UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **September 30, 2017**

or

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _________to________

Commission File Number **000-31187**

INTELGENX TECHNOLOGIES CORP.

(Exact name of small business issuer as specified in its charter)

Delaware	**87-0638336**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

6420 Abrams, Ville Saint Laurent, Quebec H4S 1Y2, Canada
(Address of principal executive offices)

(514) 331-7440
(Issuer's telephone number)

____
(Former Name, former Address, if changed since last report)

Indicate by checkmark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes [X]   No [ ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer”, “accelerated filer”, “non-accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer [ ]		Accelerated filer [ ]
Non-accelerated filer [ ]	(Do not check if a smaller reporting company)	Smaller reporting company [X]

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY
PROCEEDS DURING THE PRECEDING FIVE YEARS

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. [ ]

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13, or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

Yes [ ]   No [ ]

APPLICABLE TO CORPORATE ISSUERS:

66,931,467 shares of the issuer’s common stock, par value $.00001 per share, were issued and outstanding as of September 30, 2017.

IntelGenx Technologies Corp.
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IntelGenx Technologies Corp.

Consolidated Interim Financial Statements
September 30, 2017
(Expressed in U.S. Funds)
(Unaudited)

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IntelGenx Technologies Corp.

Consolidated Balance Sheet
(Expressed in Thousands of U.S. Dollars ($000's) Except Share and Per Share Data)
(Unaudited)

	September 30, 2017	December 31, 2016
Assets		
Current		
Cash	**$ 1,631**	$ 612
Short-term investments	**5,291**	3,884
Accounts receivable	**470**	1,044
Prepaid expenses	**236**	566
Investment tax credits receivable	**254**	246
Total current assets	**7,882**	6,352
Leasehold improvements and equipment, net (note 4)	**6,523**	5,730
Security deposits	**761**	708
Total assets	**$ 15,166**	$ 12,790
Liabilities		
Current		
Accounts payable and accrued liabilities	**1,222**	897
Current portion of long-term debt (note 7)	**776**	704
Deferred revenue (note 6)	**978**	3,634
Total current liabilities	**2,976**	5,235
Deferred lease obligations	**50**	45
Long-term debt (note 7)	**2,192**	2,565
Convertible debentures (note 8)	**5,158**	-
Total liabilities	**10,376**	7,845
Shareholders' equity		
Capital stock, common shares, $0.00001 par value; 100,000,000 shares authorized; 66,931,467 shares issued and outstanding (2016: 64,812,020 common shares) (note 9)	**1**	1
Additional paid-in capital (note 10)	**25,149**	23,700
Accumulated deficit	**(19,697)**	(17,737)
Accumulated other comprehensive loss	**(663)**	(1,019)
Total shareholders' equity	**4,790**	4,945
	$ 15,166	$ 12,790

See accompanying notes

Approved on Behalf of the Board:

/s/ Bernd J. Melchers Director

/s/Horst G. Zerbe Director

IntelGenx Technologies Corp.

Consolidated Statement of Shareholders' Equity
For the Period Ended September 30, 2017
(Expressed in Thousands of U.S. Dollars ($000's) Except Share and Per Share Data)
(Unaudited)

	Capital Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	**Total Shareholders' Equity**
	Number	Amount				
Balance - December 31, 2016	64,812,020	$ 1	$ 23,700	$ (17,737)	$ (1,019)	**$ 4,945**
Foreign currency translation adjustment	-	-	-	-	356	**356**
Warrants exercised (note 10)	1,984,447	-	1,120	-	-	**1,120**
Options exercised (note 10)	135,000	-	62	-	-	**62**
Stock-based compensation (note 10)	-	-	267	-	-	**267**
Net loss for the period	-	-	-	(1,960)	-	**(1,960)**
Balance – September 30, 2017	**66,931,467**	**$ 1**	**$ 25,149**	**$ (19,697)**	**$ (663)**	**$** 4,790

See accompanying notes

IntelGenx Technologies Corp.

Consolidated Statement of Comprehensive Income (Loss)
(Expressed in Thousands of U.S. Dollars ($000's) Except Share and Per Share Data)
(Unaudited)

	For the Three-Month Period Ended September 30,		For the Nine-Month Period Ended September 30,	
	2017	2016	2017	2016
Revenues				
Royalties	**$ -**	$ -	**$ -**	$ 1,051
License and other revenue	**1,254**	1,819	**3,733**	2,258
Total revenues	**1,254**	1,819	**3,733**	3,309
Expenses				
Cost of royalty, license and other revenue	**97**	97	**278**	228
Research and development expense	**578**	388	**1,876**	1,295
Selling, general and administrative expense	**963**	1,072	**2,693**	2,837
Depreciation of tangible assets	**185**	174	**525**	361
Total expenses	**1,823**	1,731	**5,372**	4,721
Operating (loss) income	**(569)**	88	**(1,639)**	(1,412)
Interest income	**5**	2	**8**	2
Financing and interest expense	**(218)**	(60)	**(329)**	(146)
Net (loss) income	**(782)**	30	**(1,960)**	(1,556)
Other comprehensive income				
Foreign currency translation adjustment	**196**	32	**356**	105
Comprehensive (loss) income	**$ (586)**	$ 62	**$ (1,604)**	$ (1,451)
Basic:				
Weighted average number of shares outstanding	**66,834,363**	63,874,252	**65,885,055**	63,702,536
Diluted (loss) earnings per common share (note 12)	**$ (0.01)**	$ 0.00	**$ (0.02)**	$ (0.02)
Diluted:				
Weighted average number of shares outstanding	**66,834,363**	73,541,378	**65,885,055**	63,702,536
Diluted (loss) earnings per common share (note 12)	**$ (0.01)**	$ 0.00	**$ (0.02)**	$ (0.02)

See accompanying notes

IntelGenx Technologies Corp.

Consolidated Statement of Cash Flows
(Expressed in thousands of U.S. Dollars ($000's) Except Share and Per Share Data)
(Unaudited)

	For the Three-Month Period Ended September 30, 2017	For the Three-Month Period Ended September 30, 2016	For the Nine-Month Period Ended September 30, 2017	For the Nine-Month Period Ended September 30, 2016
Funds provided (used) -				
Operating activities				
Net (loss) income	**$ (782)**	$ 30	**$ (1,960)**	$ (1,556)
Depreciation of tangible assets	**185**	174	**525**	361
Stock-based compensation	**44**	49	**267**	141
Accretion expense	**57**	-	**57**	-
	(496)	253	**(1,111)**	(1,054)
Changes in non-cash items related to operations:				
Accounts receivable	**(103)**	539	**574**	929
Prepaid expenses	**168**	(430)	**330**	(469)
Investment tax credits receivable	**(41)**	(21)	**(8)**	(74)
Security deposit	**-**	11	**-**	(218)
Accounts payable and accrued liabilities	**770**	(331)	**325**	(769)
Deferred revenue	**(902)**	4,651	**(2,656)**	4,651
Deferred lease obligations	**2**	-	**5**	18
Net change in non-cash items related to operations	**(106)**	4,419	**(1,430)**	4,068
Net cash (used in) from operating activities	**(602)**	4,672	**(2,541)**	3,014
Financing activities				
Issuance of long-term debt	**-**	-	**-**	1,569
Repayment of long-term debt	**(169)**	(239)	**(523)**	(309)
Proceeds from exercise of warrants and stock options	**166**	596	**1,182**	596
Net proceeds from issuance of convertible debentures	**4,978**	-	**4,978**	-
Net cash provided by financing activities	**4,975**	357	**5,637**	1,856
Investing activities				
Additions to leasehold improvements and equipment	**(452)**	(385)	**(907)**	(2,229)
Acquisition of short-term investments	**(3,952)**	(3,000)	**(3,952)**	(3,000)
Redemption of short-term investments	**410**	-	**2,735**	-
Net cash used in investing activities	**(3,994)**	(3,385)	**(2,124)**	(5,229)
Increase (decrease) in cash	**379**	1,644	**972**	(359)
Effect of foreign exchange on cash	**77**	(20)	**47**	214
Cash				
Beginning of period	**1,175**	1,096	**612**	2,865
End of period	**$ 1,631**	$ 2,720	**$ 1,631**	$ 2,720

See accompanying notes

1. Basis of Presentation

The accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete consolidated financial statements. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. All such adjustments are of a normal and recurring nature.

These financial statements should be read in conjunction with the audited consolidated financial statements at December 31, 2016. Operating results for the nine months ended September 30, 2017 are not necessarily indicative of the results that may be expected for the year ending December 31, 2017. The Company prepares its financial statements in accordance with accounting principles generally accepted in the United States (“U.S. GAAP”). This basis of accounting involves the application of accrual accounting and consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

The consolidated financial statements include the accounts of the Company and its subsidiary companies. On consolidation, all inter-entity transactions and balances have been eliminated.

The financial statements are expressed in U.S. funds.

Management has performed an evaluation of the Company’s activities through the date and time these financial statements were issued and concluded that there are no additional significant events requiring recognition or disclosure.

2. Adoption of New Accounting Standards

The FASB issued Update 2016-06, Derivatives and Hedging Contingent Put and Call Options in Debt Instruments, clarifying the requirements for assessing whether contingent call (put) options that can accelerate the payment of principal on debt instruments are clearly and closely related to their debt hosts. The amendments in this Update require an entity performing the assessment to assess the embedded call (put) options solely in accordance with the four-step decision sequence. For public business entities, the amendments in this Update are effective for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years. The adoption of this statement did not have a material effect on the Company’s financial position or results.

The FASB issued Update 2016-09, Compensation – Stock Compensation Improvements to Employee Share-Based Payment Accounting, simplifying several aspects of the accounting for share-based payment transactions, including income tax consequences, classification of awards as either equity or liabilities, and classification on the statement of cash flows. For public business entities, the amendments in this Update are effective for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years. The adoption of this statement did not have a material effect on the Company’s financial position or results.

(Expressed in U.S. Funds)

2. Adoption of New Accounting Standards (Cont'd)

The FASB issued Update 2015-11, Inventory: Simplifying the Measurement of Inventory, aligning the measurement of inventory in GAAP with the measurement of inventory in International Financial Reporting Standards (IFRS). The amendments in this Update state that an entity should measure inventory within the scope of this update at the lower of cost and net realizable value. Net realizable value is the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. For public business entities, the amendments in this Update are effective for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years. The adoption of this statement did not have a material effect on the Company’s financial position or results.

The FASB issued 2015-017, Income Taxes: Balance Sheet Classification of Deferred Taxes, which requires that deferred tax liabilities be classified as noncurrent in a classified statement of financial position. For public business entities, the amendments in this Update are effective for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years. The adoption of this statement did not have a material effect on the Company’s financial position or results.

3. Significant Accounting Policies

Leasehold Improvements and Equipment

Leasehold improvements and equipment are recorded at cost. Provisions for depreciation are based on their estimated useful lives using the methods as follows:

On the declining balance method -	
Laboratory and office equipment	20%
Computer equipment	30%
On the straight-line method -	
Leasehold improvements	over the lease term
Manufacturing equipment	5 – 10 years

Recent Accounting Pronouncements

ASU 2017-09 – Stock Compensation (Topic 718) Scope of Modification Accounting

In May 2016, the FASB issued ASU 2017-09 which provides guidance on determining which changes to the terms and conditions of share-based payment awards require an entity to apply modification accounting under Topic 718. The statement is effective for annual periods beginning after December 15, 2017. Early adoption is permitted in any interim or annual period for which financial statements have not yet been issued. The Company is currently evaluating the impact of this Statement on its consolidated financial statements.

3. Significant Accounting Policies (Cont'd)

ASU 2016-18 – Statement of Cash Flows (Topic 230) Restricted Cash

In November 2016, the FASB issued ASU 2016-18 which requires that the statement of cash flows explain the change during the period in the total cash, cash equivalents, and amounts generally described as restricted or restricted cash equivalents. The statement is effective for annual periods beginning after December 15, 2017, and interim periods within those annual periods. Early adoption is permitted in any interim or annual period and should be applied on a retrospective basis. The Company is currently evaluating the impact of this Statement on its consolidated financial statements.

ASU 2016-15 – Statement of Cash Flows (Topic 230) Classification of Certain Cash Receipts and Cash Payments

In August 2016, the FASB issued ASU 2016-15 which clarifies how certain cash receipts and payments are to be presented in the Statement of cash flows. The statement is effective for annual periods beginning after December 15, 2017, and interim periods within those annual periods. Early adoption is permitted in any interim or annual period, with any adjustments reflected as of the beginning of the fiscal year of adoption. The Company is currently evaluating the impact of this Statement on its consolidated financial statements.

ASU 2016-01 – Financial Instruments – Overall (Subtopic 825-10) Recognition and Measurement of Financial Assets and Financial Liabilities

In January 2016, the FASB issued ASU 2016-01, which will significantly change practice for all entities. The targeted amendments to existing guidance are expected to include:

1. Equity investments that do not result in consolidation and are not accounted for under the equity method would be measured at fair value through net income, unless they qualify for the proposed practicability exception for investments that do not have readily determinable fair values.

2. Changes in instrument-specific credit risk for financial liabilities that are measured under the fair value option would be recognized in other comprehensive income.

3. Entities would make the assessment of the realizability of a deferred tax asset (DTA) related to an available- for-sale (AFS) debt security in combination with the entity's other DTAs. The guidance would eliminate one method that is currently acceptable for assessing the realizability of DTAs related to AFS debt securities. That is, an entity would no longer be able to consider its intent and ability to hold debt securities with unrealized losses until recovery.

4. Disclosure of the fair value of financial instruments measured at amortized cost would no longer be required for entities that are not public business entities.

3. Significant Accounting Policies (Cont'd)

For public business entities, the amendments in this Update are effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. The Company is currently evaluating the impact of this Statement on its consolidated financial statements.

ASU 2017-04 – Intangibles – Goodwill and Other (Topic 350) Simplifying the Test for Goodwill Impairment

The FASB issued ASU 2017-04 which eliminates Step 2 from the goodwill impairment test and eliminates the requirements for any reporting unit with a zero or negative carrying amount to perform a qualitative assessment. These amendments are effective for a public business entity for fiscal years beginning after December 15, 2019. Early adoption is permitted in any interim or annual period and should be applied on a retrospective basis. The Company is currently evaluating the impact of this Statement on its consolidated financial statements.

ASU 2017-01 - Business Combinations (Topic 805) - Clarifying the Definition of a Business

The FASB issued ASU 2017-01 which clarifies the definition of a business and is intended to help companies evaluate whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. These amendments are effective for a public business entity for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. Early adoption is permitted under certain circumstances and should be applied on a prospective basis. The Company is currently evaluating the impact of this Statement on its consolidated financial statements.

ASU 2016-16 – Income Taxes (Topic 740) Intra-Entity Transfers of Assets Other Than Inventory

The FASB issued ASU 2016-16 and requires an entity to recognize the income tax consequences of an intra-entity transfer of an asset other than inventory when the transfer occurs. These amendments are effective for a public business entity for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. The amendments should be applied on a modified retrospective basis through a cumulative-effect adjustment directly to retained earnings as of the beginning of the period of adoption. The Company is currently evaluating the impact of this Statement on its consolidated financial statements.

ASU 2016-02: Leases (Topic 842) Section A

The FASB issued ASU 2016-02 to increase the transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements.

These amendments are effective for a public business entity for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years.

The Company is currently evaluating the impact of this Statement on its consolidated financial statements.

3. Significant Accounting Policies (Cont'd)

Revenue from Contracts with Customers (Topic 606)

The FASB and IASB (the Boards) have issued converged standards on revenue recognition. ASU No. 2014-09 which affects any entity using U.S. GAAP that either enters into contracts with customers to transfer goods or services or enters into contracts for the transfer of nonfinancial assets unless those contracts are within the scope of other standards. This ASU will supersede the revenue recognition requirements in Topic 605, Revenue Recognition and most industry-specific guidance. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To achieve that core principle, an entity should apply the following steps:

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

In the year ended December 31, 2016, the FASB issued three new amendments related to Topic 606:

1. ASU 2016-08: Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations (Reporting Revenue Gross versus Net) which was issued to add clarification to the implementation guidance on principle versus agent considerations. This amendment does not provide any changes to the previously issued ASU No. 2014-09 and is effective for the same reporting period which was deferred by one year in ASU 2015-14: Revenue From Contracts With Customers (Topic 606), Deferral of the Effective Date.

2. ASU 2016-10: Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing which was issued to clarifying the following two aspects of topic 606; identifying performance obligations and the licensing implementation guidance. This amendment does not provide any changes to the previously issued ASU No. 2014-09 and is effective for the same reporting period which was deferred by one year in ASU 2015-14: Revenue From Contracts With Customers (Topic 606), Deferral of the Effective Date.

3. ASU 2016-11 Revenue Recognition (Topic 605) and Derivatives and Hedging (Topic 815): Rescission of SEC Guidance Because of Accounting Standards Updates 2014-09 and 2014-16 Pursuant to Staff Announcements at the March 3, 2016 EITF Meeting. With this amendment, the SEC Staff is rescinding the following SEC Staff Observer comments that are codified in Topic 605, Revenue Recognition, and Topic 932, Extractive Activities—Oil and Gas, effective upon adoption of Topic 606. This amendment is effective immediately.

(Expressed in U.S. Funds)

3. Significant Accounting Policies (Cont'd)

Public business entities, certain not-for-profit entities, and certain employee benefit plans should apply the guidance in Update 2014-09 to annual reporting periods beginning after December 15, 2017, including interim reporting periods within that reporting period. Earlier application is permitted only as of annual reporting periods beginning after December 15, 2016, including interim reporting periods within that reporting period.

This ASU is to be applied retrospectively, with certain practical expedients allowed. The Company is currently evaluating the impact of this Statement on its consolidated financial statements.

4. Leasehold Improvements and Equipment

	Cost	Accumulated Depreciation	**September 30, 2017 Net Carrying Amount**	December 31, 2016 Net Carrying Amount
Manufacturing equipment	$ 3,367	$ 327	**$ 3,040**	$ 2,429
Laboratory and office equipment	1,364	577	**787**	807
Computer equipment	84	53	**31**	23
Leasehold improvements	3,219	554	**2,665**	2,471
	$ 8,034	$ 1,511	**$ 6,523**	$ 5,730

As at September 30, 2017 no depreciation has been recorded on manufacturing equipment in the amount of $718 as the equipment is not ready for use.

5. Bank Indebtedness

The Company's credit facility is subject to review annually and consists of an operating demand line of credit of up to CAD$250 thousand and corporate credits cards of up to CAD$75 thousand. Borrowings under the operating demand line of credit bear interest at the Bank's prime lending rate plus 2%. The credit facility and term loan (see note 7) are secured by a first ranking movable hypothec on all present and future movable property of the Company and a 50% guarantee by Export Development Canada, a Canadian Crown corporation export credit agency. The terms of the banking agreement require the Company to comply with certain debt service coverage and debt to net worth financial covenants on an annual basis at the end of the Company's fiscal year. As at September 30, 2017, the Company has not drawn on its credit facility.

6. Deferred Revenue

On August 5, 2016, the Company sold its U.S. royalty on future sales of Forfivo XL ® to SWK Holdings Corporation for $6 million. Under the terms of the agreement, SWK paid IntelGenx $6 million at closing. In return for, (i) 100% of any and all royalties or similar royalty amounts received on or after April 1, 2016, (ii) 100% of the $2 million milestone payment upon Edgemont reaching annual net sales of $15 million, and (iii) 35% of all potential future milestone payments.

The deferred revenue represents the remaining, unrecognized portion of the payment received for the royalty on future sales in the amount of $6 million less the Q2 royalties recognized in the second quarter of 2016 in the amount of $352 thousand. The deferred revenue will be recognized as other revenue on a straight-line basis until December 31, 2017.

10% of the proceeds were paid to our former development partner, Cary Pharmaceuticals Inc. This amount is included in prepaid expenses and will be recognized as cost of royalty, license and other revenue on a straight-line basis until December 31, 2017

7. Long-term Debt

The components of the Company's debt are as follows:

	September 30, 2017 $	December 31, 2016 $
(in U.S. $ thousands)		
Term loan facility	2,394	2,636
Secured loan	574	633
Total debt	2,968	3,269
Less: current portion	776	704
Total long-term debt	2,192	2,565

The Company's term loan facility consists of a total of CAD$4 million bearing interest at the Bank's prime lending rate plus 2.50% . The term loan is subject to the same security and financial covenants as the bank indebtedness (see note 5).

The secured loan has a principal balance authorized of CAD$1 million bearing interest at prime plus 7.3%, reimbursable in monthly principal payments of CAD$17 thousand from January 2017 to March 2021. The loan is secured by a second ranking on all present and future property of the Company. The terms of the banking agreement require the Company to comply with certain debt service coverage and debt to net worth financial covenants on an annual basis at the end of the Company's fiscal year.

(Expressed in U.S. Funds)

7. Long-term Debt (Cont'd)

Principal repayments due in each of the next five years are as follows:

2017	$208 (CAD 260)
2018	757 (CAD 945)
2019	757 (CAD 945)
2020	757 (CAD 945)
2021	489 (CAD 610)

8. Convertible Debentures

On July 12, 2017, the Company closed its previously announced prospectus offering (the "Offering") of convertible unsecured subordinated debentures of the Corporation (the "Debentures") for gross aggregate proceeds of CAD$6,838,000. Pursuant to the Offering, the Corporation issued an aggregate principal amount of CAD$6,838,000 of Debentures at a price of CAD$1,000 per Debenture. The Debentures will mature on June 30, 2020 and bear interest at annual rate of 8% payable semi-annually on the last day of June and December of each year, commencing on December 31, 2017. The Debentures will be convertible at the option of the holders at any time prior to the close of business on the earlier of June 30, 2020 and the business day immediately preceding the date specified by the Corporation for redemption of Debentures. The conversion price will be CAD$1.35 (the "Conversion Price") per common share of the Corporation ("Share"), being a conversion rate of approximately 740 Shares per CAD$1,000 principal amount of Debentures, subject to adjustment in certain events.

On August 8, 2017, the Company closed a second tranche of its prospectus Offering of convertible unsecured subordinated debentures of the Corporation for which a first closing took place on July 12, pursuant to which it had raised additional gross proceeds of CAD$762,000.

Together with the principal amount of CAD$6,838,000 of Debentures issued on July 12, 2017, the Corporation issued a total aggregate principal amount of CAD$7,600,000 of Debentures at a price of CAD$1,000 per Debenture.

The convertible debentures have been recorded as a liability. Total transactions costs in the amount of CAD$1,237,000 were recorded against the liability. The accretion expense for the period ended September 30, 2017 amounts to CAD$74,000.

8. Convertible Debentures (Cont'd)

The components of the convertible debentures as at September 30, 2017 are as follows:

		September 30, 2017 $
(in U.S. $ thousands)		
Face value of convertible debentures	$	6,090
Transaction costs		(991)
Accretion		59
Convertible debentures	$	5,158

The accrued interest on the convertible debentures as September 30, 2017 amounts to $107 and is recorded in accounts payable and accrued liabilities.

9. Capital Stock

		September 30, 2017		December 31, 2016
Authorized -				
100,000,000 common shares of $0.00001 par value				
20,000,000 preferred shares of $0.00001 par value				
Issued -				
66,931,467 (December 31, 2016 - 64,812,020) common shares	**$**	**1**	$	1

10. Additional Paid-In Capital

Stock options

On August 31, 2017, 359,818 options to purchase common stock were granted to employees under the 2016 Stock Option Plan. The options have an exercise price of $0.77. The options granted vest over a period of 2 years at the rate of 25% every six months and expire 10 years after the grant date. The stock options were accounted for at their fair value, as determined by the Black-Scholes valuation model, of approximately $120 thousand.

On January 18, 2017, 300,000 options to purchase common stock were granted to non-employee directors under the 2016 Stock Option Plan. The options have an exercise price of $0.89. The options vest immediately and expire 10 years after the grant date. The stock options were accounted for at their fair value, as determined by the Black-Scholes valuation model, of approximately $114 thousand.

10. Additional Paid-In Capital (Cont'd)

During the nine-month period ended September 30, 2017 a total of 135,000 stock options were exercised for 135,000 common shares having a par value of $0 thousand in aggregate, for cash consideration of $62 thousand, resulting in an increase in additional paid-in capital of $62 thousand. No stock options were exercised during the nine-month period ended September 30, 2016.

Compensation expenses for stock-based compensation of $267 thousand and $141 thousand were recorded during the nine-month periods ended September 30, 2017 and 2016, respectively. An amount of $262 thousand expensed in the nine-month period of 2017 relates to stock options granted to employees and directors and an amount of $5 thousand relates to stock options granted to a consultant. The entire amount expensed in the nine-month period of 2016 relates to stock options granted to employees and directors. As at September 30, 2017, the Company has $243 thousand (2016 - $295 thousand) of unrecognized stock-based compensation, of which $6 thousand (2016 - $12) relates to the issuance of options to a consultant in 2016.

Warrants

During the nine-month period ended September 30, 2017 a total of 1,984,447 warrants were exercised for 1,984,447 common shares having a par value of $Nil in aggregate, for cash consideration of approximately $1,120 thousand, resulting in an increase in additional paid-in capital of approximately $1,120 thousand. During the nine-month period ended September 30, 2016, a total of 1,056,765 warrants were exercised for 1,056,765 common shares having a par value of $0 thousand in aggregate, for cash consideration of $596 thousand, resulting in an increase in additional paid-in capital of $596 thousand.

11. Related Party Transactions

Included in management salaries are $3 (2016 - $2 thousand) for options granted to the Chief Executive Officer, $34 thousand (2016 - $45 thousand) for options granted to the Chief Financial Officer, $3 thousand (2016 - $9 thousand) for options granted to the former Vice President, Operations, $5 thousand (2016 - $4 thousand) for options granted to the Vice-President, Research and Development, $26 thousand (2016 - $1) for options granted to Vice-President, Business and Corporate Development and $Nil thousand (2016 - $21 thousand) for options granted to the former Vice President, Corporate Development under the 2016 Stock Option Plan and $128 thousand (2016 - $45 thousand) for options granted to non-employee directors.

Also included in management salaries are director fees of $206 thousand (2016 - $137 thousand).

The above related party transactions have been measured at the exchange amount which is the amount of the consideration established and agreed to by the related parties.

12. Basic and Diluted (Loss) Earnings per Common Share

Basic and diluted (loss) earnings per common share is calculated based on the weighted average number of shares outstanding during the period. Common equivalent shares from stock options and warrants are also included in the diluted per share calculations unless the effect of the inclusion would be antidilutive.

Item 2: Management's Discussion and Analysis of Financial Condition and Results of Operations

Introduction to Management's Discussion and Analysis

This Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") comments on our business operations, performance, financial position and other matters for the three-month and nine-month periods ended September 30, 2017 and 2016.

Unless otherwise indicated, all financial and statistical information included herein relates to continuing operations of the Company. Unless otherwise indicated or the context otherwise requires, the words, "IntelGenx, "Company", "we", "us", and "our" refer to IntelGenx Technologies Corp. and its subsidiaries, including IntelGenx Corp.

This MD&A should be read in conjunction with the accompanying unaudited Consolidated Financial Statements and Notes thereto. We also encourage you to refer to the Company's MD&A for the year ended December 31, 2016. In preparing this MD&A, we have taken into account information available to us up to November 9, 2017, the date of this MD&A, unless otherwise indicated.

Additional information relating to the Company, including our Annual Report on Form 10-K for the fiscal year ended December 31, 2016 (the "2016 Form 10-K"), is available on SEDAR at www.sedar.com and on the U.S. Securities and Exchange Commission (the "SEC") website at www.sec.gov.

All dollar amounts are expressed in U.S. dollars, unless otherwise noted.

Cautionary Statement Concerning Forward-Looking Statements

Certain statements included or incorporated by reference in this MD&A constitute forward-looking statements within the meaning of applicable securities laws. All statements contained in this MD&A that are not clearly historical in nature are forward-looking, and the words "anticipate", "believe", "continue", "expect", "estimate", "intend", "may", "plan", "will", "shall" and other similar expressions are generally intended to identify forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All forward-looking statements are based on our beliefs and assumptions based on information available at the time the assumption was made. These forward-looking statements are not based on historical facts but on management's expectations regarding future growth, results of operations, performance, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, business prospects and opportunities. Forward-looking statements involve significant known and unknown risks, uncertainties, assumptions and other factors that may cause our actual results, levels of activity, performance or achievements to differ materially from those implied by forward-looking statements. These factors should be considered carefully and you should not place undue reliance on the forward-looking statements. Although the forward-looking statements contained in this MD&A or incorporated by reference herein are based upon what management believes to be reasonable assumptions, there is no assurance that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this MD&A or as of the date specified in the documents incorporated by reference herein, as the case may be. **We undertake no obligation to update any forward looking statements to reflect events or circumstances after the date on which such statements were made or to reflect the occurrence of unanticipated events, except as may be required by applicable securities laws.** The factors set forth in Item 1A., "Risk Factors" of the 2016 Form 10-K, as well as any cautionary language in this MD&A, provide examples of risks, uncertainties and events that may cause our actual results to differ materially from the expectations we describe in our forward-looking statements. Before you invest in the common stock, you should be aware that the occurrence of the events described as risk factors and elsewhere in this report could have a material adverse effect on our business, operating results and financial condition.

Company Background

We are a drug delivery company established in 2003 and headquartered in Montreal, Quebec, Canada. Our focus is on the development of novel oral immediate-release and controlled-release products for the pharmaceutical market. Our business strategy is to develop pharmaceutical products based on our proprietary drug delivery technologies and, once the viability of a product has been demonstrated, to license the commercial rights to partners in the pharmaceutical industry. In certain cases, we rely upon partners in the pharmaceutical industry to fund development of the licensed products, complete the regulatory approval process with the U.S. Food and Drug Administration ("FDA") or other regulatory agencies relating to the licensed products, and assume responsibility for marketing and distributing such products.

In addition, we may choose to pursue the development of certain products until the project reaches the marketing and distribution stage. We will assess the potential for successful development of a product and associated costs, and then determine at which stage it is most prudent to seek a partner, balancing such costs against the potential for additional returns earned by partnering later in the development process.

Our primary growth strategies include: (1) identifying lifecycle management opportunities for existing market leading pharmaceutical products, (2) repurposing existing drugs for new indications, (3) developing generic drugs where high technology barriers to entry exist in reproducing branded films, (4) manufacturing our VersaFilm™ products for commercial sale and (5) development of new drug delivery technologies.

Lifecycle Management Opportunities

We are seeking to position our delivery technologies as an opportunity for lifecycle management of products for which patent protection of the active ingredient is nearing expiration. While the patent for the underlying substance cannot be extended, patent protection can be obtained for a new and improved formulation by filing an application with the FDA under Section 505(b)(2) of the U.S. Federal Food, Drug and Cosmetic Act. Such applications, known as a "505(b)(2) NDA", are permitted for new drug products that incorporate previously approved active ingredients, even if the proposed new drug incorporates an approved active ingredient in a novel formulation or for a new indication. A 505(b)(2) NDA may include information regarding safety and efficacy of a proposed drug that comes from studies not conducted by or for the applicant. The first formulation for a respective active ingredient filed with the FDA under a 505(b)(2) application may qualify for up to three years of market exclusivity upon approval. Based upon a review of past partnerships between third party drug delivery companies and pharmaceutical companies, management believes that drug delivery companies which possess innovative technologies to develop these special dosage formulations present an attractive opportunity to pharmaceutical companies. Accordingly, we believe "505(b)(2) products" represent a viable business opportunity for us.

Repurposing Existing Drugs

We are working on the repurposing of already approved drugs for new indications using our VersaFilm™ film technology. This program represents a viable growth strategy for us as it will allow for reduced development costs, improved success rates and shorter approval times. We believe that through our repurposing program we will be able minimize the risk of developmental failure and create value for us and potential partners.

Generic Drugs with High Barriers to Entry

We plan to pursue the development of generic drugs that have certain barriers to entry, e.g., where product development and manufacturing is complex and can limit the number of potential entrants into the generic market. We plan to pursue such projects only if the number of potential competitors is deemed relatively insignificant.

VersaFilm™ Manufacturing

We have establishing a state-of-the-art manufacturing facility with the intent to manufacture all our VersaFilm™ products in house as we believe that this (1) represents a profitable business opportunity, (2) will reduce our dependency upon third-party contract manufacturers, thereby protecting our manufacturing process know-how and intellectual property, and (3) allows us to offer our development partners a full service from product conception through to supply of the finished product.

Most recent key developments

On June 29, 2017, the Company announced that it had filed a final short form prospectus in connection with an offering of a minimum of CAD$5,000,000 and a maximum of CAD$10,000,000 aggregate principal amount of 8% convertible unsecured subordinated debentures due June 30, 2020. The Corporation had also filed an amended registration statement on Form S-1 with the United States Securities and Exchange Commission to register the Debentures and the shares of common stock underlying the Debentures. On April 4, 2017, the Company had filed a preliminary short form prospectus with respect to the offering as well as a registration statement on Form S-1 with the United States Securities and Exchange Commission.

On July 12, 2017, the Company announced that it had closed its previously announced prospectus offering of convertible unsecured subordinated debentures of the Corporation for gross aggregate proceeds of CAD$6,838,000. Pursuant to the Offering, the Corporation issued an aggregate principal amount of CAD$6,838,000 of Debentures at a price of CAD$1,000 per Debenture. The Debentures will mature on June 30, 2020 and bear interest at annual rate of 8% payable semi-annually on the last day of June and December of each year, commencing on December 31, 2017. The Debentures will be convertible at the option of the holders at any time prior to the close of business on the earlier of June 30, 2020 and the business day immediately preceding the date specified by the Corporation for redemption of Debentures. The conversion price will be CAD$1.35 per common share of the Corporation, being a conversion rate of approximately 740 Shares per CAD$1,000 principal amount of Debentures, subject to adjustment in certain events.

On August 8, 2017, the Company announced that it had closed a second tranche of its prospectus Offering of convertible unsecured subordinated debentures of the Corporation for which a first closing took place on July 12, 2017, pursuant to which it had raised additional gross proceeds of CAD$762,000.

Together with the principal amount of CAD$6,838,000 of Debentures issued on July 12, 2017, the Corporation issued a total aggregate principal amount of CAD$7,600,000 of Debentures at a price of CAD$1,000 per Debenture.

The Offering was conducted on a commercially reasonable best efforts basis by a syndicate of agents led by Desjardins Capital Markets and including Laurentian Bank Securities Inc. and Echelon Wealth Partners Inc.

The net proceeds from the Offering will be used for investments in leasehold improvements and equipment, clinical studies, product development and general working capital requirements.

On July 12, 2017, the Company announced that Dr. Rodolphe Obeid, its Director of Research and Development, Process Development and Manufacturing Scale-Up, discussed the Company's oral films based on its proprietary VersaFilm™ technology platform during a presentation today at BIT's 7th Annual Symposium of Drug Delivery Systems being held in Prague, Czech Republic. Entitled "Oral Film Technology Evolution, Challenges and Therapeutic Benefits," Dr. Obeid's presentation reviewed the Company's development of VersaFilm™ and the technology platform's potential to enhance active pharmaceutical ingredient bioavailability, accelerate onset of action, reduce side effects and ease administration, thereby improving patient's compliance and satisfaction. Dr. Obeid is an expert in drug delivery systems and polymeric assemblies. In his current role, Dr. Obeid is responsible for overseeing all of IntelGenx' product development activities. Based on IntelGenx' current pipeline, there are eight different film projects in various development stages, five of which are under co-development with a commercial partner. Here, Dr. Obeid is in charge of overseeing the technology transfer, as well as the process development and manufacturing scale-up of all internal and external pharmaceutical film projects. Prior to joining IntelGenx, Dr. Obeid was a postdoctoral industrial R&D Fellow at the Faculty of Veterinary Medicine of University of Montreal, working on vaccine encapsulation using biodegradable microspheres. Before that, he was a National Institutes of Health Postdoctoral Scholar at the University of Alabama in collaboration with the Massachusetts Institute of Technology, focusing on the development of novel poly-based polymers for surface modification of biomedical implants as a part of the Boston Retinal Implant Project. Dr. Obeid holds a Ph.D in polymer chemistry from the University of Montreal, Canada and two Masters in polymer science and chemical engineering from the University of Strasbourg, France. Dr. Obeid is the co-inventor of multiple pending patent applications, and has published numerous scientific articles on recognized international journals and conferences.

On September 11, 2017, Dr. Horst Zerbe, IntelGenx Chief Executive Officer presented at the Rodman & Renshaw 19th Annual Global Investment Conference at the Lotte New York Palace Hotel. Dr. Zerbe provided an overview of IntelGenx' business during the presentation along with Andre Godin, Executive Vice-President and Chief Financial Officer. Both of them also participated in one-on-one meetings with investors registered at the conference.

On August 31, 2017, the Company announced that the Company's board of directors had granted options to acquire a total of 359,818 common shares under the 2016 Stock Option Plan. Of the total stock options granted, 179,908 were granted to the Horst G. Zerbe, Chief Executive Officer and President and 59,970 were granted to Andre Godin, Executive Vice President and Chief Financial Officer. Furthermore, 59,970 stock options were granted to each of two officers of IntelGenx Corp., Nadine Paiement, Vice President Research and Development and Dana Matzen, Vice President of Business and Corporate Development. The options have an exercise price of US$0.77 (CAD$0.96), vest over a period of two years at the rate of 25% every six months and expire on August 27, 2027.

On August 31, 2017, the U.S. District Court for the District of Delaware rendered a decision which determined that the process used to manufacture IntelGenx' and Par Pharmaceutical Inc.'s buprenorphine/naloxone sublingual film product for the treatment of opiate addiction does not infringe MonoSol Rx U.S. Patent No. 8,900,497. Also on August 31, 2017, the Delaware Court rendered a decision in a separate case, which previously resulted in a finding infringement of the MonoSol Rx U.S. Patent No 8,603,514, denying IntelGenx' and Par's motion to reopen the case. IntelGenx and Par are presently working on the appeal process.

Corporate related developments

Expansion to the existing Manufacturing Facility

The Company has initiated a project to expand the existing manufacturing facility, the timing of which will be dictated in part by the completion of agreements with our commercial partners. This expansion became necessary following requests by commercial partners to increase manufacturing capacity and provide solvent film manufacturing capabilities. The new facility should create a fivefold increase of our production capacity in addition to offering a one-stop shopping opportunity to our partners and provide better protection of our Intellectual Property.

The Company has entered into a lease agreement for an additional 11,000 square feet of expansion space and the preparation for a facility expansion is ongoing.

All amounts are expressed in thousands of U.S. dollars unless otherwise stated.

Currency rate fluctuations

Our operating currency is Canadian dollars, while our reporting currency is U.S. dollars. Accordingly, our results of operations and balance sheet position have been affected by currency rate fluctuations. In summary, our financial statements for the nine-month period ended September 30, 2017 report an accumulated other comprehensive loss due to foreign currency translation adjustments of $663 due to the fluctuations in the rates used to prepare our financial statements, $356 of which positively impacted our comprehensive loss for the nine-month period ended September 30, 2017. The following Management Discussion and Analysis takes this into consideration whenever material.

Reconciliation of Comprehensive Income (Loss) to Adjusted Earnings before Interest, Taxes, Depreciation and Amortization (Adjusted EBITDA)

Adjusted EBITDA is a non-US GAAP financial measure. A reconciliation of the Adjusted EBITDA is presented in the table below. The Company uses adjusted financial measures to assess its operating performance. Securities regulations require that companies caution readers that earnings and other measures adjusted to a basis other than US-GAAP do not have standardized meanings and are unlikely to be comparable to similar measures used by other companies. Accordingly, they should not be considered in isolation. The Company uses Adjusted EBITDA to measure its performance from one period to the next without the variation caused by certain adjustments that could potentially distort the analysis of trends in our operating performance, and because the Company believes it provides meaningful information on the Company's financial condition and operating results.

IntelGenx obtains its Adjusted EBITDA measurement by adding to comprehensive income (loss), finance income and costs, depreciation and amortization, income taxes and foreign currency translation adjustment incurred during the period. IntelGenx also excludes the effects of certain non-monetary transactions recorded, such as share-based compensation, for its Adjusted EBITDA calculation. The Company believes it is useful to exclude these items as they are either non-cash expenses, items that cannot be influenced by management in the short term, or items that do not impact core operating performance. Excluding these items does not imply they are necessarily nonrecurring. Share-based compensation costs are a component of employee and consultant's remuneration and can vary significantly with changes in the market price of the Company's shares. Foreign currency translation adjustments are a component of other comprehensive income and can vary significantly with currency fluctuations from one period to another. In addition, other items that do not impact core operating performance of the Company may vary significantly from one period to another. As such, Adjusted EBITDA provides improved continuity with respect to the comparison of the Company's operating results over a period of time. Our method for calculating Adjusted EBITDA may differ from that used by other corporations.

Reconciliation of Non-US-GAAP Financial Information

	Three-month period ended September 30,		**Nine-month period ended September 30,**	
In U.S.$ thousands	**2017**	2016	**2017**	2016
	$	$	$	$
Comprehensive (loss) income	**(586)**	62	**(1,604)**	(1,451)
Add (deduct):				
Depreciation of tangible assets	**185**	174	**525**	361
Financing and interest expense	**218**	60	**329**	146
Interest income	**(5)**	(2)	**(8)**	(2)
Stock-based compensation	**44**	49	**267**	141
Foreign currency translation adjustment	**(196)**	(32)	**(356)**	(105)
Adjusted EBITDA	**(340)**	311	**(847)**	(910)

Adjusted Earnings before Interest, Taxes, Depreciation and Amortization (Adjusted EBITDA)

Adjusted EBITDA decreased to ($340) for the three-month period ended September 30, 2017 compared to $311 for the three-month period ended September 30, 2016. Adjusted EBITDA improved to ($847) for the nine-month period ended September 30, 2017 compared to ($910) for the nine-month period ended September 30, 2017. The decrease in Adjusted EBITDA of $651 for the three-month period ended September 30, 2017 is mainly attributable to a decrease in revenues of $565 and an increase in R&D expenses of $185 before consideration of stock-based compensation, partially offset by a decrease in SG&A expenses of $99 before consideration of stock-based compensation. The improvement in Adjusted EBITDA of $63 for the nine-month period ended September 30, 2017 is mainly attributable to an increase in revenues of $424 and a decrease in SG&A expenses of $251 before consideration of stock-based compensation partially offset by an increase in R&D expenses of $562 before consideration of stock-based compensation.

Results of operations for the three-month and nine-month periods ended September 30, 2017 compared with the three-month and nine-month periods ended September 30, 2016.

In U.S.$ thousands	Three-month period ended September 30, 2017	2016	Nine-month period ended September 30, 2017	2016
Revenue	$ 1,254	$ 1,819	$ 3,733	3,309
Cost of royalty and license revenue	97	97	278	228
Research and development expenses	578	388	1,876	1,295
Selling, general and administrative expenses	963	1,072	2,693	2,837
Depreciation of tangible assets	185	174	525	361
Operating (loss) income	**(569)**	88	**(1,639)**	(1,412)
Net (loss) income	**(782)**	30	**(1,960)**	(1,556)
Comprehensive (loss) income	**(586)**	62	**(1,604)**	(1,451)

Revenue

Total revenues for the three-month period ended September 30, 2017 amounted to $1,254, representing a decrease of $565 or 31% compared to $1,819 for the three-month period ended September 30, 2016. Total revenues for the Nine-month period ended September 30, 2017 amounted to $3,733, representing an increase of $424 or 13% compared to $3,309 for the nine-month period ended September 30, 2016. The decrease for the three-month period ended September 30, 2017 compared to the last year's corresponding period is mainly attributable to a decrease in license and other revenues $565. The increase for the nine-month period ended September 30, 2017 compared to the last year's corresponding period is mainly attributable to an increase in license and other revenues of $1,475 offset by a decrease in royalties of $1,051.

Cost of royalty and license revenue

We recorded $97 for the cost of royalty and license revenue in the three-month period ended September 30, 2017 compared with $97 in the same period of 2016. We recorded $278 for the cost of royalty and license revenue in the nine-month period ended September 30, 2017 compared with $228 in the same period of 2016. This expense relates to a Project Transfer Agreement that was executed in May 2010 with one of our former development partners whereby we acquired full rights to, and ownership of, Forfivo XL ®, our novel, high strength formulation of Bupropion hydrochloride, the active ingredient in Wellbutrin XL ®. Pursuant to the Project Transfer Agreement, and following commercial launch of Forfivo XL ® in October 2012, we are required, after recovering an aggregate $200 for management fees previously paid, to pay our former development partner 10% of net product sales received from the sale of Forfivo XL ®. We recovered the final portion of the management fees in December 2014, thereby invoking payments to our former development partner. Following the monetization of Forfivo XL ®'s royalties, we are required to record 10% of the deferred revenues from the monetization as cost of royalty and license revenue until December 31, 2017 which represented $278 for the nine-month period ended September 30, 2017.

Research and development ("R&D") expenses

R&D expenses for the three-month period ended September 30, 2017 amounted to $578, representing an increase of $190 or 49%, compared to $388 for the three-month period ended September 30, 2016. R&D expenses for the nine-month period ended September 30, 2017 amounted to $1,876, representing an increase of $581 or 45%, compared to $1,295 for the nine-month period ended September 30, 2016.

The increase in R&D expenses for the three-month period ended September 30, 2017 is mainly attributable to increases in R&D salaries of $119 related to new hires, study costs of $91 and analytical costs of $62. The increase was partially offset by a reduction in patent costs of $77. The increase in R&D expenses for the nine-month period ended September 30, 2017 is mainly attributable to increases in lab supplies of $204, R&D salaries of $318 related to new hires, study costs of $241, analytical costs of $114 and license fees of $40. The increase was partially offset by a reduction in patent costs of $350.

In the three-month period ended September 30, 2017 we recorded estimated Research and Development Tax Credits and refunds of $31, compared with $22 that was recorded in the same period of the previous year. In the nine-month period ended September 30, 2017 we recorded estimated Research and Development Tax Credits and refunds of $92, compared with $68 that was recorded in the same period of the previous year.

Selling, general and administrative ("SG&A") expenses

SG&A expenses for the three-month period ended September 30, 2017 amounted to $963, representing a decrease of $109 or 10%, compared to $1,072 for the three-month period ended September 30, 2016. SG&A expenses for the nine-month period ended September 30, 2017 amounted to $2,693, representing a decrease of $144 or 5%, compared to $2,837 for the nine-month period ended September 30, 2016.

The decrease in SG&A expenses for the three-month period ended September 30, 2017 is mainly attributable to a decrease in business development expenses of $108 and professional fees of $207 partially offset by an increase in salaries of $48 and a variation of the foreign exchange expense of $136 due to the appreciation of the CAD dollar vs the US currency. The decrease in SG&A expenses for the nine-month period ended September 30, 2017 is mainly attributable to a decrease in professional fees of $196 and business development expenses of $203 partially offset by an increase in manufacturing expenses of $111 and management and administrative salaries of $133, part of which is non-recurrent.

Depreciation of tangible assets

In the three-month period ended September 30, 2017 we recorded an expense of $185 for the depreciation of tangible assets, compared with an expense of $174 for the same period of the previous year. In the nine-month period ended September 30, 2017 we recorded an expense of $525 for the depreciation of tangible assets, compared with an expense of $361 for the same period of the previous year. The increases in the depreciation of tangible assets are mainly attributable to the commencement of the depreciation of the plant equipment.

Share-based compensation expense, warrants and stock based payments

Share-based compensation warrants and share-based payments expense for the three-month period ended September 30, 2017 amounted to $44 compared to $49 for the three-month period ended September 30, 2016. Share-based compensation warrants and share-based payments expense for the nine-month period ended September 30, 2017 amounted to $267 compared to $141 for the nine-month period ended September 30, 2016.

We expensed approximately $38 in the three-month period ended September 30, 2017 for options granted to our employees in 2015, 2016 and 2017 under the 2006/2016 Stock Option Plan, approximately $4 for options granted to non-employee directors in 2015 and 2016, and approximately $2 for options granted to a consultant in 2016, compared with $45, $4, and $nil respectively that was expensed in the same period of the previous year.

We expensed approximately $134 in the nine-month period ended September 30, 2017 for options granted to our employees in 2015, 2016 and 2017 under the 2006/2016 Stock Option Plan, approximately $128 for options granted to non-employee directors in 2015, 2016 and 2017, and approximately $5 for options granted to a consultant in 2016, compared with $96, $45, and $nil respectively that was expensed in the same period of the previous year.

There remains approximately $243 in stock based compensation to be expensed in fiscal 2017 and 2018, of which $237 relates to the issuance of options to our employees and directors during 2015 to 2017 and $6 relates to the issuance of options to a consultant in 2016. We anticipate the issuance of additional options and warrants in the future, which will continue to result in stock-based compensation expense.

Key items from the balance sheet

In U.S.$ thousands	September 30, 2017	December 31, 2016	Increase/ (Decrease)	Percentage Increase/ (Decrease)
Current assets	$ 7,882	$ 6,352	$ 1,530	24%
Leasehold improvements and equipment, net	6,523	5,730	793	14%
Security deposits	761	708	53	7%
Current liabilities	2,976	5,235	(2,259)	(43%)
Convertible debenture	5,158	-	5,158	100%
Long-term debt (long term portion)	2,192	2,565	(373)	(15%)
Capital stock	1	1	0	0%
Additional paid-in-capital	25,149	23,700	1,449	6%

Current assets

Current assets totaled $7,882 as at September 30, 2017 compared with $6,352 at December 31, 2016. The increase of $1,530 is mainly attributable to increases in cash and short-term investments of $2,426 partially offset by a decrease in accounts receivable of $574 and prepaid expenses of $330.

Cash

Cash totaled $1,631 as at September 30, 2017 representing an increase of $1,019 compared with the balance of $612 as at December 31, 2016. The increase in cash on hand relates to net cash provided by financing activities of $5,637 partially offset by net used in investing activities of $2,124 and cash used by operating activities of $2,541.

Accounts receivable

Accounts receivable totaled $470 as at September 30, 2017 representing a decrease of $574 compared with the balance of $1,044 as at December 31, 2016. The main reason for the decrease is related to the collection in 2017 of upfront payments accounted for as at December 31, 2016.

Prepaid expenses

As at September 30, 2017 prepaid expenses totaled $236 compared with $566 as of December 31, 2016. The decrease in prepaid expenses is attributable to the advance payment in December 2016 of certain expenses that relate to services to be provided in the remainder of the year.

Investment tax credits receivable

R&D investment tax credits receivable totaled approximately $254 as at September 30, 2017 compared with $246 as at December 31, 2016. The increase is attributable to the accrual estimated and recorded for the nine-months of 2017 offset by the collection of the 2015 tax credits.

Leasehold improvements and equipment

As at September 30, 2017, the net book value of leasehold improvements and equipment amounted to $6,523, compared to $5,730 at December 31, 2016. As at September 30, 2017, the net book values of manufacturing equipment, laboratory and office equipment, computer equipment, and leasehold improvements amounted to $3,040, $787, $31, and $2,665 respectively. As at December 31, 2016, the net book values of manufacturing equipment, laboratory and office equipment, computer equipment and, leasehold improvements were $2,429, $807, $23, and $2,471 respectively. In the nine-month period ended September 30, 2017 additions to assets totaled $907 and mainly comprised of $623 for manufacturing equipment, $222 for leasehold improvements, $49 for office equipment and $13 for computer equipment.

Security deposits

A security deposit in the amount of CAD$300 in respect of an agreement to lease approximately 17,000 square feet in a property located at 6420 Abrams, St-Laurent, Quebec, Canada was recorded as at September 30, 2017. Security deposits in the amount of CAD$650 for the term loans were also recorded as at September 30, 2017. The difference between the amount at December 31, 2016 and the amount at September 30, 2017 is related to the US currency fluctuation.

Accounts payable and accrued liabilities

Accounts payable and accrued liabilities totaled $1,222 as at September 30, 2017 compared with $897 as at December 31, 2016. The increase is mainly attributable to legal fees in the amount of $255 in connection with the convertible debentures and the accrual of interest on the convertible debentures as at September 30, 2017 in the amount of $107.

Convertible debentures

Convertible debentures totaled $5,158 as at September 30, 2017 resulting in the issuance by the Corporation of a total aggregate principal amount of CAD$7,600,000 of debentures at a price of CAD$1,000 per debenture in July 2017 and August 2017. The convertible debentures have been recorded as a liability. Total transactions costs in the amount of CAD$1,237,000 were recorded against the liability. The accretion expense for the period ended September 30, 2017 amounts to CAD$74,000. The accrued interest on the convertible debentures as September 30, 2017 amounts to $107 and is recorded in accounts payable and accrued liabilities.

Long-term debt

Long-term debt totaled $2,968 as at September 30, 2017 (December 31, 2016 - $3,269). An amount of $2,394 is attributable to term loan from the lender secured by a first ranking movable hypothec on all present and future movable property of the Company and a 50% guarantee by Export Development Canada, a Canadian Crown corporation export credit agency. The reimbursement of the term loan started in September 2015 and should be fully reimbursed by October 2021.

An amount of $574 is attributable to a second loan secured by a second ranking on all present and future property of the Company reimbursable in monthly principal payments starting January 2017 to December 2021.

Shareholders' equity

As at September 30, 2017 we had accumulated a deficit of $19,697 compared with an accumulated deficit of $17,737 as at December 31, 2016. Total assets amounted to $15,166 and shareholders' equity totaled $4,790 as at September 30, 2017, compared with total assets and shareholders' equity of $12,790 and $4,945 respectively, as at December 31, 2016.

Capital stock

As at September 30, 2017 capital stock amounted to $0.666 (December 31, 2016: $0.648) . Capital stock is disclosed at its par value with the excess of proceeds shown in Additional Paid-in-Capital.

Additional paid-in-capital

Additional paid-in capital totaled $25,149 as at September 30, 2017, as compared to $23,700 as at December 31, 2016. Additional paid in capital increased by $1,449 from which $1,182 came from proceeds from exercise of warrants and stock options and $267 from stock based compensation attributable to the amortization of stock options granted to employees and directors.

Taxation

As at December 31, 2016, the date of our latest annual tax return, we had Canadian and provincial net operating losses of approximately $7,585 (December 31, 2015: $6,462) and $7,763 (December 31, 2015: $6,725) respectively, which may be applied against earnings of future years. Utilization of the net operating losses is subject to significant limitations imposed by the change in control provisions. Canadian and provincial losses will be expiring between 2027 and 2036. A portion of the net operating losses may expire before they can be utilized.

As at December 31, 2016, we had non-refundable tax credits of $1,190 (2015: $1,022) of which $8 is expiring in 2026, $10 is expiring in 2027, $168 is expiring in 2028, $147 is expiring in 2029, $126 is expiring in 2030, $133 is expiring in 2031, $167 is expiring in 2032 and $111 is expiring in 2033, $84 expiring in 2034 and $99 is expiring in 2035 and $137 expiring in 2036. We also had undeducted research and development expenses of $5,438 (2015: $4,563) with no expiration date.

The deferred tax benefit of these items was not recognized in the accounts as it has been fully provided for.

Key items from the statement of cash flows

In U.S.$ thousands	**September 30, 2017**	**September 30, 2016**	**Increase/ (Decrease)**	**Percentage Increase/ (Decrease)**
Operating activities	$ (2,541)	$ 3,014	$ (5,555)	(184%)
Financing activities	5,637	1,856	3,781	204%
Investing activities	(2,124)	(5,229)	3,105	59%
Cash - end of period	1,631	2,720	(1,089)	40%

Statement of cash flows

Net cash used in operating activities was $2,541 for the nine-month period ended September 30, 2017, compared to net cash provided from operating activities of $3,014 for the nine-month period ended September 30, 2016. For the nine-month period ended September 30, 2017, net cash used by operating activities consisted of a net loss of $1,960 (2016: $1,556) before amortization, depreciation, stock-based compensation and accretion expenses in the amount of $849 (2016: $502) and a decrease in non-cash operating elements of working capital of $1,430 (2016: increase of $4,068).

The net cash provided by financing activities was $5,637 for the nine-month period ended September 30, 2017, compared to $1,856 provided in the same period of the previous year. An amount of $4,978 derives from the net proceeds from issuance of convertible debenture (2016: $nil) and $1,182 derives from proceeds from exercise of warrants and stock options (2016: $596) offset by repayment of term loans for an amount of $523 (2016: $309). An amount of $1,569 derived from disbursements of a term loan negotiated with the Bank for the nine-month period ended September 30, 2016.

Net cash used in investing activities amounted to $2,124 for the nine-month period ended September 30, 2017 compared to $5,229 in the same period of 2016. The net cash used in investing activities for the nine-month period ended September 30, 2017 relates to the acquisition of short term investments of $3,952 (2016: $3,000) and the purchase of fixed assets of $907 (2016: $2,229) offset by the redemption of short-term investments of $2,735 (2016:$nil).

The balance of cash as at September 30, 2017 amounted to $1,631, compared to $2,720 as at September 30, 2016.

Off-balance sheet arrangements

We have no off-balance sheet arrangements.

Item 3. Controls and Procedures.

As of the end of the period covered by this report, we carried out an evaluation, under the supervision and with the participation of management, including our chief executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934. Based upon that evaluation, our chief executive officer and principal financial officer concluded that our disclosure controls and procedures are effective to cause the material information required to be disclosed by us in the reports that we file or submit under the Exchange Act to be recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. There have been no significant changes in our internal controls or in other factors which could significantly affect internal controls subsequent to the date we carried out our evaluation.

PART II

Item 1. Legal Proceedings

This Item is not applicable

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

This Item is not applicable.

Item 3. Defaults Upon Senior Securities

This Item is not applicable.

Item 4. (Reserved)

Item 5. Other Information

This Item is not applicable.

Item 6. Exhibits

Exhibit 31.1	Certification of C.E.O. Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
Exhibit 31.2	Certification of Principal Accounting Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
Exhibit 32.1	Certification of C.E.O. pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
Exhibit 32.2	Certification of Principal Accounting Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

SIGNATURES

In accordance with the requirements of the Securities Exchange Act of 1934, the Registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

INTELGENX TECHNOLOGIES CORP.

Date: November 9, 2017 By: /s/ *Horst G. Zerbe*

Horst G. Zerbe
President, C.E.O. and
Director

Date: November 9, 2017 By: /s/ *Andre Godin*

Andre Godin
Principal Accounting Officer

Exhibit 31.1

CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Horst G. Zerbe, Chief Executive Officer of IntelGenx Technologies Corp. (the "registrant"), certify that:

1. I have reviewed this quarterly report on Form 10-Q of IntelGenx Technologies Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 9, 2017

/ s/ *Horst G. Zerbe*
Horst G. Zerbe
Chief Executive Officer

Exhibit 31.2

CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Andre Godin, Principal Accounting Officer of IntelGenx Technologies Corp. (the "registrant"), certify that:

1. I have reviewed this quarterly report on Form 10-Q of IntelGenx Technologies Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 9, 2017

/s/ *Andre Godin*
Andre Godin
Principal Accounting Officer

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of IntelGenx Technologies Corp. (the "Company") on Form 10-Q for the period ending September 30, 2017, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Horst G. Zerbe, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Sec. 1350, as adopted pursuant to Sec. 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge and belief:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Horst G. Zerbe

Horst G. Zerbe
Chief Executive Officer
November 9, 2017

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request. The foregoing certifications are accompanying the Company's Form 10-Q solely pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code) and is not being filed as part of the Form 10-Q or as a separate disclosure document.

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of IntelGenx Technologies Corp. (the "Company") on Form 10-Q for the period ending September 30, 2017, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Andre Godin, Principal Accounting Officer of the Company, certify, pursuant to 18 U.S.C. Sec. 1350, as adopted pursuant to Sec. 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge and belief:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ *Andre Godin*
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Andre Godin
Principal Accounting Officer
November 9, 2017

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request. The foregoing certifications are accompanying the Company's Form 10-Q solely pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code) and is not being filed as part of the Form 10-Q or as a separate disclosure document.