GRAVITAS FINANCIAL INC.

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED

DECEMBER 31, 2016

AS OF APRIL 28, 2016

SCOPE OF THIS MANAGEMENT DISCUSSION AND ANALYSIS AND NOTICE TO INVESTORS

This management discussion and analysis of financial position and results of operations ("MD&A"), is prepared as of April 28, 2017, and complements the audited consolidated financial statements of Gravitas Financial Inc. ("Gravitas" or the "Company") and its wholly owned subsidiaries, for the three and twelve months ended December 31, 2016 and 2015 which are compared to the three and twelve months ended December 31, 2015.

The December 31, 2016 and 2015 consolidated financial statements and related notes has been prepared in accordance with International Interim Financial Reporting Standards ("IFRS"). As issued by the International Accounting Standards Board. This MD&A should be read in conjunction with the information contained in the annual audited consolidated financial statements of the Company and the notes thereto for the year ended December 2015 and 2014. All amounts are in Canadian dollars unless otherwise indicated.

The audited consolidated financial statements and the MD&A have been reviewed by the audit committee and approved by the Company's Board of Directors on April 28, 2017. These documents and more information about the Company are available on SEDAR at www.sedar.com

FORWARD LOOKING STATEMENTS

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

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

CORPORATE OVERVIEW AND OPERATIONS

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

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

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

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

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

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

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

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

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

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

HIGHLIGHTS

- Restructured Mint's Series A debentures;

- Received final regulatory approvals for the acquisition of controlling interests in regulated financial services companies;

- 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 share; and

- Launched Foregrowth, an on-line investment platform that provides investors with exclusive access to pre-vetted institutional quality investments designed to provide security, yield and upside potential. Investors will co-invest alongside Foregrowth.

- On October 1, 2016, the Company, through its 50% owned subsidiary, Gravitas Ilium Corporation, acquired 50.99% equity interest in 2242257 Ontario Inc. ("2242"), by converting $750,000 of the outstanding loan receivable. 2242 is a holding company for Gravitas Securities Inc., an IIROC registered broker dealer and investment banking firm in Canada, a FINRA registered broker dealer in the United States and a wealth management firm.

- On July 21, 2016 Luxury Quotient India Private Limited, a 100% subsidiary of the Company, acquired on-line retail business operations, www.elitify.com, including certain assets and assumed certain liabilities form Lavida Luxe Lifestyle Solutions Private Limited for gross consideration of approximately $2.4 million. The Company holds an option to return the business to the original owner within one year of the acquisition date, and is in the process of renegotiating the purchase price. If these negotiations are not successful, the Company intends to exercise the option.

ACHIEVEMENTS

On January 8, 2016, Mint restructured the outstanding Series A debentures wherein, the term of the Series A debentures was extended from May 16, 2019 to December 15, 2019 and the interest payable on the Series A debentures was reduced to 3% per annum to January 7, 2017 and 5% thereafter, payable quarterly on March 31, June 30, September 30 and December 31. In consideration, the Corporation issued additional debentures of $3,953,506, increasing the face value of the outstanding Series A debentures to $49,019,962. The debenture restructuring requires an additional payment of cash fee of 2.5% of the principal outstanding if certain active customer targets 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 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.

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 gross proceeds of $228,234. As a result, the Company's ownership interest in the Mint Corporation increased from 63.5% to 76.75% 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.

SUBSEQUENT EVENTS

a) The Company announced that through Trizac Holding LLC, it has advanced to Hafed Holding LLC, USD $5.45 million as a deposit to secure the right to acquire a UAE Central Bank licensed financial company. The purchase price is 100 million UAE dirham (approximately USD $27.25 million), of which approximately USD $15 million is due at closing, subject to adjustments.

   The Company and GBS have each agreed to provide USD $7.5 million of funding to acquire the financial company and also agreed to fund another USD $7.5 million each to satisfy ongoing UAE Central Bank capital reserve requirements. If the transaction were to close, the financial company on closing will have a cash balance of USD $9.54 million.

   In order to complete the acquisition of the financial company, the parties must obtain financing to fund the remaining portion of the purchase price, obtain UAE Central Bank approval, complete their due diligence and enter into definitive agreements. The participation of Mint in this transaction is also subject to stock exchange approval.

   On April 28, 2017, the Company announced signing of a non-binding term sheet (the "Term Sheet"), under which Gravitas is to transfer its interest in this UAE Central Bank licensed financial company to Mint in exchange for a USD$7.5 million secured promissory note. The security for the promissory note will be a general security agreement over the assets of Mint, ranking behind the debentures. The promissory note will bear interest at 6% per annum. The term sheet remains subject to execution of a definitive agreement, approval of the Series B debentures holders agreeing to the restructuring, agreement from GBS, and other regulatory approvals.

b) The Term Sheet also includes clauses whereby, Mint's Series A and Series C debentures are to be replaced by $20 million of debt, bearing a 10% per annum interest, maturing on December 31, 2021. The new debt is secured by a first position security interest in the assets of Mint, MME and Mint Capital LLC. The debenture-holders will also receive (a) 17,300,000 common shares of Mint, (b) 11,700,000 common share purchase warrants of Mint, and (c) subscription receipts to acquire 16,000,000 common shares of Mint for no additional consideration. Each warrant will be exercisable after two years and on or before the maturity date of the New Debt for one common share of Mint at an exercise price of $0.10. The subscription receipts will automatically convert into 2,000,000 common shares of Mint, without payment of additional consideration, at the end of each of the first eight three-month periods following the issuance of the new debt (subject to adjustment if any of the New Debt is prepaid prior to that conversion date. As a result, the ownership interest of Gravitas in Mint would be reduced to approximately 66.5% on a non-diluted basis and approximately 56.5% on a fully-diluted basis.

c) The above is conditional upon Series B debentures being modified as follow:

   a. For every $1,000 of principal and interest (including bonus interest) owing to a holder when the Series B debentures matured on March 7, 2017, the holder will receive $340 principal amount of new Series B debentures (the "New Series B Debentures") and 750 common shares of Mint.
   b. The New Series B Debentures will mature on December 31, 2021. The New Series B Debentures will become due and payable within 30 days following a change of control of Mint (other than through a treasury issuance).
   c. The New Series B Debentures will bear interest at 10% per annum, commencing on the 2nd anniversary of the issuance of the New Series B Debentures, and payable quarterly thereafter. If Mint does not have sufficient funds to pay cash interest when required, the shortfall will be paid by the issuance of common shares of Mint.

d) On April 1, 2017, Gravitas Ilium Corporation increased its ownership in 2242257 Ontario Inc. by 4% to 54.99%.

FINANCIAL INFORMATION

DISCONTINUED OPERATIONS – MINT TECHNOLOGY

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

Carrying value of MTI liabilities	327,801
Proceeds	-
Net gain on wind-up	**327,801**

Discontinued operations and disposition of Claxton

b) During 2015, the Company listed the Palm Valley property for sale, and as a result, the operations of Claxton were presented as "discontinued operations" in the consolidated statement of loss and comprehensive loss. On June 23, 2016, the Company entered into a conditional agreement for the sale of the Palm Valley property. On November 15, 2016, the Company completed its sale of the Palm Valley property for gross proceeds of US$5,825,000. As part of the sale, the company, which purchased the Palm Valley property assumed the outstanding mortgage of US$3,365,607. The Company incurred customary costs and adjustments related to the disposition of $104,713 and the net proceeds realized were US$1,902,675 ($2,520,664), resulting in a net loss of US$220,202 ($295,323) included in net loss from discontinued operations.

The following table shows the statement of loss and comprehensive loss for the discontinued operations for the years ended December 31, 2016:

	For the year ended December 31, 2016 $	For the year ended December 31, 2015 $
Rent revenues	705,825	184,087
Expenses		
Consulting and professional fees	320,580	103
Rental expenses	558,049	23,953
Change in fair value less cost to sell	450,000	-
General and administrative	-	216,276
Loss on settlement of trade and other receivables	-	7,904
Loss on disposition	295,323	-
Exchange loss	(44,287)	662
	1,579,665	248,898
Net loss and comprehensive loss	**(873,840)**	(64,811)
Gain on Mint Technology wind up	327,801	-
	(546,039)	(64,811)

BUSINESS ACQUISITION

Elitify

On July 21, 2016, Luxury Quotient India Private Limited, a 100% subsidiary of the Company, acquired Elitify.com, an on-line retail business operations, and certain assets and assumed certain liabilities from Lavida Luxe Lifestyle Solutions Private Limited for gross consideration of $2,403,592 ("the Elitify Acquisition").

The purchase price allocation is as follow:

	$
NET ASSETS	
Cash	6,822
Trade and other receivables	11,899
Inventory	1,912
Property and equipment	102,956
Intangible assets (a)	1,173,327
Goodwill (non-deductible for tax purposes)	746,676
Net assets acquired	**2,403,592**
Consideration paid	
Cash payment	291,000
Other non-interest bearing notes payable	782,592
Unsecured compulsorily convertible debenture ("CCD") at 0.0001% due July, 2017	970,000
Total consideration paid	**2,403,592**

(a) The intangible assets consist of brand names of $932,286, option to return assets of $200,139 and proprietary software of $40,902.

As part of the acquisition of Elitify, the Company was granted an option under which it may, within a period of one year from acquisition, return the business to the prior owners. During the year ended, the Company recorded impairment on the goodwill of $746,676 and intangible assets of $332,365. The Company is in the process of renegotiating the total consideration payable under the acquisition, as otherwise, it is expected to exercise the option.

Revenue.com

On November 9, 2015, the Company assigned convertible debentures of the original Revenue.com of $434,232, that were previously fully impaired, to 2474184 Ontario Inc in exchange for 1,062,559 preferred shares of 2474184 Ontario Inc. The preferred shares have certain preferred rights and are convertible into common shares on the occurrence of specific events.

On November 8, 2016, Gravitas Venture Inc, a 100% subsidiary of the Company, and 2474184 Ontario Inc. entered into a debt conversion agreement, effective October 26, 2016, wherein Gravitas Ventures Inc. received an aggregate of 2,701,354 common shares of 2474184 Ontario Inc. in exchange for the $696,509 loans due from 2474184 Ontario Inc. In addition, Gravitas Ventures Inc. received 1,218,367 shares of 2474184 Ontario Inc. for loan and management fees of $278,000 plus harmonized sales tax charged to 2474184 Ontario Inc.

Upon the debt conversion on October 26, 2016, the Company obtained controlling interests of 51.17% of Revenue.com. The Company accounted for this purchase using IFRS 3, Business Combinations, using the acquisition method of accounting, whereby the assets acquired and the liabilities assumed are recorded at their fair values with any excess of the aggregate consideration over the fair values of the identifiable net assets allocated to goodwill. Operating results have been included in the consolidated financial statements from the date of the acquisition.

All amounts that had previously been invested in Revenue.com had been fully impaired. As the Company now controls the entity, the Company reversed the previously recorded impairment of amounts receivable from Revenue.com of $177,101 recorded earlier in the year, which has been eliminated as part of the consolidation.

The Company recorded an allocation of the purchase price to tangible assets acquired and liabilities assumed, based on their fair values as of the October 26, 2016 acquisition date. The purchase price allocation is as follow:

	$
NET ASSETS	
Cash	10,272
Trade and other receivables	43,506
Trade and other payables	(322,378)
Due to related parties	(177,101)
Goodwill (Impaired subsequently) (1)	445,701
Net assets acquired	-
Consideration paid	
Conversion of debt, management and loan fees	1,010,649
Provision for impairment on debt	(1,010,649)
Total consideration paid	-

(1) The goodwill was impaired immediately on acquisition due to the uncertainty of the future cash flows of the business based on its early stage of operations.

2242257 Ontario Inc.

On October 1, 2016, Gravitas Illium Corporation ("GIC"), a 50% subsidiary of the Company, acquired 50.99% of 2242257 Ontario Inc. ("2242") for the conversion of $750,000 of outstanding indebtedness due from 2242 to GIC (the "2242 Acquisition"). 2242 is a holding company that provides investment banking and wealth management services through its subsidiaries. 2242 owns a 95.2% interest in Gravitas Securities Inc. ("GSI"), and a 100% interest in each of Gravitas Capital International Inc. ("Gravitas Capital"), Gravitas Wealth Advisors LLC ("GWA"), and 2434355 Ontario Inc. ("2434355").

The Company recorded an allocation of the purchase price to tangible assets acquired and liabilities assumed, based on their fair values as of the October 1, 2016 acquisition date. The purchase price allocation is as follow:

	$
NET ASSETS	
Cash and cash equivalents	1,276,079
Guaranteed investment certificates	749,940
Trade and other receivables	241,353
Receivable from brokers and clients	21,118,142
Loans receivable	473,936
Prepaid expenses	13,190
Equity investments and other	338,510
Customer relationships – investment banking	114,240
Backlog – investment banking	142,800
Tradename/brands	133,280
US investment banking license	196,755
Goodwill (non-deductible for tax purposes)	3,366,876
Trade and other payables	(992,566)
Payable to brokers and clients	(21,118,142)
Due to related parties	(4,418,562)
Deferred tax liability	(211,666)
Non-controlling interest	46,712
Net assets acquire	**1,470,877**

Consideration paid	
Conversion of debt	750,000
Non-controlling interest	720,877
Total consideration paid	**1,470,877**

FINANCIAL POSITION ANALYSIS

	December 31, 2016 $	December 31, 2015 $	Variation $
Assets	100,794,133	89,623,165	11,170,968
Liabilities	175,154,474	148,851,946	26,302,528
Equity (deficiency)	(74,360,341)	(59,228,781)	(15,131,560)

Total assets as at December 31, 2016 were $100,794,133 compared to $89,623,165 at December 31, 2015, an increase of $11,170,968. This increase was primarily from the 2242257 Ontario Inc. acquisition and the receivables from brokers and clients, offset by the decrease in cash and cash equivalents. Total liabilities increased $26,302,528, majority of which was attributable to the 2242257 Ontario Inc. acquisition and balances payable to brokers and clients, as well as the business acquisition costs payable related to the Elitify acquisition.

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

	December 31, 2016 $	December 31, 2015 $	Variation $
Assets of continuing operations			
Guaranteed investment certificates	8,679,939	20,089,000	(11,409,061)
Trade and other receivables	5,002,446	2,542,079	2,460,367
Receivables from brokers and clients	22,976,245	-	22,976,245
Equity investments and other	13,609,214	6,437,240	7,171,974
Loan receivable (current and non-current)	3,925,391	5,563,181	(1,637,790)

Convertible debentures (current and non-current)	3,492,898	2,610,002	882,896
Investments in associates	10,231,641	8,577,253	1,654,388
Assets held for sale (see discontinued operations above)	-	8,229,765	(8,229,765)

Guaranteed investments certificates

During the year ended December 31, 2016, the Company had net redemptions of a total amount of $11,409,061 of GICs to primarily make additional loans and advance and other equity investments.

Trade and other receivables

	December 31, 2016 $	December 31, 2015 $
Trade receivables (b)	2,354,420	730,179
Less: Allowance for doubtful accounts	(235,235)	(251,697)
	2,119,185	**478,482**
Royalty receivables	243,307	238,686
Interest receivable	1,085,718	473,030
Harmonized sales tax receivables	617,477	393,233
Advances to related companies, non-interest bearing, due on demand (a)	460,031	943,331
Advances to related companies at 8% per annum (a)	300,000	-
Other	176,748	15,317
	5,002,466	**2,542,079**

	December 31, 2016 $	December 31, 2015 $
As of January 1	251,697	205,492
Provision for impairment of trade receivables	146,396	158,129
Receivables written off during the period as uncollectible	(162,858)	(85,000)
	235,235	**251,697**

(a) The Company has advanced $695,860 (December 31, 2015 - $753,905) to the Limited Partnerships managed by two of the Company's subsidiaries.
(b) Trade receivables include $80,950 due from related entities.

Equity investments and other

	December 31, 2016 $	December 31, 2015 $	Variation $
Common shares in quoted companies	6,859,588	3,528,722	3,330,866
Options	32,784	19,998	12,786
Warrants	2,147,905	1,081,775	1,066,130
Debentures	424,183	370,393	53,790
Common shares in private companies	604,932	218,292	386,640
Preferred shares in private companies	1,806,792	1,218,059	588,733

Investment fund	1,733,029	-	1,733,029
Mining property	1	1	-
	13,609,214	**6,437,240**	**7,171,974**

The key reason for increase during the year ended December 31, 2016, was due to the acquisition of $5,089,169 in new equity investments. In addition, the fair value of equity investments and other have increased by $2,619,271, based on changes in fair values.

The new amount invested in investment fund consists of an investment fund, which investments directly and indirectly in the securities of private and public issues located primarily in Canada and the United States which represents special situations in order to generate capital growth.

Investments in associates

Portfolio Analysts Inc. ("PAI")
The Company owns a 40% interest in the issued and outstanding shares of Portfolio Analysts Inc. ("PAI") giving it significant influence over PAI's operations. The Company has a net investment of $3,408,739 (2015 – 3,642,081) in PAI. 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 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.

Mint UAE Operations
Mint Middle East LLC ("MME") is 51% owned by Mint. MME 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.

Mint UAE Operations comprises of four entities; MME; Mint Electronic Payment Services Limited ("MEPS"); Mint Capital LLC ("MCO"); and Mint Gateway for Electronic Payment Services ("MGEPS"). 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 December 31, 2016, MEPS LLC and MCO had no significant operations.

Prime City One Capital Corp.
During 2015, 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 common shares in the capital of Prime valued at $68,229. 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.

During the year ended December 31, 2016, the Company advanced $142,000 (2015 - $350,000), which it has fully impaired. The amounts loaned bear interest at 12% and are due on demand.

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

All amounts in Canadian $000's	Prime	Mint UAE Operations $	PAI $	Prime	Mint UAE Operations $	PAI $
	December 31, 2016			December 31, 2015		
Financial position						
Current assets	13	2,319	3,943	17	2,060	3,946
Non-current assets	-	5,236	6,945	-	5,159	4,344
Current liabilities	530	2,127	2,168	446	2,306	3,299
Non-current liabilities	4	397	5,485	4	363	1,883

	For the three months ended December 31, 2016			For the three months ended December 31, 2015		
Statement of earnings (loss)						
Revenue	-	1,687	6,977	-	1,057	7,606
Expenses	22	2,141	6,738	59	1,596	7,501
Operating income (loss)	(22)	(454)	387	(59)	(539)	105
Net earnings (loss)	(22)	(454)	289	(59)	(539)	97
Cash flows						
Dividends paid	-	-	350	-	-	200

	For the twelve months ended December 31, 2016			For the twelve months ended December 31, 2015		
Statement of earnings (loss)						
Revenue	-	4,785	27,564	-	3,908	27,758
Expenses	102	7,556	26,911	72	7,189	26,238
Operating income (loss)	(102)	(2,771)	1,447	(72)	(3,281)	1,520
Net earnings (loss)	(102)	(2,771)	1,084	(72)	(3,281)	1,174
Cash flows						
Dividends paid	-	-	950	-	-	934

Loans receivable

During the year ended December 31, 2016, the Company advanced loans of $4,800,378, and received repayments of loans aggregating $324,070. For the three and twelve months ended December 31, 2016, the Company earned total interest of $286,302 and $713,709, respectively, representing an average annual interest rate of 4.5% compared to $115,401 and $380,245 in 2015, representing an average annual interest rate of 2.0%.

	December 31, 2016 $	**December 31, 2015 $**
Secured Loans	**3,198,126**	3,683,590
Unsecured Loans	**289,055**	2,470,006
Forgivable loan	**542,265**	-
Impairment	**(104,055)**	(590,415)
Balance, end of the year	**3,925,391**	5,563,181
Less: current portion	**(3,240,687)**	(1,089,421)
Non-current portion	**684,704**	4,473,760

These loans bear interest from 4% to 12% per annum and mature from December 2016 to April 2019. During the year ended December 31, 2016, the Company advanced a further US$1,200,000 ($1,582,143) to MGEPS, an associate of the Company, for the advancement of its on-going information technology upgrades. This loan bears interest at 4.5% and matures on October 23, 2018.

Convertible debentures

	December 31, 2016 $	**December 31, 2015 $**
Secured, with a face value ranging from $200,000 to $1,250,000 ($100,000 to $1,250,000 in 2015), maturity on July 16, 2016 to June 1, 2021 (December 17, 2015 to June 30, 2019 in 2015) and bearing interest at 6% to 10.5% (6% to 14% in 2015)	1,780,940	1,879,446
Secured, with a face value ranging from US$100,000 to US$400,000 (US$227,000 to US$400,000 in 2015), maturity ranging from March 17, 2017 to December 9, 2018 (January 31, 2018 to December 9, 2018 in 2015) and interest rates from 6% to 10% (6% to 8% in 2015)	661,166	369,359
Unsecured, with a face value ranging from $17,000 to $250,000 ($17,000 to $250,000 in 2015), maturity ranging from November 24, 2016 to August 14, 2019 (November 24, 2016 to August 14, 2019 in 2015) and interest rates from 6% to 12% (6% to 12% in 2015)	532,045	493,582
	2,974,151	2,742,387
Conversion feature	**1,640,524**	1,162,238
	4,614,675	3,904,625
Less: reclassification due to acquisition of significant influence	**-**	(250,000)
Less accumulated impairment	**(1,121,777)**	(1,044,623)
Balance, end of the period	**3,492,898**	2,610,002
Less: current portion	**(420,583)**	(319,376)
Non-current portion	**3,072,315**	2,290,626

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

The initial value of the loan component 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 was recorded an increase of $322,743 recognized in the consolidated statement of loss and comprehensive loss.

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

	December 31, 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 $1,640,524 as at December 31, 2016 (December 31, 2015 - $1,114,416) was estimated using the Black Scholes option pricing model based on the following assumptions:

	December 31, 2016	December 31, 2015
Weighted average conversion price	$0.63	$0.55
Expected dividend yield	0%	0%
Expected average volatility	164%	222%
Risk-free average interest rate	0.76%	0.56%
Expected average life (years)	1.69	1.88
Weighted average fair value	$0.25	$0.23

LIABILITIES

Total liabilities as at December 31, 2016 were $175,154,474 compared to $148,851,946 at December 31, 2015, an increase of $26,302,528 mainly due to the acquisition of 2242, which as at December 31, 2016 included $22,976,245 in amounts payable to brokers and clients, as well as Mint's Series A debenture restructuring for a total amount of $3,583,429.

EQUITY (DEFICIENCY)

The Company had an equity deficiency of $74,360,341 as at December 31, 2016 compared to $59,228,781 at December 31, 2015, an increase of $15,131,560 mainly due to the 2016 net loss from continuing operation of $18,461,967 offset by the $600,000 of equity issued on August 3, 2016, change in fair value of equity investments of $1,785,641 and the acquisitions and adjustments of $774,165 equity related to non-controlling shareholders.

OPERATING RESULTS ANALYSIS

FINANCIAL INFORMATION COMPARISON FOR THE THREE MONTHS ENDED DECEMBER 31, 2016 AND 2015

	For the three months ended December 31,		
	2016 **$**	**2015** **$**	**Variation** **$**
Revenues			
Listing and research	**475,671**	154,748	320,923
Consulting	**224,703**	110,516	114,187
Investment banking and wealth management revenue	**1,840,070**	-	1,840,070
Royalties	**46,619**	131,414	(84,795)
Interest	**566,518**	407,708	158,810
Product sales, net of costs	**185,747**	-	185,747
Corporate finance deals	**237,657**	-	237,657
Other	**322,091**	196,568	125,523
	3,899,076	1,000,954	2,898,122
Expenses	**9,248,946**	6,020,700	(3,228,246)
Net loss from continuing operations	**(5,349,971)**	(5,019,746)	(330,125)
Net loss from discontinued operations	**(752,086)**	(64,811)	(687,275)
Net loss	**(6,101,957)**	(5,084,557)	(1,017,400)

Net loss from continuing operations for the three months ended December 31, 2016, was $6,101,957 ($0.076 per share) as compared to $5,084,557 ($0.075 per share) for the same period in 2015, an increase of $1,017,400.

REVENUE

For the three months ended December 31, 2016, revenues totalled $3,899,076 compared to $1,000,954 for the same period in 2015, an increase of $2,898,122. The key reasons for the increase were:

- The acquisition of 2242257 Ontario Inc., which generated approximately $2.4 million of additional revenues from its operations.
- The acquisition of Elitify increased revenue by approximately $0.5 million, reported as other revenue
- Listing and research fees increased by approximately $0.30 million, this increase was due to a greater number of customers using the platform that the Company provides.

EXPENSES

For the three months ended December 31, 2016, expenses totalled $9,248,946 compared to $6,020,700 for the same period of 2015, an increase of $3,228,246.

The following table shows a more detailed breakdown of expenditures occurred during the three months ended December 31, 2016, and 2015:

	For the three months ended December 31,		
	2016 **$**	**2015** **$**	**Variation** **$**
Salaries and management fees	**1,679,408**	616,749	(1,062,659)
Consulting and professional fees	**2,033,055**	1,160,532	(872,523)
General and administrative	**2,192,572**	302,880	(1,889,692)
Interest expense	**1,856,890**	2,412,072	555,182
Exchange loss (gain)	**(179,190)**	(374,389)	(195,199)
Loss on settlement	**(178,454)**	(82,109)	96,345
Gain on disposal of available-for-sale investments	**(92,597)**	4,624	97,221
Change in fair value of convertible debentures – conversion feature	**462,293**	(247,986)	(710,279)
Change in fair value of FVTPL investments	**(839,741)**	280,506	1,120,247
Impairment in investments	**2,124,615**	1,130,325	(994,290)
Results of associates	**190,823**	816,522	625,699
Share of joint venture, net of tax	**(728)**	-	728
	9,248,946	6,020,700	(3,228,246)

Salaries and management fees

The increase in salaries and management fees for the three months ended December 31, 2016, is primarily due to the acquisitions of 2242257 Ontario Inc., Elitify and Revenue.com, which accounted for an increase of approximately $0.8 million.

Consulting and professional fees

The increase was primarily due to the acquisition of 2242257 Ontario Inc. which incurred costs of approximately $0.8 million during the three month period ended December 31, 2016.

General and administrative

The key reason for the increase was related to the acquisitions of 2242257 Ontario Inc. and Elitify, which represents approximately $1.5 million of the total increase (of which $0.2 million as related to amortization of intangibles).

Interest expense

Interest decreased in 2016 primarily as a result of the Mint's Series A debenture restructuring that occurred on January 8, 2016 wherein the rate of interest payable on these debentures was reduced to 3% per annum to January 8, 2017 and 5% thereafter from 10% per annum previously, as well as the on-going repurchase and cancellation of the Series B debentures.

Change in fair value of convertible debentures - conversion feature

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

For the three months ended December 31, 2016, the fair value of these conversion feature decreased by $462,293 compared to an increase of $247,986 for the same period in 2015, primarily due to changes in the market values of the underlying issuers.

Impairment

For the three months ended December 31, 2016, the Company incurred impairment charges of $2,124,615, an increase of $994,290 over the three months ended December 31, 2016. The main reasons for the increase in impairment related to the Elitify acquisition, which resulted in an impairment of $1.08 million during the period as well as the acquisition of Revenue.com, which resulted in a $0.32 loss on acquisition. The Company is currently renegotiating the purchase price of the Elitify acquisition as discussed earlier.

Share in results in associates

The Company owns a 40% interest of the issued and outstanding shares of PAI, a 51% interest in Mint UAE Operations and an 18% interest in Prime City. During three months ended December 31, 2016, the Company recorded the following share in results:

	For the three months ended December 31,	
	2016	**2015**
	$	**$**
Prime	-	-
PAI	(44,079)	536,463
Mint UAE Operations	234,902	280,059
Total share of losses at associates	**190,823**	**816,552**

OPERATING RESULTS ANALYSIS

FINANCIAL INFORMATION COMPARISON FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2016 AND 2015

	For the twelve months ended December 31,		
	2016	**2015**	**Variation**
	$	**$**	**$**
Revenues			
Listing and research	**1,391,967**	643,798	748,169
Consulting	**577,788**	474,680	103,108
Investment banking and wealth management revenue	**1,840,070**	-	1,840,070
Royalties	**340,709**	441,077	(100,368)
Interest	**2,009,115**	1,765,538	243,577
Product sales, (net of costs of $403,054)	**185,747**	-	185,747
Corporate finance deals	**237,657**	-	237,657
Other	**595,173**	328,835	266,338
	7,178,226	3,653,928	3,524,298
Expenses	**25,094,154**	18,256,089	(6,838,065)
Net loss from continuing operations	**(17,915,928)**	(14,602,161)	(3,313,767)
Current income taxes	**-**	(1,157)	1,157
Net loss from discontinued operations	**(546,039)**	(64,811)	(481,339)
Net loss	**(18,461,967)**	(14,668,129)	(3,793,838)

Net loss from continuing operations for the twelve months ended December 31, 2016, was $18,461,967 ($0.259 per share) as compared to $14,668,129 ($0.219 per share) for the same period in 2015, an increase of $3,793,838.

REVENUE

For the twelve months ended December 31, 2016, revenues totalled $7,178,226 compared to $3,653,928 for the same period in 2015, an increase of $3,524,298. The key reason for the increase related to:

- The acquisition of 2242257 Ontario Inc., which generated approximately $2.4 million of additional revenues from its operations.
- The acquisition of Elitify increased revenue by approximately $0.6 million, reported as other revenue
- Listing and research fees increased by approximately $0.75 million, this increase was due to a greater number of customers using the platform that the Company provides.

EXPENSES

For the twelve months ended December 31, 2016, expenses totalled $25,094,154 compared to $18,256,089 for the same period of 2015, an increase of $6,838,065.

The following table shows a more detailed breakdown of expenditures occurred during the twelve months ended December 31, 2016, and 2015:

	For the twelve months ended December 31,		
	2016 **$**	**2015** **$**	**Variation** **$**
Salaries and management fees	**3,264,991**	1,533,675	(1,731,316)
Consulting and professional fees	**4,384,599**	3,201,700	(1,182,899)
General and administrative	**4,192,900**	2,416,150	(1,776,750)
Interest expense	**7,207,865**	8,925,057	1,717,192
Exchange loss (gain)	**287,524**	(1,074,989)	(1,362,513)
Loss (gain) on settlements	**(751,918)**	271,698	1,023,616
Gain on disposal of available-for-sale investments	**(448,441)**	(628,728)	(180,287)
Loss on disposal of property and equipment	**-**	974	974
Change in fair value of convertible debentures – conversion feature	**(322,743)**	(186,850)	135,893
Change in fair value of FVTPL investments	**(833,630)**	(580,056)	253,574
Change in fair value of derivative warrant liability	**-**	(44,423)	(44,423)
Impairment	**3,251,181**	2,634,150	(617,031)
Debenture restructuring fee	**3,583,429**	-	(3,583,429)
Share of losses at associates	**1,279,125**	1,787,731	508,606
Share of joint venture, net of tax	**(728)**	-	728
	25,094,154	18,256,089	(6,838,065)

Salaries and management fees

The increase in salaries and management fees for the year ended December 31, 2016, is largely due to the acquisitions of 2242257 Ontario Inc., Elitify and Revenue.com, which accounted for an increase of approximately $0.8 million. The remaining $0.9 million relates to Company hiring a number of new employees to continue it's expansion.

Consulting and professional fees

The increase was primarily due to the acquisition of 2242257 Ontario Inc. of approximately $0.8 million and to a lesser extent to the general growth of the Company.

General and administrative

The increase in expenditures largely related to the acquisition of 2242257 Ontario Inc. and Elitify, which incurred costs of approximately $1.5 million (of which $0.2 million as related to amortization of intangibles).

Interest expense

Interest decreased in 2016 primarily as a result of the Series A restructuring that occurred on January 8, 2016 wherein the rate of interest payable on these debentures was reduced to 3% per annum to January 8, 2017 and 5% thereafter, as well as the on-going repurchase and cancellation of the Series B debentures.

Exchange loss (gain)

The increases in foreign exchange loss is related in part to the investments held in US dollars and to the cash position held in US dollars at December 31, 2016 and the movement of the exchange rate against the United States dollar during the twelve months ended December 31, 2016.

Loss (gain) on settlements

During the twelve months ended December 31, 2016, the Company purchased and cancelled Mint's Series B debentures of face value of $1,268,000 for a cash payment of $689,500 and recognized a gain on settlement of $698,120. In 2015, the Company settled a loan under which it recorded a loss on settlement of $256,771. These two items account for the key change in loss (gain) on settlements year over year.

Gain on disposal of available-for-sale investments

During the twelve months ended December 31, 2016, the Company sold common shares held in quoted companies realizing a gain of $448,441 compared to $628,728 in the same period in 2015. These amounts will vary period over period depending on market conditions and the shares that the Company sells from its portfolio.

Change in fair value of convertible debentures - conversion feature and debenture restructuring fee

For the twelve months ended December 31, 2016, the fair value of these conversion feature increased by $322,743 compared to an increase of $186,850 for the same period in 2015, primarily due to changes in the market values of the underlying issuers.

Change in fair value of FVTPL investments

For the twelve months ended December 31, 2016, the fair value of these investments increased by $833,630 compared to an increase in fair value of $580,056 for the same period in 2015. As this largely consists of publicly listed securities, the changes in fair value will vary period to period.

Impairment of investments

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

	For the years ended December 31,	
	2016	**2015**
	$	**$**
Impairment of investments in associates	142,000	415,932
Impairment of loans	1,027,003	590,415
Impairment (recovery) of convertible debenture	79,229	1,044,623
Reclassification of impairment to net loss	231,824	583,180
Impairment of brand name	578,637	-
Impairment of acquisition of Revenue.com	445,701	-
Impairment of goodwill	746,676	-
	3,251,181	2,634,150

The impairment on investments in convertible debentures, including on the conversion features, is recorded when the Company determines that it is likely that the debentures will default based on its review of available financial information relating to the issuers or when the debentures have defaulted due to non-payment of interest due and payable. The Company estimates potential recoveries from security held and recognizes an impairment loss for the difference. During February 2016, the Company sold a non-secured convertible debenture of face value of $100,000 for cash proceeds of $47,180 and recorded a loss on settlement of $52,820. During the twelve months ended December 31, 2016, the Company also recovered $240,000 from one of its investees that had previously been impaired.

During the twelve months ended December 31, 2016, the Company determined that the intangible asset relating to its brand name of $578,637 had to be impaired due to the continuing losses at Gravitas and its subsidiaries. The Company also recorded an impairment of the Elitify brand name of $332,365.

During the twelve months ended December 31, 2016, the Company impaired goodwill relating to the acquisition of Elitfy of $746,676. The Company is in the process of renegotiating the purchase price related to this acquisition.

Debenture restructuring fee

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, 2019 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.

Share in results of associates

The Company owns a 40% interest of the issued and outstanding shares of Portfolio Analysts Inc. ("PAI"), a 18% interest in Prime City One Capital Corporation and a 51% interest in Mint UAE Operations. During twelve months ended December 31, 2016, the Company recorded the following share in results at these associates:

	For the years ended December 31,	
	2016 **$**	**2015** **$**
Prime	-	2,297
PAI	(146,658)	99,249
Mint UAE Operations	1,425,783	1,686,185
Total share of losses at associates	1,279,125	1,787,731

SEGMENTED INFORMATION

Gravitas operates in four key segments, below is a description of each subsidiary and the key entities that operate within the specified segment:

1) **Services**: this group of businesses provides services for the capital markets, advisory, regulatory and compliance needs of private and publicly listed corporation. The following subsidiaries operate within this segment:

- Ubika Corp;
- Gravitas Corporate Services Inc.;
- Branson Corporate Services Inc.; and
- Global Compliance Network Inc.

2) **Financial services**: this group are operations in financial products and financial products distribution businesses and are operated independently with their own management teams and require high levels of compliance and governance. The following subsidiaries operate within this segment:
   - Gravitas Select Flow-Through GP Inc.;
   - Gravitas Special Situations GP Inc.;
   - Gravitas Financial Services Holdings Inc.;
   - Gravitas Ilium Corp. (formerly Gravitas International Corp.);
   - Gravitas Investment Inc. (formerly Foundation Investment Management Inc.);
   - 2242257 Ontario Inc;
     - Gravitas Capital International Inc.
     - Gravitas Securities Inc.
     - Gravitas Wealth Advisors, LLC
   - Portfolio Analysts Inc.;
   - Foregrowth (formerly Gravitas Investor Platform); and
   - Foregrowth Holdco Inc.

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

4) **Fast growing investments**: this group's operations acquires meaningful ownership interests in fast growing companies in both the public and private markets. This segment will offer strategic guidance and access to its strong network to investee companies to accelerate their strategic growth plans. The following subsidiaries operate within this segment:
   - Gravitas Venture Inc.; and
   - 2474184 Ontario Inc. (revenue.com)

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

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

For the three months ended December 31, 2016	Services $	Financial services $	Strategic investments $	Fast growing investments $	Corporate $	Intercompany transactions $	Total $
Revenues	525,047	2,208,473	171,443	497,487	453,435	43,191	3,899,076
Expenses							
Salaries and management fees	171,794	729,756	181,344	98,012	498,502	-	1,679,408
Consulting and professional fees	328,201	1,072,875	247,656	31,273	353,050	-	2,033,055
General and administrative	97,657	1,459,642	38,402	23,159	3,252	570,460	2,192,572
Interest expense	4,415	92,735	1,038,598	7,073	731,739	(17,671)	1,856,889
Exchange loss (gain)	-	1,033	(25,341)	(16,445)	(138,436)	-	(179,189)
Loss or (gain) on settlement	(43,348)	-	(135,106)	-	-	-	(178,454)
Gain on disposal of available for sale investments	(92,597)	-	-	-	-	-	(92,597)
Change in fair value of convertible debentures – conversion feature	45,355	-	-	416,938	-	-	462,293
Change in fair value of FVTPL	246,327	(153,787)	(41,667)	(910,151)	19,537	-	(839,741)
Impairment	54,000	30,318	-	843,048	(3,160)	1,200,409	2,124,615
Share of results in associates	-	(44,079)	234,902	-	-	-	190,823
Share of joint venture, net of tax	-	(728)	-	-	-	-	(728)
	811,804	3,187,765	1,538,788	492,907	1,464,484	1,753,198	9,248,946
Net earnings (loss) from continuing operations	**(286,757)**	**(979,292)**	**(1,367,345)**	**4,580**	**(1,011,050)**	**(1,710,007)**	**(5,349,871)**
Net earnings from discontinuing operations	**-**	**-**	**(1,979,714)**	**-**	**-**	**1,227,628**	**(752,086)**
Net earnings (loss)	**(286,757)**	**(979,292)**	**(3,347,059)**	**4,580**	**(1,011,050)**	**(482,379)**	**(6,101,957)**

For the year ended December 31, 2016	Services $	Financial services $	Strategic investments $	Fast growing investments $	Corporate $	Intercompany transactions $	Total $
Revenues	1,918,655	2,454,728	300,525	1,007,475	1,594,822	(97,979)	7,178,226
Expenses							
Salaries and management fees	438,185	844,799	420,646	98,012	1,463,349	-	3,264,991
Consulting and professional fees	802,386	1,616,794	583,292	31,273	1,350,854	-	4,384,599
General and administrative	359,625	1,878,255	503,621	23,159	857,780	570,460	4,192,900
Interest expense	17,904	94,033	4,337,070	7,242	2,910,457	(158,841)	7,207,865
Exchange loss	-	1,953	14,747	(8,309)	279,133	-	287,524
Loss (gain) on settlement	(978)		(750,940)	-	-	-	(751,918)
Gain on disposal of available for sale investments	(448,441)	-	-	-	-	-	(448,441)
Change in fair value of convertible debentures – conversion feature	63,695		-	(442,733)	56,295	-	(322,743)
Change in fair value of FVTPL	12,406	(152,046)	(41,667)	(671,860)	19,537	-	(833,630)
Impairment	54,000	30,318	50,000	1,526,311	390,143	1,200,409	3,251,181
Debenture restructuring fee	-		3,583,429	-	-	-	3,583,429
Share of results in associates	-	(146,658)	1,425,783	-	-	-	1,279,125
Share of joint venture, net of tax	-	(728)	-	-	-	-	(728)
	1,298,782	4,166,720	10,125,981	563,095	7,327,548	1,612,028	25,094,154
Net earnings (loss) from continuing operations	**619,873**	**(1,711,992)**	**(9,825,456)**	**444,380**	**(5,732,726)**	**(1,710,007)**	**(17,915,928)**
Net earnings from discontinuing operations	**-**	**-**	**(1,773,667)**	**-**	**-**	**1,227,628**	**(546,039)**
Net earnings (loss)	**619,873**	**(1,711,992)**	**(11,599,123)**	**444,380**	**(5,732,726)**	**(482,379)**	**(18,461,967)**

	Services $	Financial services $	Strategic investments $	Fast growing investments $	Corporate $	Intercompany transactions $	Total $
As at December 31, 2016							
Total assets	1,516,560	29,587,326	5,235,483	1,865,899	73,007,741	(10,418,876)	100,794,133
Total liabilities	1,188,489	25,098,076	64,309,971	574,054	83,545,937	437,947	175,154,474
Investment in associates (contained within assets)	-	3,923,983	6,822,902	-	-	(515,244)	10,231,614

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	4,935,172	-	-	-	8,577,253

For the three months ended December 31, 2015	Services $	Financial services $	Strategic investments $	Fast growing investments $	Corporate $	Intercompany transactions $	Total $
Revenues	287,587	24,489	131,765	104,701	498,781	(50,369)	1,000,954
Expenses							
Salaries and management fees	124,432	-	287,796	-	204,521	-	616,749
Consulting and professional fees	182,866	93,953	539,851	-	343,862	-	1,160,532
General and administrative	605,766	27,204	(378,976)	2,682	46,204	-	302,880
Interest expense	5,229	286	1,726,280	336	730,310	(50,369)	2,412,072
Exchange loss (gain)	1,318	-	(65,182)	(65,019)	(245,506)	-	(374,389)
Gain on settlement	-	-	(82,109)	-	-	-	(82,109)
Gain on disposal of available for sale investments	(34,174)		(812)	39,610	-	-	4,624
Loss on disposal of property and equipment	-	-	-	974	-	-	974
Change in fair value of convertible debentures – conversion feature	313	-	-	(351,096)	102,797	-	(247,986)
Change in fair value of FVTPL	114,116	(46,173)	-	212,563	-	-	280,506
Impairment	38,343	-	-	47,254	1,049,228	-	1,130,325
Share of results in associates	-	536,463	280,059	-	-	-	816,522
	1,038,209	611,733	2,306,907	(117,196)	2,231,416	(50,369)	6,020,700
Net earnings (loss) before income taxes	**(750,622)**	**(583,244)**	**(2,175,142)**	**221,897**	**(1,732,635)**	**-**	**(5,019,746)**
Current income taxes	-	-	-	1,157	-	-	1,157
Net earnings (loss) continuing operations	**(750,622)**	**(583,244)**	**(2,175,142)**	**220,740**	**(1,732,635)**	**-**	**(5,020,903)**
Net earnings (loss) discontinued operations	**-**	**-**	**(64,811)**	**-**	**-**	**-**	**(64,811)**
Net earnings (loss)	**(750,622)**	**(583,244)**	**(2,239,953)**	**220,740**	**(1,732,635)**	**-**	**(5,085,714)**

For the twelve months ended December 31, 2015	Services $	Financial services $	Strategic investments $	Fast growing investments $	Corporate $	Intercompany transactions $	Total $
Revenues	1,223,968	28,489	167,726	348,612	2,065,584	(180,451)	3,653,928
Expenses							
Salaries and management fees	417,614	-	395,532	-	720,529	-	1,533,675
Consulting and professional fees	631,000	191,977	643,186	11,619	1,723,918	-	3,201,700
General and administrative	867,343	76,714	372,088	12,103	1,087,902	-	2,416,150
Interest expense	11,898	560	6,200,000	1,381	2,891,669	(180,451)	8,925,057
Exchange loss (gain)	1,383	-	(102,453)	(109,034)	(864,885)	-	(1,074,989)
Loss (gain) on settlement	53,669	-	(55,004)	209,637	63,396	-	271,698
Gain on disposal of available for sale investments	(445,510)		-	(183,218)	-	-	(628,728)
Loss on disposal of property and equipment	-	-	974	--	-	-	974
Change in fair value of convertible debentures – conversion feature	20,441	-	-	(313,733)	106,442	-	(186,850)
Change in fair value of FVTPL	20,272	(41,173)	-	(271,865)	(282,290)	-	(580,056)
Change in fair value of derivative warrant liability	-	-	(44,423)	-	-	-	(44,423)
Impairment	267,380	-	-	432,295	1,934,475	-	2,634,150
Share of results in associates	-	99,249	1,686,185	-	2,297	-	1,787,731
	1,845,490	322,327	9,096,085	(210,815)	7,383,453	(180,451)	18,256,089
Net earnings (loss) before income taxes	**(621,522)**	**(293,838)**	**(8,928,359)**	**559,427**	**(5,317,869)**	**-**	**(14,602,161)**
Current income taxes	-	-	-	1,157	-	-	1,157
Net earnings (loss) continuing operations	**(621,522)**	**(293,838)**	**(8,928,359)**	**558,270**	**(5,317,869)**	**-**	**(14,603,318)**
Net earnings (loss) discontinued operations	**-**	**-**	**(64,811)**	**-**	**-**	**-**	**(64,811)**
Net earnings (loss)	**(621,522)**	**(293,838)**	**(8,993,170)**	**558,270**	**(5,317,869)**	**-**	**(14,668,129)**

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 December 31, 2016 $	2015 $	For the twelve months ended December 31, 2016 $	2015 $
Revenues				
Canada	3,769,091	869,540	6,651,770	3,212,851
Africa	46,648	131,414	340,709	441,077
India	83,367	-	185,747	-
	3,899,106	**1,000,954**	**7,178,226**	**3,653,928**

	December 31, 2016 $	December 31, 2015 $
Non-current assets		
Canada	27,437,904	10,492,035
Africa	-	355,929
UAE	4,269,929	3,964,342
USA		7,717,484
India	722,088	-
Canada	27,437,904	10,492,035
	32,429,921	**22,529,790**

QUARTERLY RESULTS TRENDS (IN THOUSANDS OF $)

Management considers that the information presented was determined in the same way as for our audited consolidated financial statements for the year ended December 31, 2016.

	2016				2015	Restated [1]		
	Q4 $	Q3 $	Q2 $	Q1 $	Q4 $	Q3 $	Q2 $	Q1 $
Revenue	3,898	1,242	1,018	1,020	1,001	871	818	964
Net loss from continuing operations	(5,351)	(3,020)	(2,788)	(6,757)	(5,019)	(3,447)	(3,840)	(2,297)
Basic and diluted net loss per share from continuing operations	(0.076)	(0.045)	(0.042)	(0,101)	(0.066)	(0.041)	(0.060)	(0.053)

[1] Results from fourth quarter of 2014 to third quarter of 2015 have been restated to reflect the proper calculation of the accretion and interest expense relating to Mint Series A and Series B debentures.

LIQUIDITY, CAPITAL RESOURCES AND SOURCES OF FINANCING

As at December 31, 2016, the Company had a total working capital of $34,713,291, which includes a cash position of $27,681,208 and guaranteed investment certificates for $8,679,939. The Company also has equity and other investments, loans receivable and convertible debentures that will generate additional liquidity over time.

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

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

DEBENTURES

The Company has $141,254,066 of long-term debentures issued and outstanding. Based on the Company's current working capital position, it will be required to raise additional funds in order to repay these debentures.

The total face value of the debentures issued at Gravitas Financial Inc., is $84,045,000. The debentures with a face value of $30,023,000 mature on December 3, 2017, however the Company at its sole discretion may extend the term by 3 years by providing written notice and paying a renewal fee equal to 1%. As the Company holds the option to extend and has the funds to pay costs associated with the extension, the Company views this as being due in 2020. The Company may require additional financing in order to repay these debentures when they come due.

The total face value of the debentures that are issued at Mint, is $62,471,962. The debentures at Mint, are solely tied to the operations of Mint, and are not cross-collateralized with any other entities associated with the Company, hence the refinancing of these debentures would take place at the Mint level when required. The first maturity date for debentures related to Mint, that do not have an extension that can be exercised by paying a fee at the sole discretion of the Company is $10,000,000, which is due on June 23, 2018. The Company may require additional financing in order to repay these debentures when they come due.

INFORMATION ON OUTSTANDING SECURITIES

The Company's authorized share capital consists in an unlimited number of common shares of which 72,601,305 are currently outstanding. Please refer to Note 20 of the audited consolidated financial for more details.

RELATED PARTIES 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 December 31,		For the twelve months ended December 31,	
	2016	**2015**	**2016**	**2015**
	$	**$**	**$**	**$**
Transactions with key management personnel				
Salaries and management fees	246,504	241,295	969,716	796,500
Consulting and professional fees	-	16,667	-	231,179
General and administrative	54,000	45,500	176,000	184,500
	300,504	303,462	**1,145,716**	1,212,179
Transactions with companies controlled by key management				
Consulting and professional fees	147,000	396,774	578,500	1,053,260
	147,000	396,774	**578,500**	1,053,260
Total	**447,504**	700,236	**1,724,216**	2,265,439

For the year ended December 31, 2016, the Company incurred legal fees of $122,173 (December 31, 2015 - $229,381) from a legal firm in which the former Chief Executive Officer ("CEO") and current director is a partner.

As at December 31, 2016, an amount of $424,999 is payable to GBS, representing the remaining amount due under the terms of a Management agreement entered into between Mint and GBS under which GBS assumed all responsibility for the day-to-day activities of Mint UAE Operations. The Management agreement entitles GBS to a fixed monthly fee of AED 120,000 and a variable fee of 20% of the net income of Mint UAE Operations and was effective December 31, 2014. This amount is included under trade and other payables in the Company's consolidated statement of financial position.

During the year ended December 31, 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 $518,794 (UAE Dirham 1,440,000) (December 31, 2015 - $500,976 (UAE Dirham 1,440,000)). 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 December 31, 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.

As at October 1, 2016, the date the Company acquired control of 2242 (note 7), the Company had advanced $4,418,562 (December 31, 2015 - $2,786,000) to 2242. This loan bears interest at 6% and matures on October 31, 2018. This amount is recorded as loan receivables on the Company's consolidated statement of financial position in 2015 and is now eliminated upon acquisition.

During the year ended December 31, 2016, the Company has paid $225,000 to Gravitas Securities Inc., a subsidiary of 2242257 Ontario Inc. In addition, the Company also pays rent of $33,825 per month to 2242257 Ontario Inc. and for the year ended December 31, 2016 $94,227 are included in general and administrative expense relating to this rent.

During the year ended December 31, 2016, the Company and its subsidiaries paid $52,550 (December 31, 2015 - $10,060) to a company ("Soigne Technolgies Inc."), in which an employee has an interest.

As at December 31, 2016, the Company amounts dues to related companies in which there are common directors of $11,635 (as at December 31, 2015 - $42,837).

During the current year, the Company advanced $85,000 to a director and officer of Gravitas International Corporation, a 50% subsidiary of the Company and $175,000 to an officer of Gravitas Securities Inc. Interest at 4% and 6%, respectively per annum on these loans aggregated to $6,899 at December 31, 2016 and is payable at maturity.

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.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

SIGNIFICANT ACCOUNTING POLICIES

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

The elements in the financial statements that require more use of estimates are describe in Note 5 of the audited consolidated financial statements for the year ended December 31, 2016. Actual results may differ from these estimates, but management believes they will not result in material changes versus the results being presented. Readers are invited to refer to the audited consolidated financial statements for the year ended December 31, 2015 for a full description of the significant accounting policies of the Company at that date.

FUTURE CHANGES IN ACCOUNTING POLICIES

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

Management anticipates that all of the relevant pronouncements will be adopted in the Company's accounting policies for the first period beginning after the effective date of the pronouncement. Readers are invited to refer to Note 4 of the audited consolidated financial statements for the year ended December 31, 2016, for a full description of these new standards.

RISKS RELATED TO FINANCIAL INSTRUMENTS

Readers are invited to refer to Note 31 of the audited consolidated financial statements for the year ended December 31, 2016, for a full description of these risks.

RISKS AND UNCERTAINTIES

The Company is involved in an industry that is subject to various risks and uncertainties. The risks and uncertainties listed below are not the only ones facing the Company. Additional risks and uncertainties not presently known to the Company or that the Company currently deems immaterial, may also impair the operations of the Company. If any such risks actually occur, it could have a material adverse effect on the

Company's activities, results of operation and financial condition. In any such case, the market price of the common shares could decline.

COMPETITION

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

KEY MANAGEMENT PERSONNEL

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

CHANGE MANAGEMENT RISK

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

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

MANAGEMENT OF EXPANSION

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

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

NON-CONTROLLING INTEREST RISKS

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

LAWS AND REGULATIONS

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

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

ECONOMIC CONDITIONS

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

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

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

SHARE PRICE VOLATILITY

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

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

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

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

REVENUE DEPENDENT ON FEES

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

DEBT REPAYMENT

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

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

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