Gravitas Financial Inc.

Unaudited Interim Condensed Consolidated Financial Statements

As of March 31, 2017,
and for the three months ended March 31, 2017 and 2016

Notice of Disclosure of Non-Auditor Review of Interim Condensed Consolidated Financial Statements for the three months ended March 31, 2017 and March 31, 2016.

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 months ended March 31, 2017 and 2016, 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 March 31, 2017 and 2016 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 consolidated financial statements of Gravitas Financial Inc. (the "Corporation") 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 Corporation'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"	"Peter Liabotis"
Chief Executive Officer	**Chief Financial Officer**

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

	Notes	March 31, 2017	December 31, 2016
		$	$
ASSETS			
Current assets			
Cash and cash equivalents		24,204,210	27,681,208
Guaranteed investment certificates (restricted $250,000)	6	1,449,500	8,679,939
Trade and other receivables	7	5,303,722	5,002,466
Receivable from brokers and clients	21	25,337,557	22,976,245
Inventory		123,840	116,260
Prepaid expenses		222,398	246,824
Loan receivables	11	3,424,676	3,240,687
Convertible debentures	12	2,121,896	420,583
Current assets		**62,187,799**	**68,364,212**
Non-current assets			
Property and equipment	8	273,464	234,503
Equity investments and other	9	13,840,532	13,609,214
Investments in associates	10	17,566,546	10,231,641
Loan receivables	11	374,924	684,704
Convertible debentures	12	1,667,602	3,072,315
Intangible assets	13	1,132,357	1,230,667
Goodwill	4 and 13	3,366,877	3,366,877
Non-current assets		**38,222,302**	**32,429,921**
Total assets		**100,410,101**	**100,794,133**
LIABILITIES			
Current			
Trade and other payables	14	8,200,521	5,140,872
Payable to brokers and clients	21	25,337,557	22,976,245
Customer deposits		476,303	469,300
Business acquisition cost payable	4	1,786,869	1,734,092
Debentures	16	3,427,906	3,330,412
Current liabilities		**39,229,156**	**33,650,921**
Non-current liabilities			
Lease inducement		33,924	37,821
Debentures	16	141,405,559	141,254,066
Deferred taxes	4	211,666	211,666
Non-current liabilities		**141,651,149**	**141,503,553**
Total liabilities		**180,880,305**	**175,154,474**
EQUITY (DEFICIENCY)			
Share capital	17	2,000,600	2,000,600
Contributed surplus		471,685	471,685
Deficit		(86,013,547)	(81,335,914)
Accumulated other comprehensive income		2,658,395	3,343,668
Total equity deficiency attributable to owners of the parent company		**(80,882,867)**	**(75,519,961)**
Non-controlling interest	5	412,663	1,159,620
Total equity deficiency		**(80,470,204)**	**(74,360,341)**
Total equity deficiency and liabilities		**100,410,101**	**100,794,133**

Commitments [Note 28], Subsequent events [Note 32]

On behalf of the Board:

/S/ Vikas Ranjan — **Director**

/S/ Gerry Goldberg — **Director**

See accompanying notes to the unaudited 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 ended March 31, 2017	2016
		$	$
Revenue			
Listing and research fees		**286,997**	305,721
Consulting		**275,102**	109,551
Investment banking and wealth management		**1,561,857**	-
Royalties		**83,644**	116,703
Interest	19	**497,877**	473,305
Other		**74,547**	14,561
Product sales (net of costs of $98,110)		**42,202**	-
		2,822,226	1,019,841
Expenses			
Salaries and management fees		**2,576,049**	503,069
Consulting and professional fees		**2,204,050**	625,973
General and administrative		**2,033,051**	546,833
Interest expense	20	**1,844,433**	1,808,977
Exchange loss		**93,897**	531,833
Gain on settlements		**-**	(437,903)
Gain on disposal of available-for-sale investments		**(398,894)**	(23,258)
Change in fair value of convertible debentures – conversion feature		**122,599**	(430,522)
Change in fair value of FVTPL investments	9	**(303,448)**	187,835
Impairment	22	**150,000**	571,440
Debenture restructuring fee	16 (b)	**-**	3,583,429
Share of results of associates	10	**547,845**	309,329
Share of joint venture profit, net of tax	9	**(2,676)**	-
		8,866,906	7,777,035
			-
Net loss continuing operations		**(6,044,680)**	(6,757,194)
Net loss from discontinued operations		**-**	117,677
		(6,044,680)	(6,639,517)
Other comprehensive loss			
Items that will be reclassified subsequently to net loss			
Available-for-sale-financial assets			
Net change in fair value, net of tax effect		**(320,023)**	(293,537)
Reclassification to net loss, net of tax effect		**(398,894)**	(23,258)
		(718,917)	(316,795)
Foreign currency translation			
Cumulative translation adjustment, net of tax effect		**33,644**	57,663
Total other comprehensive loss		**(685,273)**	(259,132)
Net loss and comprehensive loss		**(6,729,953)**	(7,016,326)
Net loss attributable to:			
Shareholders of the Company		**(4,740,939)**	(4,512,871)
Non-controlling interest	5	**(1,303,741)**	(2,126,646)
		(6,044,680)	(6,639,517)
Net comprehensive loss attributable to:			
Shareholders of the Company		**(5,426,212)**	(4,889,680)
Non-controlling interest	5	**(1,303,741)**	(2,126,646)
		(6,729,953)	(7,016,326)
Loss per common share, basic and diluted			
- Continuing operations		**(0.083)**	(0.097)
- Discontinued operations		**-**	-
		(0.083)	(0.097)
Weighted average number of common shares outstanding		**72,601,305**	66,601,305

See accompanying notes to the unaudited interim condensed consolidated financial statements.

Gravitas Financial Inc.
UNAUDITED INTERIM CONDENSED
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIENCY)
(Presented in Canadian Dollars)

	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, January 1, 2017		**72,601,305**	**2,000,600**	**3,450,522**	**(106,854)**	**471,685**	**(81,335,914)**	**1,159,620**	**(74,360,341)**
Non-controlling interest (see note 4)		-	-	-	-	-	63,306	(63,306)	-
Non-controlling interest – acquisition		-	-	-	-	-	-	1,157,766	1,157,766
Non-controlling interest – Distributions (see note 5)		-	-	-	-	-	-	(537,676)	(537,676)
Net loss for the period		-	-	-	-	-	(4,740,939)	(1,303,741)	(6,044,680)
Other comprehensive loss									
Net change in fair value, net of tax effects		-	-	(320,023)	-	-	-	-	(320,023)
Foreign currency translation		-	-	-	33,644	-	-	-	33,644
Reclassification to net loss, net of tax effect		-	-	(398,894)	-	-	-	-	(398,894)
		-	-	(718,917)	33,644	-	(4,677,633)	(746,957)	(6,109,863)
Balance, March 31, 2017		**72,601,305**	**2,000,600**	**2,731,605**	**(73,210)**	**471,685**	**(86,013,547)**	**412,663**	**(80,470,204)**

See accompanying notes to the unaudited interim condensed consolidated financial statements.

Gravitas Financial Inc.
UNAUDITED INTERIM CONDENSED
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIENCY)
(Presented in Canadian Dollars)

	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, January 11, 2016		**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
		-		(316,795)	57,663	-	(4,512,871)	(2,126,646)	(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)**

See accompanying notes to the unaudited interim condensed consolidated financial statements.

Gravitas Financial Inc.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in Canadian Dollars)

	Notes	For the three months ended March 31, 2017 $	For the three months ended March 31, 2016 $
OPERATING ACTIVITIES			
Net loss from continuing operations		(6,044,680)	(6,757,194)
Adjustments:			
Amortization of equipment	8	18,557	9,244
Amortization – intangible assets	13	98,310	88,983
Interest accretion	19 and 20	63,399	416,393
Lease inducement		(3,898)	1,571
Gain on settlement	21	-	(437,903)
Gain on disposal of available-for-sale investments		(398,894)	(23,258)
Change in fair value of convertible debentures – conversion feature		122,599	(430,522)
Change in fair value of FVTPL investments		(303,448)	187,835
Impairment	22	150,000	571,440
Debenture restructuring fee	16 (b)	-	3,583,429
Share of results in associates	10	547,845	309,329
Unrealized exchange gain		59,612	126,336
		(5,690,598)	(2,354,317)
Change in working capital	23	2,532,241	(1,331,195)
Cash flows used in operating activities		(3,158,357)	(3,685,512)
Cash flows used in operating activities of discontinued operations		-	311,062
Net cash used in operating activities		(3,158,357)	(3,374,450)
INVESTING ACTIVITIES			
Guaranteed investment certificates		7,230,439	1,674,624
Additions to property and equipment	8	(57,518)	-
Purchase of equity investments and other	9	(1,123,698)	(875,440)
Proceeds from disposal of investments		994,077	301,650
Additional investments in associates	10	(7,922,750)	(422,620)
Dividends received on investment in associates	10	40,000	100,000
Loan receivable	11	(616,293)	(2,487,667)
Repayment of loan receivables	11	741,000	324,070
Convertible debentures		(250,000)	47,180
Net cash used in investing activities		(964,743)	(1,338,203)
FINANCING ACTIVITIES			
Re-purchase of debentures	16	-	(408,500)
Proceeds from issuance of shares to non-controlling interest		620,092	-
Cash flows used in financing activities of discontinued operations		-	(16,063)
Net cash generated (used in) from financing activities		620,092	(424,563)
Foreign Currency translation effect on cash and cash equivalents		26,010	57,663
Net change in cash and cash equivalents during the period		(3,476,998)	(5,079,553)
Cash and cash equivalents, beginning of period		27,681,208	34,427,311
Cash and cash equivalents, end of period		24,204,210	29,347,758

Supplemental cash flow information [Note 23]

See accompanying notes to the unaudited interim condensed 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 trades under the symbol, GFI. The Company was incorporated under the Canada Business Corporation Act and has its registered office and principal place of business at 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 significantly increase in value addition through the Company's key strategic inputs and management support. The Company also 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 ("Financial Statements") have been approved by the Board of Directors on May 29, 2017.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation

These Financial Statements include the accounts 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 from 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 accounting 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 are 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 acquired 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 interim condensed 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

Consolidated 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%
New India Investment Corporation	Canada	100%
Global Compliance Network Inc.	Canada	100%
Gravitas Investment Inc. (formerly Foundation Investment Management Inc.)	Canada	100%
The Mint Corporation ("Mint")	Canada	76.75%
Branson Corporate Services Inc.	Canada	51%
Luxury Quotient International Inc.	Canada	100%
Luxury Quotient India Private Ltd.	India	100%
SearchGold Guinee SARL (inactive)	Africa	100%
Claxton Capital Management	Canada	100%
Claxton Real Estate Company Ltd. ("CREC")	USA	42%
Gravitas Special Situation GP Inc. (a)	Canada	80%
Gravitas Mining Corporation (a)	Canada	83%
GIC Merchant Bank Corporation (a)	Canada	50%
Gravitas Ilium Corporation (formerly Gravitas International Corporation) ("GIC")	Canada	50%
2242257 Ontario Inc. ("2242")	Canada	50.99% (by GIC)
Gravitas Capital International Inc.	USA	100% (by 2242)
Gravitas Securities Inc.	Canada	95.2% (by 2242)
Gravitas Wealth Advisors, LLC	USA	100% (by 2242)
2434355 Ontario Inc. ("2434355")	Canada	100% (by 2242)
Foregrowth Inc. (formerly Gravitas Investor Platform Inc.) ("FGI")	Canada	50% (by GIC)
Foregrowth Holdco Inc. (a)	Canada	100% (by FGI)
2474184 Ontario Inc. ("2474")	Canada	45.05% (Dec 31, 2016 - 51.17%)
Revenue.com Corporation	Canada	100% (by 2474)

(a) Incorporated in 2016

Investment in associates	Jurisdiction of incorporation	Percentage of ownership (%)
Portfolio Analysts Inc. ("PAI")	Canada	40%
Mint United Arab Emirates ("UAE") Operations	Canada	51% (by Mint)
Prime City One Capital Corporation	Canada	18%

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Adoption of amended accounting standards and interpretations:

Future accounting policy changes

In February 2015, the IASB decided to require an entity to apply IFRS 9 "Financial Instruments" for annual periods beginning on or after January 1, 2018. IFRS 9 is available for early adoption.

In May 2015, the IASB issued IFRS 15 "Revenue from Contracts with Customers," which replaces IAS 18 "Revenue," IAS 11 "Construction Contracts," and related interpretations. The standard is required to be adopted either retrospectively or using a modified transition approach for fiscal years beginning on or after January 1, 2018, with earlier adoption permitted.

IFRS 16, “Leases” which requires lessees to recognize assets and liabilities for most leases. Application of the standard is mandatory for annual reporting period beginning on or after January 1, 2019, with early 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 accessing the impact, if any, of the above noted standards on its financial statements.

NOTE 3. STATEMENT OF COMPLIANCE

These Financial Statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), and with interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”) which the Canadian Accounting Standards Board has approved for incorporation into Part 1 of the CPA Canada Handbook – Accounting, as applicable to the preparation of interim financial statements, including International Accounting Standard (“IAS”) 34, “Interim Financial Reporting”. These Financial Statements should be read in conjunction with the Company’s audited financial statements as at and for the year ended December 31, 2016, which were prepared in accordance with IFRS as applicable for annual financial statements.

Unless otherwise disclosed, these Financial Statements have been prepared in accordance with the same accounting policies as those disclosed in note 3 to the Company’s annual financial statements for the year ended December 31, 2016.

NOTE 4. ACQUISITIONS

The Company has determined that the below acquisitions are business combinations under IFRS 3, Business Combinations, and are accounted for by applying the acquisition method. The Company makes purchase price allocations for each of the acquired businesses between tangible and intangible assets and liabilities, including goodwill and deferred taxes. Accordingly, disclosures related to the fair value of assets and liabilities acquired have been reflected within these Financial Statements. Goodwill recognized is attributed based on cash generating units (“CGU’s”).

(Expressed in Canadian Dollars)

NOTE 4. ACQUISITIONS - CONTINUED

Elitify

On July 21, 2016, Luxury Quotient India Private Limited, a 100% owned 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 $2,043,592 ("the Elitify Acquisition"). Elitify is an on-line marketing branded luxury goods to customers in India.

The Company accounted for this purchase using IFRS 3, Business Combinations, under 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 these Financial Statements from the date of the acquisition.

The Company recorded an allocation of the purchase price to tangible assets acquired and liabilities assumed, based on their fair values as of the July 21, 2016 acquisition date. The purchase price allocation is as follows:

	$
NET ASSETS	
Cash and cash equivalents	6,822
Trade and other receivables	11,899
Inventory	1,912
Property and equipment	102,956
Intangible assets (a)	1,173,327
Goodwill	746,676
Net assets acquired	**2,043,592**
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	**2,043,592**

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

The other non-interest bearing notes payable and the CCD have been presented as business acquisition costs payable, adjusted for foreign exchange.

As part of the acquisition of Elitify, the Company was granted an option under which it may, within a period of one year from the date of acquisition, return the business to the prior owners. During 2016, the Company recorded impairment on the goodwill of $746,676 and intangible assets of $332,365, due to performance of operations and sales targets being missed. Elitify has been assessed as a stand-alone CGU. The Company is in the process of renegotiating the total consideration payable under the acquisition. The key assumption in the calculations of impairment include sales growth per year, changes in cost of sales and weighted average cost of capital which were projected out 5 years, with a terminal growth rate of 5.2%. Weighted average cost of capital was determined to be approximately 35% based on a risk-free rate, an equity risk premium adjusted for betas of comparable publicly traded companies, an unsystematic risk premium, an after-tax cost of debt based on the Company's financing arrangements and the capital structure of comparable publicly traded companies. The Company believes that a reasonably possible change in the key assumptions would not cause significant changes in the impairment.

(Expressed in Canadian Dollars)

NOTE 4. ACQUISITIONS - CONTINUED

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., a 51.17% subsidiary of the Company, 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 these 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 on the acquisition date. The purchase price allocation is as follows:

	$
NET ASSETS	
Cash and cash equivalents	10,272
Trade and other receivables	43,506
Trade and other payables	(322,378)
Due to related parties	(177,101)
Goodwill (Impaired subsequently) (a)	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	-

(a) 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.

On March 16, 2017, 2474184 Ontario Inc. issued an additional 1,322,000 common shares reducing the Company's ownership to 45.05%.

(Expressed in Canadian Dollars)

NOTE 4. ACQUISITIONS - CONTINUED

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 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.

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 follows:

	$
NET ASSETS	
Cash and cash equivalents	1,276,079
Guaranteed investment certificates	749,940
Trade and other receivables	241,352
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	3,366,877
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 acquired	**1,470,877**
Consideration paid	
Conversion of debt	750,000
Non-controlling interest	720,877
Total consideration paid	**1,470,877**

(Expressed in Canadian Dollars)

NOTE 4. ACQUISITIONS - CONTINUED

Goodwill was allocated to 2242, which is a separate CGU. At March 31, 2017, the recoverable amount of the CGU was higher than its carrying value. The key assumption in the calculation of the recoverable amount include sales growth per year, changes in cost of sales and weighted average cost of capital which were projected out 5 years, with a terminal growth rate of 2%. Weighted average cost of capital was determined to be approximately 17.6% based on a risk-free rate, an equity risk premium adjusted for betas of comparable publicly traded companies, an unsystematic risk premium, an after-tax cost of debt based on the Company's financing arrangement. The Company believes that a change in the key assumptions would not cause significant changes in the impairment.

NOTE 5. INTERESTS IN SUBSIDIARIES

As at March 31, 2017	Gravitas Ilium Corporation	Claxton Real Estate Company Ltd.	Branson Corporate Services Inc.	The Mint Corporation	Revenue. com	GIC Merchant Banking Corp	Gravitas Mining Corp	Total
	$	$	$	$	$	$	$	$
Proportion of ownership interest and voting rights held by NCI								
	50%	58%	49%	23.25%	55%*	50%	17%	
Current assets	32,126,129	995,245	137,383	1,011,271	135,440	3,190,354	832,466	38,428,288
Non-current assets	5,964,144	-	1,043,229	4,269,929	-	-	1,070,635	12,347,937
Total assets	**38,090,273**	**995,245**	**1,180,612**	**5,281,200**	**135,440**	**3,190,354**	**1,903,101**	**50,776,225**
Current liabilities	31,780,084	363,531	191,768	6,932,390	980,111	675,000	1,288,955	42,211,839
Non-current liabilities	17,898	-	-	58,592,138	-	-	-	58,610,036
Total liabilities	**31,797,982**	**363,531**	**191,768**	**65,524,528**	**980,111**	**675,000**	**1,288,955**	**100,821,875**

* Refer to Note 4 for change in ownership.

For the three months ended March 31, 2017	Gravitas Ilium Corporation	Claxton Real Estate Company Ltd.	Branson Corporate Services Inc.	The Mint Corporation	Revenue. com	GIC Merchant Banking Corp	Gravitas Mining Corp	Total
	$	$	$	$	$	$	$	$
Total comprehensive (loss) income allocated to NCI	**(370,751)**	**(266,943)**	**13,050**	**(479,685)**	**(210,915)**	**7,677**	**3,824**	**(1,303,743)**
Accumulated NCI	**3,229,842**	**1,437,053**	**19,902**	**(4,974,653)**	**(410,981)**	**1,007,677**	**103,823**	**412,663**

(Expressed in Canadian Dollars)

NOTE 5. INTERESTS IN SUBSIDIARIES – CONTINUED

As at December 31, 2016	Gravitas Ilium Corporation $	Claxton Real Estate Company Ltd. $	Branson Corporate Services Inc. $	The Mint Corporation $	Revenue. com $	Total $
Proportion of ownership interest and voting rights held by NCI	50%	58%	49%	23.25%	49%	
Current assets	30,814,821	2,503,283	172,034	1,011,271	132,482	34,633,891
Non-current assets	5,010,409	-	1,345,541	4,269,929	-	10,625,879
Total assets	**35,825,230**	**2,503,283**	**1,517,575**	**5,281,200**	**132,482**	**45,259,770**
Current liabilities	28,513,842	463,498	252,951	6,932,390	733,559	36,896,240
Non-current liabilities	20,136	-	-	58,592,138	-	58,612,274
Total liabilities	**28,533,978**	**463,498**	**252,951**	**65,524,528**	**733,559**	**95,508,514**
Accumulated NCI	**3,342,983**	**2,241,671**	**6,852**	**(4,137,304)**	**(294,582)**	**1,159,620**
For the three months ended March 31, 2016						
Total comprehensive (loss) income allocated to NCI	**(75,733)**	**158,146**	**12,398**	**(2,221,457)**	**-**	**(2,126,646)**

Total assets, liabilities and results of operations of Claxton are those that remain after the sale of the Palm Valley property and its related mortgage. During the three months ended March 31, 2017, $537,676 (March 31, 2016: $Nil) was distributed to the non-controlling shareholders of Claxton.

No other dividends or distributions were paid to the NCI's during the three months ended March 31, 2017 and 2016.

On June 30, 2016, the Mint Corporation issued 51,379,952 common shares for 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 $228,234. As a result, the Company's ownership interest in the Mint Corporation increased from 63.5% to 74.9%%. 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. In addition, an adjustment of $1,851,809 has been recorded in the consolidated statement of changes in equity to reduce the non-controlling interest.

In December 2016, the Company exercised 10,000,000 warrants to purchase 10,000,000 common shares of Mint for a total exercise price of $500,000 ($0.05 per common share). As a result, the Company's ownership interest in Mint Corporation increased from 74.9% to 76.75%. The incremental investment in Mint resulted in an increase in the equity deficit attributable to the non-controlling shareholder, an adjustment of $357,664 has been recorded in the consolidated statement of changes in equity for a total of $2,209,473 during 2016.

(Expressed in Canadian Dollars)

NOTE 5. INTERESTS IN SUBSIDIARIES – CONTINUED

For the three months ended March 31, 2017							
	Gravitas Ilium Corporation	Claxton Real Estate Company Ltd.	Branson Corporate Services Inc.	The Mint Corporatio n	GIC Merchant Banking Corp.	Gravitas Mining Corp.	Revenue. com
	$	$	$	$	$		$
Net cash from (used) in operating activities	(1,358,836)	(216,670)	(11,189)	(3,708,790)	792,285	189,242	(217,588)
Net cash from (used) in investing activities	(198,904)	(1,343,248)	-	1,458,662	(250,000)	(803,968)	(157,768)
Net cash from (used) financing activities	732,845	-	-	2,366,653	2,395,000	943,717	-
Net cash inflow (outflow)	**(824,895)**	**(1,559,918)**	**(11,189)**	**116,525**	**2,937,285**	**328,991**	**(375,356)**

For the three months ended March 31, 2016				
	Gravitas Ilium Corporation	Claxton Real Estate Company Ltd.	Branson Corporate Services Inc.	The Mint Corporation
	$	$	$	$
Net cash from (used) in operating activities	(292,098)	(31,022)	(97,466)	(1,420,066)
Net cash from (used) in investing activities	(1,285,000)	(16,063)	-	2,477,380
Net cash from (used) financing activities	(8,918)	-	58,702	(408,500)
Net cash inflow (outflow)	**(1,586,016)**	**(47,085)**	**(38,764)**	**648,814**

NOTE 6. GUARANTEED INVESTMENT CERTIFICATES

	March 31, 2017 $	December 31, 2016 $
Guaranteed investment certificate, 1.30%, maturing on March 2017	-	5,949,971
Guaranteed investment certificate, 1.05%, maturing on April 2017	508,500	508,500
Guaranteed investment certificate, 1.05%, maturing on April 2017	200,000	200,000
Guaranteed investment certificate, 0.50%, maturing on July 4, 2017	500,000	500,000
Treasury bill, approximately 1.50%, maturing on January 26, 2017	-	250,255
Guaranteed investment certificate, 0.95%, maturing on October 2017	226,000	226,000
Guaranteed investment certificate, 1.30%, maturing on March 2017	-	1,045,213
Guaranteed investment certificate, 0.95%, maturing on February 2018	15,000	-
	1,449,500	**8,679,939**

(Expressed in Canadian Dollars)

NOTE 7. TRADE AND OTHER RECEIVABLES

	March 31, 2017 $	December 31, 2016 $
Trade receivables (b)	2,298,816	2,354,420
Less: Allowance for doubtful accounts (c)	(111,233)	(235,235)
	2,187,583	**2,119,185**
Royalty receivables	83,644	243,307
Interest receivable	1,305,828	1,085,718
Harmonized sales tax receivables	812,079	617,477
Advances to related companies, non-interest bearing, due on demand (a)	519,693	460,031
Advances to related companies at 8% per annum (a)	300,000	300,000
Other	94,895	176,748
	5,303,722	**5,002,466**
(c)		
Allowance for doubtful account, balance at opening	235,235	251,697
Provision for impairment of trade receivables	-	146,396
Receivables written off during the period as uncollectible	(124,002)	(162,858)
	111,233	**235,235**

(a) The Company has advanced $766,637 (December 31, 2016 - $695,860) to the Limited Partnerships managed by two of the Company's subsidiaries.

(b) Trade receivables include $53,056 (December 31, 2016 - $80,950) due from related entities.

NOTE 8. PROPERTY AND EQUIPMENT

	Equipment $	Leasehold improvement $	Total $
Cost			
Balance as at January 1, 2016	235,134	31,405	266,539
Additions	143,355	1,575	144,930
Disposals	(907)	-	(907)
Balance as at December 31, 2016	**377,582**	**32,980**	**410,562**
Additions	25,926	31,592	57,518
Balance as at March 31, 2017	**403,508**	**64,572**	**468,080**
Accumulated amortization			
Balance as at January 1, 2016	107,513	10,316	117,829
Amortization	52,437	5,793	58,230
Balance as at December 31, 2016	159,950	16,109	176,059
Amortization	17,109	1,448	18,557
Balance as at March 31, 2017	**177,059**	**17,557**	**194,616**
Carrying amount			
Balance as at December 31, 2016	217,632	16,871	234,503
Balance as at March 31, 2017	**226,449**	**47,015**	**273,464**

(Expressed in Canadian Dollars)

NOTE 9. EQUITY INVESTMENTS AND OTHER

	March 31, 2017 $	December 31, 2016 $
Available for sale		
Investments in public companies		
Common shares	6,103,505	6,859,588
Investment in private companies, at cost		
Common shares	603,776	604,932
Preferred shares	1,806,792	1,806,792
Fair Value through the profit and loss statement ("FVTPL")		
Options	73,067	32,784
Warrants	2,595,878	2,147,905
Subscription receipts	197,852	-
Amortized cost		
Debentures	434,822	424,183
Other		
Investments in funds and JV	2,024,839	1,733,029
Mining properties	1	1
	13,840,532	**13,609,214**

Common shares

The fair value of the common shares in public companies was based on their various closing prices. The fair value of investments in common shares of private companies is determined based on cost less impairment. Investments in common shares are classified as available for sale ("AFS").

Warrants

The fair value of the warrants as at March 31, 2017, and December 31, 2016 was estimated using the Black Scholes pricing model and was based on the following assumptions:

	March 31, 2017		December 31, 2016	
		Weighted Average	Range	Weighted Average
Fair value	$0 to $0.486	$0.07	$0 to $0.503	$0.52
Stock price	$0.05 to $1.60	$0.24	$0.10 to $8.00	$0.25
Expected life in years	0.04 to 8.70	1.89	0.05 to 8.93	2.54
Volatility	0% to 648%	181%	0% to 853%	117%
Discount Rate	0.73% to 0.81%	0.77%	0.75% to 0.87%	0.71%

The warrants in the investment banking subsidiaries were calculated using the Black-Sholes option-pricing model, the key assumptions are as follows:

	Range	Weighted Average
Fair value	$0.02 to $10.00	$0.25
Stock price	$0.05 to $10.00	$0.26
Expected life in years	0.24 to 9.97	2.39
Volatility	35% to 236%	117%
Discount Rate	0% to 1.01%	0.82%

NOTE 9. EQUITY INVESTMENTS AND OTHER – CONTINUED

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), ("Innoviti") a private company incorporated in Bengaluru, India under the Indian Companies Act. The Company acquired 452,061 Series C Preferred shares. These preferred shares are compulsorily convertible into common shares on a one for one basis within three years and carried a cumulative dividend at 0.1%. NIC had 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 $588,733 (approximately US$475,000) on May 16, 2016. The Company's investment represents ownership of approximately 7.3% of Innoviti.

Investment Fund

The Company invested $999,422 in units of Gravitas Special Situations Fund, an unconsolidated limited partnership called Gravitas Special Situations Limited Partnership or ("GSSLP") (formed on April 5, 2016). This investment is classified as a FVTPL investment on the statements of financial position. This investment is GSSLP's Class O units. During the three months ended March 31, 2017, the share of increase in net assets attributable to Class O limited partners was $288,369 (March 31, 2016 – $nil). The net asset value allocated to Class O units as at March 31, 2017, was $2,024,839 (December 31, 2016 - $1,733,029). Gravitas Special Situations GP Inc., an 80% subsidiary, is the general partner of GSSLP. As per the stipulations of the confidential information memorandum (dated April 11, 2016), 99.99% of the Net Income or Net Loss shall be allocated to Limited Partners of GSSLP. The manager of GSSLP is Gravitas Securities Inc. (the Company's subsidiary). The Limited Partners in GSSLP are not entitled to participate in the control of GSSLP. As per the confidential information memorandum, the Company is considered to be the promoter of GSSLP.

Investment in joint venture (equity pick-up)

On October 17, 2016, the Company signed with Grenville Strategic Royalty Corp ("GSRC"), a license and transaction management agreement and a unanimous shareholder's agreement (together referred to as the "Agreements"). Under the Agreements, a joint venture legal entity was formed called Foregrowth-Grenville Investments Inc. ("FGII"). FGII has the right to co-invest in each new royalty investment made by GSRC and has been granted, limited, non-exclusive, non-assignable, non-transferable right to use, with no right to sub-license, specified intellectual property of GSRC. The Company, through its 50% indirect ownership of Foregrowth Holdco Inc., holds 85% of the shares of FGII. The Company is entitled to nominate one of the two board members of FGII. Decisions made in FGII require unanimous consent by the directors and when required, the shareholders. GSRC will manage the operational activities of FGII. Under the license agreement with FGII, GSRC is entitled to a license fee based on 1% of the amount invested (payable at the date of the investment) and 1% on the total outstanding invested amount (payable monthly). The Company will not be liable to FGII or any other party for any losses incurred from co-investing in the royalty investments. Under the unanimous shareholders' agreement, the Company has contracted that all investments made by FGII in royalty investments and all costs and expenses of FGII are to be financed by way of loans or revolving credit facilities arranged by them. The Company has accounted for its investment in joint venture based on the equity method.

(Expressed in Canadian Dollars)

NOTE 9. EQUITY INVESTMENTS AND OTHER – CONTINUED

The following table summarizes the financial information of FGII as included these Financial Statements and reconciles the summarized financial information to the carrying amount of Foregrowth Holdco Inc.'s interest in FGII:

	March 31, 2017 $	December 31, 2016 $
Percentage ownership interest (owned by FGII)	85%	85%
Royalty agreement acquired	353,738	355,338
Current assets	812,552	206,651
Current liabilities	(2,401)	(673)
Non-current liabilities	(1,159,885)	(560,460)
Net assets	4,004	856
Companies share of net assets and carrying amount of interest	**3,404**	**728**
Revenue	20,447	7,986
Operating expenses	(2,029)	(4,195)
Interest expense	(14,137)	(2,626)
Income tax	(1,132)	(309)
Profit and comprehensive income	3,149	856
Companies share of profit and comprehensive income	2,676	728
Dividends received by the company	-	-

NOTE 10. INVESTMENTS IN ASSOCIATES

	March 31, 2017 $	December 31, 2016 $
Balance, beginning of the period	10,231,641	8,577,253
Additional working capital funds invested in Mint UAE Operations	266,660	1,731,370
Advances to Mint Gateway	7,328,615	1,582,143
Additional amounts loaned to associates	327,475	142,000
Dividends received	(40,000)	(380,000)
Share of results in associates	(547,845)	(1,279,125)
Impairment	-	(142,000)
Balance, end of period	**17,566,546**	**10,231,641**

NOTE 10. INVESTMENTS IN ASSOCIATES - CONTINUED

Portfolio Analysts Inc.

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 cost of $3,427,819 (December 31, 2016 – 3,408,739) in PAI. Management does not have the current ability to control the key operating activities 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 and MGEPS

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 of MEPS. MCO is a 100% subsidiary of Mint. MGEPS is 49% owned by MCO and a third party, 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, 2017, MEPS LLC and MCO had no significant operations.

MME is 51% owned by Mint and 49% by GBS. 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 three months ended March 31, 2017, the Company invested an additional $266,660 (March 31, 2016 - $422,620) in the Mint UAE Operations. In addition, the Company advanced an additional US$250,000 ($327,475) to MGEPS (March 31, 2016 – $500,000). This loan bears interest at 4.5% and matures on October 23, 2018.

Subsequent to the quarter ended March 31, 2017, the Company announced that through Trizac Holding LLC, it has advanced to Hafed Holding LLC, USD $5.45 million ($9.25 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 or $36.24 million), of which approximately USD $15 million ($19.95 million) is due at closing, subject to adjustments.

The Company and GBS have each agreed to provide USD $7.5 million ($9.975 million) of funding to acquire the company and has agreed to fund another USD $7.5 million ($9.975 million) each to satisfy ongoing UAE Central Bank capital reserve requirements. If the transaction were to close, the company will have a cash balance of USD $9.54 million ($12.69 million) on closing.

NOTE 10. INVESTMENTS IN ASSOCIATES - CONTINUED

In order to complete the acquisition, both 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 Canadian Stock Exchange approval.

On April 28, 2017, the Company announced the signing of a non-binding term sheet (the "Term Sheet"), under which Gravitas is to transfer its interest in the UAE Central Bank licensed entity to Mint in exchange for a USD$7.5 million ($9.975 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.

Prime City One Capital Corporation

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 for 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. The Company accounts for its investment in Prime using the equity method. As at March 31, 2017, the Company has advanced a total of $492,000 (December 31, 2016 - $492,000), which has been fully impaired. The amounts loaned bear interest at 12% and are due on demand.

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

	March 31, 2017			December 31, 2016		
All amounts in Canadian $000's	Prime	Mint UAE Operations $	PAI $	Prime	Mint UAE Operations $	PAI $
Financial position						
Current assets	4	2,173	4,224	13	2,319	3,943
Non-current assets	-	5,276	11,143	-	5,236	6,945
Current liabilities	543	2,739	2,220	530	2,127	2,168
Non-current liabilities		402	9,686	4	397	5,485

	For the three months ended March 31, 2017			For the three months ended March 31, 2016		
Statement of earnings (loss)						
Revenue	-	2,388	7,628	-	1,042	6,825
Expenses	23	5,669	7,318	26	1,729	6,625
Operating income (loss)	(23)	(3,281)	446	(26)	(687)	364
Net earnings (loss)	(23)	(3,281)	328	(26)	(687)	273
Cash flows						
Dividends paid	-	-	100	-	-	250

NOTE 10. INVESTMENTS IN ASSOCIATES - CONTINUED

The Company's share of the net earnings (loss) is as follows:

All amounts in Canadian $000's	**For the three months ended March 31, 2017 $**	**2016 $**
Prime	-	-
PAI	(59)	(37)
Mint UAE Operations	607	346
Total share of losses at associates	548	309

NOTE 11. LOAN RECEIVABLES

	March 31, 2017 $	**December 31, 2016 $**
Secured Loans	2,980,966	3,198,126
Unsecured Loans	110,000	289,055
Employee forgivable loan	708,634	542,265
Impairment	-	(104,055)
Balance, end of the period	3,799,600	3,925,391
Less: current portion	(3,424,676)	(3,240,687)
Non-current portion	374,924	684,704

These loan receivables bear interest rates ranging from 4% to 12% per annum with maturity dates of up to April 2019. Secured loans are secured under general security agreements.

Employee forgivable loans

With the acquisition of the 2242 (see Note 7), the Company assumed the practice whereby employees that meet certain conditions, would be entitled to an interest free forgivable loans (the "Loans"). Under the terms of the Loans, the Company will forgive 14.3% of the principal amount of each loan annually on each anniversary date. If the employee terminates their employment, the employee is obligated to repay any outstanding balance. The Company amortizes the original amount of the loan on a straight-line basis over the seven-year term of the loans.

(Expressed in Canadian Dollars)

NOTE 11. LOAN RECEIVABLES - CONTINUED

	$
Cost	749,050
Less: accumulated amortization	(40,416)
Carrying value as at March 31, 2017	708,634

	$
Net loans assumed on acquisition as at October 1, 2016	359,050
New loans issued	200,000
Less: amortization	(16,785)
Net loan balance at December 31, 2016	542,265
New loans issued	190,000
Less: amortization	(23,631)
Net loan balance at March 31, 2017	708,634

NOTE 12. CONVERTIBLE DEBENTURES

	March 31, 2017 $	December 31, 2016 $
Secured, with a face value ranging from $200,000 to $1,250,000 ($100,000 to $1,250,000 in 2016), maturity on July 16, 2016 to June 1, 2021 (July 16, 2016 to June 1, 2021 in 2016) and bearing interest at 6% to 10.5% (6% to 10.5% in 2016)	1,991,429	1,780,940
Secured, with a face value ranging from US$100,000 to US$400,000 (US$100,000 to US$400,000 in 2016), maturity ranging from March 17, 2017 to December 9, 2018 (March 17, 2017 to December 9, 2018 in 2016) and interest rates from 6% to 10% (6% to 10% in 2016)	772,284	661,166
Unsecured, with a face value ranging from $17,000 to $250,000 ($17,000 to $250,000 in 2016), maturity ranging from November 24, 2016 to August 14, 2019 (November 24, 2016 to August 14, 2019 in 2016) and interest rates from 6% to 12% (6% to 12% in 2016)	557,677	532,045
	3,321,390	2,974,151
Conversion feature	1,574,178	1,640,524
	4,895,568	4,614,675
Less accumulated impairment	(1,106,070)	(1,121,777)
Balance, end of the period	3,789,498	3,492,898
Less: current portion	(2,121,896)	(420,583)
Non-current portion	1,667,602	3,072,315

(Expressed in Canadian Dollars)

NOTE 12. CONVERTIBLE DEBENTURES - CONTINUED

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 is not re-valued after initial recognition. The change in the fair value of the conversion for the three months ended March 31, 2017, recorded was a decrease of $122,599 (March 31, 2016 - $430,522).

The fair values of the conversion feature at issuance of $62,437, (December 31, 2016 - $170,579) was estimated using the Black Scholes option pricing model based on the following assumptions:

	March 31, 2017	December 31, 2016
Weighted average conversion price	$0.40	$0.85
Expected dividend yield	0%	0%
Expected average volatility	100%	190%
Risk-free average interest rate	0.72%	0.54%
Expected average life (years)	0.34	2.68
Weighted average fair value	$0.42	$0.37

The fair value of the conversion feature of $1,522,821 as at March 31, 2017, (December 31, 2016 - $1,640,524) was estimated using the Black Scholes option pricing model based on the following assumptions:

	March 31, 2017	December 31, 2016
Weighted average conversion price	$0.63	$0.63
Expected dividend yield	0%	0%
Expected average volatility	153%	164%
Risk-free average interest rate	0.72%	0.76%
Expected average life (years)	1.42	1.69
Weighted average fair value	$0.23	$0.25

(Expressed in Canadian Dollars)

NOTE 13. INTANGIBLE ASSETS

	Net smelter royalty $	Brand names and Licenses $	Proprietary Software $	Option to sell assets $	Backlog and Customer Relationships $	Total $
Balance, January 1, 2016	**1,245,761**	**246,272**	**-**	**-**	**-**	**1,492,033**
Acquisitions	-	1,262,321	40,902	200,139	257,040	1,760,402
Balance, December 31, 2016 and March 31, 2017	**1,245,761**	**1,508,593**	**40,902**	**200,139**	**257,040**	**3,252,435**
Accumulated amortization						
Balance, January 1, 2016	**889,831**	**-**	**-**	**-**	**-**	**889,831**
Amortization	355,930	46,614	10,226	100,070	40,460	553,300
Impairment	-	578,637	-	-	-	578,637
Balance, December 31, 2016	**1,245,761**	**625,251**	**10,226**	**100,070**	**40,460**	**2,021,768**
Amortization	**-**	**-**	5,113	50,034	43,163	98,310
Balance, March 31, 2017	**1,245,761**	**625,251**	**15,339**	**150,104**	**83,623**	**2,120,078**
Carrying amount						
Balance, December 31, 2016	**-**	**883,342**	**30,676**	**100,069**	**216,580**	**1,230,667**
Balance, March 31, 2017	**-**	**883,342**	**25,563**	**50,035**	**173,417**	**1,132,357**

As a result of the continuing losses at the Company and its subsidiaries, during 2016, the Company impaired the value of its intangible brand name and recognized an impairment loss of $578,636. The Company did not record any impairment on its intangible assets or goodwill during the period ended March 31, 2017. A continuity of the goodwill of the Company is as follows:

		$
Balance, January 1, 2015		-
Goodwill acquired – Revenue.com		445,701
Goodwill acquired – 2242		3,366,877
Goodwill acquired – Elitify		746,676
Impairment of Revenue.com goodwill	Note 4	(445,701)
Impairment of Elitify goodwill	Note 4	(746,676)
Balance March 31, 2017 and December 31, 2016		**3,366,877**

(Expressed in Canadian Dollars)

NOTE 14. TRADE AND OTHER PAYABLES

	March 31, 2017 $	**December 31, 2016 $**
Trade payables	5,827,264	3,747,469
Interest payables	2,345,421	1,365,567
Due to related companies, non-interest bearing, due on demand	11,635	11,635
Due to non-controlling interest, non-interest bearing, due on demand	16,201	16,201
	8,200,521	5,140,872

Amounts due to related companies are payables to companies in which there is a common director.

NOTE 15. LOAN

As part of the acquisition of control of CREC, the Company assumed a loan payable. The loan amount was US$3,510,000 with 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. In addition, the loan was 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 from escrow as requested by a property manager based on an annual budget approved by the lender each year.

The loan was secured by a promissory note and a mortgage on Palm Valley and is subject to normal course covenants. During 2016, the Company disposed of the Palm Valley property. At disposition, loan was assumed by the property's purchaser.

(Expressed in Canadian Dollars)

NOTE 16. DEBENTURES

	Mint Series A (a)	Mint Series B (b)	Mint Series C (c)	Gravitas #1 (d)	Gravitas #2 (e)	Total
	$	$	$	$	$	$
Balance, January 1, 2016	**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	-	(689,500)	-	-	-	(689,500)
Gain on settlement of debentures	-	(750,940)	-	-	-	(750,940)
Accretion of interest	1,145,232	610,688	118,682	107,474	111,827	2,093,903
	4,728,661	(829,752)	118,682	107,474	111,827	4,236,892
Balance, December 31, 2016	**48,285,259**	**3,330,412**	**9,806,879**	**29,925,162**	**53,236,766**	**144,584,478**
Accretion of interest	76,371	97,494	30,907	22,779	21,436	248,987
Balance, March 31, 2017	**48,361,630**	**3,427,906**	**9,837,786**	**29,947,941**	**53,258,202**	**144,833,465**
Less: Current portion	-	(3,427,906)	-	-	-	(3,427,906)
Non-current portion	**48,361,630**	**-**	**9,837,786**	**29,947,941**	**53,258,202**	**141,405,559**

NOTE 16. DEBENTURES - CONTINUED

(a) Mint's 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. The terms of Series A debentures were extended from May 16, 2019 to December 15, 2019 and interest payable was reduced to 3% per annum up to January 7, 2017 and thereafter 5%. Payments are due 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 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 rate of 5.5% per annum. As a result, during 2016 a debenture restructuring expense of $3,583,429 was recorded. These debentures are treated as floating rate liabilities, with the effective interest rate re-determined periodically, cased on the expected threshold of active card targets. Accordingly, the additional payment of cash fee above the base interest rate is recognized as interest expense in the same period that the related thresholds are met.

(b) Mint's Series B debentures have a face value of $3,452,000 and an interest rate of 2% per annum payable quarterly on March 7, June 7, September 7 and December 7. 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 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 2016, the Company purchased and cancelled Series B debentures of face value of $817,000 for a cash payment of $408,500 and recognized a gain on settlement of $468,823.

(c) Mint's 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. 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 16. DEBENTURES - CONTINUED

(d) Subsequent to the quarter ended March 31, 2017, during April 2017 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 will be 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 is expected to be reduced to approximately 66.5% on a non-diluted basis and approximately 56.5% on a fully-diluted basis.

The above is conditional upon Series B debentures being modified as follows:

i. 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.
ii. 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).
iii. 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.

(e) The Company's Debentures #1 has a face value of $30,023,000 with an interest rate of 3.5% payable quarterly. The debentures are redeemable on December 3, 2017. The Company has the option to extend the maturity date for a further term of three years upon written notice and the payment of a renewal fee equal to 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 the Company, 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) The Company's Debentures #2 has a face value of $54,022,000 and a carry an interest rate to the greater of: (i) 3% per annum; or (ii) an amount as is equal to 80% of the earnings before interest expense and tax ("EBT") on a consolidated basis, subject to an aggregate maximum amount of 8% per annum. The base 3% interest payable shall be payable quarterly, with the annual adjustment made based on the 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 debentures are renewable for an additional ten-year period upon the payment of a renewal fee equal to 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-year bond rate, plus 5%. These debentures are secured by Gravitas' assets.

(Expressed in Canadian Dollars)

NOTE 17. SHARE CAPITAL

Share capital

The share capital of the Company consists only of fully paid ordinary shares. The Company is authorized to issue an unlimited number of common shares voting and participating.

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.

Warrants

Mint's warrants outstanding as of March 31, 2017 and December 31, 2016 are summarized below:

Warrants issued	Number of warrants	Expiry date	Exercise price ($)
Balance, January 1, 2016	10,776,929		0.22
Broker warrants issued	500,000	June 23, 2018	0.05
Issued	10,000,000	December 23, 2016	0.05
Exercised	(10,000,000)		(0.05)
Balance, March 31, 2017 and December 31, 2016	**11,276,929**		**0.22**

On June 30, 2016, Mint issued 51,379,952 common shares for an aggregate gross proceeds of $2,568,998 as a rights offering, whereby Mint shareholders were entitled to subscribe for one common share at $0.05 per share for each share held. The Company subscribed for 46,815,277 shares of Mint for $2,340,764 and as a result increased its ownership interest in Mint from 63.5% to 74.9%. On December 23, 2016, Gravitas exercised the Mint warrants for $500,000, which increased its ownership interest in Mint from 74.9% to 76.75%.

The Mint's rights offering triggered the adjustment provisions of the outstanding share purchase warrants. 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 held by the Company or the 500,000 broker warrants issued on June 23, 2015.

NOTE 18. 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.

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 March 31, 2017, the Company has no stock options outstanding.

(Expressed in Canadian Dollars)

NOTE 19. INTEREST REVENUE

	For the three months ended March 31, 2017 $	2016 $
Interest on bank	29,009	64,328
Interest on guaranteed investment certificates	2,103	46,739
Interest on loan receivables	205,689	125,155
Interest on debentures	17,458	17,442
Interest on convertible debentures	83,390	60,230
Accretion on convertible debentures	149,589	140,612
Accretion on loans	-	10,596
Accretion on debentures	10,639	8,203
	497,877	**473,305**

NOTE 20. INTEREST EXPENSE

	For the three months ended March 31, 2017 $	2016 $
Interest on debentures	1,488,490	1,223,781
Accretion of interest	223,627	575,804
Interest on current liabilities and bank charges	132,316	9,392
	1,844,433	**1,808,977**

NOTE 21. PAYABLE TO BROKERS AND CLIENTS

The Company's subsidiary, Gravitas Securities Inc. ("GSI") is required to carry clients' accounts and accordingly, receives, delivers or holds cash or securities in connection with such clients. As at March 31, 2017, GSI held client money in segregated accounts of $25,337,557 (December 31, 2016 - $22,976,245). All amounts receivable from clients and brokers have an offsetting payable, however GSI does not have a legal right to offset amount, they have been presented as receivable and payable on the statement of financial position.

(Expressed in Canadian Dollars)

NOTE 22. IMPAIRMENT

	For the three months ended March 31, 2017 $	2016 $
Impairment of investments in equity	150,000	-
Impairment of loans	-	314,386
Impairment of convertible debenture (Note 15)	-	10,783
Impairment of brand name (Note 4)	-	246,271
	150,000	571,440

NOTE 23. ADDITIONAL INFORMATION – CASH FLOWS

The changes in working capital items are detailed as follows:

	For the three months ended March 31, 2017 $	2016 $
Trade and other receivables	(301,257)	(321,108)
Receivable from brokers and clients	(2,361,312)	-
Prepaid expenses	24,427	117,456
Inventory	(7,580)	(24,242)
Trade and other payables	2,809,648	(1,116,652)
Payable to brokers and clients	2,361,312	-
Customer deposits	7,003	13,351
	2,532,241	**(1,331,195)**

Cash from interest and income taxes are as follows:

	For the three months ended March 31, 2017 $	2016 $
Interest paid	(1,523,494)	(2,011,354)
Interest received	393,352	170,538
Taxes paid	-	-
Taxes Received	-	-

NOTE 24. 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.

Transactions with key management personnel

For the three months ended March 31, 2017, the Company incurred legal fees of $25,596 (March 31, 2016 - $11,187) from a legal firm in which the former Chief Executive Officer ("CEO") and current director is a partner.

During the three months ended March 31, 2017, management and consulting fees paid to GBS, the owner of the remaining 49% interest in Mint UAE aggregated to $129,744 (UAE Dirham 360,000) (March 31, 2016 - $134,555 (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 March 31, 2017, the Company has advanced $327,475 (US$250,000) to MGEPS. This loan bears interest at 4.5% and matures on October 23, 2018. This amount has been recorded in loan receivable in the Company's consolidated statement of financial position.

During the period ended March 31, 2017, the Company and its subsidiaries paid $17,900 (March 31, 2016 - $19,000) to a company ("Soigne Technolgies Inc."), in which an employee has an interest.

As at March 31, 2017, the amounts due to related companies in which there are common directors were $11,635 (as at December 31, 2016 - $42,837).

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.

NOTE 25. 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 considered 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 approximates its fair value.

(Expressed in Canadian Dollars)

NOTE 25. FINANCIAL INSTRUMENTS - CONTINUED

The tables below summarizes the assets and liabilities that are included at their fair values in the Company's statement of financial position as at March 31, 2017 and December 31, 2016. These assets and liabilities have been categorized into hierarchical levels, according to the significance and reliability of the inputs used in determining fair value measurements. 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).

March 31, 2017	Level 1 $	Level 2 $	Level 3 $	Total $
Common shares in quoted companies	6,103,505	-	-	6,103,505
Options	-	73,067	-	73,067
Warrants	-	2,595,878	-	2,595,878
Investment funds	-	2,024,839	-	2,024,839
Conversion feature of debentures	-	1,574,178	-	1,574,178
	6,103,505	**6,267,962**	**-**	**12,371,467**

December 31, 2016	Level 1 $	Level 2 $	Level 3 $	Total $
Common shares in quoted companies	6,859,588	-	-	6,859,588
Options	-	32,784	-	32,784
Warrants	-	2,147,905	-	2,147,905
Investment funds	-	1,733,029	-	1,733,029
Conversion feature of debentures	-	1,640,524	-	1,640,524
	6,859,588	**5,554,242**	**-**	**12,413,830**

There have been no transfers between Level 1 and 2 in the period ended March 31, 2017.

The Company's option, warrants, investment funds 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.

The method and valuation techniques used for 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 26. CAPITAL MANAGEMENT

The Company manages its capital structure and adjusts 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:

	March 31, 2017 $	December 31, 2016 $
Debentures	144,833,465	144,584,478
Equity deficiency	(80,470,204)	(74,360,341)
	64,363,261	**70,224,137**

There has been no change with respect to the overall capital management strategy during the three months ended March 31, 2017.

NOTE 27. 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:

	March 31, 2017 $	December 31, 2016 $
Cash and cash equivalents	24,204,210	27,681,208
Guaranteed investment certificates	1,449,500	8,679,939
Trade and other receivables	3,303,722	5,002,466
Debenture	434,822	424,183
Loans receivable (Note 11)	3,799,600	3,925,391
Convertible debentures (Note 12)	3,789,498	3,492,898
	36,981,352	**49,206,085**

(Expressed in Canadian Dollars)

NOTE 27. FINANCIAL RISKS - CONTINUED

The Company evaluates the financial condition of its customers and investees on an ongoing basis 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 March 31, 2017, an amount of $2,980,966 (2016 - $3,198,126) in loans receivables and $2,763,709 (2016 - $2,442,106) 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 cash equivalents 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 $62,187,799 which will be used to cover all operating and investing activities.

The expected timing of cash flows relating to financial liabilities as at March 31, 2017, are as follows:

	Less than 1 year	1-5 years	6-10 years	Total
	$	$	$	$
Trade and other payables	8,200,521	-	-	8,200,521
Business acquisition cost payable	1,786,869	-	-	1,786,869
Debentures	3,452,000	89,042,962	54,022,000	146,516,962
	13,439,390	**89,042,962**	**54,022,000**	**156,504,352**

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.

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:

(Expressed in Canadian Dollars)

NOTE 27. FINANCIAL RISKS - CONTINUED

	March 31, 2017 $	December 31, 2016 $
United States Dollar amounts held by the Company:		
Cash and cash equivalents	1,284,961	3,452,565
Royalty receivables	73,306	243,307
Equity investments and other	849,967	910,074
Loan receivables	3,198,792	2,687,340
Convertible debentures	968,967	976,848
	6,375,993	**8,270,134**

The Company does not hedge its foreign exchange risk. A ten percent (10%) change in the United States dollar exchange rate would have increased the net loss by $637,599 (December 31, 2016 - $827,013).

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 three months ended March 31, 2017, the net loss would have increased by $369,739 (March 31, 2016 - $210,113).

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.

As at March 31, 2017, a 10% decrease (increase) in the closing price of common shares held by the Company on the stock market would have changed the total comprehensive loss by $610,531 (December 31, 2016 - $685,959).

NOTE 28. COMMITMENTS

The Company has entered into agreement for the lease of premises. Future minimum lease payments aggregate to $2,367,672 and include the following future payments for the next year:

	March 31, 2017 $
Less than 1 year	462,195
1 to 5 years	1,905,477

The Company has committed to invest an aggregate of US$6 million ($7.98 million) in the Mint UAE Operations to facilitate the completion of certain information technology infrastructure. As at March 31, 2017, Mint has advanced US$4,500,000 ($5.99 million) and Gravitas has advanced US$1,500,000 ($1.995 million) against this commitment.

NOTE 29. SEGMENTED INFORMATION

The Company operates in four segments plus a corporate segment. The segments are 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, including investments in mutual fund, exempt market and IIROC registered dealers. 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 29. SEGMENTED INFORMATION – CONTINUED

For the three months ended March 31, 2017	Services $	Financial services $	Strategic investments $	Fast growing investments $	Corporate $	Intercompany transactions $	Total $
Revenues	509,479	1,783,344	81,197	271,194	316,522	(139,510)	2,822,226
Expenses							
Salaries and management fees	148,952	1,550,515	149,966	170,091	556,525	-	2,576,049
Consulting and professional fees	271,291	895,132	365,224	147,863	524,540	-	2,204,050
General and administrative	92,479	1,148,505	178,317	94,908	373,035	145,807	2,033,051
Interest expense	7,073	140,504	1,134,698	13,620	713,408	(164,870)	1,844,433
Exchange loss	-	7,105	15,850	34,669	36,273	-	93,897
Gain on disposal of available for sale investments	(206,577)	-	-	(192,317)	-	-	(398,894)
Change in fair value of convertible debentures – conversion feature	9,642	-	-	112,957	-	-	122,599
Change in fair value of FVTPL	181,766	(256,713)	(72,330)	(132,461)	(23,710)	-	(303,448)
Impairment	150,000	-	-	-	-	-	150,000
Share of results in associates	-	(59,080)	606,925	-	-	-	547,845
Share of joint venture, net of tax	-	(2,676)	-	-	-	-	(2,676)
	654,626	3,423,292	2,378,650	249,330	2,180,071	(19,063)	8,866,906
Net earnings (loss)	**(145,147)**	**(1,639,948)**	**(2,297,453)**	**21,864**	**(1,863,549)**	**(120,447)**	**(6,044,680)**

(Expressed in Canadian Dollars)

NOTE 29. SEGMENTED INFORMATION – CONTINUED

	Services $	Financial services $	Strategic investments $	Fast growing investments $	Corporate $	Intercompany transactions $	Total $
As at March 31, 2017							
Total assets	**4,187,967**	**31,760,886**	**3,601,439**	**2,136,144**	**74,093,028**	**(15,369,363)**	**100,410,101**
Total liabilities	**1,877,320**	**27,927,543**	**65,560,580**	**782,438**	**84,203,095**	**529,329**	**180,880,305**
Investment in associates (contained within assets)	**-**	**3,943,063**	**14,138,727**	**-**	**-**	**(515,244)**	**17,566,546**
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	**-**	**3,923,983**	**6,822,902**	**-**	**-**	**(515,244)**	**10,231,641**

(Expressed in Canadian Dollars)

NOTE 29. SEGMENTED INFORMATION – CONTINUED

For the three months ended March 31, 2016	Services $	Financial services $	Strategic investments $	Fast growing investments $	Corporate $	Intercompany transactions $	Total $
Revenues	470,210	17,711	22,509	153,341	402,893	(46,823)	1,019,841
Expenses							
Salaries and management fees	106,566	25,000	92,889	-	278,614	-	503,069
Consulting and professional fees	154,423	97,258	92,066	-	282,226	-	625,973
General and administrative	86,265	48,986	94,246	-	317,336	-	546,833
Interest expense	3,363	409	1,128,898	81	723,049	(46,823)	1,808,977
Exchange loss (gain)	-		33,569	25,738	472,526	-	531,833
Loss (gain) on settlement	30,920	-	(468,823)	-	-	-	(437,903)
Gain on disposal of available for sale investments	(23,258)	-	-	-	-	-	(23,258)
Change in fair value of convertible debentures – conversion feature	120	-	-	(471,945)	41,303	-	(430,522)
Change in fair value of FVTPL	82,261	489	-	105,085	-	-	187,835
Impairment	-	-	50,000	325,169	196,271	-	571,440
Debenture restructuring fee	-	-	3,583,429	-	-	-	3,583,429
Share of results in associates	-	(37,321)	346,650	-	-	-	309,329
	440,660	134,821	4,952,924	(15,872)	2,311,325	(46,823)	7,777,035
Net earnings (loss) from continuing operations	**29,550**	**(117,110)**	**(4,930,415)**	**169,213**	**(1,908,432)**	**-**	**(6,757,194)**
Net earnings (loss) from discontinuing operations	**-**	**-**	**117,677**	**-**	**-**	**-**	**117,677**
Net earnings (loss)	**29,550**	**(117,110)**	**(4,812,738)**	**169,213**	**(1,908,432)**	**-**	**(6,639,517)**
As at March 31, 2016							
Total assets	**3,512,755**	**12,594,231**	**15,432,572**	**7,179,834**	**76,260,801**	**(30,415,360)**	**84,564,833**
Total liabilities	**5,534,883**	**4,939,254**	**71,599,805**	**6,456,839**	**84,125,092**	**(21,963,610)**	**150,692,263**
Investment in associates	**-**	**3,579,402**	**4,040,312**	**-**	**-**	**-**	**7,619,714**

(Expressed in Canadian Dollars)

NOTE 29. SEGMENTED INFORMATION – CONTINUED

The Company has operations in four geographical locations. 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 March 31, 2017 $	2016 $
Revenues		
Canada	2,598,271	903,138
Africa	83,644	116,703
India	140,311	-
	2,822,226	**1,019,841**

	March 31, 2017 $	December 31, 2016 $
Non-current assets		
Canada	33,644,650	27,437,904
UAE	4,269,929	4,269,929
India	307,723	722,088
	38,222,302	**32,429,921**

NOTE 30. LOSS PER SHARE

Loss per share are based on the weighted average number of common shares of the Company outstanding during the period. The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding share options and warrants. As there are no share options or warrants, the weighted average shares for the three months ended March 31, 2017 is 72,601,305.

NOTE 31. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current period's Financial Statement presentation.

NOTE 32. SUBSEQUENT EVENTS

Re-Structuring of Debt

During May 2017, the Company, for a fee of 1% of the face value of the notes, negotiated the extension of the maturity date of the $30,023,000 3.5% senior secured notes. The new maturity date is December 3, 2020.

Re-Financing of Subsidiaries Debt

During April 2017, Mint, a 100% owned subsidiary of the Company, restructured its debt, replacing its previous debt with $20 million of debt, bearing a 10% interest rate and maturity date of December 31, 2021. See Note 16(d).

Subsidiary to Acquire a UAE Central Bank Licence

During April 2017, Mint, a 100% owned subsidiary of the Company, agreed to acquire a UAE Central Bank licensed company. The purchase price is 100 million UAE Dirham (USD$27.25 million, or $36.24 million), of which USD$15 million ($19.95 million) is due on closing. See Note 10.

Change in Ownership of 2242257 Ontario Inc.

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