GRAVITAS FINANCIAL INC.

Management's Discussion and Analysis

For the year ended December 31, 2017 and 2016

GENERAL

The following discussion of performance, financial condition and prospects should be read in conjunction with the audited consolidated financial statements (the "Financial Statements") of Gravitas Financial Inc. (the "Company" or "Gravitas") as of December 31, 2017 and the accompanying notes thereto. The Company's Financial Statements have been prepared by management and are in accordance with International Financial Reporting Standards ("IFRS"). The Financial Statements and the Management Discussion and Analysis ("MD&A") have been reviewed by the Audit Committee and approved by the Company's Board of Directors on May 4, 2018. The Canadian dollar is the functional and reporting currency of Gravitas. Unless otherwise noted, all dollar amounts within this report are expressed in Canadian dollars.

In addition to reviewing this report, readers are encouraged to read the Company's public filings, on SEDAR at www.sedar.com.

CAUTIONARY STATEMENT ON FORWARD LOOKING STATEMENTS

Certain statements contained in this MD&A constitute "forward-looking statements" for the purpose of applicable Canadian securities legislation. These statements reflect our management's expectations with respect to future events, the Company's financial performance and business prospects. All statements other than statements of historical fact are forward-looking statements. The use of the words "anticipate", "believe", "continue", "could", "estimate", "expect", "intends", "may", "might", "plan", "possible", "potential", "predict", "project", "should", "would", and similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. These statements involve known and unknown risks, uncertainties, and other factors that may cause actual results or events to differ materially from those anticipated or implied in such forward-looking statements. The forward-looking information contained in this MD&A is presented to assist shareholders in understanding the Company's strategic priorities and objectives as at the periods indicated and may not be appropriate for other purposes. No assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon. Circumstances affecting the Company may change rapidly. Except as may be required by applicable law, the Company does not undertake any obligation to update publicly or revise any such forward looking statements, whether as a result of new information, future events or otherwise. Unless otherwise indicated, these statements speak only as of the date of this MD&A. Actual results could differ materially from those anticipated in forward-looking statements stated within the MD&A.

CORPORATE OVERVIEW

Gravitas has significant ownership interests in a number of diverse financial services entities. The Gravitas platform provides capital markets, portfolio management, merchant banking, corporate services and investor exposure services to its clients. Gravitas has also made numerous equity, debt and convertible debt investments in early-stage and growth-stage public and private companies.

Financial Services

The financial service divisions generate revenue from: commissions charged for trading securities; fees charged to clients for the administration of their accounts and fees received from public or private companies, for investment banking as well as other corporate services.

Gravitas has a significant ownership interest in Gravitas Securities Inc. ("GSI"), an IIROC investment dealer and wealth manager and Portfolio Strategies Corp., a mutual fund dealer. These two platforms have approximately $3.8 billion in assets under administration, among their 315 advisors. The wealth management division of GSI is currently targeting higher net worth clients and moving to more fee-based accounts. Gravitas' investment banking practice presently has numerous mandates in progress focused on small cap public and private companies in the areas of technology, financial technology, mining and real-estate. GSI is also actively growing its United States of America investment banking operations and capabilities.

Gravitas is launching a number of funds to capitalize on its captive distribution channels. In 2017, Gravitas launched its fifth and sixth tax efficient flow-through funds and is in the process of launching its eighth in 2018.
In 2016, Gravitas launched its Gravitas Special Situations Fund LP. This LP invests in small cap public companies in Canada across numerous industries.

In collaboration with its controlled subsidiary Gravitas Ilium Corporation ("GIC"), Gravitas created Foregrowth Inc. ("Foregrowth"), a fund company focused on bringing institutional quality investment products to the retail investor. Foregrowth launched one fund in 2016 and five funds in 2017, which to date has raised over $19 million. Several more limited partnerships are currently in the pipeline to be launched over the next twelve months.

Gravitas also provides investor exposure, investment research, media services and corporate secretarial services through Ubika Research, Smallcappower, Capital Ideas Media Inc. and Branson Corporate Services.

The Mint Corporation
The Mint Corporation (TSX-V:MIT), through its majority owned subsidiaries (the "Mint Group"), is a globally certified payments company headquartered in Toronto, Canada with its primary business in Dubai, United Arab Emirates ("UAE"). The Mint Group is approved by the UAE Central Bank, Mastercard and UnionPay as a third-party payment processor. Mint processes over US$1 billion in payroll annually for hundreds of corporate clients and for financial institutions, including some of the leading blue-chip companies in the UAE. The Mint community consists of approximately 400,000 cardholders.

Mint provides employers with automated payroll services and a proprietary Automated Teller Machine ("ATM") network for their unbanked employees. Mint community members are issued a personalized, globally accepted, MasterCard or UnionPay card and a linked mobile wallet, where their salaries are deposited. This mobile wallet effectively becomes the employee's bank account.

Mint intends to offer a comprehensive suite of services through the mobile wallet, including remittance, mobile phone top-up, rewards, and insurance, among others. The mobile wallet enables unbanked employees to purchase services and spend through the wallet.

Investment Portfolio
Gravitas has focused its investment efforts on early-stage companies in both the private and public markets. These investments span various sectors and geographies. When required, Gravitas will provide strategic guidance and management support. Returns will be generated mainly from the capital gains received on dispositions that are associated with the growth in its investments, and partially from income on its debt and convertible debt. Gravitas intends to focus on supporting existing investee companies and on monetizing certain holdings.

Gravitas' Unique Chinese Focus
Gravitas believes that there is a significant opportunity for it and its affiliates to take advantage of opportunities with Chinese Canadians and with companies doing business in China and Canada. In 2016, Gravitas formed its partially owned but controlled subsidiary, GIC, to facilitate transactions and capital flows between China and Canada. Gravitas continues to leverage deep connections into the Chinese business community both in Canada and in China to facilitate mandates of large Chinese multinationals looking to acquire or invest in assets in Canada. Gravitas also works with Canadian companies looking to gain exposure to the Chinese market. In addition, Gravitas is looking at creative ways to give Canadians direct market exposure in Chinese companies.

SELECTED FINANCIAL INFORMATION
As at December 31, 2017, the total liabilities of the Company were $184.5 million compared to $175.2 million at December 31, 2016, an increase of $9.3 million. Trade payables and the Company's interest obligation increased by $7.5 million.

As at December 31, 2017, the total equity deficiency of the Company was $99.3 million compared to $74.4 million at December 31, 2016, an increase of $24.9 million.

INCOME STATEMENT ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017 AND 2016

Net loss from continuing operations for the year ended December 31, 2017, was $30.9 million ($0.43 per share) compared to $17.9 million ($0.26 per share) for the same period in 2016.

	2017 $	2016 $	Variation $
Revenues			
Investment banking and wealth management	**8,540,017**	2,077,727	6,462,290
Consulting and management fees	**1,297,929**	577,788	720,141
Listing and research fees	**1,201,691**	1,391,967	(190,276)
Interest	**1,419,936**	2,009,115	(589,179)
Product sales, royalties and other	**597,762**	1,121,629	(523,867)
Total Revenues	**13,057,335**	7,178,226	5,879,109
Expenses (discussed below)	**43,778,625**	25,094,154	18,684,471
Loss before income taxes	**(30,721,290)**	(17,915,928)	12,805,362

For the year ended December 31, 2017, revenues totalled $13.1 million compared to $7.2 million for the same period in 2016, an increase of $5.9 million. The reasons for the increase were the acquisition of 2242257 Ontario Inc. ("2242"), which generated $6.3 million of additional revenues from its operations. 2242, the parent company to both a Canadian IIROC broker/dealer and a FINRA United States broker was acquired on October 1, 2016. Therefore, 2017 reflected a full year's worth of revenue from 2242, whereas 2016 reflected only three months of income.

	2017 $	2016 $	Variation $
Expenses			
Compensation and management fees	**8,916,920**	3,264,991	5,651,929
Professional fees	**8,813,344**	4,384,599	4,428,745
Interest expense	**8,022,333**	7,207,865	814,468
General and administrative	**7,446,810**	3,581,370	3,865,440
Impairment	**11,930,961**	3,251,181	8,679,780
Share of results of associates	**2,281,521**	1,279,125	1,002,396
Stock based compensation	**1,415,431**	-	1,415,431
Change in fair value of convertible debentures – conversion feature	**1,039,635**	(322,743)	1,362,378
Amortization	**417,908**	611,530	(193,622)
Foreign exchange loss	**124,395**	287,524	(163,129)
Debenture restructuring fee	-	3,583,429	(3,583,429)
Share of joint venture profit, net of tax	**(3,727)**	(728)	(2,999)
Gain on settlement of loans and receivables	**(67,894)**	(751,918)	684,024
Change in fair value through profit and loss ("FVTPL") - investments	**(1,752,887)**	(833,630)	(919,257)
(Gain) on disposal of subsidiary	**(706,164)**	-	(706,164)
(Gain) on disposal of available-for-sale investments	**(1,172,506)**	(448,441)	(724,065)
(Gain) on redemption of debentures	**(2,927,455)**	-	(2,927,455)
Total Expenses	**43,778,625**	25,094,154	18,684,471

For the year ended December 31, 2017, expenses totalled $43.8 million, compared to $25.1 million for the same period in 2016, an increase of $18.7 million. Impairment charges against the Company's assets increased by $8.7 million during the year. The Company wrote down certain investments in associates, primarily amounts relating to the Company's partially owned and controlled subsidiary, The Mint Corporation ("Mint"). Compensation and management fees, professional fees and general and administrative fees increased by $5.7 million, $4.4 million and $3.9 million, respectively between periods. These expense accounts increased significantly as the Company consolidated 2242 for the full year in 2017, as opposed to consolidating for only three months in 2016. In addition, significant professional fees were incurred by Mint relating to the cost to complete the Series A, Series B and Series C debenture debt restructuring.

During 2017, Mint negotiated settlements with Series B debt holders whereby for redeeming their debt. As a result of this settlement, the Company issued common shares with a value of $1.3 million and made a cash payment of $0.3 million to redeem the Series B debentures with a carrying value of $4.5 million, resulting in a gain on redemption of $2.9 million.

The Company incurred stock based compensation expense during the year ended December 31, 2017 relating to four issuances to certain directors and officers of the respective companies, namely (i) a partially owned subsidiary, Foregrowth Inc. ("FGI") issued stock options, (ii) Mint issued stock options, (iii) the Company issued options to purchase Mint shares, and (iv) FGI issued a call and put option to two senior officers. These issuances were valued using either the Black-Scholes stock option pricing model or Monte-Carlo simulations, as appropriate. As a result of these four transactions, the Company recorded a charge to stock-based compensation totalling $1.4 million (2016: $Nil).

INCOME STATEMENT ANALYSIS FOR THE THREE-MONTH QUARTER ENDED DECEMBER 31, 2017 AND 2016

Net loss from continuing operations for the three-month period ended December 31, 2017, was $18.7 million ($0.29 per share) as compared to $5.4 million ($0.08 per share) for the same period in 2016, an increase of $12.8 million.

	2017 $	2016 $	Variation $
Revenues			
Investment banking and wealth management revenue	3,376,625	2,077,727	1,298,898
Consulting and management fees	260,328	224,703	35,625
Listing and research	323,045	475,671	(152,626)
Interest [(a)]	(81,953)	566,518	(648,471)
Product sales, royalties and other [(a)]	144,599	554,457	(409,858)
Total Revenues	**4,022,644**	**3,899,076**	**123,568**
Expenses (discussed below)	22,177,928	9,248,946	12,928,982
Net loss from continuing operations	**(18,155,284)**	**(5,349,870)**	**12,805,414**

(a) Amounts within the above noted revenue accounts represent write-offs incurred during the three-month period ended December 31, 2017.

For three-month period ended December 31, 2017, revenues totalled $4.0 million compared to $3.9 million for the same period in 2016, an increase of approximately $0.1 million. While investment banking and wealth management revenue earned by 2242 and its regulated subsidiaries increased by $1.3 million, this was almost entirely offset by the write down of several items during the quarter including the royalty accrual and certain accrued interest amounts.

	2017 $	2016 $	Variation $
Expenses			
Professional fees	**2,617,902**	2,033,055	584,847
Interest expense	**2,670,018**	1,856,890	813,128
General and administrative	**2,411,449**	2,192,572	218,877
Compensation and management fees	**3,498,004**	1,679,408	1,818,596
Change in fair value of convertible debentures – conversion feature	**809,792**	462,293	347,499
Increase in fair value of FVTPL investments	**(2,933,022)**	(839,741)	(2,093,281)
Share of results of associates	**1,740,651**	190,823	1,549,828
Stock-based compensation	**292,331**	-	292,331
Share of joint venture, net of tax	**7,650**	(728)	8,378
Impairment	**12,573,887**	2,124,615	10,449,272
Amortization	**128,943**	-	128,943
Foreign exchange (gain)	**(358,403)**	(179,190)	(179,213)
Loss (Gain) on disposal of available-for-sale investments	**5,794**	(92,597)	98,391
(Gain) on disposal of subsidiary	**129,585**	-	129,585
(Gain) on redemption of debentures	**(1,328,310)**	-	(1,328,310)
(Gain) on settlements	**(88,343)**	(178,454)	90,111
Total Expenses	**22,177,928**	**9,248,946**	**12,928,982**

For three-month period ended December 31, 2017 expenses totalled $22.2 compared to $9.2 million for the same period of 2016, an increase of approximately $13.0 million.

The majority of the increase in expenses relates to the non-cash impairment totalling $12.6 million of various assets that the Company holds. Included in the impairment total is a $8.4 million impairment taken to the value of MME's UAE operations. Various other impairments were recorded in the Company's investment portfolio due to either default or delayed payment of interest and/or principal. While the Company will continue to pursue payment, given the uncertainty in certain amounts recollectibility, they were provided for. The increase in interest expense related to Mint paying $2.3 million to the counterparty due to missing certain cardholder performance targets during the year. The $1.8 million increase in compensation and management fees for the three-month period ended December 31, 2017 is primarily due to a higher headcount firm and additional compensation being paid to employees in line with the increase in investment banking revenue. With respect to the investment banking revenue, compensation includes share and warrants at market value which are due to investment bankers. This amount totalled $2.2 million during the quarter ended December 31, 2017. With respect to higher headcount firm wide it is higher due to the acquisitions of both Capital Ideas Media Inc. and Bay Talent Group (and their acquisition of PTC Accounting and Finance Inc.) and the increase in staff at Gravitas Securities Inc.

SELECTED BALANCE SHEET INFORMATION

Selected balance sheet information for the years ended December 31, 2017 and 2016 are as follows:

	2017 $	2016 $	Variation $
Assets of continuing operations			
Receivables from brokers and clients (with a partially offsetting related liability of $26,269,044)	27,708,188	24,243,034	3,465,154
Investments in associates (current and non-current)	8,959,733	10,231,641	(1,271,908)
Equity investments and other	22,122,655	13,609,214	8,513,441
Trade and other receivables	4,383,212	4,449,294	(66,082)
Loan receivable (current and non-current)	3,359,990	3,925,391	(565,401)
Convertible debentures held (current and non-current)	2,097,843	3,492,898	(1,395,055)
Guaranteed investment certificates	2,227,229	8,679,939	(6,452,710)

Receivable from broker and clients

The Company's partially owned subsidiary, Gravitas Securities Inc. ("GSI") is required to carry clients' accounts on its statement of financial position, and accordingly receives, delivers or holds cash or securities in connection with such clients. As at December 31, 2017, GSI held client money in segregated accounts totalling $27,708,188 (December 31, 2016: $24,243,034). All amounts receivable from clients and brokers have a partially offsetting payable on the Company's books in the amount of $26,269,044 (2016: $22,976,245). As GSI does not have a legal right to offset these amounts, they have been presented as a receivable and a payable on the statement of financial position.

Investments in associates

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

	December 31, 2017			December 31, 2016		
Expressed in thousands	**Prime**	**Mint UAE** $	**PAI** $	**Prime**	**Mint UAE** $	**PAI** $
Financial position						
Current assets	4	2,199	4,918	13	2,319	3,943
Non-current assets	-	10,038	7,307	-	5,236	6,945
Current liabilities	622	7,453	2,573	530	2,127	2,168
Non-current liabilities	4	438	5,811	4	397	5,485
For the year ended			**December 31, 2017**			**December 31, 2016**
Statement of earnings (loss)						
Revenue	-	3,973	30,460	-	4,785	27,564
Expenses	102	9,594	28,635	102	7,556	26,911
Operating income (loss)	(102)	(5,621)	1,677	(102)	(2,771)	1,447
Net earnings (loss)	(102)	(5,621)	1,292	(102)	(2,771)	1,095
Cash flows						
Dividends paid	-	-	280	-	-	950

Mint UAE and MGEPS

Mint UAE comprises of five primary entities: Mint Middle East LLC ("MME LLC"); Mint Electronic Payment Services Limited ("MEPS"); Mint Capital LLC ("MCO"); Mint Gateway for Electronic Payment Services ("MGEPS"); and Hafed Holding LLC ("Hafed"); MME LLC is 51% owned by Mint.
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.

MEPS is 49% owned by MME LLC but is fully controlled subsidiary of MME LLC by a nominee agreement which provides Board and management control, 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, GBS has nominated a two percent share of its ownership and commercial interest in favor of MCO. Accordingly, MCO beneficially owns 51% of MGEPS. MEPS LLC and MCO presently have no significant operations. MGEPS owns 10% of Hafed's shares, with 49% commercial interest.
During the year ended December 31, 2017, the Company advanced an additional $4,226,717 (US$3,250,000) to MGEPS (2016: $1,582,143 (US$1,200,000)). This loan bears interest at 4.5% and matures on October 23, 2018. As at December 31, 2017, the Company recognized a full provision on the investments of Mint Gateway, which has been recorded in the statement of loss and comprehensive loss.

In March 2017, the Company announced that, through Hafed Holdings LLC, it had advanced $7.2 million to a third party in the UAE as a deposit to secure the right to acquire a UAE Central Bank licensed financial company. As the conditions of this transaction were not met by the counterparty, the Company is receiving its deposit back through thirteen monthly payments. The last payment is due during November 2018. As a result, the Company has a receivable totalling $5,486,325 (2016: $Nil) at year end.

Portfolio Analysts Inc.
The Company owns a 40% interest in Portfolio Analysts Inc. ("PAI") giving it significant influence over PAI's operations. 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. As the Company does not have the current ability to control the key operating activities of PAI it is accounted for using the equity method.

Prime City One Capital Corp.
The Company has an 18% interest in the outstanding shares of Prime City One Capital Corporation ("Prime"), giving it significant influence over Prime's operations. As the Company does not have the ability to control the key operating activities of Prime, its investment is accounted for using the equity method. As at December 31, 2017, the Company has advanced a total of $495,750 (December 31, 2016: $492,000) to Prime, which has been fully impaired. The amounts loaned bear interest at 12% and are due on demand.

Equity

	December 31, 2017 $	December 31, 2016 $
Available for sale ("AFS")		
Investments in public companies:		
Common shares, net of impairment	**8,822,950**	6,409,299
Investment in private companies:		
Common shares, net of impairment	**1,551,873**	604,932
Preferred shares	**1,806,792**	1,806,792
Fair Value through the profit and loss statement ("FVTPL")		
Investments in public companies: Common shares	**1,379,691**	450,289
Options	**425,226**	32,784
Warrants	**5,473,801**	2,147,905
Subscription receipts	**-**	-
Other investments		
Investment at amortized cost	**-**	424,183
Investments in funds and related joint venture	**2,662,321**	1,733,029

Mining properties	**1**	1
	22,122,655	13,609,214

Total equity and other increased by approximately $8.5 million during the year ended December 31, 2017. The following are the primary reasons for the fluctuation:

- As of December 31, 2017, Warrants increased by $3.4 million. Warrants are acquired through the purchase of common shares when the issuer's private placement or related financings have warrants attached to them. At the date of purchase, an allocation of the purchase price is made between common shares and warrants. The value of the warrants is determined using the Black Scholes pricing model.
- Investments in common shares of public companies held as AFS and FVTPL increased by a total of $2.4 million.
- Investments in private companies increased by just under $1 million. This increase release to a $1.1million unrealized gain on a fund investment held by Gravitas Mining Corporation, a partially owned controlled subsidiary of the Company

Preferred shares
During 2015, New India Investment Corporation ("NIC"), a wholly owned subsidiary of the Company, invested a total of $1,218,059 (US$981,000) in Innoviti Payments Solutions Private Limited ("Innoviti"), a private company incorporated in 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 carry a cumulative dividend of 0.1%. During 2016, NIC made an additional investment of $588,733 (US$475,000). During 2017, Innoviti raised additional funds from third parties, diluting the Company's interest to approximately 4%. As at December 31, 2017, the Company valued this investment at $1,806,792 (2016: $1,806,792).

Investment in joint venture
On October 17, 2016, a subsidiary of the Company, Foregrowth Inc., created a joint venture with Grenville Strategic Royalty Corp ("GSRC"), called Foregrowth-Grenville Investments Inc. ("FGII"). FGII has the right to co-invest new royalty investments made by GSRC. Foregrowth, holds 85% of the shares of FGII but does not control FGII. Under the license agreement with FGII, GSRC is entitled to a license fee based on 1% of the amount invested and 1% on the total outstanding invested amount. The Company has accounted for its investment under the equity method. For the year ended December 31, 2017, the Company's share of profit and comprehensive income totalled $3,727 (2016: income of $728).

Investment Fund
During 2016, the Company invested $999,422 in units of an unconsolidated limited partnership called Gravitas Special Situations Limited Partnership or ("GSSLP"). This investment is classified as a FVTPL investment on the statements of financial position. This investment is GSSLP's Class O units. As of December 31, 2017, the value of this investment was $2,010,573 (2016: $1,733,029). Gravitas Special Situations GP Inc., an 80% subsidiary is the general partner of GSSLP. As per the confidential information memorandum, 99.99% of the net income or net loss is allocated to Limited Partners of GSSLP. The manager of GSSLP is Gravitas Securities Inc. (a subsidiary of the Company). The Limited Partners in GSSLP are not entitled to participate in the control of GSSLP. The Company is the promoter of GSSLP.

Trade and other receivables

	December 31, 2017	**December 31, 2016**
	$	**$**
Trade receivables [(a)]	**1,503,424**	1,801,248
Less: Allowance for doubtful accounts	**(28,021)**	(235,235)
Interest receivable	**1,071,462**	1,085,718
Harmonized sales tax receivables	**255,387**	617,477
Advances to related companies [(b)]	**802,692**	460,031
Advances to related companies, at 8% per annum, due on demand	**300,000**	300,000
Royalty	**-**	243,307
Other [(c)]	**478,268**	176,748

	4,383,212	4,449,294

(a) Trade receivables include $Nil (December 31, 2016: $80,950) due from related entities.
(b) The Company has advanced $802,692 (December 31, 2016: $460,031) to the Limited Partnerships managed by two of the Company's subsidiaries. Advances are non-interest bearing and due on demand.
(c) Includes subscription receivables.

Loans and receivables

	December 31, 2017 $	December 31, 2016 $
Secured Loans	**2,959,759**	3,198,126
Unsecured Loans	**309,924**	289,055
Employee forgivable loan	**613,231**	542,265
Settlements	**(63,000)**	-
Less: Impairment	**(459,924)**	(104,055)
Balance, end of the year	**3,359,990**	3,925,391
Less: current portion	**(1,736,298)**	(3,240,687)
Non-current portion	**1,623,692**	684,704

Secured loans and unsecured loans
These loan receivables bear interest rates ranging from Nil% 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 2242, certain interest free employee forgivable loans were assumed. Under the terms of these loans, the Company will forgive 14.3% (one-seventh) of the principal amount annually. Loan recipients would be required to repay their outstanding loan balance immediately upon ending their employment with 2242 or its subsidiary, GSI. The Company amortizes the original amount of the loan on a straight-line basis over a seven-year term. As of December 31, 2017, outstanding loans totaled, $613,231 (2016: $542,265).

Convertible Debentures Held

	December 31, 2017 $	December 31, 2016 $
Secured against certain assets of the borrower, with a face value ranging from $100,000 to $1,250,000 (2016: $200,000 to $1,250,000), maturity up to July 7, 2019 (2016: up to June 1, 2021) and bearing interest at 6% to 10.5% (2016: 6% to 10.5%)	**2,307,944**	1,780,940
Secured against certain assets of the borrower, with a face value ranging from $100,000 to $500,000 (2016: US$100,000 to US$400,000), maturity up to July 29, 2019 (2016: up to December 9, 2018) and interest rates from 6% to 10% (2016: 6% to 10%)	**969,409**	661,166
Unsecured, with a face value ranging from $50,000 to $100,000 (2016: $17,000 to $250,000), up to March 30, 2018 (2016: up to August 14, 2019) and interest rates from 6% to 12% (2016: 6% to 12%)	**190,409**	532,045
Subtotal	**3,467,762**	2,974,151
Conversion feature	**485,718**	1,640,524
Subtotal	**3,953,480**	4,614,675
Add: Amount received from previous impairment	**200,000**	-
Less: accumulated impairment	**(2,055,637)**	(1,121,777)
Balance, end of the year	**2,097,843**	3,492,898
Less: current portion	**(1,385,579)**	(420,583)
Non-current portion	**712,264**	3,072,315

The initial value of the underlying loan is determined by measuring the conversion features and assigning the residual value to the loan component. The loan component is not re-valued subsequent to its initial recognition. The change in the fair value of the conversion feature for the year ended December 31, 2017, was a decrease of $1,039,635 (an increase for the year ended December 31, 2016 of $322,743). The fair values of the conversion feature at issuance was $549,584, (December 31, 2016: $170,579). The fair values were estimated using the Black Scholes pricing model.

Guaranteed investment certificates (current and non-current)
As at December 31, 2017, $2,227,229 (2016: $8,679,939) was invested in guaranteed investment certificates.

Business Acquisitions

The Company acquired the following entities during the years ended December 31, 2017 and 2016. The Company accounted for these purchases using IFRS 3, Business Combinations, 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 are included from the date of the acquisition.

Acquisition of PTC Accounting and Finance Inc. by Bay Talent Group

On December 1, 2017, the Company and its subsidiary, GICMB, acquired a total of a 50.8% interest in Bay Talent Group, which subsequently purchased a 100% interest in PTC Accounting and Finance Inc. ("PTC"). The Company and GICMB feel that this acquisition of PTC fits well into its strategy of making significant equity investments in companies that have potential to be quick turnaround situations. The Company accounted for this purchase using IFRS 3, Business Combinations. Operating results have been included in the Financial Statements from the date of the acquisition. The allocated purchase price calculation is as follows:

	$
Fair Value of Identifiable Net Assets	
Cash and cash equivalents	87,259
Accounts receivable and prepayments	493,333
Property and equipment	81,299
Trade payables, accruals and short-term loans	(928,009)
Net liabilities acquired	**(266,118)**
Consideration paid	
Shares issued (a)	149,713
Total consideration paid	**149,173**
Total Goodwill (b)	**415,831**

(a) The shares were measured based on a market price of $0.05.
(b) The goodwill was impaired subsequently due to the uncertainty of the future cash flows of the business.

Acquisition of Capital Ideas Media Inc. by Ubika Corp.

On November 22, 2017, the Company's wholly owned subsidiary, Ubika Corp., acquired Capital Ideas Media Inc. ("CIM") business operations, and certain assets and assumed certain liabilities. Ubika Corp. believes that CIM fits in well with its business of providing investor relations, content and research to companies in the small cap space. The Company accounted for this purchase using IFRS 3, Business Combinations. Operating results have been included in the Financial Statements from the date of the acquisition. Operating results have been included in the Financial Statements from the date of the acquisition. The allocated purchase price calculation is as follows:

	$
Fair Value of Identifiable Net Assets	
Cash and cash equivalents	63,917
Property and equipment	27,358
Trade and other payable	(56,787)
Net assets acquired	**34,488**
Consideration paid	
Cash consideration	500,000
Non-controlling interest	17,235
Total consideration paid	**517,235**
Total goodwill (a)	**482,747**

The goodwill was impaired subsequently due to the uncertainty of the future cash flows of the business.

Acquisition of 2242257 Ontario Inc. and its subsidiaries by Gravitas Ilium Corp.

On October 1, 2016, Gravitas Illium Corporation ("GIC"), a 50% controlled subsidiary of the Company, acquired 50.99% of 2242 a holding company, for the conversion of $750,000 of outstanding indebtedness due from 2242 to GIC (the "2242 Acquisition"). 2242 owns a 95.2% interest in Gravitas Securities Inc. ("GSI"), and a 100% interest in each of Gravitas Capital International Inc. (an investment dealer in the United States of America), Gravitas Wealth Advisors LLC, Gravitas Independent Portfolio Manager Inc. and 2434355 Ontario Inc. On April 1, 2017, GIC increased its ownership in 2242 by 4% to 54.99%. The purchase price allocation is as follows:

	$
Fair Value of Identifiable Net Assets	
Current assets	3,093,007
Receivable from brokers and clients	21,118,142
Customer relationships – investment banking	114,240
Backlog – investment banking	142,800
Tradename/brands	133,280
US investment banking license	196,755
Goodwill	3,401,501
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	**1,505,501**
Consideration paid	
Conversion of debt	750,000
Cost of additional shares	34,624
Non-controlling interest	720,877
Total consideration paid	**1,505,501**

BUSINESS DISPOSALS

2017 Disposal of Luxury Quotient International Inc.

On September 7, 2017, the Company completed a share purchase agreement, whereby vMobo Inc., a private company, purchased all outstanding the shares of Luxury Quotient International Inc. ("LQII") and its subsidiaries for total consideration of $1 plus the assumption of certain debts and liabilities. The purchase price consisted of the issuance of 3,460,015 vMobo Inc.'s common shares. The results of operations of LQII have been presented in the Financial Statements as discontinued operations. The following table shows the gain on disposition:

	$
Fair Value of Identifiable Net Assets	
Cash and cash equivalents	4,678
Trade and other receivables	584,650
Inventory	119,648
Prepaids	52,802
Property and equipment	82,955
Intangible assets	578,697
Trade and other payables	(395,501)
Long term loan and debenture	(1,734,092)
Net assets disposed of	**(706,163)**
Consideration received	
Shares of vMobo Inc.	1
Gain on disposition of subsidiary	**706,164**

DISCONTINUED OPERATIONS
Assets held for sale totalled $90,264 (2016: $Nil), liabilities held for sale totalled $542,859 (2016: $Nil) and net loss from discontinued operations totalled $2,192,200 (2016: $546,039). The Company disclosed the following three entities as discontinued operations during 2017:

- Claxton – its property asset was sold during 2016 and is in the process of being wound down,
- 2474184 Ontario Inc – its subsidiary operating entity, Revenue.com's sole asset was sold in February 2018. During 2017, the Company actively sought buyers, and
- Luxury Quotient International Inc. – as noted above, LQII and its subsidiary was sold during 2017.

SELECTED QUARTERLY RESULTS AND TRENDS (EXPRESSED IN THOUSANDS)

	2017				2016			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
	$	$	$	$	$	$	$	$
Revenue	4,023	2,795	3,418	2,822	3,898	1,242	1,018	1,020
Net loss	(18,155)	(1,217)	(5,552)	(5,797)	(5,351)	(3,020)	(2,788)	(6,757)
Basic & diluted net loss per share	(0.28)	(0.02)	(0.07)	(0.08)	(0.08)	(0.05)	(0.04)	(0.10)

LIQUIDITY, CAPITAL RESOURCES, FINANCIAL POSITION, SOURCES OF FINANCING & GOING CONCERN
The Financial Statements have been prepared on a going concern basis, which assumes the Company will continue its operations in the foreseeable future and that it will be able to realize its assets and discharge its liabilities in the normal course of operations.

As at December 31, 2017, the Company had a total working capital of deficiency of $46.8 million, which includes a cash position of $9.9 million and guaranteed investment certificates of $2.2 million. Subsequent to year end, Mint renegotiated its short-term debentures due totalling $58.0 million by reducing the liability to $20 million and extending the term to December 31, 2021. After taking this into account the company has positive working capital of $11.1 million.

A significant portion of the Company's historical losses relate to one of the Company's subsidiaries, the Mint Corporation ("Mint"). However, subsequent to year end Mint renegotiated its short-term debentures due totalling $58,470,655. This debt has been reduced to $20,000,000 and its term extended to December 31, 2021. So far Mint raised a total of $3,750,000 and another partially owned subsidiary of the Company, Gravitas Mining Corp. raised a total of $575,000 in financings after the year ended December 31, 2017. It is expected that additional subsidiaries and potentially the Company itself will raise additional capital in 2018. Due to these subsequent events and the Company's aim of monetizing non-core holdings and raise capital within other subsidiaries, it is expected that it will continue as a going concern in the future.

The Company declared no dividends during 2017 or 2016. The Company also has equity and other investments, loans receivable and convertible debentures held that will generate additional liquidity over time. The Company manages its capital structure and adjusts it related to changes in the economic environment and underlying risks of its assets.

DEBENTURES (LIABILITY)

	Gravitas Series #1 (a)	Gravitas Series #2 (b)	Mint Series A (c), (f)	Mint Series B (d)	Mint Series C (e), (f)	Total
	$	$	$	$	$	$
Balance, January 1, 2016	**29,817,688**	**53,124,939**	**43,556,598**	**4,160,164**	**9,688,197**	**140,347,586**
Debenture restructuring	-	-	3,583,429	-	-	3,583,429
Settlement of debentures	-	-	-	(689,500)	-	(689,500)
Gain on settlement of debentures	-	-	-	(750,940)	-	(750,940)
Accretion of interest	107,474	111,827	1,145,232	610,688	118,682	2,093,903
	107,474	111,827	4,728,661	(829,752)	118,682	4,236,892
Balance, December 31, 2016	**29,925,162**	**53,236,766**	**48,285,259**	**3,330,412**	**9,806,879**	**144,584,478**
Accretion of interest	97,838	110,660	249,897	121,588	128,621	708,603
Gain on redemption	-	-	-	(2,927,455)	-	(2,927,455)
Interest accrued	-	-	-	1,035,600	-	1,035,600
Settlement of debentures	-	-	-	(1,560,145)	-	(1,560,145)
Balance, December 31, 2017	**30,023,000**	**53,347,426**	**48,535,156**	**-**	**9,935,500**	**141,841,082**
Less: Current portion (f)	-	-	(48,535,156)	-	(9,935,500)	(58,470,654)
Non-current portion	**30,023,000**	**53,347,426**	**-**	**-**	**-**	**83,370,426**

Company's Debentures

(a) The Company's Debentures #1 have a face value of $30,023,000 with an interest rate of 3.5% payable quarterly. 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. During May 2017 the Company, for a fee of $300,230, extended the maturity date of this debenture to December 3, 2020. This amount is included within interest expense.

(b) The Company's Debentures #2 has a face value of $54,022,000 with 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 amount 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%. This debenture is secured by Gravitas' assets.

Mint's Debentures

(c) Mint's Series A debentures have a face value of $49,019,962 and an interest rate of 3% per annum and increased to 5% per annum as of January 17, 2017. Interest is payable quarterly. Series A debentures were restructured in January 2016 and are redeemable at par on December 15, 2019. 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 a 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, based

on the expected threshold of active card targets. Accordingly, the additional payment of cash fee of $1,225,499 above the base interest rate is recognized as interest expense in the same period that the related thresholds are met. Series A debentures are guaranteed by MME LLC and secured against the assets of Mint and MME LLC.

(d) During 2016, the Company purchased and cancelled $1,268,000 of the Mint Series B debentures for a cash payment of $689,500. A gain on settlement of $750,940 was recognized.

On September 29, 2017, the Company completed the sale of $2,918,000 principal amount of Series B debentures of Mint for cancellation. As payment for the debentures, Gravitas received 15,066,548 common shares of Mint and a demand promissory notes, bearing interest of 5% per annum, in the amount of $188,808. Gravitas had earlier paid the debentures by transferring the same number of common shares of Mint from its own holding and $188,808 cash payment.

On October 12, 2017, Mint exercised the redemption right and issued a notice for the redemption of the remaining Series B debentures of $534,000. On the redemption date, Mint will issue 1,787,832 common shares and pay $107,259 as the redemption price. The common shares issued as a result of exercising the redemption right will have a fair value of $0.075 per share on the date of settlement for a total fair value of $134,031 and will be subject to a hold period expiring on February 13, 2018.

In total, the Company issued $1,264,078 worth of common shares and cash payment of $296,067 to redeem the Series B debentures with a carrying value of $4,487,600, resulting in a gain on redemption of $2,927,455, which has been recorded on the statement of loss and comprehensive loss. Interest accrued on date of settlement was $1,035,600 (2016 - $974,126), which was included in accruals and other payables.

(e) Mint's Series C debentures have a face value of $10,000,000 and an interest rate of 5.5% per annum. Interest is payable quarterly. The Series C debentures are redeemable on June 23, 2018. These debentures are secured by Mint's assets. On June 23, 2015, Mint issued 500,000 broker warrants to the debt holder 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 deducted from the gross proceeds and will be accreted over the term of the debentures.

(f) On March 1, 2018, Mint had executed a definitive debt restructuring agreement with the holder of substantially all of the Series A debentures and all of its Series C debentures. Mint's Series A and Series C debentures are to be replaced by $20 million of debt, bearing an interest rate of 10% per annum and a maturity date of 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 a total of 16,000,000 common shares of Mint. Each warrant will be exercisable after two years and on or before the maturity date of the newly negotiated debt for one common share of Mint at an exercise price of $0.10. The subscription receipts will become convertible in installments of 2,000,000 common shares of Mint, at the end of each quarter for the next eight quarters following the issuance of the new debt, subject to certain adjustments relating to any prepayment made prior to that conversion date.

RELATED PARTIES AND RELATED PARTY TRANSACTIONS

Parties are considered related if the party has the ability, either directly or indirectly, to control the other party or exercise significant influence over the other party in making operating and financial decisions. This would include the Company's and their subsidiaries' senior management. Parties are also related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. A transaction is a related party transaction when there is a transfer of resources or obligations between related parties. The following are the related party transactions during the year ended December 31, 2017. Unless otherwise stated, none of the transactions incorporated special terms and conditions and no guarantees were given or received. Usually outstanding balances are settled in cash.

During the year ended December 31, 2017, the Company:

- incurred $4,729,581 (2016: $1,795,686) to directors and senior officers of the Company and its subsidiaries, including the Chief Executive Officer, Chief Financial Officer and Executive Vice Presidents of the Company. This amount has been included in compensation and management fees and general and administrative fees. $120,773 (2016: $11,635) was outstanding at year end.
- incurred legal fees of $9,504 (2016: $27,169) from a legal firm in which the former Chief Executive Officer ("CEO") and current director is a partner.
- expensed $51,360 (2016: $37,000) to Soigne Technol0gies Inc., a company in which an employee has an interest.
- During the year, the Company transferred a total of 3,782,557 shares of vMobo Inc, a private company whose shares were acquired by way of the disposal of LQII, to certain directors or officers at a value of $Nil (2016: $Nil).
- loaned $Nil (2016: $260,000) to directors and officers of partially owned subsidiaries of the Company. During 2017, the Company fully impaired these loans and is included within impairments in the statement of loss and comprehensive loss.

Amounts due from and due to related parties are as follows:

- $424,999 (December 31, 2016 - $424,999) represents the interest-free amount outstanding and payable to Global Business Systems ("GBS") by Mint. GBS is the operator of the day-to-day activities of Mint UAE operations. Additionally, Mint had a loan receivable from GBS for $1,750,927, which was impaired during 2017.
- The Company loaned $Nil (2016: $85,000) to a director and officer of GIC Merchant Bank Corporation, a controlled subsidiary of the Company. In addition, $Nil (2016: $175,000) was loaned by 2242257 Ontario Inc. to a senior officer of its subsidiary. During 2017, the Company impaired both loans within the statement of loss and comprehensive loss.
- On October 1, 2016, the Company acquired control of 2242. As of December 31, 2017, the Company had advanced a total of $4,957,635 (2016: $4,418,562) to 2242. This loan bears interest at 6% and matures on October 31, 2018 and has been eliminated on consolidation.
- As at December 31, 2016, the amounts due to related companies in which there are common directors was $132,408 (2016: $11,635).

STOCK-BASED COMPENSATION

The Company has adopted a stock-based option 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 in the Company. 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. The term of the options cannot exceed five years.

Option and Put Agreement of Subsidiary

On December 22, 2017, Foregrowth Inc., a 46.1% owned controlled entity of the Company, entered into option and put agreements with certain officers. These agreements offered an option to acquire 5,896,304 shares of Foregrowth Inc., which would represent 25% of the issued and outstanding shares of Foregrowth Inc. In addition, a grant of a put right was issued. This put right allows the officers the right to force Foregrowth to re-purchase for cancellation the same shares on exercise of those options. The Company has treated these options as compensation expense for the services provided by these officers in the amount of $496,720 as cash and equity settled with corresponding credits to liability of $324,725 and contributed surplus of $171,995. Fair value change in the liability component for the year ended December 31, 2017 was $Nil. The following assumptions were used to value the liability: risk-free interest rate: 2.02%, volatility: 100%, dividend yield: $Nil, expected life: 10 years and stock price: $0.0772.

Option on Mint Shares Held by Gravitas
During 2017, to incentivize the directors and officers of the Company to enhance the value of its investment in Mint, the Company agreed to grant a total of 16,250,000 options. These three-year options, subject to certain conditions including the requirement that the stock price of Mint trade over $0.50 for a consecutive ten-day period, entitle the holder to acquire one share of Mint's shares held by the Company for each option granted. A total of $97,345 (2016: $Nil) has been recorded within stock-based compensation relating to the granting of these options. This amount has been recorded in the statement of income (loss) and comprehensive income (loss).

Stock Options of Subsidiaries
Two of the Company's subsidiaries granted stock options during the year ended December 31, 2017. A total of 8,700,000 options were issued by Mint and 1,510,000 options were issued by 2474184 Ontario Inc. Using the fair value method, the accounting cost of the above noted stock options was $821,366 (2016: $Nil). This amount has been recorded in the statement of loss and comprehensive loss.

SUMMARY OF SHARES OUTSTANDING

As at May 2, 2018, the Company's authorized share capital consists in an unlimited number of common shares of which 72,601,305 are currently outstanding. In addition, 6,250,000 stock options are outstanding. No warrants currently outstanding. Therefore, the fully diluted outstanding capital of the Company is 78,851,305.

SEGMENTED INFORMATION

Gravitas operates in three key segments. Below is a description of each segment and the entities within each segment. Certain prior period segment information has been amended to be consistent with the current period.

1. **Financial Services**: This group of businesses operate in financial products and distribution businesses and are operated independently with their own management teams that require high levels of compliance and governance as well as capital markets, advisory, regulatory and compliance needs of private and publicly listed corporations. The following entities operate within this segment: Gravitas Select Flow-Through GP Inc.; Gravitas Special Situations GP Inc.; Gravitas Financial Services Holdings Inc.; Gravitas International Corp., Gravitas Ilium Corp.; Gravitas Investment Inc.; Gravitas Investments GP Inc; 2242257 ("2242") Ontario Inc; Gravitas Capital International Inc. Gravitas Securities Inc.; Gravitas Wealth Advisors, LLC; 2434355 Ontario Inc; Gravitas Independent Portfolio Management Inc.; Portfolio Analysts Inc. and subsidiaries; Foregrowth Inc and subsidiaries; Gravitas Global GP Inc; Gravitas Global Resource LP.; Ubika Corp; Smallcappower Corp.; Gravitas Corporate Services Inc.; Branson Corporate Services Inc.; and Global Compliance Corp.
2. **Portfolio Investments:** This group of entities acquires long-term interests in companies that have high potential for value additions and where the Company provides key strategic inputs and management support either directly or through board representations. The following entities operate within this segment: Gravitas Ventures Inc.; 2474184 Ontario Inc. and subsidiary; GIC Merchant Bank Corporation; New India Investment Corp.; The Mint Corporation, and subsidiaries; Gravitas Siraj Holdco Inc, Siraj Ontario Corporation; Prime City One Capital Corp; SearchGold Guinee SARL; Gravitas Mining Corp. Claxton Capital Management and subsidiaries; Claxton Real Estate Company Ltd and subsidiaries; Bay Talent group and subsidiary; and Capital Ideas Media Inc.
3. **Corporate:** This group primarily represents the cost of the corporate overhead expenses not allocated to other segment and is comprised of Gravitas Financial Inc.

Segmented Information – Income Statement

For the year ended	December 31, 2017				December 31, 2016			
(expressed in thousands)	Financial Services $	Portfolio Investments $	Corporate $	Total $	Financial Services $	Portfolio Investments $	Corporate $	Total $
Revenues	11,083	2,154	(180)	13,057	4,373	5,213	1,497	7,178
Expenses, excluding the undernoted	2,867	7,457	7,902	18,226	1,651	5,213	3,373	10,237
Interest expense	304	5,148	2,570	8,022	112	4,344	2,752	7,208
Compensation & management fees	5,952	1,081	1,884	8,917	1,283	519	1,463	3,265
Professional fees	5,357	2,176	1,080	8,613	2,419	614	1,351	4,384
Net earnings (loss)	**(3,397)**	**(13,708)**	**(13,616)**	**(30,721)**	**(1,092)**	**(9,382)**	**(7,442)**	**(17,916)**

Segmented Information – Balance Sheet

As at	December 31, 2017				December 31, 2016			
(expressed in thousands)	Financial Services $	Portfolio Investments $	Corporate $	Total $	Financial Services $	Portfolio Investments $	Corporate $	Total $
Total assets	32,194	16,745	36,263	85,202	31,104	7,102	62,588	100,794
Total liabilities	26,205	76,977	81,276	184,458	26,287	64,884	83,983	175,154
Investment in associates [1]	3,473	-	-	3,473	3,409	6,823	-	10,232

(1) The amount noted within investment in associates is included within total assets.

Revenues within the Financial Services segment increased $5.7 million year over year primarily due to the acquisition of 2242 and its subsidiaries. 2242, holds an interest in both a Canadian IIROC broker dealer and a US FINRA regulated dealer. Expenses increased primarily due to the acquisition of 2242.

Revenues within the Portfolio Investments segment decreased by $3.1 million primarily due to product sales, management fees and advisory fees earned by 2474184 Ontario Inc. and Luxury Quotient International Inc. being reclassified into discontinued operations.

Segmented Information – Geographic Locations

The Company presently has operations in three 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 year ended
(expressed in thousands)	December 31, 2017 $	December 31, 2016 $
Revenues		
Canada	13,035	6,652
India (net of costs)	22	186
Africa	-	340
	13,057	**7,178**

As at (expressed in thousands)	December 31, 2017 $	December 31, 2016 $
Non-current assets		
Canada	32,119	27,438
Asia (United Arab Emirates)	-	4,270
India	-	722
	32,119	**32,430**

The revenues earned and assets held in Canada relate primarily to the Companies IIROC regulated entity, its wealth management platform and various other financial services and technology companies.

The revenues earned, and assets held in India related to the Company's formerly 100% owned subsidiary, Luxury Quotient International Inc, a technology platform which enables fashion brands and retail channels in India to interact with their customers and incentivize loyalty, and New India Investment Corp, which holds the company's investment in Innoviti Payments Solutions Private Limited.

Assets held in Asia (United Arab Emirates) relate to the non-consolidated but significant operations of entities within the Mint group of companies. The 2016 revenues earned in Africa relate to the net smelter return of 0.75% on an exploration project in Gabon, Africa. During 2017, no revenues were earned on the net smelter return.

CRITICAL ACCOUNTING ESTIMATES AND SIGNIFICANT ACCOUNTING POLICIES

The preparation of the Financial Statements requires the Company to make judgments in applying its accounting policies and estimates and assumptions about the future. Judgments, estimates and assumptions affect the Company's reported amounts of assets, liabilities, and items in net income or loss, and related disclosure. Estimates are based on various assumptions that the Company believes are reasonable under the circumstances. These estimates form the basis for making judgments about the carrying value of assets and liabilities and the reported amounts of items in net earnings or loss that are not readily apparent from other sources.

Significant areas of judgement include: (i) the fair value of financial assets and financial liabilities, (ii) consolidation, business combinations and control over entities, including Capital Ideas Media Inc, Bay Talent Group, Gravitas Ilium Corporation, 2242257 Ontario Inc, Foregrowth Inc., GIC Merchant Bank Corp., and Claxton, (iii) assessment of whether the Company has a significant influence over the Mint's middle east operations, (iv) the fair value of available-for-sale assets, (v) the determination as to whether impairment exists on goodwill and other intangible assets, (vi) the determination of cash generating units for the purpose of goodwill assessment, (vii) the fair value of the conversion feature component of convertible debentures held by the Company as investments, (viii) assessment and estimate of income taxes and current and future tax assets, liabilities and expenses, (ix) an estimated allowance for doubtful accounts, (x) the estimated value of share-based compensation, and (xi) an assessment of provisions for contingent liabilities, including litigation.

The Company evaluates its estimates on an ongoing basis. Actual results may differ from the Company's estimates.

BASIS OF CONSOLIDATION OF THE COMPANY'S FINANCIAL STATEMENTS

The Financial Statements include the accounts of the Company and its subsidiaries. Subsidiaries are entities 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 control exists. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. Entities are deconsolidated from the date on which control ceases. Accounting policies of subsidiaries have been changed, where necessary, to ensure consistency with the Company's policies. The purchase method of accounting is used to account for the acquisition of subsidiaries. Purchase consideration is measured as the fair value of the assets given, equity instruments issued, and liabilities assumed at the date of exchange. The transaction costs directly attributable to the acquisition are expensed.

A summary of the significant judgments and estimates made by management, including evaluation of the going concern assumption, and a summary of the significant accounting policies used in the preparation of its financial information is provided within the Company's December 31, 2017 audited financial statements.

NEW AND RECENT IFRS ACCOUNTING PRONOUNCEMENTS

The following are future accounting policy changes which have not yet been adapted by the Company.

- *IFRS 2, Share Based Payments* ("IFRS 2"). In June 2016, the IASB issued final amendments to this standard. IFRS 2 clarifies the classification and measurement of share-based payments transactions. These amendments deal with variations in the final settlement arrangements including: (a) account for cash settled share-based payment transactions that include a performance condition; (b) classification of share-based payment transactions with net settlement features; and (c) accounting for modifications of share-based payment transactions from cash settled to equity. IFRS 2 is effective for annual periods beginning on or after January 2018, with early adoption permitted. The Company has assessed this standard and will account for share-based payments on this basis as they occur. The Company does not expect any significant impact from the adoption of these amendments.

- *IFRS 9, Financial Instruments* ("IFRS 9"), was issued in November 2009 and amended in October 2010, November 2013, and July 2014, and is effective for years beginning on or after January 1, 2018, to be applied retrospectively, or on a modified retrospective basis. It is intended to replace IAS 39. The project has been divided into three phases: classification and measurement, impairment of financial assets, and hedge accounting. IFRS 9's classification and measurement methodology provides that financial assets are measured at either amortized cost or fair value on the basis of the entities business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The classification and measurement for financial liabilities remains generally unchanged. The new standard replaces the existing incurred loss model used for measuring the allowance for credit losses with an expected loss model. The standard introduces a new hedge accounting model, together with corresponding disclosures about risk management activity for those applying hedge accounting. On transition to IFRS 9, the Company's investments in convertible debentures held and investments in equity of publicly listed and private companies will be classified as fair value through profit and loss. As a result, the Company expects a fair value adjustment, which the Company is in the process of evaluating. In addition, the Company expects an increase to the allowance for credit losses as a result of the transition to the expected loss model, investments in loans receivable are expected to be significantly affected due to the adoption of the expected credit loss model. The Company is in the process of finalizing and refining the model. The impact of the above-noted two changes may be material and will be recognized through opening deficit. The Company does not expect any significant impact from changes in hedge accounting.
- *IFRS 15, Revenue from Contracts with Customers* ("IFRS 15"). In May 2014, the IASB issued IFRS 15, which replaces IAS 11 (Construction Contracts), IAS 18 (Revenue) and IFRIC 13 (Customer Loyalty Programmes), as well as various other interpretations regarding revenue. IFRS 15 outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers; except for contracts that are within the scope of the standards on leases, insurance contracts, and financial instruments. IFRS 15 also contains enhanced disclosure requirements. The Company will adopt IFRS 15 for the 2018 annual fiscal period and expects to do so on a modified retrospective basis without restatement of prior period results. Based on the Company's internal analysis of the new IFRS 15 requirements, of its five-step model, it is anticipated that the implementation of this standard will not have a significant impact on the Company's Financial Statements.
- *IFRS 16, Leases* ("IFRS 16"). IFRS 16 eliminates the distinction between operating and finance leases from the perspective of the lessee. Any contract that is defined as a lease, other than two very narrow exceptions, will be classified as a finance lease and recorded in the Statement of Financial Position. This pronouncement is effective for annual periods commencing on or after January 1, 2019. The Company is in the process of assessing the potential impact of this standard.

RISKS RELATED TO FINANCIAL INSTRUMENTS

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 is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk is primarily related to trade and other receivables, debentures, loans and convertible debentures held. The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets at the reporting date, as summarized below:

	December 31, 2017	December 31, 2016
	$	$
Cash and cash equivalents	**9,865,153**	27,681,208
Trade and other receivables	**4,383,212**	4,449,294
Loans receivable (current and non-current)	**3,359,990**	3,925,391
Convertible debentures held (current and non-current)	**2,097,843**	3,492,898

Guaranteed investment certificates	**2,227,229**	8,679,939
	21,933,427	48,228,730

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. As at December 31, 2017, trade and other receivables which are considered over due were in the amount of $908,315.

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 $54,830,930 which will be used to cover all operating and investing activities. The expected timing of consolidated cash flows relating to financial liabilities as at December 31, 2017, are as follows:

	Less than 1 year	1-5 years	6-10 years	Total
	$	$	$	$
Trade and other payables	12,683,958	-	-	12,683,958
Debentures, at face value (a)	58,470,654	30,023,000	54,022,000	142,515,654
	71,154,612	**30,023,000**	**54,022,000**	**155,199,612**

(a) On March 1, 2018, Mint renegotiated its outstanding debentures totaling $58,470,655. As a result of this renegotiation, the debt has been reduced to $20,000,000, the interest revised to 10% per annum and the maturity date extended to December 31, 2021.

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 due to changes in foreign exchange rates relative to the Company's functional currency, the Canadian dollar. The Company does not hedge its foreign exchange risk. A 10% change in either direction of the United States dollar exchange rate would have changed the net loss by $829,904 (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 1% higher throughout the year ended December 31, 2017, the net loss would have increased by $1,478,958 (December 31, 2016: $1,478,958).

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 and private companies represents the maximum exposure to price risk. As at December 31, 2017, a 10% change in the closing price of common shares held by the Company on the stock market would have changed the total comprehensive loss by $1,020,264 (December 31, 2016: $685,959).

COMMITMENTS AND CONTINGENCIES

Lease Obligations
The Company has entered into agreement for the lease of premises. Future minimum lease payments aggregate to $1,905,476 and include the following future payments for the next year:

	December 31, 2017 $
Less than 1 year	654,370
1 to 5 years	1,251,106

Provisions
During 2017, a partially-owned subsidiary of the Company was named as one of several defendants in legal actions relating to the sale of a specific investment product. The combined claims made by two of the plaintiffs totaled approximately $1,500,000. The subsidiaries management have evaluated these two claims and believes that the claims are without merit and intends to vigorously defend itself. A third claim approximates $200,000. The application of the claim has been evaluated by the subsidiaries' management and a provision has been made for a portion of it.

In addition, the subsidiary received an application of claim relating to the cancellation of certain share options which were originally granted for the purchase of its intangible assets. As at December 31, 2017, a provision totalling $200,000 was recorded in the subsidiaries books. Subsequent to year end, this claim was settled for $215,000.

SUBSEQUENT EVENTS

Mint Renegotiation and Reduction of Debt
On March 1, 2018, Mint had executed a definitive debt restructuring agreement with the holder of substantially all of the Series A debentures and all of its Series C debentures. Mint's Series A and Series C debentures are to be replaced by $20 million of debt, bearing an interest rate of 10% per annum and a maturity date of 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 a total of 16,000,000 common shares of Mint. Each warrant will be exercisable after two years and on or before the maturity date of the newly negotiated debt for one common share of Mint at an exercise price of $0.10. The subscription receipts will become convertible in installments of 2,000,000 common shares of Mint, at the end of each quarter for the next eight quarters following the issuance of the new debt, subject to certain adjustments relating to any prepayment made prior to that conversion date.

Mint Equity Financing
During January 2018, the Company completed the sale of units at $0.20 each for proceeds of $3,000,000. Each unit consists of one common share in the Company and one warrant. Each warrant is exercisable for one common share during the 12 months following the first closing of the offering for an exercise price of $0.30. The Company paid finder commission compensation of $132,300 and 661,500 finder warrants. A second sale was completed for the sale of 3,409,090 units for $0.22 each to raise $750,000. In connection with this closing, the Company paid finder compensation consisting of $28,700 and issued 130,454 finder warrants. A subsidiary of the Company subscribed for a total of 227,273 shares in this financing. As a result of this financing, the Company's interest in Mint was reduced from 68.23% to 60.63%.

Sale of a portion of GIC Merchant Bank Corp.
On February 2, 2018, the Company redeemed its entire $750,000 investment in preferred shares in GIC Merchant Bank Corp.("GICMB") for $750,000. In addition, the Company sold $100,000 of its $750,000 common position to treasury for $100,000. Upon completion of the sale, the Company owns a 39.4% stake in GICMB. In addition, the company relinquished one of its two board seats and was replaced by an independent third party. As the Company now controls one of three board seats, it no longer controls GICMB. This Company will be de-consolidated on February 2, 2018.

Capital Raise in Gravitas Mining Corp.
During February 2018, GMC raised a total of $575,000 through this issuance of 175,000 common shares at $1.00 per share for a total of $175,000 and 40,000 preferred shares at $10 per share for a total of $400,000. As a result of the issuance of the common shares, the Company's ownership percentage in GMC decreased from 70.70% to 69.01%.

Sale of all assets of Revenue.com
On February 28, 2018, the Company sold its assets of Revenue.com to a subsidiary of Aeon Ventures Inc ("Aeon"), a United States listed public company on the OTC. The consideration is as follows: (i) cash proceeds of $55,075 (US$43,000), (ii) 500,000 common shares of Aeon, and (iii) a possible earnout of up to $1,280,815 (US$1,000,000). For the year ended December 31, 2017, the balances of Revenue.com have been presented as discontinued operations.

Issuance of stock options
On February 28, 2018, the Company issued a total of 6,250,000 stock options to directors and officers. Each option expires on February 28, 2021 and has an exercise price of $0.10, subject to certain vesting provisions over two years.

Off-Balance Sheet Arrangements
The Company has no off-balance sheet arrangements.

Disclosure Controls and Procedures
Disclosure controls and procedures are designed to provide reasonable, but not absolute, assurance that all material information is obtained, analyzed and reported to senior management on a timely basis in order for management to make reasonable decisions regarding public disclosure.

The Company's certifying officers, the Chief Executive Officer and the Chief Financial Officer, have reviewed the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based on their review, they have concluded that the Company's disclosure controls and procedures, as defined in National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings of the Canadian Securities Regulators, were effective and provide reasonable assurance that information required to be disclosed in interim, annual and special filings are submitted under Canadian securities laws and are recorded, processed, summarized and reported in a timely fashion.

Managing Risk
Except as otherwise disclosed in this MD&A and in the Company's Financial Statements for the year December 31, 2017, there have been no significant changes to the nature and scope of the risks faced by the Company. 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.

Dated: Toronto, Ontario, Canada, May 4, 2018