Unaudited Interim Condensed Consolidated Financial Statements

Gravitas Financial Inc.

For the three and six months periods
ended
June 30, 2016 and 2015

Gravitas Financial Inc.

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Notice of Disclosure of Non-Auditor Review of Interim Condensed Consolidated Financial Statements for the three and six months periods ended June 30, 2016 and June 30, 2015.

Pursuant to National Instrument 51-102, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of the interim condensed consolidated financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim condensed consolidated financial statements of Gravitas Financial Inc. and its subsidiaries (the "Company") for the three and six months periods ended June 30, 2016 and 2015, have been prepared in accordance with International Financial Reporting Standards and are the responsibility of the Company's management.

The Corporation's independent auditors, MNP LLP, have not performed a review of the interim condensed consolidated financial statements for the three and six months ended June 30, 2016 and 2015 in accordance with the standards established by the Chartered Professional Accountants Canada for a review of interim financial statements by an entity's auditor.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying interim condensed consolidated financial statements of the Gravitas Financial Inc. (the "Company") have been prepared by management in accordance with International Financial Reporting Standards ("IFRS"). Management acknowledges responsibility for the preparation and presentation of the consolidated financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances.

Management, in discharging these responsibilities, maintains a system of internal controls designed to provide reasonable assurance that its assets are safeguarded, only valid and authorized transactions are executed and accurate, timely and comprehensive financial information is prepared. However, any system of internal control over financial reporting, no matter how well designed and implemented, has inherent limitations and may not prevent or detect all misstatements.

The Board of Directors is responsible for reviewing and approving the consolidated financial statements together with other financial information of the Corporation and for ensuring that management fulfills its financial reporting responsibilities.

"Vikas Ranjan"	"Rishi Tibriwal"
Chief Executive Officer	**Chief Financial Officer**

Gravitas Financial Inc.
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Presented in Canadian Dollars)

As at:	Notes	June 30, 2016 $	December 31, 2015 $
ASSETS			
Current assets			
Cash		27,710,701	34,427,311
Guaranteed investment certificates	8	13,460,892	20,089,000
Trade and other receivables	9 and 26	2,948,351	2,542,079
Prepaid		119,746	249,768
Inventory		144,705	146,655
Loan receivables	13	1,088,088	1,089,421
Convertible debentures	14	251,604	319,376
Assets held for sale	6	7,800,670	8,229,765
Current assets		**53,524,757**	**67,093,375**
Non-current assets			
Property and equipment	10	133,696	148,710
Equity investments and other	11	9,247,782	6,437,240
Investments in associates	12	7,528,401	7,606,423
Loan receivables	13	8,870,200	5,444,590
Convertible debentures	14	3,489,268	2,290,626
Intangible assets	15	177,964	602,201
Non-current assets		**29,447,311**	**22,529,790**
Total assets		**82,972,068**	**89,623,165**
LIABILITIES			
Current			
Trade and other payables	16	1,832,464	3,007,921
Customer deposits		452,186	270,329
Liabilities held for sale	6 and 17	4,821,384	5,178,167
Debentures	18	3,397,428	-
Current liabilities		**10,503,462**	**8,456,417**
Non-current liabilities			
Lease inducement		45,616	47,943
Debentures	18	140,479,836	140,347,586
Non-current liabilities		**140,575,452**	**140,395,529**
Total liabilities		**151,028,914**	**148,851,946**
EQUITY (DEFICIENCY)			
Share capital	19	1,400,600	1,400,600
Contributed surplus		471,685	471,685
Deficit		(73,851,518)	(65,398,513)
Accumulated other comprehensive income		1,882,209	1,602,815
Total equity deficiency attributable to owners of the parent company		**(70,097,024)**	**(61,923,413)**
Non-controlling interest	7	2,040,178	2,694,632
Total equity deficiency		**(68,056,846)**	**(59,228,781)**
Total equity deficiency and liabilities		**82,972,068**	**89,623,165**

Commitments and contingency [Note 30]

On behalf of the Board:

/S/ Vikas Ranjan
Director

/S/ Gerry Goldberg
Director

See accompanying notes to the interim condensed consolidated financial statements.

Gravitas Financial Inc.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Presented in Canadian Dollars)

	Notes	For the three months period ended June 30,		For the six months periods Ended June 30,	
		2016	2015	2016	2015
		$	$	$	$
			(Restated Note 5)		*(Restated Note 5)*
Revenue					
Listing and research fees		**296,387**	160,550	**602,108**	374,000
Consulting		**112,466**	115,147	**222,017**	242,153
Royalties		**84,347**	101,305	**201,050**	164,515
Interest	21	**476,483**	409,301	**949,788**	918,489
Other		**48,103**	31,651	**62,664**	82,842
		1,017,786	817,954	**2,037,627**	1,781,999
Expenses					
Salaries and management fees		**542,693**	285,216	**1,045,762**	575,640
Consulting and professional fees		**889,606**	747,767	**1,515,579**	1,345,316
General and administrative		**544,755**	782,365	**1,091,588**	1,455,473
Interest expense	22	**1,749,674**	2,184,872	**3,558,651**	4,119,182
Exchange loss (gain)		**50,090**	181,116	**581,923**	(53,046)
Loss (gain) on settlements	23	**(147,011)**	(17,123)	**(584,914)**	9,982
Gain on disposal of available-for-sale investments		**(158,197)**	(109,523)	**(181,455)**	(389,907)
Change in fair value of convertible debentures – conversion feature	14	**(237,786)**	112,760	**(668,308)**	133,123
Change in fair value of FVTPL investments	11	**(228,935)**	(259,761)	**(41,100)**	(293,444)
Change in fair value of derivative warrant liability		**-**	-	**-**	(44,423)
Impairment	24 and 26	**408,724**	449,390	**980,164**	449,390
Debenture restructuring fee	18 (b)	**-**	-	**3,583,429**	-
Share of results of associates	12	**392,523**	299,927	**701,852**	610,650
		3,806,136	4,657,006	**11,583,171**	7,917,936
Net loss from continuing operations		**(2,788,350)**	(3,839,052)	**(9,545,544)**	(6,135,937)
Net earnings from discontinued operations	6	**105,019**	-	**222,696**	-
Loss before income taxes		**(2,683,331)**	(3,839,052)	**(9,322,848)**	(6,135,937)
Current income taxes		**-**	1,157	**-**	1,157
Net loss		**(2,683,331)**	(3,840,209)	**(9,322,848)**	(6,137,094)
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		**699,055**	681,875	**405,518**	(834,350)
Reclassification to net loss, net of tax effect		**(158,197)**	(109,523)	**(181,455)**	(389,907)
		540,858	572,352	**224,063**	(1,224,257)
Foreign currency translation					
Cumulative translation adjustment, net of tax effect		**(2,332)**	(8,176)	**55,331**	(40,967)
Total other comprehensive income (loss)		**538,526**	564,176	**279,394**	(1,265,224)
Net loss and comprehensive loss		**(2,249,824)**	(3,276,033)	**(9,266,150)**	(7,402,318)
Net loss attributable to:					
Shareholders of the Company		**(2,088,325)**	(2,778,448)	**(6,601,196)**	(4,135,957)
Non-controlling interest	7	**(595,006)**	(1,061,761)	**(2,721,652)**	(2,001,137)
		(2,683,331)	(3,840,209)	**(9,322,848)**	(6,137,094)
Net comprehensive loss attributable to:					
Shareholders of the Company		**(1,654,818)**	(2,214,272)	**(6,544,498)**	(5,384,785)
Non-controlling interest		**(595,006)**	(1,061,761)	**(2,721,652)**	(2,017,533)
		(2,249,824)	(3,276,033)	**(9,266,150)**	(7,402,318)
Loss per common share, basic and diluted					
- Continuing operations		**(0.042)**	(0.058)	**(0.143)**	(0.092)
- Discontinued operations		**-**	-	**-**	-
		(0.042)	(0.058)	**(0.143)**	(0.092)
Weighted average number of common shares outstanding		**66,601,305**	66,601,305	**66,601,305**	66,601,305

See accompanying notes to the interim condensed consolidated financial statements.

Gravitas Financial Inc.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIENCY)

(Presented in Canadian Dollars)

For the three and six months periods ended June 30, 2016 and 2015

	Notes	Number of common shares	Share capital	Accumulated other comprehensive (loss) income		Contributed surplus	Deficit	Non-controlling interest	Total
				Available-for-sale financial assets	Foreign currency translation				
			$	$	$	$	$	$	$
Balance, December 31, 2015		**66,601,305**	**1,400,600**	**1,664,881**	**(62,066)**	**471,685**	**(65,398,513)**	**2,694,632**	**(59,228,781)**
Net loss for the period		-	-	-	-	-	(4,512,871)	(2,126,646)	**(6,639,517)**
Other comprehensive loss									
Net change in fair value, net of tax effects		-	-	(293,537)	24,872	-	-	-	(268,665)
Reclassification to net loss, net of tax effect		-	-	(23,258)	32,791	-	-	-	9,533
Total other comprehensive (loss) income		-	-	(316,795)	57,663	-	-	-	(259,132)
Balance, March 31, 2016		**66,601,305**	**1,400,600**	**1,348,086**	**(4,403)**	**471,685**	**(69,911,384)**	**567,986**	**(66,127,430)**
Non-controlling interest	7	-	-	-	-	-	(1,851,809)	2,067,198	**215,389**
Net loss for the period		-	-	-	-	-	(2,088,325)	(595,006)	**(2,683,331)**
		-	-	-	-	-	(3,940,134)	1,472,192	**(2,467,942)**
Other comprehensive loss									
Net change in fair value, net of tax effects		-	-	699,055	(2,332)	-	-	-	696,723
Reclassification to net loss, net of tax effect		-	-	(158,197)	-	-	-	-	(158,197)
Total other comprehensive income (loss)		-	-	540,858	(2,332)	-	-	-	538,526
Balance, June 30, 2016		**66,601,305**	**1,400,600**	**1,888,944**	**(6,735)**	**471,685**	**(73,851,518)**	**2,040,178**	**(68,056,846)**

See accompanying notes to the interim condensed consolidated financial statements.

Gravitas Financial Inc.
UNAUDITED INTERIM CONDENSED
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIENCY)
(Presented in Canadian Dollars)
For the three and six months periods ended June 30, 2015

	Notes	Number of common shares	Share capital	Accumulated other comprehensive income (loss)		Contributed surplus	Deficit	Non-controlling interest	Total
				Available-for-sale financial assets	Foreign currency translation				
			$	$	$	$	$	$	$
Balance, December 31, 2014 (restated Note 5)		**66,601,305**	**1,400,600**	**1,691,796**	**-**	**86,738**	**(53,932,642)**	**(75,400)**	**(50,828,908)**
Stock-based compensation	20	-	-	-	-	509	-	-	509
Net loss for the period		-	-	-	-	-	(1,357,509)	(939,376)	(2,296,885)
Other comprehensive loss									
Net change in fair value, net of tax effects		-	-	(1,516,225)	(32,791)	-	-	-	(1,549,016)
Reclassification to net loss, net of tax effect		-	-	(280,384)	-	-	-	-	(280,384)
Total other comprehensive loss		-	-	(1,796,609)	(32,791)	-	-	-	(1,829,400)
Balance, March 31, 2015 (restated Note 5)		**66,601,305**	**1,400,600**	**(104,813)**	**(32,791)**	**87,247**	**(55,290,151)**	**(1,014,776)**	**(54,954,684)**
Change in functional currency		-	-	-	-	365,788	-	-	365,788
Broker warrants issued as part of Series C debentures		-	-	-	-	18,650	-	-	18,650
Non-controlling interest		-	-	-	-	-	(555,520)	555,520	-
Net loss for the period		-	-	-	-	-	(2,778,448)	(1,061,761)	(3,840,209)
Other comprehensive income (loss)									
Net change in fair value, net of tax effects		-	-	681,875	(8,176)	-	-	-	673,699
Reclassification to net loss, net of tax effect		-	-	(109,523)	-	-	-	-	(109,523)
Total other comprehensive income (loss)		-	-	572,352	(8,176)	-	-	-	564,176
Balance, June 30, 2015 (restated Note 5)		**66,601,305**	**1,400,600**	**467,539**	**(40,967)**	**471,685**	**(58,624,119)**	**(1,521,017)**	**(57,846,279)**

See accompanying notes to the interim condensed consolidated financial statements.

Gravitas Financial Inc.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in Canadian Dollars)

For the six months periods ended June 30, 2016 and 2015:

	Notes	June 30, 2016	June 30, 2015
		$	$
OPERATING ACTIVITIES			
Net loss from continuing operations		(9,545,544)	(6,137,094)
Adjustments:			
Stock based compensation		-	509
Amortization of equipment		20,506	24,347
Amortization – intangible assets	15	177,965	177,966
Interest accretion	4, 21 and 22	756,778	301,867
Lease inducement		(2,327)	(3,321)
Loss (gain) on settlement		(584,914)	9,982
Gain on disposal of available-for-sale investments		(181,455)	(389,907)
Change in fair value of convertible debentures – conversion feature		(668,308)	133,123
Change in fair value of FVTPL		(41,101)	(293,444)
Change in fair value of warrant liability		-	(44,423)
Common shares and warrants received as an incentive for early conversion of convertible debenture		-	(47,909)
Impairment	24	980,114	449,390
Debenture restructuring fee	18	3,583,429	-
Share of results in associates		701,852	610,650
Unrealized exchange loss		115,206	-
		(4,687,799)	(5,208,264)
Change in working capital	25	(1,942,057)	1,218,366
Cash flows used in operating activities of continuing operations		(6,629,856)	(3,989,898)
Cash flows generated from operating activities of discontinued operations	6	326,662	-
Net cash used in operating activities		(6,303,194)	(3,989,898)
INVESTING ACTIVITIES			
Investment in restricted cash		-	(9,624,203)
Guaranteed investment certificates		6,628,108	16,911,000
Additions to property and equipment		-	(18,439)
Purchase of equity investments and other		(2,857,967)	(2,167,745)
Proceeds from disposal of investments		652,289	1,025,934
Additional investments in associates	12	(803,830)	(1,160,025)
Dividends received on investment in associates		180,000	233,600
Loan receivable	13	(3,991,482)	(2,476,920)
Repayment of loan receivables		324,070	360,000
Convertible debentures		(328,850)	-
Repayment of convertible debentures		47,180	(112,360)
Net cash generated (used) from (in) investing activities		(150,482)	2,970,842
FINANCING ACTIVITIES			
Issuance of debenture	18	-	9,624,203
Re-purchase of debentures	18	(502,000)	(24,105)
Non-controlling interest		215,389	-
Net cash generated (used) from (in) financing activities		(286,611)	9,600,098
Cash flows used in financing activities of discontinued operations	6	(31,654)	-
Translation effect on cash		55,331	(40,967)
Net change in cash during the period		(6,716,610)	8,540,076
Cash, beginning of period		34,427,311	20,106,400
Cash, end of period		27,710,701	28,646,475

Supplemental cash flow information [Note 25]

See accompanying notes to interim condensed the consolidated financial statements.

NOTE 1. NATURE OF OPERATIONS

Gravitas Financial Inc. (the "Company" or "Gravitas") is a publicly listed company on the Canada Securities Exchange ("CSE") and trading under the symbol, GFI. The Company was incorporated under the Canada Business Corporation Act and has its registered office and its principal place of business is 333 Bay Street, Suite 1700, Toronto, Ontario M5H 2R2.

Gravitas is an integrated financial and advisory services firm providing services in financial and capital markets. Gravitas also acquires significant long term interest in and develops businesses that have a high potential to 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 interests in fast growing companies in both the public and private markets.

These unaudited interim condensed consolidated financial statements have been approved by the Board of Directors on August 25, 2016 in preparation of their filing.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation

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

Subsidiaries

Subsidiaries are all entities over which the Company has power over decisions about relevant activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated form the date on which control ceases. Accounting policies of subsidiaries have been changed, where necessary, to ensure consistency with the policies adopted by the Company. The purchase method of account is used to account for the acquisition of subsidiaries by the Company. Results of operations are consolidated since the date of acquisition. The purchase consideration is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. The transaction costs directly attributable to the acquisition is expensed. Identifiable assets acquired, as well as liabilities and contingent liabilities assumed in a business combination, are measured initially at their fair value at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the purchase consideration over the fair value of the Company's share of the identifiable net assets acquire is recorded as goodwill. If the purchase consideration is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the consolidated statement of loss and comprehensive loss. Intercompany transactions, balances and unrealized gains or losses on transactions between subsidiaries are eliminated.

(Expressed in Canadian Dollars)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Subsidiaries	Jurisdiction of incorporation	Percentage 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. (inactive)	Canada	100%
Gravitas Venture Inc.	Canada	100%
Gravitas Consolidated Corp. (a) (b)	Canada	100%
Gravitas investor Platform Inc. (a)	Canada	100%
Gravitas International Corporation	Canada	50%
New India Investment Corporation	Canada	100%
Luxury Quotient International Inc.	Canada	100%
Global Compliance Network Inc. (a)	Canada	100%
Foundation Investment Management Inc.	Canada	100%
The Mint Corporation (“Mint”)	Canada	74.9%
Claxton Capital Management (b) (“Claxton” or “CCM”)	Canada	100%
Branson Corporate Services Inc.	Canada	51%
Luxury Quotient India Private Ltd.	India	100%
SearchGold Guinee SARL (inactive)	Africa	100%
Claxton Real Estate Company Ltd. (b) (“CREC”)	USA	42%

(a) Incorporated in 2015
(b) Discontinued in 2015

Investment in associates	Jurisdiction of incorporation	Percentage of ownership (%)
Portfolio Analysts Inc.	Canada	40%
Mint United Arab Emirates (“UAE”) Operations (“MME”)	Canada	51%
Prime City One Capital Corp.	Canada	18%

NOTE 3. STATEMENT OF COMPLIANCE

These unaudited interim consolidated financial statements have been prepared using accounting policies consistent with 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 audited annual consolidated financial statements for the year ended December 31, 2015, as they follow the same accounting policies and methods of application, unless otherwise indicated.

NOTE 4. CHANGES IN ACCOUNTING POLICIES

(a) The Company has adopted the following standards, effective January 1, 2016. There was no consequential impact upon adoption.

IFRS 11 – Joint Arrangements
In May 2014, the IASB amended IFRS 11 – Joint Arrangements to provide guidance on the accounting for acquisitions of interests in joint operations in which the activities constitutes a business, as defined in IFRS 3 – Business Combinations. The amended standard requires the acquirer to apply all of the principles on accounting for business acquisitions occurring in annual periods beginning on or after January 1, 2016.

IAS 1 – Presentation of Financial Statements
In December 2014, the IASB amended IAS 1, Presentation of Financial Statements to clarify guidance on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies. The amendments are effective January 1, 2016 with early adoption permitted.

IAS 16 – Property, Plant and Equipment and IAS 38 – Intangible Assets
In May 2014, the IASB amended IAS 16 – Property, Plant and Equipment and IAS 38 – Intangible Assets to clarify that a revenue-based approach to calculate depreciation and amortization generally is not appropriate as it does not reflect the consumption of the economic benefits embodied in the related asset. These amendments must be applied prospectively for annual periods beginning on or after January 1, 2016.

(b) Standards issued but not yet effective.

IFRS 15 – Revenue from Contracts with Customers
In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers, which covers principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. In September 2015, the IASB deferred the effective date of the standard to annual reporting periods beginning on or after January 1, 2018, with earlier application permitted. The Company is currently assessing the impact of IFRS 15 on the Company's consolidated financial statements along with the planned timing of our adoption of IFRS 15.

IFRS 16 – Leases
In January 2016, the IASB issued IFRS 16 Lease, which requires lessees to recognize assets and liabilities for most leases. Application of the standard is mandatory for annual reporting periods beginning on or after January 1, 2019, with earlier adoption permitted, provided the new revenue standard, IFRS 15 Revenue from Contracts with Customers, has been applied or is applied at the same date as IFRS 16. The Company is currently assessing the impact of IFRS 16 on the Company's consolidated financial statements along with the planned timing of our adoption of IFRS 16.

IFRS 9 – Financial Instruments
The IASB previously published versions of IFRS 9 – Financial instruments that introduced new classification and measurement requirements in 2009 and 2010 and a new hedge accounting model in 2013. In July 2014, the IASB released the final version of IFRS 9 which replaces the earlier versions of IFRS 9 issued and completed IAS's project to replace IAS 39 – Financial Instruments: Recognition and Measurements. The standard is effective for annual periods beginning on or after January 1, 2018 and must be applied retrospectively with certain exceptions. Early adoption is permitted. The restatement for the classification and assessment presented for prior periods, particularly with respect to impairment is not required.

(Expressed in Canadian Dollars)

NOTE 5. 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 Mint Series B debentures were incorrect and that the carrying value of the debentures and trade and other payables were overstated. The effects of the restatement on the consolidated statement of loss and comprehensive loss for the three and six months ended June 30, 2015 and consolidated statement of financial position as at are summarized below. The adjustments between amounts previously reported and amounts restated had no effect on the consolidated statement of cash flows.

	For the three months ended June 30, 2015		
	Previously reported $	**Adjustments $**	**Restated $**
Revenues	**817,954**	**-**	**817,954**
Expenses			
Salaries and management fees	285,216	-	285,216
Consulting and professional fees	747,767	-	747,767
General and administrative	782,365	-	782,365
Interest expense	2,373,431	(188,559)	2,184,872
Exchange gain	181,116	-	181,116
Loss on settlement	(17,123)	-	(17,123)
Gain on disposal of available-for-sale investments	(109,523)	-	(109,523)
Change in fair value of convertible debentures – conversion feature	112,760	-	112,760
Change in fair value of FVTPL investments	(259,761)	-	(259,761)
Impairment of investments	449,390	-	449,390
Share of results of associates	299,927	-	299,927
	4,845,565	**(188,559)**	**4,657,006**
Loss before income taxes	**(4,027,611)**	**188,559**	**(3,839,052)**
Current income taxes	1,157	-	1,157
Net loss	**(4,028,768)**	**188,559**	**(3,840,209)**
Other comprehensive loss	**564,176**	**-**	564,176
Net loss and comprehensive loss	**(3,464,592)**	**188,559**	**(3,276,033)**
Net loss attributable to:			
Shareholders of the Company	(2,872,727)	94,279	(2,778,448)
Non-controlling interest	(1,156,041)	94,280	(1,061,761)
	(4,028,768)	**188,559**	**(3,840,209)**
Comprehensive loss attributable to:			
Shareholders of the Company	(2,308,551)	94,279	(2,214,272)
Non-controlling interest	(1,156,041)	94,280	(1,061,761)
	(3,464,592)	**188,559**	**(3,276,033)**
Loss per common share, basic and diluted	**(0.060)**	**0.002**	**(0.058)**

(Expressed in Canadian Dollars)

NOTE 5. RESTATEMENT – CONTINUED

	For the six months ended June 30, 2015		
	Previously reported $	**Adjustments $**	**Restated $**
Revenues	**1,781,999**	**-**	**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	1,455,473	-	1,455,473
Interest expense	5,531,715	(1,412,533)	4,119,182
Exchange gain	(53,046)	-	(53,046)
Loss on settlement	9,982	-	9,982
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 of associates	610,650	-	610,650
	9,330,469	**(1,412,533)**	**7,917,936**
Loss before income taxes	**(7,548,470)**	**1,412,533**	**(6,135,937)**
Current income taxes	1,157	-	1,157
Net loss	**(7,549,627)**	**1,412,533**	**(6,137,094)**
Other comprehensive loss	**(1,265,224)**	**-**	(1,265,224)
Net loss and comprehensive loss	**(8,814,851)**	**1,412,533**	**(7,402,318)**
Net loss attributable to:			
Shareholders of the Company	(4,842,223)	706,266	(4,135,957)
Non-controlling interest	(2,707,404)	706,267	(2,001,137)
	(7,549,627)	**1,412,533**	**(6,137,094)**
Comprehensive loss attributable to:			
Shareholders of the Company	(6,091,051)	706,266	(5,384,785)
Non-controlling interest	(2,723,800)	706,267	(2,017,533)
	(8,814,851)	**1,412,533**	**(7,402,318)**
Loss per common share, basic and diluted	**(0.113)**	**0.021**	**(0.092)**

(Expressed in Canadian Dollars)

NOTE 5. RESTATEMENT – CONTINUED

	As at June 30, 2015		
	Previously reported $	**Adjustments $**	**Restated $**
ASSETS			
Current assets			
Cash and cash equivalents	28,646,477	-	28,646,477
Restricted cash	9,624,203		9,624,203
Guaranteed investment certificates	25,089,000	-	25,089,000
Trade and other receivables	1,742,447	-	1,742,447
Prepaid	270,272	-	270,272
Inventory	157,389	-	157,389
Loan receivables	2,778,320	-	2,778,320
Convertible debentures	396,663	-	396,663
Current assets	**68,704,771**	**-**	**68,704,771**
Non-current assets			
Property and equipment	168,426	-	168,426
Equity investments and other	5,483,386	-	5,483,386
Investments in associates	5,844,382	-	5,844,382
Loan receivables	2,775,000	-	2,775,000
Convertible debentures	1,525,752	-	1,525,752
Intangible assets	780,168	-	780,168
Non-current assets	**16,577,114**	**-**	**16,577,114**
Total assets	**85,281,885**	**-**	**85,281,885**
LIABILITIES			
Current			
Trade and other payables	4,031,691	(1,492,737)	2,538,954
Customer deposits	179,000	-	179,000
Debentures	457,924	-	457,924
Current liabilities	**4,668,615**	**(1,492,737)**	**3,175,878**
Non-current liabilities			
Lease inducement	27,647	-	27,647
Debentures	142,194,316	(2,269,677)	139,924,639
Non-current liabilities	**142,221,963**	**(2,269,677)**	**139,952,286**
Total liabilities	**146,890,578**	**(3,762,414)**	**143,128,164**
EQUITY (DEFICIENCY)			
Share capital	1,400,600	-	1,400,600
Contributed surplus	471,685	-	471,685
Deficit	(61,740,521)	3,116,402	(58,624,119)
Accumulated other comprehensive loss	426,572	-	426,572
Total equity deficiency attributable to owners of the parent company	**(59,441,664)**	**3,116,402**	**(56,325,262)**
Non-controlling interest	(2,167,029)	646,012	(1,521,017)
Total equity deficiency	**(61,608,693)**	**3,762,414**	**(57,846,279)**
Total equity deficiency and liabilities	**85,281,885**	**-**	**85,281,885**

(Expressed in Canadian Dollars)

NOTE 6. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Loss from discontinued operations

	For the three months ended June 30,		For the six months ended June 30,	
	2016 $	**2015** $	**2016** $	**2015** $
Gain (loss) from Claxton (a)	105,019	-	(72,315)	-
Gain on wind-up of subsidiary (b)	-	-	295,011	-
Net gain	**105,019**	**-**	**222,696**	**-**

a) Subsequent to December 31, 2015, the Company commenced discussions with listing brokers to list, for sale, the Palm Valley property. The Company has listed the Palm Valley property for sale, and as a result, the operations of Claxton have been presented as "discontinued operations" in the consolidated statement of loss and comprehensive loss.

The following table shows the statement of loss and comprehensive loss for the discontinued operations for the three and six months ended June 30, 2016:

	For the three months ended June 30, 2016 $	For the six months ended June 30, 2016 $
Rent revenues	286,916	517,331
Expenses		
Salaries and management fees	(9,886)	-
Consulting and professional fees	11,932	26,000
Rental expenses	219,398	405,738
Change in fair value less cost to sell	-	450,000
Exchange loss	(39,547)	(292,092)
	181,897	**589,646**
Net income (loss)	**105,019**	**(72,315)**

On June 23, 2016, the Company entered into a conditional agreement for the sale of the Palm Valley property for gross proceeds of USD$5,825,000. The purchaser will also assume the mortgage loan secured against this property (see Note 17). The conditions on this agreement were waived on July 5, 2016 and the transaction is expected to close on October 2016 once the purchaser completes the process for the assumption of the loan.

(Expressed in Canadian Dollars)

NOTE 6. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS - CONTINUED

b) During the three months ended March 31, 2016, the Company completed the winding up of Mint Technology Inc. ("MTI"). Accordingly, the Company de-consolidated the operations and balance sheet of MTI. MTI was an inactive 100% subsidiary of Mint based in the United States. The net gain from discontinued operations of MTI was determined as follows:

Foreign exchange translation differences relating to MTI	(32,791)
Carrying value of MTI liabilities	327,802
Proceeds	-
Net gain on wind-up	**295,011**

The following table shows the statement of financial position for the discontinued operations of Claxton as at June 30, 2016 and December 31, 2015:

	June 30, 2016 $	**December 31, 2015 $**
ASSETS		
Cash	191,955	220,270
Trade and other receivables	289,182	240,308
Prepaid	33,257	51,703
Property and equipment	7,286,276	7,717,484
	7,800,670	**8,229,765**
LIABILITIES		
Trade and other payables	491,680	515,303
Loan payable (Note 17)	4,329,704	4,662,862
	4,821,384	**5,178,165**
Net assets directly associated with the discontinued operations	**2,979,286**	**3,051,600**

The following table shows the statement of cash flow for Claxton for the six months ended June 30, 2016:

	$
Cash flows from operating activities of discontinued operations	358,316
Cash flows from investing activities of discontinued operations	-
Cash flow from financing activities of discontinued operations	(31,654)
	326,662

(Expressed in Canadian Dollars)

NOTE 7. INTERESTS IN SUBSIDIARIES

	Proportion of ownership interest and voting rights held by NCI		Total Comprehensive loss (income) allocated to NCI		Accumulated NCI	
	June 30, 2016	December 31, 2015	For the three months ended June 30,			
			$	$	$	$
Name			**2016**	**2015**	**2016**	**2015**
The Mint Corporation	25.1%	36.5%	(558,280)	(1,078,226)	1,508,918	(522,705)
Branson Corporate Services	49%	49%	11,663	16,465	11,663	73,358
Claxton Real Estate Company Ltd.	58%	58%	60,912	-	60,912	-
Gravitas International Corp.	50%	50%	(109,301)	-	(109,301)	-
			(595,006)	**(1,061,761)**	**1,472,192**	**(449,347)**

	Total Comprehensive loss (income) allocated to NCI		Accumulated NCI	
	For the six months ended June 30,			
	$	$	$	$
Name	**2016**	**2015**	**2016**	**2015**
The Mint Corporation	(2,779,737)	(2,037,491)	(3,862,388)	(1,501,962)
Branson Corporate Services	24,061	36,354	(11,123)	37,838
Claxton Real Estate Company Ltd.	219,058	-	2,153,758	-
Gravitas International Corp.	(185,034)	-	3,759,931	-
	(2,721,652)	**(2,001,137)**	**2,040,178**	**(1,464,124)**

No dividends were paid to the NCI during the three and six months ended June 30, 2016 and 2015.

On June 30, 2016, the Mint Corporation issued 51,379,998 common shares for an aggregate gross proceeds of $2,568,998 as a rights offering wherein shareholders of the Mint Corporation were entitled to subscribe for one common share at $0.05 per share for each share held as of June 3, 2016. The company subscribed for 46,815,277 of additional shares for an investment of $2,340,764. Non-controlling shareholders subscribed for the remaining 4,564,721 shares for net proceeds of $215,389. As a result, the Company's ownership interest in the Mint Corporation increased from 63.5% to 74.9% of the issued and outstanding shares of Mint. The incremental investment in Mint resulted in a decrease in the equity deficit attributable to the non-controlling shareholders and as required under IFRS 10, Consolidated Financial Statements, an adjustment of $1,851,809 has been recorded in the consolidated statement of changes in equity to reduce the non-controlling interest.

(Expressed in Canadian Dollars)

NOTE 7. INTERESTS IN SUBSIDIARIES - CONTINUED

	For the three months ended June 30,		For the six months ended June 30,	
	2016 **$**	**2015** **$**	**2016** **$**	**2015** **$**
Revenues				
The Mint Corporation	3,749	525	26,702	5,340
Branson Corporate Services	112,466	115,147	222,017	242,153
Claxton Real Estate Company Ltd.	286,916	-	517,331	-
Gravitas International Corp.	76,708	-	84,905	-
Total revenue	**479,839**	**115,672**	**850,955**	**247,493**
Net loss attributable to shareholder of the parent	**(2,088,325)**	**(2,778,448)**	**(6,601,196)**	**(4,135,957)**
Net loss attributable to NCI:				
The Mint Corporation	(558,280)	(1,078,226)	(2,779,737)	(2,037,491)
Branson Corporate Services	11,663	16,465	24,061	36,354
Claxton Real Estate Company Ltd.	60,912	-	219,058	-
Gravitas International Corp.	(109,301)	-	(185,034)	-
	(595,006)	**(1,061,761)**	**(2,721,652)**	**(2,001,137)**
Net loss	**(2,683,331)**	**(3,840,209)**	**(9,322,848)**	**(6,137,094)**
Other comprehensive income (loss) attributable to shareholder of the parent	538,526	564,176	279,394	(1,248,828)
Other comprehensive income (loss) attributable to NCI				
The Mint Corporation	-	-	-	(16,396)
Other comprehensive income (loss)	**538,526**	**564,176**	**279,394**	**(1,265,224)**
Net earnings (loss) and comprehensive income (loss) attributable to shareholder of the parent	(1,654,818)	(2,214,272)	(6,544,498)	(5,384,785)
Net earnings (loss) and comprehensive income (loss) attributable to NCI				
The Mint Corporation	(558,280)	(1,078,226)	(2,779,737)	(2,053,887)
Branson Corporate Services	11,663	16,465	24,061	36,354
Claxton Real Estate Company Ltd.	60,912	-	219,058	-
Gravitas International Corp.	(109,301)	-	(185,034)	-
	(595,006)	**(1,061,761)**	**(2,721,652)**	**(2,017,533)**
Net loss and total comprehensive loss	**(2,249,824)**	**(3,276,033)**	**(9,266,150)**	**(7,402,318)**

(Expressed in Canadian Dollars)

NOTE 7. INTERESTS IN SUBSIDIARIES - CONTINUED

	June 30, 2016				December 31, 2015			
	Gravitas International Corp.	Claxton Real Estate Company Ltd.	Branson Corporate Services Inc.	The Mint Corporation	Gravitas International Corp.	Claxton Real Estate Company Ltd.	Branson Corporate Services Inc.	The Mint Corporation
	$	$	$	$	$	$	$	$
Current assets	5,175,330	514,394	144,650	3,040,178	7,807,881	512,281	101,669	4,022,492
Non-current assets	2,681,195	7,286,276	45,833	4,016,132	382,832	7,779,623	10,000	3,964,342
Total assets	**7,856,525**	**7,800,670**	**190,483**	**7,056,310**	**8,190,713**	**8,291,904**	**111,669**	**7,986,834**
Current liabilities	67,671	491,680	73,522	6,421,840	171,202	577,444	67,977	4,016,723
Non-current liabilities	268,993	4,329,704	107,400	58,163,194	129,582	4,662,862	115,496	58,131,759
Total liabilities	**336,664**	**4,821,384**	**180,922**	**64,585,034**	**300,784**	**5,240,306**	**183,473**	**62,148,482**
Equity attributable to shareholder of the parent	**3,759,931**	**1,540,960**	**(11,576)**	**(12,383,049)**	**(3,944,940)**	**(1,382,331)**	**(36,620)**	**(5,479,870)**
Non-controlling interests	**3,759,931**	**2,153,758**	**(11,123)**	**(3,862,386)**	**(3,944,940)**	**(1,934,700)**	**(35,184)**	**(3,149,847)**

(Expressed in Canadian Dollars)

NOTE 7. INTERESTS IN SUBSIDIARIES - CONTINUED

	For the six months ended June 30, 2016				For the six months ended June 30, 2015			
	Gravitas International Corp.	Claxton Real Estate Company Ltd.	Branson Corporate Services Inc.	The Mint Corporation	Gravitas International Corp.	Claxton Real Estate Company Ltd.	Branson Corporate Services Inc.	The Mint Corporation
	$	$	$	$	$	$	$	$
Net cash from (used) in operating activities	(558,056)	31,540	(46,587)	(2,223,712)	-	-	(45,311)	(627,436)
Net cash from (used) in investing activities	(2,193,000)	(31,654)	-	2,386,202	-	-	17,475	(10,684,228)
Net cash from (used) financing activities	39,093	-	8,074	(502,000)	-	-	41,783	11,100,098
Translation effect on cash	-	-	-	-	-	-	-	(32,791)
Net cash inflow (outflow)	**(2,711,963)**	**(114)**	**(38,513)**	**(339,510)**	**-**	**-**	**13,947**	**(244,357)**

(Expressed in Canadian Dollars)

NOTE 8. GUARANTEED INVESTMENT CERTIFICATES

	June 30, 2016 $	December 31, 2015 $
Guaranteed investment certificate, 1.41%, maturing on January 2016	-	89,000
Guaranteed investment certificate, 1.35%, maturing on February 2016	-	5,000,000
Guaranteed investment certificate, 1.15%, maturing on October 2016	5,052,392	15,000,000
Guaranteed investment certificate, 1.30%, maturing on March 2017	7,700,000	-
Guaranteed investment certificate, 1.05%, maturing on April 2017	508,500	-
Guaranteed investment certificate, 1.05%, maturing on May 2017	200,000	-
	13,460,892	**20,089,000**

NOTE 9. TRADE AND OTHER RECEIVABLES

	June 30, 2016 $	December 31, 2015 $
Trade receivables	1,047,851	730,179
Less: Allowance for doubtful accounts	(282,964)	(251,697)
	764,887	**478,482**
Royalty receivables	325,000	238,686
Interest receivable	721,333	473,030
Harmonized sales tax receivables	486,553	393,233
Advances to related companies, non-interest bearing, due on demand	1,189,296	943,331
Less: Allowance for doubtful receivables	(561,239)	-
Other	22,521	15,317
	2,948,351	**2,542,079**

The advances to related companies comprises of a loan of $561,239 (December 31, 2015 - $189,426) to a company controlled by the Chief Executive Officer ("CEO"). This loan is non-interest bearing and has no repayment terms. During the period ended June 30, 2016 this advance has been impaired and an impairment charge has been recorded of $246,953 and $561,239 in the consolidated statement of loss and comprehensive loss for the three and six months ended June 30, 2016, respectively. See also Note 26.

In addition, the Company advanced $628,507 (December 31, 2015 - $753,905) to the Limited Partnerships managed by two of the Company's subsidiaries.

(Expressed in Canadian Dollars)

NOTE 10. PROPERTY AND EQUIPMENT

	Equipment	Leasehold improvement	Building	Land	Total
	$	$	$	$	$
Cost					
Balance December as at 31, 2014	212,583	31,405	-	-	243,988
Additions	23,525	-	-	-	23,525
Acquisition through business acquisition	-	-	7,346,988	370,496	7,717,484
Transferred to discontinued operations (Note 6)			(7,346,988)	(370,496)	(7,717,484)
Disposals	(974)	-	-	-	(974)
Balance as at December 31, 2015	**235,134**	**31,405**	**-**	**-**	**266,539**
Additions	5,492	-	-	-	5,492
Balance as at June 30, 2016	**240,626**	**31,405**	**-**	**-**	**272,031**
Accumulated amortization					
Balance December as at 31, 2014	64,317	5,337	-	-	69,654
Amortization	43,196	4,979	-	-	48,175
Balance as at December 31, 2015	107,513	10,316	-	-	117,829
Amortization	17,610	2,896	-	-	20,506
Balance as at June 30, 2016	**125,123**	**13,212**	**-**	**-**	**138,335**
Carrying amount					
Balance as at December 31, 2015	127,621	21,089	-	-	148,710
Balance as at June 30, 2016	**115,503**	**18,193**	**-**	**-**	**133,696**

Gravitas Financial Inc.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at June 30, 2016 and 2015 and December 31, 2015

(Expressed in Canadian Dollars)

NOTE 11. EQUITY INVESTMENTS AND OTHER

	Investments in quoted companies					Investment in private companies, at cost		Other		
	Common shares	Options	Warrants	Debentures	Subscription receipts	Common shares	Preferred shares	Investment fund	Mining properties	Total
	$	$	$	$	$	$	$	$	$	$
Balance, December 31, 2015	**3,528,722**	**19,998**	**1,081,775**	**370,393**	**-**	**218,292**	**1,218,059**	**-**	**1**	**6,437,240**
Acquired through cash payments	1,244,718	-	-	17,000	250,000	-	596,249	750,000	-	2,857,967
Acquired as part of a settlement	134,820	-	-	-	-	-	-	-	-	134,820
Fair value allocated to warrants	(182,034)	-	188,473	-	-	-	-	-	-	6,439
Disposal and /or redemption	(470,833)	-	-	-	-	-	-	-	-	(470,833)
Change in fair value of FVTPL investments	-	(10,786)	61,981	-	-	(10,095)	-	-	-	41,100
Change in fair value recognized in other comprehensive income	224,063	-	-	-	-	-	-	-	-	224,063
Accretion of interest	-	-	-	16,986	-	-	-	-	-	16,986
Transfer	250,000	-	-	-	(250,000)	-	-	-	-	-
	1,200,734	**(10,786)**	**250,454**	**33,986**	**-**	**(10,095)**	**596,249**	**750,000**	**-**	**2,803,026**
Balance, June 30, 2016	**4,729,456**	**9,212**	**1,332,229**	**404,379**	**-**	**208,197**	**1,814,308**	**750,000**	**1**	**9,247,782**

Investment Funds are investments in the Limited partnerships set up, where the Company controls the general partner and are valued at cost.

Gravitas Financial Inc.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at June 30, 2016 and 2015 and December 31, 2015

(Expressed in Canadian Dollars)

NOTE 11. EQUITY INVESTMENTS AND OTHER - CONTINUED

	Investments in quoted companies					Investment in private companies, at cost		Other	
	Common shares	Options	Warrants	Debentures	Subscription receipts	Common shares	Preferred shares	Mining properties	Total
	$	$	$	$	$	$	$	$	$
Balance, December 31, 2014	**3,080,161**	**21,959**	**105,047**	**150,000**	**163,185**	**136,675**	**1,000,000**	**1**	**4,657,028**
Acquired through cash payments	638,050	-	90,000	476,000	160,000	124,119	1,218,059	-	2,706,228
Acquired through the conversion of a convertible debenture	150,000	-	-	-	-	-	-	-	150,000
Acquired as part of an investment	-	-	354,370	-	-	69,604	-	-	423,974
Acquired as part of a settlement	182,451	-	5,576	-	-	-	-	-	188,027
Acquired through exercise of warrants	567,570	-	(137,157)	-	-	-	-	-	430,413
Received as an incentive	10,872	-	40,709	-	-	-	-	-	51,581
Reclassification due to acquisition of significant influence	(68,229)	-	-	-	-	-	-	-	(68,229)
Reclassification due to acquisition of control	-	-	-	-	-	(144,119)	(1,000,000)	-	(1,144,119)
Fair value allocated to warrants	(223,922)	-	340,135	(69,923)	-	(46,290)	-	-	-
Fair value allocated to equity components	53,360	-	-	(53,360)	-	-	-	-	-
Disposal and /or redemption	(1,259,843)	-	-	(100,000)	(163,185)	(1,000)	-	-	(1,524,028)
Change in fair value of FVTPL investments	229,619	(1,961)	283,095	-	-	69,303	-	-	580,056
Change in fair value recognized in other comprehensive income	18,633	-	-	-	-	-	-	-	18,633
Accretion of interest	-	-	-	17,676	-	-	-	-	17,676
Loss on settlement of investments	-	-	-	(50,000)	-	-	-	-	(50,000)
Transfer	150,000	-	-	-	(160,000)	10,000	-	-	-
	448,561	(1,961)	976,728	220,393	(163,185)	81,617	218,059	-	1,780,212
Balance, December 31, 2015	**3,528,722**	**19,998**	**1,081,775**	**370,393**	**-**	**218,292**	**1,218,059**	**1**	**6,437,240**

(Expressed in Canadian Dollars)

NOTE 11. EQUITY INVESTMENTS AND OTHER - CONTINUED

Common shares

The fair value of the common shares in quoted companies was based on closing prices ranging from $0.01 to $1.88 per share as at June 30, 2016 ($0.01 to $0.73 per share as at December 31, 2015). The fair value of investments in common shares of private companies are valued at cost. Investments in common shares are classified as available for sale ("AFS").

Options and warrants

The fair value of the options acquired during 2016 and 2015 was estimated using the Black Scholes pricing model and was based on the following assumptions:

	June 30, 2016		December 31, 2015	
	Options	Warrants	Options	Warrants
Weighted average conversion price	$0.10	$0.25	$0.35	$0.27
Expected dividend yield	0%	0%	0%	0%
Expected average volatility	142%	148%	190%	173%
Risk-free average interest rate	0.53%	0.55%	0.48%	0.50%
Expected average life (years)	0.66	3.02	0.75	3.67
Weighted average fair value	$0.04	$0.09	$0.04	$0.09

Debentures

During the three months ended March 31, 2016, the Company repurchased an amount of $17,000 of its debentures. The Company intends to sell this debenture in a short period of time.

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 an interest rate of 10% payable annually and mature on February 20, 2020. As part of the investment, the Company received 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 0.057%; an expected unit life of five years; no expected dividend yield; and a share price of $0.50. As at June 30, 2016, the carrying value of the debenture component is $125,669 (December 31, 2015 - $123,317).

NOTE 11. EQUITY INVESTMENTS AND OTHER – CONTINUED

In February 2015, the Company invested in a secured non-convertible debenture in Energynamic Hybrid Technologie Corporation ("EHT"), an unrelated publicly listed company in Canada, for an amount of $290,000. The debentures bears an interest rate of 18% payable annually and mature on July 3, 2017. As part of the investment, the Company received 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 fair value of the debenture by recording of additional interest income using an effective interest rate of 30.63%. The fair value of the common shares of $53,360 was determined using the share price of $0.46 at the time of issuance. At June 30, 2016, the carrying value of the debenture component is $259,224 (December 31, 2015 - $247,076).

Subscription receipts

In August 2015, the Company acquired 1,600,000 subscription receipts at a price of $0.10 per subscription for a total of $160,000. Each subscription receipt is exercisable, subject to certain circumstances and without any further action on the part of the holder, into one common share and one common share purchase warrant. Each warrant will entitle the holder to purchase one common share at a price of $0.15 per share for a period of two years from the date of the completion of the proposed business combination. On October 5, 2015, these subscription receipts were exercised.

In January 2016, the Company acquired 454,545 subscription receipts at a price of $0.55 per subscription receipt for a total of $250,000. Each subscription receipt is exercisable into one common share of the issuer, subject to certain conditions.

Preferred shares

On June 12, 2015, New India Investment Corporation ("NIC"), a wholly owned subsidiary of the Company, made a $1,218,059 (US$981,000) investment in Innoviti Payments Solutions Private Limited (formerly Innoviti Embedded Solutions PV Limited), a private company incorporated in Bengaluru, India under the Indian Companies Act. The Company acquired 452,061 Series C Preferred shares, representing a 6.1% interest. These preferred shares are compulsorily convertible into common shares on a 1:1 basis within three years and carried a cumulative dividend at 0.1%. NIC has the right to acquire, at its option within twelve months after first closing, an additional 226,030 Series C Preferred shares and exercised this right on April 21, 2016 with an additional investment of $596,249 (approximately US$475,000) on May 16, 2016.

(Expressed in Canadian Dollars)

NOTE 12. INVESTMENTS IN ASSOCIATES

	June 30, 2016 $	December 31, 2015 $
Balance, beginning of the period	7,606,423	5,528,607
Additional working capital funds invested in Mint UAE Operations	803,830	4,236,850
Reclassification due to acquisition of significant influence	-	418,229
Dividends received	(180,000)	(373,600)
Share of results in associates	(701,852)	(1,787,731)
Impairment	-	(415,932)
Balance, end of period	**7,528,401**	**7,606,423**

Portfolio Analysts Inc.

The Company acquired 40% interest in 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 the results of PAI. The Company accounts for its investment in PAI using the equity method.

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 office and principal place of business is 1850 – 14 Street S.W., Calgary, Alberta, T2T 3S9. The fiscal year end of PAI is September 30.

Mint UAE Operations

Mint UAE Operations comprises of four entities; Mint Middle East LLC (“MME LLC”); Mint Electronic Payment Services Limited (“MEPS”); Mint Capital LLC (“MCO”); and Mint Gateway for Electronic Payment Services (“MGEPS”). Mint Middle East LLC is 51% owned by Mint. MEPS is 49% owned by MME LLC, but is fully controlled subsidiary of MME LLC by virtue of a nominee agreement which provides the Board and management control MME LLC, as well as a 100% commercial interest in the operations MEPS. MCO is a 100% subsidiary of Mint. MGEPS is 49% owned by MCO and Global Business Services for Multimedia (“GBS”) owns the remaining 51%. Under the terms of a Nominee Agreement, dated June 28, 2015, GBS has nominated a two percent share of its ownership and commercial interest in favor of MCO. Accordingly, MCO beneficially owns 51% of MGEPS. As at March 31, 2016, MEPS LLC and MCO had no significant operations.

MME is 51% owned by Mint and 49% by GBS. MME and its affiliates operate through their registered office is G02, CBD Building, Sheikh Zayed Road, Dubai, UAE. MME LLC and its affiliates focus on payroll cards, merchant network solutions and micro finance loans to existing payroll card holders.

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

During the six months ended June 30, 2016, the Company invested additional working capital funds of $803,830 ($1,160,025 for the six months ended June 30, 2015) in the Mint UAE Operations.

NOTE 12. INVESTMENTS IN ASSOCIATES - CONTINUED

Prime City One Capital Corporation

The Company acquired 18% interest in the issued and outstanding shares of Prime City One Capital Corporation ("Prime"), giving it significant influence over Prime's operations following the execution of a purchase and assignment of a debt agreement, under which GFI assigned 50% of its rights, interests and obligation in a loan representing an amount of $125,000 in exchange of 13,645,825 common shares in the capital of Prime valued at $68,229. At December 31, 2015, the Company also owns an investment in a loan for $100,000 and a convertible debenture for $250,000 in Prime. These investments were reclassified under investments in associates and are recognized at equity value. Following this transaction, the Company recorded a loss on settlement of $56,771. Management does not have the current ability to control the key operating activities of Prime, therefore, it does not have control and does not consolidate the results of Prime. The Company accounts for its investment in Prime using the equity method.

Prime was incorporated under the Business Corporation Act (Ontario) on September 2, 2004 and is currently reviewing several alternative business plans and fully intends to pursue a change of business. Prime's shares are currently listed on the NEX under the symbol "PMO.H". The address of its registered office is 141 Adelaide Street West, Suite 110, Toronto, Ontario, M5H 3L5.

As at December 31, 2015, the Company evaluated the recoverability of its investment in Prime and determined that as a result of the financial conditions and results of operations at Prime, the Company's entire investment value of $415,293 was impaired and recognized a loss in the consolidated statement of loss and comprehensive loss.

During the three months ended June 30, 2016, the Company advanced an additional $20,000 to Prime and has recorded an impairment loss of $20,000 in the consolidated statement of loss and comprehensive loss for this period.

NOTE 12. INVESTMENTS IN ASSOCIATES - CONTINUED

A summary of the assets, liabilities and operations of associates are presented below:

	June 30, 2016			December 31, 2015		
All amounts in Canadian $000's	**Prime**	**Mint UAE Operations $**	**PAI $**	**Prime**	**Mint UAE Operations $**	**PAI $**
Financial position						
Current assets	7	2,526	3,622	17	2,060	3,946
Non-current assets	-	5,233	7,754	-	5,159	4,344
Current liabilities	467	2,235	3,037	446	2,306	3,299
Non-current liabilities	4	341	5,239	4	363	1,883
	For the three months ended June 30, 2016			**For the three months ended June 30, 2015**		
Statement of earnings (loss)						
Revenue	-	1,097	6,809	-	33	6,565
Expenses	28	1,872	6,515	-	(91)	6,151
Operating income (loss)	(28)	(775)	282	-	124	414
Net earnings (loss)	(28)	(775)	211	-	124	334
Cash flows						
Dividends paid	-	-	350	-	-	350
	For the six months ended June 30, 2016			**For the six months ended June 30, 2015**		
Statement of earnings (loss)						
Revenue	-	2,139	13,634	-	965	13,404
Expenses	54	3,601	13,140	-	1,810	12,331
Operating income (loss)	(54)	(1,462)	646	-	(845)	961
Net earnings (loss)	(54)	(1,462)	484	-	(845)	799
Cash flows						
Dividends paid	-		600	-	-	584

(Expressed in Canadian Dollars)

NOTE 13. LOAN RECEIVABLE

	June 30, 2016 $	December 31, 2015 $
Balance, beginning of period	6,534,011	3,446,270
Additional loan	3,991,482	4,815,070
Amount redeemed	(324,070)	(535,000)
Amount redeemed as part of a settlement in shares	-	(125,000)
Convertible debenture converted into a loan	-	422,520
Loans converted into a convertible debenture (a) (Note 14)	(150,000)	(1,052,680)
Reclassification due to acquisition of significant influence	-	(100,000)
Fair value allocated to the equity components (b)	-	(127,943)
Accretion of interest	23,667	82,364
Loss on settlement of a loan	-	(200,000)
Impairment	(20,000)	(590,415)
Foreign exchange differences	(96,802)	498,825
Balance, end of period	**9,958,288**	**6,534,011**
Less: current portion	(1,088,088)	(1,089,421)
Non-current portion	**8,870,200**	**5,444,590**

(a) One loan was converted into a convertible debenture with a face value of $150,000 (three loans were converted into convertible debentures with a face value of US$400,000 ($542,680), $210,000 and $300,000 in 2015).

(b) 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 price of $1.00 per share until January 19, 2017. The initial fair 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 an 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 year, no expected dividend yield and a share price of $1.30. On April 8, 2015, this loan was repaid.

These loans bear interest from 4.5% to 12.0% per annum and mature from October 2016 to April 2019. Loans totaling $5,934,200 ($3,683,590 as at December 31, 2015) 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. This loan bears interest at 4.5% and matures on October 23, 2018. In addition, the Company advanced an amount of $2,511,000 on an authorized amount for $3,000,000 to a company where a former director has an interest. This advance bears interest at 6% and matures on October 31, 2018. (See also Note 26).

During the six months period ended June 30, 2016, the Company advanced an additional US$1,200,000 ($1,578,482) to MGEPS and an additional $1,400,000 to the company where a former director has an interest.

During the six months period ended June 30, 2016, an impairment loss of $20,000 (for the year ended December 31, 2015 - $590,415) was recorded against loans to companies that had defaulted on repayment terms and /or on interest payments.

(Expressed in Canadian Dollars)

NOTE 14. CONVERTIBLE DEBENTURES

	June 30, 2016 $	December 31, 2015 $
Loan component of convertible debentures:		
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 (a) (c)	1,250,000	1,221,209
Secured, with a face value of $250,000, 12% matured on December 17, 2015 or convertible at any time at the Company's option at $0.05 per share	-	250,000
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 (a)	17,000	17,000
Secured, 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 (b)	-	59,707
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 (a)	74,927	63,894
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	67,558	61,121
Secured, with a face value of $800,000, 6% maturing on July 7, 2017 or convertible at any time at the Company's option at $1.00 per share (d)	566,901	408,237
Unsecured, with a face value of $250,000, 12% maturing on August 14, 2019 or convertible at any time at the Company's option at $0.075 per share until the 34th month, $0.10 until the 36th month and $0.15 until the 48th month	178,593	171,492
Unsecured, with a face value of $250,000, 6% maturing on December 9, 2017 or convertible at any time at the Company's option at $0.10 per share	143,474	120,368
Secured, with a face value of US$227,000, 8% maturing on January 31, 2018 or convertible at any time at the Company's option at US$0.10 per share	116,081	97,114
Secured, with a face value of US$400,000, 6% maturing on December 9, 2018 or convertible at any time at the Company's option at US$0.82 per share	301,721	272,245
Secured, with a face value of US$100,000, 10% maturing on March 17, 2017 or convertible at any time at the Company's option at US$1.60 per share	106,955	-
Secured, with a face value of $200,000, 10.5% maturing on June 1, 2021 or convertible at any time at the Company's option at $0.40 per share	115,875	-
	2,939,085	2,742,387
Conversion feature	**1,999,065**	1,162,238
	4,938,150	3,904,625
Less: reclassification due to acquisition of significant influence	**-**	(250,000)
Less impairment	**(1,197,278)**	(1,044,623)
Balance, end of the period	**3,740,872**	2,610,002
Less: current portion	**(251,604)**	(319,376)
Non-current portion	**3,489,268**	2,290,626

(Expressed in Canadian Dollars)

NOTE 14. CONVERTIBLE DEBENTURES - CONTINUED

(a) The Company recorded an impairment on these investments as a result of financial difficulties faced by these companies.

(b) The Company settled the convertible debenture for an amount of $47,180. A loss on settlement of $52,820 was recognized in the consolidated statement of loss and comprehensive loss.

(c) This loan is currently in default and the Company has recorded a provision for impairment of $1,100,000.
(d) On July 5, 2016, the Company received $150,000 as partial repayment against this loan and accrued interest.

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

	June 30, 2016			December 31, 2015		
	Conversion feature $	Loan component $	Total $	Conversion feature $	Loan component $	Total $
Fair value, beginning of period	1,162,238	1,447,764	2,610,002	215,827	2,123,484	2,339,311
Amount invested	109,004	219,846	328,850	759,561	295,266	1,054,827
Amount converted	-	-	-	-	(208,000)	(208,000)
Amount converted into a loan	-	-	-	-	(422,520)	(422,520)
Amount reimbursed	-	(47,180)	(47,180)	-	(150,000)	(150,000)
Loan converted into a convertible debenture	61,575	88,425	150,000	-	1,052,680	1,052,680
Fair value allocated to the equity components	-	(6,439)	(6,439)	-	(296,031)	(296,031)
Reclassification due to acquisition of significant influence	-	-	-	-	(250,000)	(250,000)
Accretion of interest	-	266,652	266,652	-	329,338	329,338
Change in fair value of convertible debentures – conversion feature	66,248	-	666,248	186,850	-	186,850
Exchange gain (loss)	-	(21,786)	(21,786)	-	18,170	18,170
Loss on settlement	-	(52,820)	(52,820)	-	-	-
Impairment	-	(152,655)	(152,655)	-	(1,044,623)	(1,044,623)
Balance, end of period	**1,999,065**	**1,741,807**	**3,740,872**	**1,162,238**	**1,447,764**	**2,610,002**

The initial value of the conversion feature is determined by measuring the conversion features and assigning the residual value to the loan component. The loan component in not re-measured subsequent to initial recognition.

The change in the fair value of the conversion feature comprises of an increase of $668,308 recognized in the consolidated statement of loss and comprehensive loss and $168,519 for the initial fair value of the conversion feature of new convertible debentures acquired.

(Expressed in Canadian Dollars)

NOTE 14. CONVERTIBLE DEBENTURES – CONTINUED

The fair values of the conversion feature at issuance of $170,579 at June 30, 2016 (December 31, 2015 - $759,561) was estimated using the Black & Scholes option pricing model based on the following assumptions:

	June 30, 2016	December 31, 2015
Weighted average conversion price	$0.85	$0.65
Expected dividend yield	0%	0%
Expected average volatility	190%	188%
Risk-free average interest rate	0.54%	0.51%
Expected average life (years)	2.68	2.58
Weighted average fair value	$0.37	$0.38

The fair value of the conversion feature of $1,999,065 as at June 30, 2016 (December 31, 2015 - $1,162,238) was estimated using the Black Scholes option pricing model based on the following assumptions:

	June 30, 2016	December 31, 2015
Weighted average conversion price	$0.71	$0.55
Expected dividend yield	0%	0%
Expected average volatility	198%	222%
Risk-free average interest rate	0.54%	0.56%
Expected average life (years)	1.90	1.88
Weighted average fair value	$0.22	$0.23

NOTE 15. INTANGIBLE ASSETS

	Net smelter royalty $	Brand names $	Total $
Balance, December 31, 2015	**1,245,760**	**246,272**	**1,492,032**
Impairment	-	(246,272)	(246,272)
Balance, June 30, 2016	**1,245,760**	**-**	**1,245,760**
Accumulated amortization			
Balance, December 31, 2014	533,898	-	533,898
Amortization	355,933	-	355,933
Balance, December 31, 2015	**889,831**	**-**	**889,831**
Amortization	177,965	-	177,965
Balance, June 30, 2016	**1,067,796**	**-**	**1,067,796**
Carrying amount			
Balance, December 31, 2015	**355,929**	**246,272**	**602,201**
Balance, June 30, 2016	**177,964**	**-**	**177,964**

(Expressed in Canadian Dollars)

As a result of the continuing losses at the Company and its subsidiaries, at June 30, 2016, the Company impaired the value of its non-amortizing intangible brand name and recognized an impairment loss of $246,272 during the six months ended June 30, 2016.

NOTE 16. TRADE AND OTHER PAYABLES

	June 30, 2016 $	December 31, 2015 $
Trade payables	912,129	1,555,128
Interest payables	861,297	1,393,755
Due to related companies, non-interest bearing, due on demand	42,837	42,837
Due to non-controlling interest, non-interest bearing, due on demand	16,201	16,201
	1,832,464	3,007,921

Dues to related companies are payables to companies in which directors are also directors of the Company.

NOTE 17. LOAN

As part of the acquisition of control of CCM and CREC on August 31, 2015, the Company assumed the liability for a loan payable to Ladder Capital Finance I LLC. On October 2, 2013, CREC entered into a loan agreement with Ladder Capital Finance I LLC, a Delaware limited liability company, for a principal amount of US$3,510,000 at an interest rate of 5.517% per annum. The loan requires monthly debt service payments of US$19,966, including interest and matures on October 6, 2023 with the balance outstanding payable on that date and is subject to a cash sweep arrangement, where funds in excess of operating costs are used to reduce the principal outstanding under the loan. Under the terms of the loan agreement, all gross revenues of CREC are deposited directly with the lender or their assignee and are held in escrow for debt service. Funds required for day to day operations at Palm Valley are released form escrow as requested by a Property Manager based on an annual budget approved by the lender each year.

The loan is secured by a promissory note and a mortgage on Palm Valley and is subject to normal course covenants.

As at June 30, 2016, the principal balance outstanding on this loan was US$3,386,239 ($4,329,704) and was reclassified to liabilities held for sale. The Company was in compliance with all covenants. (See also Note 6).

(Expressed in Canadian Dollars)

NOTE 18. DEBENTURES

	Mint Series VII (a)	Mint Series A (b)	Mint Series B (c)	Mint Series C (d)	Gravitas #1 (e)	Gravitas #2 (f)	Total deficit
	$	$	$	$	$	$	$
Balance, December 31, 2014	421,002	41,571,693	4,165,109	-	29,717,404	53,021,365	128,896,573
Issued	-	-	-	10,000,000	-	-	10,000,000
Issuance costs	-	-	-	(367,250)	-	-	(367,250)
Fair value of broker warrants issued	-	-	-	(18,650)	-	-	(18,650)
Repayment/settlement of debentures	(497,700)	-	(209,340)	-	-	-	(707,040)
Gain on repayment/settlement of debentures	-	-	(105,004)	-	-	-	(105,004)
Accretion of interest	76,698	1,984,905	309,399	74,097	100,284	103,574	2,648,957
	(421,002)	1,984,905	(4,945)	9,688,197	100,284	103,574	11,451,013
Balance, December 31, 2015	**-**	**43,556,598**	**4,160,164**	**9,688,197**	**29,817,688**	**53,124,939**	**140,347,586**
Debenture restructuring	-	3,583,429	-	-	-	-	3,583,429
Repayment/settlement of debentures	-	-	(502,000)	-	-	-	(502,000)
Gain on settlement of debentures	-	-	(615,834)	-	-	-	(615,834)
Accretion of interest	-	551,065	355,098	57,105	50,069	50,746	1,064,083
	-	4,134,494	(762,736)	57,105	50,069	50,746	3,529,678
Balance, June 30, 2016	**-**	**47,691,092**	**3,397,428**	**9,745,302**	**29,867,757**	**53,175,685**	**143,877,264**
Less: Current portion	-	-	(3,397,428)	-	-	-	(3,397,428)
Non-current portion	**-**	**47,691,092**	**-**	**9,745,302**	**29,867,757**	**53,175,685**	**140,479,836**

NOTE 18. DEBENTURES - CONTINUED

(a) In October of 2015, the Corporation redeemed, at face value, the remaining Series VII debentures together with interest.

(b) Series A debentures have a face value of $49,019,962 and carrying a simple interest at 3% per annum to January 17, 2017 and 5% per annum thereafter, payable quarterly on March 31, June 31, September 30 and December 31. Series A debentures were restructured in January 2016 and are redeemable at par on December 15, 2019. Series A debentures are guaranteed by MME LLC and secured against the assets of Mint and MME LLC.

On January 8, 2016, Mint re-structured the outstanding Series A debentures. Subsequent to the re-restructuring, the terms of Series A debentures were extended from May 16, 2019 to December 15, 20419 and interest payable on the Series A debenture was reduced to 3% per annum to January 7, 2017 and thereafter 5%, payable quarterly on March 31, June 30, September 30 and December 31. In consideration, the Company issued additional debentures of $3,953,506, increasing the face value of the outstanding Series A debenture to $49,019,962. The debenture restructuring requires an additional payment of cash fee of 2.5% of the principal outstanding if certain "active Card" target are not met during the term of the debentures. Since the terms of the Series A debentures were substantially modified, the transaction has been accounted for as an extinguishment of the original liability and the recognition of the revised liability that will be accreted to the face value of the debentures at an effective rate of 5.5% per annum. As a result, a debenture restructuring expense of $3,583,429 has been recorded in the consolidated statement of loss and comprehensive loss.

(c) Series B debentures have a face value of $3,903,000 and carrying a 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 and can be redeemed at any date subject to paying a "bonus interest", such that the 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 to the Series A debenture and guaranteed by MME LLC.

During 2015, the Company purchased $329,000 of face value for cash payments of $209,340 and recognized a gain on settlement of $105,004.

During the period ended June 30, 2016, the Company purchased and cancelled Series B debentures of face value of $1,004,000 for a cash payment of $502,000 and recognized a gain on settlement of $615,834.

(d) Series C debentures have a face value of $10,000,000 and a carry a simple interest at 5.5% payable quarterly in March, June, September and December each year. The Series C debentures were issued on June 23, 2015 and are redeemable on June 23, 2018. These debentures are secured by Mint's assets.

On June 23, 2015, Mint issued 500,000 broker warrants and incurred $367,250 in directly attributable issuance costs. The fair value of the broker warrants of $18,650, determined using the Black Scholes model using the following assumptions: an expected volatility of 217%; a risk free interest rate of 0.62%; an expected unit life of 3.0 years; no expected dividend yield; and a share price of $0.04, has been recorded as a separate component of equity. 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.

NOTE 18. DEBENTURES - CONTINUED

(e) Debentures #1 have a face value of $30,023,000 and a carry a 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 further term of three (3) 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 under 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 registered in respect to 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) Debentures #2 have a face value of $54,022,000 and a carry a simple interest at a rate 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 ("EBT") on a consolidated basis, subject to an aggregate maximum amount of eight percent (8%) per annum. The base three percent (3%) interest payable 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 23, 2023. The term of the debentures is ten (10) years, renewable for an addition ten (10) year period upon the payment of a renewal fee equal to one percent (1%) of the principal amount of the debentures outstanding at the date of the 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 the Government of Canada ten (10) year bond rate, plus five percent (5%). For the six months ended June 30, 2016, the Company paid an interest rate of three percent (3%). These debentures are secured by Gravitas' assets.

NOTE 19. SHARE CAPITAL

Share capital

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

Share capital

Unlimited number of common shares voting and participating.

Restricted shares

As required by the applicable securities commission and those of the CSE, and under an agreement entered with a transfer agent from Computershare Investors Services Inc., a total of 36,649,958 common shares have been place 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, ten percent (10%) of the escrowed shares were released. The balance of the restricted shares will be released at a rate of fifteen percent (15%) in each of the anniversaries of 6, 12,18,24,30 and 36 months following the initial release. At June 30, 2016, the balance of the escrowed shares is 5,497,494.

(Expressed in Canadian Dollars)

NOTE 19. SHARE CAPITAL - CONTINUED

Warrants

Mint's warrants outstanding as of December 31, 2015 and June 30, 2016 are summarized below:

Warrants issued	Number of warrants	Grant date	Expiry date	Exercise price ($)
Issued on 07/03/2014	7,106,041	07/03/2014	07/03/2017	0.25
Issued on 16/05/2014	3,000,000	16/05/2014	16/05/2018	0.15
Issued on 16/05/2014	150,000	16/05/2014	16/05/2017	0.25
Issued on 30/05/2014	520,888	30/05/2014	07/03/2017	0.25
Broker warrants issued on 23/06/2015	500,000	23/06/2015	23/06/2018	0.05
Issued on 23/06/2015	10,000,000	23/06/2015	23/12/2016	0.05
	21,276,929			**0.14**

The Mint's Corporation's rights offering described in Note 7 above triggered the adjustment provisions of the outstanding share purchase warrant. These provisions operate by adjusting the number of common shares to be issued upon exercise of the warrant. The number of common shares that will have to be issued upon exercise of the outstanding share purchase warrant is now 122.06% of the number which would have been issued if those warrants were exercised prior to the rights offering. This adjustment does not apply to the 10,000,000 warrants issued to the Company on June 23, 2015 and the 500,000 broker warrants issued on that date.

NOTE 20. SHARE-BASED PAYMENT

Share option plan

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

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

All share-based payments will be settled in equity. The Company has no legal or constructive obligation to repurchase or settle the options. As at June 30, 2016, the Company has no stock options outstanding.

(Expressed in Canadian Dollars)

NOTE 21. INTEREST REVENUE

	For the three months ended June 30,		For the six months ended June 30,	
	2016	2015	2016	2015
	$	$	$	$
Interest on bank	50,132	63,384	114,460	119,392
Interest on guaranteed investment certificates	33,301	147,031	80,040	260,873
Interest on loan receivables	150,146	84,704	275,301	167,883
Interest on debentures	17,779	5,045	35,221	6,676
Interest on convertible debentures	80,364	53,099	140,594	121,155
Accretion on interest on convertible debentures	122,907	44,423	263,519	163,389
Accretion on interest on loans	13,071	9,651	23,667	76,350
Accretion on interest on debentures	8,783	1,964	16,986	2,771
	476,483	**409,301**	**949,788**	**918,489**

NOTE 22. INTEREST EXPENSE

	For the three months ended June 30,		For the six months ended June 30,	
	2016	2015	2016	2015
	$	$	$	$
Interest on debentures	1,250,487	1,786,099	2,474,268	3,548,917
Accretion of interest	488,279	380,407	1,064,083	544,377
Interest on current liabilities and bank charges	10,908	18,366	20,300	25,888
	1,749,674	**2,184,872**	**3,558,651**	**4,119,182**

NOTE 23. LOSS (GAIN) ON SETTLEMENT

	For the three months ended June 30,		For the six months ended June 30,	
	2016	2015	2016	2015
	$	$	$	$
Gain on settlement of receivables	-	(17,123)	(21,900)	(17,123)
Gain on settlement of debenture	(147,011)	-	(615,834)	(22,895)
Loss on settlement of debenture	-	-	-	50,000
Loss on settlement of convertible debentures	-	-	52,820	-
Loss (gain) for the period	**(147,011)**	**(17,123)**	**(584,914)**	**9,982**

(Expressed in Canadian Dollars)

NOTE 24. IMPAIRMENT

	For the three months ended June 30, 2016 $	2015 $	For the six months ended June 30, 2016 $	2015 $
Impairment on investments in associates	20,000	-	20,000	-
Impairment on loans	-	432,390	-	432,390
Impairment on convertible debenture (Note 14)	141,871	17,000	152,653	17,000
Impairment on brand name	-	-	246,272	-
Impairment of loan to a company controlled by the CEO (Note 9 and 26)	246,853	-	561,239	-
	408,724	449,390	**980,164**	449,390

NOTE 25. ADDITIONAL INFORMATION – CASH FLOWS

The changes in working capital items are detailed as follows:

	For the six months ended June 30, 2016 $	2015 $
Trade and other receivables	(1,080,429)	(599,939)
Prepaid expenses	130,022	159,680
Inventory	1,950	(157,389)
Trade and other payables	(1,175,457)	1,794,014
Customer deposits	181,857	22,000
	(1,942,057)	**1,218,366**

Cash from interest and income taxes are as follows:

	For the six months ended June 30, 2016 $	2015 $
Interest paid	(3,210,431)	(1,575,777)
Interest received	356,054	339,483
Income taxes paid	-	(1,157)

(Expressed in Canadian Dollars)

NOTE 26. RELATED PARTY TRANSACTIONS

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 Chief Executive Officer ("CEO"), the Vice President of Finance and the directors, are included in the following expenses:

	For the three months ended June 30,		For the six months ended June 30,	
	2016	2015	2016	2015
	$	$	$	$
Transactions with key management personnel				
Salaries and management fees	238,354	123,000	476,708	266,000
Consulting and professional fees	-	134,098	-	164,509
General and administrative	47,500	46,500	96,500	92,000
	285,854	303,598	**573,208**	522,509
Transactions with companies controlled by key management				
Consulting and professional fees	137,500	177,000	284,500	439,000
	137,500	177,000	**284,500**	439,000

For the three and six months ended June 30, 2016, the Company incurred legal fees of $13,712 and $24,889 respectively (June 30, 2015 - $38,288 and $80,110, respectively) from a legal firm in which the former Chief Executive Officer ("CEO") and current director is a partner.

During the three and six months ended June 30, 2016, management and consulting charges paid to Global Business Services ("GBS"), the owner of the remaining 49% interest in Mint UAE Operations in connection with the Management Agreement, aggregated to $126,301 (UAE Dirham 360,000) and $260,856 (UAE Dirham 720,000, respectively) (June 30, 2015 - $122,256 (UAE Dirham 360,000) and $248,086 (UAE Dirham 720,000, respectively). These amounts were incurred and recorded in Mint UAE Operations and are included in the Company's share of losses of associates on the consolidated statement of loss and comprehensive loss. As at June 30, 2016, an amount of $424,999 is payable to GBS, representing the remaining amount due for management and consulting charges. This amount is included under trade and other payables in the Company's consolidated statement of financial position.

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.

As at June 30, the Company has advanced $2,461,640 (US$1,900,000) to MGEPS. This loan bears interest at 4.5% and matures on October 23, 2018 (balance as at December 31, 2015 - $970,830). This amount has been recorded in loan receivable in the Company's consolidated statement of financial position.

NOTE 26. RELATED PARTIES NOTE - CONTINUED

As at June 30, 2016, the Company has advanced an aggregate of $4,236,000 to a company in which a former director has an interest. This loan bears interest at 6% and matures on October 31, 2018. Interest is payable at maturity and the accrued interest receivable at June 30, 2016 aggregated to $262,521 (December 31, 2015 - $134,225). This amount is recorded in loan receivables in the Company's consolidated statement of financial position.

As at June 30, 2016, the Company has advanced $561,239 (December 31, 2015 - $189,425) to a company ("2474184 Ontario Inc.") controlled by the Chief Executive Officer ("CEO"). This loan is non-interest bearing and has no repayment terms. This amount is recorded in trade and other receivables in the Company's consolidated statement of financial position. This amount has been impaired and impairment charges of $246,953 and $561,239 for the three and the six months ended June 30, 2016 have been recorded in the consolidated statement of loss and comprehensive loss. Subsequent to June 30, 2016, the Company has advanced an additional $111,241 to 2474184 Ontario Inc.

During the three and six months ended June 30, 2016, the Company and its subsidiaries paid $9,750 and $28,750 respectively (for the three and six months ended June 30, 2015 - $10,060) to a company ("Soigne Technolgies Inc."), in which an employee has an interest.

The Company has also advanced $628,507 (December 31, 2015 - $753,905) to Limited Partnerships managed by two of the Company's subsidiaries. The amount receivable is recorded in trade and other receivables in the Company's consolidated statement of financial position.

As at June 30, 2016, the Company had dues to related companies that are payables to companies in which directors are also directors of the Company of $42,837 (as at December 31, 2015 - $42,837).

On August 12, 2016, the Company advanced $85,000 to a director and officer of Gravitas International Corporation, a 50% subsidiary of the Company.

NOTE 27. FINANCIAL INSTRUMENTS

Fair value

The carrying value of cash, trade and other receivables and trade and other payables are considered to be a reasonable approximation of the fair value due to the short-term maturity of these instruments.

The carrying value of guaranteed investment certificates is considered to be a reasonable approximation of the fair value since these instruments are redeemable at any time.

The equity interests in a private company are measured at cost less any impairment loss because the fair value could not be reasonably determined.

The carrying value of loan receivables and debentures is also considered to be a reasonable approximation of the fair value since they are measured at amortized cost and bear interest at market rates. The fair value of the debenture payables is approximate to the face value.

(Expressed in Canadian Dollars)

NOTE 27. FINANCIAL INSTRUMENTS - CONTINUED

The following presents the financial assets and liabilities measured at fair value in the consolidated statement of financial position in accordance with the fair value hierarchy. This hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted pries included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the assets or liabilities are not based on observable market data (unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement and are as follows:

				June 30, 2016
	Level 1 **$**	**Level 2** **$**	**Level 3** **$**	**Total** **$**
Common shares in quoted companies	4,729,455	-	-	4,729,455
Options	-	9,213	-	9,213
Warrants	-	1,332,229	-	1,332,229
Conversion feature of debentures	-	1,999,065	-	1,999,065
Investment property (Note 6)	-	-	7,286,276	7,286,276
	4,729,455	**3,340,507**	**7,286,276**	**15,356,238**

				December 31, 2015
	Level 1 **$**	**Level 2** **$**	**Level 3** **$**	**Total** **$**
Common shares in quoted companies	3,528,722	-	-	3,528,722
Options	-	19,998	-	19,998
Warrants	-	1,081,775	-	1,081,775
Conversion feature of debentures	-	1,162,238	-	1,162,238
Investment property	-	-	7,717,484	7,717,484
	3,528,722	**2,264,011**	**7,717,484**	**13,510,217**

The Company's option, warrants and conversion feature on convertible debentures are classified within Level 2 of the fair value hierarchy since the fair value is determined using a model that includes the volatility and price of the companies in which the Company invested.

There have been no transfers between Level 1 and 2 in the six months ended June 30, 2016.

The method and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting periods, except for the decrease in the value of the investment property which has been adjusted to reflect the exchange rate movements and commissions payable to the real estate agent.

(Expressed in Canadian Dollars)

NOTE 28. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments related to changes in the economic environment and the underlying risks of its assets. In its definition of capital, the Company includes debentures and equity (deficiency). The following table shows the items included in the definition of capital:

	June 30, 2016 $	December 31, 2015 $
Debentures	143,877,264	140,347,586
Equity deficiency	(68,056,846)	(59,228,781)
	75,820,418	**81,118,805**

There has been no change with respect to the overall capital management strategy during the six months ended June 30, 2016.

NOTE 29. FINANCIAL RISKS

The Company is exposed to various risks through its financial instruments and the following analysis provides a measure of these risks.

Credit risk

Credit risk refers to the risk that one party to a financial instrument fails to perform any of its obligations and leads, therefore, the Company to incur a financial loss. Credit risk is primarily related to trade and other receivables, debentures, loans and convertible debentures.

The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets at the reporting date, as summarized below:

	June 30, 2016 $	December 31, 2015 $
Cash	27,710,701	34,427,311
Guaranteed investment certificates	13,460,892	20,089,000
Trade and other receivables	2,948,351	2,542,079
Debenture (Note 11)	404,379	370,393
Loan receivables (Note 13)	9,958,288	6,534,011
Convertible debentures (Note 14)	3,740,872	2,610,002
	58,223,483	**66,572,796**

(Expressed in Canadian Dollars)

NOTE 29. FINANCIAL RISKS - CONTINUED

The Company evaluates the financial condition of its customers and investees on an ongoing bases and reviews the credit history of each new customer. The Company establishes an allowance of doubtful accounts taking into account the credit risk of specific customers, historical trends and other information.

As at June 30, 2016, an amount of $5,934,200 (December 31, 2015 - $3,683,590) in loans receivables and $2,611,915 (December 31, 2016 - $2,201,094) in convertible debentures were secured by collateral or other credit enhancements.

The Company invests in fixed income debentures that are subject to credit risk. The value of these securities depends, in part, upon the ability of the borrowers to pay all amounts owed to their lenders.

The credit risk regarding cash and guaranteed investment certificates are considered to be negligible since the counterparties are reputable banks with an investment grade external credit rating.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations with financial liabilities that would be settled either by delivering cash or another financial asset.

The Company has current assets of $53,648,257 which will be used to cover all operating and investing activities.

The expected timing of cash flows relating to financial liabilities as at June 30, 2016 are as follows:

	Less than 1 year $	1-5 years $	6-10 years $	Total $
Trade and other payables	1,832,464	-	-	1,832,464
Loans	-	-	4,329,704	4,329,704
Debentures	-	92,758,962	54,022,000	146,780,962
	1,832,464	**92,758,962**	**58,351,704**	**151,110,666**

Also see the Company's commitments as disclosed in Note 30.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company is exposed to the following three types of market risk: currency risk, interest rate risk and other price risk.

Currency risk
Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate.

(Expressed in Canadian Dollars)

NOTE 29. FINANCIAL RISKS - CONTINUED

The Company is exposed to currency risk as a result of its transactions denominated in foreign currencies. The Company has the following balances denominated in foreign currencies:

	June 30, 2016 $	December 31, 2015 $
USD		
Cash	2,730,223	4,657,718
Royalty receivables	248,018	180,652
Equity investments and other	1,103,541	1,292,776
Loan receivables	2,000,000	800,000
Convertible debentures	727,000	627,000
Loan payable	(3,386,239)	(3,410,671)
	3,422,543	**4,147,475**

The Company does not enter into arrangements to hedge its foreign exchange risk a ten percent (10%) change in the United States dollar exchange rate would have increased the net loss by $342,254 ($414,748 for the year ended December 31, 2015).

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company is exposed to interest rate risk since some of the Company's debentures bear interest at a variable rate based on the earnings before interest expense and tax ("EBIT"). Had the interest rate been one percent (1%) higher throughout the six months ended June 30, 2016, the net loss would have increased by $840,450 ($840,450 for the year ended December 31, 2015).

All of the Company's investments in debenture receivables are at fixed interest rates and therefore have no impact to interest rate risk.

Other price risk
The Company is exposed to fluctuations in the market prices of its investments in quoted companies. The fair value of the investments in quoted companies represents the maximum exposure to price risk.

The Company's investments in debentures are generally at fixed interest rates and therefore are not exposed to cash flow risk.

As at June 30, 2016, a 10% decrease (increase) in the closing price of common shares held by the Company on the stock market would have increased the total comprehensive loss by $472,946 ($352,872 for the year ended December 31, 2015).

(Expressed in Canadian Dollars)

NOTE 30. COMMITMENTS

The Company has entered into agreement for the lease of premises. Future minimum lease payments aggregate to $412,856 and include the following future payments for the next year:

	June 30, 2016 $
Less than 1 year	69,868
1 to 5 years	342,988

In February 2016, the Company signed a surrender agreement effective July 2016 and is presently negotiating new lease terms.

Mint has committed to invest an aggregate of US$6 million in the Mint UAE Operations to facilitate the completion of the IT infrastructure. As at June 30, 2016, Mint has advanced $5,252,305 (US$4,000,000) and Gravitas has advanced $2,461,640 (US$1,900,000) against this commitment.

NOTE 31. SEGMENTED INFORMATION

The Company operates in four segments as follows:

Services
The Company's objective is to build and acquire businesses that can service the capital markets, advisory, regulatory, compliance and technology needs of publicly listed corporations.

Financial services
Financial services are operations in financial products and financial products distribution businesses. Financial services are operated independently with their own management teams and require high levels of compliance and governance.

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.

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

Corporate
Corporate results primarily represent the cost of corporate overhead expenses not allocated to a segment.

(Expressed in Canadian Dollars)

NOTE 31. SEGMENTED INFORMATION – CONTINUED

For the three months ended June 30, 2016	Services	Financial services	Strategic investments	Fast growing investments	Corporate	Intercompany transactions	Total
	$	$	$	$	$	$	$
Revenues	427,155	76,503	26,085	167,882	367,077	(46,916)	1,017,786
Expenses							
Salaries and management fees	97,655	25,000	82,636	-	337,402	-	542,693
Consulting and professional fees	216,371	159,419	94,554	-	419,262	-	889,606
General and administrative	137,573	119,158	95,755	-	192,269	-	544,755
Interest expense	4,263	510	1,067,844	74	723,899	(46,916)	1,749,674
Exchange loss (gain)	-	-	20,600	(6,378)	35,868	-	50,090
Gain on settlement	-	-	(147,011)	-	-	-	(147,011)
Gain on disposal of available for sale investments	(158,197)	-	-	-	-	-	(158,197)
Change in fair value of convertible debentures – conversion feature	7,993	-	-	(260,771)	14,992	-	(237,786)
Change in fair value of FVTPL	(261,116)	654	-	31,527	-	-	(228,935)
Impairment	-	-	-	246,852	161,872	-	408,724
Share of results in associates	-	(12,867)	405,390	-	-	-	392,523
	44,542	291,874	1,619,768	11,304	1,885,564	(46,916)	3,806,136
Net earnings (loss) from continuing operations	**382,613**	**(215,371)**	**(1,593,683)**	**156,578**	**(1,518,487)**	**-**	**(2,788,350)**
Net earnings from discontinuing operations	**-**	**-**	**105,019**	**-**	**-**	**-**	**105,019**
Net earnings (loss)	**382,613**	**(215,371)**	**(1,488,664)**	**156,578**	**(1,518,487)**	**-**	**(2,683,331)**

(Expressed in Canadian Dollars)

NOTE 31. SEGMENTED INFORMATION – CONTINUED

For the six months ended June 30, 2016	Services $	Financial services $	Strategic investments $	Fast growing investments $	Corporate $	Intercompany transactions $	Total $
Revenues	897,365	94,214	48,594	321,223	769,970	(93,739)	2,037,627
Expenses							
Salaries and management fees	204,221	50,000	175,525	-	616,016	-	1,045,762
Consulting and professional fees	370,794	256,677	186,620	-	701,488	-	1,515,579
General and administrative	223,838	168,144	190,001	-	509,605	-	1,091,588
Interest expense	7,626	919	2,196,742	155	1,446,948	(93,739)	3,558,651
Exchange loss	-		54,169	19,360	508,394	-	581,923
Loss (gain) on settlement	30,920	-	(615,834)	-	-	-	(584,914)
Gain on disposal of available for sale investments	(181,455)	-	-	-	-	-	(181,455)
Change in fair value of convertible debentures – conversion feature	8,113	-	-	(732,716)	56,295	-	(668,308)
Change in fair value of FVTPL	(178,855)	1,143	-	136,612	-	-	(41,100)
Impairment	-	-	50,000	572,021	358,143	-	980,164
Debenture restructuring fee	-	-	3,583,429	-	-	-	3,583,429
Share of results in associates	-	(50,188)	752,040	-	-	-	701,852
	485,202	426,695	6,572,692	(4,568)	4,196,889	(93,739)	11,583,171
Net earnings (loss) from continuing operations	**412,163**	**(332,481)**	**(6,524,098)**	**325,791**	**(3,426,919)**	**-**	**(9,545,544)**
Net earnings from discontinuing operations	**-**	**-**	**222,696**	**-**	**-**	**-**	**222,696**
Net earnings (loss)	**412,163**	**(332,481)**	**(6,301,402)**	**325,791**	**(3,426,919)**	**-**	**(9,322,848)**

Gravitas Financial Inc.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at June 30, 2016 and 2015 and December 31, 2015

(Expressed in Canadian Dollars)

NOTE 31. SEGMENTED INFORMATION – CONTINUED

	Services $	Financial services $	Strategic investments $	Fast growing investments $	Corporate $	Intercompany transactions $	Total $
As at June 30, 2016							
Total assets	5,050,950	11,974,704	17,322,138	9,100,135	74,766,853	(35,242,712)	82,972,068
Total liabilities	6,151,007	4,535,098	72,424,213	8,198,284	84,170,491	(24,450,179)	151,028,914
Investment in associates	-	3,512,269	4,016,132	-	-	-	7,528,401
As at December 31, 2015							
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
Investment in associates	-	3,642,081	3,964,342	-	-	-	7,606,423

(Expressed in Canadian Dollars)

NOTE 31. SEGMENTED INFORMATION – CONTINUED

For the three months ended June 30, 2015	Services $	Financial services $	Strategic investments $	Fast growing investments $	Corporate $	Intercompany transactions $	Total $
Revenues	292,775	-	11,518	37,975	516,992	(41,306)	817,954
Expenses							
Salaries and management fees	111,944	-	37,165	-	136,107	-	285,216
Consulting and professional fees	196,366	19,411	35,139	-	496,851	-	747,767
General and administrative	199,319	19,241	280,155	4,068	279,582	-	782,365
Interest expense	2,508	153	1,501,360	381	721,776	(41,306)	2,184,872
Exchange loss (gain)	11	-	20,026	(22,177)	183,256	-	181,116
Gain on settlement	(17,123)	-	-	-	-	-	(17,123)
Gain on disposal of available for sale investments	(109,523)		-	-	-	-	(109,523)
Change in fair value of convertible debentures – conversion feature	15,065	-	-	27,455	70,240	-	112,760
Change in fair value of FVTPL	(20,495)	-	-	46,911	(286,177)	-	(259,761)
Impairment	17,000	-	-	-	432,390	-	449,390
Share of results in associates	-	(133,643)	433,570	-	-	-	299,927
	395,072	(94,838)	2,307,415	56,638	2,034,025	(41,306)	4,657,006
Net earnings (loss) before income taxes	**(102,297)**	**94,838**	**(2,295,897)**	**(18,663)**	**(1,517,033)**	**-**	**(3,839,052)**
Current income taxes	-	-	-	1,157	-	-	1,157
Net earnings (loss)	**(102,297)**	**94,838**	**(2,295,897)**	**(19,820)**	**(1,517,033)**	**-**	**(3,840,209)**

(Expressed in Canadian Dollars)

NOTE 31. SEGMENTED INFORMATION – CONTINUED

For the six months ended June 30, 2015	Services $	Financial services $	Strategic investments $	Fast growing investments $	Corporate $	Intercompany transactions $	Total $
Revenues	642,843	-	16,333	152,342	1,052,639	(82,158)	1,781,999
Expenses							
Salaries and management fees	219,197	-	63,396	-	293,047	-	575,640
Consulting and professional fees	356,360	56,352	65,885	11,619	855,100	-	1,345,316
General and administrative	304,070	34,510	593,045	4,270	519,578	-	1,455,473
Interest expense	4,527	234	2,764,909	688	1,430,982	(82,158)	4,119,182
Exchange loss (gain)	79	-	(17,297)	(22,177)	(13,651)	-	(53,046)
Loss (gain) on settlement	(17,123)	-	(22,895)	-	50,000	-	9,982
Gain on disposal of available for sale investments	(389,907)		-	-	-	-	(389,907)
Change in fair value of convertible debentures – conversion feature	7,696	-	-	36,850	88,577	-	133,123
Change in fair value of FVTPL	(33,048)	-	-	21,894	(282,290)	-	(293,444)
Change in fair value of derivative warrant liability	-	-	(44,423)	-	-	-	(44,423)
Impairment	17,000	-	-	-	432,390	-	449,390
Share of results in associates	-	(319,432)	930,082	-	-	-	610,650
	468,851	(228,336)	4,332,702	53,144	3,373,733	(82,158)	7,917,936
Net earnings (loss) before income taxes	**173,992**	**228,336**	**(4,316,369)**	**99,198**	**(2,321,094)**	**-**	**(6,135,937)**
Current income taxes	-	-	-	1,157	-	-	1,157
Net earnings (loss)	**173,992**	**228,336**	**(4,316,369)**	**98,041**	**(2,321,094)**	**-**	**(6,137,094)**

(Expressed in Canadian Dollars)

NOTE 31. SEGMENTED INFORMATION - CONTINUED

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.

	For the three months ended June 30,		For the six months ended June 30,	
	2016	2015	2016	2015
	$	$	$	$
Revenues				
Canada	911,547	716,649	1,814,685	1,617,484
Africa	84,347	101,305	201,050	164,515
India	21,892	-	21,892	-
	1,017,786	**817,954**	**2,037,627**	**1,781,999**

	June 30, 2016	December 31, 2015
	$	$
Non-current assets		
Canada	25,340,134	18,209,519
Africa	177,964	355,929
AED	4,016,132	3,964,342
India	14,685	-
	29,548,915	**22,529,790**

NOTE 32. COMPARATIVE FIGURES

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

NOTE 33. SUBSEQUENT EVENTS

(a) In July 2016, Luxury Quotient India Private Limited, a 100% subsidiary of the Company, acquired the business operations, assets and assumed certain liabilities from Lavide Luxe Lifestyle Solutions Private Limited for gross consideration of approximately $2 million. This transaction will be recorded as a business acquisition in the third quarter and the results of operations and the assets acquired and liabilities assumed will be consolidated with effect from the date of acquisition.

(b) Subsequent to June 30, 2016, the Company has advanced an additional $111,241 to 2474184 Ontario Inc., a company controlled by the CEO. See Note 26.

(c) On August 12, 2016, the Company advanced $85,000 to a director and officer of Gravitas International Corporation, a 50% subsidiary of the Company. See Note 26.

(d) On August 3, 2016, the Company closed a non-brokered private placement for gross proceeds of $600,000 under which 6,000,000 common shares were issued at a price of $0.10 per common share.