



Management's Discussion and Analysis

For the third quarter ended
September 30, 2017

Dated November 7, 2017

Titanium Transportation Group Inc.

Management's Discussion and Analysis for the third quarter ended September 30, 2017

GENERAL INFORMATION

The following is Titanium Transportation Group Inc.'s management discussion and analysis dated November 7, 2017 ("MD&A"), which provides a comparative overview of the Company's performance for its three month and nine month periods ended September 30, 2017 with the corresponding three month and nine month periods ended September 30, 2016, and it reviews the Company's financial position as at September 30, 2017. Throughout this MD&A, the term "Company" or "Titanium" shall mean Titanium Transportation Group Inc. and all of its direct and indirect wholly-owned subsidiaries. This discussion should be read in conjunction with the Company's MD&A, audited consolidated financial statements and accompanying notes as at and for the year ended December 31, 2016 as well as the unaudited condensed consolidated interim financial statements of the Company for the third quarter ended September 30, 2017 ("consolidated interim financial statements").

The consolidated interim financial statements of the Company and extracts from those consolidated interim financial statements contained in this MD&A were prepared in accordance with International Financial Reporting Standards ("IFRS"). The consolidated interim financial statements comply with IAS 34, Interim Financial Reporting, and do not include all of the information required for annual financial statements. The Company's presentation currency is the Canadian dollar. All financial information presented has been rounded to the nearest dollar, except per share amounts and where otherwise indicated. The Company's consolidated interim financial statements for the third quarter ended September 30, 2017 were approved by its Board of Directors on November 7, 2017. Readers are cautioned that certain information included herein is forward-looking and based upon assumptions and anticipated results that are subject to uncertainties. Should one or more of these uncertainties materialize or should the underlying assumption prove incorrect, actual results may vary significantly from those expected. See "Forward Looking Statements" and "Risks and Uncertainties".

Unless otherwise indicated, the information in this report is dated as of November 7, 2017. Additional information relating to the Company is available on SEDAR at www.sedar.com.

OVERVIEW

The Company is an asset-based transportation and logistics company servicing Canada and the United States with terminals in Bolton, Bracebridge, Napanee, North Bay and Windsor, Ontario and with additional parking/switch yards in Sudbury, Brantford, Brockville and Trenton, Ontario. The Company has over 1,000 customers across various industries, including large multinational corporations. The Company has approximately 450 power units, 1,500 trailers, and 550 independent owner operators and full-time employees.

The Truck Transportation segment provides transport of general merchandise by long-haul, dedicated and local trucking services throughout Canada and the U.S. with a variety of trailer types, including 53' dry vans and flatbeds that support both heated and multi-axle services. Through the use of a modern fleet, the Truck Transportation segment provides reliable and timely service to various customers, attains a high asset utilization through its network of terminals and yards across Ontario, and achieves revenue growth and cost efficiencies through the integration of acquisitions.

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

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The Company's operational results are influenced by industry-wide economic factors and by capital allocation, operating and spending decisions. Industry-wide economic factors which impact operational results include freight demand, trucking capacity, fuel prices, driver shortage and government regulation. The Company makes key decisions when allocating capital between its Truck Transportation and Logistics segments, hiring employees or independent contractors and determining compensation, investing in new equipment and technology, and considering business acquisitions. Operating and spending decisions are made after the analysis of numerous important financial and operational metrics including EBITDA¹ and operating income, revenue generated per truck and per mile, empty miles, driver retention and fuel efficiency.

Revenue (including fuel surcharge) for the three month and nine month periods ended September 30, 2017 was \$31.5 million and \$94.1 million, respectively, a 5.6% and 7.1% increase over the same periods last year. This growth was driven by the Logistics segment, which enjoyed revenue growth of 22.0% and 27.5% over those periods as a result of a developing sales team as well as strengthening customer demands. The Truck Transportation segment experienced volume growth over the same periods, offset by pricing pressure caused by a more challenging rate environment and more recently a weakening US dollar. These factors resulted in a decrease in Truck Transportation revenue year over year of 1.6% for the three month period and 1.4% for the nine month period ended September 30, 2017.

Operating income was \$0.2 million for the three month period ended September 30, 2017 and \$1.3 million for the nine month period ended September 30, 2017. Improvements in volumes and a focus on fixed cost reduction allowed the Logistics segment to improve its operating income by 24.9% and 43.8% over the three month and nine month periods. The Truck Transportation segment experienced a decline in operating income of 71.7% and 24.7% over the same periods, as a result of the rapid weakening of the US dollar, that did not allow for an adjustment to contract rates. Factors that negatively impacted pricing were offset by year over year volume growth, improved utilization of equipment and various cost reductions.

Consistent with the Company's growth strategy and to add capacity to its Windsor terminal, on October 1, 2017, Titanium acquired Xpress Group ("Xpress") for consideration of approximately \$3.65 million, consisting of approximately \$3.2 million in cash and \$420,000 in share consideration. In addition, the Company assumed approximately \$5,200,000 in debt. The acquisition will allow the Company to further improve their cross-border service, especially once the ELD mandate comes into effect December 2017.

Revenue by Industry

Manufactured Goods	37.3%
Retail	13.0%
Metals	9.9%
Logistics/ Trucking	9.9%
Food & Beverage	9.3%
Services	5.6%
Forest Products	5.5%
Automotive	3.2%
Other	6.3%

Based on Q3 2017 revenue

¹ Refer to "Results of Operations" on page 3 and "Non-IFRS Financial Measures" on page 11 for more information about EBITDA and for a reconciliation of EBITDA to net income.

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RESULTS OF OPERATIONS

Financial Highlights (unaudited)

	3 months ended Sept 30 2017	3 months ended Sept 30 2016	9 months ended Sept 30 2017	9 months ended Sept 30 2016
Revenue	29,827,618	28,261,865	88,738,542	83,082,452
Fuel surcharge	1,688,836	1,577,145	5,401,139	4,832,489
	31,516,454	29,839,010	94,139,681	87,914,941
Operating expenses	28,683,041	26,603,758	85,020,866	79,034,255
EBITDA ⁽¹⁾	2,833,413	3,235,252	9,118,815	8,880,686
EBITDA margin ⁽¹⁾	9.5 %	11.4 %	10.3 %	10.7 %
Depreciation	2,580,884	2,634,409	7,764,162	7,657,571
Amortization of customer lists	30,360	30,360	91,080	91,080
Operating income ⁽¹⁾	222,169	570,483	1,263,573	1,132,035
Operating margin ⁽¹⁾	0.7 %	2.0 %	1.4 %	1.4 %
Gain on sale of property and equipment	(92,124)	(28,402)	(437,437)	(273,400)
Finance costs	430,516	490,372	1,363,246	1,339,294
Finance income	(109,127)	(94,766)	(318,061)	(271,391)
Foreign exchange loss	74,850	16,057	73,983	282,456
Transaction costs	-	-	-	226,392
Income tax expense (recovery)	(98,880)	57,442	136,524	10,173
Net income (loss) and comprehensive income (loss) attributable to owners of the Company	16,934	129,780	445,318	(181,489)
Net income (loss) per share - basic	0.00	0.00	0.01	(0.00)
Net income (loss) per share - diluted	0.00	0.00	0.01	(0.00)

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

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Selected Segmented Financial Information (unaudited)

	3 months ended Sept 30 2017	3 months ended Sept 30 2016	9 months ended Sept 30 2017	9 months ended Sept 30 2016
Truck Transportation				
Revenue	19,417,982	19,832,993	58,876,192	59,966,243
Fuel surcharge	1,280,312	1,205,049	4,062,857	3,889,578
	20,698,294	21,038,042	62,939,049	63,855,821
Operating expenses				
Carriers and independent contractors	7,493,314	7,223,599	21,884,594	21,632,436
Vehicle operating	4,741,931	4,760,842	14,516,196	14,868,370
Wages and casual labour	4,779,096	4,795,251	14,501,651	14,817,343
Other operating	1,009,352	1,100,126	3,328,338	3,361,618
	18,023,693	17,879,818	54,230,779	54,679,767
EBITDA ⁽¹⁾	2,674,601	3,158,224	8,708,270	9,176,054
EBITDA margin ⁽¹⁾	13.8 %	15.9 %	14.8 %	15.3 %
Depreciation	2,502,298	2,627,033	7,532,746	7,644,416
Amortization of customer lists	30,360	30,360	91,080	91,080
Operating income ⁽¹⁾	141,943	500,831	1,084,444	1,440,558
Operating margin ⁽¹⁾	0.7 %	2.5 %	1.8 %	2.4 %
Gain on sale of property and equipment	(92,124)	(28,402)	(437,437)	(273,400)
Finance costs	430,516	490,372	1,363,246	1,339,294
Finance income	(109,127)	(94,766)	(318,061)	(271,391)
Foreign exchange loss (gain)	(61,493)	27,339	(109,396)	193,478
Transaction costs	-	-	-	226,392
Income tax expense (recovery)	(95,625)	18,421	95,727	66,270
Net income	69,796	87,867	490,365	159,915
Logistics				
Revenue	10,726,051	8,754,796	30,731,594	24,210,353
Fuel surcharge	408,524	372,096	1,338,282	942,911
	11,134,575	9,126,892	32,069,876	25,153,264
Operating expenses				
Carriers and independent contractors	9,142,464	7,278,070	26,416,594	20,244,647
Wages and casual labour	930,633	908,550	2,801,893	2,526,273
Other operating	403,231	413,227	1,101,732	1,165,721
	10,476,328	8,599,847	30,320,219	23,936,641
EBITDA / Operating income ⁽¹⁾	658,247	527,045	1,749,657	1,216,623
EBITDA / Operating margin ⁽¹⁾	6.1 %	6.0 %	5.7 %	5.0 %
Depreciation	78,586	7,376	231,416	13,155
Foreign exchange loss (gain)	136,343	(11,282)	183,379	88,978
Income tax expense	120,772	144,458	363,039	306,816
Net income	322,546	386,493	971,823	807,674

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

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Revenue (unaudited)

	3 months ended Sept 30 2017	3 months ended Sept 30 2016	9 months ended Sept 30 2017	9 months ended Sept 30 2016
Truck Transportation				
Revenue	19,417,982	19,832,993	58,876,192	59,966,243
Fuel surcharge	1,280,312	1,205,049	4,062,857	3,889,578
	<u>20,698,294</u>	<u>21,038,042</u>	<u>62,939,049</u>	<u>63,855,821</u>
Logistics				
Revenue	10,726,051	8,754,796	30,731,594	24,210,353
Fuel surcharge	408,524	372,096	1,338,282	942,911
	<u>11,134,575</u>	<u>9,126,892</u>	<u>32,069,876</u>	<u>25,153,264</u>

For the three month and nine month periods ended September 30, 2017, the Company's consolidated revenues increased by \$1.7 million or 5.6%, and \$6.2 million or 7.1% when compared to the three month and nine month periods ended September 30, 2016. The increase in revenue was a result of an increase in revenue in the Logistics segment, offset by the year over year decrease in the Truck Transportation segment.

The Truck Transportation segment experienced a slight decrease in revenue of \$0.3 million or 1.6%, for the three month period ended September 30, 2017 and a slight decrease of \$0.9 million or 1.4% for the nine month period ended September 30, 2017 when compared to that of 2016. The decrease is mainly a result of a relatively more competitive environment, which had a negative impact on contract rates. The weakening of the US dollar relative to the Canadian dollar further hurt pricing in the third quarter. However, decreases in pricing were offset by increases in volumes.

The Logistics segment saw an increase in revenue of \$2.0 million or 22.0% for the three month period ended September 30, 2017 and an increase of \$6.9 million or 27.5% for the nine month period ended September 30, 2017, when compared to that of 2016. The increase is primarily attributable to the growth in the segment's sales force following the Company's move to a much larger head office location late last year, as well as a tightening of truck capacity during 2017, which increased spot rates.

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Operating Expenses and Income (unaudited)

	3 months ended Sept 30 2017	3 months ended Sept 30 2016	9 months ended Sept 30 2017	9 months ended Sept 30 2016
Truck Transportation				
Revenue	20,698,294	21,038,042	62,939,049	63,855,821
Operating expenses	18,023,693	17,879,818	54,230,779	54,679,767
EBITDA ⁽¹⁾	2,674,601	3,158,224	8,708,270	9,176,054
EBITDA margin ⁽¹⁾	13.8 %	15.9 %	14.8 %	15.3 %
Depreciation and amortization	2,532,658	2,657,393	7,623,826	7,735,496
Operating income ⁽¹⁾	141,943	500,831	1,084,444	1,440,558
Operating margin ⁽¹⁾	0.7 %	2.5 %	1.8 %	2.4 %
Logistics				
Revenue	11,134,575	9,126,892	32,069,876	25,153,264
Operating expenses	10,476,328	8,599,847	30,320,219	23,936,641
EBITDA / Operating income ⁽¹⁾	658,247	527,045	1,749,657	1,216,623
EBITDA / Operating margin ⁽¹⁾	6.1 %	6.0 %	5.7 %	5.0 %
Corporate				
Operating expenses	499,435	450,017	1,339,112	1,511,991

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

For the Truck Transportation segment, operating expenses increased slightly by \$0.1 million or 0.8%, for the three month period ended September 30, 2017 and decreased slightly by \$0.4 million or 0.8% for the nine month period ended September 30, 2017, when compared to the same periods in 2016. The nominal change is a result of the net effect of an increase in costs due to higher volumes, and cost savings realized from continuing efforts to integrate acquisitions and increase utilization of the Company's fleet. As a result of a higher proportion of the Company's revenues being in US dollars than costs, the weakening US dollar had a negative impact on both EBITDA and operating income this quarter, as well as the related margins.

For the Logistics segment, operating expenses increased by \$1.9 million or 21.8% for the three month period ended September 30, 2017 and increased by \$6.4 million or 26.7% for the nine month period ended September 30, 2017. The increase was primarily driven by a higher volume of orders resulting in higher carrier costs. The improvement in EBITDA margin from 6.0% to 6.1% for the three month period and from 5.0% to 5.7% for the nine month period, is a product of both a higher volume of revenue and a reduction of fixed costs, despite the fact that lower margins were experienced in 2017 versus 2016. Although there has been tightening of capacity, this has not yet translated into increased spreads as spot rates have increased with carrier costs.

The Company realized a foreign exchange loss during the first quarter of 2016 as a result of the strengthening of the Canadian dollar relative to the US dollar during that period. Later in 2016, the Company began to borrow in US dollars in order to hedge against its exposure on its US dollar receivables. As a result of the decision, the foreign exchange loss recognized this quarter was significantly limited despite a strong Canadian dollar movement.

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Subsequent to the reporting period, the Company settled outstanding proceedings relating to the acquisition of ProNorth Transportation ("ProNorth") on December 1, 2015 with the vendor of ProNorth. As part of the settlement, 1,750,000 common shares held by the vendor were forfeited for cancellation and a consulting agreement with the vendor was terminated. In addition, the Company has forfeited a total amount of \$1,133,208 owing from the vendor for working capital and other receivables. During the nine month period ended September 30, 2017, the Company had incurred \$112,500 relating to the terminated consulting agreement and \$234,305 in legal and expert fees relating to these proceedings.

SUMMARY OF QUARTERLY RESULTS

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

(in thousands)

	Q3'17	Q2'17	Q1'17	Q4'16	Q3'16	Q2'16	Q1'16	Q4'15
Revenue	31,516	32,794	29,829	28,647	29,839	29,967	28,109	26,571
EBITDA ⁽¹⁾	2,833	3,376	2,910	3,061	3,235	3,165	2,481	2,638
EBITDA margin ⁽¹⁾	9.5 %	10.9 %	10.4 %	11.3 %	11.4 %	11.1 %	9.4 %	10.6 %
Operating income ⁽¹⁾	222	733	309	374	570	515	47	417
Operating margin ⁽¹⁾	0.7 %	2.4 %	1.1 %	1.4 %	2.0 %	1.8 %	0.2 %	1.7 %
Net income (loss) and comprehensive income (loss) attributable to the owners of the Company	17	299	129	119	130	(126)	(185)	446
Per share - basic	0.00	0.01	0.00	0.00	0.00	(0.00)	(0.01)	0.01
Per share - diluted	0.00	0.01	0.00	0.00	0.00	(0.00)	(0.01)	0.01

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

Changes from quarter to quarter are mainly the result of acquisitions, seasonality of operations and changes in economic conditions. Economic conditions began to worsen after the third quarter of 2015 and then further deteriorated into 2016 and 2017, which resulted in reduced revenue, margins and profitability. The Company combated these changes with an increased focus on its sales force, better asset utilization, as well as cost savings.

In addition, there has historically been an increase in revenue and a decrease in margins in quarters following an acquisition. Following the quarter in which an acquisition has occurred, revenues have often decreased, stabilized and then increased while EBITDA margins have increased. This historical trend can be observed in Q1 2016 following the acquisition of ProNorth. It may be difficult to isolate this impact if the integration process of two or more acquisitions overlap or if there are significant changes in economic conditions.

The activities of the Company are also subject to seasonal demand for truck transportation. Historically, the Company has experienced weak demand in the first quarter, moderate demand in the third and fourth quarters and stronger demand in the second quarter. Harsher winter conditions also generally result in lower fuel economy and increased repair costs during the first quarter. Despite Q3 being a seasonally weaker quarter over Q2, volumes in Q3 were comparable to that of Q2. The decline in revenue, quarter over quarter, was caused by a weakening US dollar, which had a negative impact on contract rates.

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LIQUIDITY AND CAPITAL RESOURCES

	September 30	December 31
	2017	2016
Working capital (deficit) ⁽¹⁾	(7,683,929)	(7,372,208)
Total assets	113,240,297	112,145,867
Net debt ⁽²⁾	47,886,806	50,536,210
Shareholders' equity	36,892,571	36,238,286
Net debt to equity ratio ⁽³⁾	1.30	1.39

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

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

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

The Company's net debt position and net debt to equity ratio as at September 30, 2017 decreased when compared to December 31, 2016 as cash flows generated from operating and financing activities allowed the Company to pay down debt. Cash flows from operating activities continue to be strong and improved by 19% for the nine month period ended September 30, 2017 compared to the same period last year. Although due on demand, the Company considers its bank indebtedness to be long-term debt as it is often used to finance equipment purchases and acquisitions.

Minimal investment in replacement equipment was required during the nine month period ended September 30, 2017, as the Company has been improving asset utilization and significant replenishments were made in 2015 and 2016 following the acquisitions of Muskoka Transport Limited and ProNorth. In addition, the Company generated \$2,567,393 in cash from the sale of aged and redundant equipment during the same period. In terms of growth spending, 10 Volvo's were purchased during the third quarter and an additional 16 Volvo's are expected to be purchased in the first quarter of 2018 to support increases in customer demand. Subsequent to the reporting period, a total of 19 trucks have been purchased in order to replace trucks purchased as part of the acquisition of Xpress. 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 paid down an additional \$0.5 million in debt, during the first nine months of 2017, in excess of what was contractually required. The Company actively seeks debt refinancing when possible, especially with respect to debt acquired through business acquisitions, to the extent that penalties for early retirement of debt are not significant and lower cost financing is available. Management believes that the Company's operating cash flows are sufficient to fund daily operating activities and meet regular debt repayment obligations.

The 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 head office terminal but do include some power units and trailers to the extent that the Company assumes these commitments as part of business acquisitions. Excluding the Company's Bolton head office, these leases expire between December 2017 and October 2020. The lease for the Company's head office expires September 2031.

The portion of the Company's bank credit facilities which were unused as of September 30, 2017 include approximately \$1.9 million under a revolving demand operating facility, \$5 million under a non-revolving acquisition facility, \$7.5 million under an accordion acquisition facility and \$1.8 million under a finance lease loan facility. In addition, the Company has available approximately \$7.8 million in finance leasing and loan facilities through other institutions.

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Common Shares

During the quarter, the Company implemented a share purchase plan (the "Plan"), which allows all employees and independent contractors, except insiders of the Company, to contribute up to 5% of their compensation 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 which have been approved for issuance under the Plan is 1,500,000. Of the shares issued to date, 47,663 have not vested.

On October 1, 2017, the Company issued 374,264 common shares in connection with the acquisition of Xpress Group.

Subsequent to the reporting period, 1,750,000 common shares were forfeited for cancellation as part of a settlement with the vendor of ProNorth pertaining to Titanium's acquisition of ProNorth on December 1, 2015.

As of November 7, 2017, there are 37,858,100 common shares of the Company outstanding, and 4,426,665 outstanding warrants to acquire common shares of the Company. In addition, there are 1,529,000 stock options outstanding, of which 200,000 are exercisable. During the quarter, 2,018,250 warrants expired.

TRANSACTIONS WITH RELATED PARTIES

The Company provides truck transportation services to companies under common control. These companies include Vision Extrusions Group Limited, Vision Profile Extrusions Ltd. and Sunview Patio Doors Ltd. Aggregate revenues from these companies totaled \$1,273,581 and \$3,392,956, respectively, for the three month and nine month periods ended September 30, 2017 (2016 - \$915,773 and \$2,624,967).

The Company also currently rents its head office from Caledon First Investments Limited, a company under common control with Titanium. Rent was previously paid to Vaughan West II Limited, Roybridge Holdings Limited and Vision Extrusions Group Limited, also companies under common control. Total rent paid to these companies for the three month and nine month periods ended September 30, 2017 was \$481,469 and \$1,444,407, respectively (2016 - \$85,242 and \$310,972). The Company has committed to annual rent of \$1,688,748, which will increase to \$2,413,123 over a 15 year period.

Trunkeast Investments Canada Limited, the Company's controlling shareholder as of September 30, 2017, provides administrative and support services to the Company on a monthly basis. For these services, the Company was charged \$15,000 and \$45,000 (2016 - \$15,000 and \$45,000) for the three month and nine month periods ended September 30, 2017, respectively. The Company is committed to payment for such services until such time that the contract is terminated. Six month's written notice is required for termination.

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.

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FORWARD LOOKING STATEMENTS

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

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

From time to time, the Company will disclose its current annual run rate revenue and EBITDA. Although not intended as such, this may be interpreted as forward looking information. Run rates are presented in order to provide investors with insight into the current size of the Company and do not take into account expected future growth or changes in economic conditions. Historical figures may not be a good indicator of the Company's size, as a result of the number of acquisitions that are completed each year and the time that it takes to fully realize synergies. After releasing Q3 2016 results, the Company estimated that post synergy annualized revenue and EBITDA would be \$120 million and \$14 million, respectively. Actual revenue and EBITDA for the last four quarters was \$122 million and \$12.2 million, respectively. Although the Company's revenue results surpassed the revenue run rate, the primary reason for the difference in EBITDA, was a more significant decline in economic conditions than expected at the time, which created significant pressure on rates. In addition, the weakening of the US dollar relative to the Canadian dollar this quarter, further impacted this difference. However, as the foreign exchange fluctuation was temporary and prices and customer demands are improving, the Company is not currently adjusting its revenue and EBITDA run rate of \$140 million and \$15 million, respectively.

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NON-IFRS FINANCIAL MEASURES

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

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

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

"Operating income" is calculated as net income before asset impairments, gains or losses on the sale of equipment, finance income and costs, gains or losses on foreign exchange, income tax expense, transaction costs and reverse takeover costs.

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

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

RISKS AND UNCERTAINTIES

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

CHANGES IN ACCOUNTING POLICIES

The following new standards and amendments to standards are not yet effective for the period ended September 30, 2017 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 16, Leases
- IFRS 15, Revenue from Contracts with Customers
- IFRS 9, Financial Instruments
- IFRIC 23, Uncertainty over Income tax Treatments