

GRAVITAS FINANCIAL INC.

(previously SearchGold Resources Inc.)

Condensed interim consolidated financial report (unaudited)

Periods of three months and six months ended on June 30, 2013 and 2012

GRAVITAS FINANCIAL INC.

(previously SearchGold Resources Inc.)

CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT

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Notice to Reader

The accompanying unaudited condensed interim consolidated financial statements of GRAVITAS FINANCIAL INC. (the "Corporation") for the periods of three months and six months ended on June 30, 2013 and 2012 have been prepared by management and are its responsibility. These unaudited condensed interim consolidated financial statements, together with the accompanying notes, have been reviewed and approved by the members of the Corporation's audit committee. These unaudited condensed interim consolidated financial statements have not been reviewed by the Corporation's auditors.

GRAVITAS FINANCIAL INC.

(previously SearchGold Resources Inc.)

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION (unaudited)

As of

(in Canadian dollars)

	Note	June 30, 2013	December 31, 2012 (Audited)
ASSETS			
Current assets			
Cash		\$ 52,645,301	\$ -
Guaranteed investment certificate, prime rate less 1.80%, maturing in April 2014		20,000	-
Trade and other receivables	5	247,211	251,708
Prepaid expenses		8,922	-
Advance to a related company, interest bearing at 24% per annum, reimbursable in November 30, 2013		402,927	-
		<u>53,324,361</u>	<u>251,708</u>
Non-current assets			
Property and equipment		5,416	5,795
Investments	6	630,131	864,448
Due from related parties	7	-	55,000
		<u>635,547</u>	<u>925,243</u>
		<u>\$ 53,959,908</u>	<u>\$ 1,176,951</u>
LIABILITIES			
Current liabilities			
Bank loan	8	\$ -	\$ 78,933
Trade and other payables	9	626,642	274,109
Customer deposits		45,742	227,373
Dividend payable		166,508	-
Due to directors, non interest bearing		218,870	74,718
Loans payable, due on demand	10	650,077	-
Income taxes payable		58,919	58,919
		<u>1,766,758</u>	<u>714,052</u>
Non-current liabilities			
Deferred income taxes		19,300	78,007
Due to related parties		-	109,284
Debentures	11	54,022,000	-
		<u>54,041,300</u>	<u>187,291</u>
Total liabilities		<u>55,808,058</u>	<u>901,343</u>
EQUITY (DEFICIENCY)			
Share capital		1,401,600	2,000
Contributed surplus		86,000	-
Retained earnings (deficit)		(3,190,182)	347,820
Accumulated other comprehensive loss		(145,568)	(74,212)
		<u>(1,848,150)</u>	<u>275,608</u>
		<u>\$ 53,959,908</u>	<u>\$ 1,176,951</u>

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

These condensed interim consolidated financial statements were approved and authorized for issue by the Board of Directors August 27, 2013.

(s) David Carbonaro
Director

(s) Vikas Ranjan
Director

GRAVITAS FINANCIAL INC.

(previously SearchGold Resources Inc.)

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (unaudited)

Periods of three months and six months ended on (in Canadian dollars)

	Note	June 30, 2013 (3 months)	June 30, 2012 (3 months)	June 30, 2013 (6 months)	June 30, 2012 (6 months)
Revenue					
	14				
Listing and research		\$ 344,725	\$ 240,167	\$ 567,935	\$ 453,829
Advisory services		4,300	125,317	5,800	125,317
Other services		-	5,563	-	16,607
Royalties		5,243	-	5,243	-
Interest		37,340	-	37,340	-
		<u>391,608</u>	<u>371,047</u>	<u>616,318</u>	<u>595,753</u>
Expenses					
Salaries and management fees		91,800	52,000	188,659	119,796
Consulting and professional fees		246,228	117,749	305,315	222,789
General and administrative		92,765	40,679	134,091	84,384
Regulatory fees		14,648	-	14,648	-
Interest expense	15	47,492	2,035	49,683	4,617
Stock exchange listing expense	2	1,525,097	-	1,525,097	-
Transaction expenses		1,158,005	-	1,158,005	-
Impairment on investments		20,000	-	20,000	-
Realized net loss from disposal of investments		-	-	-	-
		<u>187,274</u>	<u>24,610</u>	<u>234,597</u>	<u>155,740</u>
		<u>3,383,309</u>	<u>237,073</u>	<u>3,630,095</u>	<u>587,326</u>
Earnings (loss) before income taxes		<u>(2,991,701)</u>	<u>133,974</u>	<u>(3,013,777)</u>	<u>8,427</u>
Income taxes					
Current income taxes		(40)	15,301	(40)	30,602
Deferred income taxes		(1,318)	81,694	(875)	(51,998)
		<u>(1,358)</u>	<u>96,995</u>	<u>(915)</u>	<u>(21,396)</u>
Net earnings (loss)		<u>(2,990,343)</u>	<u>36,979</u>	<u>(3,012,862)</u>	<u>29,823</u>
Other comprehensive income (loss)					
Net change in fair value		480,362	(72,503)	447,246	301,939
Tax effect of unrealized investment gain (loss)		(120,116)	19,213	(111,340)	(80,014)
Total comprehensive income (loss)		<u>360,246</u>	<u>(53,290)</u>	<u>335,906</u>	<u>221,925</u>
Net earnings (loss) and other comprehensive income (loss)		<u>\$ (2,630,097)</u>	<u>\$ (16,311)</u>	<u>\$ (2,676,956)</u>	<u>\$ 251,748</u>
Basic and diluted earnings per share		<u>\$ (0.072)</u>	<u>\$ 0.001</u>	<u>\$ (0.080)</u>	<u>\$ 0.001</u>
Weighted average number of common shares outstanding		<u>41,655,131</u>	<u>32,891,305</u>	<u>37,807,598</u>	<u>32,891,305</u>

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

GRAVITAS FINANCIAL INC.

(previously SearchGold Resources Inc.)

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY (unaudited)

Periods of six months ended on June 30, 2013 and 2012

(in Canadian dollars)

	Note	Share Capital		Accumulated Other Comprehensive Income	Contributed surplus	Retained Earnings (Deficit)	Total
		Number	Amount				
Balance on January 1st, 2012		32,891,305	\$ 2,000	\$ (75,857)	\$ -	\$ 114,951	\$ 41,094
Net earnings		-	-	-	-	29,823	29,823
Other comprehensive income							
Available-for-sale financial assets							
Net change in fair value		-	-	221,925	-	-	221,925
Reclassification to net earnings		-	-	122,212	-	-	122,212
Total comprehensive income		-	-	344,137	-	-	344,137
Balance on June 30, 2012		<u>32,891,305</u>	<u>\$ 2,000</u>	<u>\$ 268,280</u>	<u>\$ -</u>	<u>\$ 144,774</u>	<u>\$ 415,054</u>
Balance on January 1st, 2013		32,891,305	\$ 2,000	\$ (74,212)	-	\$ 347,820	\$ 275,608
Dividend		-	-	-	-	(389,718)	(389,718)
Repurchase of shares	12	(1,240,000)	(400)	-	-	(135,422)	(135,822)
Reverse takeover	12	35,000,000	1,400,000	-	86,000	-	1,486,000
Net loss		-	-	-	-	(3,012,862)	(3,012,862)
		<u>33,760,000</u>	<u>1,399,600</u>	<u>-</u>	<u>86,000</u>	<u>(3,538,002)</u>	<u>(2,052,402)</u>
Other comprehensive loss							
Available-for-sale financial assets							
Net change in fair value		-	-	(281,714)	-	-	(281,714)
Reclassification to net earnings		-	-	210,358	-	-	210,358
Total comprehensive loss		-	-	(71,356)	-	-	(71,356)
Balance on June 30, 2013		<u>66,651,305</u>	<u>\$ 1,401,600</u>	<u>\$ (145,568)</u>	<u>\$ 86,000</u>	<u>\$ (3,190,182)</u>	<u>\$ (1,848,150)</u>

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

GRAVITAS FINANCIAL INC.

(previously SearchGold Resources Inc.)

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS (unaudited)

Periods of three months and six months ended on

(in Canadian dollars)

	Note	June 30, 2013 (3 months)	June 30, 2012 (3 months)	June 30, 2013 (6 months)	June 30, 2012 (6 months)
OPERATING ACTIVITIES					
Net earnings (loss)	\$	(2,990,343)	36,979	(3,012,862)	29,823
Adjustements					
Deferred income taxes		(1,318)	81,694	(875)	(51,998)
Bad debt expense		63,934		65,934	
Amortization - Property and equipment		351	354	711	573
Stock exchange listing expense		1,525,097		1,525,097	
Loss on settlement of accounts receivable		25,623		41,503	
Impairment on investments		20,000		20,000	
Investments received for services		(36,612)	(154,995)	(103,959)	(193,306)
Loss (gain) on disposal of investments		23,620		23,620	(6,535)
Loss on expiry of options		138,031	24,610	169,474	162,275
		<u>(1,231,617)</u>	<u>(11,358)</u>	<u>(1,271,357)</u>	<u>(59,168)</u>
Change in working capital items	16	<u>(205,132)</u>	<u>20,711</u>	<u>(243,166)</u>	<u>(6,964)</u>
Cash flows from operating activities		<u>(1,436,749)</u>	<u>9,353</u>	<u>(1,514,523)</u>	<u>(66,132)</u>
INVESTING ACTIVITIES					
Reverse takeover		15,716		15,716	
Additions to property and equipment		(332)	(900)	(332)	(900)
Purchase of investments		(35,645)		(35,645)	(2,000)
Proceeds from disposal of investments		-	9,365		22,535
Loan to a related company		<u>(350,000)</u>		<u>(350,000)</u>	
Cash flows from investing activities		<u>(370,261)</u>	<u>8,465</u>	<u>(370,261)</u>	<u>19,635</u>
FINANCING ACTIVITIES					
Advances from line of credit		-		34,251	
Repayment of line of credit		(113,184)		(113,184)	
Due to directors		33,345	(52,525)	76,868	(14,508)
Loans		563,250	42,000	563,250	42,000
Repayment of loans		(8,100)		(8,100)	(3,750)
Issuance of debentures		54,022,000		54,022,000	
Issue expenses		-			
Repurchase of shares		<u>(45,000)</u>		<u>(45,000)</u>	
Cash flows from financing activities		<u>54,452,311</u>	<u>(10,525)</u>	<u>54,530,085</u>	<u>23,742</u>
Net change in cash		52,645,301	7,293	52,645,301	(22,755)
Cash, beginning of period		<u>-</u>	<u>29,167</u>	<u>-</u>	<u>59,215</u>
Cash, end of period	\$	<u><u>52,645,301</u></u>	<u><u>36,460</u></u>	<u><u>52,645,301</u></u>	<u><u>36,460</u></u>

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

GRAVITAS FINANCIAL INC.

(previously SearchGold Resources Inc.)

NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS (unaudited)

(in Canadian dollars)

NOTE 1. STATUTES OF INCORPORATION AND NATURE OF ACTIVITIES

Gravitas Financial Inc. (previously SearchGold Resources Inc.) and its subsidiaries (hereinafter the "Company" or "Gravitas") specializes in investment research and capital market services in Toronto and Vancouver.

Gravitas shares are listed on the Canadian National Stock Exchange (CNSX) under symbol GFI.

Gravitas Financial Inc. is incorporated under the Canada Business Corporations Act. The new address of Gravitas registered offices and its principal place of business is 333 Bay St., suite 650, Toronto, Ontario M5H 2T4.

NOTE 2. REVERSE TAKEOVER

On June 25, 2013, the Company acquired all shares of Ubika Corp. in exchange for the issuance of 35,000,000 common shares of the Company at a price of \$0.04 per share for a total amount of \$1,400,000.

Following this transaction, UBIKA's shareholders controlled the Company and this transaction was considered to be a reverse takeover of the Company by UBIKA. Since the Company was not a business as defined by IFRS 3, this transaction was accounted for as the purchase by UBIKA of the Company's net assets. The purchase of the Company's net assets was an equity-settled share-based payment under IFRS 2.

In accordance with IFRS 2, equity instruments from this transaction were recognized at fair value of net assets acquired and services received. Services received from the Company consists in the listing of UBIKA as a public listed Company and are measured at the amount of the difference between the fair value of equity instruments of the Company outstanding before the transaction and the net assets acquired from the Company. This transaction is recognized in substance as if UBIKA had proceeded to the issuance of the Company's shares, options and warrants outstanding before the transaction in exchange for the net assets acquired and services received from the Company.

The substance of the issuance of 35,000,000 common shares by the Company is an operation that made UBIKA a public listed Company. Although the statement of financial position and the share capital are those of the Company as legal entity, the assets, liabilities and dollar amounts allocated to share capital are those of UBIKA. The Company's financial statements subsequent to June 25, 2013, provide the continuation of UBIKA's activities.

The net assets acquired and services received are as follows:

Cash	\$	15,716
Guaranteed investment certificate		20,000
Trade and other receivables		103,790
Prepaid expenses		11,778
Investments		317,668
Trade and other payables		(508,049)
Stock exchange listing expense		1,525,097
	\$	<u>1,486,000</u>

GRAVITAS FINANCIAL INC.

(previously SearchGold Resources Inc.)

NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS (unaudited)

(in Canadian dollars)

NOTE 2. REVERSE TAKEOVER (Continued)

The breakdown of the consideration in equity instruments was as follows:

	Number	Amount
Outstanding common shares of the Company	35,000,000	\$ 1,400,000
Outstanding share options of the Company	250,000	-
Outstanding warrants of the Company	4,300,000	<u>86,000</u>
		<u>\$ 1,486,000</u>

The amounts for options and warrants were determined by measuring the fair value of options and warrants outstanding at the time of the qualifying transaction.

Outstanding options had no fair value since these options were cancelled at the closing date as disclosed in Note 13.

Outstanding warrants had a fair value of \$86,000 and this fair value was estimated using the Black & Scholes valuation model using as assumptions a useful life of 17 months, a volatility of 130%, a risk-free interest rate of 1.09% and an exercise price of \$0.10. The expected volatility was determined using the historical data of public companies from the same sector according to each grant period.

NOTE 3. STATEMENT OF COMPLIANCE

These unaudited condensed interim consolidated financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") and in accordance with IAS 34 Interim Financial Reporting. The unaudited condensed interim consolidated financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2012, as they follow the same accounting policies and methods of application, unless otherwise indicated.

NOTE 4. SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation

Since June 25, 2013, the consolidated interim financial statements includes the financial statements of the Company and its wholly owned subsidiaries Ubika Company ("UBIKA"), SmallCapPower and SearchGold Guinée SARL. Interim financial statements prior to this date includes only the accounts of Ubika Corp. and SmallCapPower. The annual reporting date of the subsidiaries is December 31.

All transactions between the parent company and its subsidiaries, balances, income and expenses are eliminated upon consolidation.

Net earnings (loss) of a subsidiary acquired or disposed of during the reporting period are recognized from the effective date of the acquisition, or up to the effective date of disposal, as applicable.

GRAVITAS FINANCIAL INC.

(previously SearchGold Resources Inc.)

NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS (unaudited)

(in Canadian dollars)

NOTE 5. TRADE AND OTHER RECEIVABLE

	June 30, 2013 (Unaudited)	December 31, 2012 (Audited)
Trade accounts	\$ 207,204	258,920
Allowance for doubtful accounts	(49,155)	(7,212)
Royalties receivable	79,512	-
Interest receivable	7,000	-
Other	2,650	-
	<u>\$ 247,211</u>	<u>\$ 251,708</u>
Less than 90 days	\$ 119,089	\$ 147,748
Over 90 days	<u>128,122</u>	<u>103,960</u>
Total trade accounts and other receivable	<u>\$ 247,211</u>	<u>\$ 251,708</u>

NOTE 6. INVESTMENTS

The Company has a portfolio of investments that are considered available for sale assets.

	June 30, 2013 (Unaudited)	December 31, 2012 (Audited)
Common shares	\$ 411,729	\$ 304,560
Options (a)	194,032	510,010
Warrants	<u>24,370</u>	<u>49,878</u>
	<u>\$ 630,131</u>	<u>\$ 864,448</u>

(a) Includes an amount of \$65,752 in options that had not vested. (an amount of \$122,212 for December 31, 2012).

As at June 30, 2013, the Company also has interest in Guéguéré and Mandiana mining properties which have been recorded at a \$1.

Guéguéré

In 2009, the Company entered into an option agreement with SOMIKA SARL under which it can acquire 100% interest in the 500 km² area Guéguéré gold-bearing property located in the south-west part of Burkina Faso once all of the following conditions have been met:

- By paying a total of US\$50,002, as US\$2 upon signature, US\$20,000 two years after the date of signature and US\$30,000 three years after the date of signature;
- By issuing a total of 62,500 common shares of the Company, as 25,000 common shares upon signature, 12,500 common shares on the first anniversary date, 12,500 common shares on the second anniversary date and 12,500 common shares on the third anniversary date;
- By incurring a total of US\$800,000 in exploration and evaluation expenditures, as US\$400,000 on the second anniversary date and US\$400,000 on the third anniversary date.

GRAVITAS FINANCIAL INC.

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NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS (unaudited)

(in Canadian dollars)

NOTE 6. INVESTMENTS (Continued)

The property is subject to a 2% net smelter return which the Company have the right to purchase for \$1,000,000 per 0.5% net smelter return bracket.

On January 28, 2011, the Company signed a joint venture agreement with Concordia Resources Corp. ("Concordia") for the development of its Gueguere mining property under which Concordia can acquire an interest of up to 80% following certain conditions.

The Company will then participate in the development costs or will be diluted in proportion to its interest. Swala will be the project operator and a technical committee will be created to supervise the development work carried out on the property. Should there be a commercial start of output, both parties agree to be diluted in proportion to their respective interest through the Burkina Faso state's non-contributing 10% interest.

On January 16, 2013, the Company signed an addendum with Somika where Somika agreed to waive the exploration and evaluating expenditures of US\$ 800,000. As at June 30, 2013, the Company fulfilled all the conditions of the agreement and owns 100% in the property.

Mandiana

On January 25, 2006, the Company signed an agreement under which it acquired a 100% interest in a property located in Guinea, West Africa covering an area of 487 km².

Under that agreement, the Company has to pay 5% of project expenditures to the vendor per quarter with a minimum US\$10,000 and a maximum of US\$50,000 per quarter. These payments are considered as an advance royalty and will be deductible from the net smelter royalty should the property advance to a production phase.

On June 21, 2013, the Company signed an asset purchase agreement under which the Company is allowing the previous vendor to pursue the work on the Mandiana property in exchange of the cancellation of all indebtedness owing to him by the Company and the repurchase of 1,240,000 common shares of the Corporaiton owed by him for a total consideration of \$62,500. This transaction was reflected prior to the reverse takeover transaction.

NOTE 7. DUE FROM RELATED PARTY

The Company has a loan receivable from a shareholder company of the Company. The loan is unsecured, non interest bearing and without specific terms of repayment.

	June 30, 2013 (Unaudited)	December 31, 2012 (Audited)
\$	-	\$ 55,000

GRAVITAS FINANCIAL INC.

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NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS (unaudited)

(in Canadian dollars)

NOTE 8. BANK LOAN

The Company has established a credit facility with a Canadian chartered bank to support its continuing working capital needs. This credit facility is collateralized by a general security agreement covering all of the Company's assets and a personal guarantee from two shareholders. The credit facility is a \$125,000 revolving demand line of credit, bearing interest at the bank's prime rate plus 1.75%. On June 25, 2013, the Company repaid the bank in full and cancelled the facility.

NOTE 9. TRADE ACCOUNTS AND OTHER PAYABLES

	June 30, 2013 (Unaudited)	December 31, 2012 (Audited)
Trade accounts	\$ 536,725	\$ 196,959
Goods and services taxes payable	46,716	77,150
Interest payable on loans	21,000	-
Interest payable on debentures	<u>22,201</u>	<u>-</u>
	<u>\$ 626,642</u>	<u>\$ 274,109</u>

NOTE 10. LOANS PAYABLE, DUE ON DEMAND

	June 30, 2013 (Unaudited)	December 31, 2012 (Audited)
Loan payable to an individual, non interest bearing	5,000	-
Loans payable to directors, non interest bearing	30,000	-
Loans payable to related companies, non interest bearing	54,650	-
Loans payable to individuals, interest bearing at 24% per annum or minimum of 4% interest	350,000	-
Loans payable to companies, interest bearing at 24% per annum or minimum of 4% interest	<u>210,427</u>	<u>-</u>
	<u>\$ 650,077</u>	<u>\$ -</u>

NOTE 11. DEBENTURES

The debentures matures on June 25, 2023 and bears interest at a rate as is equal to the greater of : i) three percent (3%) per annum; or ii) an amount as is equal to eighty percent (80%) of the earnings before interest expense and tax (EBIT) on a consolidated basis, subject to an aggregate maximum amount of eight percent (8%) per annum. The base three percent (3%) interest payment shall be payable quarterly, commencing June 30, 2013, with the annual adjustment made based on the aforementioned net earnings calculation annually and paid out on April 30 of each year.

The term of the debentures is ten (10) years, renewable for an additional ten (10) year period upon the payment of a renewal fee equal to one (1%) percent of the principal amount of the debentures outstanding at the date of renewal. Upon any such renewal, the rate of interest on the debentures shall be adjusted such minimum interest rate shall be equal to Government of Canada 10-year bond rate, plus five percent (5%).

GRAVITAS FINANCIAL INC.

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NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS (unaudited)

(in Canadian dollars)

NOTE 12. SHARE CAPITAL

12.1 Share capital

The share capital of the company consists only of fully paid ordinary shares.

Authorized

Unlimited number of common shares voting and participating

Transactions on share capital

On May 15, 2013, the Company repurchase 400 common shares of Ubika's for a total consideration of \$135,822 as \$25,000 in cash and \$110,822 recognized against an amount receivable.

On June 21, 2013, the Company repurchased 1,240,000 common shares of the Company following the signature of an asset sale agreement on its Mandiana property described in Note 6.

On June 25, 2013, the Company issued 35,000,000 common shares of the Company as part of the reverse takeover described in Note 2.

12.2 Warrants

The following table shows the changes in warrants:

	June 30, 2013 (Unaudited)		December 31, 2012 (Audited)	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Outstanding on January 1st	-	\$ -	-	\$ -
Assumed as part of the reverse takeover (note 2)	<u>4,300,000</u>	0.10	<u>-</u>	-
Outstanding and exercisable	<u><u>4,300,000</u></u>	\$ 0.10	<u><u>-</u></u>	\$ -

NOTE 12. SHARE CAPITAL (Continued)

The number of outstanding warrants that could be exercised for an equal number of common shares is as follows:

Expiration date	Exercise price	Number of warrants outstanding	warrants
November 5, 2014	\$ 0.10	<u><u>4,300,000</u></u>	<u><u>4,300,000</u></u>

GRAVITAS FINANCIAL INC.

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NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS (unaudited)

(in Canadian dollars)

NOTE 13. EMPLOYEE REMUNERATION

Share option plan

The Company has adopted a stock-based compensation plan under which members of the Board of Directors may award options for common shares to directors, officers, employees and consultants. The maximum number of common shares issuable pursuant to the share option plan must not exceed 10% of the total number of common shares outstanding from time to time.

The exercise price of each option is determined by the Board of Directors and cannot be less than the market value of the common shares on the eve of the award and the term of the options cannot be more than five years. The options are exercisable immediately.

All share-based payments will be settled in equity. The Company has no legal or constructive obligation to repurchase or settle the options.

The Company's share options are as follows for the reporting periods presented:

	June 30, 2013 (Unaudited)		December 31, 2012 (Audited)	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding on January 1st	-	\$ -	-	\$ -
Assumed as part of the reverse takeover (note 2)	250,000	0.10	-	-
Cancelled	(250,000)	0.10	-	-
Outstanding	-	-	-	-
Exercisable	-	\$ -	-	\$ -

NOTE 14. REVENUE

	June 30, 2013 (3 months) (Unaudited)	June 30, 2012 (3 months) (Unaudited)	June 30, 2013 (6 months) (Unaudited)	June 30, 2012 (6 months) (Unaudited)
Listing and research fees	\$	\$	\$	\$
Amount to be settled in cash	308,113	184,840	463,976	337,340
Amount settled in options	10,612	32,827	56,459	81,489
Amount settled in shares	26,000	22,500	47,500	35,000
	\$ 344,725	\$ 240,167	\$ 567,935	\$ 453,829

GRAVITAS FINANCIAL INC.

(previously SearchGold Resources Inc.)

NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS (unaudited)

(in Canadian dollars)

NOTE 15. INTEREST EXPENSES

	June 30, 2013 (3 months) (Unaudited)	June 30, 2012 (3 months) (Unaudited)	June 30, 2013 (6 months) (Unaudited)	June 30, 2012 (6 months) (Unaudited)
Interest on bank loan	\$ 21,000	\$ -	\$ 21,000	\$ -
Interest on convertible debentures	22,201	-	22,201	-
Interest on current liabilities and bank charges	4,291	2,025	6,482	4,617
	<u>47,492</u>	<u>\$ 2,025</u>	<u>\$ 49,683</u>	<u>\$ 4,617</u>

NOTE 16. ADDITIONAL INFORMATIONS – CASH FLOWS

The changes in working capital items are detailed as follows:

	June 30, 2013 (3 months) (Unaudited)	June 30, 2012 (3 months) (Unaudited)	June 30, 2013 (6 months) (Unaudited)	June 30, 2012 (6 months) (Unaudited)
Trade and other receivables	\$ 35,354	\$ 16,899	\$ (35,237)	\$ 8,538
Prepaid expenses	2,856	-	2,856	-
Advances to related parties	(61,571)	(6,095)	3,729	(9,000)
Trade and other payables	(173,908)	(3,095)	(198,788)	(34,810)
Customer deposits	(7,863)	-	(15,726)	-
Income taxes payable		13,002		28,308
	<u>\$ (205,132)</u>	<u>\$ 20,711</u>	<u>\$ (243,166)</u>	<u>\$ (6,964)</u>

Cash flows from interest and income taxes

	June 30, 2013 (3 months) (Unaudited)	June 30, 2012 (3 months) (Unaudited)	June 30, 2013 (6 months) (Unaudited)	June 30, 2012 (6 months) (Unaudited)
Interest paid (received)	\$ (3,848)	\$ 2,025	\$ (1,657)	\$ 4,617
Income taxes paid (received)	\$ (40)	\$ 2,304	\$ (40)	\$ 2,304

GRAVITAS FINANCIAL INC.

(previously SearchGold Resources Inc.)

NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS (unaudited)

(in Canadian dollars)

NOTE 17. RELATED PARTIES

The Company's related parties include its joint key management and other related parties, as described below.

Unless otherwise stated, none of the transactions incorporated special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

Transactions with key management personnel

Remuneration of the key management personnel, that is, the President, the Vice-President Finance and the directors, includes the following expenses:

	June 30, 2013 (3 months) (Unaudited)	June 30, 2012 (3 months) (Unaudited)	June 30, 2013 (6 months) (Unaudited)	June 30, 2012 (6 months) (Unaudited)
Salaries and management fees	\$ 61,000	50,977	\$ 121,000	\$ 89,502
Consulting and professional fees	-	-	-	2,250
General and administrative	<u>9,900</u>	<u>8,950</u>	<u>19,800</u>	<u>17,950</u>
	<u>\$ 70,900</u>	<u>59,927</u>	<u>\$ 140,800</u>	<u>\$ 109,702</u>

During the six-month period ended June 30, 2013, the Company received loans for a total amount of \$30,000 from directors of the Company as describe in Note 10.

NOTE 18. COMMITMENTS

The Company has entered into several future commitments related to services for the operations of the Company. The combined future minimum payments are as follows:

Less than 1 year	\$ 113,600
1-5 years	\$ 20,800

Included in less than one year is \$90,000 due to be incurred as the minimum amount of services on a contract. The remaining amount to be spent on the contract is the greater of \$90,000 or 50% of the earnings of Small Cappower Corp.

NOTE 19. SEGMENTED INFORMATION

The Company presents and discloses segmental information based on information that is regularly reviewed by the chief operating decision-maker, i.e. the President and Chief Executive Officer and the Board of Directors. Management currently identifies only one operating segment, that is investment research and capital market services in Canada.

NOTE 20. SUBSEQUENT EVENT

In July and August 2013, the Company has reimbursed loans for a total amount of \$310,427.