



**MANAGEMENT DISCUSSION & ANALYSIS**

**FOR THE PERIOD ENDED APRIL 30, 2013**

**(Prepared by Management on June 28, 2013)**

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**MANAGEMENT DISCUSSION AND ANALYSIS (MD&A) AS OF APRIL 30, 2013 TO ACCOMPANY THE UNAUDITED FINANCIAL STATEMENTS OF GREENBANK CAPITAL INC (THE "COMPANY" OR "GREENBANK") FOR THE PERIOD ENDED APRIL 30, 2013.**

The following Management's Discussion and Analysis should be read in conjunction with the unaudited combined financial statements of the Company for the period from January 30, 2013 to April 30, 2013, which were prepared in accordance with International Financial Reporting Standards ("IFRS") and the notes thereto. All financial amounts are stated in Canadian currency unless stated otherwise.

This MD&A contains certain forward-looking statements based on the best beliefs, and reasonable assumptions of the management of the Company. There are many risks and uncertainties attached to the mineral exploration business. Given these risks and uncertainties, the reader should not place undue reliance on these forward-looking statements. (See "Risks and Uncertainties" in this MD&A for more information).

## **DESCRIPTION OF THE BUSINESS**

### **Overview**

GreenBank is a newly formed corporate finance investment business focusing on investing in Canadian small cap publicly listed companies. It has special expertise and experience in creating and listing companies on the Canadian National Stock Exchange ("CNSX"), which it can do quickly and inexpensively. Formed as a result of a spin-off from Winston Resources Inc. (CNSX: WRW) ("Winston") in the first quarter of 2013, GreenBank is based on the model of a London merchant bank, taking equity positions in its clients and participating in client company decisions via board of directors positions. GreenBank facilitates mergers and acquisitions, often participating with equity in the transactions as appropriate. GreenBank focuses primarily upon Canadian publicly listed small caps in the natural resource and mining, oil and gas, and technology industries, although its CNSX expertise is available to companies in all sectors.

GreenBank became publicly listed on the Canadian National Stock Exchange April 19, 2013 (CNSX: GBC). At listing its over \$2,500,000 investment portfolio comprised of 49% of Zara Resources Inc (CNSX:ZRI) ("Zara") and 49% of Hadley Mining Inc (CNSX:HM) ("Hadley") both mineral development companies with interests in gold, nickel and copper properties. GreenBank's business model includes adding to its investment portfolio through participation in innovative equity and mergers and acquisitions transactions.

### **Corporate Structure**

On February 8, 2013, GreenBank's former parent company, Winston announced a proposal to spin off to its shareholders 100% of its holdings of its wholly-owned subsidiary, GreenBank. A Special Meeting of Winston shareholders was held on April 15, 2013 at which the shareholders voted on and approved a special resolution approving the spin-off of GreenBank. The spin-off was transacted by way of a statutory plan of arrangement under the Business Corporations Act (British Columbia), and GreenBank began trading as a public company on the CNSX under the symbol "GBC" on April 19, 2013. GreenBank ceased to be a subsidiary of Winston at the time of listing. Winston then distributed 100% of the outstanding 25,710,000 common shares of GreenBank to holders of common shares of Winston such that each Winston shareholder of record on the effective date of the Plan of Arrangement received 1 common share in the capital of GreenBank for every 2.562 common shares in the capital of Winston.

## **GreenBank Investment Portfolio.**

- Zara Resource Inc. (CNSX: "ZRI") is a Toronto based mineral company developing its Forge Lake gold project, and its Pigeon River and Riverbank nickel-copper projects in Ontario, Canada. At the time of this report, GreenBank owns approximately 49% of the issued and outstanding common shares of Zara Resources. For more information about Zara Resources, visit the company's webpage at [www.ZaraResourcesInc.com](http://www.ZaraResourcesInc.com)
- Hadley Mining Inc. (CNSX: "HM") is a Toronto based mineral company primarily focused on developing its 100% owned Etamame Nickel project, in Northwestern Ontario, Canada. At the time of this report, GreenBank owns approximately 49% of the issued and outstanding common shares of Hadley Mining. For more information about Hadley Mining, visit the company's webpage at [www.HadleyMining.com](http://www.HadleyMining.com)

## **Rights Offering**

On April 22, 2013, GreenBank announced that the Company will file a rights offering circular with the securities regulators in each of the provinces of Canada (with the exception of Quebec) in respect of a rights offering which will be used for general corporate purposes. Under the Offering, each registered holder of common shares of the Company as of the record date of May 13, 2013 will receive one right for each share held. Four rights plus the sum of \$0.015 are required to subscribe for one share. The Rights, which are non-transferable, will expire on a date to be announced, after which unexercised Rights will be void and without value. Shareholders who fully exercise their Rights may subscribe for any additional Shares not otherwise subscribed for before the Expiry Date. The Offering is subject to regulatory approval and to the CNSX listing the common shares of the company underlying the Rights. The Offering will be made in jurisdictions where the Company is eligible to make such an offering. To subscribe for Shares, a completed Rights Certificate, together with payment in full of the Subscription Price of the Shares subscribed for, must be received by the Subscription Agent for the Offering before the Expiry Date. Danny Wettreich, Chairman and CEO of the Company, has advised the Company that he intends to fully exercise his Rights under the Proposed Offering and has entered into a stand-by commitment agreement to subscribe for those Rights Shares not otherwise subscribed for on the exercise of Rights. After the period under review, on May 28, 2013, GreenBank announced that the Rights Offering Subscription Price of \$0.015 per Rights Share has been adjusted to \$0.005 to reflect the latest trading price of the Common Shares on the CNSX, and that the offering will raise gross proceeds of \$32,139 to be used for general corporate purposes.

## **INTEREST IN MINERAL PROPERTIES**

By way of its minority investments in Zara and Hadley, the Company is deemed to have an interest in the mineral properties owned by those companies. Details of those mineral properties are as follows:-

### **Zara -Riverbank**

Riverbank is located in Sachigo sub-province, Ontario and consists of 8 unpatented mining claims covering approximately 1392 ha. The property is located in the Kasabonika-McFauld's Greenstone belt, part of the Precambrian Shield area of Northwestern Ontario, approximately 540 km north-north east of Thunder Bay, Ontario and 350 km north of Geraldton, Ontario. The project area is located along the

western margin of the James Bay Lowlands within the Tundra Transition Zone consisting primarily of string bog and muskeg whereby the water table is very near the surface. Average elevation is approximately 170 m above mean sea level. The property area is predominantly flat muskeg with poor drainage due to the lack of relief. Glacial features are abundant in the area and consist of till deposits, eskers, and drumlins, all of which are typically overlain by marine clays from the Hudson Bay transgression. Riverbank is believed to be underlain in part by mafic to ultramafic rocks that potentially could host nickel –copper mineralization. The previous owners of the property completed an airborne VTEM survey and associated aeromagnetic survey by Geotech. This was followed by three diamond drill holes in 2011 totaling 416 m. A number of conductive trends are present on the Riverbank property. The work to date has not disproved that the properties are underlain by rocks that include ultramafic bodies. The geophysics done to date indicates that the target model of mafic-ultramafic associated nickel bearing magmatic sulphides is valid. Exploration over the properties to date has consisted primarily of geophysics followed by limited diamond drilling.

### **-Pigeon River**

Pigeon River is located in the Southern Province of the Precambrian Shield area of northern-western Ontario, and is located near Thunder Bay, Ontario. The property consists of 28 unpatented mining claims covering approximately 6,688 hectares. The property covers an unexplored magnetic target with potential to host nickel, copper and platinum group elements mineralization. Pigeon River lies in the Proterozoic Superior Mid Continent Rift, a geological setting with proven potential to host mafic/ultramafic systems. The Pigeon River property is situated in Proterozoic terrane within the Mid-Continent Rift. Rock types consist of diabase sills, sediments and intermediate to mafic intrusions. In recent years, economic deposits of nickel-copper and PGE's have been discovered south and northeast of the property . A VTEM survey over the eastern half of the property identified numerous conductors associated with linear magnetic features. These conductors may reflect sulphide mineralization associated with mafic or ultramafic intrusions. Three conductors were drill-tested in May and June of 2010 by the previous owners of the property. Two of the conductors proved to be due to sedimentary pyrrhotite within Rove Formation siltstone and mudstone. The third conductor was not fully explained, but may be due to sedimentary pyrrhotite intersected near the bottom of the hole. The three diamond drill holes totaling 605 meters intersected sediments of the Proterozoic Rove Formation, some containing sulphide and intruded by several diabase sills.

### **-Forge Lake**

Forge Lake is located 32 km northeast of Wawa, Ontario, and 14 km south of the Richmond Gold Mine and Mill. The previous owners of the property conducted a surface sampling program, an airborne magnetic survey and two diamond drill programs. Seventeen holes were drilled in November 2011 and intersected 3.25g/t Au over 12.7m. In April-June 2012 twelve holes were drilled designed to test for continuity of mineralization between the two main areas previously drilled, and intersected 7.07 g/t Au over 5.5 m. The exploration to date indicates that the gold-bearing quartz vein system is continuous and can contain high grade gold intersections, with a strike length of 650 m and a dip extent of 350 m.

## **Hadley -Etamame**

The Etamame Nickel Project is located in the Lingman Lake Greenstone belt area about 38 kilometres south-west of Sachigo Lake in Northwestern Ontario, Canada. It consists of 10 claim blocks totaling 142 claim units that have not previously been drilled. Geotech Ltd. carried out a VTEM AEM survey over Etamame in March 2011, which identified numerous prospective targets associated with strong magnetic anomalies. Hadley believes that Etamame represents a highly prospective potential nickel deposit that justifies a drilling program. The Etamame Lake Ultramafic Complex Property area is characterized by tholeiitic-komatiitic volcanism that strikes for over 12km east-west. The volcanic pile is on average 1km to 1.5km thick. The area contains a series of intercalated near vertical dipping komatiites (peridotites/pyroxenites and dunites), biotite rich mafic volcanics, crystal tuffs, felsic volcanic conglomerates, cherts and sulphide iron formation. Serpentinized pyroxenite outcrops were noted 1km due west of Etamame Lake indicating strong hydrothermal activity located along strong east/west shear/fault systems. The age of the Etamame Lake property rocks are 2742 to 2749 billion years old exhibiting greenschist facies. The Etamame Lake Ultramafic Complex conforms to the geological model of the Western Australian Kambalda-Windarra type volcanic-peridotite associated Ni-Cu-PGE deposits, both in geological setting and possible metal concentrations and mineral associations. According to the deposit model the massive sulphide bodies are predominantly located at the base of komatiite flows in contact with footwall rocks. A volumetrically larger blanket of net-textured and disseminated sulphides overlies the massive sulphide portion of the deposits. Genesis of volcanogenic nickel sulphide deposits has been attributed to magmatic processes, a sulphide flow hypothesis, volcanic-exhalative activity and replacement phenomenon. The generation of a massive nickel sulphide horizon is done by magmatic processes via gravity settling of immiscible sulphide droplets in situ. The available magnetic data implies that the ultramafic flows are contorted and it is near these changes in geometry that the best nickel grades have been found to date and likely will be host to economic concentrations of Nickel-copper bearing sulphides.

## **INTEREST IN MINERAL PROPERTIES**

The full capitalized cost of the mineral properties is reflected in the financial statements of Zara. and Hadley respectively.

## **RESULTS OF OPERATIONS**

GreenBank is in the development stage and did not have revenues from operations during the period. For the period ended April 30, 2013 the Company incurred a comprehensive loss of \$ [insert] (\$[insert] loss per share).

## **Selected Quarterly Financial Information**

The following table provides selected financial information that should be read in conjunction with the unaudited Financial Statements and Notes of the Company for the applicable period.

**Summary of Results****Period from January 30, 2013 – April 30, 2013**

<b>Interest Income</b>	\$0
<b>Net Loss</b>	\$27,267
<b>Interest in Mineral Properties</b>	\$1,979,544
<b>Current Assets</b>	\$160,957
<b>Total Assets</b>	\$4,283,101
<b>Total Liabilities</b>	\$153,378
<b>Shareholders Equity</b>	\$4,129,723

**Liquidity and Solvency**

The Company will need access to equity capital to pursue its business plan and there is no guarantee that equity may be available, and if available it may not be on terms that Management finds is in the interest of the Company.

The following table summarizes the Company's cash on hand, working capital and cash flow as at April 30, 2013

<b>Cash</b>	\$116,736
<b>Working Capital</b>	\$87,152
<b>Cash Used in Operating Activities</b>	\$3,155
<b>Cash Provided by Financing Activities</b>	\$1,001
<b>Increase in Cash (being cash at the end of the period)</b>	\$116,736

The Company is dependent on the sale of newly issued shares to finance its investment and corporate finance activities, and general and administrative costs. The Company will have to raise additional funds in the future to continue its operations. There can be no assurance, however, that the Company will be successful in its efforts. If such funds are not available or other sources of financing cannot be obtained, then the Company will be forced to curtail its activities.

**Capital Resources**

The Company has no operations that generate cash flow and its long term financial success is dependent on discovering properties that contain mineral reserves that are economically recoverable. The Company's primary capital assets as at April 30, 2013 are cash, and investment securities, as well as resource properties owned by companies in GreenBank's investment portfolio.

The following is a summary of the Company's outstanding share, warrant and stock options data as of April 30, 2013

**Common Shares**

The authorized capital of the issuer consists of an unlimited number of common shares without par value of which 25,710,000 are outstanding as of April 30, 2013. Holders of the issuer's common shares are

entitled to vote at all meetings of shareholders declared by the directors, and subject to the rights of holders of any shares ranking in priority to or on a parity with the common shares, to participate rateably in any distribution of property or assets upon the liquidation, winding up or dissolution of the Issuer.

### Stock Options

Options to purchase common shares in the capital of GreenBank Capital Inc. are granted by GreenBank's Board of Directors to eligible persons pursuant to GreenBank's 2013 Stock Option Incentive Plan. During the three month period ended April 30, 2013, GreenBank granted a total of zero (0) stock options.

Details of outstanding incentive stock options as of April 30, 2013 are provided in the following table.

<b>Date</b>	<b>Number</b>	<b>Name of Optionee if Related Person and relationship</b>	<b>Exercise Price</b>	<b>Expiry Date</b>	<b>Market Price on date of Grant</b>

### Warrants

At April 30, 2013, the end of this Reporting Period, the Company had no warrants or brokers warrants outstanding.

<b>Date of Expiry</b>	<b>Description</b>	<b>Number of Warrants</b>	<b>Exercise Price</b>
<b>Total Warrants</b>		<b>0</b>	

### **Outlook and Capital Requirements**

There is no guarantee that market conditions will be conducive to raising additional equity capital. Depending on future events, the rate of Company expenditures and general and administrative costs could increase or decrease.

### **Related Parties Transactions**

Related party transactions were in the normal course of operations and were measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

During the three month period ended January 30, 2013, Zara and Hadley, affiliates of the Company, incurred management fees of \$14,000 to Sammiri Capital Inc. for providing the management services of Danny Wettreich as Chief Executive Officer and Mark Wettreich as Vice President of these affiliates,

and such fees were accrued but not paid in order to improve the liquidity of the affiliates. As at April 30, 2013, the consolidated amount of \$63,000 is owed by Zara and Hadley to Sammiri Capital Inc and has been included in consolidated trade payables and accruals.

### **Off-Balance Sheet Arrangements**

The Company does not utilize off-balance sheet transactions.

### **Proposed Transactions**

There are no proposed transactions that will materially affect the performance of the Company other than those disclosed in this MD&A.

### **Accounting Policies**

The accounting policies and methods employed by the Company determine how it reports its financial condition and results of operations, and may require management to make judgments or rely on assumptions about matters that are inherently uncertain. The Company's results of operations are reported using policies and methods in accordance with IFRS. In preparing financial statements in accordance with IFRS, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses for the period. Management reviews its estimates and assumptions on an ongoing basis using the most current information available. These financial statements have been prepared by management in accordance with IFRS. Outlined below are those policies considered particularly significant:

#### *Significant Estimates and Judgments*

The preparation of financial statements requires management to make estimates and assumptions that may affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the dates of the financial statements, and the reported amounts of revenues and expenses during the reporting periods as well as the related notes to financial statements. Actual results could differ from those estimates. The most significant estimates relate to the valuation of deferred income taxes, impairment testing of exploration and evaluation assets, and the calculation of share-based payments. The most significant judgments relate to recognition of deferred tax assets and liabilities and the determination of the economic viability of a project. In determining these estimates, the Company relies on assumptions regarding applicable industry performance and prospects, as well as general business and economic conditions that prevail and are expected to prevail. These assumptions are limited by the availability of reliable comparable data and the uncertainty of predictions concerning future events.

#### *Related Party Transactions*

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions that are in the normal course of business and have commercial substance are measured at the exchange amount.



### *Provisions*

Provisions are recognized when the Company has a present legal or constructive obligation that arose as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

### *Current Income Taxes*

Current income tax assets and liabilities for the current periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute current income taxes are measured at income tax rates, which have been enacted or substantively enacted at the reporting date. Current income taxes are recognized in profit and loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the applicable taxes are recognized in other comprehensive income or directly in equity.

### *Deferred Income Taxes*

Deferred income taxes are provided using the liability method on temporary differences at the end of each reporting period. These taxes represent the between in the tax bases of the assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax assets are recognized for all deductible temporary differences, the carry forward of unused income tax credits and unused income tax losses, to the extent that it is probable that taxable income will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each date of the statement of financial position and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each date of the statement of financial position and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the expected income tax rates that are expected to apply in the year in which the asset is to be realized or the liability is to be settled. The expected income tax rate utilized is based upon income tax laws that have been enacted or substantively enacted at the date of the statement of financial position. The deferred income taxes related to equity transactions are recognized directly equity and not in the statement of comprehensive income. Deferred income tax assets and liabilities are offset if, and only if, a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, which intend to either settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

### *Impairment of non-financial assets*

At each date of the statement of financial position, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent, if any, of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset the Company estimates the recoverable amount of the cash-generating unit to which

the assets belong. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, its carrying amount is reduced to its recoverable amount. An impairment loss is recognized in the statement of comprehensive income in the period of impairment, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years.

### *Cash*

Cash is comprised of non-interest bearing cash deposit balances, which are subject to insignificant risk of changes in their fair value. Cash is used by the Company in the management of its short-term commitments. Cash is carried at fair value through profit or loss in the statement of financial position.

### *Equity Settled Share -Based Payment Transactions*

The costs of equity settled transactions are recognized, together with a corresponding increase in equity, over the period in which the goods or services are received. The Company measures the goods or services received, unless that fair value cannot be estimated reliably. When the Company cannot estimate reliably the fair value of the goods or services received then the Company measures their fair value and the corresponding increase in equity by reference to the fair value of the equity instruments issued as payment.

### *Share Capital*

Financial instruments issued by the Company are treated as equity only to the extent that they do not meet the definition of a financial liability. The Company's ordinary common shares are classified as equity instruments.

Incremental Direct costs directly attributable to the issue of new shares are recognized in equity as reductions from the gross proceeds received from the issued shares.

### *Financial Assets and Financial Liabilities*

**Recognition:** The Company initially recognizes loans and advances, deposits and liabilities on the date at which they are originated. All other financial assets and liabilities, including assets and liabilities designated at fair value through profit or loss, are initially recognized on the trade date at which the Company becomes a party to the contractual provisions of the instrument. A financial asset or financial liability is measured initially at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue.

**Valuation of Financial Instruments:** The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques as described in accounting policy. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, etc. The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making

the measurements:

**Level 1: Quoted market price (unadjusted) in an active market for an identical instrument**

**Level 2: Valuation techniques based on observable inputs, either directly; i.e. as prices; or indirectly; i.e., derived from prices. This category includes instruments valued using quoted market prices in active markets for similar instruments, quoted prices for identical or similar instruments in markets that are considered less than active or other valuation techniques where all significant inputs are directly or indirectly observable from market data.**

**Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.**

***De-recognition:*** The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

***Offsetting:*** Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to set off the recognized amounts and it intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted under EFRSs, or for gains and losses arising from a group of similar transactions.

***Amortized cost measurement:*** The amortized cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount recognized and the maturity amount, minus any reduction for impairment.

***Identification and measurement of impairment:*** At each reporting date the Company assesses whether there is objective evidence that financial assets not carried at fair value through profit or loss are impaired. A financial asset or a Company of financial assets are impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the assets, and that the loss event has an impact on the future cash flows of the assets that can be estimated reliably.

Objective evidence that financial assets, including equity securities, are impaired may include significant financial difficulty of the borrower or issuer, default or delinquency by a borrower, restructuring of a loan or receivable by the Company that would not otherwise consider, indications that a borrower or issuer will enter bankruptcy, the disappearance of an active market for a security, or other observable data relating to a Company of assets such as adverse changes in the payment status of borrowers or issuers in the Company, or economic conditions that correlate with defaults in the Company. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment

The Company considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant loans and receivables are assessed for specific impairment All individually significant loans and receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by comparing together loans and receivables

with similar risk characteristics.

Impairment losses on assets carried at amortized cost are measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the asset's original effective interest rate. Impairment losses are recognized in profit or loss and reflected in an allowance account against loans and receivables. Interest on impaired assets continues to be recognized through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

*Designation at fair value through profit or loss:* The Company has designated financial assets and liabilities at fair value through profit or loss in the following circumstances:

- The assets or liabilities are managed, evaluated and reported internally on a fair value basis.
- The designation eliminates or significantly reduces an accounting mismatch which would otherwise arise.
- The asset or liability contains an embedded derivative that significantly modifies the cash flows that would otherwise be required under the contract

#### *Loss per share and comprehensive loss per share*

Comprehensive loss per share is calculated based on the weighted average number of shares issued and outstanding during the quarter or year, as appropriate. In the years when the Company reports a net loss and comprehensive net loss, the effect of potential issuances of shares under options and warrants would be anti-dilutive and, therefore, basic and diluted loss per share is the same. For the period ended July 31, 2012, all the outstanding options and warrants were anti-dilutive.

#### *Foreign currency transactions*

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The functional currency of each entity is the Canadian Dollar. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of the monetary assets and liabilities denominated in foreign currencies are recognized in operations.

#### *Future Accounting Policies*

The International Accounting Standards Board ("IASB") issued a number of new and revised International Accounting Standards, International Financial Reporting Standards, amendments and related interpretations which are effective for the Company's financial year beginning on or after August 1, 2013. For the purpose of preparing and presenting the financial statements for the relevant periods, the Company has consistently adopted all new standards for the relevant reporting periods.

At the date of authorization of these financial statements, the IASB issued the following Standards that are effective for reporting periods ending after these financial statements and which the Company may be required to adopt in future reporting periods.

- IFRS 9 Financial Instruments: Classification and Measurement' - effective for annual periods beginning on or after January 1, 2015, with early adoption permitted, introduces new

requirements for the classification and measurement of financial instruments.

- IFRS 10 'Consolidated Financial Statements' - effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities.
- IFRS 11 'Joint Arrangements' - effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form.
- IFRS 12 'Disclosure of Interests in Other Entities' - effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, requires the disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with its interests in other entities and the effects of those interests on its financial position, financial performance and cash flows.
- IFRS 13 'Fair Value Measurement\*' - effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, provides the guidance on the measurement of fair value and related disclosures through a fair value hierarchy.

IFRS 13 Fair Value Measurement was issued in May 2011 and defines fair value, sets out in a single standard a framework for measuring fair value and requires disclosures about fair value measurements. IFRS 13 applies when other IFRSs require or permit fair value measurements. The main features of the new standard include the fact that fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., an exit price). Fair value measurements are based on the assumptions that market participants would use when pricing the item being measured under current market conditions, including assumptions about risk (i.e., it is a market-based, rather than entity-specific, measurement).

When measuring the fair value of a non-financial asset, an entity considers the highest and best use of the asset, and whether the asset is used in combination with other assets or on a stand-alone basis. A fair value hierarchy categorizes into three levels the inputs to valuation techniques used to measure fair value and gives priority to observable inputs. An entity discloses information about the valuation techniques and inputs it has used, as well as the uncertainty inherent in its fair value measurements.

The Company has not early adopted these standards, amendments and interpretations, however it is currently assessing what impact the application of these standards or amendments will have on the consolidated financial statements of the Company

### **Financial Instruments and Risk Management**

The Company has designated its cash at fair value through profit and loss. Trade and other payables and advances from related party are designated as other financial liabilities, which are measured at amortized cost.

#### ***Financial Risk Management Objectives and Policies***

The Company is exposed to various financial risks resulting from both its operations and its investments activities. The Company's management manages financial risks. Where material, these risks will be reviewed and monitored by the Board of Directors. The Company does not enter into financial instrument agreements including derivative financial instruments for speculative purposes.

### ***Financial Risks***

The Company's main financial risk exposure and its financial risk management policies are as follows:

#### ***Market Risk***

Market risk is the risk of uncertainty arising primarily from possible commodity market price movements and their impact on the future economic viability of the Company's projects and ability of the Company to raise capital. These market risks are evaluated by monitoring changes in key economic indicators and market information on an on-going basis and adjusting operating and exploration budgets accordingly

#### ***Fair Value Risk***

Fair value risk is the potential for fair value fluctuations in the value of a financial instrument. The level of market risk to which the Company is exposed varies depending on market conditions, and expectations of future price and yield movements. The Company believes the carrying amounts of its financial assets and financial liabilities are a reasonable approximation of fair value.

#### ***Interest Rate Risk***

The savings accounts are at variable rates. Consequently, the Company is exposed to a fluctuation of the interest rate on the market which could vary the interest income on the savings accounts. The Company does not use financial derivatives to decrease its exposure to interest risk.

#### ***Liquidity Risk***

Liquidity risk is the risk the Company will not be able to meet its financial obligations as they fall due. The Company manages its liquidity needs by carefully monitoring cash outflows due in day-to-day business. The Company anticipates having sufficient funds to carry out an exploration and acquisition program, pursue and evaluate new resources projects and meet its corporate and administrative expenses for the next twelve months.

#### ***Foreign currency risk***

The Company is exposed to currency risks on its United States dollar denominated working capital balances due to changes in the USD/CAD exchange rate.

### **Capital Management**

The Company's objective in managing capital is to ensure continuity as a going-concern and to safeguard its ability to continue its acquisition and exploration programs. The Company manages its capital structure and makes adjustment to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares and acquire or sell mining properties to improve its financial performance and flexibility.

The Company defines its capital as its shareholder's equity. To effectively manage the Company's capital requirements, the Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has appropriate liquidity to meet its operating and growth objectives. As needed, the Company raises funds through private placements or other equity financings. The Company does not utilize long term debt as the Company does not currently generate operating revenues. There is no dividend policy.

### **Risks and Uncertainties**

The Company's principal activity revolves around its specialty and expertise in helping to take companies public, its corporate finance and mergers and acquisitions activities, as well as an investment portfolio that contains mineral exploration properties.

Companies in the corporate finance and M&A business are subject to many and varied kinds of risk, including but not limited to....[insert]

Furthermore, companies in the mineral exploration industry are subject to many and varied kinds of risk, including but not limited to, environmental, metal prices, political and economical. The mineral exploration business is risky and most exploration projects will not become mines. The Company may offer an opportunity to a mining company to acquire an interest in a property in return for funding all or part of the exploration and development of the property. The Company has no significant source of operating cash flow and no revenues from operations. The Company has limited financial resources.

### **Conflicts of Interest**

Certain of the directors and officers of the Company may also serve as directors and officers of other corporate finance companies, or companies involved in mineral resource exploration and development, and consequently, the possibility of conflict exists. Any decisions made by such directors or officers involving the Company will be made in accordance with the duties and obligations of directors and officers to deal fairly and in good faith with the Company and such other companies. In addition, such directors declare their interest and refrain from voting on any matters in which such directors may have a conflict of interest.

### **Management's Responsibility for Financial Statements**

The information provided in this report is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the audited consolidated financial statements.

### **Other**

Additional information relating to the Company's operations and activities can be found by visiting the Company's website at [www.GreenBankCapitalInc.com](http://www.GreenBankCapitalInc.com), Zara Resources website at [www.ZaraResourcesInc.com](http://www.ZaraResourcesInc.com) , and Hadley Mining's website at [www.HadleyMining.com](http://www.HadleyMining.com) and GreenBank's profile at [www.SEDAR.com](http://www.SEDAR.com)

### **Trends**

Trends in the industry can materially affect how well any corporate finance company is performing. Company management believes that the general environment for corporate finance companies is strong, will continue to be so for the foreseeable future. .

### **Outlook**

The outlook for precious metals continues to be positive and this is reflected in the Company's ongoing activity.

### **Cautionary Statement**

This document contains "forward-looking statements" within the meaning of applicable Canadian securities regulations. All statements other than statements of historical fact herein, including, without limitation, statements regarding exploration plans and our other future plans and objectives are forward-looking statements that involve various risks and uncertainties. Such forward-looking statements include, without limitation, (i) estimates of stock-based compensation expense. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statement Important factors that could

cause actual results to differ materially from our expectations are disclosed in the Company's documents filed from time to time via SEDAR with the Canadian regulatory agencies to whose policies we are bound. Forward-looking statements are based on the estimates and opinions of management on the date of statements are made, and the Company endeavours to update corporate information and material facts on a timely basis. Forward-looking statements are subject to risks, uncertainties and other actors, including risks associated with corporate finance and mergers and acquisitions activities, investment portfolio risk, and operational and political risks.