GRAVITAS FINANCIAL INC.

Management's Discussion and Analysis

For the years ended December 31, 2018 and 2017
As of May 17, 2019
(expressed in Canadian dollars)

GENERAL

The following discussion of performance, financial condition and prospects should be read in conjunction with the audited consolidated financial statements (the "Financial Statements") of Gravitas Financial Inc. (the "Company" or "Gravitas") as of December 31, 2018 and the accompanying notes thereto. The Company's Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The Financial Statements and the Management Discussion and Analysis ("MD&A") have been reviewed by the Audit Committee and approved by the Company's Board of Directors on May 17, 2019. The Canadian dollar is the functional and reporting currency of Gravitas. Unless otherwise noted, all dollar amounts within this report are expressed in Canadian dollars. In addition to reviewing this report, readers are encouraged to read the Company's public filings, on SEDAR at www.sedar.com.

CAUTIONARY STATEMENT ON FORWARD LOOKING STATEMENTS

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

CORPORATE OVERVIEW

Gravitas is a platform company that creates businesses in key traditional and emerging sectors with strong industry partners. Our industry focus includes financial services, fintech and Sino-Canadian mining. We leverage our unique platform to develop a continuous pipeline of new ventures with significant blue-sky potential. Our platform is complimented by strong investment research and digital investment media groups.

Financial Services

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

Gravitas has a significant ownership interest in Gravitas Securities Inc. ("GSI"), an IIROC investment dealer and wealth manager, with offices in Toronto and Vancouver, Gravitas Capital International Inc. ("Gravitas Capital"), a United States Broker Dealer and Portfolio Strategies Corp., a mutual fund dealer based in Calgary. These platforms have over $3 billion in assets under administration.

GSI recently entered into a strategic partnership agreement with Central China International Financial Holdings Limited ("Central China"), an investment banking firm based out of Hong Kong, by way of Central China purchasing an initial equity position in GSI's holding company. Gravitas Capital is a U.S. broker-dealer specializing in public and private equity and debt offerings, and M&A advisory. Gravitas Capital is a FINRA member and a member of the SIPC. The wealth management division of GSI is currently targeting higher net worth clients and moving to more fee-based accounts. Gravitas' investment banking practice presently has numerous mandates in progress focused on small cap public and private companies in the areas of technology, financial technology, mining and real-estate.

Gravitas is launching several funds to capitalize on its captive distribution channels. In 2017 and 2018, Gravitas launched several efficient flow-through funds and is in the process of launching new ones in 2019. In 2016, Gravitas launched its

Gravitas Special Situations Fund LP and in 2018 launched Gravitas Special Situations Fund (Trust). Both investment products invests in small cap public companies in Canada across numerous industries.

Along with GIC, Gravitas created Foregrowth Inc. ("Foregrowth"), which focuses on designing institutional quality investment products distributed through registered dealers to high-net worth retail investors. Foregrowth presently has over $30 million in assets under management. In addition, several other limited partnerships are currently in the pipeline to be launched over the next twelve months.

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

The Mint Corporation
Mint was founded in 2004 and is a publicly listed Corporation with common shares on the Toronto Venture Stock Exchange (TSX Venture Exchange TSX-V: MIT-V.). The registered office of the Corporation is at 1700-333 Bay Street, Toronto, Ontario, M5H 2R2. The Corporation's primary business activities are through its subsidiaries and non-controlling interest entities in Dubai, United Arab Emirates ("UAE"). The Corporation is a 54% subsidiary controlled by Gravitas Financial Inc. ("Gravitas") (2017 – 68%), a publicly listed Corporation on the Canadian Stock Exchange ("CSE").

The Corporation's UAE Operations are a vertically integrated prepaid card and payroll services provider with its own ATM network, payment processing platform and branded card products. In April, 2018 the Corporation's subsidiary Mint Middle East ("MME") signed licensing agreements with Interac Corp, Canada's domestic debit card network, granting MME exclusive rights in the UAE to use Interac's contactless specifications and payments software products. In October, 2018 the Mint UAE Operations launched a mobile app with mobile top-up, bill payment and account management functionality for payroll cardholders. At year end 2018 the Mint UAE Operations were awaiting funding for a bank guarantee for the UAE Insurance Authority as a prerequisite to commencing its insurance brokerage operations. Also at year-end final preparations were being made on the salary advance product to be offered initially to payroll existing cardholders. Mint UAE is also preparing the launch of a range of services targeting small and mid-sized merchants including a Point-of-Sale (POS) system, inventory management, payroll services and accounting software.

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

Gravitas Mining Corporation
Gravitas Mining Corporation ("GMC") is a mining merchant bank which has partnered with strategic Chinese mining groups to bring its extensive Canadian capital market knowledge and provide outstanding deal support and asset management expertise. GMC's two main lines of business are: (i) Merchant Banking Operations – GMC has been developing its merchant banking practice to deploy capital for mining companies that are positioned for growth and require capital to expand and to execute mergers and acquisitions opportunities with Chinese and non-Chinese mining companies; and (ii) Asset Management Operations – GMC and Zhaojin Mining, one of the largest gold mining companies in China, have launched Gravitas Zhaojin Gold Industry Fund in 2018. This fund is advised and managed jointly by GMC and Zhaojin combining Gravitas' capital market expertise and Zhaojin's technical and mine engineering strengths. Both GMC and Zhaojin have invested significant capital in the Fund. GMC's asset management operations also participated in Zijin Midas Fund as investor and strategic partner to Gold Mountain Asset Management. Zijin Mining, the parent company, is one of the largest mining companies in China. The fund focuses on investing in gold and copper exploration projects. In 2019, GMC changed its name to Principle Capital Partners Corporation and had successfully launched a new fund.

Gravitas' Unique Chinese Focus

Gravitas believes that it and its affiliates are well suited to take advantage of opportunities with Chinese Canadians and with companies doing business in China and Canada. GIC can facilitate transactions and capital flows between China and Canada. Gravitas continues to leverage deep connections into the Chinese business community both in Canada and in China to facilitate mandates of large Chinese multinationals looking to acquire or invest in assets in Canada. Gravitas also works with Canadian companies looking to gain exposure to the Chinese market. In addition, Gravitas is looking at creative ways to give Canadians direct market exposure in Chinese companies.

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 total deficiency of $95,531,215 (December 31, 2017: $99,497,235). These conditions raise a material uncertainty that causes a 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 $69,626,883 (December 31, 2017: $106,891,409). 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 material uncertainty that causes a 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.

Selected Financial Information

As at December 31, 2018, the total liabilities of the Company were $134.9 million compared to $184.5 million at December 31, 2018, a decrease of $49.6 million. The primary reason for this sharp decrease was due to Mint, a subsidiary of the Company, restructuring its $58.5 million debt down to $10.8 million. Further, due to the decrease in Mint's debt as at December 31, 2017, the total equity deficiency of the Company was $74.6 million compared to $99.3 million at December 31, 2017, a decrease of the deficit by $24.7 million.

Selected Quarterly Results And Trends (expressed in thousands)

	2018				2017			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
	$	$	$	$	$	$	$	$
Revenue	(11,608)	7,022	5,528	9,875	1,926	2,795	3,418	2,822
Net loss	(10,130)	(5,956)	37,236	(7,291)	(18,155)	(1,217)	(5,552)	(5,797)
Basic & diluted net loss per share	(0.14)	0.08	0.52	(0.10)	(0.25)	(0.02)	(0.07)	(0.08)

INCOME STATEMENT ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2018 AND 2017

Net income for the year ended December 31, 2018, was $13.9 million (income of $0.19 per share) compared to a net loss of $30.7 million (loss of $0.43 per share) for the same period in 2017.

	2018 $	2017 $	Variation $
Revenues			
Investment banking and wealth management	**6,946,660**	6,443,722	502,938
Consulting and management fees	**1,442,318**	1,297,929	144,389
Listing and research fees	**1,373,989**	1,201,691	172,298
Interest	**578,139**	1,419,936	(841,797)
Recruitment services fees	**321,712**	-	321,712
Product sales, royalties and other	**154,010**	597,762	(583,752)
Total Revenues	**10,816,829**	10,961,040	(144,211)
Expenses (discussed below)	**(3,157,102)**	41,682,330	(44,839,432)
Net loss before income taxes	**13,973,931**	(30,721,290)	44,695,221

For the year ended December 31, 2018, revenues totalled $10.8 million compared to $11.0 million for the same period in 2017, a decrease of $0.2 million. Investment banking and wealth management revenue earned by 2242 and its regulated subsidiaries increased by $0.7 million, due a higher mandate fees earned in 2018. Interest earned decreased by $0.8 million due to a decrease in interest earning financial assets.

	2018 $	2017 $	Variation $
Expenses			
Professional fees and transaction costs (c)	**17,702,147**	8,813,344	8,888,803
Compensation and management fees (c)	**7,341,003**	8,916,920	(1,575,917)
Recruitment services expense	**366,672**	-	366,672
Interest and dividend expense	**6,339,459**	8,022,333	(1,682,874)
General and administrative (c)	**3,843,135**	7,446,810	(3,603,675)
Impairment expense (b)	**2,982,446**	11,930,961	(8,948,515)
Share of results in associates	**2,138,720**	2,281,521	(142,801)
Stock-based compensation	**1,242,777**	1,415,431	(172,654)
Change in fair value of convertible debentures	**2,447,981**	1,039,635	1,408,346
Amortization	**139,166**	417,908	(278,742)
Foreign exchange (gain) loss	**(135,017)**	124,395	(259,412)
Share of joint venture profit, net of tax	**4,455**	(3,727)	8,182
Loss (gain) on settlements	**33,315**	(67,894)	101,209
Change in fair value of investments (d)	**528,318**	(3,849,182)	4,377,500
Gain on disposal of subsidiary	**(2,542,419)**	(706,164)	(1,836,255)
Loss (gain) on disposal of investments	**242,383**	(1,172,506)	1,414,889
Gain on restructuring of Mint debentures (a)	**(45,831,643)**	(2,927,455)	(42,904,188)
Total Expenses, net of gains	**(3,157,102)**	41,682,330	(44,839,432)

For the year ended December 31, 2018, expenses, net of gains registered a gain of $3.3 million, compared to $41.7 million in expenses for the same period in 2017, a reduction of $44.8 million. Significant reasons for the decrease are as follow:

(a) On May 31, 2018, Mint closed a definitive debt restructuring agreement with the Series A and Series C debentureholders, reducing its debt to $20.0 million. As a result of this restructuring, Mint recorded a gain within its statement of income of $45.8 million. In 2017, Mint's Series B debentures were settled resulting in a gain of $2.9 million.

(b) Impairment expense decreased by $8.9 million this year. In 2018, the Company wrote down $2.5 million in loan receivables.

(c) Total compensation and management fees, professional fees and transaction costs, and general and administrative fees increased by $3.7 million. The majority of the increase is consistent with the growth in the operations of 2242 and its regulated subsidiaries.

(d) Increase in the change in fair value of investments of $4.4 million due to changes in fair market values of the Company's financial assets.

INCOME STATEMENT ANALYSIS FOR THE THREE-MONTH QUARTER ENDED DECEMBER 31, 2018 AND 2017

Net loss from continuing operations for the three-month period ended December 31, 2018, was $10.0 million as compared to $18.2 million for the same period in 2017, an improvement of $8.1 million.

	2018 $	2017 $	Variation $
Revenues			
Investment banking and wealth management revenue	(5,525,809)	1,280,330	(6,806,139)
Consulting and management fees	391,822	260,328	131,494
Listing and research	(737,132)	323,045	(1,060,177)
Interest	(166,896)	(81,953)	(84,943)
Recruitment services fees	(4,793,550)	-	(4,793,550)
Product sales, royalties and other	(776,458)	144,599	(921,057)
Total Revenues	(11,608,023)	1,926,349	(13,534,372)
Expenses (discussed below)	(1,393,061)	20,081,633	(21,474,694)
Net loss from continuing operations	(10,214,963)	(18,155,294)	**7,940,321**

For three-month period ended December 31, 2018, revenues totalled -$11.6 million compared to $1.9 million for the same period in 2017, a decrease of approximately $13.5 million. This is substantially due to adjustments made in the period for the adoption of IFRS 9 and 15; and the reclassification of revenue of investment banking and wealth management which were received in shares and warrants to change in fair value of FVTPL investments.

	2018 $	2017 $	Variation $
Expenses			
Professional fees and transaction costs (a)	**9,887,300**	2,617,902	7,269,398
Recruitment services expense (b)	**(4,538,241)**	-	(4,538,241)
Compensation and management fees (a)	**(484,219)**	3,498,004	(3,982,223)
General and administrative (a)	**(3,707,088)**	2,411,449	(6,118,537)
Interest and dividend expense	**1,783,277**	2,670,018	(886,741)
Impairment (b)	**1,945,893**	12,573,887	(10,627,994)
Stock-based compensation	**(770,766)**	292,331	(1,063,097)
Share of results of associates	**708,597**	1,740,651	(1,032,054)
Change in fair value of convertible debentures	**2,211,333**	809,792	1,401,541
Amortization	**(20,744)**	128,943	(149,687)
(Gain) on settlements	**360,236**	(88,343)	448,579
Change in fair value of investments	**191,092**	5,794	185,298
Foreign exchange (gain)	**(58,796)**	(358,403)	299,607
Share of joint venture, net of tax	**84,533**	7,650	76,883
(Gain) on disposal of subsidiaries	**(2,542,419)**	129,585	(2,672,004)
(Gain) on redemption of debentures	-	(1,328,310)	1,328,310
Change in fair value of FVTPL investments	**(6,443,050)**	(5,029,317)	(1,413,733)
Loss (Gain) on disposal of available-for-sale investments	-	-	-
Total Expenses, net of gains	**(1,393,061)**	20,081,633	(21,474,694)

For three-month period ended December 31, 2018, expenses, net of gains registered a gain of $1.4 million, compared to total expenses of $20.1 million for the same period of 2017, an increase of gain of approximately $21.5 million. Significant reasons for the changes are as follows:

(a) Professional fees and transaction costs, general and administrative and compensation and management fees were lower in the three months period of 2018 by $2.8 million than in 2017. The decrease is mainly due to lower headcount and timing of compensation made to investment banking personnel which is based on the sale of shares and warrants.

(b) Impairment in 2017 totaled $12.6 million as compared to $1.9 million in 2018 for a change year over year of $10.6 million. In 2017, the Company impaired $8.4 million to the value of its investment in Mint UAE, as well as its investment portfolio due to default or delayed payment of interest and/or principal.

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

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.

Mint has recognized a gain of $45,831,643 arising from the restructuring of the Series A and Series C debentures.

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.

(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.

(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**

SELECTED BALANCE SHEET INFORMATION

Selected balance sheet (assets) information for the years ended December 31, 2018 and 2017 are as follows:

Assets	**2018**	**2017**	**Variation**
	$	**$**	**$**
Receivables from brokers and clients (with a partially offsetting related liability of $23,549,585)	25,416,704	27,708,188	(2,291,484)
Equity investments and other investments	18,760,902	22,122,655	(3,361,753)
Investments in associates (current and non-current)	4,003,777	8,959,733	(4,955,956)
Trade and other receivables	1,918,005	4,383,212	(2,465,207)
Loan receivable (current and non-current)	906,569	3,359,990	(2,453,421)
Convertible debentures held (current and non-current)	-	2,097,843	(2,097,843)
Guaranteed investment certificates	1,278,283	2,227,229	(948,946)

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.

Equity investments and other investments

	December 31, 2018*	**December 31,**
	$	**$**
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%

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).

Investments in associates

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

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

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.

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

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.

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)**

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 advanced to the Limited Partnerships managed by the Company's subsidiaries. Advances are non-interest bearing and are due on demand.

Loans and 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.

Guaranteed investment certificates

As at December 31, 2018, $1,278,284 (2017: $2,227,229) was invested in guaranteed investment certificates.

Selected balance sheet (liabilities) information for the years ended December 31, 2018 and 2017 are as follows:

	2018	2017	Variation
Liabilities	$	$	$
Debentures	95,951,421	141,841,080	(45,889,659)
Trade and other payables	7,564,937	12,683,958	(5,119,021)

Debentures

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

	Gravitas	Gravitas	Mint	Mint	Mint	Total
	Series #1 (a)	Series #2 (b)	Series A (c)	Series B (d)	Series C (c)	
	$	$	$	$	$	$
Balance, January 1, 2017	**29,925,162**	**53,236,766**	**48,285,259**	**3,330,412**	**9,806,879**	**144,584,478**
Accretion of interest	97,838	110,660	249,897	121,588	128,621	708,604
Gain on redemption	-	-	-	(2,927,455)	-	(2,927,455)
Interest accrued	-	-	-	1,035,600	-	1,035,600
Settlement of debentures	-	-	-	(1,560,145)	-	(1,560,145)
	97,838	110,660	249,897	(3,330,412)	128,621	(2,743,396)
Balance, December 31, 2017	**30,023,000**	**53,347,426**	**48,535,156**	**-**	**9,935,500**	**141,841,082**
Accretion of interest (c)	-	114,299	1,753,021	-	55,526	1,922,846
Reduction of liability on debentures (c)	-	-	(48,631,84)4	-	(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-7ear 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.

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.

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.

Related Parties and Related Party Transactions

Parties are considered related if the party has the ability, either directly or indirectly, to control the other party or exercise significant influence over the other party in making operating and financial decisions. This would include the Company's and their subsidiaries' senior management. Parties are also related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. A transaction is a related party transaction when there is a transfer of resources or obligations between related parties. The following are the related party transactions during the year ended December 31, 2018. Unless otherwise stated, none of the transactions incorporated special terms and conditions and no guarantees were given or received. Usually outstanding balances are settled in cash.

During the 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.
- Loan and interests of $310,945 (2017: $295,945) is due from a director of an associated company. The loan was disbursed in 2014.

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.

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.

SUMMARY OF SHARES OUTSTANDING

As at May 16, 2019, the Company's authorized share capital consists in an unlimited number of common shares of which 72,601,305 are currently outstanding. In addition, 5,500,000 stock options are outstanding. The fully diluted outstanding number of shares of the Company was 72,601,305 as at December 31, 2018 (December 31, 2017: 72,601,305) as the outstanding options were antidilutive for the year.

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.

BASIS OF CONSOLIDATION OF THE COMPANY'S FINANCIAL STATEMENTS

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.

CRITICAL ACCOUNTING ESTIMATES AND SIGNIFICANT ACCOUNTING POLICIES

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

A summary of the significant judgments and estimates made by management, including evaluation of the going concern assumption, and a summary of the significant accounting policies used in the preparation of its financial information is provided within the Company's December 31, 2018 audited financial statements.
Significant areas of judgement include: (i) going concern (ii) the fair value of financial assets and financial liabilities, (iii) consolidation, business combinations and control over entities (iv) assessment of whether the Company has a significant influence over the Mint's UAE operations, (v) the fair value of financial assets, (vi) valuation of Mint's debentures, (vii) the impairment on goodwill and other intangible assets, (viii) the determination of cash generating units for the purpose of goodwill assessment, (ix) assessment and estimate of income taxes and current and future tax assets, liabilities and expenses, (ix) expected credit losses, (xi) the estimated value of share-based compensation, and (xii) an assessment of provisions for contingent liabilities, including litigation.

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.

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. None of the impacts above are due to the adoption of IFRS 15.

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.

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.

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.

Risks Related To Financial Instruments

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

Stage continuity for the allowance for credit losses

	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

Allowance for credit losses

	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**

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).

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.

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 due on March 31, 2019.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

DISCLOSURE CONTROLS AND PROCEDURES

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence to ensure that (i) the unaudited condensed interim consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the unaudited condensed interim consolidated financial statements; and (ii) the unaudited condensed interim consolidated financial statements fairly present in all material respects the financial condition, financial performance and cash flows of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109), the Venture Issuer Basic Certificate filed by the Company does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing such certificate are not making any representations relating to the establishment and maintenance of:

- controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the unaudited condensed interim consolidated financial statements for external purposes in accordance with the issuer's generally accepted accounting principles (IFRS).

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in such certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

MANAGING RISK

Except as otherwise disclosed in this MD&A and in the Company's Financial Statements, there have been no significant changes to the nature and scope of the risks faced by the Company. Readers are referred to the more detailed information described in other disclosure documents filed with the applicable Canadian securities regulatory authorities and available at www.sedar.com.

Dated: Toronto, Ontario, Canada,

May 17, 2019