YEAR 2023

TITANIUM
Transportation Group Inc.

Unaudited Condensed Consolidated Interim Financial Statements

FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2023

Notice To Reader

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim condensed consolidated financial statements, they must be accompanied by a notice to this effect. The accompanying unaudited interim condensed consolidated financial statements of Titanium Transportation Group Inc. have been prepared by, and are the responsibility of, management of Titanium Transportation Group Inc..

Titanium Transportation Group Inc.'s independent auditor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the accompanying interim condensed consolidated financial statements. Readers are cautioned that these financial statements may not be appropriate for their intended purposes.

Titanium Transportation Group Inc.

Condensed Consolidated Interim Statements of Financial Position

(in '000 Canadian dollars) (unaudited)

	March 31 2023	December 31 2022
Assets		
Current		
Cash	27,632	34,892
Short term deposits	15,000	-
Trade and other receivables (note 13)	62,520	71,209
Current taxes recoverable	182	15
Finance lease receivables (note 5, 12)	1,512	1,386
Prepaid expenses and deposits	4,096	3,419
	110,942	110,921
Finance lease receivables (note 5, 12)	3,355	2,751
Property and equipment (note 6)	140,546	131,586
Right of use assets (note 7)	23,897	25,683
Deferred tax assets	592	484
Customer lists (note 8)	5,055	5,382
Goodwill (note 8)	4,335	4,335
	288,722	281,142
Liabilities		
Current		
Bank indebtedness (note 9, 12)	9,835	11,078
Trade and other payables	39,583	37,114
Current taxes payable	-	4,975
Loans payable (note 9, 12)	22,664	21,309
Finance lease liabilities (note 9, 12, 13)	4,260	4,976
	76,342	79,452
Loans payable (note 9, 12)	77,479	68,732
Finance lease liabilities (note 9, 12, 13)	17,119	18,097
Acquisition loan	5,500	6,125
Deferred tax liabilities	11,145	10,516
	187,585	182,922
Commitments and contingencies (note 15)		
Shareholders' Equity		
Share capital (note 10)	51,175	51,005
Contributed surplus (note 11)	9,347	9,215
Retained earnings	40,615	38,000
	101,137	98,220
	288,722	281,142

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

Three months ended March 31, 2023 and 2022

(in '000 Canadian dollars, except per share amounts) (unaudited)

	3 months ended March 31 2023	**3 months ended March 31 2022**
Revenue (note 13)	91,093	121,041
Fuel surcharge	15,229	14,946
	106,322	135,987
Operating expenses		
Carriers and independent contractors	59,364	85,677
Vehicle operating	13,910	15,373
Wages and casual labour (note 14)	17,568	18,025
Other operating	2,904	2,995
	93,746	122,070
Income before the following	12,576	13,917
Depreciation (note 6, 7)	6,967	5,444
Gain on sale of property and equipment	(1,559)	(845)
Finance costs (note 13)	1,658	918
Finance income	(108)	(51)
Foreign exchange loss (gain)	248	(25)
Amortization of customer lists (note 8)	327	327
	7,533	5,768
Income before income taxes	5,043	8,149
Income tax expense	1,455	2,180
Net income and comprehensive income attributable to owners of the Company	3,588	5,969
Earnings per share:		
Basic	0.08	0.14
Diluted	0.08	0.13
Weighted average number of shares outstanding:		
Basic (note 10)	44,659,698	43,833,699
Diluted (note 10)	45,762,397	45,055,317

Titanium Transportation Group Inc.

Condensed Consolidated Interim Statements of Changes in Equity

Three months ended March 31, 2023 and 2022
(in '000 Canadian dollars) (unaudited)

	Share Capital	Contributed Surplus	Retained Earnings	Total
Balances at December 31, 2022	51,005	9,215	38,000	98,220
Share issuance (note 10)	208	-	-	208
Share vested (note 10)	78	(78)	-	-
Share-based compensation expense (note 11, 14)	-	210	-	210
Share cancellation (note 10)	(116)	-	(69)	(185)
Dividends paid (note 10)	-	-	(904)	(904)
Net income and comprehensive income	-	-	3,588	3,588
Balances at March 31, 2023	51,175	9,347	40,615	101,137
Balances at December 31, 2021	48,204	8,812	16,698	73,714
Share issuance (note 10)	1,644			1,644
Shares vested (note 10)	73	(73)	-	-
Options exercised (note 11)	24	(9)	-	15
Share-based compensation expense (note 11)	-	213	-	213
Dividends paid (note 10)	-	-	(889)	(889)
Net income and comprehensive income	-	-	5,969	5,969
Balances at March 31, 2022	49,945	8,943	21,778	80,666

Titanium Transportation Group Inc.

Condensed Consolidated Interim Statements of Cash Flows

Three months ended March 31, 2023 and 2022

(in '000 Canadian dollars) (unaudited)

	3 months ended March 31 2023	3 months ended March 31 2022
Cash flows from operating activities		
Net income	3,588	5,969
Adjustments:		
Depreciation (note 6, 7)	6,967	5,444
Gain on sale of property and equipment	(1,559)	(845)
Finance costs	1,658	918
Finance income	(108)	(51)
Amortization of customer lists (note 8)	327	327
Share-based compensation expense (note 11)	210	213
Income tax expense	504	2,180
	11,587	14,155
Net change in non-cash operating working capital	11,366	(9,106)
	22,953	5,049
Interest paid	(1,649)	(933)
Interest received	108	51
Income taxes paid	(6,076)	(1,223)
	15,336	2,944
Cash flows from investing activities		
Proceeds from finance lease receivables (note 12)	398	670
Deposit to short term deposits	(15,000)	-
Acquisition of property and equipment (note 6)	(19,220)	(122)
Disposition of property and equipment (note 6)	5,511	4,151
	(28,311)	4,699
Cash flows from financing activities		
Repayment of bank indebtedness (note 12)	(1,251)	(1,874)
Repayment of acquisition loans (note 12)	(625)	-
Repayment of loans payable (note 12)	(6,823)	(4,219)
Proceeds from loans payable (note 12)	16,985	-
Repayment of finance lease liabilities (note 12)	(1,689)	(4,666)
Dividends paid (note 10)	(904)	(889)
Issuance of shares (note 10)	91	159
Share repurchase (note 10)	(69)	-
	5,715	(11,489)
Increase (decrease) in cash	(7,260)	(3,846)
Cash, beginning	34,892	18,046
Cash, ending	27,632	14,200

Refer to note 12 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 in Bolton, Bracebridge, Napanee, North Bay, Windsor, Belleville, Cornwall, and Brantford, ON, with additional parking/switch yards in Sudbury, Brockville and Trenton, ON and freight brokerage offices in Windsor, ON, Montreal, QC, Charlotte, NC, Nashville, TN, Chicago, IL, Denver, CO, Atlanta, GA and Fayetteville, AR. 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.

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

The common shares of the Company trade on the Toronto Stock Exchange under the symbol "TTNM", and the OTCQX under the symbol "TTNMF".

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

2. BASIS OF PRESENTATION

Basis of Consolidation

The condensed consolidated interim financial statements consolidate the accounts of the Company and all of its subsidiaries. Subsidiaries are entities over which the Company has the power to govern financial and operating policies. Subsidiaries are fully consolidated from the date on which control is obtained by the Company and are de-consolidated from the date control ceases. Fully consolidated means that all transactions with subsidiaries and any intercompany balances, gains or losses with subsidiaries have been eliminated on consolidation. The accounting policies have been applied consistently by all subsidiaries.

All of the Company's subsidiaries are wholly-owned, are domiciled in Canada and the United States, and are in the truck transportation or logistics industries.

The acquisition method of accounting is used to account for business combinations. The cost of an acquisition is measured at the fair value of the assets acquired, equity instruments issued and liabilities incurred or assumed at the date of exchange. Acquisition costs are expensed as incurred. The excess of the cost of the acquisition over the fair value of the acquisition's identifiable net assets is recorded as goodwill. If the acquisition cost is less than the fair value of the net assets acquired, the difference is recognized directly in the consolidated statements of comprehensive income. Contingent consideration is included in total consideration and is recognized at its fair value as at the acquisition date.

2. BASIS OF PRESENTATION - continued

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, 2022.

These 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 May 15, 2023.

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 ("CAD"), which is the functional currency of the Company and its wholly owned subsidiaries unless otherwise stated. All financial information presented has been rounded to the nearest thousands of dollar, except per share amounts and where otherwise indicated.

Items included in the condensed consolidated interim financial statements of all of the Company’s subsidiaries are measured using the currency of the primary economic environment in which the subsidiary operates (the “functional currency”). The Company identified that all of their subsidiaries with the exception of one have a functional currency of the Canadian Dollar. Titanium American Logistics Inc. in the United States, a wholly owned subsidiary incorporated in fiscal 2019, was determined to have a functional currency of the United States Dollar ("USD").

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.

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.

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 with regards to the significant items outline below. Readers are cautioned that the foregoing list is not exhaustive and other items may also be affected by judgment.

a) *Impairment of intangible assets* - Goodwill and intangible assets that have an indefinite life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that assets or the cash-generating unit ("CGU") might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable is the higher of an asset’s fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (CGU). The Company must determine its CGU units grouping for the purpose of goodwill impairment testing. These CGU’s consist of the Companies operating units: trucking and logistics.

b) *Business combinations* – Tangible assets acquired as part of a business combination are valued based on management estimates of current market values, recent selling activity and third party valuations. Intangible assets are valued based on future discounted expected cash flows, customer attrition and workforce turnover. Discount rates are estimated based on industry averages, company size and capital structure.

c) *Lease contracts* – Lease contracts with extensions, terminations or early buyout options are evaluated based on management judgement on whether it is reasonably certain that the option will be exercised. Management considers all relevant factors and economic incentives such as current market values of underlying asset, recent market renewals and third party valuations. In addition, management also evaluate relevant factors such as bank mortgage rate, interest rates and borrowing conditions when assessing the incremental borrowing rate to measure the lease liability.

3. SIGNIFICANT ACCOUNTING POLICIES - continued

Use of Estimates and Assumptions

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 with regards to the significant items outline below. 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 the condensed consolidated interim statement of comprehensive income in the period in which they become known. Readers are cautioned that the foregoing list is not exhaustive and other items may also be affected by estimates. Actual results could differ materially from these estimates, in which case the impact would be recognized in the consolidated financial statements in future periods.

a) *Impairment of indefinite life intangible assets* – An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. The determination of value in use requires the estimation and discounting of expected future cash flows which involves key estimates related to future growth rates, terminal growth rate, post-tax discount rate.

b) *Impairment of trade and other receivables* – An allowance for lifetime expected credit losses is established based on a combined approach of specific account identification and the use of a provision matrix. Management regularly analyzes its approach and exposure to credit loss based on an analysis of all relevant current information as well as historical trends.

c) *Depreciation and impairment of property and equipment and Right of Use Asset*s – Estimates of useful lives for straight line depreciation are based on management's historical experience and are reviewed on an ongoing basis. Property and equipment, as well as Right-of-Use Assets, is assessed for impairment when events or changes in circumstances indicate that the Company may not be able to recover its carrying value.

d) *Share-based payments* – Management estimates expected volatility, the expected life of the instrument and expected forfeitures when valuing share-based payments. Volatility is estimated based on historical trading data. The expected life of the instrument and expected forfeitures is based on past experience.

e) *Provisions* – Estimates of expected settlements arising from matters involving litigation or accident claims are based on information provided by legal counsel or insurance professionals.

f) *Income Taxes* **–** Deferred tax balances are estimated based on expected future tax rates and the probability of future taxable income needed to realize deferred tax assets. Expected future tax rates are based on currently enacted tax rates or pronounced changes. Future taxable income is based on past performance and future expected conditions.

3. SIGNIFICANT ACCOUNTING POLICIES - continued

New Standards Adopted

IAS 12, Income Taxes, was amended in May 2021 which clarified the issues surrounding *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* by IASB. The IASB specified that the initial recognition exemption does not apply to transactions in which equal amounts of deferred tax assets and liabilities arise on the initial recognition. The amendments are effective for annual reporting periods beginning on or after January 1, 2023. The adoption of this interpretation did not have a material impact on the condensed consolidated interim financial statements.

New Standard not yet adopted

IAS 1, Presentation of Financial Statements, was amended in January 2020. The IASB clarified the classification of liabilities as current or non-current by removing the requirement for a right to defer settlement or roll over of a liability for at least twelve months to be unconditional. Instead, such a right must exist at the end of the reporting period. The amendments are effective for annual reporting periods beginning on or after January 1, 2024. The Company has not early adopted these amendments.

Other accounting standards or amendments to existing accounting standards that have been issued, but have future effective dates, are either not applicable or are not expected to have a significant impact on the Company's condensed consolidated interim financial statements.

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.

(Tabular amounts in '000 Canadian dollars, unless otherwise noted) (unaudited)

4. OPERATING SEGMENTS - continued

	Truck Transportation	Logistics	Corporate	Elimination	Total
Three months ended March 31, 2023					
Revenue - external	50,073	56,249	-	-	106,322
Revenue - internal	1,489	-	-	(1,489)	-
Total revenue	51,562	56,249	-	(1,489)	106,322
Depreciation	6,800	167	-	-	6,967
Finance costs	1,400	258	-	-	1,658
Finance income	(76)	-	(32)	-	(108)
Income (loss) before income taxes	1,790	4,180	(927)	-	5,043
Income taxes (recoveries)	612	1,076	(233)	-	1,455
Capital expenditures	19,155	65	-	-	19,220

	Truck Transportation	Logistics	Corporate	Elimination	Total
Three months ended March 31, 2022					
Revenue - external	48,070	87,917	-	-	135,987
Revenue - internal	1,270	-	-	(1,270)	-
Total revenue	49,340	87,917	-	(1,270)	135,987
Depreciation	5,325	119	-	-	5,444
Finance costs	825	93	-	-	918
Finance income	(51)	-	-	-	(51)
Income (loss) before income taxes	116	8,942	(909)	-	8,149
Income taxes (recoveries)	57	2,352	(229)	-	2,180
Capital expenditures	11,471	485	-	-	11,956

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

	2023	2022
Canada	50,211	56,887
United States	56,111	79,100
	106,322	135,987

(Tabular amounts in '000 Canadian dollars, unless otherwise noted) (unaudited)

5. FINANCE LEASE RECEIVABLES

During the three month period ended March 31, 2023, the Company entered into new finance leases totaling $1.4 million, which are receivable over 24 to 72 months with interest rates ranging from 4.25% to 8.00%.

6. PROPERTY AND EQUIPMENT

	Land, Buildings and Leaseholds	Furniture and Equipment	Rolling Stock	Total
Cost				
Balances, December 31, 2022	23,572	3,700	148,935	176,207
Other additions	91	65	19,064	19,220
Reacquisition - rolling stock	-	-	139	139
Sale of rolling stock relating to finance lease receivables	-	-	(1,225)	(1,225)
Other disposals	-	-	(7,455)	(7,455)
Balances, March 31, 2023	23,663	3,765	159,458	186,886
Accumulated depreciation				
Balances, December 31, 2022	3,506	3,427	37,688	44,621
Depreciation	180	61	5,727	5,968
Other disposals	-	-	(4,189)	(4,189)
Sale of rolling stock relating to finance lease receivables	-	-	(60)	(60)
Balances, March 31, 2023	3,686	3,488	39,166	46,340
Net carrying amounts				
At December 31, 2022	20,066	273	111,247	131,586
At March 31, 2023	19,977	277	120,292	140,546

(Tabular amounts in '000 Canadian dollars, unless otherwise noted) (unaudited)

7. RIGHT OF USE ASSETS

	Land and Buildings	Furniture and Equipment	Rolling Stock	Total
Cost				
Balances, December 31, 2022	19,293	1,532	13,950	34,775
Other disposals	-	-	(1,424)	(1,424)
Balances, March 31, 2023	19,293	1,532	12,526	33,351
Accumulated depreciation				
Balances, December 31, 2022	4,266	1,532	3,294	9,092
Depreciation	551	-	446	997
Other disposals	-	-	(635)	(635)
Balances, March 31, 2023	4,817	1,532	3,105	9,454
Net carrying amounts				
At December 31, 2022	15,027	-	10,656	25,683
At March 31, 2023	14,476	-	9,421	23,897

8. GOODWILL AND INTANGIBLES

	Goodwill	Customer Lists	Total
Balances, December 31, 2022	4,335	5,382	9,717
Amortization	-	(327)	(327)
Balances, March 31, 2023	4,335	5,055	9,390

(Tabular amounts in '000 Canadian dollars, unless otherwise noted) (unaudited)

9. 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+0.50%	N/A	9,835
Acquisition loan	PRIME+0.50%	2024	5,500
Loans payable	2.00% - 7.25%	2023-2031	100,143
Finance lease liabilities	0.99% - 10.32%	2023-2027	21,379
			136,857
Current portion			36,759
			100,098

10. SHARE CAPITAL

Authorized
Unlimited number of common shares with no par value

	Common Shares #	Share Capital $
Issued		
Balances, December 31, 2022	45,122,621	51,005
Share repurchase and cancelled	(72,275)	(116)
Shares issued as part of share purchase plan	158,115	286
Balances, March 31, 2023	45,208,461	51,175

The Company offers 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 $9,600 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, 515,737 (December 31, 2022 - 495,947) have not vested. During the three month period ended March 31, 2023, the Company recognized an expense of $0.2 million (2022 - $0.1 million) relating to the Plan, with a corresponding increase to contributed surplus.

(Tabular amounts in '000 Canadian dollars, unless otherwise noted) (unaudited)

10. SHARE CAPITAL - continued

On December 23, 2022, the Company renewed its normal course issuer bid, allowing the Company to purchase up to 2,242,765 of its common shares (the "NCIB"), representing 5% of its issued and outstanding common shares.

For the quarter ended March 31, 2023, the Company repurchased 72,275 (2022 - nil) common shares at a weighted average price of $2.56 and a total purchase price of $185,080. The excess of the purchase price paid over the carrying value of the shares repurchased, totaled $69,127 and was charged to retained earnings as a share repurchase premium.

During the quarter ended March 31, 2023, dividends of $0.9 million or $0.02 per common share (2022 - $0.9 million) were declared and paid by the Company to its shareholders.

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

	3 months ended March 31 2023	**3 months ended March 31 2022**
Issued common shares, beginning	45,122,621	44,037,513
Effect of unvested common shares	(505,842)	(462,700)
Effect of issued common shares	79,057	258,886
Effect of repurchased common shares	(36,138)	-
Weighted average number of common shares	44,659,698	43,833,699
Dilutive effect of restricted stock options	1,102,699	1,221,618
Weighted average number of diluted common shares	45,762,397	45,055,317

11. CONTRIBUTED SURPLUS

Share-based compensation expense is comprised of the following:

	3 months ended March 31 2023	**3 months ended March 31 2022**
Share purchase plan	158	144
Stock options	52	69
	210	213

(Tabular amounts in '000 Canadian dollars, unless otherwise noted) (unaudited)

11. CONTRIBUTED SURPLUS - continued

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. 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. The following table summarizes the changes in outstanding stock options:

	Grant #	Exercise Price ($)
Balances, December 31, 2022	2,207,600	1.99
Issued	664,400	2.25
Exercised	(3,300)	1.50
Forfeited	(10,000)	2.60
Balances, March 31, 2023	2,858,700	2.05

Of the total stock options issued during the period, 260,000 (2022 - 65,000) stock options were issued to key management personnel. 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 2.79% and 3.22%; iii) the dividend yield will be 3.48%; and iv) expected volatility is 56.11%. 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.

The following table summarizes information about stock options outstanding as at March 31, 2023:

Exercise Price $	Options Outstanding #	Weighted Average Remaining Life in years	Options Exercisable #
1.50	1,270,500	3.8	1,157,000
2.25	664,400	9.8	-
2.60	713,800	7.8	104,700
2.85	195,000	2.9	195,000
3.00	15,000	8.3	-
2.05	2,858,700	6.2	1,456,700

(Tabular amounts in '000 Canadian dollars, unless otherwise noted) (unaudited)

12. SUPPLEMENTAL CASH FLOW INFORMATION

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

		Cash Flows	Non-Cash Changes		
	Balance Dec 31 2022		**New Leases**	**Reacquired Leases**	**Balance March 31 2023**
Finance lease receivables	4,137	(398)	1,443	(315)	4,867

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

		Cash Flows	Non-Cash Changes		
	Balance Dec 31 2022		**New Leases /Loans**	**Foreign Exchange Movement**	**Balance March 31 2023**
Bank indebtedness	11,078	(1,251)	-	8	9,835
Acquisition loan	6,125	(625)	-	-	5,500
Loan payable	90,041	10,162	-	(60)	100,143
Finance lease liabilities	23,073	(1,689)	-	(5)	21,379
	130,317	6,597	-	(57)	136,857

13. RELATED PARTY TRANSACTIONS

During the three month periods, 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.

	2023	2022
Provided truck transportation services to Vision Extrusions Group Limited, Vision Profile Extrusions Ltd. and Sunview Patio Doors Ltd., companies under common control	3,851	3,983
	3,851	3,983

Included in trade and other receivables as at March 31, 2023 is a total of $2.3 million (2022 - $2.5 million) due from these related companies.

These transactions are in the normal course of operations materially under the same commercial terms and conditions as transactions with unrelated companies and are measured at fair value.

(Tabular amounts in '000 Canadian dollars, unless otherwise noted) (unaudited)

14. WAGES AND CASUAL LABOUR

Included in wages and casual labour are the following:

	2023	**2022**
Share-based compensation expense (note 11)	210	213
Employee benefits	285	317
Key management personnel:		
Salaries and benefits	394	377
Share-based compensation expense (note 11)	46	35

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

15. COMMITMENTS AND CONTINGENCIES

a) As at March 31, 2023, the Company was committed to the purchase of $30.4 million in rolling stock.

b) The Company has a letter of credit outstanding for $0.7 million in favour of Colonnade BridgePort ITF 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.