GRAVITAS FINANCIAL INC.

Management's Discussion and Analysis

As at March 31, 2018 and
for the three-month periods ended March 31, 2018 and 2017

GENERAL

The following discussion of performance, financial condition and prospects should be read in conjunction with the unaudited condensed interim consolidated financial statements (the "Financial Statements") of Gravitas Financial Inc. (the "Company" or "Gravitas") as of March 31, 2018 and for the three-month periods ended March 31, 2018 and 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 29, 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, including the audited consolidated financial statements for the year ended December 31, 2017.

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 is an investment holding and merchant banking firm with a focus on financial technology and mining verticals. It has an active presence in North America, as well as in the fast-growing international regions including China, India and the Middle East. Gravitas seeks to make strategic investments in high quality and well-managed financial technology and mining companies and aims to generate significant shareholders' value through the growth in its investments.

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 seventh in 2018. In 2016, Gravitas launched its Gravitas Special Situations Fund LP and in 2018 launched Gravitas Special Situations Fund (Trust). Both investment products invest 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 other 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 it and its affiliates are well suited to take advantage of opportunities with Chinese-Canadians and with companies doing business in China and Canada. GIC can 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 March 31, 2018, the total liabilities of the Company were $191.1 million compared to $184.5 million at December 31, 2017, an increase of $6.6 million. Amounts due to investment bankers of Gravitas Securities Inc., a controlled subsidiary of the Company increased by $2.1 million during the three-month period ended March 31, 2018. Investment bankers are entitled to a certain percentage of warrants and shares received. Investment banking and wealth management revenue increased by $5.5 million during the year. The remaining increase of $4.5 million is primarily attributed to increases in trade payables and accrued liabilities.

As at March 31, 2018, the total equity deficiency of the Company was $101.2 million compared to $99.3 million at December 31, 2017, an increase of $1.9 million.

INCOME STATEMENT ANALYSIS FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2018 AND 2017

Net loss from continuing operations for the three-month period ended March 31, 2018, was $7.0 million ($0.10 per share) as compared to $6.0 million ($0.08 per share) for the same period in 2017, an increase of $1.0 million.

For the three-month period ended March 31,	2018	2017	Variation
	$	$	$
Revenues			
Investment banking and wealth management	**7,093,318**	1,561,857	5,531,461
Recruitment services	**1,404,217**	-	1,404,217
Listing and research fees	**670,730**	286,997	383,733
Consulting and management fees	**235,698**	275,102	(39,404)
Interest earned	**128,794**	497,877	(369,083)
Product sales, royalties and other	**342,166**	200,393	141,773
Total Revenues	**9,874,923**	2,822,226	7,052,697
Expenses (discussed below)	**16,879,682**	8,866,906	8,012,776
Net loss from continuing operations	**(7,004,759)**	(6,044,680)	(960,079)

For three-month period ended March 31, 2018, revenues totalled $9.9 million compared to $2.8 million for the same period in 2017, an increase of $7.1 million. Investment banking and wealth management revenue earned by 2242 and its regulated subsidiaries increased by $5.5 million. Gravitas Securities Inc.'s investment banking fee income and shares received from client mandates during the three-month period ending March 31, 2018 was the cause for this increase. A further increase of $1.4 million is attributed to the Company's new subsidiary, Bay Talent Group, which earns recruitment fees for placing primarily accounting expertise into clients both on a permanent and contract basis.

For the three-month period ended March 31,	2018	2017	Variation
	$	$	$
Expenses			
Professional fees and transaction costs	**3,641,606**	2,204,050	1,437,556
Recruitment services expense	**1,051,699**	-	1,051,699
Compensation and management fees	**4,179,413**	2,576,049	1,603,364
General and administrative	**2,354,883**	1,916,184	438,699
Interest expense	**1,582,910**	1,844,433	(261,523)
Impairment	**959,980**	150,000	809,980
Stock-based compensation	**1,462,360**	-	1,462,360
Share of results of associates	**(274,401)**	547,845	(822,246)
Change in fair value of convertible debentures – conversion feature	**-**	122,599	(122,599)
Amortization	**73,045**	116,867	(43,822)
Foreign exchange (gain)	**(99,743)**	93,897	(193,640)
Share of joint venture profit, net of tax	**(60,614)**	(2,676)	(57,938)
Change in fair value through profit and loss ("FVTPL") - investments	**2,233,508**	(303,448)	2,536,956
Gain on disposal of available-for-sale investments	**(224,964)**	(398,894)	173,930
Total Expenses	**16,879,682**	8,866,906	8,012,776

For three-month period ended March 31, 2018 expenses totalled $16.9 million compared to $8.9 million for the same period of 2017, an increase of approximately $8.0 million. Significant reasons for the increase are as follows:

- Decrease in the fair market value of investments held (as noted above within the change in fair value through profit and loss – investments) by $2.5 million.
- Professional fees increased by $1.4 million and compensation and management fees increased by $1.6 million for a total increase of $3.0 million. $2.8 million of the increase relates to Gravitas Securities Inc. and is consistent with its significant first quarter revenue growth.
- Stock-based compensation increased by $1.5 million due to Mint issuing stock options to its senior directors and officers valued at $0.9 million the Company issuing stock options to its senior directors and officers valued at $0.4 million and the Company issuing options to acquire Mint shares valued during the current quarter at $0.2 million.
- Recruitment service costs increased by $1.1 million. This line item relates to Bay Talent Group recruitment services.
- Impairment increased by $0.8 million. The Company fully impaired $0.7 million which was transferred from Mint to Mint UAE during the quarter.
- These amounts were partially offset by an increase in the Company's share of results of its associates by $0.8 million (increase of $0.3 million compared to a decrease of $0.5 million in the prior period).

SELECTED QUARTERLY RESULTS AND TRENDS (EXPRESSED IN THOUSANDS)

	2018	2017				2016		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
	$	$	$	$	$	$	$	$
Revenue	9,875	4,023	2,795	3,418	2,822	3,898	1,242	1,018
Net loss	(7,005)	(18,155)	(1,217)	(5,552)	(6,045)	(5,351)	(3,020)	(2,788)
Basic & diluted net loss per share	(0.10)	(0.28)	(0.02)	(0.07)	(0.08)	(0.08)	(0.05)	(0.04)

LIQUIDITY, CAPITAL RESOURCES, FINANCIAL POSITION, SOURCES OF FINANCING & GOING CONCERN

The Company's 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. The Company has incurred several years of losses. This condition represents a material uncertainty that may cast significant doubts on the Company's ability to continue as a going concern. A significant portion of the Company's historical losses relate to one of the Company's subsidiaries, the Mint Corporation ("Mint"). However, during the three-month period ended March 31, 2018, Mint renegotiated its $58,562,040 short-term debentures. The agreement relating to this renegotiation is expected to be signed by the end of June 2018. This debt has been reduced to $20,000,000 and the term extended to December 31, 2021. For the three-month period ended March 31, 2018, Mint raised a $3,750,000. In addition, for the three-month period ended March 31, 2018 a partially owned subsidiary of the Company, Gravitas Mining Corp. has raised a total of $575,000 in both preferred share and common share offerings. It is expected that additional subsidiaries and potentially the Company itself will raise 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 the three-month period ended March 31, 2018 or the year ended December 31, 2017. 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.

SUMMARY OF SHARES OUTSTANDING

As at May 30, 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.

SELECTED BALANCE SHEET INFORMATION

	March 31, 2018	December 31, 2017	Variation
	$	$	$
Assets of continuing operations			
Receivables from brokers and clients (with a partially offsetting related liability of $26,819,629 (December 31, 2017: $26,269,044))	28,534,456	27,708,188	826,268
Investments in associates (current and non-current)	8,675,952	8,959,733	(283,781)
Equity investments and other	19,002,346	22,122,655	(3,120,309)
Trade and other receivables	9,513,589	4,383,212	5,130,377
Loan receivable (current and non-current)	3,147,457	3,359,990	(212,533)
Convertible debentures held (current and non-current)	2,546,370	2,097,843	448,527
Guaranteed investment certificates	3,226,585	2,227,229	999,356

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 March 31, 2018, GSI held client money in segregated accounts totalling $28,534,456 (December 31, 2017: $27,708,188). All amounts receivable from clients and brokers on the Company's books in the amount of $26,819,629 (December 31, 2017: $26,269,044). 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.

Equity investments and other investments

	March 31, 2018	December 31, 2017
	$	$
Fair value through profit and loss ("FVTPL") (IFRS 9), Available for sale ("AFS") (IAS 39)		
Investments in public companies:		
Common shares, net of impairment	**6,038,603**	8,822,950
Investment in private companies:		
Common shares, net of impairment	**1,677,874**	1,551,873
Preferred shares	**1,851,188**	1,806,792
Fair Value through profit and loss ("FVTPL")		
Investments in public companies: Common shares	**2,010,337**	1,379,691
Options	**436,815**	425,226
Warrants	**4,692,287**	5,473,801
Other investments		
Investments in funds and related joint venture	**2,295,241**	2,662,321
Mining properties	**1**	1
	19,002,346	22,122,655

*Balances for the three-month period ended March 31, 2018 have been prepared in accordance with IFRS 9; prior period amounts have not been restated. Under IFRS 9, all investments in public and private companies both preferred and equity are classified as FVTPL.

As of March 31, 2018, equity and other investments totalled $19.0 million and $22.1 million on December 31, 2017. This represents a decrease of $3.1 million during the period. The following are the primary reasons for the fluctuation during the three-month period ended March 31, 2018: (i) Investments in common shares of public companies held as AFS during 2017 under IAS 39, and FVTPL, under IFRS 9 during 2018 decreased by a total of $2.2 million. This approximates the loss on investments held FVTPL of $2.2 million recorded within the statement of loss; (ii) The value of warrants decreased by $0.8 million during the period. Certain in-the-money warrants were redeemed lowering their value; and (iii) Gravitas Mining Corporation's investment in Gravitas Special Situations LP (an investment fund) decreased by $0.4 million during the three-month period ended March 31, 2018.

Preferred shares

Through its wholly-owned subsidiary, New India Investment Corporation, the Company invested a total of $1,806,792 (US$1,456,000) 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 2017, Innoviti raised additional funds from third parties, diluting the Company's interest to approximately 4%. As at March 31, 2018, the Company valued this investment at $1,851,188 (December 31, 2017: $1,806,792) based on the per share value of recent private placements into Innoviti.

Investment in joint venture

A subsidiary of the Company, Foregrowth Inc., has 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 three-month period ended March 31, 2018, the Company's share of loss was $60,414 ($3,727 profit for the year ended December 31, 2017).

Investment Fund

A partially-owned subsidiary of the Company, Gravitas Mining Corporation, owns 90,550 Class O 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. As of March 31, 2018, the value of this investment was $1,582,879 (December 31, 2017: $2,010,573). 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

	March 31, 2018	December 31, 2017*
	$	$
Trade receivables	**3,239,415**	1,503,424
Less: Allowance for doubtful accounts	**(258,416)**	(28,021)
Interest receivable	**659,998**	1,071,462
Harmonized sales tax receivables	**152,627**	255,387
Advances to related companies (a)	**848,104**	802,692
Advances to related companies, at 8% per annum, due on demand	**300,000**	300,000
Other (b)	**4,571,861**	478,268
	9,513,589	4,383,212

*Balances for the three-month period ended March 31, 2018 have been prepared in accordance with IFRS 9; prior period amounts have not been restated.

(a) The Company has advanced $848,104 (December 31, 2017: $802,692) to the Limited Partnerships managed by two of the Company's subsidiaries. Advances are non-interest bearing and due on demand.

(b) Includes: $4,128,716 (December 2017: $Nil) of shares and warrants due as compensation for investment banking services provided by a subsidiary of the Company to third party clients.

Loan receivables

	March 31, 2018	December 31, 2017*
	$	$
Secured Loans	**2,904,683**	2,959,759
Unsecured Loans	**305,000**	309,924
Employee forgivable loan	**585,730**	613,231
Settlements	**-**	(63,000)
Less: Impairment	**(648,956)**	(459,924)
Balance, end of the year	**3,146,457**	3,359,990
Less: current portion	**(1,072,996)**	(1,736,298)
Non-current portion	**2,073,461**	1,623,692

*Balances for the three-month period ended March 31, 2018 have been prepared in accordance with IFRS 9; prior period amounts have not been restated.

Secured 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

Certain employees of 2242257 Ontario Inc, a partially owned subsidiary of the Company, have interest-free 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. The Company amortizes the loan on a straight-line basis over seven years. As of March 31, 2018, loans totaled, $585,730 (December 31, 2017: $613,231).

Convertible debentures held

	March 31, 2018	December 31, 2017*
	$	$
Secured	**4,178,203**	3,277,353
Unsecured	**714,817**	190,409
Subtotal	**4,893,020**	3,467,762
Conversion feature	**-**	485,718
Subtotal	**4,893,020**	3,953,480
Less: Amount reclassified due to acquisition	**(365,563)**	-
Add: Amount received from previous impairment	**-**	200,000
Less: accumulated impairment	**(1,981,087)**	(2,055,637)
Balance, end of the year	**2,546,370**	2,097,843
Less: current portion	**(2,103,970)**	(1,385,579)
Non-current portion	**442,400**	712,264

*Balances for the three-month period ended March 31, 2018 have been prepared in accordance with IFRS 9; prior period amounts have not been restated. Under IFRS 9, the entire convertible debentures held are reclassified as FVTPL. Under IAS 39, the non-convertible portion was classified as loans and receivables, while the convertible feature was classified as FVTPL.

Investments in associates

	March 31, 2018	December 31, 2017
	$	$
Balance, beginning of the year	**3,473,408**	10,231,641
Advances to Mint UAE (a)	**1,043,515**	4,226,716
Advances to Hafed Holdings Inc., net of repayment amounts (b)	**4,576,071**	5,486,325
Loans to associates	**-**	3,750
Less: Dividends received	**-**	(280,000)
Less: Share of results in associates	**274,401**	(2,281,521)
Less: Impairment in Mint UAE	**(691,443)**	(8,427,178)
Balance, end of period	**8,675,952**	8,959,733
Less: current portion	**(4,576,071)**	(5,486,325)
Non-current portion	**4,099,881**	3,473,408

(a) During the three-month period ended March 31, 2018, the Company and Mint advanced an $1,043,515 (December 31. 2017: $4,226,716) to MGEPS. 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.

(b) In March 2017, the Company announced that through Hafed Holdings LLC, and arms length party, 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 the transaction was not satisfied, the Company is to receive the amounts that were previously advanced over thirteen monthly payments, with the last payment due during November 2018. As of March 31, 2018, a total of $4,576,071 (December 31, 2017: $5,486,325) was due to be received.

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. Therefore, 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.

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, 2017: $495,750) to Prime, 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:

As at	March 31, 2018			December 31, 2017		
Expressed in thousands	Prime	Mint UAE $	PAI $	Prime	Mint UAE $	PAI $
Financial position						
Current assets	16	1,264	4,994	4	2,199	4,918
Non-current assets	-	8,876	8,503	-	10,038	7,307
Current liabilities	660	6,212	2,363	622	7,453	2,573
Non-current liabilities	-	457	7,081	4	438	5,811
For the three-month period ended	**March 31, 2018**			**March 31, 2017**		
Statement of earnings (loss)						
Revenue	-	1,362	7,839	-	2,388	7,628
Expenses	25	2,048	6,017	23	5,669	7,318
Operating income (loss)	(25)	(686)	1,822	(23)	(3,281)	446
Net earnings (loss)	(25)	(686)	1,822	(23)	(3,281)	328
Cash flows						
Dividends paid	-	-	-	-	-	100

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

All amounts in expressed in thousands	March 31, 2018 $	March 31, 2017 $
Mint UAE	424	607
PAI	(698)	(59)
Prime	-	-
Total share of (income) loss in associates	(274)	548

Guaranteed investment certificates (current and non-current)

As at March 31, 2018, $3,226,585 (2017: $2,227,229) was invested in guaranteed investment certificates.

BUSINESS ACQUISITIONS & DISPOSALS

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.

2017 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 ("BTG"), 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. 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	**149,713**
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.

2017 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. 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 paid	500,000
Non-controlling interest	17,235
Total consideration paid	**517,235**
Total goodwill (a)	**482,747**

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

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 following table shows the gain on disposition:

	$
Fair Value of Identifiable Net Assets	
Current assets	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

As of March 31, 2018, assets held for sale totalled $15,708 (December 31, 2017: $90,264), liabilities held for sale totalled $334,855 (December 31, 2017: $542,859) and for the three-month period ended March 31, 2018, net loss from discontinued operations totalled $286,590. 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.

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, 2017	**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	708,604
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)
	97,838	110,660	249,897	(3,330,412)	128,621	(2,743,396)
Balance, December 31, 2017	**30,023,000**	**53,347,426**	**48,535,156**	**-**	**9,935,500**	**141,841,082**
Accretion of interest	-	22,323	58,294	-	33,090	113,707
Balance, March 31, 2018	**30,023,000**	**53,369,749**	**48,593,450**	**-**	**9,968,590**	**141,954,789**
Less: Current portion (f)	--	-	(48,593,450)	-	(9,968,590)	(58,562,040)
Non-current portion	**30,023,000**	**53,369,749**	**-**	**-**	**-**	**83,392,749**

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 $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 a result, the Company 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. The Company 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 issued 1,787,832 common shares and paid $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 $Nil (December 31, 2017: $1,035,600), 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 agreed to restructure its debt with the holder of substantially all the Series A debentures and all 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. The final definitive restructuring agreement is expected to be signed before the end of June 2018.

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 three-month period ended March 31, 2018. 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 three-month period ended March 31, 2018, the Company:

- incurred $1,336,249 (March 31, 2017: $1,087,666) 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. $Nil (March 31, 2017: $Nil) was outstanding at March 31, 2018.
- incurred legal fees of $10,265 (March 31, 2017: $25,596) from a legal firm in which the former Chief Executive Officer ("CEO") and current director is a partner.

As of March 31, 2018, amounts due from and due to related parties are as follows:

- $424,999 (December 31, 2017: $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.

- $4,957,635 (December 31, 2017: $4,957,635) is due from to 2242. This loan bears interest at 6% and matures on October 31, 2018 and has been eliminated on consolidation.
- $Nil (December 31, 2017: $132,408) is due from companies in which there are common directors.

STOCK-BASED COMPENSATION

The following stock-based compensation transactions occurred during the three-month period ended March 31, 2018:

- On February 28, 2018, the Company issued a total of 6,250,000 stock options to directors and officers under its stock option plan. Each option expires on February 28, 2021 and has an exercise price of $0.10, subject to certain vesting provisions over two years. The Company valued these options at $366,875 using the Black-Scholes option valuation model. Due to the vesting provisions, this amount will be expensed to stock-based compensation over a two-year period. During the three-months ended March 31, 2018, a total of $199,948 has been expensed.
- On December 22, 2017, Foregrowth Inc., a 96% owned subsidiary of GIC, 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 its issued and outstanding shares. In addition, a grant of a put right was issued. This put right allows the officers the right to force Foregrowth Inc. 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 $Nil (December 31, 2017: $496,720) as cash and equity settled with corresponding credits to liability of $Nil (December 31, 2017: $324,725) and contributed surplus of $Nil (December 31, 2017: $171,995). Fair value change in the liability component for the three-month period ended March 31, 2018 was $Nil (December 31, 2017: $Nil).
- During November 2017, 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 $256,715 (December 31, 2017: $97,345) has been expensed. No options were issued during the three-month period ended March 31, 2018.
- A total of 3,500,000 (year ended December 31, 2017: 8,700,000) options were issued by Mint and Nil (year ended December 31, 2017: 1,510,000) options were issued by 2474184 Ontario Inc during the three-month period ended March 31, 2018. Using the fair value method, the recorded expense of the noted stock options was $1,005,697 (December 31, 2017: $821,366).

CRITICAL ACCOUNTING ESTIMATES AND SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied by the Company are the same as those applied as at and for the year ended December 31, 2017 as described in Note 3 of the Company's audited consolidated financial statements, except for changes to the accounting for financial instruments resulting from the adoption of International Financial Reporting Standards 9, Financial Instruments ("IFRS 9") and the adoption of International Financial Reporting Standards 15, Revenue from Contracts with Customers ("IFRS 15").

Use of Estimates, Judgements and Assumptions

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 apparent from other sources. 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.

NEW AND FUTURE IFRS ACCOUNTING PRONOUNCEMENTS

Standards, Amendments, and Interpretations Issued and Adopted

The following are the standards, amendments and interpretations issued and adopted by the Company.

- *IFRS 9, Financial Instruments* ("IFRS 9"). Effective January 1, 2018, the Company adopted IFRS 9 Financial Instruments ("IFRS 9") issued by the International Accounting Standards Board ("IASB"), which replaced IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). Please refer to Note 3 to the Financial Statements for a summary of the Company's accounting policies as it relates to IFRS 9 and the transitional impact of IFRS 9 on January 1, 2018. The Company restated the opening retained earnings balance on January 1, 2018 to reflect the impact of the new requirements but did not restate the comparative periods, as permitted by the standard. Therefore, the provision and allowance for credit losses and related ratios for the first quarter of 2018 as compared to the prior periods are not directly comparable, as the prior period amounts are not restated. The adoption of IFRS 9 resulted in an increase in the accumulated deficit due to increase in the allowance for credit loss based on an expected loss model basis as against an incurred loss model under IAS 39. Further, the adoption of IFRS 9 resulted in reclassification of the convertible debentures with no impact on accumulated deficit.
- *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 adopted IFRS 15 on January 1, 2018 on a modified retrospective basis without restatement of prior period results. There was no significant impact on the Company's Financial Statements on the adoption of IFRS 15.

Standards, amendments, and interpretations Issued but not yet adopted

- *IFRS 16, Leases.* 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

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, net of any provisions taken, to credit risk is limited to the carrying amount of financial assets at the reporting date, as summarized below:

	March 31, 2018	December 31, 2017*
	$	$
Cash and cash equivalents	**10,964,233**	9,865,153
Trade and other receivables	**9,513,589**	4,383,212
Loans receivable (current and non-current)	**3,146,457**	3,359,990
Convertible debentures held (current and non-current)	**2,546,370**	2,097,843
Guaranteed investment certificates	**3,226,585**	2,227,229
	29,397,234	21,933,427

(*) Balances for the three-month period ended March 31, 2018 have been prepared in accordance with IFRS 9; prior period amounts have not been restated.

Loss allowance

The Company applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade and other receivables and receivables from brokers and clients, while ECL calculation based on stage assessment has been performed for loan receivables. The loss allowance at January 1, 2018 and March 31, 2018 determined under IFRS 9 was as follows.

As of January 1, 2018	Current or less than 30 days past due	31-90 days past due	Greater than 90 days past due	Total
	$	$	$	$
Loan receivables				
Projected loss rate	1.4%	0.0%	5.1%	
Gross carrying amount	1,388,231	-	1,971,759	3,359,990
Loss allowance	19,375	-	101,440	120,815
Trade and other receivables				
Projected loss rate	1.1%	2.2%	2.6%	
Gross carrying amount	1,345,062	441,060	2,597,090	4,383,212
Loss allowance	14,149	9,703	67,816	91,668

As of March 31, 2018	Current or less than 30 days past due	31-90 days past due	Greater than 90 days past due	Total
	$	$	$	$
Loan receivables				
Projected loss rate	1.5%	0.0%	7.8%	
Gross carrying amount	638,231	-	2,508,226	3,145,457
Loss allowance	9,570	-	194,861	204,431
Trade and other receivables				
Projected loss rate	1.1%	2.5%	3.6%	
Gross carrying amount	4,687,186	692,547	4,133,856	9,513,589
Loss allowance	49,302	17,314	148,470	215,086

Stage continuity for the allowance for credit losses

	Stage 1	Stage 2	Stage 3	Total
Loans receivable				
Balance at January 1, 2018	**1,388,231**	**-**	**1,971,759**	**3,359,990**
Transfer from / (to) Stage 1	-	-	-	-
Transfer from / (to) Stage 2	-	-	-	-
Transfer from / (to) Stage 3	(750,000)	-	750,000	-
Loan origination	-	-	-	-
Changes in model inputs, derecognition and repayments	-	-	-	-
Total	**638,231**	**-**	**2,721,759**	**3,359,990**
Charge-offs, net of recoveries	-	-	-	-
Balance March 31, 2018	**638,231**	**-**	**2,721,759**	**3,359,990**

Allowance for credit losses

	Three-month period ended March 31, 2018	Year ended December 31, 2017
Allowance for credit losses, beginning of period	1,973,398	1,617,529
IFRS 9 opening adjustment	230,395	-
Provision for (recovery of) credit losses	189,032	355,869
Charge-offs, net of recoveries	-	-
Allowance for credit losses, end of period	2,392,825	1,973,398

Trade and other receivables, and receivables from brokers and clients are written off when there is no reasonable expectation of recovery. During the period the Company made no write-offs of trade and other receivables, and receivables from brokers and clients, it does not expect to receive future cash flow from and no recoveries from collection of cash flows previously written off.

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 March 31, 2018, are as follows:

	Less than 1 year	1-5 years	6-10 years	Total
	$	$	$	$
Trade and other payables	17,750,661	-	-	17,750,661
Debentures (a)	58,562,040	30,023,000	53,369,749	141,954,789
	76,312,701	**30,023,000**	**53,369,749**	**159,705,450**

(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. The definitive restructuring agreement is expected to be signed by June 30, 2018.

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: interest rate risk, currency risk and other price risk.

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") in addition, the Company's equity investments are subject to interest rate risk. Had the interest rate been 1% higher throughout the three-month period ended March 31, 2018, the net loss would have increased by $1,669,481 (December 31, 2017: $1,478,958).

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 $575,158 (December 31, 2017: $829,904).

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 March 31, 2018, 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 $809,893 (December 31, 2017: $1,020,264).

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 entities operate in financial product and distribution businesses and 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, and subsidiaries; Gravitas Ilium Corp. and subsidiaries; Gravitas Global GP Inc; Gravitas Corporate Services Inc. and subsidiaries; 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. and subsidiaries; GIC Merchant Bank Corporation; The Mint Corporation, and subsidiary; Gravitas Siraj Holdco Inc, Siraj Ontario Corporation; Prime City One Capital Corp; SearchGold Guinee SARL; Gravitas Mining Corp. and subsidiaries; Claxton Capital Management and subsidiaries; Claxton Real Estate Company Ltd and subsidiaries; and Bay Talent group and subsidiary.
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 three months ended				March 31, 2018				March 31, 2017
	Financial Services	Portfolio Investments	Corporate	Total	Financial Services	Portfolio Investments	Corporate	Total
(expressed in thousands)	$	$	$	$	$	$	$	$
Revenues	8,116	1,729	30	9,875	2,293	352	177	2,822
Expenses, excluding the undernoted	(278)	5,765	938	6,425	1,066	647	530	2,243
Interest expense	139	884	560	1,583	147	1,147	550	1,844
Compensation & management fees	3,404	323	452	4,179	1,699	320	557	2,576
Professional fees	3,658	894	141	4,693	1,166	513	525	2,204
Net earnings (loss)	**1,193**	**(6,137)**	**(2,061)**	**(7,005)**	**(1,785)**	**(2,275)**	**(1,985)**	**(6,045)**

Segmented Information – Statement of Financial Position

As at				March 31, 2018				December 31, 2017
	Financial Services	Portfolio Investments	Corporate	Total	Financial Services	Portfolio Investments	Corporate	Total
(expressed in thousands)	$	$	$	$	$	$	$	$
Total assets	31,339	23,535	35,075	89,949	32,194	16,745	36,263	85,202
Total liabilities	30,260	79,290	81,596	191,146	26,205	76,977	81,276	184,458
Investment in associates [1]	4,100	-	-	4,100	3,473	-	-	3,473

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

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.

		For the three-months ended
	March 31, 2018	March 31, 2017
(expressed in thousands)	$	$
Revenues		
Canada	9,875	2,598
Africa	-	84
India (net of costs)	-	140
	9,875	**2,822**

		As at
	March 31, 2018	December 31, 2017
(expressed in thousands)	$	$
Non-current assets		
Canada	29,748	32,119
	29,748	**32,119**

COMMITMENTS AND CONTINGENCIES

Lease Obligations

The Company has entered into agreement for the lease of premises. Future minimum lease payments total $2,477,274. Of this amount $814,895 is due in last than one year with the remaining $1,662,379 due between one and five years.

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 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 a statement of claim for damages of $650,000 relating to the termination of the sponsorship of the registration for a past Investment Advisor who acted as an Agent for the subsidiary. The subsidiary's management have evaluated the claim and believe that the claim is without merit and intends to defend itself.

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.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

MANAGING RISK

Except as otherwise disclosed in this MD&A and in the Company's Financial Statements, 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 30, 2018