendors, as well as financial institutions, have historically provided direct funding towards the purchase of new equipment. As of September 30, 2015, the Company has committed $6.2 million towards the purchase of additional equipment. Management believes there is sufficient financing available to fund planned capital expenditures in the future and to provide for the future growth of the business.

The Company limits the use of off-balance sheet financing, by way of operating leases, to the extent practical. Operating leases mainly pertain to the use of the Company's terminals, warehouse and office space, but do include some power units and trailers to the extent that the Company's owned and subcontracted fleet is not able to meet customer demands. These leases expire between October 2015 and March 2020.

The Company completed a bought deal private placement of units on July 7, 2015. Each unit is comprised of one common share and one half of one common share purchase warrant, each exercisable to acquire one common share at a price of $3.50 until July 7, 2017. Net proceeds of approximately $10.85 million went towards equipment purchases and the Company’s working capital, and are expected to be ultimately used for future acquisitions.

The portion of the Company's bank credit facilities which were unused as of September 30, 2015 include approximately $15 million under a revolving demand operating facility, $5 million under a non-revolving acquisition facility and $5 million under a foreign exchange forward contract facility. In addition, the Company has available to it a $5 million facility through another financial institution.

Subsequent to September 30, 2015, the Company received loan proceeds totaling $2.6 million, of which approximately $2 million relates to equipment purchased during the three month period ended September 30, 2015. In addition, another $7.5 million was made available under the Company's finance lease loan facility.

LIQUIDITY AND CAPITAL RESOURCES - continued

Common Shares

As of September 30, 2015, there were 34,507,802 common shares of the Company outstanding. As of November 17, 2015, there are 34,517,802 common shares of the Company outstanding and 6,444,915 warrants to acquire common shares of the Company. In addition, there are 1,265,000 stock options outstanding, of which 200,000 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 Ecoproducts Limited and Sunview Patio Doors Ltd., and aggregate revenues from these companies totaled $804,261 and $2,537,256, respectively, for the three month and nine month periods ended September 30, 2015 (2014 - $901,345 and $2,392,030, respectively).

The Company also rents its head office and Woodbridge distribution terminal from Vaughan West II Limited and its Woodbridge parking yard from Roybridge Holdings Limited, each of which are under common control with the Company. Total rent paid to these companies for the three month and nine month periods ended September 30, 2015 was $104,277 and $312,830, respectively (2014 - $99,575 and $297,742, respectively).

Trunkeast, the Company's controlling shareholder as of September 30, 2015, had provided financing to the Company, as needed, to fund business acquisitions and any working capital shortfalls. During March, this funding was replaced with financing provided by the Company's bank. Interest charged by Trunkeast during the three month and nine month periods ended September 30, 2015 was $NIL and $94,514, respectively (2014 - $75,017 and $171,031, respectively). Trunkeast also provides administrative and support services to the Company on a monthly basis. For these services, the Company was charged $15,000 and $45,000, respectively, (2014 - $21,600 and $64,800, respectively) for the three month and nine month periods ended September 30, 2015. The Company is committed to payment for such services until May 31, 2017.

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.

In addition, the Company will be leasing a new facility being constructed at 12725 Coleraine Drive, Caledon, Ontario, which includes approximately 71,500 square feet of gross floor area and 8 acres of yard space, and will accommodate the Company’s head office operations, an integrated yard, a warehouse and a third party mechanical shop. The lease agreement is with Caledon First Investments Limited, a company under common control with the Company. The Company has committed to annual rent of $1,675,625, which is expected to commence October 1, 2016. The annual rent will increase to $2,413,123 over a 15 year period.

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 and reverse takeover costs.

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

"Earnings before interest and income taxes" ("EBIT") is calculated as net income before finance income and costs, gains or losses on foreign exchange, income tax expense and reverse takeover costs.

"EBIT margin" is calculated as EBIT 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 reverse takeover costs, 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. 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.

CHANGES IN ACCOUNTING POLICIES

The following new standards and amendments to standards are not yet effective for the period ended September 30, 2015, and have not been applied in preparing the consolidated interim financial statements. The full description of each of these recent pronouncements is available in our consolidated interim financial statements.

IFRS 9, Financial Instruments
IFRS 15, Revenue from Contracts with Customers

Unaudited Condensed Consolidated Interim Financial Statements

For the third quarter ended
September 30, 2015

Titanium Transportation Group Inc.

Condensed Consolidated Interim Statements of Financial Position

(unaudited)

(in Canadian dollars)

	September 30 2015	December 31 2014
Assets		
Current		
Cash	828,021	-
Trade and other receivables (note 14)	16,971,252	14,793,088
Finance lease receivables (note 6)	656,134	504,052
Prepaid expenses and deposits	554,693	569,514
Restricted cash	-	5,632,165
	19,010,100	21,498,819
Finance lease receivables (note 6)	873,419	921,372
Property and equipment (note 7)	41,963,453	16,566,433
Deferred tax assets	452,181	31,361
Goodwill (note 5)	2,855,603	2,698,511
	65,154,756	41,716,496
Liabilities		
Current		
Bank indebtedness (note 8)	-	1,120,541
Trade and other payables	7,376,633	5,140,975
Current taxes payable	320,502	414,037
Loans payable (note 9)	3,733,772	2,469,109
Finance lease liabilities (note 10)	3,718,818	1,508,992
Due to corporate shareholder (note 8)	-	9,000,000
Due to related parties	200,000	250,000
Private placement funds held in trust	-	5,632,165
	15,349,725	25,535,819
Loans payable (note 9)	8,766,622	5,001,163
Finance lease liabilities (note 10)	9,559,595	3,212,625
Due to related parties	-	200,000
Deferred tax liabilities	2,516,263	1,018,203
	36,192,205	34,967,810
Commitments and contingencies (note 17)		
Shareholders' Equity		
Share capital (note 11)	20,201,477	2,080,000
Contributed surplus (note 12)	3,342,930	-
Retained earnings	5,418,144	4,668,686
	28,962,551	6,748,686
	65,154,756	41,716,496

On behalf of the Board

"Ted Daniel"
Director

"Bill Chyfetz"
Director

See accompanying notes

Titanium Transportation Group Inc.

Condensed Consolidated Interim Statements of Comprehensive Income

(unaudited)

(in Canadian dollars)

	3 months ended Sept 30 2015	3 months ended Sept 30 2014	9 months ended Sept 30 2015	9 months ended Sept 30 2014
Revenue (note 14)	25,719,323	18,118,025	78,222,697	46,755,349
Fuel surcharge	1,527,269	1,290,244	5,455,176	4,049,665
	27,246,592	19,408,269	83,677,873	50,805,014
Operating expenses				
Carriers and independent contractors	12,727,466	10,127,660	38,823,372	27,991,211
Vehicle operating	4,762,962	3,422,352	14,768,720	8,202,831
Wages and casual labour (note 15)	5,362,026	3,506,260	16,234,392	8,264,648
Other operating (note 14)	1,492,384	851,255	4,782,057	2,102,629
	24,344,838	17,907,527	74,608,541	46,561,319
Income before the following	2,901,754	1,500,742	9,069,332	4,243,695
Depreciation	1,828,505	764,766	5,024,760	1,868,501
Gain on sale of property and equipment (note 13)	(231,365)	-	(588,909)	(130,315)
Finance costs	268,714	206,315	1,101,506	524,199
Finance income	(42,703)	(25,626)	(123,901)	(51,252)
Foreign exchange gain	(823,938)	-	(823,938)	-
Reverse takeover costs (note 11)	-	-	2,510,480	-
	999,213	945,455	7,099,998	2,211,133
Income before income taxes	1,902,541	555,287	1,969,334	2,032,562
Income tax expense (note 16)	536,139	118,645	1,219,876	510,155
Net income and comprehensive income attributable to owners of the Company	1,366,402	436,642	749,458	1,522,407
Earnings per share:				
Basic	0.04	0.02	0.03	0.07
Diluted	0.04	0.02	0.02	0.07
Weighted average number of shares outstanding:				
Basic (note 11)	34,487,135	23,600,000	29,525,075	23,222,400
Diluted (note 11)	35,850,857	23,600,000	30,438,130	23,222,400

Titanium Transportation Group Inc.

Condensed Consolidated Interim Statements of Changes in Equity

Nine months ended September 30 (unaudited)

(in Canadian dollars)

	Share Capital	Contributed Surplus	Retained earnings	Total
Balances at December 31, 2014	2,080,000	-	4,668,686	6,748,686
Share issuance (note 11)	18,121,477	3,147,181	-	21,268,658
Share-based compensation expense (note 12)	-	195,749	-	195,749
Net income and comprehensive income	-	-	749,458	749,458
Balances at September 30, 2015	20,201,477	3,342,930	5,418,144	28,962,551
Balances at December 31, 2013	1,680,000	-	2,696,244	4,376,244
Share issuance	400,000	-	-	400,000
Net income and comprehensive income	-	-	1,522,407	1,522,407
Balances at September 30, 2014	2,080,000	-	4,218,651	6,298,651

Titanium Transportation Group Inc.

Condensed Consolidated Interim Statements of Cash Flows

(unaudited)

(in Canadian dollars)

	3 months ended Sept 30 2015	3 months ended Sept 30 2014	9 months ended Sept 30 2015	9 months ended Sept 30 2014
Cash flows from operating activities				
Net income	1,366,402	436,642	749,458	1,522,407
Adjustments:				
Depreciation	1,828,505	764,766	5,024,760	1,868,501
Gain on sale of property and equipment	(231,365)	-	(588,909)	(130,315)
Finance costs	268,714	206,315	1,101,506	524,199
Finance income	(42,703)	(25,626)	(123,901)	(51,252)
Share-based compensation expense	53,587	-	195,749	-
Reverse takeover costs	-	-	2,510,480	-
Income tax expense	536,139	118,645	1,219,876	510,155
	3,779,279	1,500,742	10,089,019	4,243,695
Net change in non-cash operating working capital	2,400,901	(114,834)	(291,287)	469,620
	6,180,180	1,385,908	9,797,732	4,713,315
Interest paid	(268,714)	(206,315)	(1,101,506)	(524,199)
Interest received	42,703	25,626	123,901	51,252
Income taxes	(543,987)	(217,337)	(1,310,175)	(234,230)
	5,410,182	987,882	7,509,952	4,006,138
Cash flows from investing activities				
Acquisition of property and equipment	(1,670,793)	-	(2,618,902)	(432,939)
Disposition of property and equipment	635,907	50,574	1,454,335	304,523
Acquisition of subsidiaries	-	(1,875,543)	(1,494,848)	(1,875,543)
	(1,034,886)	(1,824,969)	(2,659,415)	(2,003,959)
Cash flows from financing activities				
Bank indebtedness	(6,358,416)	227,206	(1,485,992)	(253,746)
Demand loans	-	-	(914,580)	-
Loans payable	(1,651,944)	(306,352)	(4,178,301)	(1,298,228)
Finance lease liabilities	(1,675,146)	(444,765)	(5,472,441)	(1,202,205)
Acquisition loan	(5,000,000)	-	-	-
Due to corporate shareholder	-	1,000,000	(9,000,000)	1,000,000
Due to related parties	(200,000)	(200,000)	(250,000)	(248,000)
Issuance of shares	11,094,031	-	12,336,509	-
Reverse takeover costs	-	-	(689,876)	-
	(3,791,475)	276,089	(9,654,681)	(2,002,179)
Increase (decrease) in cash	583,821	(560,998)	(4,804,144)	-
Cash, beginning	244,200	560,998	5,632,165	-
Cash, ending	828,021	-	828,021	-

1. CORPORATE INFORMATION

Titanium Transportation Group Inc. (the "Company") was incorporated on July 11, 1989 under the *Canada Business Corporations Act*. Prior to the reverse takeover of the Company (the "RTO") on April 1, 2015 by Titanium Transportation Group Holdings Ltd. ("TTGHL"), the Company went through a period of inactivity while seeking new business opportunities. The Company is now a truck-based carrier and logistics broker servicing all of North America with distribution terminals based in Woodbridge, Bracebridge, Orillia and Napanee, Ontario. The condensed consolidated interim financial statements of the Company are comprised of the Company and its subsidiaries. The Company changed its name from "Northeastern Group Inc." to "Titanium Transportation Group Inc." on April 1, 2015.

The Company's registered head office is at 400 Zenway Boulevard, Unit 4, Woodbridge, Ontario, L4H 0S7.

For the reporting period, the controlling shareholder of the Company was Trunkeast Investments Canada Limited ("Trunkeast") and the ultimate controlling shareholder was De Zen Investments Canada Limited.

2. BASIS OF PRESENTATION

The 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. 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.

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.

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 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 November 17, 2015.

2. BASIS OF PRESENTATION - continued

Seasonality of interim operations

The activities of the Company are subject to fluctuating demand for truck transportation. Historically, demand has been weakest in the first quarter, strong in the second quarter, weaker in the third quarter and strongest in the fourth quarter. Furthermore, during the winter months, fuel consumption and maintenance costs tend to rise. 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, 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.

The Company adopted the following new accounting policies during the period:

Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares, stock options and warrants are recognized as a deduction from equity, net of any tax effects.

Share-based compensation expense

The grant date fair value of share-based payment awards granted to employees and consultants is recognized as an expense, with a corresponding increase in contributed surplus, over the period that the employee or consultant unconditionally becomes entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that meet the related service performance conditions at the vesting date.

When share-based payment awards are exercised, the proceeds, together with the amount originally recorded in contributed surplus, are recorded in share capital.

New standards not yet adopted

IFRS 9, Financial Instruments, was issued by the IASB on November 12, 2009 and will replace IAS 39 Financial Instruments: Recognition and Measurement (“IAS 39”). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. The mandatory effective date for IFRS 9 of January 1, 2015 has been removed and January 1, 2018 has been proposed with early adoption being permitted. Management does not intend to adopt IFRS 9 until this standard becomes effective. The impact of IFRS 9 has not yet been determined.

IFRS 15, Revenue from Contracts with Customers, which will replace IAS 18, Revenue, will become effective for periods beginning on or after January 1, 2018. The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. New estimates and judgemental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. The extent of the impact of adoption of the standard has not yet been determined.

4. OPERATING SEGMENTS

The Company's business activities are made up of two main segments: truck transportation and logistics. The truck transportation segment entails the pickup and delivery of goods across Canada and the United States. The logistics segment entails the brokering of freight across North America. For each operating segment, the Company's CEO reviews internal management reports on a monthly basis. Operating segment results that are reported include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items ("Corporate") comprise mainly of head office expenses.

	Truck Transportation	Logistics	Corporate	Elimination	Total
As at September 30, 2015					
Total assets	56,298,214	8,253,789	602,753	-	65,154,756
Total liabilities	32,748,161	3,266,710	177,334	-	36,192,205
As at December 31, 2014					
Total assets	35,222,956	6,493,540	-	-	41,716,496
Total liabilities	30,830,126	4,137,684	-	-	34,967,810
Three months ended September 30, 2015					
Revenue - external	17,869,584	9,377,008	-	-	27,246,592
Revenue - internal	249,647	-	-	(249,647)	-
Total revenue	18,119,231	9,377,008	-	(249,647)	27,246,592
Depreciation	1,828,505	-	-	-	1,828,505
Finance costs	268,714	-	-	-	268,714
Finance income	(42,703)	-	-	-	(42,703)
Income before income taxes	908,834	1,370,279	(376,572)	-	1,902,541
Income taxes (recoveries)	290,439	358,990	(113,290)	-	536,139
Capital expenditures	6,982,255	-	-	-	6,982,255
Goodwill acquisitions	-	-	-	-	-
Three months ended September 30, 2014					
Revenue - external	12,218,458	7,189,811	-	-	19,408,269
Revenue - internal	157,833	-	-	(157,833)	-
Total revenue	12,376,291	7,189,811	-	(157,833)	19,408,269
Depreciation	754,871	9,895	-	-	764,766
Finance costs	206,315	-	-	-	206,315
Finance income	(25,626)	-	-	-	(25,626)
Income before income taxes	115,697	543,464	(103,874)	-	555,287
Income taxes (recoveries)	42,154	144,018	(67,527)	-	118,645
Capital expenditures	2,588,577	-	-	-	2,588,577
Goodwill acquisitions	515,696	-	-	-	515,696

4. OPERATING SEGMENTS - continued

	Truck Transportation	Logistics	Corporate	Elimination	Total
Nine months ended September 30, 2015					
Revenue - external	52,444,306	31,233,567	-	-	83,677,873
Revenue - internal	561,214	-	-	(561,214)	-
Total revenue	53,005,520	31,233,567	-	(561,214)	83,677,873
Depreciation	5,024,760	-	-	-	5,024,760
Finance costs	1,101,506	-	-	-	1,101,506
Finance income	(123,901)	-	-	-	(123,901)
Income before income taxes	1,876,654	3,869,422	(3,776,742)	-	1,969,334
Income taxes (recoveries)	581,688	1,032,098	(393,910)	-	1,219,876
Capital expenditures	32,207,349	-	-	-	32,207,349
Goodwill acquisitions	157,092	-	-	-	157,092
Nine months ended September 30, 2014					
Revenue - external	30,634,719	20,170,295	-	-	50,805,014
Revenue - internal	359,364	-	-	(359,364)	-
Total revenue	30,994,083	20,170,295	-	(359,364)	50,805,014
Depreciation	1,838,816	29,685	-	-	1,868,501
Finance costs	524,199	-	-	-	524,199
Finance income	(51,252)	-	-	-	(51,252)
Income before income taxes	914,200	1,362,017	(243,655)	-	2,032,562
Income taxes (recoveries)	253,789	360,935	(104,569)	-	510,155
Capital expenditures	6,686,619	-	-	-	6,686,619
Goodwill acquisitions	515,696	-	-	-	515,696

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.

	3 months ended Sept 30 2015	3 months ended Sept 30 2014	9 months ended Sept 30 2015	9 months ended Sept 30 2014
Canada	18,364,650	12,178,564	55,686,101	29,160,383
United States	8,881,942	7,229,705	27,991,772	21,644,631
	27,246,592	19,408,269	83,677,873	50,805,014

5. BUSINESS COMBINATIONS

On March 1, 2015, the Company acquired all of the outstanding shares of Muskoka Transport Limited ("MTL"), an asset-based transportation and logistics company based in Bracebridge, as well as the land and building from which the company operated. The acquisition allowed the Company to expand its customer base and take advantage of customer synergies.

From the date of acquisition, management estimates that MTL contributed revenue of approximately $16,247,000 and a net loss of approximately $860,000. If the company were acquired January 1, 2015, management estimates that the company would have contributed revenue of approximately $21,220,000 and a net loss of approximately $1,286,000. As a result of the integration of MTL into the Company's operations, these figures represent estimates only.

As of the reporting date, the Company has completed the purchase price allocation over the identifiable net assets and goodwill of MTL. The table below presents the purchase price allocation.

Trade and other receivables	877,667
Prepaid expenses and deposits	690,037
Property and equipment	13,244,900
Bank indebtedness	(365,451)
Demand loans	(914,580)
Trade and other payables	(2,959,999)
Loans payable	(942,363)
Finance lease liabilities	(5,413,299)
Deferred tax liabilities	(1,074,004)
Total identifiable net assets	3,142,908
Total consideration	3,300,000
Goodwill	157,092
Cash	1,600,000
Issuance of shares	900,000
Loan payable	800,000
Total consideration transferred	3,300,000

As market prices for shares issued as part of the acquisition of MTL were not available at the time of acquisition, the fair value of the equity instruments issued was based on an arm's length transaction between knowledgeable, willing parties. The valuation was based on the price of subscription receipts that the Company issued as part of its non-brokered private placement that was completed on December 19, 2014. All relevant factors and knowledge of the Company and industry at the time of acquisition were considered when making assumptions as part of the valuation of these shares.

5. BUSINESS COMBINATIONS - continued

Goodwill represents expected synergies from combining operations of MTL with the Company as well as customer relationships acquired. No portion of goodwill acquired is deductible for tax purposes. The entire portion of goodwill has been allocated to the truck transportation segment, which is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

Transactions costs of $217,924 have been expensed in relation to this business acquisition, which were recorded in other operating expenses on the condensed consolidated interim statement of comprehensive income.

Included in trade and other receivables acquired of $877,667, are gross contractual amounts of $844,123, of which $46,991 was expected to be uncollectable at the acquisition date.

6. FINANCE LEASE RECEIVABLES

During the nine month period ended September 30, 2015, the Company entered into new finance leases totaling $698,109, which are receivable over 18 to 60 months with interest ranging from 0% to 6.55%.

7. PROPERTY AND EQUIPMENT

	Land and building	Furniture and equipment	Rolling stock	Total
Cost				
Balance, December 31, 2014	406,671	2,169,400	22,751,685	25,327,756
Additions through business combinations	1,500,000	473,200	11,271,700	13,244,900
Other additions	142,613	175,710	18,644,126	18,962,449
Disposals	-	(114,306)	(3,567,382)	(3,681,688)
Balance, September 30, 2015	2,049,284	2,704,004	49,100,129	53,853,417
Accumulated depreciation				
Balance, December 31, 2014	4,167	1,364,838	7,392,318	8,761,323
Depreciation	15,417	306,164	4,703,179	5,024,760
Disposals	-	(103,806)	(1,792,313)	(1,896,119)
Balance, September 30, 2015	19,584	1,567,196	10,303,184	11,889,964
Net carrying amounts				
At December 31, 2014	402,504	804,562	15,359,367	16,566,433
At September 30, 2015	2,029,700	1,136,808	38,796,945	41,963,453

During the nine month period ended September 30, 2015, rolling stock totaling $8,615,938 was acquired by way of finance leases and $7,466,060 was financed directly by the vendor.

8. BANK INDEBTEDNESS

During the nine month period ended September 30, 2015, a Schedule II bank (the "bank") made the following credit facilities available to TTGHL:

a) a CDN$15,000,000 revolving demand operating facility, subject to margin requirements, bearing interest at the bank's prime rate plus 0.75% to 1.5% per annum, depending on the Company's debt to tangible net worth ratio, with interest payable monthly;

b) a CDN$5,000,000 non-revolving acquisition facility, subject to prefunding conditions, bearing interest at either the bank's prime rate plus 1.75% to 2.5% or the bank's fixed rate plus 3% to 3.75% per annum, depending on the Company's debt to tangible net worth ratio, with interest payable monthly and principal payable equally over 16 quarters beginning after the first year;

c) a US$5,000,000 (face value) foreign exchange forward contract facility, based on market pricing at the time of booking and to be retired on the respective maturity dates;

d) a CDN$10,000,000 finance lease loan facility, based on pricing and repayment terms determined at the time of leasing; and

e) a CDN$100,000 Mastercard loan facility, repayable in accordance with monthly statements.

The credit facilities are secured by the following:

(i) General Security Agreement providing a first charge over all the assets of TTGHL;

(ii) Corporate unlimited guarantee from the Company and each subsidiary of TTGHL; and

(iii) General Security Agreement providing a first charge over all the assets of the Company and each subsidiary of TTGHL but excluding subsidiaries that only hold real estate.

After the credit facilities were made available, the Company repaid all outstanding debt owing to its corporate shareholder, Trunkeast. In addition, shortly after the acquisition of MTL, the Company drew on the full amount of its acquisition facility. This facility was repaid in full on July 7, 2015 after closing of the Company's bought deal private placement.

Subsequent to September 30, 2015, the finance lease loan facility was increased to $16,417,832.

9. LOANS PAYABLE

As part of the Company's acquisition of MTL, the Company acquired the land and building from which MTL operated. Part of the purchase price was a $1 million interest free loan secured by the property. The fair value of the loan was determined to be $800,000 using a discount rate of 4.5%. The loan is repayable over monthly installments of $8,333 and is due March 2025.

In addition, the Company incurred $8,436,647 in new debt, during the nine month period ended September 30, 2015, to finance new equipment. The loans are repayable over blended monthly installments of $127,108 with an additional balloon payment of $200,718 in November 2015, bear interest ranging from 3% to 3.25% and are due from September 2019 to July 2020.

The composition of loans payable as of September 30, 2015 was as follows:

Loan payable relating to MTL land and building	767,699
Loan payable relating to new equipment	6,353,744
Loans payable existing on December 31, 2014	5,378,951
	12,500,394
Current portion	3,733,772
	8,766,622

In addition to the above, loans payable totaling $942,363 were assumed as part of the acquisition of MTL. Of these loans, $712,465 was repaid on March 1, 2015 and an additional $229,898 was repaid during the nine month period ended September 30, 2015.

Subsequent to the reporting period, the Company received loan proceeds totaling $2.6 million, of which approximately $2 million relates to equipment purchased during the three month period ended September 30, 2015.

10. FINANCE LEASE LIABILITIES

During the period, the Company entered into $8,615,938 in new finance leases. Interest on these leases range from 2.56% to 3.7% and the leases are repayable in blended monthly installments totaling $154,536 until January 2020 with additional payments of $58,594 until April 2020.

In addition, the Company assumed the following finance lease liabilities upon acquisition of MTL:

Liabilities relating to rolling stock, bearing interest ranging from 5.47% to 5.58%, repayable in blended monthly installments totaling $37,012, with final payments due April 2019	1,442,123
Liability relating to rolling stock, bearing interest at 5.5%, repayable in monthly installments of $20,601 until November 2017, with a final payment of $254,168 due December 2017	728,504
	2,170,627
New finance lease liabilities, as described above	7,593,857
Finance lease liabilities existing on December 31, 2014	3,513,929
	13,278,413
Current portion	3,718,818
	9,559,595

In addition to the above, $2,896,445 in finance lease liabilities were assumed as part of the acquisition of MTL. Of these leases, $2,129,140 was repaid on March 1, 2015 and an additional $767,305 was repaid during the nine month period ended September 30, 2015.

11. SHARE CAPITAL

Authorized

Unlimited number of common shares with no par value

	Common shares	
	Shares #	**Amount** $
Issued		
Balance December 31, 2014	11,028,032	2,080,000
Shares issued on acquisition of MTL	280,374	900,000
Share subdivision	12,891,595	-
Shares issued on RTO	1,599,989	2,399,984
Shares issued through private placements	8,611,812	14,545,973
Shares issued on exercise of warrants	96,000	275,520
Balance September 30, 2015	34,507,802	20,201,477

On March 1, 2015, TTGHL acquired MTL for cash and 280,374 newly issued common shares with a stated capital amount of $900,000.

On March 31, 2015, TTGHL subdivided its common shares at a ratio of approximately 2.14 post-subdivision shares for each pre-subdivision share.

On April 1, 2015, TTGHL completed an RTO by way of a "three-cornered" amalgamation under the provisions of the *Canada Business Corporations Act*. The RTO resulted in TTGHL amalgamating with 9050400 Canada Inc. ("CanCo") and 9105352 Canada Inc. ("9105352"), a wholly-owned subsidiary of the Company. The resulting amalgamated entity continued as a wholly-owned subsidiary of the Company. As part of the amalgamation, 1,599,989 shares of the Company were issued to previous shareholders of CanCo and the Company with a stated capital amount of $2,399,984. Immediately following the RTO, the Company changed its name from "Northeastern Group Inc." to "Titanium Transportation Group Inc."

The RTO has been accounted for as a reverse acquisition that does not constitute a business in accordance with IFRS 2, Share-Based Payment, in which TTGHL is being identified as the acquirer of the Company and CanCo. In accordance with IFRS 2, all of the outstanding common shares of the Company were acquired by TTGHL in exchange for 133,322 common shares valued at $1.50 per share. TTGHL has completed the purchase price allocation over the identifiable net assets of the Company and has determined that the fair value of net assets acquired and the resulting reverse takeover costs incurred as follows:

Trade and other receivables	5,934
Trade and other payables	(20,802)
Total identifiable net assets acquired	(14,868)
Total share consideration	199,983
Reverse takeover cost	214,851

11. SHARE CAPITAL - continued

In accordance with IFRS 2, all of the outstanding common shares of CanCo were acquired by TTGHL in exchange for 1,466,667 common shares valued at $1.50 per share. TTGHL has completed the purchase price allocation over the identifiable net assets of CanCo and has determined that the fair value of net assets acquired and the resulting reverse takeover costs incurred are as follows:

Cash	305,152
Total identifiable net assets acquired	305,152
Total share consideration	2,200,001
Reverse takeover cost	1,894,849

As market prices for shares issued as part of the RTO were not available at the time of acquisition, the fair value of the equity instruments issued was based on an arm's length transaction between knowledgeable, willing parties. The valuation was based on the price of subscription receipts that TTGHL issued as part of a non-brokered private placement that was completed on December 19, 2014. All relevant factors and knowledge of TTGHL and its industry at the time of acquisition were considered when making assumptions as part of the valuation of these shares.

Also on April 1, 2015, the Company issued 4,488,098 common shares at a price of $1.50 per share as part of a private placement that was completed on December 19, 2014. Net proceeds, following deductions for the value of warrants issued as part of this transaction and share issuance costs of $101,704, were $4,953,357.

The common shares of the Company commenced trading on the TSX Venture Exchange on April 16, 2015.

On July 7, 2015, the Company issued 4,036,500 common shares at a price of $2.85 per share pursuant to a bought deal private placement that was completed on that day. The shares were subject to a hold period that expired on November 8, 2015. Net proceeds, following deductions for the value of half warrants issued as part of this transaction and share issuance costs of $649,994, were $9,348,416.

On July 8, 2015, the Company issued 87,214 common shares at a price of $2.80 per share pursuant to a non-brokered private placement that was offered to employees and independent owner operators of MTL. The shares are subject to a contractual restriction on transfer whereby half of the shares cannot be sold or transferred until six months following the issue date and the other half cannot be sold or transferred until one year following the issue date. Net proceeds were $244,200.

During the three month period ended September 30, 2015, 96,000 common shares were issued on exercise of warrants that were issued on April 1, 2015. Subsequent to the reporting date, an additional 10,000 warrants have been exercised.

11. SHARE CAPITAL - continued

The weighted average number of common shares outstanding reflect the subdivision that took place on March 31, 2015 and has been calculated as follows:

	3 months ended Sept 30 2015	3 months ended Sept 30 2014	9 months ended Sept 30 2015	9 months ended Sept 30 2014
Issued common shares, beginning	30,288,088	23,033,600	23,600,000	23,033,600
Effect of issued shares	4,199,047	566,400	5,925,075	188,800
Weighted average number of common shares	34,487,135	23,600,000	29,525,075	23,222,400
Dilutive effect of stock options and warrants	1,363,722	-	913,055	-
Weighted average number of diluted common shares	35,850,857	23,600,000	30,438,130	23,222,400

12. CONTRIBUTED SURPLUS

On April 1, 2015, 4,532,665 warrants were issued as part of the Company's non-brokered private placement that was completed on December 19, 2014. Each warrant entitles the holder to acquire a common share of the Company at an exercise price of $2.50 per share until April 13, 2018. The warrants will be subject to expiry after 30 days if the volume weighted average price of the Company's common shares is no less than $3.00 per common share (subject to customary adjustments) for 20 consecutive trading days. The value of each warrant has been estimated at $0.37 resulting in a total estimated fair value of $1,677,086. The value of the warrants has been deducted from share capital and added to contributed surplus. During the three month period ended September 30, 2015, 96,000 warrants were exercised, which resulted in a decrease to contributed surplus of $35,520. Subsequent to the reporting date, an additional 10,000 warrants have been exercised.

On July 7, 2015, 2,018,250 warrants were issued pursuant to the Company's bought deal private placement that was completed on that day. The warrants, which expire after 24 months, entitle the holder to acquire a common share of the Company at an exercise price of $3.50 per common share. The value of each warrant has been estimated at $0.746 resulting in a total estimated fair value of $1,505,615. The value of the warrants has been deducted from share capital and added to contributed surplus.

The total number of warrants outstanding as of September 30, 2015 was 6,454,915.

12. CONTRIBUTED SURPLUS - continued

In addition, 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 10% of the number of issued and outstanding shares of the Company. The Company issued 1,265,000 stock options during the nine month period ended September 30, 2015 to various directors, employees and consultants, of which 200,000 vested immediately or during the reporting period and are exercisable at the reporting date. Each stock option entitles the holder to acquire a common share of the Company at a weighted average exercise price of $1.52 per common share (price range of $1.50 to $2.70). Of the non-vested stock options, 250,000 vest in under three years, 407,500 after three years and 407,500 after six years. The majority of stock options expire after 10 years, although 250,000 expire after five years. No stock options expired or were exercised or forfeited during the reporting period. Of the 1,265,000 stock options issued and outstanding as of September 30, 2015, 600,000 are held by key management personnel. For the nine month period ended September 30, 2015, the Company recognized an expense of $195,749 relating to stock options with a corresponding increase to contributed surplus.

The estimated fair value of warrants and stock options was calculated using the Black-Scholes option pricing model with the following assumptions: i) the expected life of each warrant is 2.5 years and each stock option is between 2.5 and 8.5 years; ii) the risk free rate is between 0.5% and 1.15%; iii) the dividend yield will be $NIL; and iv) expected volatility is 65%. Volatility was determined using comparable market data and adjusting for differences in market conditions. 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. NON-CASH TRANSACTIONS

Included in gain on sale of property and equipment are the following sales of trucks under finance leases:

	3 months ended Sept 30 2015	**3 months ended Sept 30 2014**	**9 months ended Sept 30 2015**	**9 months ended Sept 30 2014**
Sale of trucks under finance leases	209,474	-	837,422	536,440
Cost of sales of trucks under finance leases	(119,027)	-	(716,797)	(493,939)
	90,447	-	120,625	42,501

14. RELATED PARTY TRANSACTIONS

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

	3 months ended Sept 30 2015	3 months ended Sept 30 2014	9 months ended Sept 30 2015	9 months ended Sept 30 2014
Provided truck transportation services to Vision Extrusions Group Limited, Vision Ecoproducts Limited and Sunview Patio Doors Ltd., companies under common control	804,261	901,345	2,537,256	2,392,030
Paid rent for premises to Vaughan West II Limited and rent for yard to Roybridge Holdings Limited, companies under common control	(104,277)	(99,575)	(312,830)	(297,742)
Paid interest to 1525359 Ontario Limited, a company under common control	-	(13,200)	-	(39,600)
Paid interest to Trunkeast	-	(75,017)	(94,514)	(171,031)
Paid management fees to Trunkeast	(15,000)	(21,600)	(45,000)	(64,800)
	684,984	691,953	2,084,912	1,818,857

Included in trade and other receivables as at September 30, 2015 is a total of $236,698 (December 31, 2014 - $333,406) 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 key management compensation and employee benefits as follows:

	3 months ended Sept 30 2015	3 months ended Sept 30 2014	9 months ended Sept 30 2015	9 months ended Sept 30 2014
Key management compensation - short term compensation	168,639	144,244	520,357	443,846
Key management compensation - equity-settled share-based compensation	20,106	-	99,613	-
Employee benefits	90,617	54,500	285,383	116,505

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

16. INCOME TAX EXPENSE

The Company's income tax expense, as presented, differs from the amount that would be computed by applying the combined Canadian federal and provincial statutory income tax rate as a result of the following:

	3 months ended Sept 30 2015	3 months ended Sept 30 2014	9 months ended Sept 30 2015	9 months ended Sept 30 2014
Income before income taxes	1,902,541	555,287	1,969,334	2,032,562
Statutory income tax rate	26.50%	26.50%	26.50%	26.50%
Income tax provision based on statutory income tax rate	504,173	147,151	521,874	538,629
Increase (decrease) in income taxes resulting from:				
Non-deductible expenses	1,295	7,907	638,655	33,076
Adjustment for prior periods	30,671	(36,413)	59,347	(61,550)
Income taxes reported	536,139	118,645	1,219,876	510,155

The majority of non-deductible expenses during the nine month period ended September 30, 2015 pertain to the reverse takeover of the Company and CanCo by TTGHL.

17. COMMITMENTS AND CONTINGENCIES

a) The Company is committed to the leasing of its rolling stock as well as its office, storage and yard space. Minimum lease payments on these operating leases are as follows:

Less than one year	803,605
Between one and five years	1,394,162

Operating leases that were charged to income during the three month and nine month periods ended September 30, 2015 totaled $509,271 and $1,855,121, respectively.

In addition, the Company is committed to paying $5,000 a month to Trunkeast in management fees until May 2017, of which $60,000 will be paid within one year.

b) As at September 30, 2015, the Company was committed to purchasing rolling stock for $6,233,326.

c) The Company has committed to a lease with Caledon First Investments Limited, a company under common control, for approximately 71,500 square feet of gross floor area and 8 acres of yard space. Annual rent will start at $1,675,625 and increase to $2,413,123 over a 15 year period commencing October 1, 2016.

d) 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.

18. COMPARATIVE FIGURES

The condensed consolidated interim statement of financial position as at December 31, 2014 has been reclassified to present cash and bank indebtedness on a net basis. In addition, bank indebtedness has been broken out as a separate financing activity on the condensed consolidated interim statements of cash flows. This presentation has been adopted to better reflect how the Company manages cash flow given the change in financing during the period.

The Company also adopted the indirect method of presenting cash flows from operating activities on its condensed consolidated interim statements of cash flows. This presentation was adopted to allow for better comparison against the industry.

In addition, the presentation of revenue on the condensed consolidated interim statements of comprehensive income has changed from the presentation on the Company's previous financial statements. In order to provide financial statement users with more information on the composition of revenue, the fuel surcharge component of revenue has been broken out.