GRAVITAS FINANCIAL INC.

Consolidated Financial Statements

For the years ended December 31, 2018 and 2017

Independent Auditor's Report

To the Shareholders of Gravitas Financial Inc.:

Opinion

We have audited the consolidated financial statements of Gravitas Financial Inc. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2018 and December 31, 2017, and the consolidated statements of income (loss) and comprehensive income (loss), changes in deficiency and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2018 and December 31, 2017, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the consolidated financial statements, which indicates that the Company has incurred a net loss of $31,972,956 (before gain on restructuring of debentures) during the year ended December 31, 2018 and, as of that date, had an accumulated deficit of $104,109,150. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Jaspreet Chahal.

MNP LLP

Toronto, Ontario — Chartered Professional Accountants

May 17, 2019 — Licensed Public Accountants

MNP LLP

Gravitas Financial Inc.

Consolidated Statements of Financial Position

(Presented in Canadian Dollars)

As at	Notes	December 31, 2018	December 31, 2017
		$	$
ASSETS			
Current assets			
Cash and cash equivalents		**3,630,378**	9,865,153
Guaranteed investment certificates	10	**1,278,283**	2,227.229
Receivable from brokers and clients	6	**25,416,704**	27,708,188
Trade and other receivables	7	**1,918,005**	4,383,212
Loan receivables	8	**434,259**	1,736,298
Convertible debentures held	9	-	1,385,579
Investments in associates	11	-	5,486,325
Prepaid expenses		**314,295**	200,469
Current assets		**32,991,924**	52,992,453
Assets held for sale	22	-	90,264
Non-current assets			
Loan receivables	8	**472,310**	1,623,692
Convertible debentures held	9	-	712,264
Investments in associates	11	**4,003,777**	3,473,408
Equity investments and other investments	12	**18,760,902**	22,122,655
Goodwill	13	**3,366,877**	3,366,877
Intangible assets	14	**330,035**	358,593
Property and equipment	15	**287,629**	461,657
Non-current assets		**27,221,530**	32,119,146
Total assets		**60,213,454**	85,201,863
LIABILITIES			
Current			
Trade and other payables	16	**7,564,937**	12,683,958
Payable to brokers and clients	6	**23,549,585**	26,269,044
Debentures	17	-	58,470,654
Loans payable and other liabilities	18	**1,813,014**	1,254,500
Income taxes payable	27	**289,197**	351,559
Deferred revenue		**2,456,086**	803,607
Current liabilities		**35,672,819**	99,833,322
Liabilities held for sale	22	-	542,859
Non-current liabilities			
Debentures	17	**95,951,421**	83,370,426
Loan payable and other liabilities	18	**1,059,564**	515,000
Deferred revenue		**1,896,094**	-
Deferred taxes	27	**264,579**	170,448
Lease inducement		**6,640**	26,668
Non-current liabilities		**99,178,298**	84,082,542
Total liabilities		**134,851,117**	184,458,723
DEFICIENCY			
Share capital	20	**2,000,600**	2,000,600
Contributed surplus		**6,778,324**	1,470,151
Deficit		**(104,109,150)**	(107,577,744)
Accumulated other comprehensive income		**(200,989)**	4,609,758
Total deficiency to shareholders		**(95,531,215)**	(99,497,235)
Non-controlling interest	21	**20,893,552**	240,375
Total deficiency		**(74,637,663)**	(99,256,860)
Total liabilities and deficiency		**60,213,454**	85,201,863

The accompanying notes are an integral part of the consolidated financial statements.

Going Concern (Note 2), Commitments and Contingencies (Note 31), Subsequent Events (Note 33)

On behalf of the Board:

/s/ Vikas Ranjan
Director

/s/ Viswanathan Karamadam
Director

Gravitas Financial Inc.

Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)

(Presented in Canadian Dollars)

For the years ended December 31	Note	2018	2017
		$	$
Revenues			
Investment banking and wealth management		**6,946,661**	6,443,723
Recruitment services fees		**321,712**	-
Listing and research fees		**1,373,989**	1,201,691
Consulting and management fees		**1,442,318**	1,297,929
Interest earned		**578,139**	1,419,936
Product sales, royalties and other		**154,010**	597,762
Total revenues		**10,816,829**	10,961,041
Expenses			
Professional fees and transaction costs		**17,702,147**	8,813,344
Recruitment services expense		**366,672**	-
Compensation and management fees		**7,341,003**	8,916,920
General and administrative		**3,843,136**	7,446,810
Interest and dividend expense		**6,339,459**	8,022,333
Impairment expense	19	**2,982,446**	11,930,961
Stock-based compensation	25	**1,242,777**	1,415,431
Share of results in associates	11	**2,138,720**	2,281,521
Change in fair value of convertible debentures		**2,447,981**	1,039,635
Amortization	14 & 15	**139,165**	417,908
Gain on restructuring of Mint debentures	17	**(45,831,643)**	(2,927,455)
Loss (gain) on disposal of investments		**242,383**	(1,172,506)
Gain on disposal of subsidiary	5, 11	**(2,542,419)**	(706,164)
Loss on settlements		**33,315**	(67,894)
Foreign exchange (gain) loss		**(135,017)**	124,395
Share of joint venture profit, net of tax		**4,455**	(3,727)
Change in fair value of investments		**528,318**	(3,849,181)
Total expenses, net of (gains)		**(3,157,102)**	41,682,331
Income (loss) before income taxes		**13,973,931**	(30,721,290)
Current income taxes	27	**26,784**	374,036
Deferred tax expense (recovery)	27	**88,460**	(181,795)
Net income (loss) from continuing operations		**13,858,687**	(30,913,531)
Net income (loss) from discontinued operations	22	**-**	(2,192,200)
Net income (loss)		**13,858,687**	(33,105,731)
Other comprehensive income (loss)			
Available-for-sale-financial assets (IAS 39):			
Net changes in fair value, net of tax effect		**-**	1,319,695
Reclassification to net income		**-**	(178,000)
		-	1,141,695
Foreign currency translation			
Cumulative translation adjustment		**(218,530)**	124,395
Total other comprehensive (loss) income		**(218,530)**	1,266,090
Net income (loss) and comprehensive income (loss)		**13,640,157**	(31,839,641)
Net income (loss) attributable to:			
Shareholders		**279,469**	(26,912,049)
Non-controlling interest	21	**13,579,218**	(6,193,682)
		13,858,687	(33,105,731)
Net income (loss) and comprehensive income (loss) attributable to:			
- Shareholders		**60,939**	(25,645,959)
- Non-controlling interest		**13,579,218**	(6,193,682)
		13,640,157	(31,839,641)
Income (loss) per share, basic and diluted			
- Continuing operations		**0.19**	(0.43)
- Discontinued operations		**-**	(0.03)
Net income (loss) per share, basic and diluted	23	**0.19**	(0.46)
Weighted average shares outstanding:			
Basic	23	**72,601,305**	72,601,305
Diluted	23	**72,601,305**	72,601,305

The accompanying notes are an integral part of the consolidated financial statements.

Gravitas Financial Inc.

Consolidated Statements of Change in Deficiency

(Presented in Canadian Dollars)

	Note	Number of common shares	Share capital	Accumulated other comprehensive (loss) income – Available-for-sale financial assets	Accumulated other comprehensive (loss) income – Foreign currency translation	Contributed surplus	Deficit	Non-controlling interest	Total
			$	$	$	$	$	$	$
Balance, January 1, 2017		**72,601,305**	**2,000,600**	**3,450,522**	**(106,854)**	**471,685**	**(81,335,914)**	**1,159,620**	**(74,360,341)**
Non-controlling interest – acquisitions	5 & 21	-	-	-	-	-	670,219	5,761,401	6,431,620
Non-controlling interest – distribution	5 & 21	-	-	-	-	-	-	(579,204)	(579,204)
Net change in fair value, net of tax effects		-	-	1,319,695	-	-	-	-	1,319,695
Stock-based compensation	25	-	-	-	-	1,090,706	-	-	1,090,706
Stock options awarded in subsidiary	26	-	-	-	-	(92,240)		92,240	-
Foreign currency translation		-	-	-	124,395	-	-	-	124,395
Reclassification to net loss, net of tax effect		-	-	(178,000)	-	-	-	-	(178,000)
Net loss for the year		-	-	-	-	-	(26,912,049)	(6,193,682)	(33,105,731)
Balance, December 31, 2017		**72,601,305**	**2,000,600**	**4,592,217**	**17,541**	**1,470,151**	**(107,577,744)**	**240,375**	**(99,256,860)**
Impact of adopting IFRS 9 - reclassification	4	-	-	(4,592,217)	-	-	4,592,217	-	-
Impact of adopting IFRS 9 – remeasurement	4	-	-	-	-	-	(576,882)	-	(576,882)
Impact of adopting IFRS 15	4	-	-	-	-	-	(438,325)	-	(438,325)
Restated as at January 1, 2018		**72,601,305**	**2,000,600**	**-**	**17,541**	**1,470,151**	**(104,000,734)**	**240,375**	**(100,272,067)**
Non-controlling interest – adjustment to change in ownership	21	-	-	-	-	-	(451,486)	451,486	-
Foreign currency translation		-	-	-	(218,530)	-	-	-	(218,530)
Additional non controlling interest	21				-	4,322,113		9,097,969	13,420,082
Additional share acquisition in subsidiary		-	-	-	-	-	63,601	(63,601)	-
Deconsolidation of subsidiaries		-	-	-	-	-	-	(2,668,612)	(2,668,612)
Stock-based compensation	25	-	-	-	-	1,242,777	-	-	1,242,777
Stock options awarded in subsidiary	25	-	-	-	-	(256,717)	-	256,717	-
Net income for the year		-	-	-	-	-	279,469	13,579,218	13,858,687
Balance, December 31, 2018		**72,601,305**	**2,000,600**	**-**	**(200,989)**	**6,778,324**	**(104,109,150)**	**20,893,552**	**(74,637,663)**

The accompanying notes are an integral part of the consolidated financial statements.

Gravitas Financial Inc.

Consolidated Statements of Cash Flows

(Presented in Canadian Dollars)

	Note	2018 $	2017 $
OPERATING ACTIVITIES			
Net income (loss) from continuing operations		**13,858,687**	(30,913,531)
Net loss from discontinued operations		**-**	(2,192,200)
Adjustments:			
Amortization - intangible assets	14	**28,558**	293,377
Amortization - equipment	15	**110,607**	124,531
Interest accretion - debentures	17	**1,931,727**	(475,661)
Lease inducement		**(20,028)**	(11,153)
Stock based compensation	25	**1,242,777**	1,415,431
Gain on settlements	17	**(46,158,564)**	(2,927,455)
Gain on settlement of receivables		**-**	67,894
Loss on disposal of investments		**-**	(1,172,506)
Gain on disposal of subsidiary	5,11	**(2,542,420)**	(706,164)
Change in fair value of convertible debentures	9	**2,447,981**	1,039,635
Change in fair value of FVTPL investments		**490,286**	(1,752,887)
Impairment	19	**2,982,446**	11,930,961
Share of results in associates	11	**2,143,175**	2,281,521
Unrealized exchange gain (loss)		**(135,017)**	10,823
Accretion on loans receivables	30	**(18,207)**	-
Discount on issuance of loans receivables	30	**10,337**	-
Interest and dividends		**156,398**	-
		(23,471,257)	(22,987,384)
Change in working capital	26	**6,622,812**	6,588,385
Cash flows used in operating activities		**(16,848,445)**	(16,398,999)
Cash flows used in operating activities of discontinued operations	22	**-**	(166,562)
Net used in operating activities		**(16,848,445)**	(16,565,561)
INVESTING ACTIVITIES			
Proceeds from issuance of preferred shares	18	**400,000**	-
Net cash disposed on loss of control of subsidiaries	5,11	**(1,435,275)**	-
Net cash acquired in business combination	5	**-**	151,439
Proceeds from short-term investments		**928,946**	6,452,710
Proceeds from disposal of equity investments		**7,746,885**	3,592,816
Proceeds from loan receivables	30	**1,295,980**	1,340,970
Proceeds from convertible debentures		**300,000**	293,542
Payments for property and equipment	15	**(14,056)**	(325,983)
Investment in loan receivables		**(813,764)**	(1,235,493)
Investment in convertible debentures		**(1,159,570)**	(1,064,705)
Purchase of equity investments		**(6,076,478)**	(7,338,900)
Additional investments in associates		**-**	(9,716,791)
Advances to associates		**(2,401,995)**	-
Repayment of advances from associates		**5,623,647**	-
Net cash generated (used in) investing activities		**4,394,320**	(7,850,395)
FINANCING ACTIVITIES			
Proceeds from issuance of shares to non-controlling interest		**6,197,879**	5,869,949
Loan payable		**-**	1,769,500
Dividends received on investment in associates	11	**240,000**	280,000
Non-controlling interest		**-**	(579,204)
Net cash generated (used in) from financing activities		**6,437,879**	7,340,245
Foreign currency translation effect on cash and cash equivalents		**(218,530)**	(26,727)
Net change in cash and cash equivalents during the year		**(6,234,776)**	(17,102,438)
Cash and cash equivalents, beginning of year		**9,865,153**	26,967,591
Cash and cash equivalents, end of year		**3,630,377**	9,865,153

The accompanying notes are an integral part of the consolidated financial statements.
Supplemental cash flow information [Note 26]

1. NATURE OF OPERATIONS

Gravitas Financial Inc. (the "Company" or "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 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.

Gravitas is a publicly listed company on the Canada Securities Exchange ("CSE") and trades under the symbol, GFI. The Company was incorporated under the Canada Business Corporation Act with its registered office and principal place of business at 333 Bay Street, Suite 1700, Toronto, Ontario M5H 2R2.

These Consolidated Financial Statements ("Financial Statements") were approved by the Board of Directors on May 17, 2019.

2. STATEMENT OF COMPLIANCE, BASIS OF PRESENTATION AND GOING CONCERN

These Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These Financial Statements have been prepared on a going concern basis, under the historical cost convention, modified to include the fair valuation of certain financial instruments to the extent required or permitted under accounting standards as set out in the relevant accounting policies.

Going Concern

These 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 incurred a net loss of $31,972,956 (before gain on restructuring of debentures) during the year ended December 31, 2018 and, as of that date, the Company's current liabilities exceed current assets by $2,680,895. The Company has incurred several years of losses and as of December 31, 2018, has a cumulative deficit of $104,109,150 (December 31, 2017: $99,256,860); negative cash flows from operations for the year ended December 31, 2018 of $16,848,445 (for the year ended December 31, 2017 - $16,565,561); and has a shareholder deficiency of $95,531,215 (December 31, 2017: $99,497,235). These conditions raise a material uncertainty that causes significant doubt about 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") with its cumulative deficit of $69,626,553 (December 31, 2017: $107,577,744). During the year ended December 31, 2018, Mint renegotiated its $58,562,040 short-term debentures reducing the debt to $20,000,000 and extended the term of the debenture to December 31, 2021 as well raised additional capital of $3 million during the year. The subsidiary is also working on specific plan to achieve profitable operations.

The Company announced on April 15, 2019 that its Board of Directors is undertaking, in conjunction with the majority holder of its debentures, a strategic review of its investment holdings with a view to streamline and strengthen its core holdings. This could involve dispositions, new investors and other restructurings. The Company's ability to continue as a going concern will depend on the outcome of these initiatives which cannot be predicted at this time.

The circumstances lead to a material uncertainty that causes significant doubt as to the ability of the Company to meet its obligations as they become due and, accordingly, the ultimate statements do not reflect adjustments to the carrying value of assets and liabilities or reported expenses and balance sheet classifications that would be necessary if the going concern assumption was not appropriate. These adjustments could be material.

3. SIGNIFICANT ACCOUNTING POLICIES

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.

The following are significant management judgments and estimates in applying the accounting policies of the Company that have the most significant effect on these Financial Statements.

Going Concern – The assessment of the Company's ability to execute its strategy to fund future working capital requirements involves judgement. Estimates and assumptions are continually evaluated and are based on factors including expectations of future events that may or may not be predicted. There is a material uncertainty regarding the Company's ability to continue as a going concern.

Fair value of financial assets and financial liabilities - Fair value of financial assets and financial liabilities on the statement of financial position that cannot be derived from active markets, are determined using a variety of techniques including the use of mathematical models. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgment is required to established fair values. The judgments include, but are not limited to, consideration of model inputs such as volatility, estimated life and discount rates.

Consolidation - Judgment is applied in assessing whether the Company exercises control and has significant influence over entities in which the Company directly or indirectly owns an interest. The Company has control when it has the power over the subsidiary, has exposure or rights to variable returns, and has the ability to use its power to affect the returns. Significant influence is defined as the power to participate in the financial and operating decisions of the subsidiaries. Where the Company is determined to have control, these entities are consolidated. Additionally, judgment is applied in determining the effective date on which control was obtained.

Business combinations - In a business combination, substantially all identifiable assets, liabilities and contingent liabilities acquired are recorded at the date of acquisition at their respective fair values. Two of the most significant areas of judgment and estimates relates to the determination of the fair value of these assets, including the fair value of contingent consideration, if applicable and the fair value of the non-controlling interest of subsidiaries. If any intangible assets are identified, depending on the type of intangible asset and the complexity of determining its fair value, an independent external valuation expert may develop the fair value, using appropriate valuation techniques, which are generally based on a forecast of the total expected future net cash flows. These valuations are linked closely to the assumptions made by management regarding the future performance of the assets concerned and any changes in the discount rate applied. In certain circumstance where estimates have been made, the Company may obtain third party valuation of certain assets, which could result in further refinement of the fair value allocation of certain purchase prices and accounting adjustment.

Control over Gravitas Ilium Corporation – During 2018, the Company has equity interest of 46.1% in subsidiary, Gravitas Ilium Corporation ("GIC") (46.1% as of December 31, 2017). Accordingly, the Company has beneficial interest in GIC. The Company assessed whether it has control over GIC based on whether its practical ability to direct the relevant activities of GIC unilaterally by considering its percentage interest in GIC and the voting control. After assessment, the Company concluded that it has control over GIC. Such assessments were applicable as at December 31, 2018.

Control over 2242257 Ontario Inc. ("2242") and Foregrowth Inc. ("FGI"), subsidiaries of Gravitas Ilium Corp. - The Company assessed whether it has control over both of GIC's subsidiaries, namely 2242 and FGI. This assessment was made based on whether its practical ability to direct the relevant activities of 2242 and FGI unilaterally by considering its percentage interest in GIC and the voting control. After its assessment, the Company has determined that it controls 2242 and FGI.

Control over GIC Merchant Bank Corporation – As of December 31, 2017, the Company owned 42.86% of the outstanding common shares of GIC Merchant Bank Corp. ("GICMB"), plus voting control. As at December 31, 2018, the Company owned 32.7% of the equity in GICMB. The Company assessed whether it has control over GICMB based on whether its practical ability to direct the relevant activities of GICMB unilaterally by considering its percentage interest in GIC and the voting control. After assessment, the Company concluded that it has ceased to have control over GICMB on February 2, 2018 (see note 11).

Control over Bay Talent Group – During 2017, the Company and its controlled subsidiary, GIC Merchant Bank Corporation ("GICMB") together acquired a 50.8% interest in Bay Talent Group ("BTG") by investing in its private placement. The Company assessed whether it has control over BTG based on whether it has the practical ability to direct the relevant activities of BTG unilaterally by considering its percentage interest and related voting control. After assessment, the Company concluded that it ceased to have control over BTG at the same time it ceased to have control over GICMB (see note 11).

Significant influence over Mint Middle East - The Mint UAE operations ("MME") are associates of the Company. The Company has significant influence over MME LLC by virtue of its representation on the board of directors of MME LLC and the ability to participate in certain decision-making processes by exercising veto rights. The Company does not control MME LLC by virtue of management agreement entered into with the other shareholder, which provides them the current ability to direct the key and strategic activities that most significantly affect the returns.

Fair value of financial assets - The Company reviews investments and records its fair value at each financial statement reporting date. For public companies, fair value is determined based on the quoted market value. For private companies, certain subjective measures, including recent share transactions, prices for comparable entities, review of cash flow projections and the company prospects, financial ratios and discounted cash flows are techniques used to determine fair value. For loan receivables and convertible debts, fair values are determined using a model that includes comparison of market rates of similar loans and convertible debts (see note 28).

Valuation of debentures- The principal portion of the Mint Corp's ("Mint") debentures that were restructured during the year were discounted at an assumed interest rate of 25% per annum. This discount rate reflects the timing and amount of interest coupon payments, and retirement of the principal at its December 31, 2021 maturity date. In accordance with the accounting standards, Mint is required to use an interest rate that assumes a debt obligation on an unsecured basis without any adjustment to reflect the security granted for that debt, or the value of the additional securities granted at no cost as part of the transaction. On this basis, a 25% interest rate has been used as the rate on unsecured debt that a company in Mint's comparable condition would incur on unsecured debt (see note 17).

Impairment of Goodwill and other intangible assets - The values associated with goodwill and other intangible assets involve significant estimates and assumptions, including those with respect to the determination of cash generating units, future cash inflows and outflows, discount rates and asset lives. At least annually, the carrying amount of goodwill and other intangible assets are reviewed for potential impairment. Among other things, this review considers the recoverable amounts of the CGUs based on the higher of value in use or fair value less costs of disposal using discounted estimated future cash flows. These significant estimates require considerable judgment which could affect the Company's future results if the current estimates of future performance and fair value change (see note 13).

Determination of cash generating units - For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows. The Company determines which groups of assets can generate cash flows that are largely independent of other operations within the Company. To create these groupings, the Company makes critical judgment about where active markets exist including an analysis of the degree of autonomy various operations have in negotiating prices with customers. The Company has identified 2242257 Ontario Inc., as a separate CGU. The Company identified separate CGUs based on the nature of business and the assessment that these CGUs generate cash inflows that are significantly independent of the cash inflows from other assets that are deployed in the Company.

(Presented in Canadian Dollars)

Income taxes - The estimate of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions, the Company assesses whether it is probable that some or all of the deferred income tax assets will not be realized the ultimate realization of deferred tax assets is dependent upon the generation of future taxable income. If changes were made to the Company's assessment regarding its ability to use future tax deductions, the Company may be required to recognize more or fewer deferred tax assets and future income tax provisions or recoveries could be affected (see note 27).

Expected credit losses - Management must exercise judgment to estimate the expected credit losses. 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.

Share-based compensation – The determination of the share-based compensation expense resulting from the Company granting stock options or options to certain of the Company's assets depends on the use of option pricing and probability weighted models, which are subject to measurement uncertainty. Subjective assumptions are required for these models, including expected stock price volatility and the use of historical data points which may or may not be indicative of future performance (see note 25).

Provisions – The Company and its subsidiaries from time to time are subject to legal proceedings. Contingent loss provisions are recorded by the Company when it is probable that loss will occur, and the loss can be estimated.

Basis of consolidation

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.

Consolidated subsidiaries	**Jurisdiction of incorporation**	**Direct or Indirect Percentage Ownership (a)**
The Mint Corporation ("Mint")	Canada	53.9% (2017: 68.2%)
Gravitas Ventures Inc. ("GVI")	Canada	100%
New India Investment Corporation	Canada	100% (by GVI)
2474184 Ontario Inc. ("2474")	Canada	44.3% (by GVI)
Revenue.com US Corporation	USA	100% (by 2474)
Capital Ideas Media Inc.	Canada	49.98% (by GVI)
Gravitas Ilium Corporation ("GIC")	Canada	46.1%
2242257 Ontario Inc. ("2242")	Canada	49.54% (by GIC)
Gravitas Securities Inc.	Canada	95.2% (by 2242)
Gravitas Wealth Advisors, LLC	USA	100% (by 2242)
2434355 Ontario Inc.	Canada	100% (by 2242)
Gravitas Capital International Inc.	USA	100% (by 2242)
Gravitas Independent Portfolio Manager	Canada	100% (by 2242)

(Presented in Canadian Dollars)

Consolidated subsidiaries	Jurisdiction of incorporation	Direct or Indirect Percentage Ownership (a)
Foregrowth Inc. (“FGI”)	Canada	96% (by GIC)
Foregrowth Holdco Inc. (“FGH”)	Canada	100% (by FGI)
Foregrowth Holdco 1 Inc.	Canada	100% (by FGI)
Foregrowth Holdco 2 Inc.	Canada	100% (by FGI)
Foregrowth Wealth Management Inc.	Canada	100% (by FGI)
Gravitas Corporate Services Inc. (“GCS”)	Canada	100%
Ubika Corp. (“Ubika”)	Canada	100% (by GCS)
SmallCapPower Corp.	Canada	100% (by Ubika)
Capital Ideas Media Inc.	Canada	50.02% (by Ubika)
Branson Corporate Services Inc.	Canada	51% (by GCS)
Gravitas Financial Services Holdings Inc. (“GFSHI”)	Canada	100%
Gravitas Siraj Holdco Inc.	Canada	100%
Gravitas Mining Corporation (“GMC”)	Canada	64.6% (2017: 70.7%)
Gravitas Investment GP Inc	Canada	100% (by GMC)
Zhaojin Gravitas Mining Investments Inc.	Canada	60% (by GMC)
Gravitas Special Situations GP Inc.	Canada	80% (by GMC)
Gravitas Global GP Inc.	Canada	100%
Siraj Ontario Corporation	Canada	100%
Gravitas Select Flow-Through GP Inc.	Canada	100%
Claxton Capital Management Inc. (dissolved in 2018)	Canada	100%
Claxton Real Estate Company Ltd. (dissolved in 2018)	USA	55.74%
SearchGold Guinee SARL	Guinee, Africa	100%
Global Compliance Network Inc.	Canada	100%

(a) Unless otherwise noted, the percentage noted in the table are as of December 31, 2018 and 2017.

Investment in associates

Associates are all entities over which the Company has significant influence but not control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method after initially being recognized at cost. Unrealized gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Company. Dilution gains and losses arising in investments in associates are recognized in the consolidated statement of loss and comprehensive loss.

The Company assesses annually whether there is any objective evidence that its interest in associates is impaired. If impaired, the carrying value of the Company's share of the underlying assets of associates is written down to its estimated recoverable amount (being the higher of fair value less costs of disposal or value in use) and charged to the consolidated statement of loss and comprehensive loss. If the financial statements of an associate are prepared on a date different from that used by the Company, adjustments are made for the effects of significant transactions or events that occur between that date and the date of these Financial Statements. The Company's investments in associates are as follows:

Investment in associates	Jurisdiction of incorporation	Percentage of ownership (%)
Portfolio Analysts Inc. (“PAI”)	Canada	40%
Mint United Arab Emirates (“UAE”) Operations (Note 11)	U.A.E.	51% (by Mint)
Prime City One Capital Corporation (“Prime City”) (See Note 33(a))	Canada	4.7%
GIC Merchant Banking Corporation	Canada	32.7%

Non-controlling interests
Non-controlling interests ("NCI") represent equity interests owned by outside parties. NCI may be initially measured at fair value or at the NCI's proportionate share of the recognized amounts of the acquirees' identifiable net assets. The choice of measurement is made on a transaction by transaction basis. The share of net assets attributable to NCI are presented as a component of equity. Their share of net income or loss and comprehensive income or loss is recognized directly in equity. Total comprehensive income or loss of subsidiaries is attributed to the shareholders of the Company and to the NCI, even if this results in the NCI having a deficit balance.

Functional and presentation currency and basis of evaluation
These Financial Statements are presented in Canadian dollars, which is also the functional currency of the Company and its subsidiaries, unless otherwise stated. Monetary assets and liabilities in foreign currency are translated at the exchange rate in effect at the statement of financial position date, whereas other assets and liabilities are translated at the exchange rate in effect at the transaction date. Revenues and expenses are translated at the average rate in effect during the year. Gains and losses are included in consolidated statement of loss and comprehensive loss for the year.
Each subsidiary determines its own functional currency and items included in their financial statements are measured using that functional currency. The determination of functional currency is based on the primary economic environment (including monetary policy) in which an entity operates. The functional currency of an entity reflects the underlying transactions, events and conditions that are relevant to the entity. Factors that an entity considers when determining its functional currency include: (1) the currency that mainly influences sale price for goods and services; (ii) the currency of the country whose competitive forces and regulations mainly determine that sale price of its goods and services; (iii) the currency that mainly influences labour, material and other costs of providing goods and services; (iv) the currency in which funds from financing activities are generated; and (v) the currency in which receipts from operating activities are usually retained.

The assets and liabilities of any foreign operations having a functional currency other than the Canadian dollar are translated into Canadian dollar at the exchange rate prevailing at the consolidated statement of financial position date, and at the average exchange rate for the reporting period for revenue and expense accounts. The cumulative foreign currency translation adjustment is recorded as a component of accumulated other comprehensive income or loss in shareholder's equity.

On disposal of a subsidiaries' entire interest in a foreign operation or the Company's loss control of that operation: (i) all of the exchange differences accumulated in equity in respect of that operation attributable to the Company are reclassified to profit or loss; and (ii) any cumulative amount of exchange differences relating to that foreign operation attributable to the non-controlling interests is de-recognized but is not reclassified to profit or loss. In the case of a partial disposal that does not result in the Company losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interests and not recognized in profit of loss.

Cash and cash equivalents
Cash and cash equivalents include all cash and investments with an original maturity of three months or less. The Company maintains its cash in bank accounts in amounts that may exceed federally insured limits. The Company has not experienced any losses in these accounts in the past. The fair value of cash and cash equivalents approximates their current carrying amounts since all such items are short-term in nature.

Business combinations, goodwill and intangible assets

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value at the date of acquisition. Acquisition related transaction costs are expensed as incurred. Identifiable assets and liabilities, including intangible assets, of acquired businesses are recorded at their fair value at the date of acquisition. When the Company acquires control of a business, any previously held equity interest also is re-measured to fair value. The excess of the purchase consideration and any previously held equity interest over the fair value of identifiable net assets acquired is goodwill. If the fair value of identifiable net assets acquired exceeds the purchase consideration and any previously held equity interest, the difference is recognized in the consolidated statements of loss and comprehensive loss immediately as a gain or loss on step acquisition.

Changes in the Company's ownership interest in subsidiaries that do not result in a loss of control are accounted for as equity transactions. Any differences between the change in the carrying amount of NCI and the consideration paid or received is attributed to owner's equity.

Intangible assets

Existing intangible assets consist of brand names and licenses and backlog and customers. Intangible assets with a finite useful life are stated in historical cost, less any accumulated amortization and any accumulated impairment losses. Historical costs include all costs directly attributable to the acquisition. These intangibles are amortized over their estimated useful lives of two years on a straight-line basis.

Receivable from and payable to brokers and clients

The Company's partially-owned subsidiary, Gravitas Securities Inc. ("GSI") is required to carry clients' accounts and accordingly, receives, delivers or holds cash or securities in connection with such clients. Balances due from the carrying brokers relate to GSI's share of client balances. In addition, GSI is required to indemnify the carrying brokers for any liabilities, damages, costs or expenses incurred by reason of failure of clients to make payment or delivery with respect to client accounts. To secure the payment of any amount due under this agreement, GSI is required to maintain a minimum deposit of $250,000 with its carrying brokers. The Company's liability under these arrangements is not quantifiable. However, GSI considers the potential to be remote for the Company to be required to make payments under these agreements. Accordingly, no contingent liability is carried on the statement of financial position related to these transactions.

Assets held for sale

Non-current assets, or disposal groups comprising of assets and liabilities are classified as held for sale, if it is highly probable that they will be recovered primarily through the sale rather than through continuing use. Such assets or disposal groups are generally measured at the lower of their carrying amount and fair value less costs to sell.

Impairment of non-financial assets

Goodwill and indefinite life intangibles are tested for impairment annually or when there is an indication that the asset may be impaired. Property, plant and equipment and finite life intangible assets are tested for impairment if events or changes in circumstances, assessed quarterly, indicate that their carrying amount may not be recoverable. For impairment testing, assets other than goodwill are grouped at the lowest level for which there are separately identifiable cash inflows. Impairment losses are recognized and measured as the excess of the carrying value of the assets over their recoverable amount. An asset's recoverable amount is the higher of its value in use and its fair value less costs of disposal. Value in use is defined as the present value of the future cash flows expected to be derived from an asset or a cash generating unit. Previously recognized impairment losses, other than those attributable to goodwill, are reviewed for possible reversal at each reporting date and, if the asset's recoverable amount has increased, all or a portion of the impairment is reversed. The carrying amount after a reversal must not exceed the carrying amount (net of depreciation) that would have been determined had no impairment loss been recognized.

Goodwill represents the excess of the purchase price of the acquired companies over the estimated fair value assigned to the individual assets acquired and liabilities assumed.

The Company assesses at least annually for impairment its goodwill on a cash generating unit ("CGUs") level. For the purposes of impairment testing, goodwill is allocated to each of the Company's CGUs or a group of CGUs that is expected to benefit from the synergies of the combination. A CGU is the smallest identifiable group of assets that generates cash inflows that are independent of the cash flows from other assets or group of assets. Assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. An impairment loss is recognized for the amount by which the asset's carrying value exceeds it recoverable value. Impairment losses recognized in respect of CGUs are first allocated reduce goodwill allocated to the units and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

Property and equipment
Property and equipment are stated at historical cost, less any accumulated amortization and any accumulated impairment losses. Historical costs include all costs directly attributable to the acquisition. Amortization of property and equipment are calculated on components that have homogeneous useful lives, using the declining balance basis method to depreciate the initial cost as follows: (i) office furniture and office equipment - 10% to 33%; (ii) computer equipment - 20% to 63%; and (iii) amortization of leasehold improvements are recognized over the lease term of six years. Useful lives, residual values, amortization rates and amortization methods are reviewed annually for reasonableness. Any gain or loss on disposal of property and equipment is determined by comparing the proceeds with the carrying amount and are recognized in profit or loss.

Valuation of equity investments and other
Investment transactions are recorded on a trade date basis. The cost of investments represents the amount paid for each security and is determined on an average cost basis excluding transaction costs. Transactions costs directly attributable to the acquisition of financial assets classified as FVTPL are recognized immediately in net income. The fair value of the Company's investments as at the financial reporting date are determined as follows:

Common shares in quoted companies - All securities listed on a recognized public stock exchange are generally valued at their last bid price. The Company uses the last traded market price for both financial assets and financial liabilities where the last traded price falls within that day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Company determines the point within the bid-ask to spread that is most representative of the fair value based on the specific facts and circumstances.

Options and warrants - The options and warrants are valued at fair value using the Black-Scholes pricing model which considers factors such as the market value of the underlying security, strike price, volatility and terms.

Investments in private companies - Investments in private companies are valued by certain subjective measures, including recent share transactions, prices for comparable entities, review of cash flow projections and the company prospects, financial ratios and discounted cash flows are techniques used to determine fair value

Leases
Leases are classified as finance leases if they transfer to the lessee substantially all the risks and rewards incidental to ownership. All other leases are classified as operating leases. Lease payments under operating leases are recognized as expenses on a straight-line basis over the lease term unless another systematic basis is more representative of how the economic benefits of the leased assets are spread over time. Lease inducement, which corresponds to free rents, are deferred and recognized as an expense on a straight-line basis over six years, which represents the lease duration for which the inducement was received.

Provisions
Provisions represent a liability to the Company for which the amount or timing is uncertain. Provisions are recognized when the Company has a legal obligation as a result of prior events, it is probable that a financial outflow of resources will occur, and the amount can be reasonably estimated.

Income taxes
Income tax expense includes current and deferred tax. This expense is recognized in profit or loss, except for income tax related to the components of other comprehensive income (loss) or equity, in which case the tax expense is recognized in other comprehensive income (loss) or equity, respectively. Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect to previous period. Deferred tax is recognized using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable income will be available against which those deductible temporary differences and the carry forward of non-capital losses can be utilized.

Deferred tax is not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred tax relates to the same taxable entity and the same taxation authority. A deferred tax asset is recognized to the extent that it is probable that future taxable income will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future profit will allow the deferred tax assets to be recovered.

Equity
Share capital represents the amount received upon the share issuance. If shares are issued when options and warrants are exercised, the share capital account also comprises the share-based payment cost previously recognized in contributed surplus. Other elements of equity include the following: (i) contributed surplus includes share-based payments related to options and warrants until such equity instruments are exercised; (ii) retained earnings (deficit) includes all current and prior period profits or losses and issuance costs net of any tax benefits; and (iii) foreign currency translation adjustments.

Equity settled share-based remuneration
The Company operates equity settled share-based remuneration plans for its eligible directors, officers, employees and consultants. Occasionally during the process of raising capital, the Company or its subsidiaries issues warrants to the brokers. All goods and services received in exchange for the grant of any share-based payments are measured at their fair value unless the fair value cannot be estimated reliably. If the Company cannot estimate reliably the fair value of the goods and services received, the Company shall measure their value indirectly by reference to the fair value of the equity instruments granted. For transactions with employee and others providing similar services, the Company measures the fair value of the services by reference to the fair value of the equity instruments granted.

Equity settled share-based payments under equity settled share-based payments plans (except warrants to brokers) are ultimately recognized as an expense in profit or loss with a corresponding credit to contributed surplus, in equity. Warrants issued to brokers are recognized as issuance costs of equity instruments with a corresponding credit to contributed surplus in equity.

If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in the assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from the previous estimate. Any cumulative adjustment prior to vesting is recognized in the current period. No adjustment is made to any expense recognized in prior period if share options ultimately exercised are different to that estimated on vesting.

Certain share-based payment awards might provide the employee with either cash or equity, but the choice as to which option occurs is outside the control of both the employee and the Company. Such arrangements are accounted as cash settled and equity settled. The probability of cash settlement is reflected in the fair value of the liability and the results in recognition of a change (with the expected outcome applied to the fair value) over the vesting period. If the award is ultimately settled in equity, the fair value of the liability is reduced to nil.

Basic and diluted net income (loss) per share
Basic income (loss) per share is calculated by dividing the income (loss) attributable to ordinary equity holders of the Company by the weighted average number of common shares outstanding during the period. Diluted income (loss) per share is calculated by adjusting the income (loss) attributable to ordinary equity holders of the Company, and the weighted average number of common shares outstanding, for the effects of all dilutive potential common shares which include options and warrants. Dilutive potential common shares shall be deemed to have been converted into common shares at the beginning of the period or, if later, at the date of issue of the potential common shares.

Revenue recognition
This sections below outline the Company's accounting policies for revenue recognition up to December 31, 2017 under IAS 18, "Revenue" ("IAS 18"). See note 4 for revenue recognition from January 1, 2018 onwards under IFRS 15.

Revenues under IAS 18: Revenues are measured at fair value of the consideration received or to be received and are recognized when the amount can be measured reliably, and it is probable that future economic benefits will flow to the Company, when the transaction amount is determined, and collection is reasonably assured. Revenue that does not meet the recognition criteria or paid before the delivery of services are recorded as deferred revenue on the balance sheet. They are classified either as current or non-current liabilities depending on the expected period of services to be rendered. With respect the Company's lines of business, it follows the following principles: (i) investment banking and wealth management revenue represents the commission paid on successful placement of newly issued securities and is recognized when the underlying transaction is substantially completed under the terms of the engagement; (ii) consulting and management fees are recognized on an accrual basis based on the level of services provided; (iii) listing and research fees are recognized over a straight line basis over the terms of the contracts; (iv) interest income is recognized based on the number of days the investment was held during the year using the effective interest rate method; and (v) product sales and other revenue is recognized when the amount can be measured reliably and it is probably that future economic benefits will flow and collection is reasonable assured and consists of items that do not fall under the other categories of the Company's revenue recognition.

4. STANDARDS, AMENDMENTS, AND INTERPRETATIONS ISSUED AND ADOPTED

The Company changed its accounting policies on the accounting for financial instruments resulting from the adoption of "IFRS 9" and "IFRS 15", as outlined below, effective January 1, 2018.

Adoption of IFRS 9, Financial Instruments
As permitted by the transition provisions of IFRS 9, the Company elected not to restate comparative period results. As such, all comparative period information is presented in accordance with the previous accounting policies. Adjustments to the carrying amounts of financial assets and liabilities, at the date of initial application have been recognized in opening deficit and other components of equity for the current period. New or amended interim disclosures have been provided for the current period, where applicable, while comparative period disclosures are consistent with those made in prior periods. Effective January 1, 2018, the Company adopted all the requirements of IFRS 9 and the related consequential amendments to IFRS 7 - Financial Instruments: Disclosures. IFRS 9 introduces new requirements for: 1) classification and measurement of financial assets and financial liabilities, 2) impairment for financial assets and 3) general hedge accounting, which represent a significant change from IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 utilizes a revised model for recognition and measurement of financial instruments and a single, forward-looking "expected loss" impairment model. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9, such that the Company's accounting policy with

respect to financial liabilities is unchanged. IFRS 9 contains three principal classification categories for financial assets: measured at amortized cost ("AMC"), fair value through other comprehensive income ("FVTOCI"), and fair value through profit or loss ("FVTPL"). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. The standard eliminates the previous IAS 39 categories of held to maturity, loans and receivables, and available for sale. IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' ("ECL") model. The new impairment model applies to financial assets measured at amortized cost. Under IFRS 9, credit losses are recognized earlier than under IAS 39.

Debt instruments and business model assessment
On initial recognition, all debt instruments are classified based on both the business model under which the asset is held and the contractual cash flow characteristics of the financial instrument. The business model assessment involves determining whether financial assets are held and managed by the Company for generating and collecting contractual cash flows, selling the financial assets or both. The Company assesses the business model at a portfolio level using judgment supported by relevant objective evidence including: (i) how the performance of the asset is evaluated and reported to the Company's management; (ii) the frequency, volume, reason and timing of sales in prior periods and expectations about future sales activity; (iii) whether the assets are held purely for trading purposes i.e., assets that are acquired by the Company principally for the purpose of selling or repurchase in the near term or held as part of a portfolio that is managed for short-term profits; and (iv) the risks that affect the performance of assets held within a business model and how those risks are managed.

Cash flow characteristics assessment
The contractual cash flow characteristics assessment involves assessing the contractual features of an instrument to determine if they give rise to cash flows that are consistent with a basic lending arrangement i.e. if they represent cash flows that are solely payments of principal and interest ("SPPI"). Principal is defined as the fair value of the instrument at initial recognition. Principal may change over the life of the instruments due to repayments. Interest is defined as consideration for the time value of money and the credit risk associated with the principal amount outstanding and for other basic lending risks and costs (liquidity risk and administrative costs), as well as a profit margin. In assessing whether the contractual cash flows are SPPI, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains any contractual terms that could change the timing or amount of contractual cash flows such that the financial asset would not meet the SPPI criteria. In making the assessment, the Company considers: (i) contingent events that would change the amount and/or timing of cash flows; (ii) leverage features; (iii) prepayment and extension terms; (iv) penalties relating to prepayments; terms that limit the Company's claim to cash flows from specified assets; and (v) features that modify consideration of the time value of money.

Debt instruments measured at AMC
Debt instruments are measured at AMC using the effective interest rate, if they are held within a business model whose objective is to hold the financial asset for collecting contractual cash flows where those cash flows represent SPPI. The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. AMC is calculated considering any discount or premium on acquisition, transaction costs and fees that are an integral part of the effective interest rate. Amortization of these deferred costs is included in interest income in the consolidated statements of income (loss). Impairment on debt instruments measured at AMC is calculated using the ECL approach. Loans and debt securities measured at amortized cost are presented net of the allowance for credit losses in the consolidated statements of financial position.

Equity instruments
Equity instruments are measured at FVTPL unless they are not held for trading purposes and an irrevocable election is made to designate these instruments at FVOCI upon initial recognition. The measurement election is made on an instrument-by-instrument basis. Changes in fair value are recognized in the consolidated statement of income (loss) for equity instruments measured at FVTPL. These instruments are measured at fair value in the statement of financial position, with transaction costs being added to the cost of the instrument. Dividends received that are return on capital, are recorded in income in the statements of income (loss). Unrealized fair value gains/losses are recognized in OCI and are not subsequently reclassified to the statement of income (loss) when the instrument is derecognized or sold where the equity instruments are measured at FVOCI. The realized gain or loss on de-recognition are directly transferred from OCI to retained earnings, unlike AFS under IAS 39 which were recycled through the statement of income (loss).

Financial assets designated at FVTPL
Financial assets classified in this category are those that have been designated so by management on initial recognition or are held for trading purposes. Financial assets are designated at FVTPL if doing so eliminates or significantly reduces an accounting mismatch which would otherwise arise. Financial assets designated at FVTPL are recorded in the statement of financial position at fair value. For assets designated at FVTPL, changes in fair values are recognized in income in the statements of income (loss).

Based on this assessment, management has determined that all the debt instruments held are classified as AMC and none of the debt instruments are considered FVTOCI. Further, cash and cash equivalents, receivables from brokers and clients, trade and other receivables, loan receivables, and guaranteed investment certificates that were classified as loans and receivables under IAS 39 are now classified as amortized cost, as their previous category under IAS 39 was eliminated, with no change in the carrying amounts. Convertible debentures held were previously under IAS 39 split between AMC and FVTPL for the debt host and conversion feature respectively and are reclassified to FVTPL under IFRS 9 in their entirety.

There were no changes to the classification of financial liabilities due to the adoption of IFRS 9. The Company does not have any hedge accounting relationship, and thus there is no impact on adoption of IFRS 9.

Impairment
The Company applies the three-stage approach to measure allowance for credit losses, using the expected credit loss impairment approach as required under IFRS 9, for the following categories of financial instruments that are not measured at FVTPL: (i) financial assets at AMC; (ii) debt securities as at FVOCI (which there are none); and (iii) off-balance sheet loan commitments (which there are none). The Company has adopted the simplified approach for calculation of impairment for trade and other receivables and receivable from brokers and clients based on a provision matrix, while the general approach described below is used for loan receivables.

The allowance for credit losses is based on the stage in which the financial instrument falls on the reporting date. The financial instruments migrate through the three stages based on the change in their risk of default since initial recognition. The allowance for credit losses reflects an unbiased, probability-weighted credit loss that considers numerous scenarios based on reasonable and supportable information about past events, current conditions and future forecasts of economic conditions. Forward-looking information is incorporated into the estimation of ECL.

Measurement of ECL
The ECL impairment model measures the credit losses using the following three-stage approach based on the extent of credit deterioration of the financial assets since initial recognition:

- Stage 1 – Where there has not been a significant increase in credit risk ("SICR") since initial recognition of a financial instrument, an amount equal to twelve months ECL is recorded. The ECL is computed using a probability of default ("PD") occurring over the next twelve months. The 12-month ECL are the expected credit losses that result from default events that are possible within 12 months after the reporting date. For those instruments with a remaining maturity of less than twelve months, a probability of default corresponding to remaining term to maturity is used.

- Stage 2 – When a financial instrument experiences a SICR after initial recognition but is not considered to be in default, it is included in Stage 2. This requires the computation of ECL based on the PD over the remaining estimated life of the financial instrument.
- Stage 3 – Financial instruments that are in default are included in this stage. Similar to Stage 2, the allowance for credit losses captures lifetime ECL.

The PD, exposure at default ("EAD"), and loss given default ("LGD") are inputs used to estimate the ECL. These inputs are modelled based on macroeconomic factors that are closely related with credit losses in the relevant portfolios and are probability-weighted. Details of these statistical parameters/inputs are as follows: (i) PD is an estimate of the likelihood of default over a given time horizon and is expressed as a percentage; (ii) EAD is the expected exposure in the event of default at a future default date and is expressed as an amount; and (iii) LGD is an estimate of the loss arising in case where a default occurs at a given time and is based on the difference between the contractual cash flows due and those that the Company would expect to receive, including from the realization of any collateral. It is expressed as a percentage of the EAD.

Forward-looking information ("FLI") and Macroeconomic factors
The measurement of ECL for each stage and the assessment of SICR considers information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions. The estimation and application of FLI requires significant judgement. The Company relies on a broad range of FLIs, such as expected gross domestic product growth, unemployment rates, house price indices and in some cases oil prices. The inputs used in the model for calculating ECL may not always capture all characteristics of the market at the date of the financial statements. To capture portfolio characteristics and risks, qualitative adjustments or overlays are made using management judgement.

Assessment of significant increase in credit risk ("SICR")
The determination of whether the ECL on a financial instrument is calculated on a twelve-month period or lifetime basis is dependent on the stage the financial asset falls into at the reporting date. A financial instrument moves across stages based on an increase or decrease in its risk of default at the reporting date compared to its risk of default at initial recognition.

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and expert credit assessment, delinquency and monitoring, and macroeconomic outlook including forward-looking information. With regards to delinquency and monitoring, there is a rebuttable presumption that the risk of default of the financial instrument has increased since initial recognition when contractual payments are more than 30 days overdue.

With regards to its macroeconomic outlook assessment, the Company considers the movements in gross domestic product, forward looking unemployment rates, the housing price index and in certain cases, oil prices.

Definition of default
The Company considers a financial instrument to be in default when: (i) the borrower is unlikely to pay its credit obligations to the Company in full, without recourse like the existence of a general security agreement (if any is held); or (ii) the borrower is past due more than 90 days on any material credit obligation to the Company. The Company classifies a receivable as impaired when, in its opinion, there is a reasonable doubt as to the timely collectability, either in whole or in part, of principal or interest, or the loan is past due greater than 90 days.

(Presented in Canadian Dollars)

Write-offs

The Company writes off an impaired financial asset, either partially or in full, when there is no realistic prospect of recovery. Where financial assets are secured, write-off is after the expected receipts from the realization of collateral. In subsequent periods, recoveries if any, against written off loans are credited to the provision for credit losses in the statements of income (loss) and comprehensive income (loss).

Derecognition

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are recognized in the statements of income (loss) and comprehensive income (loss).

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statements of income (loss) and comprehensive income (loss).

Implications of Adoption of IFRS 9

The following table summarizes information regarding the classification of the Company's financial instruments:

Statement of Financial Position Category	IAS 39	IFRS 9
Cash & cash equivalents	FVTPL	FVTPL
Guaranteed investment certificates	Loans and Receivables	AMC
Trade and other receivables (other than Harmonized Sales Tax)	Loans and Receivables	AMC
Receivable from brokers and clients	Loans and Receivables	AMC
Loan receivable	Loans and Receivables	AMC
Common shares in quoted (public) companies	AFS	FVTPL
Common shares in private companies	AFS	FVTPL
Warrants (standalone broker warrants)	FVTPL	FVTPL
Warrants (embedded with common shares)	AFS	FVTPL
Preferred shares in private companies	AFS	FVTPL
Debentures	Loans and Receivables	AMC
Convertible debentures	Loans and Receivable / conversion feature at FVTPL	FVTPL

An extract of statement of financial position items impacted due to the adoption of IFRS 9 is as follows:

Statement of Financial Position Category	December 31, 2017 as previously reported	Reclassification	Remeasurement	January 1, 2018 (as restated)*
Trade and other receivables	4,383,212	-	(342,469)	4,040,743
Loan receivables	3,359,990	-	(120,815)	3,239,175
Convertible debts held	2,097,843	-	(113,598)	1,984,245
Accumulated other comprehensive income (AFS)	4,592,217	(4,592,217)	-	-
Deficit	(107,577,744)	4,592,217	(576,882)	(103,562,408)

*All the impacts noted in the table above are due to the adoption of IFRS 9.

Adoption of IFRS 15 "Revenue from contracts with customers"

The Company adopted IFRS 15 Revenue from Contracts with Customers from January 1, 2018 which resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with the initial application of IFRS 15, the Company has applied simplified the transition method to all contracts that were not completed as at the January 1, 2018, date of initial application.

IFRS 15 replaces IAS 18 "Revenue" and establishes a single five step model for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. Under IFRS 15 the core principles of revenue recognition are to identify the contract with the customer, identify the performance obligation, determine the transaction price, allocate the transaction price and recognize revenue when the entity satisfies the performance obligation. IFRS 15 requires the transaction price to be allocated to each separate performance obligation in proportion to the stand-alone selling price. In addition, variable consideration should only be recognized to the extent that is highly probable that a significant reversal in the amount of the cumulative revenue recognized will not occur.

(Presented in Canadian Dollars)

The impact on adoption of IFRS 15 on the Company's standard revenue contracts are:

Investment banking and wealth management – Revenue consists of private placement fees and commissions earned on corporate finances activities, commission-based brokerage services and sale of fee-based products and services. Under IAS 18 revenue was recognized upon the completion of the private placement which also represents the completion of the performance obligation under IFRS 15.

Recruitment services fee – Revenue consists of short-term and permanent placement recruiting fees. Under IAS 18, for short-term contracts, revenue would be recognised when a candidate provides each hour of service, which is also the performance obligation under IFRS 15. For permanent placement fees, revenue will be recognized when the candidate initiates employment, which concludes the performance obligation under IFRS 15.

Listing and research fees – Revenue consists of marketing services which includes publishing articles, videos and other content on behalf of customers. The contract includes indeterminate number of acts and therefore under IAS 18 it was appropriate to recognize revenue on a straight-line basis over the term of the contract. Under IFRS 15, revenue is recognized when the "control" of goods and services is transferred to the customer at a point in time. Revenue for listing and research is deferred until all the performance obligations identified in the contract are performed and delivered to the customer.

Consulting and management fees – Revenue consists of consulting and advisory fees. Under IAS 18, revenue was recognized on a straight-line basis over the term of the contract which also represents the satisfaction of the performance obligation over time under IFRS 15.

Product, Royalties and other – Revenue consists of conference income and events held by the Company. Under IAS 18, revenue was recognized based on the completion of the conference, which also represents the completion of the performance obligation under IFRS 15.

Interest Revenue – Excluded from the scope of IFRS 15.

Implications of Adoption of IFRS 15

An extract of statement of financial position items impacted due to the adoption of IFRS 15 is as follows:

Statement of Financial Position Category	IAS 18 Carrying amount, December 31, 2017 *	Reclassification	Remeasurement	IFRS 15 carrying amount, January 1, 2018
Deferred Revenue	803,607	-	438,325	1,241,932
Deficit	(107,577,744)	-	(438,325)	(108,016,069)

* The amounts in this column are before the adjustments from the adoption of IFRS 9, including increases in the impairment loss allowance from trade receivables.

(Presented in Canadian Dollars)

Standards, amendments, and interpretations Issued but not yet adopted
Certain pronouncements were issued by the IASB or the International Financial Reporting Interpretation Committee ("IFRIC"). The following have not yet been adopted and are being evaluated to determine their impact on the Company. The Company intends to adopt them, if applicable, only on their effective date.

IFRS 16, Leases
In January 2016, the IASB issued IFRS 16, Leases, to set out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a lease agreement. The standard supersedes IAS 17, Leases and other lease related interpretations, eliminates the classification of leases as either operating lease or finance leases and introduces a single lessee accounting model. The standard will be effective on January 1, 2019 for the Company with earlier application permitted. When the Company is the lessee, it is expected that the application of IFRS 16 will result in statement of financial position recognition of most of its lease agreements that are currently operating leases, which are primarily for the rental of premises. The Company will adopt IFRS 16 in its consolidated financial statements for the annual period beginning on January 1, 2019. The Company is assessing the impact of this standard on its financial statements and expects that there will be no material impact on its assets and liabilities or expenses.

5. ACQUISITIONS AND DISPOSALS

The Company has determined that the acquisitions below are business combinations under IFRS 3, Business Combinations. Each are accounted for by applying the acquisition method, whereby the assets acquired, and the liabilities assumed are recorded at their fair values with any excess of the aggregate consideration over the fair values of the identifiable net assets allocated to goodwill. Operating results have been included in these Financial Statements from the date of the acquisition. Any goodwill recognized is attributed based on CGUs.

(a) 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 these 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 payables	(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 in full due to the uncertainty of the future cash flows of the business.

Had the above noted business combination occurred on January 1, 2017, revenues and net loss for the year ended December 31, 2017 would have been $11,456,448 and $32,843,847, respectively. CIM's revenue and net loss for the period from the date of acquisition to December 31, 2017 are $1,096,606 and $2,813,624, respectively. During 2018, the Company's wholly owned subsidiary, Gravitas Ventures Inc., acquired the remaining voting shares in CIM, such that at the end of 2018, CIM is a wholly owned subsidiary of the Company.

(Presented in Canadian Dollars)

(b) Disposal of Luxury Quotient International Inc.

On September 7, 2017, the Company completed a share purchase agreement, whereby vMobo Inc., a private company, purchased all outstanding the shares of Luxury Quotient International Inc. ("LQII") and its subsidiaries for total consideration of $1 plus the assumption of certain debts and liabilities. The purchase price consisted of the issuance of 3,460,015 vMobo Inc.'s common shares. The results of operations of LQII have been presented in these Financial Statements as discontinued operations. 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 liabilities disposed of	**(706,163)**
Consideration received	
Shares of vMobo Inc.	1
Gain on disposition of subsidiary	**706,164**

(c) Loss of control of GICMB

The Company owns a 32.7% interest in GICMB. During the year, due to additional issuances of shares by GICMB, the Company's ownership interest decreased from 42.86% to 32.7%. The Company determined that as of February 2, 2018, it no longer had control of GICMB as it no longer had a majority on the board of directors of GICMB and therefore it does not have the practical ability to direct the relevant activities of GICMB. However, the Company retains significant influence over GICMB and has therefore recorded an investment in associate. The Company recognized a gain on deconsolidation of $942,010 (See note 11).

(d) Loss of control of Claxton

Claxton was dissolved in 2018. Analysis of assets and liabilities over which the Company lost control are as follows:

	$
Cash and cash equivalents	1,306
Trade, prepaid and other receivables	3,246
Trade and other payables	(252,929)
Net liabilities disposed	**(248,377)**
Consideration received	
Fair value of investment retained	-
Non-controlling interest	(1,352,033)
Gain on disposition of subsidiaries	**1,600,409**

6. RECEIVABLE FROM AND PAYABLE TO BROKERS AND CLIENTS

The Company's partially owned subsidiary, Gravitas Securities Inc. ("GSI") is required to carry clients' accounts on its statement of financial position, and accordingly receives, delivers or holds cash or securities in connection with such clients. As at December 31, 2018, GSI held client money in segregated accounts totalling $25,416,704 (December 31, 2017: $27,708,188). Amounts payable to clients and brokers on the Company's books totaled to $23,549,585 (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.

(Presented in Canadian Dollars)

7. TRADE AND OTHER RECEIVABLES

	December 31, 2018* $	December 31, 2017 $
Trade receivables	**1,349,535**	1,503,424
Less: Expected credit losses	**(222,043)**	(28,021)
Interest receivable (a)	**55,147**	1,071,462
Harmonized sales tax receivables (“HST”)	**392,311**	255,387
Advances to related companies (b)	**138,447**	802,692
Advances to related companies, at 8% per annum, due on demand	**176,492**	300,000
Other	**28,115**	478,268
	1,918,005	4,383,212

*Balances as at December 31, 2018 have been prepared in accordance with IFRS 9; prior period amounts have not been restated.

(a) Interest income accrued on impaired loan receivables amount to $Nil.

(b) The Company had advances to the Limited Partnerships managed by the Company’s subsidiaries. Advances are interest bearing and are due on demand.

8. LOAN RECEIVABLES

	December 31, 2018* $	December 31, 2017 $
Secured loans	250,000	2,704,759
Unsecured loans	242,078	42,000
Employee forgivable loans	496,751	613,231
Less: Expected credit losses	(82,260)	-
Balance, end of the year	**906,569**	3,359,990
Less: current portion	434,259	(1,736,298)
Non-current portion	**472,310**	1,623,692

*Balances as at December 31, 2018 have been prepared in accordance with IFRS 9; prior period amounts have not been restated.

Secured loans and unsecured loans

These loan receivables bear interest rates ranging from Nil% to 12% per annum with maturity dates of up to February 2020. 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 December 31, 2018, loans totaled $468,753 (net of ECL) (December 31, 2017: $613,231).

(Presented in Canadian Dollars)

9. CONVERTIBLE DEBENTURES HELD

	December 31, 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%)	-	2,307,944
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%)	-	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%)	-	190,409
Subtotal		3,467,762
Conversion feature	-	485,718
Subtotal		3,953,480
Add: Amount received from previous impairment	-	200,000
Less: accumulated impairment		(2,055,637)
Balance, end of the year	-	2,097,843
Less: current portion	-	(1,385,579)
Non-current portion	-	712,264

*Balances for the year ended December 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.

The convertible debentures held as of December 31, 2018 are $Nil (December 31, 2017: $2,097,943). All the Company's convertible debt investments were valued at nil resulting in a change in fair value of $2,447,981.

Fair value assumptions at issuance and at December 31, 2017, under IAS 39

Under IAS 39, the fair values of the conversion feature at issuance of $Nil (December 31, 2017: $485,718) was estimated using the Black Scholes pricing model based on the following assumptions. In the case of convertible debentures held in private companies, the fair value was determined based on recent third-party private placements into the investee company. A reasonable possible change in any of the assumptions will not have resulted in a significant change in the fair value.

	At issuance under IAS 39	At December 31, 2017
Weighted average conversion price	$0.22	$0.52
Expected dividend yield	0%	0%
Expected average volatility	71%	99%
Risk-free average interest rate	1.04%	1.48%
Expected average life (years)	1.03	0.69
Weighted average fair value	$0.21	$0.45

Under IFRS 9, the conversion feature was not separately valued, rather convertible debentures were valued as a financial instrument in its entirety.

(Presented in Canadian Dollars)

10. GUARANTEED INVESTMENT CERTIFICATES

Guaranteed investment certificates have a maturity date of within one year.

	December 31, 2018	December 31, 2017
	$	$
Guaranteed investment certificate, 0.50%, maturing during April 2019	**203,111**	202,100
Guaranteed investment certificate, 0.60%, maturing during April 2019	**518,721**	513,839
Guaranteed investment certificate, 0.60%, maturing during June 2019	**20,000**	-
Guaranteed investment certificate, 0.90%, maturing during May 2018	-	20,000
Treasury bill, 1.13%, maturing during March 2019	**251,251**	250,290
Guaranteed investment certificate, 0.6%, maturing during October 2019	**230,200**	226,000
Guaranteed investment certificate, 0.45%, maturing during February 2019	**15,000**	15,000
Guaranteed investment certificate, 0.6% maturing during July 2019	**15,000**	-
Guaranteed investment certificate, 0.6% maturing during November 2019	**25,000**	-
Guaranteed investment certificate, 0.90%, maturing during May 2018	-	1,000,000
	1,278,283	2,227,229

11. INVESTMENTS IN ASSOCIATES

	December 31, 2018	December 31, 2017
	$	$
Balance, beginning of the year	**8,959,733**	10,231,641
Advances to Mint UAE (a)	**2,401,995**	4,226,716
Net (repayments) advances to Hafed Holdings Inc. (b)	**(5,486,325)**	5,486,325
Net (repayments) advances to associates	**(137,322)**	3,750
Investment held in deconsolidated subsidiary	**900,000**	-
Less: Dividends received	**(240,000)**	(280,000)
Less: Share of results in associates	**(2,138,720)**	(2,281,521)
Less: Impairment	**(255,583)**	(8,427,178)
Balance, end of year	**4,003,777**	8,959,733
Less: current portion	-	(5,486,325)
Non-current portion	**4,003,777**	3,473,408

(a) During the year ended December 31, 2018, the Company and Mint advanced $2,401,995 (year ended December 31. 2017: $4,226,716) to Mint UAE. As at December 31, 2018, the Company recognized a full provision on the investments in Mint UAE, which has been recorded in the statement of income (loss).

(b) In March 2017, the Company announced that through Hafed Holdings LLC, it had advanced $7.2 million to a third party in the UAE as a deposit to secure the right to acquire an UAE Central Bank licensed financial company. As the conditions of the transaction were not satisfied, the advance was to be refunded to the Company, through Hafed, through 13 monthly instalments. As at December 31, 2018, Hafed has a receivable from a third party and a payable to the Company of 1,333,337 UAE Dirham ($493,978) on its Balance Sheet [December 31, 2017 – 14,666,663 UAE Dirham ($5,013,264)]. The amount owing had been impaired.

Mint UAE and MGEPS

Mint UAE comprises five primary entities: Mint Middle East LLC ("MME"); Mint Electronic Payment Services Limited ("MEPS"); Mint Capital LLC ("MCO"); Mint Gateway for Electronic Payment Services ("MGEPS"); and Hafed Holding LLC ("Hafed"); MME is 51% owned by Mint, and 49% owned by Global Business Systems for Multimedia ("GBS"). MME and its affiliates focus on payroll cards, merchant network solutions and micro finance loans to existing payroll card holders. MME 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 but is a fully controlled subsidiary of MME by virtue of a nominee agreement which provides for 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 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 MGEPS in favor of MCO. Accordingly, MCO beneficially owns 51% of MGEPS. MGEPS owns 10% of Hafed's shares, with 49% commercial interest.

(Presented in Canadian Dollars)

These Financial Statements include the accounts of the Corporation, 2417624 Ontario Inc. ("OIC") (100%), and Mint Block Corp. (100%). The Corporation's share in gains or losses of associates is recognized on the equity basis of accounting in the consolidated statements of gain/(loss) and comprehensive gain/(loss). Associates include MME (51%), MGEPS (51%, through an ownership of 49% and a nominee agreement for 2%), MCO (100%), MEPS (49% but is a fully controlled subsidiary of MME by virtue of a nominee agreement, which provides for Board of Directors and management control to MME, plus a 100% commercial interest in the operations of MEPS, thus consolidated as a fully owned subsidiary of MME) and Hafed (25%, through a 49% commercial interest by MGEPS, which is 51% owned by the Corporation). All inter-company balances and transactions are eliminated on consolidation.

As at December 31, 2018, the carrying value of the investment in Mint UAE Operations is as follows:

	December 31, 2018
	$
Balance, January 1, 2017	4,269,929
Add: Additional working capital funds invested	266,660
Share of results of associates for the year	(2,623,594)
Impairment	(1,912,995)
Balance, December 31, 2017	-
Add: Additional working capital funds invested	2,042,661
Share of results of associates for the year	(2,042,661)
Balance, December 31, 2018	-

A summary of financial information of Mint UAE is as follows:

Balance sheet at December 31, 2018	**MME**	**MEPS**	**MCO**	**MGEPS**	**Hafed**	**Total**
Current assets	1,494,444	41,417	14,153	149,561	311,723	2,011,299
Non-current assets	882,713	-	-	4,450,946	118,967	5,452,626
Current liabilities	10,551,488	11,220	2,230,278	10,496,122	(493,978)	22,795,130
Non-current liabilities	503,396	15,228	-	7,793,810	311,723	8,624,157

Balance sheet at December 31, 2017	**MME**	**MEPS**	**MCO**	**MGEPS**	**Hafed**	**Total**
Current assets	1,355,078	19,864	13,210	788,338	22,296	2,198,786
Non-current assets	418,035	-	-	4,512,525	5,107,041	10,037,601
Current liabilities	1,964,977	59,937	6,833	408,330	5,013,264	7,453,341
Non-current liabilities	424,563	14,212	-	-	-	438,775

(Presented in Canadian Dollars)

Statement of loss for the year ended December 31, 2018						
	MME	**MEPS**	**MCO**	**MGEPS**	**Hafed**	**Total**
Revenues	4,180,106	-	-	-	-	4,180,106
Other operating income	106,059	-	-	19,440	-	125,499
Staff costs	(3,321,344)	-	-	-	-	(3,321,344)
Impairment of financial assets	(172,093)	-	-	(6,815,536)	-	(8,517,119)
Finance costs	-	(1,529,490)	-	(287,232)	-	(287,232)
Other operating expenses	(3,486,599)	-	(78,981)	(637,265)	(51,862)	(4,255,707)
Depreciation and Amortization	(278,271)	-	-	(798,298)	-	(1,076,569)
Net loss	**(2,972,142)**	**(1,529,490)**	**(79,981)**	**(8,518,891)**	**(51,862)**	**(13,152,366)**

Statement of loss for the year ended December 31, 2017						
	MME	**MEPS**	**MCO**	**MGEPS**	**Hafed**	**Total**
Revenues	3,973,028	-	-	-	-	3,973,028
General and administrative	(7,953,530)	2,137,922	(23,472)	(1,313,253)	(50,155)	(7,202,493)
Operating costs	(1,765,094)	-	-	(211,770)	-	(1,976,864)
Sales and marketing	(58,046)	-	-	(51,437)	-	(109,483)
Other expenses	(5,186)	(53)	492,600	(5,434)	(1,652)	480,275
Amortization	(143,249)	(247)	-	(642,414)	-	(785,910)
Net loss	**(5,952,082)**	**2,137,622**	**469,128**	**(2,224,308)**	**(51,807)**	**(5,621,447)**

As at December 31, 2017, MME recognized an impairment on a loan receivable from GBS for $1,750,927 and included in general and administrative.

In 2018, the Mint UAE entities implemented International Financial Reporting Standards (IFRS) 9 whereby each Mint UAE company assessed the value ascribed to their financial assets, including the value recorded of receivables from other Mint UAE companies on an individual company basis rather than on Mint UAE Operations basis. Based on the financial condition of each Mint UAE company, each company made a provision for the intercompany receivable and the provisions are reflected in the impairment of financial assets shown in the table above. For the year ended December 31, 2018, the Corporation's share of losses of affiliates was limited to the amount of working capital invested of $2,042,661.

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 a 4% interest in the outstanding shares of Prime City One Capital Corporation ("Prime") and a convertible loan in Prime, and also has representation on the board of directors of Prime. 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, 2018, the Company has advanced a total of $392,000 (December 31, 2017: $495,750) to Prime, which has been fully impaired. The amounts loaned bear interest at 12% and are due on demand. See note 33(a).

GIC Merchant Banking Corporation ("GICMB")

The Company owns a 32.7% interest in GICMB. During the year, due to additional issuances of shares by GICMB, the Company's ownership interest decreased from 42.86% to 32.7%. The Company determined that as of February 2, 2018, it no longer had control of GICMB as it no longer had a majority on the board of directors of GICMB and therefore it does not have the practical ability to direct the relevant activities of GICMB. On February 2, 2018, as a result of deconsolidation, an equity investment was recorded based on the fair value of the shares held at that date, and a gain on deconsolidation of $942,010 was recognized. During the period from February 3 to December 31, the Company's share of the loss of GICMB of $151,297 has been recorded in the statement of loss.

Analysis of assets and liabilities over which the Company lost control are as follows:

	$
Cash and cash equivalents	1,433,969
Trade, prepaid and other receivables	1,412,909
Due from related parties	(168,210)
Guaranteed investment certificate	20,000
Property and equipment	77,477
Loans receivable	245,266
Trade and other payables	(2,943,455)
Loans payable	(100,000)
Equity investments	1,196,611
Net assets disposed	**1,174,567**
Consideration received	
Fair value of investment retained	(800,000)
Non-controlling interest	(1,316,577)
Gain on disposition of subsidiaries	**942,010**

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

As at	**December 31, 2018**				**December 31, 2017**		
All amounts expressed in thousands	**GICMB**	**Prime***	**Mint UAE**	**PAI**	**Prime**	**Mint UAE**	**PAI**
	$	$	$	$	$	$	$
Financial position							
Current assets	2,385	102	2,011	5,197	4	2,199	4,918
Non-current assets	1,275	-	5,453	13,774	-	10,038	7,307
Current liabilities	521	533	22,795	2,512	622	7,453	2,573
Non-current liabilities	-	-	8,624	12,333	4	438	5,811
For the year ended	**December 31, 2018**				**December 31, 2017**		
Statement of earnings (loss)							
Revenue	195	-	4,180	31,135	-	3,973	30,460
Expenses	251	157	17,332	29,951	102	9,594	28,635
Operating income (loss)	(56)	(157)	(13,152)	1,184	(102)	(5,621)	1,825
Net earnings (loss)	(56)	(157)	(13,152)	891	(102)	(5,621)	1, 825
Cash flows							
Dividends paid	-	-	-	240	-	-	280

* Prime became a subsidiary of the Company in January 2019 (see Note 32(a)).

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

All amounts expressed in thousands	December 31, 2018 $	December 31, 2017 $
Mint UAE	2,043	2,626
PAI	(69)	(345)
Prime	14	-
GICMB *	151	-
Total share of (income) loss in associates	2,139	2,281

* This relates to income for the period from February 3, 2018 to December 31, 2018

12. EQUITY INVESTMENTS AND OTHER INVESTMENTS

	December 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	**5,133,590**	10,202,641
Investment in private companies:		
Common shares	**3,099,986**	1,551,873
Preferred shares	**2,101,188**	1,806,792
Options	**84,300**	425,226
Warrants	**2,786,924**	5,473,801
Other investments		
Investments in funds and related joint venture	**5,554,913**	2,662,321
Mining properties	**1**	1
	18,760,902	22,122,655

*Balances as at December 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.

Preferred shares

Through its wholly-owned subsidiary, New India Investment Corporation, the Company invested a total of $1,806,792 in Innoviti Payments Solutions Private Limited ("Innoviti"), a private company incorporated in India under the Indian Companies Act. The Company acquired Series C Preferred shares of Innoviti, which 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 3.7%. As at December 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.

During 2018, the Company's subsidiary Gravitas Ilium Corporation invested $250,000 in preferred shares in GICMB. The preferred shares carry no voting rights. While the preferred shares are outstanding, the common shareholders cannot be paid any dividends that would result in the company having insufficient assets to redeem the preferred shares at their redemption amount.

Warrants

The fair value of the warrants the Company holds in equity investments was estimated using the Black-Scholes pricing model and was based on the following assumptions:

	December 31, 2018		December 31, 2017	
	Range	Weighted Average	Range	Weighted Average
Fair value of warrant	$0.00 to $4.35	$0.07	$0.00 to $0.427	$0.05
Stock price	$0.01 to $6.25	$0.17	$0 to $0.87	$0.15
Expected life (in years)	0.05 to 10.01	2.05	0.121 to 7.95	3.08
Volatility	21.5% to 295.01%	115.94%	0% to 405%	122%
Risk free rate	1.88% to 2.41%	2.23%	1.44% to 1.52%	1.47%

(Presented in Canadian Dollars)

Investment in joint venture

On October 17, 2016, a subsidiary of the Company, FGI created a joint venture with Grenville Strategic Royalty Corp ("GSRC"), called Foregrowth-Grenville Investments Inc. ("FGII"). FGII has the right to co-invest new royalty investments made by GSRC. FGI 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 joint venture was concluded during the year.

The Company has accounted for its investment under the equity method. The following table summarizes the financial information of FGII:

	December 31, 2018	December 31, 2017
	$	$
Percentage ownership interest (owned by FGII)	**85%**	85%
Royalty agreement acquired	-	779,306
Current assets	-	723,680
Current liabilities	-	(4,632)
Non-current liabilities	-	(1,501,926)
Net assets	-	(3,572)
Companies share of net assets and carrying amount of interest	-	(3,036)
Revenue	112,447	131,865
Operating expenses	(108,875)	(18,536)
Interest expense	-	(107,363)
Income tax	-	(1,581)
Profit (loss) and comprehensive income	3,572	4,385
Companies share of profit and comprehensive income	3,036	3,727
Dividends received	-	-

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 December 31, 2018, the value of this investment was $1,430,690 (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) 320,421 units of an unconsolidated fund called Gravitas Zhaojin Gold Industry Fund. As of December 31, 2018, the value of this investment was $3,079,246 (December 31, 2017: $Nil). (iii) investment in Zijin Midas Exploration Fund LLC. As of December 31, 2018, the value of this investment was $1,044,977 (December 31, 2017: $Nil).

(Presented in Canadian Dollars)

13. GOODWILL

The goodwill balance relates to the acquisition of 2242, which management considers to be a separate CGU. A continuity of goodwill of the Company is as follows:

	$
Balance, January 1, 2017	3,366,877
Goodwill acquired – PTC Accounting and Finance Inc.	415,831
Goodwill impairment – PTC Accounting and Finance Inc.	(415,831)
Goodwill acquired – Capital Ideas Media Inc.	482,747
Goodwill impairment – Capital Ideas Media Inc.	(482,747)
Balance as at December 31, 2017	3,366,877
Balance as at December 31, 2018	**3,366,877**

At December 31, 2018, the recoverable amount of the CGU was higher than its carrying value. The key assumption in the calculation of the recoverable amount include sales growth per year, changes in cost of sales and weighted average cost of capital which were projected out 5 years, with a terminal growth rate of 2%. Weighted average cost of capital was determined to be approximately 18.6% based on a risk-free rate, an equity risk premium adjusted for betas of comparable publicly traded companies, an unsystematic risk premium, an after-tax cost of debt based on the Company's financing arrangement. The Company believes that a slight change in the key assumptions would not cause significant changes in the impairment.

14. INTANGIBLE ASSETS

A continuity of intangible assets of the Company is as follows:

	Brand names and Licenses	Proprietary Software	Option to sell assets	Net smelter royalty	Backlog and Customers	Total
	$	$	$	$	$	$
Cost						
Balance, January 1, 2017	**932,338**	**40,902**	**200,139**	**1,245,760**	**257,040**	**2,676,179**
Disposals	(602,303)	(40,902)	(200,139)	-	-	(843,344)
Balance, December 31, 2017	**330,035**	**-**	**-**	**1,245,760**	**257,040**	**1,832,835**
Acquisition	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Balance, December 31, 2018	**330,035**	**-**	**-**	**1,245,760**	**257,040**	**1,832,835**
Accumulated amortization						
Balance, January 1, 2017	**46,614**	**10,226**	**100,070**	**1,245,760**	**42,840**	**1,445,510**
Disposals	(46,614)	(17,894)	(200,139)	-	-	(264,647)
Amortization	-	7,668	100,069	-	185,640	293,377
Balance, December 31, 2017	**-**	**-**	**-**	**1,245,760**	**228,480**	**1,474,240**
Amortization	-	-	-	-	28,558	28,558
Balance, December 31, 2018	**-**	**-**	**-**	**1,245,760**	**257,040**	**1,502,800**
Carrying amount						
Balance, December 31, 2017	330,035	-	-	-	28,558	358,593
Balance, December 31, 2018	**330,035**	**-**	**-**	**-**	**-**	**330,035**

(Presented in Canadian Dollars)

15. PROPERTY AND EQUIPMENT

A continuity of property and equipment of the Company is as follows:

	Office and Computer equipment	Leasehold improvement	Total
	$	$	$
Cost			
Balance as at January 1, 2017	377,582	32,980	410,562
Additions	77,095	248,888	325,983
Acquisitions	89,122	19,535	108,657
Disposals	(82,955)	-	(82,955)
Balance as at December 31, 2017	460,844	301,403	762,247
Additions	14,056	-	14,056
Disposals	(62,330)	(15,147)	(77,477)
Balance as at December 31, 2018	**412,570**	**286,256**	**698,826**
Accumulated amortization			
Balance as at January 1, 2017	159,950	16,109	176,059
Amortization	67,045	57,486	124,531
Balance as at December 31, 2017	**226,995**	**73,595**	**300,590**
Amortization	48,253	62,354	110,607
Balance as at December 31, 2018	**275,248**	**135,949**	411,197
Carrying amount			
Balance as at December 31, 2017	233,849	227,807	461,657
Balance as at December 31, 2018	**137,322**	**150,307**	**287,629**

16. TRADE AND OTHER PAYABLES

A summary of trade and other payables of the Company is as follows:

	December 31, 2018	December 31, 2017
	$	$
Trade payables	**4,750,368**	5,560,637
Interest payables	**180,285**	4,616,862
Option and put derivative liability regarding FGI (note 25)	**537,537**	324,725
Due to related parties, non-interest bearing, due on demand	**18,160**	11,635
Accrued compensation (a)	**2,078,587**	2,170,099
	7,564,937	12,683,958

(a) Amount represents shares and warrants due as compensation for investment banking services provided to third parties by a subsidiary of the Company.

(Presented in Canadian Dollars)

17. DEBENTURES

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

	Gravitas Series #1 (a)	Gravitas Series #2 (b)	Mint Series A (c)	Mint Series B (d)	Mint Series C (c)	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 (c)	-	114,299	1,753,021	-	55,526	1,922,846
Reduction of liability on debentures (c)	-	-	(48,631,844)	-	(9,991,026)	(58,622,870)
Present value of Series A debentures (c)	-	-	10,810,363	-	-	10,810,363
	-	114,299	(36,068,458)	-	(9,935,500)	(45,889,660)
Balance, December 31, 2018	**30,023,000**	**53,461,725**	**12,466,698**	**-**	**-**	**95,951,421**

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 have 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 completed a transaction to restructure its Series A and Series C debentures having an aggregate value of principal and accrued interest of $64,062,727. Substantially all of the Series A debentures were held by two holders ("the majority Series A holders") with all of the Series C debentures being held by one of the majority Series A holders. As part of the transaction, Mint acquired for cancellation Series A debentures with an aggregated value of principal and accrued interest of $40,449 for $8,084, thereby leaving the majority Series A holders as the sole holders of the Series A debentures at closing.

Under the transaction, Mint acquired for cancellation $28,979,520 principal amount of the outstanding Series A debentures and all claims for interest and other amounts owing under the Series A debentures, thereby reducing the amount owing to $20,000,000. The Series A debentures were amended to provide that they 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 common shares of Mint priced at the greater of 95% of the 10-day volume weighted average price of the common shares and the minimum price permitted by the TSX Venture Exchange. Each subscription receipt will convert, for no additional consideration, into one common share of Mint at the election of the holder within one year from the date of issuance.

The Series C debentures in the principal amount of $10,000,000 were amended to postpone that debt in favour of the Series A debentures and to provide that the Series C debentures would be cancelled and deemed to be repaid upon payment of the Series A debentures. This amendment retained the security under the Series C debentures but limited the total debt under the Series A and Series C debentures to $20,000,000 owing under the Series A debentures. This $20,000,000 owing under the Series A debentures was the agreed total settlement of the principal and accrued interest on the Series A and Series C debentures. The Series A debentures are secured by a first position security in assets of Mint and MME. The Series C debentures are secured by security in the assets of Mint and MCO.

In consideration of the settlement, the Series A holders received at no additional cost: (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 is exercisable for one common share at any time on or before January 1, 2019 and on or before December 31, 2021 at an exercise price of $0.10. The subscription receipts are exercisable on or after the respective exercise date until December 31, 2022.

As of December 31, 2018, 10,000,000 subscription receipts (Series 1, 2, 3, 4 and 5) were exercisable but had not been exercised. Subscription receipts for Series 6, 7 and 8 are exercisable on or after March 31, 2019; June 30, 2019; and September 30, 2019, respectively (the "Subscription Receipt Date"). All subscription receipts are subject to a one-year hold from the date of their respective Subscription Receipt Date. All subscription receipts that are not exercised and converted on or prior to December 31, 2022 expire automatically.

Gain on Restructuring of Series A and Series C Debentures

Mint has recognized a gain of $45,831,643 arising from the restructuring of the Series A and Series C debentures. At the time of the restructuring transaction the principal and accrued interest owing on all Series A debentures held by the "majority" and "minority" holders, and the Series C debentures was $64,062,727. On May 31, 2018, Mint common shares were trading at a price of $0.20 per share.

Mint has estimated the fair value of consideration granted, in accordance with accounting standards, as follows:

(i) $10,810,363 being the present value of the $20,000,000 principal amount of the Series A debentures, discounted at an assumed interest rate of 25% per annum. This discount rate reflects the timing and amount of interest coupon payments, and retirement of the principal at its December 31, 2021 maturity date. In accordance with accounting standards, Mint is required to use an interest rate that assumes a debt obligation on an unsecured basis without any adjustment to reflect the security granted for that debt, or the value of the additional securities granted at no cost as part of the transaction (i.e. common shares, warrants and subscription receipts). On this basis, a 25% interest rate has been used as the rate on unsecured debt that a company in Mint's comparable condition would incur on unsecured debt;

(ii) $3,460,000 being the value of the 17,300,000 common shares granted at the May 31, 2018 share price of $0.20 per common share;

(iii) $2,275,977 being the estimated fair value of the 11,700,000 warrants granted at the closing date using the Black-Scholes pricing model;

(iv) $932,474 being the estimated fair value of the 16,000,000 subscription receipts granted at the closing date using the Black-Scholes pricing model; and

(v) $8,084 being the purchase price paid by Mint to acquire for cancellation the Series A debentures not held by the "majority" holders valued at $40,449.

(Presented in Canadian Dollars)

Transaction costs of $744,186 comprising of $417,265 of legal fee and $326,921 of investor warrants, were incurred as part of the transaction and have been expensed. The grant date fair value of the warrants issued was determined using the Black-Scholes model with the following assumptions: an expected volatility of 218%; a risk-free rate of 1.75%; an expected life of 2.8 years; no expected dividends; and a share price of $0.13.

On September 29, 2017, Mint completed the sale of $2,918,000 principal amount of Series B debentures of Mint for cancellation. As payment for the debentures, the Company received 15,066,548 common shares of Mint and 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 by making a $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 had a fair value of $0.075 per share on the date of settlement, for a total fair value of $134,031. In total, Mint 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 for the year ended December 31, 2017. Interest accrued on date of settlement was $Nil (December 31, 2017: $1,035,600), which was included in accruals and other payables.

18. LOANS PAYABLE AND OTHER LIABILITIES

	December 31, 2018 $	December 31, 2017 $
Bridge loans, due by GMC (a)	**1,777,533**	1,254,500
Preferred share liability, due by GMC (b)	**760,000**	360,000
Promissory notes, due by Mint (c)	**335,481**	-
Business Development of Canada loan, due by PTC	**-**	105,000
Other	**(436)**	50,000
Balance, end of the year	**2,872,578**	1,769,500
Less: current portion	**(1,813,014)**	(1,254,500)
Non-current portion	**1,059,564**	515,000

(a) GMC has bridge loans totaling $1,777,533 (December 31, 2017: $1,254,500). One of the loans of $1,477,533 matures on June 14, 2019 and carries an interest rate of 15% per annum. The other loan of $300,000 matures on July 31, 2020 and carries an interest rate of 8% per annum.

(b) GMC issued Class A preferred shares of $360,000 during the year ended December 31, 2017, which 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. GMC also issued Class B preferred shares of $400,000 during the year ended December 31, 2018, which carry an interest rate of 10% and are redeemable at the option of the holder, either four or five years from the date of issuance.

(c) Mint has issued promissory notes totaling $335,481 during the year ended December 31, 2018. The promissory notes mature on August 30, 2019 and carry an interest rate of 18% per annum which are payable on maturity. The noteholders were also issued 2 warrants of Mint for every $1 principal amount of the promissory notes received. Each warrant is exercisable for one common shares of Mint at any time during the 12 months up to August 30, 2019 for an exercise price of $0.20. If the common shares trade at a price that closes at or above $0.40 per share for 10 consecutive trading days, Mint may accelerate the expiration date of the warrants to a date that is at least 30 days from the date Mint provides the notice of such acceleration, provided such accelerated expiration date may not be earlier than December 31, 2018.

19. IMPAIRMENT

	December 31, 2018	December 31, 2017
	$	$
Impairment of investments in associates	**255,583**	8,427,178
Impairment of goodwill	**-**	898,578
Impairment of convertible debentures and loans receivables	**2,537,187**	1,289,729
Impairment of debentures	**(95,241)**	290,000
Impairment of accounts receivable	**59,126**	-
Impairment of common shares - public	**-**	150,000
Impairment of common shares – private	**-**	253,817
Reclassification of impairment to net loss on AFS investments	**-**	232,254
Impairment of interest receivable	**426,442**	3,750
Impairment of HST receivable in Mint	**-**	610,655
Subsequent recovery of impairment	**(200,652)**	(225,000)
	2,982,446	11,930,961

20. SHARE CAPITAL

The authorized share capital of the Company consists of an unlimited number of common shares. As at December 31, 2018, outstanding shares were 72,601,305 (December 31, 2017: 72,601,305). Share capital totals $2,000,600 (December 31, 2017: $2,000,600).

21. INTERESTS IN SUBSIDIARIES

	As at December 31, 2018						
Expressed in thousands	**GIC**	**BCS**	**Mint**	**GMC**	**Rev**	**Other ***	**Total**
	$		$	$	$	$	$
Minority Shareholder %	**53.9%**	**49%**	**46.1%**	**35.4%**	**55%**	**-**	
Statement of Financial Position Amounts							
Current assets	29,760	144	224	631	1	-	30,760
Non-current assets	9,934	574	-	6,987	-	-	17,495
Total assets	**39,694**	**718**	**224**	**7,618**	**1**	**-**	**48,255**
Current liabilities	35,347	13	6,769	2,044	350	-	44,523
Non-current liabilities	2,157	-	12,467	1,060	-	-	15,684
Total liabilities	**37,504**	**13**	**19,236**	**3,104**	**350**	**-**	**60,207**
Accumulated NCI	**1,548**	**(584)**	**18,547**	**1,576**	**(193)**	**-**	**20,894**
Total comprehensive loss (income) allocated to NCI:							
For the year ended December 31, 2018	**2,617**	**686**	**(17,411)**	**1,311**	**(587)**	**(195)**	**(13,579)**

GIC – Gravitas Ilium Corp, BCS – Branson Corporate Services Inc., Mint – The Mint Corp., GMC – Gravitas Mining Corp, Rev – Revenue.com US Corp
* Other – includes deconsolidated subsidiaries: CREC – Claxton Real Estate Company Ltd, GICMB – GIC Merchant Bank Corporation and subsidiary CIM – Capital Ideas Media Inc which is now a wholly-owned subsidiary.

	As at December 31, 2017									
Expressed in thousands	**GIC**	**CIM**	**CREC**	**BCS**	**Mint**	**Rev**	**GICMB**	**GMC**	**GSSGP**	**Total**
	$	$	$	$	$	$	$	$	$	$
Minority Shareholder %	**53.9%**	**49.99%**	**58%**	**49%**	**31.77%**	**55%**	**57.14%**	**29.3%**	**20%**	
Balance Sheet Amounts										
Current assets	31,872	245	42	318	134	159	4,235	3,989	444	41,438
Non-current assets	10,564	26	-	1,652	-	-	1,964	5,183	-	19,389
Total assets	**42,436**	**271**	**42**	**1,970**	**134**	**159**	**6,199**	**9,172**	**444**	**60,817**
Current liabilities	35,780	76	255	256	67,985	1,277	2,881	209	132	108,851
Non-current liabilities	11	-	-	-	-	-	109	1,614	-	1,734
Total liabilities	**35,791**	**76**	**255**	**256**	**67,985**	**1,277**	**2,990**	**1,823**	**132**	**110,585**
Accumulated NCI	**2,862**	**(3)**	**1,230**	**101**	**(5,852)**	**(611)**	**1,051**	**1,421**	**41**	**240**
Total comprehensive loss (income) allocated to NCI: For the year ended December 31, 2017										
	2,881	**20**	**433**	**(95)**	**2,721**	**316**	**9**	**(51)**	**(41)**	**6,193**

GIC – Gravitas Ilium Corp, CIM – Capital Ideas Media Inc, CREC – Claxton Real Estate Company Ltd, BCS – Branson Corporate Services Inc., Mint – The Mint Corp., Rev – Revenue.com US Corp, GICMB – GIC Merchant Bank Corporation, GMC – Gravitas Mining Corp, GSSGP-Gravitas Special Situations GP

During the year ended December 31, 2018, the proportion of the equity held by non-controlling interests changed as a result of cash proceeds from common share equity raises in subsidiaries of $6,197,880 and the conversion by Mint's debenture holders of its debentures into Mint's common shares valued at $6,668,450. The changes in ownership interest was recorded to non-controlling interests to adjust the carrying amounts of the controlling and non-controlling interests for reflecting the changes in their relative interests in the subsidiary.

Changes in the Company's interest in subsidiaries during the years ended December 31, 2018 and 2017 are as follows.

The Mint Corporation ("Mint")
In September and October 2017, Mint issued 16,854,380 common shares to the debenture holders for the cancellation of Series B debentures. As a result of this share issuance, the Company's ownership decreased from 76.75% to 68.23%.

During January 2018, Mint completed the sale of units (comprising of one common share and one warrant) at $0.20 each for proceeds of $3,000,000 and 3,409,090 units at $0.22 each for proceeds of $750,000. Each unit consists of one common share in Mint and one warrant. Each warrant is exercisable for one common share during the 12 months following the first closing of the offering for an exercise price of $0.30. As a result of these offerings, the Company issued 791,954 finder warrants. A subsidiary of the Company subscribed for a total of 227,273 shares in the financing. As a result of these financings, the Company's interest in Mint was reduced from 68.23% to 60.63%.

During the year ended December 31, 2018, broker warrants in Mint were exercised for a total of $486,018 resulting in the issuance of 3,555,615 common shares. As a result of these issuances, the Company's interest in Mint was reduced from 60.63% to 58.30%.

As noted within Note 17, on May 31, 2018 Mint restructured its Series A and Series C debt resulting in a reduction in debt owed to $20,000,000. As a result of this, during the year ended December 31, 2018, the debenture holders received 17,300,000 common shares of Mint. As a result of this issuance, the Company's interest in Mint was reduced from 58.30% to 53.90%.

Gravitas Mining Corporation ("GMC")
During June 2017, the Company transferred certain assets at fair market value to GMC and received 2,566,240 common shares. As a result of this transaction, the Company's ownership interest in GMC increased from 83.33% to 90.02%.

During December 2017, GMC raised a total of $1,600,000 by way of a private placement. GMC issued a total of 1,600,000 common shares, which represents 22.3% of its issued and outstanding capital. As a result of this transaction, the Company's ownership interest in GMC was reduced from 90.02% to 70.70%.

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

During June and July 2018, GMC raised a total of $500,000 through the issuance of 500,000 common shares at $1.00 per share. As a result of the financing, the Company's ownership interest in GMC decreased from 69.01% to 64.6%.

Revenue.com

On February 28, 2018, the Company sold its assets of Revenue.com to a subsidiary of Aeon Ventures Inc ("Aeon"), a United States listed public company on the OTC. The consideration is as follows: (i) cash proceeds of $55,075 (US$43,000), (ii) 500,000 common shares of Aeon, and (iii) a possible earnout of up to $12,808,150 (US$10 million) based on certain revenue achievement targets. These targets had not been reached as at December 31, 2018 therefore no earnout has been recorded with respect to the sale.

Claxton

Total assets, liabilities and results of operations of Claxton are those that remain after the sale of the Palm Valley property and its related mortgage. During the year ended December 31, 2018 $Nil (year ended December 31, 2017: $579,204) was distributed to the non-controlling shareholders of Claxton. The company has been dissolved in 2018.

Gravitas Ilium Corporation ("GIC")

On December 15, 2017, GIC raised a total of $1,500,000 by way of a private placement. GIC issued 3,000,000 common shares, which represents 10% of its issued and outstanding capital. As a result of this transaction, the Company's ownership interest in GIC was reduced from 50% to 46.1%.
During December 2017, Foregrowth Inc. ("FGI"), a subsidiary of GIC, raised a total of $250,000 by way of a private placement. FGI issued a total of $1,500,000, which was partly subscribed by its parent, GIC. This represents 24% of the issued and outstanding capital of FGI. As a result of this transaction, GIC's ownership in FGI decreased from 100% to 96%. In 2018, FGI raised $375,000, which decreased GIC's ownership in FGI from 96% to 93.2%.

During September 2018, China Central Securities via its Hong Kong subsidiary, Central China International, has acquired a 9.9% interest in 2242 for total consideration of $1,500,000. As a result of this transaction, GIC's interest in 2242 decreased from 54.99% to 49.54%.

For the year ended December 31, 2018*									
Expressed in thousands	**GIC**	**CIM**	**CREC**	**BCS**	**Mint**	**Rev**	**GICMB**	**GMC**	**GSSGP**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Net cash from (used) in:									
Operating activities	(584)	(102)	(28)	(1,610)	(1,038)	(47)	(3,592)	(1,149)	-
Investing activities	24	-	-	1,487	(3,202)	-	1,792	(3,934)	-
Financing activities	-	-	-	-	4,316	-	-	899	-
Net cash inflow (outflow)	**(560)**	**(102)**	**(28)**	**(122)**	**75**	**(47)**	**(1,800)**	**(4,184)**	**-**

For the year ended December 31, 2017									
Expressed in thousands	**GIC**	**CIM**	**CREC**	**BCS**	**Mint**	**Rev**	**GICMB**	**GMC**	**GSSGP**
	$	**$**	**$**	**$**	**$**	**$**		**$**	**$**
Net cash from (used) in:									
Operating activities	(2,237)	22	(905)	78	(1,695)	(620)	1,432	(273)	(80)
Investing activities	(739)	-	(1,462)	-	(267)	625	(1,000)	(1,121)	-
Financing activities	1,500	200	-	-	1,598	-	1,858	4,692	-
Net cash inflow (outflow)	**(1,476)**	**222**	**(2,367)**	**78**	**(364)**	**5**	**2,290**	**3,298**	**(80)**

GIC – Gravitas Ilium Corp, BTG – Bay Talent Group, CIM – Capital Ideas Media Inc, CREC – Claxton Real Estate Company Ltd, BCS – Branson Corporate Services Inc., Mint – The Mint Corp., Rev – Revenue.com US Corp, GICMB – GIC Merchant Bank Corporation, GMC – Gravitas Mining Corp, GSSGP-Gravitas Special Situations GP

(Presented in Canadian Dollars)

22. DISPOSITION OF ASSETS IN DISCONTINUED OPERATIONS

The following table shows the statement of financial position for the discontinued operations of Claxton, 2474184 Ontario Inc. and Luxury Quotient International Inc.

	December 31, 2018	December 31, 2017
	$	$
Total assets	-	90,264
Total liabilities	-	(542,859)
	-	(452,595)

	December 31, 2018	December 31, 2017
	$	$
Total revenue	-	277,712
Total expenses, net of foreign currency gain	-	(2,469,912)
Net Loss	-	2,192,200

The following tables shows statement of cash flows for the discontinued operations of Claxton, 2474184 Ontario Inc. and Luxury Quotient International Inc:

	December 31, 2018	December 31, 2017
	$	$
Cash flows from operating activities	-	(166,562)
Cash flows from investing activities	-	-
Cash flow used in financing activities	-	(579,204)
	-	(745,766)

23. INCOME (LOSS) PER SHARE

Income (loss) per share is based on the weighted average number of common shares of the Company outstanding during the period. The diluted income (loss) per share reflects the potential dilution of common share equivalents, such as outstanding share options and warrants. The weighted average number of shares outstanding for the year ended December 31, 2018 was 72,601,305 (December 31, 2017: 72,601,305). In addition, 5,500,000 (December 31, 2017: Nil) stock options are outstanding. No warrants were outstanding as of December 31, 2018 and December 31, 2017. The fully diluted outstanding number of shares of the Company was 72,601,305 as of December 31, 2018 (December 31, 2017: 72,601,305) as the outstanding options were antidilutive for the year.

Basic net income per share for the year ended December 31, 2018 totaled $0.19 (net loss of $0.46 for the year ended December 31, 2017). Diluted net income per share for the year ended December 31, 2018 totaled $0.19 (net loss of $0.46 for the year ended December 31, 2017).

24. RELATED PARTY TRANSACTIONS

Parties are considered related if the party has the ability, either directly or indirectly, to control the other party or exercise significant influence over the other party in making operating and financial decisions. This would include the Company's and their subsidiaries' senior management. Parties are also related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. A transaction is a related party transaction when there is a transfer of resources or obligations between related parties. The following are the related party transactions during the year ended December 31, 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.

(Presented in Canadian Dollars)

During the year ended December 31, 2018, the Company:

- Incurred $4,977,647 (December 31, 2017: $4,729,581) to directors and senior officers of the Company and its subsidiaries, including the Chief Executive Officer, its former Chief Financial Officer and Executive Vice Presidents or Vice Presidents of the Company and/or its subsidiary companies. This amount has been included in compensation and management fees, professional fees and general and administrative fees. $18,000 (2017: $120,773) was outstanding at year end.
- Incurred legal fees of $Nil (December 31, 2017: $9,504) from a legal firm in which former director, David Carbonaro, is a partner.
- Expensed $30,157 (2017: $51,360) to Soigne Technologies Inc., a company in which an employee has an interest.
- Transferred a total of $Nil (2017: 3,782,557) shares of vMobo Inc., a private company whose shares were acquired by way of the disposal of LQII to certain directors or officers at a value of $Nil (2017: $Nil).
- Through Mint UAE, paid $508,070 (December 31, 2017: $497,827) to Global Business Systems ("GBS") management and consulting fee in connection with the management agreement for the Mint UAE operations. The amount form part of the Company's share of losses of associates.
- Charged rent of $96,296 (December 31, 2017: $56,552) to associated companies which had offices within the Company's premise.
- Expensed $60,000 (December 31, 2017: $Nil) of management fees to a shareholder of one of its subsidiaries

As of December 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 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. These amounts are unsecured and due on demand.
- $Nil (December 31, 2017: $132,408) is due from/(to) directors or officers or companies controlled by directors or officers of subsidiary companies to subsidiary companies of the Company. These amounts are unsecured, non-interest bearing and due on demand.
- Parties related to the Company purchased $100,000 of Mint's promissory notes described in Note 18(c).
- Loan and interests of $310,945 (2017: $295,945) is due from a director of an associated company. The loan was disbursed in 2014.

25. STOCK OPTION PLAN AND STOCK BASED COMPENSATION

The Company has adopted a stock-based option plan under which the Board of Directors may award options for common shares to directors, officers, employees and consultants. The maximum number of common shares issuable pursuant to the share option plan must not exceed 10% of the total number of the Company's outstanding. The exercise price of each option is determined by the Board of Directors and cannot be less than the discounted market value of the common shares on the eve of the award. The term of the options cannot exceed five years. 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 year ended December 31, 2018, a total of 750,000 options were cancelled as result of employees' resignations and a total of $308,175 (December 31, 2017: $Nil) has been expensed. The fair value of the stock options granted was estimated with the following assumptions:

	December 31, 2018	December 31, 2017
Expected dividend yield	**0%**	-
Expected average volatility (a)	**171%**	-
Risk-free average interest rate	**2.01%**	-
Expected option life (years)	**3.0**	-
Share price	**$0.07**	-
Exercise price	**$0.10**	-

(a) Volatility was determined based on various valuation model and inputs from comparable companies, as appropriate.

(Presented in Canadian Dollars)

Option on Mint Shares Held by Gravitas

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 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. For the year ended, a total of $256,717 (December 31, 2017: $Nil) has been expensed.

Stock Options of Subsidiaries

During the year ended December 31, 2018, a total of 5,025,000 options (December 31, 2017: 8,700,000) were issued by Mint and Nil options (December 31, 2017: 1,510,000) were issued by 2474184 Ontario Inc. A total of 650,000 options were forfeited and cancelled for Mint during the year (December 31, 2017: 400,000). No stock options were exercised during the year (December 31, 2017: 1,000,000).

Using the fair value method, the recorded expense of the noted stock options was $521,113 (December 31, 2017: $821,366). The fair value of the stock options granted was estimated using the various valuation models with the following assumptions:

	December 31, 2018	December 31, 2017
Expected dividend yield	**0%**	0%
Expected average volatility (a)	**112% - 209%**	**203 - 230%**
Risk-free average interest rate	**1.75% – 2.26%**	**0.7% - 1.4%**
Expected option life (years)	**0.6 – 3.0**	**3.0 – 5.0**
Share price	**$0.12 - $0.46**	**$0.10 - $0.13**
Exercise price	**$0.10 - $0.25**	**$0.10 - $0.13**

(a) Volatility was determined based on various valuation model and inputs from comparable companies, as appropriate.

During the year ended December 31, 2018, a total of 1,677,872 (December 31, 2017: Nil) options were issued by FGI. Using the fair value method, the recorded expense of the noted stock options was $156,775 (December 31, 2017: $Nil). The fair value of the stock options granted was estimated using the various valuation models with the following assumptions:

	December 31, 2018	December 31, 2017
Expected dividend yield	**0%**	NA
Expected average volatility (a)	**100%**	NA
Risk-free average interest rate	**1.93%**	NA
Expected option life (years)	**4**	NA
Share price	**$0.60**	NA
Exercise price	**$0.60**	NA

(b) Volatility was determined based on various valuation model and inputs from comparable companies, as appropriate.

Option and Put Agreement of Subsidiary

On December 22, 2017, FGI entered into option and put agreements with certain officers. These agreements offered an option to acquire 5,896,304 shares of FGI, which would represent 25% of the issued and outstanding shares of FGI. In addition, a grant of a put right was issued. This put right allows the officers the right to force FGI to re-purchase for cancellation the same shares on exercise of those options. The Company has treated these options as compensation expense for the services provided by these officers in the amount of $496,720 as cash and equity settled with corresponding credits to liability of $324,725 and contributed surplus of $171,995. Fair value change in the liability component for the year ended December 31, 2018 was $212,812 (December 31, 2017: $Nil). The following assumptions were used to value the liability: risk free interest rate: 1.93%, volatility: 100%, dividend yield: $Nil, expected life: 9 years and stock price: $0.60.

(Presented in Canadian Dollars)

26. ADDITIONAL INFORMATION – CASH FLOWS

The changes in working capital items are detailed as follows:

For the year ended December 31	2018	2017
	$	$
Change in:		
Trade and other receivables	**924,845**	(855,949)
Receivable from brokers and clients	**2,291,484**	(3,465,154)
Prepaid expenses	**(212,851)**	(6,447)
Inventory	-	(3,388)
Trade and other payables	**3,196,776**	6,981,876
Payable to brokers and clients	**(2,719,459)**	3,292,799
Customer deposits	**3,110,248**	334,307
Taxes payable	**31,769**	310,341
Changes in working capital	**6,622,812**	6,588,385

There were no cash equivalents as at December 31, 2018 and 2017.

Additional supplementary information:

For the year ended December 31	2018	2017
	$	$
Interest paid	**(2,825,803)**	(2,571,465)
Interest received	**156,398**	146,222
Taxes paid	-	(251,555)
Taxes received	-	-

27. INCOME TAXES

During the year ended December 31, 2018, the Company expensed $26,784 (December 31, 2017: $374,036) in income tax expense. In addition, $289,197 (December 31, 2017: $351,559) and $264,579 (December 31, 2017: $170,448) were reflected in the statement of financial position as income taxes payable and deferred taxes payable, respectively.

Relationship between expected tax expense and accounting net earnings (loss)
The relationship between the expected tax expense based on the combined federal and provincial income tax rate in Canada and the reported tax expense in the consolidated statement of comprehensive income can be reconciled as follows:

	For the years ended December 31,	
	2018	2017
	$	$
Expected income tax recovery calculated using the combined federal and provincial income tax rate in Canada of 26.5%	**3,816,075**	(8,661,369)
Expiry of losses on dissolution of corporation	-	-
Prior year adjustments	-	39,889
Reduction of non-capital losses on forgiven debt	**(1,592,625)**	-
Non-deductible expenses	**928,066**	3,492,080
Tax rate changes and other adjustments	**86,605**	(4,495)
Non-taxable portion of dividend	**(31,800)**	136,052
Non-taxable portion of capital gain	-	(1,349,140)
Changes in unrecognized temporary differences	**(3,091,077)**	6,768,302
Income tax expense	**115,244**	**421,319**

(Presented in Canadian Dollars)

Recognized deferred tax assets and liabilities
The following is a roll forward of carrying amounts and tax bases from timing differences given rise to the following recognized deferred income tax assets and liabilities:

	Balance, January 1, 2018	Recognized in the income statement	Recognized in OCI	Balance, December 31, 2018
	$	$	$	$
Equity investments and other	(469,003)	(517,125)	-	(986,128)
Convertible debentures	-	-	-	
Intangibles	-	(84,624)	-	(84,624)
Property Plant & Equipment	-	20,332	-	20,332
Non-capital losses	298,555	492,957	-	791,512
Deferred income tax liability	**(170,448)**	**(88,460)**	**-**	**(258,908)**

The Company has the following timing differences for which no deferred income tax has been recognized:

	For the years ended December 31, 2018	2017
	$	$
Debentures	560,275	639,885
Property and equipment	402,678	230,625
Intangible Assets	148,106	-
Investments	26,376,380	14,530,362
Mining properties	1,967,873	761,991
Convertible debentures	4,074,633	486,837
Issuance costs of equity instruments	982,838	1,092,194
Deferred Revenue	3,908,549	-
Loans	135,596	-
Capital loss carry forwards	8,880,917	1,846,935
Non-capital losses carried forward	55,910,933	82,778,319
	103,348,778	**102,367,148**

The ability to realize the tax benefits is dependent upon several factors, including the future profitability of operations. Deferred tax assets are recognized only to the extent that it is probable that sufficient taxable profits will be available to allow the asset to be recovered. The Company has the following non-capital losses which are available to reduce income taxes in future periods, for which no deferred tax asset has been recognized in the consolidated statement of financial position, that can be carried over the following years:

	For the years ended December 31, 2018	2017
	$	$
2024	1,040,877	1,040,877
2025	557,157	557,157
2027	999,807	999,807
2028	304,949	304,989
2029	458,406	458,406
2030	1,034,519	4,373,511
2031	290,942	1,431,746
2032	310,307	4,836,830
2033	1,310,152	14,470,604
2034	2,504,389	12,380,305
2035	5,006,220	10,882,064
2036	7,567,824	10,540,216
2037	21,274,216	21,628,471
2038	16,528,420	-
	59,188,185	**83,904,943**

(Presented in Canadian Dollars)

28. FINANCIAL INSTRUMENTS

Fair value

The carrying value of cash, trade and other receivables and trade and other payables are considered to be a reasonable approximation of the fair value due to the short-term maturity of these instruments. The carrying value of guaranteed investment certificates are considered to be a reasonable approximation of the fair value since these instruments are redeemable at any time. Equity interests in private entities are measured at fair value using subjective measures, including recent share transactions, prices for comparable entities, review of cash flow projections and the company prospects, financial ratios and other discounted cash flow techniques.
The table below summarizes the assets and liabilities that are included at their fair values in the Company's statement of financial position as at December 31, 2018 and December 31, 2017. These assets and liabilities have been categorized into hierarchical levels, according to the significance and reliability of the inputs used in determining fair value measurements. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted pries included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the assets or liabilities are not based on observable market data (unobservable inputs).

			As at December 31, 2018 (under IFRS 9)	
	Level 1	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**
Common shares in quoted companies	6,602,310	-	-	6,602,310
Common shares in private companies	-	-	1,631,266	1,631,266
Preferred shares in private companies	-	-	2,101,188	2,101,188
Warrants	-	2,871,224	-	2,871,224
Investment fund and related joint venture	-	-	5,554,914	5,554,914
Equity investments and other	6,602,310	2,871,224	9,287,368	18,760,901
Convertible debentures	-	-	-	-
	6,602,310	**2,871,224**	9,287,367	**18,760,901**

			As at December 31, 2017 (under IAS 39)*	
	Level 1	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**
Common shares in quoted companies	10,202,641	-	-	10,202,641
Common and preferred shares in private companies	-	-	3,358,665	3,358,665
Options	-	425,226	-	425,226
Warrants	-	5,473,802	-	5,473,801
Investment fund and related joint venture	-	2,662,321	-	2,662,321
Conversion feature of debentures	-	485,718	-	485,718
	10,202,641	**9,047,066**	**3,358,665**	**22,608,372**

*Balances as at December 31, 2018 have been prepared in accordance with IFRS 9; prior period amounts have not been restated.

The Company's options, warrants, investment funds and related joint venture and conversion features on debentures held are classified within Level 2 of the fair value hierarchy since the fair value is determined using a model that includes the volatility and price of the companies in which the Company invested. The method and valuation techniques used for purpose of measuring fair value, are unchanged compared to the previous reporting periods.

For investments classified in level 3, the fair value was determined through several methods, including recent private placements made by third parties and financial models. For the year December 31, 2018, the fair value change included in other comprehensive income was $Nil (December 31, 2017: $35,233).

(Presented in Canadian Dollars)

29. CAPITAL MANAGEMENT

The Company manages its capital structure and adjusts related to changes in the economic environment and the underlying risks of its assets. In its definition of capital, the Company includes debentures and equity (deficiency). The following table shows the items included in the definition of capital.

There has been no change with respect to the overall capital management strategy during the year ended December 31, 2018.

	December 31, 2018 $	December 31, 2017 $
Debentures:		
Current Portion	-	58,470,654
Long Term Portion	95,951,421	83,370,426
Equity (deficiency)	(74,637,663)	(99,256,860)
	21,313,758	42,584,220

30. FINANCIAL RISKS

The Company is exposed to the following risks through its 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. The Company has two types of financial assets that are subject to the expected credit loss model:

1. Trade and other receivables from wealth management, recruitment, listing and research fees
2. Loans and receivables carried at AMC

While cash and cash equivalents, guaranteed investments certificates and receivable from brokers and clients are also subject to the impairment requirements of IFRS 9, the identified credit risk and impairment loss is not significant.
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 December 31, 2018 determined under IFRS 9 was as follows.

	Current or less than 30 days past due	31-90 days past due	Greater than 90 days past due	Total
As of December 31, 2018	$	$	$	$
Trade and other receivables				
Projected loss rate	1.00%	1.30%	1.50%	
Gross carrying amount	48,935	4,683	1,821,709	1,875,327
Loss allowance	489	61	45,543	46,093
As of January 1, 2018				
Trade and other receivables				
Projected loss rate	0.75%	1.09%	9.44%	
Gross carrying amount	700,906	122,883	3,559,423	4,383,212
Loss allowance	5,280	1,339	335,848	342,468

(Presented in Canadian Dollars)

<u>Stage continuity for the allowance for credit losses</u>

	Stage 1	Stage 2	Stage 3	Total
Loans receivable				
Balance at January 1, 2018	2,028,461	146,708	1,331,529	3,359,990
IFRS 9 – Transition adjustment	-	-	-	(120,815)
Transfer from / (to) Stage 2	(250,000)	250,000	-	-
Loan origination	-	50,000	960,776	1,010,776
Repayments	(616,480)	-	(24,500)	(640,980)
Accretion Income	-	18,207	-	18,207
De-recognition of financial asset	(665,230)	-	-	(665,230)
Impairment	-	-	(2,230,305)	(2,230,305)
Premium on issuance	-	(10,337)	-	(10,337)
Loss allowance on loans receivables	(26,912)	(49,254)	(6,095)	(82,260)
Projected loss rate	5.42%	10.84%	16.25%	
Balance December 31, 2018	469,839	405,324	31,405	906,568

<u>Allowance for credit losses</u>

	Allowance for Trade receivables	Allowance for Loans receivables	Total loss allowance
December 31, 2017 - calculated under IAS 39		-	
Amounts restated through opening retained earnings	342,468	120,815	230,395
Opening loss allowance as at January 1, 2018 - under IFRS 9	342,468	120,815	230,395
Increase (decrease) in loan allowances recognised in profit or loss	(305,233)	(38,555)	(343,788)
Receivables written-off	-	-	-
Allowance for credit losses, December 31, 2018	37,235	82,260	119,495

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 $32,991,924 which will be used to cover all operating and investing activities. The expected timing of consolidated cash flows relating to financial liabilities as at December 31, 2018, are as follows:

	Less than 1 year	1-5 years	6-10 years	Total
	$	$	$	$
Current liabilities	35,672,819	-	-	35,672,819
Debentures	-	95,951,422	-	95,951,422
Non-current loan payable and accrued	-	1,059,564	-	1,059,564
	35,672,819	**98,919,390**	**-**	**134,592,209**

See also note 2 Going Concern.

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"). Had the interest rate been 1% higher throughout the year ended December 31, 2018, the net income would have decreased by $1,040,450 (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 income by $139,477 (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 December 31, 2018, a 10% change in the closing price of common shares held by the Company on the stock market would have changed the net income (2017: total comprehensive loss) by $517,162 (December 31, 2017: $1,020,264).

31. COMMITMENTS AND CONTINGENCIES

Lease Obligations
The Company has entered into agreements for the lease of premises. As at December 31, 2018, future minimum lease payments total $1,856,874. Of this amount, $583,485 is due within one year and the remaining $1,273,389 is due between one and five years.

Contingencies
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 claims made by one of the plaintiffs totals $1,000,000. The subsidiary's management has evaluated this claim and believes the claims is without merit and intends to vigorously defend itself. The second claim approximates $454,000. The claim has been evaluated by the subsidiary's management and a provision has been made for a portion of it.

In addition, the subsidiary received two claims for damages relating to the termination of the sponsorship of the registration for two past Investment Advisors who acted as an Agent for the subsidiary. The claim made by one of the plaintiffs totals $700,000. Management has evaluated this claim and believes the claim is without merit and intends to vigorously defend itself. The second claim totals $100,000. The claim has been evaluated by management and a provision has been made for a portion of it. A third investment advisor filed a counterclaim against the subsidiary in the amount of approximately $30,000 after the subsidiary took action to collect an outstanding loan balance. The subsidiary's management has evaluated the counterclaim and believes that it is without merit and intends to defend itself.

32. SEGMENTED INFORMATION

The entire senior management team of the Company, which includes the Chief Executive Officer, the Chief Financial Officer, senior Vice Presidents and the Board of Directors have been identified as the chief operating decision makers with respect to segmented information disclosures. As the Company's senior officers are operational in function, management believes that they represent the appropriate level of management to analyze and determine the distinct operating segments of the Company. The Company operates in two distinct operating segments plus a corporate segment. In some instances, prior period segment information has been amended to be consistent with the current period. The segments are as follows:

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

Segmented Information – Income Statement

For the year ended				**December 31, 2018**				**December 31, 2017**
	Financial Services	**Portfolio Investments**	**Corporate**	**Total**	**Financial Services**	**Portfolio Investments**	**Corporate**	**Total**
(expressed in thousands)	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Revenues	7,368	3,366	83	10,817	11,083	2,154	(180)	13,057
Expenses, net of gains, excluding the undernoted	(4,168)	(36,044)	5,305	(34,906)	2,867	7,457	7,902	18,226
Interest expense	398	3,598	2,344	6,339	304	5,148	2,570	8,022
Compensation & management fees	1,493	3,967	1,881	7,341	5,952	1,081	1,884	8,917
Professional fees and recruitment	9,866	6,746	1,457	18,069	5,357	2,176	1,080	8,613
Net income (loss) before income tax	**(221)**	**25,099**	**(10,904)**	**13,974**	**(3,397)**	**(13,710)**	**(13,616)**	**(30,721)**

Segmented Information – Statement of Financial Position

As at				December 31, 2018				December 31, 2017
	Financial Services	Portfolio Investments	Corporate	Total	Financial Services	Portfolio Investments	Corporate	Total
(expressed in thousands)	$	$	$	$	$	$	$	$
Total assets	30,543	918	28,752	60,213	32,194	16,745	36,263	85,202
Total liabilities	28,115	23,169	83,567	134,851	26,205	76,977	81,276	184,458
Investment in associates [1]	(34)	3,302	735	4,004	8,960	-	-	8,960

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

Segmented Information – Geographic Locations

The Company presently has operations in Canada only.

33. SUBSEQUENT EVENTS

a) In January 2019, the Company entered into an agreement with its associated company, Prime City, whereby outstanding debt due to the Company of $506,986 was settled by the issuance of common shares in Prime City. After giving effect to this transaction, the Company increased its interest in Prime City from the existing 4.7% to 54.1%.

b) In April 2019, the Company's subsidiary, Branson Corporate Services Inc., was dissolved. Prior to the dissolution, the subsidiary distributed all of its assets to the shareholders.

c) On April 15, 2019, the Company announced that its Board of Directors is undertaking, in conjunction with the majority holder of its debentures, a strategic review of its investment holdings with a view to streamline and strengthen its core holdings. This could involve dispositions, new investors and other restructurings. As part of this exercise, for a period ending May 17, 2019, the Company was exempted from making the debenture interest payment for Gravitas Series #1 and Series #2 (see note 17) due on March 31, 2019.

34. COMPARATIVE AMOUNTS

Certain comparative amounts have been reclassified in order to conform to the current period's presentation. "Revenue of Investment banking and wealth management" in 2017 of $2,096,294 was reclassified to increase "Change in fair value of FVTPL investments" by the same amount.