

**GRAVITAS FINANCIAL INC.**

(previously SearchGold Resources Inc.)

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE SECOND QUARTER ENDED JUNE 30, 2013  
AUGUST 27, 2013**

## SCOPE OF THIS MANAGEMENT DISCUSSION AND ANALYSIS AND NOTICE TO INVESTORS

This management discussion and analysis of financial position and results of operations ("MD&A"), is prepared as of August 27, 2013, and complements the unaudited consolidated financial statements of Gravitas Financial Inc. ("Gravitas" or the "Company"), which include Ubika Corporation ("Ubika"), its wholly owned subsidiary, for the second quarter ended June 30, 2013, which are compared to the second quarter of 2012 ended June 30, 2012, of Ubika, the operating entity of the Company, as well as Ubika's balance sheet as of December 31, 2012.

The consolidated interim financial statements and related notes have been prepared in accordance with IAS 34, Interim Financial Reporting, as issued by the International Accounting Standards Board. They do not contain all the information required to be disclosed in annual financial statements. Certain information and notes usually provided in the annual financial statements have been omitted or condensed when not deemed essential to the understanding of the interim financial information of the Company. Therefore, this MD&A should be read in conjunction with the information contained in the annual audited consolidated financial statements of the Company and the notes thereto for the year ended December 31, 2012. All financial information has been prepared in accordance with International Financial Reporting Standards ("IFRS") and all amounts are in Canadian dollars unless otherwise indicated.

The Company's independent auditors have not conducted a review of the interim financial report in accordance with the standards established by the Canadian Institute of Chartered Accountants regarding the review of the interim financial report.

The unaudited interim financial statements and the MD&A have been reviewed by the audit committee and approved by the Company's Board of Directors on August 27, 2013. These documents and more information about the Company are available on SEDAR at [www.sedar.com](http://www.sedar.com).

## FORWARD LOOKING STATEMENTS

Certain statements made in this MD&A are forward-looking statements or information. The Company is hereby providing cautionary statements identifying important factors that could cause the Company's actual results to differ materially from those projected in the forward-looking statements. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as "may", "is expected to", "anticipates", "estimates", "intends", "plans", "projection", "could", "vision", "goals", "objective" and "outlook") are not historical facts and may be forward-looking and may involve estimates, assumptions and uncertainties which could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements. In making these forward-looking statements, the Company has assumed that the current market will continue and grow and that the risks listed below will not adversely impact the business of the Company. By their nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, which contribute to the possibility that the predicted outcomes may not occur or may be delayed. The risks, uncertainties and other factors, many of which are beyond the control of the Company that could influence actual results include, but are not limited to: future capital requirements; intellectual property protection and infringement risks; competition; reliance on key management personnel and the other risks factors summarized below under the heading "Risks and Uncertainties".

Further, unless otherwise noted, any forward-looking statement speaks only as of the date of this MD&A, and, except as required by applicable law, the Company does not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is

made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for management to predict all such factors and to assess in advance the impact of each such factor on the business of the Company, or the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statement.

## **CORPORATE OVERVIEW AND OPERATIONS**

Gravitas is a public financial services, research and analytics company providing capital market services to private and public company clients. Gravitas operates through its wholly-owned subsidiaries, Ubika and SmallCapPower. The office from which it conducts operations is located in Toronto, Ontario. Through its portal [www.smallcappower.com](http://www.smallcappower.com), it also provides information to corporate and individual investors. Gravitas intends to utilize the public company platform and enhanced access to capital to grow its existing business and to provide new and enhanced products to its clients.

Ubika provides investment research and analytics solutions related to small cap public companies to investors, stock brokers, investment advisors and fund manager. Additionally, small cap companies utilize Ubika for content creation, analytics and information dissemination. Ubika was formed to address the information deficit relating to small cap companies operating in Canadian capital markets. It generates revenue by charging small cap company clients a monthly or annual fee for the provision of analytics or dissemination services.

SmallCapPower is an online portal platform through which small cap companies can disseminate corporate information. Additionally, investors utilize SmallCapPower to access information relating to investment insights, stock quotes and company activity. SmallCapPower clients pay a fee to access the portal. SmallCapPower has a retail subscriber base of approximately 25,000 individuals and a base of over 1,100 institutional subscribers.

Clients that utilize services provided by both Ubika and SmallCapPower operate in a diverse range of industries such as oil and gas, technology, clean tech and exploration.

As part of its future development, the Company intends on expanding upon the solutions offered through SmallCapPower. The growth plan involves developing the web portal which will be built on the latest technology platform. The web portal will allow us to ascertain comprehensive intelligence on visitors and analyze visitor behavior, as well as to offer clients diverse services such as email campaign and video campaign solutions. Such solutions will allow our clients to tailor their pitch to target audiences.

Our growth plan also involves expanding the fulfillment capacity of the portal to include content coverage of U.S. companies. We believe that the digital platform will generate revenue by offering fee-based customized research and information solutions, such as the campaign solutions and newsletters.

Our strategy involves focusing on fee based services, which can be offered through an integrated platform. We intend to utilize the synergies in our different lines of businesses in order to maximize the revenue potential and to minimize the base costs to attend significant savings.

## SELECTED FINANCIAL INFORMATION

### QUALIFYING TRANSACTION

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.

### FINANCIAL POSITION ANALYSIS

#### ASSETS

Total assets at June 30, 2013 were \$53,959,908 compared to \$1,176,951 at December 31, 2012, an increase of \$52,782,957 due primarily to an increase in cash of \$52,645,301 representing the cash received from the debentures following the closing of the Qualifying Transaction.

#### LIABILITIES

Total liabilities at June 30, 2013 were \$55,808,058 compared to \$901,343 as of December 31, 2012, an increase of \$54,906,715 mainly due to an increase of \$54,022,000 related to the issuance of debentures in connection with the closing of the Qualifying Transaction and to loans payable of \$650,077.

#### EQUITY (DEFICIENCY)

The Company had negative equity of \$1,848,150 at June 30, 2013 compared to equity of \$275,608 at December 31, 2012, a decrease of \$2,123,758 mostly due to the transaction expenses incurred of \$1,158,005 and to the recognition of the stock exchange listing expense of \$1,525,097 in connection with the Qualifying Transaction.

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Management discussion for the second quarter ended June 30, 2013

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## OPERATING RESULTS ANALYSIS

### FINANCIAL INFORMATION COMPARISON

Readers are invited to take into consideration that the results herein presented for the second quarter of 2013 represent the consolidated results of Gravitas and Ubika following the Qualifying Transaction, which results are being compared to past financial results of Ubika the Company's operating entity.

	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012
	(3 months)	(3 months)	(6 months)	(6 months)
	\$	\$	\$	\$
Revenue	391,608	371,047	616,318	595,753
Expenses	(3,383,309)	(237,073)	(3,630,095)	(587,326)
<b>Net earnings (loss)</b>	<b>(2,990,343)</b>	<b>36,979</b>	<b>(3,012,862)</b>	<b>29,823</b>

The net loss for the three-month period ended June 30, 2013 was \$2,990,343 or (\$0.072) per share, compared to net earnings of \$36,979 or (\$0.001) per share for the three-month period ended June 30, 2012.

The net loss for the six-month period ended June 30, 2013 was \$3,012,862 or (\$0.080) per share compared to net earnings of \$29,823 or (\$0.001) per share for the six-month period ended June 30, 2012.

The net loss increase of \$3,027,322 for the three month period and \$3,042,685 for the six-month period are due to the following important changes:

#### REVENUE

During the three-month period ended June 30, 2013, revenue totalled \$391,608 compared to \$371,047 for the same period of 2012, an increase of \$20,561.

During the six-month period ended June 30, 2013, revenue totalled \$616,318 compared to \$595,753 for the same period of 2012, an increase of \$20,565.

These increases are mainly due to an increase of \$104,558 and \$114,106 in listing and research services for the three-month and six-month periods ended June 30, 2013 compared to the same periods in 2012 and to a decrease of \$121,017 and \$119,517 in advisory services for the three-month and six-month periods ended June 30, 2013 compared to the same periods in 2012.

#### EXPENSES

During the three-month period ended June 30, 2013 expenses totalled \$3,383,309 compared to \$237,073 for the same period of 2012, an increase of \$3,146,236.

During the six-month period ended June 30, 2013 expenses totalled \$3,630,095 compared to \$587,326 for the same period of 2012, an increase of \$3,042,769.

These increases are mainly due to the transaction expenses incurred of \$1,158,005 and to the recognition of the stock exchange listing expense of \$1,525,097 in connection with the Qualifying Transaction.

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## CASH FLOW ANALYSIS

	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012
	(3 months)	(3 months)	(6 months)	(6 months)
	\$	\$	\$	\$
Operating activities	(1,436,749)	(9,353)	(1,514,523)	(66,132)
Investing activities	(370,261)	8,465	(370,261)	19,635
Financing activities	54,452,311	(10,525)	54,530,085	23,742

### OPERATING ACTIVITIES

The Company used cash flows of \$1,436,749 during the three-month period ended June 30, 2013, compared to \$9,353 for the same period in 2012 and used cash flows of \$1,514,523 during the six-month period ended June 30, 2013, compared to \$66,132 for the same period in 2012. These increases in the used of cash flows are mainly due to the transaction expenses of \$1,158,005 incurred in connection with the Qualifying Transaction.

### INVESTING ACTIVITIES

The Company used cash flows of \$370,261 during the three-month period ended June 30, 2013, compared to cash flows generated of \$8,465 for the same period in 2012 and used cash flows of \$370,261 during the six-month period ended June 30, 2013, compared to cash flows generated of \$19,635 for the same period in 2012. These increases in the used of cash flows are due to an amount of 350,000 loaned to a related company.

### FINANCING ACTIVITIES

The Company generated cash flows of \$54,452,311 during the three-month period ended June 30, 2013, compared to cash flows used of \$10,525 for the same period in 2012 and generated cash flows of \$54,530,085 during the six-month period ended June 30, 2013, compared to cash flows generated of \$23,742 for the same period in 2012. These increases in generated cash flows are mainly due to the issuance of debentures for \$54,022,000 and to loans of \$563,250.

## QUARTERLY RESULTS TRENDS (IN THOUSANDS OF \$)

As a private company, until the reverse takeover transaction which took place on June 25, 2013, the Company was not required to prepare quarterly financial statements. However, the Company decided to present the quarterly information for the three months period ended March 31, 2013. Management considers that the information presented was determined in the same way as for our audited financial statements for the year ended December 31, 2012. These interim financial statements are unaudited.

	2013	
	Q2	Q1
	\$	\$
Revenue	392	224
Net earnings (loss)	(2,992)	(22)
Basic and diluted net loss per Common Share	(0.072)	(0.008)

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### **LIQUIDITY, CAPITAL RESOURCES AND SOURCES OF FINANCING**

As of June 30, 2013, the Company had working capital of \$51,804,753 compared to a working capital deficiency of \$462,344 as of December 31, 2012, an improvement of \$52,267,097. This improvement is primarily due to the closing of the Qualifying Transaction, more specifically to the issuance of the debentures for \$54,022,000.

The Company manages its capital structure and brings about adjustments related to changes in the economic environment and underlying risks of its assets.

As of the present MD&A, the Company believes it will have sufficient liquidity to fund its operations and capital needs for at least the next 12 months.

### **INFORMATION ON OUTSTANDING SECURITIES**

As of the date of this MD&A, the Company's authorized share capital consists in an unlimited number of common shares of which 66,651,305 are currently outstanding as well as 4,300,000 warrants.

### **RELATED PARTY TRANSACTIONS**

Please refer to note 17 of the interim financial statements for key management personnel compensation. The Company has not entered into any other related party transaction.

### **OFF-BALANCE SHEET ARRANGEMENTS**

The Company has no off-balance sheet arrangements.

### **SIGNIFICANT ACCOUNTING POLICIES**

The Company prepares its consolidated financial statements in accordance with IFRS, which require management to make estimates and assumptions that affect the amounts of its assets and liabilities, the information provided with regard to future assets and liabilities as well as the amounts of revenues and expenses for the relevant periods.

The elements in the financial statements that require more use of estimates include allowance for doubtful accounts, fair value of option and warrants received and investment valuation. Actual results may differ from these estimates, but management believes they will not result in material changes versus the results being presented. Readers are invited to refer to the audited financial statements for the year ended December 31 for a full description of the significant accounting policies of the Company at that date.

### **RISKS AND UNCERTAINTIES**

The Company is involved in an industry that is subject to various risks and uncertainties. The risks and uncertainties listed below are not the only ones facing the Company. Additional risks and uncertainties not presently known to the Company or that the Company currently deems immaterial, may also impair the operations of the Company. If any such risks actually occur, it could have a material adverse effect on the Company and Ubika respective activities, results of operation and financial condition. In any such case, the market price of the common shares could decline.

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### COMPETITION

The Company competes with other companies offering investment research and capital market services. Increased competition could reduce the Company's operating margins and profitability and result in a loss of market share. Some of the Company's existing and potential competitors may have competitive advantages, such as significantly greater marketing or other resources, or exclusive arrangements with major clients. The Company cannot assure investors that it will be able to successfully compete against new or existing competitors.

### KEY MANAGEMENT PERSONNEL

The loss of management members could have a material impact on the implementation of the Company's strategic plan. Success of the Company's business plan depends significantly on the work done by the management team. This team consists of a limited number of individuals. The Company does not carry life insurance on those individuals. The loss of a member of management could hinder the execution of the Company's strategic plan, which could have a material impact on its operations.

### MANAGEMENT OF EXPANSION

The Company plans to continue to rapidly expand its operations. These plans will continue to result, in substantial demands on the Company's management resources. To manage its growth, the Company must develop and improve its existing administrative and operational systems and, its financial and management controls and further expand, train and manage its work force. As the Company continues its effort to grow, it may incur substantial costs and expend substantial resources in connection with any such expansion due to, among other things, different technology standards, legal considerations and cultural differences. The Company may not be able to manage its current or future operations effectively and efficiently or compete effectively in such markets. The Company may also not be able to hire, retain, integrate or motivate its current or new personnel. There can be no assurance that the Company will be able to efficiently or effectively manage the growth of its operations, recruit top talent and train its personnel. Any failure to efficiently manage its expansion may materially and adversely affect the Company's business and future growth.

### ECONOMIC CONDITIONS

Demand for the Company's services is sensitive to changes in general economic conditions and demand typically decreases during periods of economic downturn. Customers may reduce the money they spend for a number of reasons, including (i) a general decline in economic conditions; (ii) a decision to shift expenditures to other available services; or (iii) a decline in spending in general. Decrease in demand for investment research and capital market services would materially and adversely affect the Company's ability to generate revenue, its financial condition and results of operations.

Management believes it monitors these risks very closely. It is constantly watching each of these elements and takes the necessary action to mitigate its risks.

Readers are referred to the more detailed information described in other disclosure documents filed with the applicable Canadian securities regulatory authorities and available at [www.sedar.com](http://www.sedar.com).



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### SHARE PRICE VOLATILITY

The market price for the Company's Shares cannot be assured. Securities markets have recently experienced an extreme level of price and volume volatility, and the market price of securities of many companies has experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies.

The trading price of the Gravitas Financial shares may be subject to large fluctuations and may increase or decrease in response to a number of events and factors, both known and unknown. In addition, the market price of the Company's shares will be affected by many variables not directly related to its success and will therefore not be within the Company's control, including other developments that affect the market for securities, the breadth of the public market for the common shares, and the attractiveness of alternative investments.

In the past, following periods of volatility in the market price of a company's securities, shareholders have instituted class action securities litigation against those companies. Such litigation, if instituted, could result in substantial costs and diversion of management attention and resources, which could significantly harm the Company's profitability and reputation.

The market price for the Company's shares may also be affected by its ability to meet or exceed expectations of analysts or investors. Any failure to meet these expectations, even if minor, may have a material adverse effect on the market price of its shares.

### REVENUE DEPENDENT ON FEES

The Company will generate cash flow and revenue by charging clients for research and investment exposure solutions and other fee based advisory and professional services. The Company's main clients are small and mid-cap public companies who pay a monthly or annual fee to access capital market and related services. If the Company's client base is reduced or does not expand, the revenue may be reduced or not increase. Additionally, unforeseen regulatory changes relating to the capital market services industry may affect the ability of the Company to charge fees.

### DEBT REPAYMENT

The Company has a significant amount of debt on its financial position. No assurances can be provided that repayments for this debt will ever be made, which could subject the Company to claims in relation to the breach of obligation. No assurances can be made that the Company will be in a position to satisfy such repayment obligations when and as they become due.