

GRAVITAS FINANCIAL INC.

(previously SearchGold Resources Inc.)

Interim condensed consolidated financial report (unaudited)

Periods of three months and nine months ended on September 30, 2013 and 2012

GRAVITAS FINANCIAL INC.

(previously SearchGold Resources Inc.)

INTERIM CONDENSED CONSOLIDATED FINANCIAL REPORT

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Notice to Reader

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

GRAVITAS FINANCIAL INC.

(previously SearchGold Resources Inc.)

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of

(Unaudited - in Canadian dollars)

	Notes	September 30, 2013	December 31, 2012
ASSETS			
Current assets			
Cash		\$ 46,973,281	\$ -
Guaranteed investment certificate, prime rate less 1.80%, maturing in April 2014		20,000	-
Trade and other receivables	6	507,199	251,708
Loans receivable	7	2,294,198	55,000
Prepaid expenses		53,552	-
		<u>49,848,230</u>	<u>306,708</u>
Non-current assets			
Property and equipment		20,687	5,795
Investments	8	934,033	864,448
Convertible debentures	9	1,517,126	-
Branch name	4	196,272	-
		<u>2,668,118</u>	<u>870,243</u>
		<u>\$ 52,516,348</u>	<u>\$ 1,176,951</u>
LIABILITIES			
Current liabilities			
Bank loan	10	\$ -	\$ 78,933
Trade and other payables	11	477,667	274,109
Customer deposits		34,073	227,373
Dividend payable		86,870	-
Due to directors, non interest bearing		90,652	142,002
Loans payable to related companies, non interest bearing, due on demand		54,650	42,000
Income taxes payable		58,919	58,919
		<u>802,831</u>	<u>823,336</u>
Non-current liabilities			
Lease inducement		25,865	-
Deferred income taxes		22,680	78,007
Debentures	12	54,022,000	-
		<u>54,070,545</u>	<u>78,007</u>
Total liabilities		<u>54,873,376</u>	<u>901,343</u>
EQUITY (DEFICIENCY)			
Share capital	13	1,400,600	2,000
Contributed surplus		86,000	-
Retained earnings (deficit)		(3,855,556)	347,820
Accumulated other comprehensive (income) loss		11,928	(74,212)
		<u>(2,357,028)</u>	<u>275,608</u>
		<u>\$ 52,516,348</u>	<u>\$ 1,176,951</u>

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

These interim condensed consolidated financial statements were approved and authorized for issue by the Board of Directors on November 29, 2013.

(s) David Carbonaro

Director

(s) Vikas Ranjan

Director

GRAVITAS FINANCIAL INC.

(previously SearchGold Resources Inc.)

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

Periods of three months and nine months ended on
(Unaudited - in Canadian dollars)

	Notes	September 30, 2013 (3 months)	September 30, 2012 (3 months)	September 30, 2013 (9 months)	September 30, 2012 (9 months)
Revenue					
Listing and research	15	\$ 80,670	\$ 256,577	\$ 648,605	\$ 710,406
Advisory services		120,000	60,050	125,800	185,367
Other services		1,575	6,640	1,575	23,247
Royalties		122,133	-	127,376	-
Interest	16	298,389	-	335,729	-
		<u>622,767</u>	<u>323,267</u>	<u>1,239,085</u>	<u>919,020</u>
Expenses					
Salaries and management fees		16,733	66,459	205,392	186,255
Consulting and professional fees		430,715	145,014	736,030	367,803
General and administrative		204,861	48,416	338,952	132,800
Regulatory fees		30,266	-	44,914	-
Interest expense	17	415,071	3,643	464,754	8,260
Stock exchange listing expense	2	-	-	1,525,097	-
Transaction expenses		200,112	-	1,358,117	-
Impairment on investments		-	-	20,000	-
Loss on settlement of trade and other receivable		18,080	-	59,583	-
Loss (gain) on disposal of investments		4,389	-	28,009	(6,535)
Loss on expiry of options		-	62,287	169,474	224,562
Unrealized loss on convertible debentures		25,449	-	25,449	-
		<u>1,345,676</u>	<u>325,819</u>	<u>4,975,771</u>	<u>913,145</u>
Earnings (loss) before income taxes		<u>(722,909)</u>	<u>(2,552)</u>	<u>(3,736,686)</u>	<u>5,875</u>
Income taxes					
Current income taxes		-	15,301	(40)	45,903
Deferred income taxes		(16,198)	29,371	(17,073)	(22,627)
		<u>(16,198)</u>	<u>44,672</u>	<u>(17,113)</u>	<u>23,276</u>
Net loss		<u>(706,711)</u>	<u>(47,224)</u>	<u>(3,719,573)</u>	<u>(17,401)</u>
Other comprehensive income (loss)					
Net change in fair value		152,245	(433,515)	(240,809)	(131,576)
Tax effect of unrealized investment gain (loss)		(12,998)	114,882	98,342	34,868
Total comprehensive income (loss)		<u>139,247</u>	<u>(318,633)</u>	<u>(142,467)</u>	<u>(96,708)</u>
Net loss and other comprehensive income (loss)		<u>\$ (567,464)</u>	<u>\$ (365,857)</u>	<u>\$ (3,862,040)</u>	<u>\$ (114,109)</u>
Basic and diluted net loss per share		<u>\$ (0.011)</u>	<u>\$ (0.001)</u>	<u>\$ (0.080)</u>	<u>\$ (0.001)</u>
Weighted average number of common shares outstanding		<u>66,637,718</u>	<u>32,891,305</u>	<u>46,738,140</u>	<u>32,891,305</u>

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

GRAVITAS FINANCIAL INC.

(previously SearchGold Resources Inc.)

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Periods of nine months ended on September 30, 2013 and 2012

(Unaudited - in Canadian dollars)

	Notes	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 loss		-	-	-	-	(17,401)	(17,401)
Other comprehensive income (loss)							
Available-for-sale financial assets							
Net change in fair value		-	-	(96,708)	-	-	(96,708)
Reclassification to net earnings		-	-	167,993	-	-	167,993
Total comprehensive income		-	-	71,285	-	-	71,285
Balance on September 30, 2012		<u>32,891,305</u>	<u>\$ 2,000</u>	<u>\$ (4,572)</u>	<u>\$ -</u>	<u>\$ 97,550</u>	<u>\$ 94,978</u>
Balance on January 1st, 2013		32,891,305	\$ 2,000	\$ (74,212)	-	\$ 347,820	\$ 275,608
Dividend		-	-	-	-	(348,381)	(348,381)
Reverse takeover	13	35,000,000	1,400,000	-	86,000	-	1,486,000
Repurchase of shares	13	(1,290,000)	(1,400)	-	-	(135,422)	(136,822)
Net loss		-	-	-	-	(3,719,573)	(3,719,573)
		<u>33,710,000</u>	<u>1,398,600</u>	<u>-</u>	<u>86,000</u>	<u>(4,203,376)</u>	<u>(2,718,776)</u>
Other comprehensive income (loss)							
Available-for-sale financial assets							
Net change in fair value		-	-	(142,467)	-	-	(142,467)
Reclassification to net earnings		-	-	228,607	-	-	228,607
Total comprehensive income		-	-	86,140	-	-	86,140
Balance on September 30, 2013		<u>66,601,305</u>	<u>\$ 1,400,600</u>	<u>\$ 11,928</u>	<u>\$ 86,000</u>	<u>\$ (3,855,556)</u>	<u>\$ (2,357,028)</u>

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

GRAVITAS FINANCIAL INC.

(previously SearchGold Resources Inc.)

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

Periods of three months and nine months ended on
(Unaudited - in Canadian dollars)

	Notes	September 30, 2013 (3 months)	September 30, 2012 (3 months)	September 30, 2013 (9 months)	September 30, 2012 (9 months)
OPERATING ACTIVITIES					
Net loss		\$ (706,711)	(47,224)	(3,719,573)	(17,401)
Adjustments					
Deferred income taxes		(16,198)	29,371	(17,073)	(22,627)
Amortization - Property and equipment		2,279	(199)	2,990	374
Stock exchange listing expense		-	-	1,525,097	-
Accreted interest	9	(8,715)	-	(8,715)	-
Lease inducement		25,865	-	25,865	-
Impairment on investments		-	-	20,000	-
Investments received for services		(3,807)	(55,327)	(107,766)	(248,633)
Loss on settlement of trade and other receivable		18,080	-	59,583	-
Loss (gain) on disposal of investments		4,389	-	28,009	(6,535)
Loss on expiry of options		-	62,287	169,474	224,562
Unrealized gain on convertible debentures	9	25,449	-	25,449	-
		(659,369)	(11,092)	(1,996,660)	(70,260)
Change in working capital items	18	(487,505)	43,097	(664,737)	36,133
Cash flows from operating activities		(1,146,874)	32,005	(2,661,397)	(34,127)
INVESTING ACTIVITIES					
Reverse takeover	3	-	-	15,716	-
Assets acquisition	4	(299,000)	-	(299,000)	-
Loans receivable		(1,891,271)	-	(2,241,271)	-
Additions to property and equipment		(17,550)	(1,570)	(17,882)	(2,470)
Purchase of investments		(87,000)	(13,610)	(122,645)	(15,610)
Proceeds from disposal of investments		28,180	-	28,180	22,535
Convertible debentures		(1,533,860)	-	(1,533,860)	-
Cash flows from investing activities		(3,800,501)	(15,180)	(4,170,762)	4,455
FINANCING ACTIVITIES					
Advances from line of credit		-	-	34,251	-
Repayment of line of credit		-	-	(113,184)	-
Due to directors		(128,218)	(5,563)	(51,350)	(20,071)
Loans		-	-	563,250	42,000
Repayment of loans		(595,427)	(3,750)	(603,527)	(7,500)
Issuance of debentures		-	-	54,022,000	-
Repurchase of shares		(1,000)	-	(46,000)	-
Cash flows from financing activities		(724,645)	(9,313)	53,805,440	14,429
Net change in cash		(5,672,020)	7,512	46,973,281	(15,243)
Cash, beginning of period		52,645,301	36,460	-	59,215
Cash, end of period		\$ 46,973,281	\$ 43,972	\$ 46,973,281	\$ 43,972

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

GRAVITAS FINANCIAL INC.

(previously SearchGold Resources Inc.)

NOTES TO INTERIM CONDENSED CONSOLIDATED 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 2R2.

NOTE 2. STATEMENT OF COMPLIANCE

These unaudited interim condensed 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 interim condensed 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 3. 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.

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NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited - in Canadian dollars)

NOTE 3. 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 14.

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 4. ASSETS ACQUISITION

On September 6, 2013, the Company entered into an asset purchase agreement with Gravitas Capital Corp. in consideration of a cash payment of \$300,000. Since the Company was not a business as defined by IFRS 3, this transaction was accounted for as the purchase of net assets.

The assets acquired are as follows:

Investments	\$ 49,678
Options	54,050
Branch name	<u>196,272</u>
	300,000
Repurchase of common shares	<u>(1,000)</u>
	<u>\$ 299,000</u>

The fair value of investments was determined by using the closing price at the time of acquisition.

The fair value of options acquired was estimated using the Black & Scholes valuation model using as assumptions a useful life of 33 months, a volatility of 117%, a risk-free interest rate of 1.24% and an exercise price of \$0.10.

The Company's branch name has been assessed to have an indefinite life and is not amortized but is subject to an annual impairment test. An impairment loss would be recognized if the carrying amount of the branch name exceeded its estimated fair value.

As part of this transaction, the Company repurchased 50,000 common shares included in the investments acquired.

GRAVITAS FINANCIAL INC.

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NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited - in Canadian dollars)

NOTE 5. SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation

Since June 25, 2013, the interim condensed consolidated 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.

NOTE 6. TRADE AND OTHER RECEIVABLE

	September 30, 2012 (Unaudited)	December 31, 2012 (Audited)
Trade accounts	\$ 157,770	\$ 258,920
Allowance for doubtful accounts	<u>(15,528)</u>	<u>(7,212)</u>
	142,242	251,708
Royalties receivable	122,133	-
Interests receivable	145,262	-
Goods and services taxes receivable	87,483	-
Advance to a related company, non interest bearing, repayable on demand	<u>10,079</u>	<u>-</u>
	<u>\$ 507,199</u>	<u>\$ 251,708</u>

The following tables show the ageing of trade receivables after allowance for doubtful accounts:

	Trade accounts	Allowance for doubtful accounts	Net value
September 30, 2013			
Current	\$ 19,436	\$ (1,694)	\$ 17,742
Past due			
31 to 60 days	25,560	(2,556)	23,004
61 to 90 days	22,035	(2,204)	19,831
More than 90 days	<u>90,739</u>	<u>(9,074)</u>	<u>81,665</u>
	<u>\$ 157,770</u>	<u>\$ (15,528)</u>	<u>\$ 142,242</u>
December 31, 2012			
Current	\$ 104,243	-	\$ 104,243
Past due			
31 to 60 days	22,600	-	22,600
61 to 90 days	20,905	-	20,905
More than 90 days	<u>111,172</u>	<u>(7,712)</u>	<u>103,460</u>
	<u>\$ 258,920</u>	<u>\$ (7,712)</u>	<u>\$ 251,208</u>

GRAVITAS FINANCIAL INC.

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NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited - in Canadian dollars)

NOTE 7. LOANS RECEIVABLE

	September 30, 2013 (Unaudited)	December 31, 2012 (Audited)
Loan to a shareholder company, unsecured, non interest bearing, reimbursed in June 2013	\$ -	\$ 55,000
Loans to a public company, interest bearing at 24% per annum, reimbursable in November 30, 2013 (a)	<u>2,294,198</u>	<u>-</u>
	<u>\$ 2,294,198</u>	<u>\$ 55,000</u>

(a) The company is currently reviewing the terms of this loan.

NOTE 8. INVESTMENTS

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

	September 30, 2013 (Unaudited)	December 31, 2012 (Audited)
Common shares	\$ 448,226	\$ 304,560
Options (a)	254,310	510,010
Warrants	231,497	49,878
Mining properties	<u>1</u>	<u>-</u>
	<u>\$ 934,033</u>	<u>\$ 864,448</u>

(a) Includes an amount of \$3,807 in options that had not vested (an amount of \$122,212 for December 31, 2012).

Mining properties

The Company also has interests in Guéguéré and Mandiana mining properties which have been recorded at a \$1 and a net smelter royalty of 0.75% on the mining property Bakoudou located in Gabon, Africa.

Guéguéré

In 2009, the Company entered into an option agreement with SOMIKA SARL under which it can acquire a 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.

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NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited - in Canadian dollars)

NOTE 8. 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 evaluation expenditures of US\$ 800,000. As at September 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 Company owed by him for a total consideration of \$62,500. This transaction was reflected prior to the reverse takeover transaction.

NOTE 9. CONVERTIBLE DEBENTURES

	September 30, 2013 (Unaudited)	December 31, 2012 (Audited)
Loan components of debentures		
Convertible debenture with a nominal value of US\$275,000, 12%, maturing on January 31, 2016, including an option of conversion at \$0.10 per share (a)	\$ 255,163	\$ -
Convertible debenture with a nominal value of \$1,250,000, 9%, maturing on July 16, 2016, including an option of conversion at \$0.18 per share (b)	<u>1,101,847</u>	<u>-</u>
	\$ 1,357,010	\$ -
Convertible components of debentures		
Convertible component of the convertible debenture with a nominal value of US\$275,000 (a)	\$ 28,009	\$ -
Convertible component of the convertible debenture with a nominal value of \$1,250,000 (b)	<u>132,107</u>	<u>-</u>
	<u>\$ 160,116</u>	<u>\$ -</u>
	<u>\$ 1,517,126</u>	<u>\$ -</u>

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NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited - in Canadian dollars)

NOTE 9. CONVERTIBLE DEBENTURES (Continued)

The initial value of the components of convertible debentures are determined by measuring the fair value of the convertible component and assigning the residual value to the loan component. The loan component is not remeasured subsequent to initial recognition.

(a) The Company determined that at September 3, 2013, date of which it received the convertible debenture, the fair value of the convertible component of the debenture was \$28,700 (US\$27,245). The fair value was estimated using the Black & Scholes valuation model using as assumptions a useful life of 2.42 years, a risk-free interest rate of 1.24% and an expected volatility of 313%. The fair value of the loan portion of the convertible debenture of \$260,988 (US\$247,755) was calculated using the residual method.

Invested amount of convertible debenture (US\$275,000)	\$ 289,685
Less:	
Fair value of convertible component of debenture (US\$27,245)	<u>(28,697)</u>
Fair value of loan component of debenture (US\$247,755)	260,988
Exchange loss at September 30, 2013	<u>(5,825)</u>
Fair value of loan component of debenture (US\$247,755) as at September 30, 2013	<u>\$ 255,163</u>

The Company determined that at September 30, 2013, the fair value of the convertible component of the debenture was \$28,009 (US\$27,196). The fair value was estimated using the Black & Scholes valuation model using as assumptions a useful life of 2.22 years, a risk-free interest rate of 1.24% and an expected volatility of 306%. The Company recorded an unrealized loss on convertible debentures of \$688 in net loss.

(b) The Company determined that at July 16, 2013, date of which it received the convertible debenture, the fair value of the convertible component of the debenture was \$156,868. The fair value was estimated using the Black & Scholes valuation model using as assumptions a useful life of 3 years, a risk-free interest rate of 1.25% and an expected volatility of 73%. The fair value of the loan portion of the convertible debenture of \$1,093,132 was calculated using the residual method.

Invested amount of convertible debenture	\$ 1,250,000
Less:	
Fair value of convertible component of debenture	<u>(156,868)</u>
Fair value of loan component of debenture	<u>\$ 1,093,132</u>

The Company determined that at September 30, 2013, the fair value of the convertible component of the debenture was \$132,107. The fair value was estimated using the Black & Scholes valuation model using as assumptions a useful life of 2.83 years, a risk-free interest rate of 1.24% and an expected volatility of 67%. The Company recorded an unrealized loss on convertible debentures of \$24,761 in net loss. An amount of \$8,715 was recorded as interest income and accreted back to the loan portion of the debenture.

Loan portion of debenture July 16, 2013	\$ 1,093,132
Accretion	<u>8,715</u>
Loan portion of debenture as at September 30, 2013	<u>\$ 1,101,847</u>

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NOTE 10. 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 11. TRADE ACCOUNTS AND OTHER PAYABLES

	September 30, 2013 (Unaudited)	December 31, 2012 (Audited)
Trade accounts	\$ 458,189	\$ 196,959
Goods and services taxes payable	-	77,150
Salaries and employee benefits	<u>19,478</u>	<u>-</u>
	<u>\$ 477,667</u>	<u>\$ 274,109</u>

NOTE 12. 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%).

NOTE 13. SHARE CAPITAL

13.1 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 8.

On June 25, 2013, the Company issued 35,000,000 common shares of the Company as part of the reverse takeover described in Note 3.

On September 6, 2013, the Company repurchased 50,000 common shares of the Company for a total consideration of \$1,000 following the signature of an asset purchase agreement describe in Note 4.

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(Unaudited - in Canadian dollars)

NOTE 13. SHARE CAPITAL (Continued)

13.2 Warrants

The following table shows the changes in warrants:

	September 30, 2013		December 31, 2012	
	(Unaudited)		(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 3)	4,300,000	0.10	-	-
Outstanding and exercisable	4,300,000	\$ 0.10	-	\$ -

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	Number of warrants exercisable
November 5, 2014	\$ 0.10	4,300,000	4,300,000

NOTE 14. 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 discounted 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:

	September 30, 2013		December 31, 2012	
	(Unaudited)		(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 3)	250,000	0.10	-	-
Cancelled	(250,000)	0.10	-	-
Outstanding and exercisable	-	-	-	-

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(Unaudited - in Canadian dollars)

NOTE 15. LISTING AND RESEARCH FEES

	September 30, 2013 (3 months) (Unaudited)	September 30, 2012 (3 months) (Unaudited)	September 30, 2013 (9 months) (Unaudited)	September 30, 2012 (9 months) (Unaudited)
Listing and research fees				
Amount to be settled in cash	\$ 76,863	\$ 201,250	\$ 540,839	\$ 538,590
Amount settled in options	3,807	32,827	60,266	114,316
Amount settled in shares	-	22,500	47,500	57,500
	<u>\$ 80,670</u>	<u>\$ 256,577</u>	<u>\$ 648,605</u>	<u>\$ 710,406</u>

NOTE 16. INTEREST REVENUE

	September 30, 2013 (3 months) (Unaudited)	September 30, 2012 (3 months) (Unaudited)	September 30, 2013 (9 months) (Unaudited)	September 30, 2012 (9 months) (Unaudited)
Interest on bank	\$ 144,412	\$ -	\$ 181,752	\$ -
Interest on loans	119,416	-	119,416	-
Interest on convertible debentures	<u>34,561</u>	<u>-</u>	<u>34,561</u>	<u>-</u>
	<u>\$ 298,389</u>	<u>\$ -</u>	<u>\$ 335,729</u>	<u>\$ -</u>

NOTE 17. INTEREST EXPENSES

	September 30, 2013 (3 months) (Unaudited)	September 30, 2012 (3 months) (Unaudited)	September 30, 2013 (9 months) (Unaudited)	September 30, 2012 (9 months) (Unaudited)
Interest on loans	\$ 582	\$ -	\$ 21,582	\$ -
Interest on debentures	405,165	-	427,366	-
Interest on current liabilities and bank charges	<u>9,324</u>	<u>3,643</u>	<u>15,806</u>	<u>8,260</u>
	<u>\$ 415,071</u>	<u>\$ 3,643</u>	<u>\$ 464,754</u>	<u>\$ 8,260</u>

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NOTE 18. ADDITIONAL INFORMATIONS – CASH FLOWS

The changes in working capital items are detailed as follows:

	September 30, 2013 (3 months) (Unaudited)	September 30, 2012 (3 months) (Unaudited)	September 30, 2013 (9 months) (Unaudited)	September 30, 2012 (9 months) (Unaudited)
Trade and other receivables	\$ (285,508)	\$ (71,612)	\$ (251,082)	\$ (72,074)
Prepaid expenses	(44,630)	-	(41,774)	-
Trade and other payables	(149,505)	99,404	(348,293)	64,594
Customer deposits	(7,862)	-	(23,588)	-
Income taxes payable	-	15,305	-	43,613
	<u>\$ (487,505)</u>	<u>\$ 43,097</u>	<u>\$ (664,737)</u>	<u>\$ 36,133</u>

Cash flows from interest and income taxes

	September 30, 2013 (3 months) (Unaudited)	September 30, 2012 (3 months) (Unaudited)	September 30, 2013 (9 months) (Unaudited)	September 30, 2012 (9 months) (Unaudited)
Interest paid (received)	\$ 274,287	\$ 3,643	\$ 275,944	\$ 8,260
Income taxes paid (received)	\$ (40)	\$ 2,304	\$ (40)	\$ 2,304

NOTE 19. 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:

	September 30, 2013 (3 months) (Unaudited)	September 30, 2012 (3 months) (Unaudited)	September 30, 2013 (9 months) (Unaudited)	September 30, 2012 (9 months) (Unaudited)
Salaries and management fees	\$ 40,059	\$ 96,753	\$ 161,059	\$ 186,255
Consulting and professional fees	224,535	-	224,535	-
General and administrative	46,482	-	66,282	17,950
	<u>\$ 311,076</u>	<u>\$ 96,753</u>	<u>\$ 451,876</u>	<u>\$ 204,205</u>

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NOTE 20. 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	\$	150,600
1-5 years	\$	28,000

The Company also entered into an agreement for the lease of premises expiring in August 30, 2019. Future minimum lease payments, aggregate to \$1,846,148 and include the following payments for the next years:

Less than 1 year	\$	295,699
1-5 years	\$	1,550,449

NOTE 21. 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 22. SUBSEQUENTS EVENTS

On October 29, 2013, the Company acquired a 8% interest in a Company operating in real estate for a total consideration of \$81,000. In addition, the Company has invested in a convertible debenture for a total amount of \$1,000,000. The debenture is convertible into preferred shares at the lowest of \$0.15 per share or the IPO price. Dividends of 8% are payable annually.

On November 13, 2013, the Company announced the signature of a conditional share purchase agreement to acquire a 40% interest in Portfolio Analysts Inc., the parent company of Portfolio Strategies Corp., a leading Canadian independent mutual fund dealer.

On November 22, 2013, the Company invested in a convertible debenture for a total amount of US\$950,000, interest bearing at 12% per annum, maturing on November 22, 2014 and including an option of conversion at \$0.05 per share.