GRAVITAS FINANCIAL INC.

Management's Discussion and Analysis

As at June 30, 2018
and for the three and six-month periods ended June 30, 2018 and 2017
(expressed in Canadian dollars)

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 June 30, 2018 and for the three-month and six-month periods ended June 30, 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 August 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 services, 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 services 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, along with Gravitas Ilium Corporation ("GIC"), in Gravitas Securities Inc. ("GSI"), an IIROC investment dealer and wealth manager with offices in Toronto and Vancouver, Gravitas Capital International Inc, a United States Broker-Dealer and Portfolio Strategies Corp. with offices in Calgary, a mutual fund dealer. These platforms have approximately $3.8 billion in assets under administration, among their 315 advisors. Gravitas Securities recently entered into a strategic partnership agreement with a large China based investment banking firm. Gravitas Capital International is a U.S. broker-dealer specializing in public and private equity and debt offerings, and M&A advisory. Gravitas Capital is a FINRA member and a member of the SIPC. 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.

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.

Along with GIC, Gravitas created ("Foregrowth"), which focuses on designing institutional quality investment products distributed through registered dealers to high-networth retail investors. Foregrowth presently has over $30 million in assets under management. In addition, 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 based 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 Mining Corporation

Gravitas Mining Corporation ("GMC") is a mining merchant bank which has partnered with strategic Chinese mining groups to bring its extensive Canadian capital market knowledge and provide outstanding deal support and asset management expertise. GMC's two main lines of business are: (i) Merchant Banking Operations – Gravitas Mining has been developing its merchant banking practice to deploy capital for mining companies that are positioned for growth and require capital to expand and to execute mergers and acquisitions opportunities with Chinese and non-Chinese mining companies; and (ii) Asset Management Operations – Gravitas Mining and Zhaojin Mining, one of the largest gold mining companies in China, have launched Gravitas Zhaojin Gold Industry Fund in 2018. This fund is advised and managed jointly by Gravitas Mining and Zhaojin combining Gravitas' capital market expertise and Zhaojin's technical and mine engineering strengths. Both Gravitas Mining and Zhaojin have invested significant capital in the Fund. Gravitas Mining asset management operations also participated in Zijin Midas Fund as investor and strategic partner to Gold Mountain Asset Management. Zijin Mining, the parent company, is one of largest mining companies in China. The Fund focuses on investing in gold and copper exploration projects.

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 June 30, 2018, the total liabilities of the Company were $140.1 million compared to $184.5 million at December 31, 2017, a decrease of $44.4 million. The primary reason for this sharp decrease was due to Mint, a subsidiary of the Company, restructuring its $58.5 million debt down to $20.0 million. Further, due to the decrease in Mint's debt as at June 30, 2018, the total equity deficiency of the Company was $55.6 million compared to $99.3 million at December 31, 2017, a decrease of the deficit by $43.7 million.

INCOME STATEMENT ANALYSIS FOR THE THREE-MONTHS ENDED JUNE 30, 2018 AND 2017

Net income from continuing operations for the three-month period ended June 30, 2018, was $37.0 million ($0.51 per share) compared to a net loss of $5.3 million ($0.07 per share) for the same period in 2017, an increase of $42.2 million.

For the three-month period ended June 30,	2018 $	2017 $	Variation $
Revenues			
Investment banking and wealth management	**2,890,029**	1,964,984	925,045
Recruitment services	**1,179,291**	-	1,179,291
Listing and research fees	**506,569**	294,151	212,418
Consulting and management fees	**375,510**	626,201	(250,691)
Interest earned	**179,199**	375,655	(196,456)
Product sales, royalties and other	**397,464**	157,071	240,393
Total Revenues	**5,528,062**	3,418,062	2,110,000
Expenses, net of gains, (discussed below)	**(31,609,078)**	8,721,947	(40,331,025)
Net income (loss) from continuing operations	**37,137,140**	(5,303,885)	42,441,025

For three-month period ended June 30, 2018, revenues totalled $5.5 million compared to $3.4 million for the same period in 2017, an increase of $2.1 million. A further increase of $1.2 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. Investment banking and wealth management revenue earned by 2242 and its regulated subsidiaries increased by $0.9 million. Gravitas Securities Inc.'s investment banking fee income and shares received from client mandates during the three-month period ending June 30, 2018 was the cause for this increase.

For the three-month period ended June 30,	2018 $	2017 $	Variation $
Expenses			
Professional fees and transaction costs	**2,319,774**	1,784,931	534,843
Recruitment services expense	**1,517,921**	-	1,517,921
Compensation and management fees	**1,496,083**	1,685,750	(189,667)
General and administrative	**2,749,162**	1,706,965	1,042,197
Interest and dividend expense	**1,575,187**	1,752,081	(176,894)
Impairment	**656,937**	57,562	599,375
Stock-based compensation	**203,175**	1,123,100	(919,925)
Share of loss in results of associates	**1,136,463**	248,030	888,433
Change in fair value of conversion feature of convertible debentures	-	201,772	(201,772)
Amortization	**54,369**	118,042	(63,673)
Gain on restructuring of Mint debentures	**(46,100,188)**	-	(46,100,188)
Gain on disposal of available-for-sale investments	**(70,259)**	303,867	(374,126)
Foreign exchange (gain) loss	**(55,091)**	96,377	(151,468)
Share of joint venture profit, net of tax	**(19,464)**	(2,706)	(16,758)
Gain on disposal of available-for-sale investments	**2,926,853**	(353,824)	3,280,677
Total Expenses, net of gains	**(31,609,078)**	8,721,947	(40,331,025)

For three-month period ended June 30, 2018 expenses, net of gains, totalled a net gain of $31.6 million compared to $8.7 million in expenses for the same period of 2017, an decrease in expenses, net of gains, of approximately $40.3 million. Significant reasons for the change are as follows:

- On May 31, 2018, Mint closed a definitive debt restructuring agreement with the Series A and Series C debentureholders, reducing its debt to $20.0 million. As a result of this restructuring, Mint recorded a gain within its statement of income and comprehensive income of $46.1 million.
- Recruitment service costs by Bay Talent Group increased by $1.5 million. Bay Talent Group was acquired by the

Company during the fourth quarter of 2017, therefore the comparative amounts are $Nil.

- General and administrative increased by $1.0 million due to an increase in Gravitas Securities and smallcappower, the companies investor platform, with a partial offset of $0.7 million of HST recovery by Mint.
- Stock-based compensation decrease by $0.9 million due to a decrease in stock options issued by Mint.
- Share of loss in results of associates increased by $0.9 million. This is primarily due the loss within the United Arab Emirates non-consolidated associates of Mint.
- Impairment increased by $0.6 million. $0.5 million of this amount represents a partial writedown of a debt instrument held by the Company in a United States listed public company.

INCOME STATEMENT ANALYSIS FOR THE SIX-MONTHS ENDED JUNE 30, 2018 AND 2017

For the six-month period ended June 30,	2018	2017	Variation
	$	$	$
Revenues			
Investment banking and wealth management	**9,983,347**	3,526,841	6,456,506
Recruitment services	**2,583,508**	-	2,583,508
Listing and research fees	**1,177,299**	581,148	596,151
Consulting and management fees	**611,208**	901,303	(290,095)
Interest earned	**307,992**	873,532	(565,540)
Product sales, royalties and other	**739,630**	357,463	382,167
Total Revenues	**15,402,984**	6,240,287	9,162,697
Expenses, net of gains (discussed below)	**(14,729,396)**	17,588,853	(32,318,249)
Net income (loss) from continuing operations	**30,132,380**	(11,348,566)	41,480,946

For six-month period ended June 30, 2018, revenues totalled $15.4 million compared to $6.2 million for the same period in 2017, an increase of $9.2 million. Investment banking and wealth management revenue earned by 2242 and its regulated subsidiaries increased by $6.5 million. Gravitas Securities Inc.'s investment banking fee income and shares received from client mandates during the six-month period ending June 30, 2018 was the cause for this increase. A further increase of $2.6 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 six-month period ended June 30,	2018	2017	Variation
	$	$	$
Expenses			
Professional fees and transaction costs	**5,961,380**	3,988,981	1,972,399
Recruitment services expense	**2,569,620**	-	2,569,620
Compensation and management fees	**5,675,496**	4,261,800	1,413,696
General and administrative	**5,104,045**	3,623,149	1,480,896
Interest and dividend expense	**3,158,097**	3,596,515	(438,418)
Impairment	**1,616,917**	207,562	1,409,355
Stock-based compensation	**1,665,535**	1,123,100	542,435
Share of loss in results of associates	**862,062**	795,875	66,187
Change in fair value of conversion feature of convertible debentures	-	426,466	(426,466)
Amortization	**127,414**	234,909	(107,495)
Gain on restructuring of Mint debentures	**(46,100,188)**	-	(46,100,188)
Gain on disposal of available-for-sale investments	**(295,223)**	(197,122)	(98,101)
Foreign exchange (gain)	**(154,834)**	190,310	(345,144)
Share of joint venture profit, net of tax	**(80,078)**	(5,419)	(74,659)
Change in value of investments	**5,160,361**	(657,273)	5,817,634
Total Expenses	**(14,729,396)**	17,588,853	(32,318,249)

For six-month period ended June 30, 2018 expenses, net of gains totalled a gain of $14.7 million compared to $17.6 million in expenses for the same period of 2017, an increase of approximately $32.3 million. Significant reasons for the increase are as follows:

- On May 31, 2018, Mint closed a definitive debt restructuring agreement with the Series A and Series C debentureholders, reducing its debt to $20.0 million. As a result of this restructuring, Mint recorded a gain within its statement of income and comprehensive income of $46.1 million.
- Decrease in the change in value of investments by $5.8 million.
- Recruitment service costs by Bay Talent Group increased by $2.5 million. Bay Talent Group was acquired by the

Company during the fourth quarter of 2017, therefore the comparative amounts are $Nil.

- Professional fees increased by $2.0 million and compensation and management fees increased by $1.4 million and general and administion increased by $1.5 million for a total increase of $4.9 million. $3.7 million of the increase relates to Gravitas Securities Inc. and is consistent with its significant first quarter of 2018's revenue growth.
- Stock-based compensation increased by $0.5 million due to Mint issuing stock options valued at $1.2 million, the Company issuing stock options valued at $0.4 million and the Company issuing options to acquire Mint shares valued during the current quarter at $0.2 million.
- Impairment increased by $1.4 million. The Company fully impaired $0.8 million which was transferred from Mint to Mint UAE and partially impaired a debt instrument held in a United States listed public company by $0.5 million.

RESTRUCTURED DEBENTURES IN A SUBSIDIARY OF THE COMPANY, THE MINT CORPORATION

On May 31, 2018, Mint announced that it had closed a definitive debt restructuring agreement with the Series A and Series C debentureholders, providing for a conversion and restructuring of the debt owing and recorded a gain within its statement of income and comprehensive income in the amount of $46,100,188.

As a result of the conversion of the Series A and Series C debentures, the debt owed to the Debentureholders was reduced to a total of $20,000,000 (with a present value of $10,810,363) of restructured Series A debentures (the "Series A Debt"). The Debentureholders also received (a) 17,300,000 common shares of Mint, (b) 11,700,000 common share purchase warrants of Mint, and (c) subscription receipts to acquire, for no additional consideration, 16,000,000 common shares of Mint. Each common share purchase warrant will be exercisable on or after January 1, 2019 and on or before December 31, 2021 for one common share of Mint at an exercise price of $0.10. The subscription receipts are convertible in installments of 2,000,000 shares. The first two such installments became convertible on May 31, 2018 with additional installments becoming convertible on June 30, 2018 and every three months thereafter until September 30, 2019. The subscription receipts may be converted at the election of the holder on or after the date they become convertible and will expire on December 31, 2022. The common shares received upon conversion of the subscription receipts will be subject to a contractual one-year hold period commencing on the date such subscription receipts become convertible. In total, Mint has issued 17,300,00 common shares and may issue up to an additional 27,700,000 common shares (including up to 11.7 million shares issuable upon exercise of common share purchase warrants at an exercise price of $0.10 per share) in exchange for the debt reduction.

The Series A Debt of $20,000,000 is to mature on December 31, 2021 and, commencing on October 1, 2019, will bear cash interest at 10% per annum, payable quarterly. If Mint does not have sufficient funds to pay cash interest when required, the shortfall will be paid by the issuance of subscription receipts convertible into Mint common shares priced at the greater of 95% of the 10-day volume-weighted average price of the common shares preceding the interest payment date and the minimum price permitted by the TSX Venture Exchange for such issuance. Each such subscription receipt will convert, for no additional consideration, into one common share of Mint at the election of the holder, and may be converted within one year from issue.

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 significant uncertainty that may cast doubt on the Company's ability to continue as a going concern. A material portion of the Company's historical losses relate to one of the Company's subsidiaries, the Mint Corporation ("Mint"). During the six-month period ended June 30, 2018, Mint renegotiated its $58,562,040 short-term debentures. This debt has been reduced to $20,000,000 and the term extended to December 31, 2021. For the six-month period ended June 30, 2018, Mint raised a $3,750,000, a partially owned subsidiary of the Company, Gravitas Mining Corp., raised $575,000 in both preferred share and common share offerings and another partially owned subsidiary, Bay Talent Group, raised $492,330 through a common share offering. It is expected that additional subsidiaries and the Company itself will raise capital in 2018. With the Company's aim of monetizing non-core holdings and raising capital itself and in core subsidiaries, it is expected that the Company will continue as a going concern into the future.

SELECTED QUARTERLY RESULTS AND TRENDS (EXPRESSED IN THOUSANDS)

	2018		2017				2016	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
	$	$	$	$	$	$	$	$
Revenue	5,528	9,875	4,023	2,795	3,418	2,822	3,898	1,242
Net income (loss)	37,097	(7,005)	(18,155)	(1,217)	(5,552)	(6,045)	(5,351)	(3,020)
Basic income (loss) per share	0.52	(0.10)	(0.28)	(0.02)	(0.07)	(0.08)	(0.08)	(0.05)
Diluted income (loss) per share	0.47	(0.10)	(0.28)	(0.02)	(0.07)	(0.08)	(0.08)	(0.05)

SUMMARY OF SHARES OUTSTANDING

As at August 28, 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 and Nil warrants are outstanding. Therefore, the fully diluted outstanding capital of the Company is 78,851,305.

SELECTED BALANCE SHEET INFORMATION

	June 30, 2018	December 31, 2017	Variation
	$	$	$
Assets of continuing operations			
Receivables from brokers and clients (with a partially offsetting related liability of $28,567,075 (December 31, 2017: $26,269,044))	**30,731,169**	27,708,188	3,022,981
Investments in associates (current and non-current)	**6,699,855**	8,959,733	(2,259,878)
Equity investments and other	**22,789,814**	22,122,655	667,159
Trade and other receivables	**5,953,780**	4,383,212	1,570,568
Loan receivable (current and non-current)	**2,074,447**	3,359,990	(1,285,543)
Convertible debentures held (current and non-current)	**2,925,966**	2,097,843	828,123
Guaranteed investment certificates	**1,253,230**	2,227,229	(973,999)

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 June 30, 2018, GSI held client money in segregated accounts totalling $30,731,169 (December 31, 2017: $27,708,188). All amounts receivable from clients and brokers on the Company's books in the amount of $28,567,075 (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

	June 30, 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	**5,307,624**	8,822,950
Investment in private companies:		
Common shares, net of impairment	**1,777,874**	1,551,873
Preferred shares	**1,851,188**	1,806,792
Fair Value through profit and loss ("FVTPL")		
Investments in public companies: Common shares	**3,572,680**	1,379,691
Options	**854,815**	425,226
Warrants (a)	**3,998,582**	5,473,801
Other investments		
Investments in funds and related joint venture	**5,427,048**	2,662,321
Mining properties	**1**	1
	22,789,812	22,122,655

*Balances for the six-month period ended June 30, 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.
(a) Warrants were valued using the Black-Scholes warrant valuation model.

As of June 30, 2018, equity and other investments totalled $22.8 million and $22.1 million on December 31, 2017. This represents an increase of $0.7 million during the period. The following are the primary reasons for the fluctuation during the six-month period ended June 30, 2018: (i) a subsidiary of the Company, Gravitas Mining Corporation, made an investment into a gold fund called Gravitas Zhaojin Gold Industry Fund with a June 30, 2018 market value of $3.2 million. This fund is included within investments in funds and related joint venture; (ii) the fair value of investments in common shares of public companies held (both as AFS and FVTPL) decreased by $1.2 million; and (iii) The value of warrants decreased by $1.4 million. Certain in-the-money warrants were redeemed lowering the value of the warrant portfolio. As well, generally specific warrant values within the Company's investment portfolio decreased.

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 June 30, 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 Funds

Gravitas Mining Corporation, a partially owned subsidiary of the Company has invested in the following funds, which make up the majority of the investment fund balance. Both are classified as a FVTPL investment on the statements of financial position: (i) 90,550 Class O units of an unconsolidated limited partnership called Gravitas Special Situations Limited Partnership or ("GSSLP"). As of June 30, 2018, the value of this investment was $1,491,011 (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; and (ii) 319,740.5 units of an unconsolidated fund called Gravitas Zhaojin Gold Industry Fund. As of June 30, 2018, the value of this investment was $3,197,405 (December 31, 2017: $Nil).

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 six-month period ended June 30, 2018, the Company's share of profit was $80,078 (December 31, 2017: $3,727).

Trade and other receivables

	June 30, 2018	December 31, 2017*
	$	$
Trade receivables	**2,512,912**	1,503,424
Less: Allowance for doubtful accounts	**(391,008)**	(28,021)
Interest receivable	**490,721**	1,071,462
Harmonized sales tax receivables ("HST") (a)	**930,976**	255,387
Advances to related companies (b)	**1,091,378**	802,692
Advances to related companies, at 8% per annum, due on demand	**300,000**	300,000
Other (c)	**1,018,801**	478,268
	5,953,780	4,383,212

*Balances for the six-month period ended June 30, 2018 have been prepared in accordance with IFRS 9; prior period amounts have not been restated.

(a) Includes $690,160 due to Mint. Mint filed appeals in 2016 with the Tax Court of Canada regarding the reassessment by the Minister of National Revenue ("MNR") of refunds claimed by Mint on GST/HST paid certain periods between September 1, 2013 and May 31, 2015. During the year ended December 31, 2017, given the uncertainty of collection Mint recognized a provision totalling $610,655 which reflected amounts claimed or claimable from September 1, 2013 up to December 31, 2017 and a further provision of $79,505 during the three-months ended March 31, 2018. On June 29, 2018, Mint and the MNR agreed to a Consents to Judgment whereby the reassessments by MNR were overturned into Mint's favour. On August 3, 2018, Mint filed all outstanding HST returns through to June 30, 2018 and expects full collectibility. Accordingly during the six-month period ended June 30, 2018, Mint recorded a receivable and a gain of $690,160 in the statement of loss and comprehensive loss reflecting the HST receivables previously provided for.

(b) The Company has advanced $818,553 (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.

(c) Includes $600,149 (December 2017: $Nil) advances to limited partnership investment products managed by Foregrowth Inc. and $350,000 (December 2017: $Nil) in subscriptions into Bay Talent Group.

Loan receivables

	June 30, 2018	December 31, 2017*
	$	$
Secured Loans (a)	**3,758,455**	2,959,759
Unsecured Loans (a)	**652,000**	309,924
Employee forgivable loans (b)	**548,891**	613,231
Settlements	**(1,165,230)**	(63,000)
Less: Impairment	**(1,719,669)**	(459,924)
Balance, end of the year	**2,074,447**	3,359,990
Less: current portion	**(665,196)**	(1,736,298)
Non-current portion	**1,409,251**	1,623,692

*Balances for the six-month period ended June 30, 2018 have been prepared in accordance with IFRS 9; prior period amounts have not been restated.

(a) 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.

(b) 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 June 30, 2018, loans totaled, $548,891 (December 31, 2017: $613,231).

Convertible debentures held

	June 30, 2018 $	December 31, 2017* $
Secured against certain assets of the borrower, with a face value ranging from $250,000 to $1,000,000 (December 31, 2017: $100,000 to $1,250,000), maturity up to January 30, 2020 (December 31, 2017: up to July 7, 2019) and bearing interest at 8% to 10.5% (December 31, 2017: 6% to 10.5%)	**2,046,221**	2,307,944
Secured against certain assets of the borrower, with a face value ranging from US$250,000 to US$500,000 (December 31, 2017: US$100,000 to US$500,000), maturity up to July 29, 2019 (December 31, 2017: up to July 29, 2019) and interest rates from 7.5% to 10% (December 31, 2017: 6% to 10%)	**2,862,870**	969,409
Unsecured, with a face value of $150,000 (December 31, 2017: $50,000 to $100,000), up to March 30, 2019 (December 31, 2017: up to March 30, 2018) and interest rates from 8% to 9% (December 31, 2017: 6% to 12%)	**409,684**	190,409
Subtotal	**5,318,775**	3,467,762
Conversion feature	**-**	485,718
Subtotal	**5,318,775**	3,953,480
Less: Amount reclassified due to acquisition	**(365,363)**	-
Add: Amount received from previous impairment	**-**	200,000
Less: accumulated impairment	**(2,027,446)**	(2,055,637)
Balance, end of the year	**2,925,966**	2,097,843
Less: current portion	**(2,779,352)**	(1,385,579)
Non-current portion	**146,614**	712,264

*Balances for the six-month period ended June 30, 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.

Guaranteed investment certificates (current and non-current)

As at June 30, 2018, $1,253,230 (2017: $2,227,229) was invested in guaranteed investment certificates.

Investment in Associates

	June 30, 2018 $	December 31, 2017 $
Balance, beginning of the year	**8,959,733**	10,231,641
Advances to Mint UAE (a)	**1,560,015**	4,226,716
Net (repayments) advances to Hafed Holdings Inc. (b)	**(2,281,806)**	5,486,325
Loans to associates	**-**	3,750
Less: Dividends received	**-**	(280,000)
Less: Share of results in associates	**(862,063)**	(2,281,521)
Less: Impairment in Mint UAE	**(676,024)**	(8,427,178)
Balance, end of period	**6,699,855**	8,959,733
Less: current portion	**(3,204,519)**	(5,486,325)
Non-current portion	**3,495,336**	3,473,408

(a) During the six-month period ended June 30, 2018, the Company and Mint advanced an $1,560,015 (December 31. 2017: $4,226,716) to Mint Gateway. 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 June 30, 2018, a total of $3,204,519 (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.

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

As at	June 30, 2018			December 31, 2017		
Expressed in thousands	**Prime(1)**	**Mint UAE**	**PAI**	**Prime(1)**	**Mint UAE**	**PAI**
	$	$	$	$	$	$
Financial position						
Current assets	-	1,553	5,416	4	3,088	4,115
Non-current assets	-	7,535	13,819	-	5,084	7,139
Current liabilities	-	6,381	2,345	567	2,811	2,276
Non-current liabilities	-	492	12,558		419	5,628
For the six-month period ended	**June 30, 2018**			**June 30, 2017**		
Statement of earnings (loss)						
Revenue	-	2,221	15,468	-	1,459	7,364
Expenses	-	4,013	14,791	25	2,213	7,116
Operating income (loss)	-	(1,793)	677	(25)	(861)	428
Net earnings (loss)	-	(1,793)	677	(25)	(861)	428
Cash flows						
Dividends paid	-	-	-	-	-	550

(1) As of June 30, 2018, Prime City is no longer considered an investment in associate.

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

All amounts in expressed in thousands	**June 30, 2018** $	**June 30, 2017** $
Mint UAE	950	1,050
PAI	(88)	(254)
Prime(1)	-	-
Total share of (income) loss in associates	(862)	796

(1) As of June 30, 2018, Prime City is no longer considered an investment in associate.

Debenture (Liability)

A summary of the Company's and Mint's debentures is as follows:

	Gravitas	Gravitas	Mint	Mint	Mint	Total
	Series #1 (a)	Series #2 (b)	Series A (c)	Series B (d)	Series C (c)	
	$	$	$	$	$	$
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	-	49,577	280,424	-	33,090	363,091
Interest accretion to restructuring date	-	-	426,512	-	31,410	457,922
Reduction of liability on debentures	-	-	(49,019,962)	-	(10,000,000)	(59,019,962)
Present value of Series A debentures	-	-	10,810,363	-	-	10,810,363
	-	49,577	(37,502,663)	-	(9,935,500)	(47,388,586)
Balance, June 30, 2018	**30,023,000**	**53,397,003**	**11,032,493**	**-**	**-**	**94,452,496**

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) On May 31, 2018, Mint announced that it had closed a definitive debt restructuring agreement with the Series A and Series C debentureholders, providing for a conversion and restructuring of the debt owing and recorded a gain within its statement of income and comprehensive income in the amount of $46,100,188. As a result of the conversion of the Series A and Series C debentures, the debt owed to the Debentureholders was reduced to a total of $20,000,000 (with a present value of $10,810,363) of restructured Series A debentures (the "Series A Debt"). The Debentureholders also received (a) 17,300,000 common shares of Mint, (b) 11,700,000 common share purchase warrants of Mint, and (c) subscription receipts to acquire, for no additional consideration, 16,000,000 common shares of Mint. Each common share purchase warrant will be exercisable on or after January 1, 2019 and on or before December 31, 2021 for one common share of Mint at an exercise price of $0.10. The subscription receipts are convertible in installments of 2,000,000 shares. The first two such installments became convertible on May 31, 2018 with additional installments becoming convertible on June 30, 2018 and every three months thereafter until September 30, 2019. The subscription receipts may be converted at the election of the holder on or after the date they become convertible and will expire on December 31, 2022. The common shares received upon conversion of the subscription receipts will be subject to a contractual one-year hold period commencing on the date such subscription receipts become convertible. In total, Mint has issued 17,300,00 common shares and may issue up to an additional 27,700,000 common shares (including up to 11.7 million shares issuable upon exercise of common share purchase warrants at an exercise price of $0.10 per share) in exchange for the debt reduction. The Series A Debt of $20,000,000 is to mature on December 31, 2021 and, commencing on October 1, 2019, will bear cash interest at 10% per annum, payable quarterly. If Mint does not have sufficient funds to pay cash interest when required, the shortfall will be paid by the issuance of subscription receipts convertible into Mint common shares priced at the greater of 95% of the 10-day volume-weighted average price of the common shares preceding the interest payment date and the minimum price permitted by the TSX Venture Exchange for such issuance. Each such subscription receipt will convert, for no additional consideration, into one common share of Mint at the election of the holder, and may be converted within one year from issue.

(d) 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 for 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. 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. 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.

Loans Payable and Accrued Liabilities

	June 30, 2018 $	December 31, 2017 $
Bridge loan, due from GMC (a)	**1,554,500**	1,254,500
Preferred share liability, due from GMC (b)	**760,000**	360,000
Business Development of Canada loan, due from PTC (c)	**90,000**	105,000
Other	**-**	50,000
Balance, end of the period	**2,404,500**	1,769,500
Less: current portion	**(2,404,500)**	(1,254,500)
Non-current portion	**-**	515,000

(a) GMC has a bridge loan totaling $1,554,500 (December 31, 2017: $1,254,500). This loan matured on June 19, 2018 and carries an interest rate of 18% per annum. Interest will continue to accrue after maturity.

(b) GMC issued preferred shares totaling $760,000 (December 31, 2017: $360,000) during the six month ended June 30, 2018. These preferred shares carry an interest rate of 8% and are redeemable, at the option of the holder, either four or five years from the date of issuance.

(c) PTC has a loan due to the Business Development of Canada totaling $90,000 (December 31, 2017: $105,000). Interest of 4% is payable annually. The loan matures on June 1, 2021.

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 six-month period ended June 30, 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 six-month period ended June 30, 2018, the Company:

- incurred $3,056,913 (June 30, 2017: $674,300) to directors and senior officers of the Company and its subsidiaries, including the Chief Executive Officer, Chief Financial Officer and Executive Vice Presidents or Vice Presidents of the Company and/or if a subsidiary company. This amount has been included in compensation and management fees and general and administrative fees. $Nil (June 30, 2017: $Nil) was outstanding at June 30 2018.
- incurred legal fees of $Nil (June 30, 2017: $70,837) from a legal firm in which director, David Carbonaro, is a partner.

As of June 30, 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.
- $139,000 (December 31, 2017: $132,408) is due from from directors or officers or companies controlled by directors or officers of subsidiary companies to subsidiary companies of the Company.

BUSINESS ACQUISITIONS & DISPOSALS

The Company acquired the following entities during the six-months ended June 30, 2018 and the year ended December 31, 2017. 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**

STOCK-BASED COMPENSATION

The following stock-based compensation transactions occurred during the six-month period ended June 30, 2018:

- 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. 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 six-months ended June 30, 2018, a total of $229,394 (June 30, 2017: $Nil) has been expensed.
- During November 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 (June 30, 2017: Nil) 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 Mint share held by the Company for each option granted. For the six-month period ended, a total of $256,715 (June 30, 2017: $Nil) has been expensed.
- A total of 3,500,000 000 (June 30, 2017: 8,700,000) options were issued by Mint and Nil (June 30, 2017: 1,510,000) options were issued by 2474184 Ontario Inc. Using the fair value method, the recorded expense of the noted stock options was $1,179,426 (June 30, 2017: $1,153,100).

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 these 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

These 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. IFRS 15 had no significant impact on the Company's Financial Statements.

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:

	June 30, 2018	December 31, 2017*
	$	$
Cash and cash equivalents	**7,794,508**	9,865,153
Trade and other receivables	**5,953,780**	4,383,212
Loans receivable (current and non-current)	**2,074,447**	3,359,990
Convertible debentures held (current and non-current)	**2,925,966**	2,097,843
Guaranteed investment certificates	**1,253,230**	2,227,229
	20,001,931	21,933,427

(*) Balances for the six-month period ended June 30, 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 June 30, 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 June 30, 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	1.22%	0.0%	14.9	
Gross carrying amount	1,272,663	-	1,035,346	2,308,009
Loss allowance	15,575	-	153,954	169,529
Trade and other receivables				
Projected loss rate	1.5%	2.5%	10.0%	
Gross carrying amount	4,044,214	470,691	1,438,875	5,953,780
Loss allowance	59,432	11,767	143,887	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	698,772	-	-	698,772
Changes in model inputs, derecognition and repayments	-	-	(1,165,231)	(1,165,231)
Total	1,337,003	-	1,556,528	2,893,533
Charge-offs, net of recoveries	(78,915)	-	(740,169)	(819,084)
Balance June 30, 2018	**1,258,088**	**-**	**816,359**	**2,074,447**

Allowance for credit losses

	Six-month period ended June 30, 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	163,394	355,869
Charge-offs, net of recoveries	(819,084)	-
Allowance for credit losses, end of period	**1,548,103**	**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 $52,570,701 which will be used to cover all operating and investing activities. The expected timing of consolidated cash flows relating to financial liabilities as at June 30, 2018, are as follows:

	Less than 1 year	1-5 years	6-10 years	Total
	$	$	$	$
Trade and other payables	11,758,906	-	-	11,758,906
Debentures	-	41,055,493	53,397,003	94,452,496
	11,758,906	**41,055,493**	**53,397,003**	**106,211,402**

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 six-month period ended June 30, 2018, the net loss would have increased by $1,268,348 (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 $747,437 (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 June 30, 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 $888,031 (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; Northern Lights Partners Inc; 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				June 30, 2018				June 30, 2017
(expressed in thousands)	Financial Services $	Portfolio Investments $	Corporate $	Total $	Financial Services $	Portfolio Investments $	Corporate $	Total $
Revenues	3,970	1,502	56	5,528	2,478	733	207	3,418
Expenses, net of gains , excluding the undernoted	7,274	(47,080)	1,328	(38,478)	981	2382	277	3,640
Interest expense	103	917	555	1,575	84	886	914	1,884
Compensation & management fees	350	735	412	1,497	1,103	298	284	1,685
Professional fees and recruitment	2,017	1,113	707	3,837	1,008	499	254	1,761
Net income (loss)	**(5,774)**	**45,817**	**(2,946)**	**37,097**	**(698)**	**(3,332)**	**(1,522)**	**(5,552)**

For the six-months ended				June 30, 2018				June 30, 2017
(expressed in thousands)	Financial Services $	Portfolio Investments $	Corporate $	Total $	Financial Services $	Portfolio Investments $	Corporate $	Total $
Revenues	12,086	3,231	86	15,403	4,803	914	523	6,240
Expenses, net of gains, excluding the undernoted	6,995	(41,315)	2,266	(32,054)	2,159	2,902	715	5,776
Interest expense	242	1,801	1,115	3,158	231	2,007	1,596	3,834
Compensation & management fees	3,754	1,058	864	5,676	2,803	618	841	4,262
Professional fees	5,676	2,007	848	8,531	2,176	1,011	778	3,965
Net income (loss)	**(4,581)**	**39,680**	**(5,007)**	**30,092**	**(2,566)**	**(5,624)**	**(3,407)**	**(11,597)**

Segmented Information – Statement of Financial Position

As at				June 30, 2018				December 31, 2017
(expressed in thousands)	Financial Services $	Portfolio Investments $	Corporate $	Total $	Financial Services $	Portfolio Investments $	Corporate $	Total $
Total assets	29,343	23,515	31,597	84,455	32,194	16,745	36,263	85,202
Total liabilities	31,701	27,400	80,981	140,082	26,205	76,977	81,276	184,458
Investment in associates [1]	3,532	3,167	-	6,699	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		For the six-month ended	
(expressed in thousands)	June 30, 2018 $	June 30, 2017 $	June 30, 2018 $	June 30, 2017 $
Revenues				
Canada	**5,528**	3,221	15,403	5,817
Africa	**-**	120	-	260
India (net of costs)	-	78	-	162
	5,528	**3,419**	**15,403**	**6,239**

As at (expressed in thousands)	June 30, 2018 $	December 31, 2017 $
Non-current assets		
Canada	31,854	32,119
	31,854	**32,119**

SUBSEQUENT EVENTS

Gravitas Ilium Corporation's Signs Letter of Intent to Go Public

On July 9, 2018, the Company announced that Gravitas Ilium Corporation , a 46.1% owned and controlled subsidiary of the Company has entered into a letter of intent with Victory Capital Corp. ("Victory") (TSXV: VIC.P) to complete a going public transaction.

COMMITMENTS AND CONTINGENCIES

Lease Obligations

The Company has entered into agreement for the lease of premises. As at June 30, 2018, future minimum lease payments total $2,270,474. Of this amount, $802,590 is due in within one year and the remaining $1,467,884 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,

August 29, 2018