GRAVITAS FINANCIAL INC.

Interim condensed consolidated financial report

Periods of three and six months ended on June 30, 2015 and 2014

Unaudited

GRAVITAS FINANCIAL INC.

INTERIM CONDENSED CONSOLIDATED FINANCIAL REPORT

Notice to Reader

The accompanying unaudited interim condensed consolidated financial statements of GRAVITAS FINANCIAL INC. (the "Company") for the periods of three and six months ended on June 30, 2015 and 2014 have been prepared by management and are its responsibility. These unaudited interim condensed consolidated financial statements, together with the accompanying notes, have been reviewed by the audit committee and approved by the Company’s Board of Directors. These unaudited interim condensed consolidated financial statements have not been reviewed by the Company's auditors.

GRAVITAS FINANCIAL INC.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of (Unaudited - in Canadian dollars)

	Notes	June 30, 2015	December 31, 2014
		$	$
ASSETS			
Current assets			
Cash		28,646,477	20,106,400
Restricted cash	7	9,624,203	-
Guaranteed investments certificates		25,089,000	42,000,000
Trade and other receivables		1,742,447	1,145,258
Inventory		270,272	-
Prepaid expenses		157,389	429,952
Equity investments and other	9	-	150,000
Loans receivable	11	2,778,320	880,000
Convertible debentures	12	396,663	794,137
		68,704,771	65,505,747
Non-current assets			
Property and equipment		168,426	174,334
Equity investments and other	9	5,483,386	4,507,028
Investments in associates	10	5,844,382	5,528,607
Loans receivable	11	2,775,000	2,566,270
Convertible debentures	12	1,525,752	1,545,174
Intangible assets	8	780,168	958,134
		16,577,114	15,279,547
Total assets		85,281,885	80,785,294
LIABILITIES			
Current liabilities			
Trade and other payables		4,031,691	2,237,677
Customer deposits		179,000	157,000
Debentures current portion	13	457,924	421,001
		4,668,615	2,815,678
Non-current liabilities			
Lease inducement		27,647	30,968
Derivative warrant liability	14	-	410,211
Debentures	13	142,194,316	130,707,226
		142,221,963	131,148,405
Total liabilities		146,890,578	133,964,083
EQUITY (DEFICIENCY)			
Share capital	15	1,400,600	1,400,600
Contributed surplus	16	471,685	86,738
Deficit		(61,740,521)	(56,103,842)
Accumulated other comprehensive loss (income)			
Available-for sale financial assets		467,539	1,691,796
Foreign currency translation		(40,967)	-
Total equity (deficiency) attributable to owners of the parent company		(59,441,664)	(52,924,708)
Non-controlling interests		(2,167,029)	(254,081)
Total equity (deficiency)		(61,608,693)	(53,178,789)
Total liabilities and equity (deficiency)		85,281,885	80,785,294

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

Approved on behalf of the Board of directors

/S/ David Carbonaro — Director

/S/ Vikas Ranjan — Director

GRAVITAS FINANCIAL INC.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

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

	Notes	June 30, 2015 (3 months)	June 30, 2014 (3 months)	June 30, 2015 (6 months)	June 30, 2014 (6 months)
			Restated Note 3		Restated Note 3
		$	$	$	$
Revenue					
Listing and research		160,550	153,855	374,000	245,610
Advisory services		-	6,600	-	53,349
Consulting		115,147	70,281	242,153	91,763
Royalties		101,305	60,293	164,515	136,234
Interest	17	409,301	721,640	918,489	1,632,488
Other		31,651	2,500	82,842	5,385
		817,954	1,015,169	1,781,999	2,164,829
Expenses					
Salaries and management fees		285,216	204,717	575,640	386,171
Consulting and professional fees		747,767	398,566	1,345,316	844,959
General and administrative		782,365	407,845	1,455,473	765,067
Interest expense	18	2,373,431	437,665	5,531,715	871,487
Exchange loss (gain)		181,116	9,568	(53,046)	(36,794)
Gain on settlement of trade and other receivables		(17,123)	-	(17,123)	(10,324)
Gain on settlement of a debenture payable		-	-	(22,895)	-
Loss on settlement of a debenture receivable		-	-	50,000	-
Gain on settlement of a loan payable to a company controlled by shareholders		-	(33,900)	-	(33,900)
Loss (gain) on disposal of available-for-sale investments		(109,523)	-	(389,907)	38,000
Change in fair value of convertible debentures - conversion feature	12	112,760	616,050	133,123	429,915
Change in fair value of FVTPL investments		(259,761)	159,348	(293,444)	288,020
Change in fair value of derivative warrant liability	14	-	-	(44,423)	-
Impairment of investments	11 and 12	449,390	-	449,390	-
Share of results in associates	10	299,927	-	610,650	-
		4,845,565	2,199,859	9,330,469	3,542,601
Loss before income taxes		(4,027,611)	(1,184,690)	(7,548,470)	(1,377,772)
Income taxes					
Current income taxes		1,157	-	1,157	-
Net loss		**(4,028,768)**	**(1,184,690)**	**(7,549,627)**	**(1,377,772)**
Other comprehensive income (loss)					
Items that will be reclassified subsequently to net loss					
Available-for-sale-financial assets					
Net change in fair value, net of tax effect		681,875	544,715	(834,350)	645,436
Reclassification to net loss, net of tax effect		(109,523)	-	(389,907)	38,000
		572,352	544,715	(1,224,257)	683,436
Foreign currency translation					
Net change in fair value, net of tax effect		-	-	-	-
Reclassification to net loss, net of tax effect		(8,176)	-	(40,967)	-
		(8,176)	-	(40,967)	-
Total comprehensive income (loss)		564,176	544,715	(1,265,224)	683,436
Comprehensive loss		**(3,464,592)**	**(639,975)**	**(8,814,851)**	**(694,336)**
Net loss attributable to:					
Shareholders of Gravitas Financial Inc.		(2,872,727)	(1,183,470)	(4,842,223)	(1,376,226)
Non-controlling interests		(1,156,041)	(1,220)	(2,707,404)	(1,546)
		(4,028,768)	(1,184,690)	(7,549,627)	(1,377,772)
Comprehensive loss attributable to:					
Shareholders of Gravitas Financial Inc.		(2,308,551)	(638,755)	(6,091,051)	(692,790)
Non-controlling interests		(1,156,041)	(1,220)	(2,723,800)	(1,546)
		(3,464,592)	(639,975)	(8,814,851)	(694,336)
Basic and diluted net loss per share		(0.060)	(0.018)	(0.113)	(0.021)
Weighted average number of common shares outstanding		66,601,305	66,601,305	66,601,305	66,601,305

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

GRAVITAS FINANCIAL INC.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Periods of six months ended on June 30, 2015 and 2014 **(Unaudited - in Canadian dollars)**

	Notes	Share Capital		Accumulated Other Comprehensive Income (Loss)		Contributed surplus	Deficit	Non-controlling interest	Total
				Available-for-sale financial assets	Foreign currrency translation				
		Number	$	$	$	$	$	$	$
Balance on January 1st, 2014		66,601,305	1,400,600	(92,044)	-	86,000	(1,042,507)	-	352,049
Dividend		-	-	-	-	-	(10,000)	-	(10,000)
Net loss		-	-	-		-	(1,376,226)	(1,546)	(1,377,772)
		-	-	-	-	-	(1,386,226)	(1,546)	(1,387,772)
Other comprehensive income									
Net change in fair value, net of tax effect		-	-	645,436	-	-	-	-	645,436
Reclassification to net loss, net of tax effect		-	-	38,000	-	-	-	-	38,000
Total comprehensive income		-	-	683,436	-	-	-	-	683,436
Balance on June 30, 2014		66,601,305	1,400,600	591,392	-	86,000	(2,428,733)	(1,546)	(352,287)
Balance on January 1st, 2015		66,601,305	1,400,600	1,691,796	-	86,738	(56,103,842)	(254,081)	(53,178,789)
Change in functional currency	4	-	-	-	-	365,788	-	-	365,788
Broker warrants issued as part of the Serie C debenture	13	-	-	-	-	18,650	-	-	18,650
Stock-based compensation	16	-	-	-	-	509	-	-	509
Non-controlling interest	6						(794,456)	794,456	-
Net loss		-	-	-	-	-	(4,842,223)	(2,707,404)	(7,549,627)
		-	-	-	-	384,947	(5,636,679)	(1,912,948)	(7,164,680)
Other comprehensive loss									
Net change in fair value, net of tax effect		-	-	(834,350)		-	-	-	(834,350)
Reclassification to net loss, net of tax effect		-	-	(389,907)	(40,967)	-	-	-	(430,874)
Total comprehensive loss		-	-	(1,224,257)	(40,967)	-	-	-	(1,265,224)
Balance on June 30, 2015		66,601,305	1,400,600	467,539	(40,967)	471,685	(61,740,521)	(2,167,029)	(61,608,693)

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

GRAVITAS FINANCIAL INC.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

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

	Notes	June 30, 2015 (3 months)	June 30, 2014 (3 months)	June 30, 2015 (6 months)	June 30, 2014 (6 months)
		$	$	$	$
OPERATING ACTIVITIES					
Net loss		(4,028,768)	(1,184,690)	(7,549,627)	(1,377,772)
Adjustments					
Stock-based compensation		-	-	509	-
Amortization - Property and equipment		11,834	8,975	24,347	19,910
Amortization - Intangible assets	8	88,983	88,983	177,966	177,966
Accreted interest on convertible debenture	12	(44,423)	(120,494)	(163,389)	(234,455)
Accreted interest on loans	11	(9,651)	-	(76,350)	-
Accreted interest on investments	9	(1,964)	-	(2,771)	-
Accreted interest on debenture	13	568,966	23,772	1,956,910	42,679
Lease inducement		(1,660)	(1,660)	(3,321)	(3,321)
Gain on settlement of trade and other receivables		(17,123)	-	(17,123)	-
Gain on settlement of a debenture	13	-	-	(22,895)	-
Loss on settlement of a debenture	9	-	-	50,000	-
Loss on settlement of trade and other receivables		-	-	-	(10,324)
Gain on settlement of a loan payable to a company controlled by hareholders		-	(33,900)	-	(33,900)
Loss (gain) on disposal of available-for-sale investments		(109,523)	-	(389,907)	38,000
Change in fair value of convertible debentures - conversion feature	12	112,760	616,050	133,123	429,915
Change in fair value of FVTPL investments		(259,761)	159,348	(293,444)	288,020
Change in fair value of derivative warrant liability	14	-	-	(44,423)	-
Common shares and warrants received as an incentive for early conversion of a convertible debenture		-	-	(47,909)	-
Impairment of investments	11 and 12	449,390	-	449,390	-
Share of results in associates	10	299,927	-	610,650	-
		(2,941,013)	(443,616)	(5,208,264)	(663,282)
Change in working capital items	19	931,086	337,164	1,218,366	(335,054)
Cash flows from operating activities		(2,009,927)	(106,452)	(3,989,898)	(998,336)
INVESTING ACTIVITIES					
Investment in restricted cash		(9,624,203)	-	(9,624,203)	-
Guaranteed investments certificates		5,100,000	20,000	16,911,000	20,000
Additions to property and equipment		(10,866)	(4,116)	(18,439)	(21,299)
Purchase of equity investments and other		(1,635,498)	(560,483)	(2,167,745)	(721,833)
Proceeds from disposal of investments		478,589	-	1,025,934	-
Purchase of investments in associates	10	(617,850)	-	(1,160,025)	(4,027,098)
Dividends received on investments in associates	10	140,000	40,000	233,600	80,000
Loans receivable		(1,471,770)	(2,882,787)	(2,476,920)	(5,317,333)
Reimbursement of loans receivable		260,000	7,559,366	360,000	7,559,366
Convertible debentures		119,386	(576,675)	(112,360)	(1,715,595)
Cash flows from investing activities		(7,262,212)	3,595,305	2,970,842	(4,143,792)
FINANCING ACTIVITIES					
Due to directors		-	-	-	(67,599)
Due to a related company		-	-	-	(51,730)
Issuance of a debenture	13	9,624,203	-	9,624,203	-
Reimbursement of a debenture	13	-	-	(24,105)	-
Cash flows from financing activities		9,624,203	-	9,600,098	(119,329)
Translation effect on cash		(8,176)	-	(40,967)	-
Net change in cash		**343,888**	**3,488,853**	**8,540,075**	**(5,261,457)**
Cash, beginning of period		**28,302,587**	**17,464,823**	**20,106,400**	**26,215,133**
Cash, end of period		**28,646,475**	**20,953,676**	**28,646,475**	**20,953,676**

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

GRAVITAS FINANCIAL INC.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As of June 30, 2015 and 2014 and December 31, 2014 **(Unaudited - in Canadian dollars)**

NOTE 1. NATURE OF OPERATIONS

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

Gravitas shares and debentures are publicly traded on the Canadian Stock Exchange (CSE) 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.

These unaudited interim condensed consolidated financial statements, prepared in accordance with International Financial Reporting Standards ("IFRS"), have been approved by the Board of Directors on August 28, 2015 in preparation of their filing.

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, 2014, as they follow the same accounting policies and methods of application, unless otherwise indicated.

NOTE 3. RESTATEMENT

Subsequent to the issuance of the Company's consolidated financial statements for the year ended December 31, 2013, it was determined that the fair value of the conversion feature and the initial carrying value of the loan component of the convertible debentures issued during the year ended December 31, 2013, disclosed throughout the Company's consolidated financial statements, was incorrectly calculated. The effects of the restatement on the consolidated statement of comprehensive loss for the three-month and six-month periods ended June 30, 2014 and the consolidated statement of changes in equity for the six-month period ended June 30, 2014 are summarized below. The adjustments between amounts previously reported and amounts restated had no effect on the consolidated statement of cash flows.

			June 30, 2014 (3 months)
	Previously reported	Adjustments	Restated
	$	$	$
Consolidated Statement of Comprehensive Loss			
Revenue	965,891	49,278	1,015,169
Expenses	1,659,156	540,703	2,199,859
Loss before income taxes	(693,265)	(491,425)	(1,184,690)
Net loss	(693,265)	(491,425)	(1,184,690)
Other comprehensive loss	544,715	-	544,715
Net loss and comprehensive loss	(148,550)	(491,425)	(639,975)
Basic and diluted net loss per share	(0.010)	(0.007)	(0.018)

			June 30, 2014 (6 months)
	Previously reported	Adjustments	Restated
	$	$	$
Consolidated Statement of Comprehensive Loss			
Revenue	2,083,681	81,148	2,164,829
Expenses	3,205,024	337,577	3,542,601
Loss before income taxes	(1,121,343)	(256,429)	(1,377,772)
Net loss	(1,121,343)	(256,429)	(1,377,772)
Other comprehensive loss	683,436	-	683,436
Net loss and comprehensive loss	(437,907)	(256,429)	(694,336)
Basic and diluted net loss per share	(0.017)	(0.004)	(0.021)

GRAVITAS FINANCIAL INC.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As of June 30, 2015 and 2014 and December 31, 2014 **(Unaudited - in Canadian dollars)**

NOTE 3. RESTATEMENT (CONTINUED)

			June 30, 2014 (6 months)
	Previously reported	Adjustments	Restated
	$	$	$
Consolidated Statement of Changes in Equity			
Balance on January 1st, 2014	(731,671)	1,083,720	352,049
Dividend	(10,000)	-	(10,000)
Net loss	(1,121,343)	(256,429)	(1,377,772)
	(1,131,343)	(256,429)	(1,387,772)
Other comprehensive loss	683,436	-	683,436
Balance on June 30, 2014	(1,179,578)	827,291	(352,287)

NOTE 4. CHANGES TO ACCOUNTING POLICIES

Functional currency

Effective April 1, 2015, The Mint Corporation ("Mint"), a subsidiary of the Company, changed its functional currency to the Canadian dollar. The change in functional currency was applied on a prospective basis. This change reflects the subsidiary's financing and operating activities, which are now primarily in the Canadian dollar.

The impact of the change in functional currency on the measurement and reporting is discussed below. The change in functional currency will result in no additional changes in the cumulative translation adjustment going forward as Mint's functional currency is the Canadian dollar.

Prior to the change in functional currency, the financial results and positions of foreign operations whose functional currency is different from the reporting currency were translated as follows:

- Assets and liabilities were translated at period end exchange rates prevailing at the reporting date, and
- Income and expenses were translated at the average exchange rate for the period

Exchange gains and losses were included as part of accumulated other comprehensive income on the statement of financial position.

As a result of the change in functional currency, Mint's outstanding warrants that were previously accounted for as derivative liabilities and measured at fair value with changes in fair value accounted through the consolidated statement of loss and comprehensive loss will no longer be treated as derivative liabilities as the exercise price is in the functional currency of the Company. The fair value of the warrants outstanding at March 31, 2015 was reclassified to a separate component of equity on April 1, 2015 and no future fair value measurements will be required. The net impact of the change in functional currency is as follows:

	Previously reported at March 31, 2015	Impact of change in fucntional currency	Balance April 1, 2015
	$	$	$
Derivative warrant liability	365,788	(365,788)	-
Total equity	(52,449,737)	365,788	(52,083,949)

Exchange differences are recognized in profit or loss in the period in which they arise.

New and revised standards that are effective for annual periods beginning on or after January 1, 2015.

The Company has adopted the following standards, effective January 2015. There was no consequential impact upon adoption.

IFRS 8 – Operating Segments

IFRS 8, "Operating Segments" was amended to require (i) disclosure of judgements made by management in aggregating segments, and (ii) a reconciliation of segment assets to the entity's assets when segments are reported.

IAS 24 – Related Party Transactions

IAS 24, "Related Party Transactions" was amended to (i) revise the definition of "related party" to include an entity that provides key management personnel services to the reporting entity or its parent, and (ii) clarify related disclosure requirements.

GRAVITAS FINANCIAL INC.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As of June 30, 2015 and 2014 and December 31, 2014 **(Unaudited - in Canadian dollars)**

NOTE 5. SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation

These consolidated financial statements include the accounts of the Company and its subsidiaries.

Subsidiaries	Jurisdiction of incorporation	% of ownership
Ubika Corp.	Canada	100%
Gravitas Select Flow-Through GP Inc.	Canada	100%
Gravitas Financial Services Holdings Inc.	Canada	100%
Gravitas Corporate Services Inc.	Canada	100%
Gravitas Global GP Inc.	Canada	100%
Gravitas Venture Inc.	Canada	100%
New India Investment Corporation	Canada	100%
Luxury Quotient International Inc.	Canada	100%
Global Compliance Network Inc. (a)	Canada	100%
Gravitas Consolidated Corp. (a)	Canada	100%
Gravitas Investor Platform Inc. (a)	Canada	100%
Gravitas International Corp. (a)	Canada	100%
The Mint Corporation	Canada	63.5%
Branson Corporate Services Inc.	Canada	51%
Luxury Quotient India Private Ltd.	India	100%
SearchGold Guinée SARL (inactive)	Africa	100%

(a) Incorporated in 2015

NOTE 6. ACQUISITION OF ADDITIONAL INTEREST IN MINT

On June 23, 2015, the Company purchased 20 million units of Mint at $0.05 per unit for $1,000,000, thereby increasing its ownership interest from 50% interest to 63.5% interest. Each unit consisting of one common share of Mint and one-half of one common share purchase warrant of Mint. Each whole warrant is exercisable into one common share at an exercise price of $0.05 until December 23, 2016. The fair value of the warrants was estimated at $347,000 using the Black&Scholes pricing model with the following assumptions: an expected volatility of 107%, a risk-free interest rate of 0.57%, an expected unit life of 5 years, no expected dividend yield and a share price of $0.50.

The Company obtained control of Mint in November 2014 and had consolidated the results of Mint thereafter. The transaction described above only increased the voting interests that the Company already had.

Under IFRS 10, *Consolidated financial statements* , when the proportion of the equity held by non-controlling interests changes, an entity shall adjust the carrying amounts of the controlling and non-controlling interests to reflect the changes in their relative interests in the subsidiary. The entity shall recognize directly in equity any adjustment and attribute it to the owners of the parent. Following that transaction, the Company recorded an adjustment of $794,456 in the consolidated statement of changes in equity to reduce the non-controlling interest.

NOTE 7. RESTRICTED CASH

The net proceeds received on the issuance of Mint's Series C debentures have been invested in a one year guaranteed investment certificate, bearing interest at 1.15% per annum pending the finalization of:

- A general security agreement on all of the undertaking, property and assets of Mint;
- A security interest on all of the property and assets of Mint Capital LLC ("MCO"), present and future to be registered in the Dubai International Financial Center ("DIFC");
- An inter-creditor agreement with Gravitas confirming the ranking of the Series C debentures; and
- A security interest on the ownership interest of MCO in Mint Gateway for Electronic Payment Services ("MGEPS").

The restricted cash will be redeemed on the finalization of the above documents

GRAVITAS FINANCIAL INC.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As of June 30, 2015 and 2014 and December 31, 2014 **(Unaudited - in Canadian dollars)**

NOTE 8. INTANGIBLE ASSETS

	Net smelter royalty	Brand Names	Total
	$	$	$
Cost			
Balance as at January 1st, 2014	-	196,272	196,272
Acquisitions	1,245,760	50,000	1,295,760
Balance as at December 31, 2014	1,245,760	246,272	1,492,032
Acquisitions	-	-	-
Balance as at June 30, 2015	1,245,760	246,272	1,492,032
Accumulated amortization			
Balance as at January 1st, 2014	177,966	-	177,966
Amortization	355,932	-	355,932
Balance as at December 31, 2014	533,898	-	533,898
Amortization	177,966	-	177,966
Balance as at June 30, 2015	711,864	-	711,864
Carrying amount			
Balance as at December 31, 2014	711,862	246,272	958,134
Balance as at June 30, 2015	533,896	246,272	780,168

NOTE 9. EQUITY INVESTMENTS AND OTHER

	June 30, 2015	December 31, 2014
	$	$
Investments in quoted companies, at fair value		
Common shares (a)	2,264,005	2,974,861
Options (b)	15,280	21,959
Warrants (c)	493,618	105,047
Debentures (d)	355,488	150,000
Investments in a private companies		
Common shares	131,000	405,160
Preferred shares (e)	2,223,994	1,000,000
Mining properties	1	1
	5,483,386	4,657,028
Current portion	-	(150,000)
	5,483,386	4,507,028

(a) The fair value of the common shares in quoted companies was based on closing prices ranging from $0.005 to $0.455 per share as at June 30, 2015 ($Nil to $0.54 per share as at December 31, 2014).

GRAVITAS FINANCIAL INC.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As of June 30, 2015 and 2014 and December 31, 2014 **(Unaudited - in Canadian dollars)**

NOTE 9. EQUITY INVESTMENTS AND OTHER (Continued)

(b) The fair value of the options using the Black-Scholes princing model was based on the following assumptions:

	June 30, 2015	December 31, 2014
Weighted average exercise price	$0.14	$0.59
Expected dividend	- %	- %
Expected average volatility	214%	140%
Risk-free average interest rate	0.64%	1.02%
Expected average life (years)	1.10	1.36
Weighted average fair value	$0.01	$0.02

(c) The fair value of the warrants using the Black-Scholes pricing model was based on the following assumptions:

	June 30, 2015	December 31, 2014
Weighted average exercise price	$0.27	$0.16
Expected dividend	- %	- %
Expected average volatility	216%	125%
Risk-free average interest rate	0.64%	1.02%
Expected average life (years)	2.22	1.81
Weighted average fair value	$0.08	$0.02

(d) Debentures

As part of the acquisition of Mint, the Company acquired an unsecured non-convertible debenture in Upsnap Inc. ("UP"), formerly Voodoovox Inc., an unrelated publicly listed company in Canada, for an amount of $150,000. The unlisted debentures bear interest at a rate of 12% per annum and are payable quarterly in arrears on the last business day of June, September, December, and March of each year. The debentures matured on March 18, 2015. As a result of financial difficulties at UpSnap and their inability to redeem these debentures at face value, on April 25, 2015, the Company and UpSnap entered a minutes of settlement to redeem the debentures at $100,000 plus accrued interest of $3,797 in full and final settlement and the Company received the $103,797 on April 25, 2015. Accordingly, the Company has written down the debentures to $100,000 and recognized a loss on settlement of a debenture of $50,000 in the consolidated statement of loss and comprehensive loss.

In February 2015, the Company invested in a secured non-convertible debenture in SQI Diagnostic Inc. ("SQD"), an unrelated publicly listed company in Canada, for an amount of $186,000. The debentures bear interest at a rate of 10% payable annually and mature on February 20, 2020. As part of the investment, the Company received a total of 186,000 warrants of SQD. Each warrant entitles the holder to acquire one common share of SQD at an exercise price of $0.60 per share until February 20, 2020. The initial value of the debenture is determined by measuring the fair value of the warrants and assigning the residual value to the debenture component. Subsequently, the debenture component is measured at amortized cost using the effective interest method over the term of the debenture. The debenture component will be accreted to the face value of the debenture by the recording of additional interest income using an effective interest rate of 22.77%. The fair value of the warrant of $69,923 was estimated using the Black-Scholes pricing model with the following assumptions: an expected volatility of 107%, a risk-free interest rate of 0.57%, an expected unit life of 5 years, no expected dividend yield and a share price of $0.50. At June 30, 2015, the carrying value of the debenture component is $118,848.

In February 2015, the Company invested in a secured non-convertible debenture in Enerdynamic Hybrid Technologie Corp. ("EHT"), an unrelated publicly listed company in Canada, for an amount of $290,000. The debentures bear interest at a rate of 18% payable annually and mature on July 3, 2017. As part of the investment, the Company received a total of 116,000 common shares of EHT. The initial value of the debenture is determined by measuring the fair value of the common shares and assigning the residual value to the debenture component. Subsequently, the debenture component is measured at amortized cost using the effective interest method over the term of the debenture. The debenture component will be accreted to the face value of the debenture by the recording of additional interest income using an effective interest rate of 30.63%. The fair value of the common share of $53,360 was determined by using the share price of $0.46 at the time of issuance. At June 30, 2015, the carrying value of the debenture component is $236,640.

	June 30, 2015	December 31, 2014
	$	$
Balance, beginning of period	150,000	-
Acquired through business acquisition	-	150,000
Amount invested	476,000	-
Amount redeemed	(100,000)	
Fair value allocated to the equity components	(123,283)	-
Accretion of interest	2,771	-
Loss on settlement of a debenture	(50,000)	-
	355,488	150,000

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NOTE 9. EQUITY INVESTMENTS AND OTHER (Continued)

(e) Preferred shares

In 2013, the Company acquired 6,666,666 preferred shares in Claxton Real Estate Company Ltd for an amount of $1,000,000. These preferred shares are convertible into common shares at a price of $0.15 per share or at the IPO price, are carrying a cumulative dividend of 8% and are redeemable at the holder option.

On June 12, 2015, New India Investment Corp. ("NIC"), a wholly owned subsidiary of the Company, made a $1,223,994 (US$981,000) investment in Innoviti Payments Solutions Private Limited, a private company incorporated in Bengaluru, India under the Indian Companies Act. The Company acquired 452,061 Series C Preference shares, representing a 6.1% interest. These preferred shares are compulsorily convertible into common shares on a 1:1 basis within 3 years and are carrying a cumulative dividend at 0.1%. NIC has the right to acquire at its option within 12 months after first closing if the company meets certain revenue targets an additional 226,030 Series C Preference shares.

NOTE 10. INVESTMENTS IN ASSOCIATES

The following are the associates of the Company:

	Jurisdiction of Incorporation	% of Ownership
Portfolio Analysts Inc.	Canada	40%
Mint Middle East (MME)	Canada	51%

Portfolio Analysts Inc.

The Company acquired 40% interest of the issued and outstanding shares of Portfolio Analysts Inc. ("PAI"), giving it significant influence over PAI's operations for a total consideration of $4,032,682. Management does not have the current ability to control the key operating activities of PAI; therefore, it does not have control and does not consolidate PAI. The Company accounts for its investment in PAI using the equity method.

Portfolio Analysts Inc. ("PAI") is a Canadian-controlled private corporation and is incorporated under the Alberta Business Corporations Act. PAI is a holding company for Portfolio Strategies Corporation ("PSC"), which is a dealer in mutual funds and exempt securities in the provinces of Alberta, British Columbia, Saskatchewan, Manitoba and Ontario. PSC, a 100% owned subsidiary of PAI, is a registered member of the Mutual Fund Dealers Association of Canada ("MFDA"). Its registered offices and principal place of business is 1850 – 14 Street S.W., Calgary, Alberta, T2T 3S9.

Mint Middle East

Mint Middle East comprises four entities: Mint Middle East LLC ("MME LLC"), Mint Electronic Payment Services Ltd ("MEPS"), Mint Capital LLC ("MCO") and Mint Gateway for Electronic Payment Services ("MGEPS"). Mint Middle East LLC is 51% owned by Mint. MEPS is owned 49% by MME LLC, but is a fully controlled subsidiary of MME LLC by virtue of a nominee agreement which provides for Board and management control to MME LLC as well as a 100% commercial interest in the operations of MEPS. At June 30, 2015, MEPS and MGEPS had no significant operations. The above four entities are together referred to as Mint Middle East ("MME").

MME is owned 51% by Mint and 49% by Global Business Services for Multimedia ("GBS"). MME and its affiliates operate through their registered offices at G02, CBD Building, Sheikh Zayed Road, Dubai, United Arab Emirates ("UAE"). MME and affiliates focus on payroll cards, mobile airtime top up, merchant network solutions and microfinance products to existing payroll cardholders.

MME LLC manages the issuance, administration, customer support, payment processing and set-up and reporting of payroll cards and related activities. MCO provides microfinance loans to payroll card holders.

Mint finalized a management agreement (the "Management Agreement") with GBS, effective December 31, 2014. Under the terms of the Management Agreement, GBS is entitled to a fixed management fee of AED 120,000 ($36,068) per month and a variable management fee of 20% of the net income of MME. The fixed management fee is payable effective May 1, 2014 and the variable management fee is payable effective January 1, 2015. In addition, GBS assumes the oversight of the day-to-day operations of the Company's UAE operations. As a result of the Management Agreement, Mint no longer controls MME or its affiliates with effect from December 31, 2014 and de-consolidated these operations as of that date. Consequently, Mint's investment in MME was measured at fair value as a result of the loss of control.

The Company's continuity of its investments in associates is as follows:

	June 30, 2015	December 31, 2014
	$	$
Balance, beginning of period	5,528,607	-
Acquisitions	-	5,375,071
Acquired through business acquisition	-	1,413,677
Additional working capital funds invested in MME	1,160,025	-
Reclassification due to acquisition of control	-	(1,342,389)
Dividends received	(233,600)	(240,000)
Share of results in associates	(610,650)	322,248
Balance, end of period	5,844,382	5,528,607

GRAVITAS FINANCIAL INC.

NOTE 10. INVESTMENTS IN ASSOCIATES (Continued)

A summary of the financial information of the associates is as follows:

(In thousands of Canadian dollars)	June 30, 2015		December 31, 2014	
	MME	PAI	MME	PAI
	$	$	$	$
Balance sheet				
Current assets	1,789	3,524	4,699	3,545
Non-current assets	4,439	6,805	1,871	5,729
Current liabilities	3,809	3,975	3,969	3,233
Non-current liabilities	558	4,341	474	3,225
Statements of earnings				
Revenue	965	13,404	3,718	25,231
Expenses	1,810	12,331	11,829	24,139
Operating income (loss)	(845)	961	(8,111)	1,122
Net earnings (loss)	(845)	799	(8,111)	904
Cash flows				
Dividend paid	-	584	-	(600)

NOTE 11. LOANS RECEIVABLE

	June 30, 2015	December 31, 2014
	$	$
Loan to a public company, secured, interest bearing at 10% per annum, due in January 2016 (US$100,000)	123,540	116,270
Loan to a public company, secured, interest bearing at 10% per annum, due in January 2016	800,000	500,000
Loan to a public company, secured, interest bearing at 12% per annum, due in September 2015 (a)	250,000	250,000
Loan to public company, unsecured, interest bearing at 0% per annum, due in January 2015	-	100,000
Loan to public company, unsecured, interest bearing at 8% per annum, due in September 2015 (a)	30,000	30,000
Loan to a private company, secured, interest bearing at 6% per annum, due in November 2015 (a)	500,000	500,000
Loan to a private company, secured, interest bearing at 6% per annum, due in December 2017	750,000	750,000
Loan to private company, secured, interest bearing at 8% per annum, due in April 2016	210,000	-
Loan to a private company, unsecured, interest bearing at 5% per annum, due in June 2017	200,000	200,000
Loan to a private company, unsecured, interest bearing at 12% per annum, due in April 2016 (US$350,000) (b)	432,390	-
Loan to a company where a director has a minority interest, unsecured, interest bearing at 6% per annum, due in October 2018	1,825,000	1,000,000
Loan to a private company, secured, interest bearing at 4.5% per annum, due in October 2018 (US$700,000) (c)	864,780	-
	5,985,710	3,446,270
Less: Impairment	(432,390)	-
Less: Current portion	(2,778,320)	(880,000)
	2,775,000	2,566,270

The secured loans are secured under general security agreements.

(a) These loans were extented.

(b) Given the financial difficulties the private company is currently facing, the Company decided to record an impairment on this investment. The Company is currently working on alternative scenarios to redeem it's investment.

(c) During 2015, the Company advanced US$700,000 to MGEPS, an affiliate of the Company, for the advancement of its on-going information technology upgrades.

GRAVITAS FINANCIAL INC.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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NOTE 11. LOANS RECEIVABLE (CONTINUED)

In January 2015, the Company invested in a secured loan for an amount of $260,000. As part of the investment, the Company received a total of 100,000 warrants. Each warrant entitles the holder to acquire one common share at an exercise of $1.00 per share until January 19, 2017. The initial value of the loan is determined by measuring the fair value of the warrants and assigning the residual value to the loan component. Subsequently, the loan component is measured at amortized cost using the effective interest method over the term of the loan. The loan component will be accreted to the face value by the recording of additional interest income. The fair value of the warrant of $76,350 was estimated using the Black-Scholes pricing model with the following assumptions: an expected volatility of 100%, a risk-free interest rate of 1.00%, an expected life of 2 years, no expected dividend yield and a share price of $1.30. On April 8, 2015, this loan was reimbursed.

	June 30, 2015
	$
Amount invested	260,000
Fair value allocated to the equity components	(76,350)
Accretion of interest	76,350
Amount redeemed	(260,000)
	-

NOTE 12. CONVERTIBLE DEBENTURES

	June 30, 2015	December 31, 2014
	$	$
Loan components		
Convertible debenture, secured, with a face value of $1,250,000, 9%, maturing on July 16, 2016 or convertible at any time at the Company's option at $0.18 per share	1,195,706	1,173,101
Convertible debenture, secured, with a face value of $250,000, 12%, maturing on December 17, 2015 or convertible at any time at the Company's option at $0.05 per share (b)	243,097	236,360
Convertible debenture, unsecured, with a face value of $120,000, 12%, maturing on December 20, 2015 or convertible at any time at the Company's option at $0.20 per share (a)	-	61,420
Convertible debenture, unsecured, with a face value of $150,000, 12%, maturing on November 20, 2015 or convertible at any time at the Company's option at $0.10 per share	141,789	132,705
Convertible debenture, unsecured, with a face value of US$350,000, 12%, maturing on April 29, 2015 or convertible at any time at the Company's option at $0.125 per share (b)	-	363,652
Convertible debenture, unsecured, with a face value of $17,000, 12%, maturing on March 31, 2017 or convertible at any time at the Company's option at $0.15 per share (c)	17,000	14,626
Convertible debenture, secured, with a face value of $88,000, 14%, maturing on June 30, 2017 or convertible at any time at the Company's option at $0.10 per share	45,414	40,184
Convertible debenture, unsecured, with a face value of $100,000, 14%, maturing on June 30, 2019 or convertible at any time at the Company's option at $1.14 per share	56,268	53,342
Convertible debenture, unsecured, with a face value of $85,000, 12%, maturing on November 24, 2016 or convertible at any time at the Company's option at $0.15 per share	54,990	48,094
Convertible debenture, unsecured, with a face value of $100,000, 7.5%, maturing on March 30, 2018 or convertible at any time at the Company's option at $0.80 per share	55,559	-
	1,809,823	2,123,484
Conversion feature	129,592	215,827
	1,939,415	2,339,311
Less: Impairment	(17,000)	-
Less: Current portion	(396,663)	(794,137)
	1,525,752	1,545,174

As of June 30, 2015 and 2014 and December 31, 2014 (Unaudited - in Canadian dollars)

NOTE 12. CONVERTIBLE DEBENTURES (Continued)

(a) On January 22, 2015, the Company converted this convertible debenture at a conversion price of $0,20 per share. As a result of this conversion, the Company received a total of 600,000 common shares which are included in equity investments under common shares in quoted companies. As part of an incentive for early conversion, the Company received, for every common share issued pursuant to the conversion, one common share purchase warrant exercisable in one common share at an exercise price of $0.30 for a period of 18 months following conversion and the equivalent of an additional six months of interest beyond the conversion date, settled in common share. As a result of this incentive, the Company received an additional 36,000 common shares which are also included in equity investments under common shares in quoted companies. The fair value of the warrant of $40,709 was recorded under Other revenue in net loss and was estimated using the Black-Scholes model pricing with the following assumptions: an expected volatility of 108%, a risk-free interest rate of 1.00 %, an expected life of 1.5 years, no expected dividend yield and a share price of $0.185.

(b) At the expiry date, this convertible debenture was converted into a loan.

(c) The Company recorded an impairment of $17,000 on this investment as a result of financial difficulties faced by the company in which Gravitas has invested.

The fair value of the conversion feature and the carrying value of loan components are as follows:

			June 30, 2015			December 31, 2014
	Conversion feature	Loan component	Total	Conversion feature	Loan component	Total
	$	$	$	$	$	$
Fair value, beginning of period	215,827	2,123,484	2,339,311	1,983,367	2,721,087	4,704,454
Amount invested	46,888	53,112	100,000	705,258	1,095,337	1,800,595
Amount converted	-	(542,520)	(542,520)	-	(1,625,422)	(1,625,422)
Accretion of interest	-	163,389	163,389	-	1,218,638	1,218,638
Change in fair value	(133,123)	-	(133,123)	(2,472,798)	-	(2,472,798)
Exchange gain	-	12,358	12,358	-	-	-
Impairment	-	(17,000)	(17,000)	-	-	-
Eliminated through business acquisition	-	-	-	-	(1,286,156)	(1,286,156)
Fair value, end of period	129,592	1,792,823	1,922,415	215,827	2,123,484	2,339,311

The initial value of the conversion feature is determined by measuring the conversion feature and assigning the residual value to the loan component. The loan component is not remeasured subsequent to initial recognition.

The fair value of the conversion feature at issuance of $46,888 ($705,258 at December 31, 2014) was estimated using the Black-Scholes option pricing model based on the following weighted average assumptions:

	June 30, 2015	December 31, 2014
Weighted average conversion price	$0.80	$0.16
Expected dividend	- %	- %
Expected average volatility	46%	257%
Risk-free average interest rate	184%	1.10%
Expected average life (years)	3.00	1.73
Weighted average fair value	$0.38	$0.07

The fair value of the conversion feature of $129,592 at June 30, 2015 ($215,827 at December 31, 2014) was estimated using the Black-Scholes option pricing model based on the following weighted average assumptions:

	June 30, 2015	December 31, 2014
Weighted average conversion price	$0.19	$0.14
Expected dividend	- %	- %
Expected average volatility	161%	184%
Risk-free average interest rate	0.64%	1.02%
Expected average life (years)	1.02	1.14
Weighted average fair value	$0.01	$0.02

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NOTE 13. DEBENTURES

	Mint Series VII (a) (MIT.DB)	Mint Series A (b)	Mint Series B (c)	Mint Series C (d)	Gravitas #1 (e)	Gravitas #2 (f) (GFI.DB)	Total
	$	$	$	$	$	$	$
Balance as at January 1st, 2014	-	-	-	-	-	52,921,091	52,921,091
Acquired through business acquisition	415,422	42,203,732	4,270,068	-	-	-	46,889,222
Issued	-	-	-	-	30,023,000	-	30,023,000
Issuance costs	-	-	-	-	(310,293)	-	(310,293)
Accretion of interest	5,580	378,022	61,608	-	4,697	100,274	550,181
Capitalization of accrued interests	-	1,055,026	-	-	-	-	1,055,026
	421,002	43,636,780	4,331,676	-	29,717,404	100,274	78,207,136
Balance as at December 31, 2014	421,002	43,636,780	4,331,676	-	29,717,404	53,021,365	131,128,227
Issued	-	-	-	9,614,100	-	-	9,614,100
Repayment/settlement of debentures	-	-	(46,997)		-	-	(46,997)
Accretion of interest	36,922	1,429,681	388,160	12,900	44,945	44,302	1,956,910
	36,922	1,429,681	341,163	9,627,000	44,945	44,302	11,524,013
Balance as at June 30, 2015	457,924	45,066,461	4,672,839	9,627,000	29,762,349	53,065,667	142,652,240
Balance as at December 31, 2014							
Current portion	421,002	-	-	-	-	-	421,002
Non-current portion	-	43,636,780	4,331,676	-	29,717,404	53,021,365	130,707,225
	421,002	43,636,780	4,331,676	-	29,717,404	53,021,365	131,128,227
Balance as at June 30, 2015							
Current portion	457,924	-	-	-	-	-	457,924
Non-current portion	-	45,066,461	4,672,839	9,627,000	29,762,349	53,065,667	142,194,316
	457,924	45,066,461	4,672,839	9,627,000	29,762,349	53,065,667	142,652,240

GRAVITAS FINANCIAL INC.

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NOTE 13. DEBENTURES (Continued)

(a) Series VII debentures have a face value of $497,700, carry simple interest at 12% per annum payable quarterly on March 31, June 30, September 30 and December 31 and are redeemable on October 18, 2015.

(b) Series A debentures have a face value of $45,066,461 and carry simple interest at 10% per annum payable quarterly on February 16, May 16, August 16 and November 16. Interest for the period up to May 16, 2015 is payable in kind and has been added to principal outstanding. Interest payments from August 16, 2015 onwards are payable in cash. Series A debentures have a term of 5 years and are redeemable on May 16, 2019. Series A debentures can be extended for an additional two (2) years at the Company's option at an interest rate of 12% per annum payable from the date of the extension. These debentures are secured by Mint's assets.

(c) Series B debentures have a face value of $5,049,000 and carry simple interest at 2% per annum payable quarterly on March 7, June 7, September 7 and December 7 each year in cash. Series B debentures were issued in March 2014, are redeemable at par on March 7, 2017 and require a "bonus interest" of 30% of the principal outstanding on March 7, 2017. Interest has been paid up to June 7, 2015. Series B debentures can be redeemed at any date subject to paying a "bonus interest" such that interest paid and payable on the redeemed amounts aggregates to 12% per annum for the period outstanding. Series B debentures can be extended for an additional two (2) years at the Company's option at an interest rate of 12% per annum. These debentures are secured by Mint's assets and are subordinated the Series A debenture.

In March 2015, the Company repaid an amount of $47,000 for cash payments of $24,105. As a result the Company recorded a gain on settlement of $22,895 in net loss.

(d) The debentures have a face value of $10,000,000 and carry simple interest at 5.5% payable quarterly. The debentures are redeemable on June 23, 2018. These debentures are secured by Mint's assets. Mint issued 500,000 broker warrants and incurred $367,250 as directly attributable issuance costs. The fair value of the broker warrants of $18,650 was calculated using the Black-Scholes pricing model. The fair value of the broker warrants and the issuance costs were reduced from the gross proceeds and will be accreted over the term of the debentures.

(e) The debentures have a face value of $30,023,000 and carry simple interest at 3.5% payable quarterly, commencing December 31, 2014. The debentures are redeemable on December 3, 2017. The Company has the option to extend the maturity date for a futher term of three years upon written notice and the payment of a renewal fee equal to one (1%) percent of the outstanding principal amount due as of the maturity date at the same conditions. These debentures are secured by a first ranking lien over the Collateral assets of Gravitas subject to (i) the security interest previously granted and duly registered in respect the debenture of $54,022,000 issued in June 2013 and (ii) any specified priority encumbrances that may be incurred during the term of the indenture and the debenture.

(f) The debentures have a face value of $54,022,000 and carry simple 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 debentures are redeemable at par value on June 25, 2023. 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 that the minimum interest rate shall be equal to Government of Canada 10-year bond rate, plus five percent (5%). For the years ended December 31, 2014 and 2013, the Company paid an interest of 3%. These debentures are secured by Gravitas's assets.

NOTE 14. DERIVATIVE WARRANT LIABILITY

Derivative warrant liability

As part of an exchange of old debentures, warrants were issued for the purchase of common share of Mint. These warrants were accounted for as a derivative liability and measured at fair value with subsequent changes in fair value accounted for through the consolidated statements of loss and comprehensive loss. Outstanding warrants were re-measured at fair value in each reporting period and the change in fair value is recognized in profit or loss.

The following table shows the changes in warrants:

			June 30, 2015			December 31, 2014
	Number of warrants	Weighted average exercise price	Fair value	Number of warrants	Weighted average exercise price	Fair value
		$	$		$	$
Outstanding on January 1st	12,630,883	0.50	410,211	-	-	-
Acquired through business acquisition	-	-	-	12,630,883	0.50	286,249
Expired	(299,524)	1.50	-	-	-	-
Change in fair value	-	-	(44,423)	-	-	123,962
Impact of functional currency change (Note 4)	-	-	(365,788)	-	-	-
Outstanding and exercisable (Note 15)	12,331,359	0.48	-	12,630,883	0.50	410,211

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NOTE 14. DERIVATIVE WARRANT LIABILITY (Continued)

The fair value of the warrants was determined using the Black-Scholes option pricing model. Expected volatility is based on the historical share price volatility of Mint over the relevant warrant period to expiry. The following inputs were used in the model:

	March 31, 2015	December 31, 2014
Share price	$0.045	$0.045
Exercise price	$0.15 - $2.25	$0.25 - $2.25
Expected dividend	- %	- %
Expected volatility	175.2 % - 192.0 %	181.1 % - 205.9 %
Risk-free interest rate	1.00 % - 1.09 %	1.00 % - 1.09 %
Expected average life (years)	0.05 - 3.12	0.77 - 4.05
Fair value per warrant	$0.001 - $0.04	$0.001 - $0.04

NOTE 15. SHARE CAPITAL

Share capital

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

Authorized

Unlimited number of common shares voting and participating

Restricted shares

As required by applicable securities commissions and those of the CSE, and under an agreement entered with a transfer agent from Computershare Investor Services Inc., a total of 36,649,958 common shares have been placed in escrow and deposited with a trustee under an escrow agreement before the completion of the Qualifying Transaction in June 2013. On July 8, 2013, 10% of the escrowed shares were released. The balances of restricted shares will be released at a rate of 15% in each of the anniversaries of 6, 12, 18, 24, 30 and 36 months following the initial release. At March 31, 2015, the balance of the escrowed shares is 21,989,976.

Warrants

The following table shows the changes in Gravitas's warrants:

	June 30, 2015		December 31, 2014	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
		$		$
Outstanding on January 1st	-	-	4,300,000	0.10
Expired	-	-	(4,300,000)	0.10
Outstanding and exercisable	-	-	-	-

The following table shows the changes in Mint's warrants:

	June 30, 2015	
	Number of warrants	Weighted average exercise price
		$
Balance at April 1, 2015 following functional currency change (Note 14)	12,331,359	0.48
Expired during the period	(1,554,430)	2.25
Broker warrants issued	500,000	0.05
Issued on private placement	10,000,000	0.05
Outstanding and exercisable	21,276,929	0.14

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NOTE 15. SHARE CAPITAL (Continued)

The table below presents a summary of Mint's outstanding warrants as at June 30, 2015.

Number of warrants	Grant date	Expiry date	Exercise price
			$
7,106,041	07/03/2014	07/03/2017	0.25
3,000,000	16/05/2014	16/05/2018	0.15
150,000	16/05/2014	16/05/2017	0.25
520,888	30/05/2014	07/03/2017	0.25
500,000	23/06/2015	23/06/2018	0.05
10,000,000	23/06/2015	23/06/2018	0.05
21,276,929			0.14

NOTE 16. SHARE-BASED PAYMENT

Mint had a total of 40,002 stock options outstanding at an exercise price of $1.75 per share as at December 31, 2014. These options were cancelled in 2015. A stock-based compensation of $509 was recorded in contributed surplus for the six-month period ended June 30, 2015.

NOTE 17. INTEREST REVENUE

	June 30, 2015 (3 months)	June 30, 2014 (3 months)	June 30, 2015 (6 months)	June 30, 2014 (6 months)
	$	$	$	$
Interest on bank	63,384	56,555	119,392	127,584
Interest on guaranteed investments certificates	147,031	74,794	260,873	149,009
Interest on loans receivable	84,704	114,274	167,883	303,655
Interest on debentures	5,045	224,241	6,676	561,819
Interest on convertible debentures	53,099	131,282	121,155	255,966
Accretion of interest on convertible debentures	44,423	120,494	163,389	234,455
Accretion of interest on loans	9,651	-	76,350	-
Accretion of interest on debentures	1,964	-	2,771	-
	409,301	721,640	918,489	1,632,488

NOTE 18. INTEREST EXPENSE

	June 30, 2015 (3 months)	June 30, 2014 (3 months)	June 30, 2015 (6 months)	June 30, 2014 (6 months)
	$	$	$	$
Interest on debentures	1,786,099	342,873	3,548,917	748,038
Accretion of interest	568,966	86,064	1,956,910	104,971
Interest on current liabilities and bank charges	18,366	8,728	25,888	18,478
	2,373,431	437,665	5,531,715	871,487

NOTE 19. ADDITIONAL INFORMATIONS – CASH FLOWS

The changes in working capital items are detailed as follows:

	June 30, 2015 (3 months)	June 30, 2014 (3 months)	June 30, 2015 (6 months)	June 30, 2014 (6 months)
	$	$	$	$
Trade and other receivables	(196,054)	249,705	(599,939)	(559,517)
Prepaid expenses	(607)	14,372	159,680	2,346
Inventory	32,697	-	(157,389)	-
Trade and other payables	959,800	(291,959)	1,794,014	(224,473)
Customer deposits	135,250	365,046	22,000	446,590
	931,086	337,164	1,218,366	(335,054)

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GRAVITAS FINANCIAL INC.

NOTE 19. ADDITIONAL INFORMATIONS – CASH FLOWS (Continued)

Additional disclosures regarding cash flows that did not result in a cash outflow or inflow:

	June 30, 2015 (3 months)	June 30, 2014 (3 months)	June 30, 2015 (6 months)	June 30, 2014 (6 months)
	$	$	$	$
Trade and other receivables				
Shares and warrants received as a settlement	(11,300)	-	(11,300)	-
Investments				
Dividend paid in kind	-	-	-	(10,000)
Common shares and warrants received as an incentive for early conversion of a cor	-	-	47,909	-
Shares and warrants received as a settlement	11,300	-	11,300	-

Cash flows from interest and income taxes

	June 30, 2015 (3 months)	June 30, 2014 (3 months)	June 30, 2015 (6 months)	June 30, 2014 (6 months)
	$	$	$	$
Interest paid	(728,125)	(413,893)	(1,575,777)	(828,808)
Interest received	107,448	711,689	339,483	788,521
Income tax paid	(1,157)	-	(1,157)	-

NOTE 20. RELATED PARTIES

The Company's related parties include its 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 and CEO, the Vice-President Finance and the directors, includes the following expenses:

	June 30, 2015 (3 months)	June 30, 2014 (3 months)	June 30, 2015 (6 months)	June 30, 2014 (6 months)
	$	$	$	$
Transactions with key management personnel				
Salaries and management fees	123,000	135,000	266,000	246,000
Consulting and professional fees	134,098	33,502	164,509	69,468
General and administrative	46,500	37,940	92,000	77,000
	303,598	206,442	522,509	392,468
Transactions with companies controlled by key management				
Consulting and professional fees	177,000	165,120	439,000	338,135

For the three-month and six-month periods ended June 30, 2015, the Company incurred legal fees of $36,288 and $80,110 respectively, from a legal firm in which the former CEO and current director is a partner ($67,151 and $90,136 for the three-month and six-month periods ended June 30, 2014).

During the three and six month periods ended June 30, 2015, management and consulting charges paid to Global Business Services ("GBS"), the owner of the remaining 49% interest in MME, in connection with the Management Agreement aggregated $122,256 and $248,086 were incurred and recorded in MME and are included in the Company's share of losses of associates on the statement of loss and comprehensive loss. An amount of $424,999 is payable to GBS, representing a remaining amount on management and consulting charges. This amount is included under Trade and other payables.

The above transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration agreed to by the related parties.

The Company advanced US$700,000 to MGEPS, an affiliate of the Company, for the advancement of its on-going information technology upgrades.

The Company advanced an amount of $1,825,000 to a company where a director has an interest.

GRAVITAS FINANCIAL INC.

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NOTE 21. SEGMENTED INFORMATION

Management has determined that the Company operated within two reportable business segments which offers different products and services : Gravitas Financial Inc. and The Mint Corporation. Gravitas Financial Inc. is an integrated financial and advisory services firm that creates shareholder value through strategic acquisitions of high quality and well-managed financial and capital market services companies. The Mint Corporation, through its 51% ownership in Mint Middle East LLC ("MME"), provides a payroll card services, which offers an automated and secure payroll system to employers in the UAE in accordance with the Wages Protection System

			June 30, 2015
	Gravitas Financial Inc.	The Mint Corporation	Total
	$	$	$
Revenue	1,776,659	5,340	1,781,999
Expenses			
Salaries and management fees	575,640	-	575,640
Consulting and professional fees	1,345,316	-	1,345,316
General and administrative	1,013,430	442,043	1,455,473
Interest expense	1,355,333	4,176,382	5,531,715
Exchange gain	(27,614)	(25,432)	(53,046)
Gain on settlement of trade and other receivables	(17,123)	-	(17,123)
Gain on settlement of a debenture	-	(22,895)	(22,895)
Loss on settlement of a debenture	-	50,000	50,000
Gain on disposal of available-for-sale investments	(389,907)	-	(389,907)
Change in fair value of convertible debentures - conversion feature	133,123	-	133,123
Change in fair value of FVTPL investments	(293,444)	-	(293,444)
Change in fair value of derivative warrant liability	-	(44,423)	(44,423)
Impairment of investments	449,390	-	449,390
Share of results in associates	(319,432)	930,082	610,650
	3,824,712	5,505,757	9,330,469
Loss before income taxes	(2,048,053)	(5,500,417)	(7,548,470)
Income taxes			
Current income taxes	1,157	-	1,157
Net loss	(2,049,210)	(5,500,417)	(7,549,627)

			June 30, 2014
	Gravitas Financial Inc.	The Mint Corporation	Total
	$	$	$
Revenue	2,164,829	-	2,164,829
Expenses			
Salaries and management fees	386,171	-	386,171
Consulting and professional fees	844,959	-	844,959
General and administrative	765,067	-	765,067
Interest expense	871,487	-	871,487
Exchange gain	(36,794)	-	(36,794)
Gain on settlement of trade and other receivables	(10,324)	-	(10,324)
Gain on settlement of a loan payable to a company controlled by shareholders	(33,900)	-	(33,900)
Gain on disposal of available-for-sale investments	38,000	-	38,000
Change in fair value of convertible debentures - conversion feature	429,915	-	429,915
Change in fair value of FVTPL investments	288,020	-	288,020
	3,542,601	-	3,542,601
Net loss	(1,377,772)	-	(1,377,772)

GRAVITAS FINANCIAL INC.

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NOTE 21. SEGMENTED INFORMATION (Continued)

			June 30, 2015
	Gravitas Financial Inc.	The Mint Corporation	Total
	$	$	$
Total assets	72,931,850	12,350,035	85,281,885
Total liabilities	83,130,288	63,760,290	146,890,578
Investments in associates	4,200,762	1,643,620	5,844,382

			December 31, 2014
	Gravitas Financial Inc.	The Mint Corporation	Total
	$	$	$
Total assets	77,802,227	2,983,067	80,785,294
Total liabilities	83,219,021	50,745,062	133,964,083
Investments in associates	4,114,930	1,413,677	5,528,607

The following tables presents the Company's products and non-current assets by geographic areas. The allocation of revenue between geographic areas was determined by the location where the income was earned. The revenue earned in Africa are related to the net smelter return of 0.75% that the company owns on an exploration project in Gabon, Africa.

	June 30, 2015	June 30, 2014
	$	$
Revenue		
Canada	1,617,484	2,028,595
Africa	164,515	136,234
	1,781,999	2,164,829

	June 30, 2015	December 31, 2014
	$	$
Non-current assets		
Canada	16,043,218	14,567,685
Africa	533,896	711,862
	16,577,114	15,279,547

NOTE 22. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the financial statement presentation adopted for the current year.