GRAVITAS FINANCIAL INC.

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE THREE AND TWELVE MONTHS ENDED

DECEMBER 31, 2015

AS OF APRIL 29, 2016

SCOPE OF THIS MANAGEMENT DISCUSSION AND ANALYSIS AND NOTICE TO INVESTORS

This management discussion and analysis of financial position and results of operations ("MD&A"), is prepared as of April 29, 2016, and complements the audited consolidated financial statements of Gravitas Financial Inc. ("Gravitas" or the "Company") and its wholly owned subsidiaries, for the three and twelve months ended December 31, 2015 and 2014 which are compared to the three and twelve months ended December 31, 2014.

The December 31, 2015 and 2014 consolidated financial statements and related notes has been prepared in accordance with International Interim Financial Reporting Standards (“IFRS”). As issued by the International Accounting Standards Board. This MD&A should be read in conjunction with the information contained in the annual audited consolidated financial statements of the Company and the notes thereto for the year ended December 2015 and 2014. All amounts are in Canadian dollars unless otherwise indicated.

The audited consolidated financial statements and the MD&A have been reviewed by the audit committee and approved by the Company’s Board of Directors on April 29, 2016. These documents and more information about the Company are available on SEDAR at www.sedar.com

FORWARD LOOKING STATEMENTS

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

Further, unless otherwise noted, any forward-looking statement speaks only as of the date of this MD&A, and, except as required by applicable law, the Company does not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for management to predict all such factors and to assess in advance the impact of each such factor on the business of the Company, or the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statement.

CORPORATE OVERVIEW AND OPERATIONS

Gravitas Financial Inc. is an integrated financial and advisory services company in financial and capital markets. Gravitas Financial Inc. also acquires significant, long-term interest in and develops businesses that have a high potential for value addition through the Company’s key strategic inputs and management support. In addition, the Company operates a venture capital arm that invests in meaningful ownership interests in fast growing companies in both the public and private markets.

Gravitas Financial Inc. is focused on creating shareholder value through strategic investments in attractive scalable businesses. Since formation of Gravitas Financial Inc. in June 2013, we have assembled a significant array of investee/portfolio businesses. Our key investee businesses include a Mutual Fund and Exempt Market Dealer in Canada and an IIROC registered broker dealer thereby giving us a strong foothold in the financial services distribution business in Canada.

Our subsidiaries also include companies that offer a variety of services to small and mid-market public and private companies. These services include corporate services, investor exposure platform and strategic advisory services. Our comprehensive platform allows us to build long lasting relationships with promising companies in the small and mid-market space.

We have continued to expand our reach by partnering with strategic groups, both in Canada and in international markets. These partnerships allow us to explore business opportunities in fast growing places like India and China and differentiate us from other financial services firms in Canada. Through our deep understanding of international markets and strong networks, we believe we can access unique opportunities, which are generally not available to most firms in Canada.

We have developed strong domain experience in identifying unique growth opportunities in a number of sectors, including but not limited to financial services, specifically the financial technology (“Fintech”) vertical with a special focus on payments. We are also building expertise within digital commerce, real estate, medical and diagnostic technologies, consumables and sports and recreation. We take a hands-on approach to realizing value within each of these areas and look to seek out opportunities in these sectors going forward.

Gravitas believes that international markets represent attractive growth opportunities for many decades to come and has assembled attractive anchor investments into the Middle East and India through its investments in The Mint Corporation (“Mint”), a UAE financial services and payments company and Innoviti Payment Solutions Pvt Ltd, a fast growing payments company in India. Apart from India and Middle East, Gravitas is also actively seeking opportunities to establish a presence and entry into China, another attractive market that we believe has significant long term growth opportunity.

In Canada, Gravitas intends to leverage its investments in financial services distribution businesses to launch proprietary financial products that aim to offer retail investors an opportunity to earn better returns by gaining exposure to the mid-market segment which, we believe, represents an attractive risk-reward matrix. Gravitas believes the mid-market segment in Canada represents an opportunity to achieve superior return.

The Company, through its subsidiary Gravitas Financial Services Holdings Inc., continues to seek opportunities to expand into other areas of financial services sector by acquiring a significant ownership interest in well managed financial services companies that generate strong, sustainable cash flows from their operations.

To further advance the Company’s strategy to be a significant player in the financial services products area, the Company continues to explore the opportunity to launch niche financial products. We successfully launched, in December 2013, a retail financial product called Gravitas Select Flow-Through Limited Partnership I (the "Partnership"). Since then, the Company as General Partner, has launched two additional Flow-Through Funds in 2014 and 2015 and is expected to launch the fourth Flow-Through Fund during the first half of 2016. The Company also launched a specialized “Growth & Opportunity Fund”, which will target investment opportunities in growth companies by investing mainly in secured convertible debentures or notes that provide attractive coupons and capital appreciation through warrants positions.

Gravitas is uniquely positioned to serve the mid-market segment and be a partner in their success. Along with providing growth capital, Gravitas will also be able to assist our investee companies in attracting top notch talent, offer corporate services and achieving international growth by giving them access to tough-to-penetrate international markets including India, China and Middle East. This capability to offer capital, market access and related advisory business will help us achieve a competitive advantage to make Gravitas a preferred partner for mid-market companies in Canada who are seeking capital, advisory or other related services.

Gravitas operates in four key segments:

1) **Services**: this group of businesses provides services for the capital markets, advisory, regulatory and compliance needs of private and publicly listed corporation. The following subsidiaries operate within this segment:
    - Ubika Corp;
    - Gravitas Corporate Services Inc.;
    - Branson Corporate Services Inc.;
    - Gravitas Investor Platform; and
    - Global Compliance Network Inc.

2) **Financial services**: this group are operations in financial products and financial products distribution businesses and are operated independently with their own management teams and require high levels of compliance and governance. The following subsidiaries operate within this segment:
    - Gravitas Select Flow-Through GP Inc.;
    - Gravitas Financial Services Holdings Inc.;
    - Gravitas International Corp.;
    - Foundation Investment Management Inc.; and
    - Portfolio Analysts Inc.

3) **Strategic investments:** this group are operations where the company acquires a long-term interests in companies that have a high potential for value additions and where the Company provides key strategic inputs and management support either directly or through board representations. The following subsidiaries operate within this segment:
    - New India Investment Corp.;
    - Luxury Quotient International Inc.;
    - Luxury Quotient India Private Ltd.;
    - The Mint Corporation;
    - Prime City One Capital Corp;
    - Claxton Capital Management; and
    - Claxton Real Estate Company Ltd.

4) **Fast growing investments**: this group's operations acquires meaningful ownership interests in fast growing companies in both the public and private markets. This segment will offer strategic guidance and access to its strong network to investee companies to accelerate their strategic growth plans. Gravitas Venture Inc. operates in this segment.

5) **Corporate:** this group primarily represents the cost of the corporate overhead expenses not allocated to other segment and is comprised of Gravitas Financial Inc.

HIGHLIGHTS

- Increased ownership interest in Mint from 50% to 63.5%;

- Acquisition of Claxton Capital Management and Claxton Real Estate Company Ltd.; and

- Formation of Gravitas International Corp. ("GIC"), a specialized Merchant Bank.

ACHIEVEMENTS

In June 2015, the Company purchased, on a non-brokered, private placement basis, 20,000,000 units at $0.05 per unit of Mint for $1,000,000. Each unit consisting of one common share and one and half of a common share purchase warrant. Each whole warrant can be exercised for one common share at an exercise price of $0.05 until December 23, 2016. In addition, the Company also advanced $500,000 to Mint as a loan maturing on October 23, 2018 and bearing interest at 4.5% per annum.

The purchase of the 20,000,000 common shares has resulted in increasing our ownership interest in Mint from 50% to 63.5% and was recorded as an increase in ownership and a reduction the non-controlling interest relating to Mint and resulting in a charge to retained earnings of $555,520 based on the market value of the non-controlling interest at the date of the acquisition.

Acquisition of Claxton Capital Management ("CCM") and Claxton Real Estate Company Ltd. ("CREC")

On August 31, 2015, the Company converted its 6,666,667 preferred shares held in Claxton Real Estate Company Ltd. ("CREC") into common shares. As a result of this conversion, the Company acquired 42% of the issued and outstanding common shares of CREC. The Company also acquired 100% of the issued and outstanding common shares of Claxton Capital Management ("CCM") in consideration of $1,980 in cash. At the time of these transaction, the Company determined that it obtained control over CREC and CCM and accordingly, that consolidation of these entities is required.

CREC is a holding company that has a 100% indirect interest in Palm Valley Pavilions East ("Palm Valley"), a commercial plaza and appurtenant land in Goodyear, Arizona. Palm Valley has approximately 35,000 square feet of net rentable area and is situated on approximately 8 acres of land. CCM is a management company and the general limited partnership that owns Palm Valley.

The Company accounted for this purchase using the acquisition method of accounting, whereby the assets acquired and the liabilities assumed are recorded at their fair values with any excess of the aggregate consideration over the fair value of the identifiable net assets allocated to goodwill. Operating results have been included in the consolidated financial statements from the date of acquisition.

At year end, management has determined that Claxton does not represent a core asset and entered into discussions with real estate brokers to list Palm Valley for sale. As a result, the assets acquired, liabilities assumed and the results of operations of Claxton for the period from September 1, 2015 to December 31, 2015 were reclassified and have been presented as discounted operations.

Formation of Gravitas International Corp. ("GIC"), a specialized Merchant Bank

On November 23rd, 2015, the Company announced the formation of a specialized merchant bank, Gravitas International Corp. ("GIC"), as part of its strategy to focus on both domestic and international opportunities. GIC is a joint venture between Gravitas and Illium Capital Corp. ("ILLIUM"), a merchant bank focused on cross border capital markets opportunities between China and Canada. Both parties agreed to form GIC to hold certain strategic investments and to work together to maximize value for their mutual benefit.

As part of the agreement, each of Gravitas and Illium has contributed $4 million in cash in exchange for 50% of the common shares of GIC. As part of the agreement, Gravitas has also agreed to contribute certain Gravitas Investments to the Corporation in exchange for additional common shares of the Corporation, subject to board approval and such terms as the board shall determine. Once Gravitas has contributed such investments and the Corporation has issued additional shares to Gravitas, Illium has agreed to subscribe for an equal number of common shares of GIC such that each of Gravitas and Illium shall have equal ownership.

The newly formed Corporation will focus on strategic capital market mandates by utilizing various financial distribution channels. It is expected to capitalize on cross border opportunities between China and Canada as several of its key directors and officers have strong connections in mainland China. Certain aspects of the agreement may require further board, shareholders and regulatory approvals.

FINANCIAL INFORMATION

RESTATEMENT

Subsequent to the issuance of the Company's consolidated financial statements for the year ended December 31, 2014, it was determined that the calculations of the accretion and interest on Mint, Series A and Series B debentures were incorrect and that the carrying value of the debentures were overstated. The effects of the restatement on the consolidated statement of loss and comprehensive loss and consolidated statement of changes in equity for the year ended December 31, 2014 are summarized below. The adjustments between amounts previously reported and amounts restated had no effect on the consolidated statement of cash flows.

	Previously	Adjustments	Restated
	$	$	$
Consolidated Statement of Financial Position			
Current assets	65,505,747	-	65,505,747
Non-current assets	15,279,547	-	15,279,547
Total assets	80,785,294	-	80,785,294
Current liabilities			
Trade and other payables	2,237,675	(118,225)	2,119,450
Customer deposits	157,000		157,000
	2,394,675	(118,225)	2,276,450
Non-current liabilities			
Lease inducement	30,968	-	30,968
Derivative warrant liability	410,211	-	410,211
Debentures	131,128,229	(2,231,656)	128,896,573
	131,569,408	(2,231,656)	129,337,752
Total liabilities	133,964,083	(2,349,881)	131,614,202
Equity (deficiency)			
Share capital	1,400,600	-	1,400,600
Contributed surplus	86,738	-	86,738
Deficit	(56,103,842)	2,171,200	(53,932,642)
Accumulated other comprehensive income	1,691,796		1,691,796
	(52,924,708)	2,171,200	(50,753,508)
Non-controlling interest	(254,081)	178,681	(75,400)
Total equity (deficiency)	(53,178,789)	2,349,881	(50,828,908)
Total liabilities and equity (deficiency)	80,785,294	-	80,785,294

	Previously	Adjustments	Restated
	$	$	$
Consolidated Statement of Comprehensive Loss			
Revenue	4,371,297	-	4,371,297
Expenses			
Other expenses	8,909,172	-	8,909,172
Interest expense	2,630,871	(357,361)	2,273,510
Impairment	48,878,344	(1,992,520)	46,885,824
	60,418,387	(2,349,881)	58,068,506
Loss before income taxes	(56,047,090)	2,349,881	(53,697,209)
Income taxes	(61,243)	-	(61,243)
Net loss	(55,985,847)	2,349,881	(53,635,966)
Other comprehensive loss	1,783,840	-	1,783,840
Net loss and comprehensive loss	(54,202,007)	2,349,881	(51,852,126)
Basic and diluted net loss per share	(0.84)	0.04	(0.81)

BUSINESS ACQUISITIONS

Acquisition of the Mint Corporation (Mint")

On July 31, 2014, the Company converted an amount of $295,412 in connection with the 12% convertible subordinate secured debenture held in Mint at a conversion price of $0.05 per share. As a result of this conversion, Mint issued 5,908,240 common shares to Gravitas, representing 18% of the issued and outstanding common shares of Mint. At the time of this transaction, the Company determined that it obtained significant influence over Mint and therefore accounted its investment at equity value.

On November 21, 2014, the Company converted another amount of $1,040,352, in connection with the 12% convertible subordinate secured debenture held in Mint at a conversion price of $0.05 per share. As a result of this conversion, Mint issued 20,807,037 common shares to the Company, thereby increasing its ownership interest from 18% to 50% of the issued and outstanding common shares of Mint. At the time of this transaction, the Company determined that it obtained control over Mint and accordingly commenced to consolidate the results of this entity.

The incremental investment in Mint was accounted for using the acquisition method of accounting which requires, among other things, that assets acquired and liabilities assumed be recognized at their fair values as of the acquisition date which is November 21, 2014. Step-acquisition accounting guidance requires that the pre-existing investment be re-measured at fair value and any gains or losses be recognized in income. The estimated value of the Company's interest accounted at equity value immediately before the acquisition date was $1,342,389, which resulted in the recognition of a loss on step acquisition of $672,007 determined based on the value of Mint's share price on the TSV Venture Exchange.

The Company accounted these operations using the acquisition method of accounting, whereby the assets acquired and the liabilities assumed are recorded at their fair values with any excess of the aggregate consideration over the fair value of the identifiable net assets allocated to goodwill. Operating results have been included in the consolidated financial statements from the date of acquisition.

The net liabilities assumed and assets acquired were as follow:

	Restated
	$
Assets	
Cash	1,449,781
Trade and other receivables	353,953
Prepaid expenses	190,828
Investment	150,000
Equipments	1,504
Investments in Mint UAE operations ("MME")	1,413,677
	3,559,743
Liabilities	
Trade and other payables	1,544,313
Debentures	45,761,286
Convertible debentures	1,286,156
Loan payable	226,800
Derivative warrant liability	286,249
	49,104,804
Net liabilities assumed	(45,545,061)
Consideration paid	670,382
Non-controlling interest ("NCI")	670,382
Total	1,340,764
Goodwill	46,885,825

Goodwill

Losses on Mint which are in the company's consolidated statement of loss and comprehensive loss amount to $1,738,107. If the acquisition of Mint had taken place on January 1, 2014, revenue of $52,604 would have been included in the Company's consolidated statement of loss and comprehensive loss and losses of $14,160,588 would have increased the Company's net loss.

The fair value of non-controlling interest at the time of acquisition was estimated based on the market price of $0.025 and applied to the portion of common share not held by the Company of 26,815,277.

Acquisition of additional interest in Mint

On June 23, 2015, the Company purchased 20 million units of Mint at $0.05 per unit for gross proceeds of $1,000,000, thereby increasing its ownership from a 50% interest to a 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 were 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 $555,520 in the consolidated statement of changes in equity to reduce the non-controlling interest.

Acquisition of Claxton Capital Management ("CCM") and Claxton Real Estate Company Ltd. ("CREC")

On August 31, 2015, the Company converted its 6,666,667 preferred shares held in Claxton Real Estate Company Ltd. ("CREC") into common shares. As a result of this conversion, the Company acquired 42% of the issued and outstanding common shares of CREC. The Company also acquired 100% of the issued and outstanding common shares of Claxton Capital Management ("CCM") in consideration of $1,980 in cash. At the time of these transaction, the Company determined that it obtained control over CREC and CCM (together referred to as "Claxton") and accordingly consolidation of these entity is required.

CREC is a holding company that has a 100% indirect interest in Palm Valley Pavilions East ("Palm Valley"), a commercial plaza and apartment land in Goodyear, Arizona. Palm Valley has approximately 35,000 square feet of net rentable area and is situated on approximately 8 acres of land. CCM is a management company and the general limited partnership that owns Palm Valley.

The Company accounted for this purchase using the acquisition method of accounting, whereby the assets acquired and the liabilities assumed are recorded at their fair values with any excess of the aggregate consideration over the fair value of the identifiable net assets allocated to goodwill. Operating results have been included in the consolidated financial statements from the date of acquisition.

The Company recorded a preliminary allocation of the purchase price to tangible assets acquired and liabilities assumed, including certain contingent liabilities, based on their fair values as of the August 31, 2015 acquisition date. The preliminary purchase price allocation is as follows:

	$
Assets	
Cash and restricted cash	80,656
Trade and other receivables, net of provision of $nil	361,824
Prepaid expenses	60,567
Investment property	7,779,623
	8,282,670
Liabilities	
Trade and other payables	637,091
Loan payable	4,529,170
	5,166,261
Net assets acquired	3,116,409
Consideration paid	1,144,119
Non-controlling interest ("NCI")	1,972,290
Total	3,116,409

Losses of Claxton which are included in the Company's consolidated statement of comprehensive loss under discontinued operations amount to $64,811. If the acquisition of Claxton had taken place on January 1, 2015, revenue of $888,837 would have been included in the Company's consolidated statement of comprehensive loss and results of $242,299 would have decreased the Company's net loss.

The non-controlling interest at the time of acquisition, was estimated as the proportionate share of the net assets acquired. The purchase price allocation is based on valuations performed by an independent appraiser using the comparative sale and capitalization rate (6.75%) methodology to determine the fair value of the net assets as of the acquisition date.

FINANCIAL POSITION ANALYSIS

	December 31, 2015	December 31, 2014	Variation
	$	$	$
Assets	89,623,165	80,785,294	8,837,871
Liabilites	148,851,946	131,614,202	17,237,744
Equity (defiency)	(59,228,781)	(50,828,908)	(8,399,873)

ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Subsequent to the acquisition of control over Claxton, the Company commenced discussions with listing brokers to list, for sale, the Palm Valley property. As at December 31, 2015, the Company has listed the Palm Valley property for sale. As a result, the operations of Claxton are presented as held for sale on the consolidated statement of financial position and as "discontinued operations" in the consolidated statement of loss and comprehensive loss.

The following table shows the revenue and net loss from discontinued operations:

	2015
	$
Revenue	
Rental income	184,087
Expenses	
Salaries and management fees	23,953
Consulting and professional fees	103
General and administrative	216,276
Exchange loss	662
Loss on settlement of trade and other receivables	7,904
	248,898
Net loss	(64,811)

The major classes of assets and liabilities classified as held for sale are as follows:

	2015
	$
Assets	
Cash	220,270
Trade and other receivables	240,308
Prepaid expenses	51,703
Property and equipment	7,779,623
	8,291,904
Liabilitites	
Trade and other payables	577,444
Long-term loan	4,662,862
	5,240,306
Net assets held for sale	3,051,598

The net cash flows incurred by Claxton are as follow:

	2015
	$
Operating	139,614
Investing	(139,614)
Financing	-
Net cash inflow	-

Prior to its classification to discontinued operations, Claxton was reported under the strategic investments segment.

CONTINUING OPERATIONS

Total assets at December 31, 2015 were $89,623,165 compared to $80,785,294 at December 31, 2014, an increase of $8,837,938.

The following table present the important variations on the Company's main assets:

	December 31, 2015	December 31, 2014	Variation
	$	$	$
Assets of continuing operations			
Guaranteed investment certificates	20,089,000	42,000,000	(21,911,000)
Trade and other receivables	2,542,079	1,145,258	1,396,821
Equity investments and other	6,437,240	4,507,028	1,930,212
Investments in associates	7,606,423	5,678,607	1,927,816
Loans receivable	6,534,011	3,446,270	3,087,741
Convertible debentures	2,610,002	2,339,311	270,691
Assets held for sale	8,229,765	-	8,229,765

Guaranteed investments certificates

During the year ended December 31, 2015, the Company redeemed a total amount of $21,911,000 of GICs to make investments in equity and other investments for $1,612,613, to increase of its investment in Mint UAE Operations by $4,236,850, to make additional loans advance for $4,280,070 and to invest in convertible debentures for $1,054,827 and to fund its operations for approximately $6 million.

Trade and other receivables

	December 31, 2015	December 31, 2014	Variation
	$	$	$
Trade accounts	478,482	221,528	256,954
Royalties receivable	238,686	60,330	178,356
Interest receivable	473,030	340,791	132,239
Harmonized sales tax receivable	393,233	437,974	(44,741)
Advances to related companies	753,906	68,710	685,196
Advances to a company controlled by an officer	189,425	-	189,425
Other	15,317	15,925	(608)
Total	2,542,079	1,145,258	1,396,821

Trade accounts increase is mainly due to the acquisition of CCM and CREC as described in the business acquisition section for an amount of $332,497.

Royalty receivables have increased by $178,356 at December 31, 2015 and represent the royalties for two quarters as compared to a receivable for one quarter at December 31, 2014.

The increase in interest receivable is directly related to the increase in loans. Interest receivable is dependent on the terms of each loan. As at December 31, 2015, the Company had loans for a total amount of $6,534,011 compared to $3,446,270 at December 31, 2014. Of these loans, approximately $5,630,860 have been advanced under terms that require interest payment at maturity.

The advances to related companies are mainly to Gravitas Select Flow-Through LP II and II. These advances will be reimburse when the underlying Funds sell their investments. During the current year, Gravitas has also advanced $189,425 to a company controlled by the Chief Executive Officer ("CEO"). This advance is non-interest bearing and does not have any set repayment terms. See also discussion below on Related Party Transactions.

Equity investments and other

	December 31, 2015	December 31, 2014	Variation
	$	$	$
Common shares in quoted companies	3,528,722	3,080,161	448,561
Options	19,998	21,959	(1,961)
Warrants	1,081,775	105,047	976,728
Debentures	370,393	150,000	220,393
Subscription receipts	-	163,185	(163,185)
Common shares in private companies	218,292	136,675	81,617
Preferred shares in private companies	1,218,059	1,000,000	218,059
Mining property	1	1	-
Total	6,437,240	4,657,028	1,780,212

During the year ended December 31, 2015, the Company invested a total amount of $3,136,641 in equity investments and other and sold equity investments and other for a total amount of $1,524,028 realizing a gain on disposal of $592,975. In addition, as part of the acquisition of CCM and CREC described in Business Acquisition section, an amount of $1,144,119 was reclassified from equity and other investments due to acquisition of control.

The fair value of the investments classified as available-for-sale-assets have increased by $18,633 and the investments classified as FVTPL have increased by $580,056.

As at December 31, 2015, the Company had the following top ten investments in quoted companies:

Company name	Symbol	Number of shares	Cost	Closing price	Fair value
			$	$	$
Gilla Inc.	GLLA	6,071,193	404,597	0.170	1,032,103
DealNet Capital Corp.	DLS	918,000	243,600	0.730	670,140
Sustainco Inc.	SMS	2,874,000	134,682	0.080	229,920
Viscount Mining Corp.	VML	358,834	19,717	0.500	179,417
Earth Alive Clean Technologies Inc.	EAC	520,000	52,000	0.345	179,400
Pyrogensis Canada Inc.	PYR	550,000	58,108	0.220	121,000
Healthspace Data System Ltd.	HS	750,000	150,000	0.155	116,250
Treasury Metals Inc.	TML	191,778	69,144	0.500	95,889
DealNet Capital Corp.	DLS	118,947	22,847	0.730	86,831
Relevium Technogolies Inc.	RLV	800,000	54,820	0.085	68,000
		13,152,752	1,209,515	0.211	2,778,950

Investments in associates

Portfolio Analysts Inc. ("PAI")
The Company owns 40% of the issued and outstanding shares of Portfolio Analysts Inc. ("PAI"), giving it significant influence over PAI's operations. 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. PAI fiscal year-end is September 30.

Mint UAE Operations
Through its acquisition of Mint, the company acquired a 51% interest in Mint associates in the United Arab Emirates ("UAE"). 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"). MME 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. MCO is a 100% subsidiary of Mint and MGEPS is owned 49% by MCO. The remaining ownership interest in each of these four entities is held by Global Business Systems for Multimedia (“GBS”). These four entities are together referred to as Mint UAE Operations.

In June 2015, GBS and Mint entered into a Nominee Agreement under which GBS has nominated a two percent share of its ownership and commercial interest in MGEPS in favor of MCO. Accordingly, MCO beneficially owns 51% of MGEPS.

The Mint UAE Operations operate under the terms of a Management Agreement with GPS, which provides for a payment of a fixed management fee of UAE Dirham (“AED”) 120,000 per month to GBS and a variable fee of 20% of net income of Mint UAE Operations. GBS is also responsible for the day-to-day oversight of these entities. As a result, the Mint UAE Operations have been accounted for as associates, as the Company does not control them.

Mint UAE Operations operate through their registered offices at G02, CBD Building, Sheikh Zayed Road, Dubai, United Arab Emirates ("UAE"), and focus on payroll cards, merchant network solutions and microfinance products to 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.

Prime City One Capital Corp.
The Company acquired 18% interest in the issued and outstanding shares of Prime City One Capital Corp. ("Prime"), giving it significant influence over Prime's operations following the finalization of a purchase and assignment of debt agreement, under which GFI assigned 50% of its rights, interests and obligation in a loan of $125,000 in exchange for 13,645,825 common shares in the capital of Prime valued at $68,229. At December 31, 2015, the Company also has also advanced a loan $100,000 and holds an investment in convertible debenture for $250,000 in Prime. These investments were reclassified to investments in associates and are recognized on the equity method of accounting. The Company recorded a loss on settlement of $56,771 following that transaction.

Prime was incorporated under the Business Corporations Act (Ontario) on September 2, 2004 and is currently reviewing several strategic options. Prime's shares are currently listed on the NEX under the Symbol “PMO.H”. The head office, principal address and records office are located at 141 Adelaide Street West, Suite 110, Toronto, Ontario, M5H 3L5.

During the year ended December 31, 2015, the Company evaluated the recoverability of its investment in Prime and determined that as a result of the financial conditions and result of operations at Prime, the Company's entire investment value of $415,932 was impaired and recognized a loss in the statement of loss and comprehensive loss.
The Company's continuity of its investments in associates is as follows:

	December 31, 2015	December 31, 2014
	$	$
Balance, beginning of period	5,528,607	-
Acquired through cash payments	-	4,039,308
Acquired through conversion of a convertible debenture	-	1,335,763
Acquired through business acquisition (Note 3)	-	1,413,677
Additional working capital funds invested	4,236,850	-
Reclassification due to acquisition of significant influence	418,229	-
Reclassification due to acquisition of control	-	(1,342,389)
Dividends received	(373,600)	(240,000)
Share of results in associates	(1,787,731)	322,248
Impairment	(415,932)	-
Balance, end of period	7,606,423	5,528,607

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

			December 31, 2015		December 31, 2014
	Prime	Mint UAE	PAI	Mint UAE	PAI
	$	$	$	$	$
Balance sheet					
Current assets	17	2,060	3,946	4,699	3,545
Non-current assets	-	5,159	4,344	1,871	5,729
Current liabilities	446	2,306	3,299	3,969	3,233
Non-current liabilities	4	363	1,883	474	3,225
Statements of earnings					
Revenue	-	3,908	27,758	3,718	25,231
Expenses	72	7,189	26,238	11,829	24,139
Operating income (loss)	(72)	(3,281)	1,520	(8,111)	1,122
Net earnings (loss)	(72)	(3,281)	1,174	(8,111)	904
Cash flows					
Dividend paid	-	-	(934)	-	(600)

Loans receivable

During the year ended December 31, 2015, the Company advanced loans of $4,815,070, converted a convertible debenture into a loan for an amount of $422,520 and received repayments of loans aggregating $660,000, including amounts redeemed as part of a settlement in shares. For the year ended December 31, 2015, the Company earned total interest of $380,245, representing an average annual interest rate of 4% compared to $376,666 in 2014, representing an average annual interest rate of 7%. During the year ended December 31, 2015, the Company recorded an impairment of $590,415 on certain loans based on an analysis of the financial conditions of the borrowers.

	December 31, 2015	December 31, 2014
	$	$
Beginning balance	3,446,270	3,547,033
Additional loans	4,815,070	7,446,778
Amount redeemed	(535,000)	(7,584,366)
Amount redeemed as part of a settlement in shares	(125,000)	-
Convertible debenture converted into a loan	422,520	-
Loan converted into a convertible debenture	(1,052,680)	-
Reclassification due to acquisition of significant influence	(100,000)	-
Fair value allocated to the equity components (a)	(127,943)	-
Accretion of interest	82,364	-
Loss on settlement of a loan	(200,000)	-
Impairment	(590,415)	-
Exchange rate	498,825	36,825
	6,534,011	3,446,270
Current portion	1,089,421	880,000
Non-current portion	5,444,590	2,566,270
	6,534,011	3,446,270

These loans bear interest from 4.5% to 12% per annum and mature from October 2016 to April 2019. As at December 31, 2015, loans for a total amount of $3,683,590 are secured under general security agreements.

During the year ended December 31, 2015, the Company advanced US$700,000 ($970,830) to MGEPS, an associate of the Company, for the advancement of its on-going information technology upgrades. This loan bears interest at 4.5% and matures on October 23, 2018. In addition, the Company has advanced an amount of $2,511,000 on an authorized amount of $3,300,000 to a company where a director has an interest, this advance bears an interest at 6% and matures on October 31, 2018.

As at December 31, 2015, impairment losses of $590,415 were recorded against loans to companies that had defaulted on repayment terms and/or on interest payments.

Three loans were converted into convertible debentures with face values of US$400,000 ($542,680), $210,000 and $300,000.

Convertible debentures

	December 31, 2015	December 31, 2014
	$	$
Secured convertible debentures		
- face value ranging from $227,000 to $1,250,000, maturity ranging from July 16, 2016 to December 9, 2018 and interest rates from 6% to 14%	2,248,805	1,449,645
Unsecured convertible debentures		
- face value ranging from $17,000 to $250,000, maturity ranging from November 24, 2016 to August 14, 2018 and interest rates from 6% to 14%	493,582	673,839
	2,742,387	2,123,484
Conversion feature	1,162,238	215,827
	3,904,625	2,339,311
Less: Reclassification due to acquisition of significant influence	(250,000)	-
Less: Impairment	(1,044,623)	-
	2,610,002	2,339,311
Current portion	319,376	794,137
Non-current portion	2,290,626	1,545,174
	2,610,002	2,339,311

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

			December 31, 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	759,561	295,266	1,054,827	705,258	1,095,337	1,800,595
Amount converted	-	(208,000)	(208,000)	-	(1,625,422)	(1,625,422)
Amount converted into a loan	-	(422,520)	(422,520)	-	-	-
Amount reimbursed	-	(150,000)	(150,000)	-	-	-
Loan converted into a convertible debenture	-	1,052,680	1,052,680	-	-	-
Fair value allocated to the equity components	-	(296,031)	(296,031)			
Reclassification due to acquisition of significant influence (Note 14)	-	(250,000)	(250,000)	-	-	-
Accretion of interest	-	329,338	329,338	-	1,218,638	1,218,638
Change in fair value of convertible debentures - conversion feature	186,850	-	186,850	(2,472,798)	-	(2,472,798)
Exchange gain	-	18,170	18,170	-	-	-
Impairment	(47,822)	(996,801)	(1,044,623)	-	-	-
Eliminated through business acquisition	-	-	-	-	(1,286,156)	(1,286,156)
Fair value, end of period	1,114,416	1,495,586	2,610,002	215,827	2,123,484	2,339,311

The Company's investments in convertible debentures bear interest ranging from 6% to 1% per annum and mature from July 2016 to August 2019. The initial fair value of the conversion feature of investments in convertible debentures is determined using the Black & Scholes model and reclassified to equity and other investments, with the residual value being allocated to the loan component.

The fair 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 re-measured subsequent to initial recognition

The fair values of the conversion feature at issuance of $759,561 ($705,258 in 2014) was estimated using the Black & Scholes option pricing model based on the following assumptions:

	2015	2014
Weighted average conversion price	$0.65	$0.16
Expected dividend	- %	- %
Expected average volatility	188%	257%
Risk-free average interest rate	0.51%	1.10%
Expected average life (years)	2.58	1.73
Weighted average fair value	$0.38	$0.07

The fair value of the conversion feature of $1,114,416 at December 31, 2015 ($215,827 at December 31, 2014) was estimated using the Black & Scholes option pricing model based on the following assumptions:

	2015	2014
Weighted average conversion price	$0.55	$0.14
Expected dividend	- %	- %
Expected average volatility	222%	184%
Risk-free average interest rate	0.56%	1.02%
Expected average life (years)	1.88	1.14
Weighted average fair value	$0.23	$0.02

LIABILITIES

Total liabilities as at December 31, 2015 were $148,851,946 compared to $131,614,202 at December 31, 2014, an increase of $17,237,744 mainly due to Mint's Series C debenture issuance for a total amount of $9,614,100, to accretion of interest of $2,648,957 and to the loan of $4,662,862 assumed on the acquisition of Claxton and classified as held for sale and recorded during 2015. Trade and other payables have also increased by $888,471.

EQUITY (DEFICIENCY)

The Company had an equity deficiency of $59,228,781 as at December 31, 2015 compared to $50,828,908 at December 31, 2014, an increase of $8,399,873 due to the 2015 net loss of $14,668,129 and an increase of non-controlling interest of $2,770,032.

OPERATING RESULTS ANALYSIS

FINANCIAL INFORMATION COMPARISON

	For the three months ended		For the year ended	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
	$	$	$	$
Revenues	1,000,954	1,444,897	3,653,928	4,371,297
Expenses	6,020,700	52,208,456	18,256,089	58,068,506
Net loss before income taxes	(5,019,746)	(50,763,559)	(14,602,161)	(53,697,209)
Current income taxes	-	(2,324)	1,157	(61,243)
Net loss from continuing operations	5,019,746	50,761,235	14,603,318	53,635,966
Net loss from discontinued operations	(64,811)	-	(64,811)	-
Net loss	(5,084,557)	(50,761,235)	(14,668,129)	(53,635,966)

Net loss from continuing operations for the three months ended December 31, 2015 was $5,019,746 ($0.080 per share) as compared to $50,761,235 ($0.762 per share) for the same period in 2014, a decrease of $45,743,813.

Net loss from continuing operations for the year ended December 31, 2015 was $14,603,318 ($0.220 per share) as compared to $53,635,966 ($0.810 per share) for the same period in 2014, a decrease of $39,032,648.

These decreases in the net loss are primarily due to the goodwill impairment of $46,885,824 taken in the fourth quarter of 2014 following the acquisition of control of Mint's operations.

REVENUE

For the three months ended December 31, 2015, revenue totalled $1,000,954 compared to $1,444,897 for the same period of 2014, a decrease of $443,943 mainly due to a decrease in interest revenue of $634,815 and a decrease in listing and research revenue of $69,102. However, these decreases were offset by an increase in consulting fees of $28,121; an increase of $24,400 in advisory services; an increase of $71,085 in royalties; and an increase in other revenue of $136,368.

For the year ended December 31, 2015, revenue totalled $3,653,928 compared to $4,371,297 for the same period of 2014, a decrease of $717,369 mainly due to a decrease in interest revenue of $1,296,707; a decrease in listing and research revenue of $33,312; and a decrease in advisory services of $35,549. However, these decreases were offset by an increase in consulting fees of $226,539; an increase in royalties of $160,110; and an increase in other revenue of $261,550. The decrease in interest is mainly due to the following variations:

	For the three months ended			For the year ended		
	December 31, 2015	December 31,	Variation	December 31, 2015	December 31,	Variation
	$	$	$	$	$	$
Interest on bank	67,215	56,582	10,633	248,827	371,173	(122,346)
Interest on guaranteed investments certificates	77,285	88,669	(11,384)	442,175	313,295	128,880
Interest on loans receivable	115,401	32,562	82,839	380,245	376,666	3,579
Interest on debentures	17,989	-	17,989	42,796	280,626	(237,830)
Interest on convertible debentures	54,190	93,507	(39,317)	222,117	501,848	(279,731)
Accretion of interest on convertible debentures	61,825	771,203	(709,378)	329,338	1,218,637	(889,299)
Accretion of interest on loans	6,014	-	6,014	82,364	-	82,364
Accretion of interest on debentures	7,789	-	7,789	17,676	-	17,676
	407,708	1,042,523	(634,815)	1,765,538	3,062,245	(1,296,707)

EXPENSES

For the three months ended December 31, 2015, expenses totalled $6,020,700 compared to $52,208,456 for the same period of 2014, an increase of $46,187,756.

For the year ended December 31, 2015, expenses totalled $18,256,089 compared to $58,068,506 for the same period of 2014, a decrease of $39,812,417.

The following table shows items that have fluctuated significantly during the three and twelve months ended December 31, 2015.

	For the three months ended			For the year ended		
	December 31, 2015	December 31, 2014	Variation	December 31, 2015	December 31, 2014	Variation
	$	$	$	$	$	$
Salaries and management fees	616,749	259,650	357,099	1,533,675	861,039	672,636
Consulting and professional fees	1,160,532	661,370	499,162	3,201,700	1,929,851	1,271,849
General and administrative	302,880	1,496,667	(1,193,787)	2,416,150	2,580,391	(164,241)
Interest expense	2,412,072	953,929	1,458,143	8,925,057	2,273,510	6,651,547
Exchange gain	(374,389)	(110,168)	(264,221)	(1,074,989)	(140,933)	(934,056)
Loss on disposal of available-for-sale investments	4,624	-	4,624	(628,728)	48,000	(676,728)
Loss on step acquisition	-	672,007	(672,007)	-	672,007	(672,007)
Change in fair value of convertible debentures - conversion feature	(247,986)	1,087,941	(1,335,927)	(186,850)	2,472,798	(2,659,648)
Change in fair value of FVTPL investments	280,506	69,709	210,797	(580,056)	716,325	(1,296,381)
Impairment	1,130,325	46,885,824	(45,755,499)	2,634,150	46,885,824	(44,251,674)
Share of results in associates	816,522	107,565	708,957	1,787,731	(322,248)	2,109,979

Salaries and management fees

The increase in salaries and management fees for the three and twelve months ended December 31, 2015 is primarily due to the consolidation of Mint's operations following the acquisition on November 22, 2014 and general growth of the Company.

Consulting and professional fees

The increase in consulting fees for the three months ended December 31, 2015 was primarily due to the consolidation of Mint's operations.

The increase in consulting fees for the twelve months ended December 31, 2015 is due to the consolidation of Mint for $513,137, an increase of fees paid to companies controlled by key management for $385,260, an increase in audit fees for $161,660, an increase in legal fees for $76,189.

General and administrative

The decrease in general and administrative expense for the three months ended December 31, 2015 is mainly related to the decrease in Mint's general and administrative expenses for $645,348, arising from the significant cost cutting initiative at Mint, with the remaining decrease arising from cost management at other subsidiaries. General and administrative expenses for the year ended December 31, 2015 are comparable to the same period in 2014.

Interest expense

The increases in interest expense are due to interest paid on Gravitas's issuance of debenture of $30,023,000 in December 2014 and to interest paid on the debentures assumed as part of the Mint acquisition in November 2014.

Exchange loss (gain)

The increases in exchange gain are related in part to the investments held in US dollars and to the cash position held in US dollars at December 2015.

Loss (gain) on disposal of available-for-sale investments

During the three and twelve months ended December 31, 2015, the Company sold common shares held in quoted companies realizing a loss of $4,624 and a gain of $628,728 respectively compared to a loss of $nil and $48,000 in 2014 for gross proceeds of $1,524,028 and $848,272, respectively.

Change in fair value of convertible debentures - conversion feature

When the Company holds debentures that are convertible into the issuer's equity shares, the equity conversion feature represents an embedded option written by the issuer on its equity shares. Such equity conversion feature is classified as fair value through profit or loss ("FVTPL"). Assets in this category are measured at fair value with gains or losses recognized in profit or loss. Each reporting period, the fair value of these investments is determined using the Black & Scholes pricing model.

For the three months ended December 31, 2015, the fair value of these conversion feature increased by $247,986 compared to a decrease of $1,087,941 for the same period in 2014, primarily due to general market sentiment and the share prices of the underlying shares of the issuer.

For the twelve months ended December 31, 2015, the fair value of these conversion feature increased by $186,850 compared to a decrease of $2,472,798 for the same period in 2014, , primarily due to general market sentiment and the share prices of the underlying shares of the issuer.

Change in fair value of FVTPL investments

Financial assets at FVTPL include financial assets that are either classified as held-for-trading or that meet certain conditions and are designated at fair value through profit or loss upon initial recognition. Assets in this category are measured at fair value with gains or losses recognized in profit or loss. The Company classifies its investments in options, warrants and common shares in private companies in this category. Each reporting period, the fair value of these investments is determined using the Black & Scholes pricing model.

For the three months ended December 31, 2015, the fair value of these investments decreased by $280,506 compare to a decrease in fair value of $69,709 for the same period in 2014.

For the twelve months ended December 31, 2015, the fair value of these investments increased by $580,056 compare to a decrease in fair value of $716,325 for the same period in 2014.

Impairment of investments

Given financial difficulties faced by some companies in which the Company invested, the Company recorded the following impairments:

	December 31, 2015	December 31, 2014 Restated
	$	$
Impairment on investments in associates (a)	415,932	-
Impairment on loans	590,415	-
Impairment on convertible debentures (b)	1,044,623	-
Impairment of goodwill	-	46,885,824
Reclassification of impairment to net loss (c)	583,180	-
	2,634,150	46,885,824

(a) The Company's investment in Prime was determined to be impaired due to the precarious financial situation of Prime.

(b) The impairment on investments in convertible debentures, including on the conversion features, are recorded when the Company determines that it is likely that the debentures will default based on its review of available financial information relating to the issuers or when the debentures have defaulted due to non-payment of interest due and payable. The Company estimates potential recoveries from security held and recognizes an impairment loss for the difference. At December 31, 2015, the Company evaluated that investments in three issuers were impaired and recorded a loss of $1,044,623. One convertible debenture investment is secured against underlying operating stores of the issuer and accordingly, the impairment loss was assessed at 75% of one investment.

(c) Reclassification of impairment to net loss represents long term losses on equity investments and other previously recorded in accumulated other comprehensive loss and reclassified as these fair value declines are no longer considered temporary.

Share in results in associates

The Company owns a 40% interest of the issued and outstanding shares of Portfolio Analysts Inc. ("PAI"), a 51% interest in Mint UAE Operations and an 18% interest in Prime City One Capital Corp. During the year ended December 31, 2015, the Company recorded the following share in results:

	For the year ended	
	December 31, 2015	December 31, 2014 Restated
	$	$
Prime	2,297	-
PAI	99,249	(322,248)
MME	1,686,185	-
Total	1,787,731	(322,248)

CASH FLOW ANALYSIS

	For the year ended December 31, 2015	December 31, 2014
	$	$
Net cash used in operating activities of continuing operations	(9,769,448)	(4,223,714)
Net cash from (used in) investing activities of continuing operations	11,226,715	(31,409,948)
Net cash from investing activities of continuing operations	12,925,710	29,524,929

OPERATING ACTIVITIES

The Company used cash flows of $9,769,448 during the year ended December 31, 2015, compared to $4,223,714 for the same period in 2014, an increase in the use of cash flows of $5,545,734 due to an increase in interest. However, working capital items have improved in 2015 by generating cash flows of $256,766 compared to cash flows used of $788,987 for the same period in 2014

INVESTING ACTIVITIES

During the twelve months ended December 31, 2015, the Company generated cash flows of $11,226,715 compared to the use of cash flows of $31,409,948 for the same period in 2014, an increase in cash flows generated of $42,636,663. In 2015, the generated cash flows are mainly due to the redemption of guaranteed investment certificates for $21,911,000 and the proceeds from disposal of investments for $1,524,028. However, these cash flows were offset by the purchase of other equity investments for $3,136,641, including the purchase of preferred shares in Innoviti Embedded Solutions Private Limited, a private company, for $1,218,059, by investments of additional working capital funds to Mint UAE Operations for $4,236,850 and by loans of $4,815,070. In 2014, the use of cash flows was primarily due to an investment in guaranteed investment certificates for $26,980,000, an acquisition of the 40% interest in PAI for $4,027,098, to loans for $7,446,778 and to convertible debentures for $1,800,595. However, these use in cash flows were offset by the reimbursement of loans for a total amount of $7,584,366.

FINANCING ACTIVITIES

During the twelve months ended December 31, 2015, Mint issued Series C debentures for net proceeds of $9,632,750. In 2014, the Company issued debentures for net proceeds of $29,712,707.

SEGMENTED INFORMATION

As a result of the growing complexity of operations and investments of the Company, management has evaluated the Company's investments, operations, legal entities and associates and determined that it operates in four segments as follows:

Services

The Company objective is to build and acquire businesses that can service the capital market, advisory, regulatory, compliance and technology needs of publicly listed corporations. The services segment comprises the following entities:

- Ubika Corp.
- Gravitas Corporate Services Inc.
- Branson Corporate Services Inc.
- Gravitas Investor Platform Inc.
- Global Compliance Network Inc.

Financial services

Regulated financial services are operations in financial products and financial products distribution businesses. Regulated financial services are operated independently with their own management teams and require high levels of compliance and governance. Regulated financial services comprises the activities and/or operations of the following entities:

- Gravitas Select Flow-Through GP Inc.
- Gravitas Financial Services Holdings Inc.
- Gravitas International Corp.
- Foundation Investment Management Inc.
- Portfolio Analysts Inc.

Strategic investments

Strategic investments are operations where the Company acquires significant long-term interests in companies that have a high potential for value addition and where the Company provides key strategic inputs and management support either directly or through Board representation. Strategic investments comprises the following entities:

- New India Investment Corporation
- Luxury Quotient International Inc.
- Luxury Quotient India Private Ltd.
- The Mint Corporation
- Claxton Capital Management
- Claxton Real Estate Company Ltd.
- Prime City One Capital Corp.

Fast growing investments

Other investments are operations where the Company acquires meaningful ownership interests in fast growing companies in both public and private markets. The Company will offer strategic guidance and access to its strong network to investee companies to accelerate their strategic growth plans. Other investments comprises Gravitas Venture Inc. operations.

Corporate

Corporate results primarily represent the cost of corporate overhead expenses not allocated to a segment. It comprises Gravitas Financial Inc.

The above changes in reporting segments have been applied retrospectively therefore prior period segment information has been amended to be consistent with current period presentation and reports provided to the chief operating decision maker. There is no impact on the consolidated results of the Company and there are no changes to the Company's accounting policies.

December 31, 2015

	Services	Regulated financial services	Strategics investments	Fast growing investments	Corporate	Intercompany transactions	Total
	$	$	$	$	$	$	$
Revenue	1,223,968	28,489	167,726	348,612	2,065,584	(180,451)	3,653,928
Expenses							
Salaries and management fees	417,614	-	395,532	-	720,529		1,533,675
Consulting and professional fees	631,000	191,977	643,186	11,619	1,723,918		3,201,700
General and administrative	867,343	76,714	372,088	12,103	1,087,902		2,416,150
Interest expense	11,898	560	6,200,000	1,381	2,891,669	(180,451)	8,925,057
Exchange loss (gain)	1,383	-	(102,453)	(109,034)	(864,885)		(1,074,989)
Loss (gain) on settlement	53,669	-	(55,004)	209,637	63,396		271,698
Gain on disposal of available-for-sale investments	(445,510)	-		(183,218)			(628,728)
Loss on disposal of property and equipment	-	-	974	-			974
Change in fair value of convertible debentures - conversion feature	20,441	-		(313,733)	106,442		(186,850)
Change in fair value of FVTPL investments	20,272	(46,173)		(271,865)	(282,290)		(580,056)
Change in fair value of derivative warrant liability	-	-	(44,423)				(44,423)
Impairment of investments	267,380	-		432,295	1,934,475		2,634,150
Share of results in associates	-	99,249	1,686,185		2,297		1,787,731
	1,845,490	322,327	9,096,085	(210,815)	7,383,453	(180,451)	18,256,089
Loss before income taxes	(621,522)	(293,838)	(8,928,359)	559,427	(5,317,869)	-	(14,602,161)
Income taxes							
Current income taxes	-	-		1,157	-	-	1,157
Net loss from continuing operations	(621,522)	(293,838)	(8,928,359)	558,270	(5,317,869)	-	(14,603,318)
Net loss from discontinued operations	-	-	(64,811)	-	-	-	(64,811)
Net loss	(621,522)	(293,838)	(8,993,170)	558,270	(5,317,869)	-	(14,668,129)
Total assets	3,454,577	12,770,065	18,155,813	6,499,320	77,828,076	(29,084,686)	89,623,165
Total liabilities	5,530,913	4,997,978	69,606,971	5,317,839	84,031,181	(20,632,936)	148,851,946
Investments in associates	-	3,642,081	3,964,342	-	-	-	7,606,423

December 31, 2014

	Services	Regulated financial services	Strategics investments	Fast growing investments	Corporate	Intercompany transactions	Total
	$	$	$	$	$	$	$
Revenue	1,037,221	23,929	1,529	10,765	3,342,998	(45,145)	4,371,297
Expenses							
Salaries and management fees	330,075	-	16,837	-	514,127	-	861,039
Consulting and professional fees	595,013	127,072	16,283	4,865	1,186,618	-	1,929,851
General and administrative	1,032,230	36,456	843,548	108	668,049	-	2,580,391
Interest expense	12,140	359	472,720	175	1,833,261	(45,145)	2,273,510
Exchange loss (gain)	-	-	-	-	(140,933)	-	(140,933)
Gain on settlement	(32,020)	-	-	-	-	-	(32,020)
Loss (gain) on disposal of available-for-sale investments	48,000	-	-	-	-	-	48,000
Loss on step acquisition	-	-	672,007	-	-	-	672,007
Change in fair value of convertible debentures - conversion feature	83,982	-	-	5,625	2,383,191	-	2,472,798
Change in fair value of FVTPL investments	340,714	-	-	25,594	350,017	-	716,325
Change in fair value of derivative warrant liability	-	-	123,962	-	-	-	123,962
Impairment of goodwill	-	-	46,885,824	-	-	-	46,885,824
Share in results in associates	-	(322,248)	-	-	-	-	(322,248)
	2,410,134	(158,361)	49,031,181	36,367	6,794,330	(45,145)	58,068,506
Loss before income taxes	(1,372,913)	182,290	(49,029,652)	(25,602)	(3,451,332)	-	(53,697,209)
Income taxes							
Current income taxes	(61,243)	-	-	-	-	-	(61,243)
Net loss	(1,311,670)	182,290	(49,029,652)	(25,602)	(3,451,332)	-	(53,635,966)
Total assets	1,359,791	4,678,292	3,575,364	1,514,106	84,052,078	(14,394,337)	80,785,294
Total liabilities	3,185,790	4,612,370	50,410,506	1,340,806	84,032,843	(11,968,113)	131,614,202
Investments in associates	-	4,114,930	1,413,677	-	-	-	5,528,607

The Company has operations in four geographical sectors. The following tables presents the Company's revenue 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 revenues earned in Africa are related to the net smelter return of 0.75% that the company holds on an exploration project in Gabon, Africa.

	December 31, 2015	December 31, 2014
	$	$
Revenue		
Canada	3,212,851	4,090,330
Africa	441,077	280,967
	3,653,928	4,371,297

	December 31, 2015	December 31,
	$	$
Non-current assets		
Canada	10,492,035	14,567,685
Africa	355,929	711,862
USA	7,717,484	-
AED	3,964,342	-
	22,529,790	15,279,547

QUARTERLY RESULTS TRENDS (IN THOUSANDS OF $)

Management considers that the information presented was determined in the same way as for our audited financial statements for the year ended December 31, 2015.

Please note that the information previously reported have been restated to reflect the proper calculation of convertible debentures.

	Restated							
	2015				2014			
	Q4	Q3 Restated	Q2 Restated	Q1 Restated	Q4 Restated	Q3	Q2	Q1
	$	$	$	$	$	$	$	$
Revenue	1,001	871	818	964	1,529	571	1,081	1,190
Net loss from continuing operations	(5,019)	(3,447)	(3,840)	(2,297)	(50,694)	(1,645)	(1,144)	(153)
Basic and diluted net loss per share from continuing operations	(0.066)	(0.041)	(0.060)	(0.053)	(0.762)	(0.024)	(0.017)	(0.002)

The net loss increase in the fourth quarter of 2014 is due to the consolidation of Mint's operations and the corresponding impairment of goodwill for $46,885,824.

LIQUIDITY, CAPITAL RESOURCES AND SOURCES OF FINANCING

As at December 31, 2015, the Company had a cash position of $34,427,311, guaranteed investment certificates for $20,089,000 and a working capital of $58,636,958.

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

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

INFORMATION ON OUTSTANDING SECURITIES

The Company's authorized share capital consists in an unlimited number of common shares of which 66,601,305 are currently outstanding. Please refer to Note 23 of the audited consolidated financial for more details.

RELATED PARTIES TRANSACTIONS

Please refer to Note 31 of the audited consolidated financial statements for key management personnel compensation. The Company has not entered into any other related party transaction.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

SIGNIFICANT ACCOUNTING POLICIES

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

The elements in the financial statements that require more use of estimates are describe in Note 9 of the audited consolidated financial statements include. Actual results may differ from these estimates, but management believes they will not result in material changes versus the results being presented. Readers are invited to refer to the audited consolidated financial statements for the year ended December 31, 2015 for a full description of the significant accounting policies of the Company at that date.

FUTURE CHANGES IN ACCOUNTING POLICIES

At the date of authorization of these audited consolidated financial statements, certain new standards, amendments and interpretations to existing standards have been published by the International Accounting Standards Board (IASB) but are not yet effective, and have not been adopted early by the Company.

Management anticipates that all of the relevant pronouncements will be adopted in the Company's accounting policies for the first period beginning after the effective date of the pronouncement. Readers are invited to refer to Note 7 of the audited consolidated financial statements for the year ended December 31, 2015, for a full description of these new standards.

RISKS RELATED TO FINANCIAL INSTRUMENTS

Readers are invited to refer to Note 34 of the audited consolidated financial statements for the year ended December 31, 2015, for a full description of these risks.

RISKS AND UNCERTAINTIES

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

COMPETITION

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

KEY MANAGEMENT PERSONNEL

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

CHANGE MANAGEMENT RISK

The Company is currently making significant investments at some of its subsidiaries and affiliates to deploy a new technology platform and intends to migrate all of its payroll cards to this new platform. Any delay in the launch of the new platform or technical difficulties post migration to the new platform can impact the service standards that the Company has been providing to its customers. Any prolonged disruption during the migration of cards to a new platform can result in significant harm to the business and lead to customer defection.

The Company is also in the process of migrating the BIN from one of the banks to a new partner. The Company needs the cooperation of both banks and a variety of third party vendors to complete this migration smoothly. Any disruption in this migration activity can result in significant harm to the business.

MANAGEMENT OF EXPANSION

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

In addition, while Gravitas' acquisition process typically includes extensive due diligence on the business or assets to be acquired and acquisition agreements typically include detailed representations and warranties respecting the business or assets being acquired, there can be no assurance that Gravitas would not become subject to certain undisclosed liabilities associated with the acquired assets that the Company failed or has been unable to discover during the due diligence process prior to the closing of the acquisition. The discovery of any unrecoverable material liabilities could have an adverse and material effect on the Company's business, results of operations and financial condition.

NON-CONTROLLING INTEREST RISKS

As a result of Gravitas' acquisition of Mint, the Company has formed a relationship with Global Business Services ("GBS") by giving GBS a non-controlling minority interest in MME. Any adverse development in our ongoing relationship with GBS can affect the operations of the business and our ability to execute on our strategy. Any change in the financial and reputational standing of GBS in the UAE market place can also indirectly affect the Company as it may impede GBS's ability to bring new business development opportunities to the company.

LAWS AND REGULATIONS

The regulation of financial services is extensive and designed to protect consumers and the public, while providing standard guidelines for business operations. The Company's subsidiaries and their partners are subject to governmental laws and regulations relating to financial product offerings, including laws and regulations governing know-your-customer (KYC), anti-money laundering (AML), anti-terrorist financing (ATF) and the privacy of customers' personal information. Failure to comply with, or changes to, existing or future laws and regulations could result in significant unforeseen costs and limitations, and could have an adverse impact on the Company's business, results of operations and financial condition.

Changes may occur in laws and regulations, or the interpretation or enforcement thereof, that could increase Gravitas' compliance and other costs of doing business, require significant systems redevelopment, or render its products or services less profitable or obsolete, any of which could have an adverse effect on the Company's business, results of operations and financial condition.

ECONOMIC CONDITIONS

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

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

Readers are referred to the more detailed information described in other disclosure documents filed with the applicable Canadian securities regulatory authorities and available at www.sedar.com.

SHARE PRICE VOLATILITY

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

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

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

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

Revenue Dependent on Fees

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

Debt Repayment

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

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

Readers are referred to the more detailed information described in other disclosure documents filed with the applicable Canadian securities regulatory authorities and available at www.sedar.com.