

GreenBank Capital Inc.

**Unaudited Interim Consolidated
Financial Statements**

Nine Months ended April 30, 2014 and 2013

(Expressed in Canadian Dollars)

Management's responsibility for financial reporting

The accompanying consolidated financial statements of GreenBank Capital Inc. (the "Company" or "GreenBank") were prepared by management in accordance with International Financial Reporting Standards ("IFRS"). Management acknowledges responsibility for the preparation and presentation of the consolidated financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances. The significant accounting policies of the Company are summarized in Note 4 of the consolidated financial statements.

Management has established processes which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the 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 financial statements and (ii) the financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of April 30, 2014 and for the periods presented by the financial statements.

The Board of Directors is responsible for reviewing and approving the consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the consolidated financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

Management's assessment of internal control over financial reporting ("ICFR")

Management is also responsible for establishing and maintaining adequate internal control over the Company's financial reporting. The internal control system was designed to provide reasonable assurance to the Company's management regarding the preparation and presentation of the financial statements.

"Daniel Wettreich"
Chief Executive Officer

NOTICE OF NO AUDITOR REVIEW OF REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the unaudited condensed interim consolidated financial statements they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these consolidated financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

GreenBank Capital Inc.
Interim Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

As at	April 30, 2014	July 31, 2013
Assets		
Current Assets		
Cash	\$ 30,923	\$ 241,580
HST recoverable	74,194	41,258
Prepaid expenses	15,794	29,682
Due from related parties <i>(Note 11)</i>	20,401	-
	141,312	312,520
Equity Investment <i>(Note 9)</i>	99,449	-
	1,202,503	1,985,588
	\$ 1,443,264	\$ 2,298,108
Liabilities		
Current Liabilities		
Trade payables and accrued liabilities <i>(Note 11)</i>	\$ 598,081	\$ 293,338
Due to related parties <i>(Note 11)</i>	5,372	29,435
	603,453	322,773
Convertible debentures <i>(Note 10)</i>	85,000	-
	688,453	323,773
Equity		
Equity portion of convertible debentures <i>(Note 10)</i>	15,000	-
Units Proceeds Received by Zara Resources Inc., Units Not Issued	-	100,000
Convertible Preferred Shares of Zara Resources Inc. <i>(Note 8)</i>	549,500	520,500
Common Share Capital and Reserves <i>(Note 8)</i>	1,353,601	982,001
Deficit	(1,605,145)	(671,364)
Total Equity Attributed to GreenBank Capital Inc. shareholders	312,956	931,137
Non-controlling interests <i>(Note 13)</i>	441,855	1,044,198
	754,811	1,975,335
	\$ 1,443,264	\$ 2,298,108

Going concern *(Note 2)*

Approved by the Board:

/s/ Daniel Wettreich

Director

/s Mark Wettreich

Director

The accompanying notes are an integral part of these consolidated financial statements

GreenBank Capital Inc.
Unaudited Interim Consolidated Statements of Comprehensive Loss

(Expressed in Canadian Dollars)

	Nine Months ended April 30		Three Months ended April 30	
	2014	2013	2014	2013
Operating Expenses				
Transfer agent fees	\$ 32,991	\$ 11,588	\$ 14,395	\$ 3,822
Management fees	50,000	63,000	-	42,000
Listing and filing fees	44,921	12,730	6,800	7,190
Shareholder information	96,594	1,370	27,102	1,370
Investor relations and market research	2,220	-	-	-
Professional fees	510,975	18,559	57,229	18,559
Office and general	71,151	1,769	26,622	1,619
Stock-based compensation	53,100	276,600	3,000	-
Write-off of exploration and evaluation assets (Note 7)	789,538	10,000	288,099	-
	1,651,490	395,616	423,247	74,560
Net loss	1,651,490	395,616	423,247	74,560
Equity loss on equity accounted investment (Note 9)	551	-	551	-
	\$ 1,652,041	\$ 395,616	\$ 423,798	\$ 74,560
Attributed to:				
Equity holders of GreenBank Capital Inc.	750,781	175,657	210,950	32,577
Non-controlling interests (Note 13)	901,260	219,959	212,848	41,983
	\$ 1,652,041	\$ 395,616	\$ 423,798	\$ 74,560
Loss per share attributed to equity holders of GreenBank Capital Inc. – basic and fully diluted	\$ (0.11)	\$ (0.04)	\$ (0.03)	\$ (0.01)
Weighted average number of shares outstanding	7,142,460	4,679,798	7,142,460	4,679,798

The accompanying notes are an integral part of these consolidated financial statements

GreenBank Capital Inc.
Unaudited Interim Consolidated Statement of Changes in Equity
(Expressed in Canadian Dollars)

	Common Share Capital		Reserves		Common Share Capital and Reserves	Units	Preferred Share Capital			Deficit	Non-Controlling Interests	Total
	Number of Shares	Amount	Warrants	Options			Number of Shares	Convertible Preferred Shares	Convertible Debentures			
Hadley Mining Inc –January 31, 2013 <i>(Note 14)</i>	18,000,000	\$124,449	\$ -	\$ -	\$ 124,449	\$ -	-	\$ -	\$ -	\$ (2,539)	\$ -	\$ (2,539)
Issued for cash upon incorporation – January 30, 2013	1	\$ 1	\$ -	\$ -	\$ 1	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ 1
Issued for non-cash consideration: Acquisition of common shares in Zara Resources Inc. and Hadley Mining Inc. <i>(Note 8)</i>	5,142,460	428,400	-	-	428,400	-	-	-	-	-	-	428,400
Convertible Preferred Shares <i>(Note 8)</i>	-	-	-	-	-	-	5,205,000	520,500	-	-	-	520,500
Share-based compensation <i>(Note 8)</i>	-	-	-	397,600	397,600	-	-	-	-	-	-	397,600
Warrants issued by Zara Resources Inc. on private placement	-	-	122,000	-	122,000	-	-	-	-	-	-	122,000
Warrants issued by Zara Resources Inc. on debt settlement	-	-	34,000	-	34,000	-	-	-	-	-	-	34,000
Units proceeds received units not issued	-	-	-	-	-	100,000	-	-	-	-	-	100,000
Provided by non-controlling interests <i>(Note 13)</i>	-	-	-	-	-	-	-	-	-	-	1,325,606	1,325,606
Net loss for the period	-	-	-	-	-	-	-	-	-	(671,364)	(281,408)	(952,772)
Balance at July 31, 2013	5,142,460	\$428,401	\$156,000	\$397,600	\$ 982,001	\$ 100,000	5,205,000	\$ 520,500	\$ -	\$ (671,364)	\$1,044,198	\$ 1,975,335
Distribution in kind	-	-	-	-	-	-	-	-	-	(183,000)	-	(183,000)
Units consisting of Convertible Series C preferred shares and warrants issued for cash by Zara Resources Inc. <i>(Note 8)</i>	-	-	66,667	-	66,667	(100,000)	833,333	33,333	-	-	-	-
Share issue costs <i>(Note 8)</i>	-	-	(8,667)	-	(8,667)	-	-	(4,333)	-	-	-	(13,000)
Provided by non-controlling interests <i>(Note 13)</i>	-	-	-	-	-	-	-	-	-	-	298,917	298,917
Valuation of warrants issued on debt settlement <i>(Note 8)</i>	-	-	60,500	-	60,500	-	-	-	-	-	-	60,500
Share-based compensation <i>(Note 8)</i>	-	-	-	53,100	53,100	-	-	-	-	-	-	53,100
Issued on private placement	2,000,000	100,000	-	-	100,000	-	-	-	-	-	-	100,000
Warrants exercised	2,000,000	100,000	-	-	100,000	-	-	-	-	-	-	100,000
Equity portion of convertible debenture	-	-	-	-	-	-	-	-	15,000	-	-	15,000
Net loss for the period	-	-	-	-	-	-	-	-	-	(750,781)	(901,260)	(1,652,041)
Balance at April 30, 2014	9,142,460	\$ 628,401	\$ 274,500	\$450,700	\$ 1,353,601	\$ -	6,038,333	\$ 549,500	\$ 15,000	\$(1,605,145)	\$ 441,855	\$ 754,811

The accompanying notes are an integral part of these consolidated financial statements

GreenBank Capital Inc.

Unaudited Interim Consolidated Statement of Cash Flows

(Expressed in Canadian Dollars)

	Nine months ended April 30		Three months ended April 30	
	2014	2013	2014	2013
Operating Activities				
Net loss for the period	\$ (1,652,041)	\$ (395,616)	\$ (423,798)	\$ (74,560)
Adjustment to reconcile loss to cash flow from operations:				
Equity loss on equity accounted investment	551	-	551	-
Write-off of exploration and evaluation assets	789,538	10,000	288,099	-
Share-based compensation	53,100	276,600	3,000	-
Settlement of expenses with non-cash common share consideration <i>(Note 8)</i>	176,416	-	-	-
Net change in non-cash working capital items:				
Trade payables and accrued liabilities	294,744	74,807	70,447	48,108
Prepaid expenses	13,888	(10,185)	5,516	(10,185)
HST recoverable	(32,936)	(5,037)	(7,296)	(3,237)
Cash Used In Operating Activities	(356,740)	(49,431)	(63,481)	(39,874)
Financing Activities				
Issuance of common shares	100,000	1	-	-
Exercise of warrants	100,000	-	-	-
Share issue costs	(3,000)	-	(3,000)	-
Cash received on asset transfer from parent company	-	200,000	-	-
Due to related parties	(24,063)	(30,000)	5,372	(38,118)
Cash Provided By Financing Activities	172,937	170,001	2,732	(38,118)
Investing Activities				
Additions to exploration and evaluation activities	(6,453)	(3,834)	-	(3,294)
Due from related parties	(20,401)	-	(11,637)	-
Cash Used In Investing Activities	(26,854)	(3,834)	(11,637)	(3,294)
Increase in Cash	(210,657)	116,736	(72,746)	(81,266)
Cash at Beginning of Period	241,580	-	103,669	198,022
Cash at End of Period	\$ 30,923	\$ 116,736	\$ 30,923	\$ 116,736

The accompanying notes are an integral part of these consolidated financial statements

GreenBank Capital Inc.

Notes to Unaudited Interim Consolidated Financial Statements

Nine Months ended April 30, 2014 and 2013

(Expressed in Canadian Dollars)

1. Governing Statutes and Nature of Operations

GreenBank Capital Inc. ("GreenBank" or "the Company") was incorporated on January 30, 2013 under the laws of the Province of British Columbia. It was incorporated as a 100% subsidiary of Winston Resources Inc. ("Winston"). Pursuant to a February 7, 2013 plan of arrangement as detailed in Note 10, Winston distributed all of its shares in GreenBank to its Winston shareholders. The Company is engaged in the business of investing in Canadian small cap publicly listed companies. The Company is a public company whose common shares are listed for trading on the CSE under the symbol "GBC". The head office of the Company is located at 208 Queens Quay West, Suite 2506, Toronto, Ontario M5J 2Y5.

The Company has a 49.0% interest in Hadley Mining Inc. ("Hadley"), a 35.1% interest in Zara Resources Inc. ("Zara) and a 48.9% interest in Leo Resources Inc. ("Leo"). Although Hadley, Zara and Leo are not legal subsidiaries of the Company, they have common directors and officers giving GreenBank effective control of Hadley, Zara and Leo. Therefore IFRS requires that Hadley, Zara and Leo be consolidated into these financial statements.

On January 7, 2014 a newly formed subsidiary Bitcoin Angel Capital Inc. acquired 20% of Sovereign Exchange International Inc. ("Sovereign"). Sovereign operates "The Sovereign Exchange" and is the issuer of the Sovereign virtual trade currency. Sovereign will change its name to Sovereign Bitcoin Exchange, to reflect its proposed expansion into the Bitcoin marketplace, where it will facilitate the conversion of physical gold or silver into Bitcoin. (Note 9 and 10)

On April 14, 2014, the Company announced that it has determined to enter the medical marijuana business and has established Canada Marijuana Agricorp Inc (formerly Bitcoin Canada Investments Inc.) which has entered into an agreement to lease 20 acres of suitable land near Tweed, Ontario which it proposes to utilize for the commercial production of medical marijuana. The Company intends to apply for a producer license however operations have yet to commence.

On November 5, 2013, the Company approved a share consolidation of its common shares on the basis of one new common share for five old common shares to be effective November 15, 2013. All outstanding common shares, options and warrants were adjusted to reflect the consolidation ratio, with their respective prices being multiplied by five.

2. Going Concern Assumption

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern. The use of these principles assumes that the Company will continue in operation for the foreseeable future and will be able to realize assets and discharge its liabilities in the normal course of operations. The Company is newly incorporated and has recently acquired its first exploration and evaluation assets ("E&E"), as such active exploration has not commenced. It is unknown whether the E&E contain reserves that are economically recoverable. As a relatively new incorporated Company, that is commencing active operations; it incurs operating losses, which casts significant doubt about the Company's ability to continue as a going concern.

GreenBank Capital Inc.

Notes to Unaudited Interim Consolidated Financial Statements

Nine Months ended April 30, 2014 and 2013

(Expressed in Canadian Dollars)

2. Going Concern Assumption *(continued)*

The business of exploration involves a high degree of risk, as such there is no assurance that the Company's expected exploration programs will result in profitable mining operations. Until it is determined that the E&E contain mineral reserves or resources that can be economically mined, they are classified as exploration and evaluation assets. The Company's continued existence is dependent upon the discovery of economically recoverable reserves and resources, securing and maintaining title and beneficial interest in its E&E, and making the required payments pursuant to E&E share purchase agreements. The Company has yet to generate income and cash flows from its operations. There is no assurance that the Company will be able to obtain the external financing necessary to explore, develop and bring to commercial production its E&E. The Company has no proven history of profitability, which casts doubt as to whether the Company will be able to continue as a going concern. The Company recently announced a diversifying into medical marijuana and virtual currency technologies; however, there is no guarantee that these businesses will be profitable. The Company will require financing to fund working capital and capital expenditures for all its activities. The ability of the Company to arrange such financing in the future depends in part upon the prevailing capital market conditions as well as the business performance of the Company. If additional financing is raised by the issuance of shares from the treasury of the Company existing shareholders may have their interest diluted. If adequate financing is not available, the Company may be required to relinquish rights to certain of its interests or terminate its operations.

3. (a) Statement of Compliance

These financial statements have been prepared in accordance with International Accounting Standard 34 (IAS 34) using accounting policies in full compliance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC")

These financial statements were authorized for issuance by the Board of Directors of the Company on June 25, 2014.

(b) Basis of Presentation

These financial statements have been prepared on a going concern basis, under the historical cost convention, except fair value through profit and loss assets which are carried at fair value, and have been prepared using the accrual basis of accounting, as explained in the accounting policies set out in Note 4.

These financial statements are presented in Canadian Dollars, which is the functional currency of the Company.

These financial statements have been prepared by management in accordance with IFRS. Outlined below are those policies considered particularly significant:

GreenBank Capital Inc.

Notes to Unaudited Interim Consolidated Financial Statements

Nine Months ended April 30, 2014 and 2013

(Expressed in Canadian Dollars)

4. Significant Accounting Policies (Continued)

Principles of consolidation

These consolidated financial statements include the accounts of the Company, and its 100% owned subsidiaries Bitcoin Angel Capital Inc., and Canada Marijuana Agricorp Inc. (formerly Bitcoin Canada Investments Inc.) It also includes the Company's 35.1% owned Zara, 48.9% owned Leo and 49.0% owned Hadley. The Zara, Leo and Hadley shareholdings are less than 50% in each case but the Company still maintains the practical ability to direct the relevant activities of each company as GreenBank has common directors and officers with Zara, Leo and Hadley. The financial statements of Zara, Leo and Hadley are consolidated into the GreenBank financial statements with minority interests deducted. On consolidation, all intercompany transactions and balances were eliminated.

Equity Method Investees

Equity method investees are entities over which the Company has significant influence but not control. Generally, the Company has a shareholding of between 20% and 50% of the voting rights in its equity method investees. Investments in equity method investees are accounted for using the equity method. On January 7, 2014, the Company's wholly-owned subsidiary Bitcoin Angel Capital Inc. acquired 20% of the common shares of Sovereign Exchange International Inc. (a private company) and is accounting for the acquisition using the equity method.

Business Combination

The acquisition of Zara, Leo, and Hadley by the Company are a common control combination and as a result is scoped out of IFRS 3. A pooling of interests or merger accounting-type method is widely accepted in accounting for common control combinations under IFRS. Such a method is also prescribed under US generally accepted accounting practice (GAAP) (SFAS 141 Business Combinations paragraphs D11 to D18). Management considers this approach to be available through application of IAS 8.12, which allows management to consider the most recent pronouncements of other standard-setting bodies that use a similar conceptual framework in developing an accounting policy and where IFRS has no specific requirements. Under the SFAS 141 approach, the comparative periods are restated only for those periods in which common control existed.

Under a pooling of interests-type method, the acquirer accounts for the combination as follows:

- (i) The assets and liabilities of the acquiree are recorded at book value not fair value except that adjustments are recorded to achieve uniform accounting policies;
- (ii) Intangible assets and contingent liabilities are recognized only to the extent that they were recognized by the acquiree in accordance with applicable IFRS (in particular IAS 38);
- (iii) No goodwill is recorded. The difference between the acquirer's cost of investment and the acquiree's equity is presented separately within other comprehensive income on consolidation;
- (iv) Any non-controlling interest is measured as a proportionate share of the book values of the related assets and liabilities (as adjusted to achieve uniform accounting policies);
- (v) Any expenses of the combination are written off immediately in the statement of comprehensive income; and

GreenBank Capital Inc.

Notes to Unaudited Interim Consolidated Financial Statements

Nine Months ended April 30, 2014 and 2013

(Expressed in Canadian Dollars)

4. Significant Accounting Policies (Continued)

- (vi) Comparative amounts are restated as if the combination had taken place at the beginning of the earliest comparative period presented.

Significant Estimates and Judgments

The preparation of these financial statements requires management to make judgements and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates its judgements and estimates in relation to assets, liabilities, revenue and expenses.

Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgements and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. The most significant estimates relate to impairment assessments of E&E, recoverability of HST and the valuation of share-based payments. The most significant judgements relate to the use of the going concern assumption in the preparation of the financial statements, the recognition of deferred income tax assets and liabilities, and the determination of the economic viability of exploration and evaluation assets.

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.

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 differences between 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.

GreenBank Capital Inc.

Notes to Unaudited Interim Consolidated Financial Statements

Nine Months ended April 30, 2014 and 2013

(Expressed in Canadian Dollars)

4. Significant Accounting Policies (Continued)

Deferred Income Taxes (continued)

Deferred income tax assets and liabilities are measured at the 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.

Deferred income tax assets and liabilities are measured at the 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 in 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 re-valued 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.

GreenBank Capital Inc.

Notes to Unaudited Interim Consolidated Financial Statements

Nine Months ended April 30, 2014 and 2013

(Expressed in Canadian Dollars)

4. Significant Accounting Policies (Continued)

Exploration and Evaluations Assets ("E&E")

E&E assets consist of exploration and mining concessions, options and contracts. Acquisition costs, lease costs and exploration costs are capitalized and deferred until such time as the property is put into production or the properties are disposed of either through sale or abandonment.

E&E costs consist of:

- Acquisition of exploration properties;
- Gathering exploration data through topographical and geological studies;
- Exploratory drilling, trenching and sampling;
- Determining the volume and grade of the resource;
- Test work on geology, metallurgy, mining, geotechnical and environmental; and
- Conducting engineering, marketing and financial studies.

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 along with preferred shares issued by its subsidiaries. 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 instruments

Fair value through profit or loss

Financial assets that are held with the intention of generating profits in the near term and derivative contracts that are financial assets, except for a derivative that is a designated and effective hedging instrument, are classified as held for trading. In addition, any other financial assets can be designated by the Company upon initial recognition as held for trading. These instruments are subsequently re-measured at fair value with the change in the fair value recognized in net income or expense during the period.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognized at fair value plus any directly attributable transactions costs. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

GreenBank Capital Inc.

Notes to Unaudited Interim Consolidated Financial Statements

Nine Months ended April 30, 2014 and 2013

(Expressed in Canadian Dollars)

4. Significant Accounting Policies (Continued)

Financial instruments

Other financial liabilities:

Other financial liabilities are recognized initially at fair value net of any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost of a financial liability and of allocating interest and any transaction costs over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or (where appropriate) to the net carrying amount on initial recognition.

Other financial liabilities are de-recognized when the obligations are discharged, cancelled or expired.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. Available-for-sale financial assets are measured at fair value. Gains and losses are recognized in other comprehensive income and reported within the available-for-sale reserve within equity, except for impairment losses and foreign exchange differences on monetary assets, which are recognized in profit or loss. When the asset is disposed of or is determined to be impaired the cumulative gain or loss recognized in other comprehensive income is reclassified from the equity reserve to profit or loss and presented as a reclassification adjustment within other comprehensive income. Interest calculated using the effective interest method is recognized in profit or loss.

Reversals of impairment losses are recognized in other comprehensive income; except for financial assets that are debt securities which are recognized in profit or loss only if the reversal can be objectively related to an event occurring after the impairment loss was recognized.

Financial instruments recorded at fair value:

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

GreenBank Capital Inc.

Notes to Unaudited Interim Consolidated Financial Statements

Nine Months ended April 30, 2014 and 2013

(Expressed in Canadian Dollars)

4. Significant Accounting Policies (Continued)

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 April 30, 2014, all the outstanding options 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 when 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. The Company is not exposed to currency risks as it has no foreign currency denominated working capital balances or any other foreign currency activities.

Preferred Shares

In accordance with IAS 32, the Company has accounted for the Zara convertible preferred shares as equity as the preferred shares are non-redeemable and only convertible into common shares of Zara at Zara's option. The interest on the Zara convertible preferred shares are payable in common shares of Zara and are accrued and paid annually. At April 30, 2014, there was no dividend amounts declared and accordingly no amounts were accrued.

Future Accounting Policies

At the date of authorization of these Financial Statements, the IASB has issued the following new and revised Standards and Interpretations which are not yet effective for the relevant reporting period.

- **IFRS 9 Financial Instruments**

IFRS 9, Financial Instruments was issued by the IASB and will replace IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments. Such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income (loss). IFRS 9 is effective for annual periods beginning on or after January 1, 2015.

GreenBank Capital Inc.

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4. Significant Accounting Policies (Continued)

- IAS 32 Offsetting Financial Assets and Liabilities

IAS 32, this amendment clarifies certain aspects of offsetting and net and gross settlement. The Company has not yet determined the effect of adoption of amendment to IAS 32 on its financial statements.

The Company has not early adopted these standards. The Company is currently assessing the impact the application of these standards may have on the consolidated financial statements of the Company.

5. Financial Instruments and Risk Management

The Company has designated its cash at fair value through profit and loss as Level 1 under the fair value hierarchy. Trade payables and accrued liabilities and due to related parties are classified as other financial liabilities whereby they are initially recognized at fair value and then 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 precious metals and 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.

GreenBank Capital Inc.

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5. Financial Instruments and Risk Management (continued)

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. As at April 30, 2014, the Company had \$30,923 in cash. The Company anticipates having sufficient funds to its corporate and administrative expenses for the next twelve months but will be seeking additional equity capital to expand investment opportunities. There is no guarantee that market conditions will be conducive to raising such additional equity capital.

6. 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.

7. Exploration and Evaluation Assets

	Balance at July 31, 2013	Property Acquisition Costs	Exploration Expenditures	Disposals	Balance at April 30, 2014
Ontario					
Riverbank	\$ 358,000	\$ -	\$ -	\$ -	\$ 358,000
Etamame	334,700	-	-	(288,099)	46,601
Pigeon River	702,400	-	-	(501,439)	200,961
Forge Lake	590,488	6,453	-	-	596,941
	\$ 1,985,588	\$ 6,453	\$ -	\$(789,538)	\$ 1,202,503

GreenBank Capital Inc.

Notes to Unaudited Interim Consolidated Financial Statements

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(Expressed in Canadian Dollars)

7. Exploration and Evaluation Assets (continued)

	Balance at January 30, 2013 (date of Incorporation)	Property Acquisition Costs	Exploration Expenditures	Disposals	Balance at July 31, 2013
Ontario					
Riverbank	\$ -	\$ 358,000	\$ -	\$ -	\$ 358,000
Etamame	-	334,700	-	-	334,700
Pigeon River	-	700,000	2,400	-	702,400
Forge Lake	-	584,444	6,044	-	590,488
	\$ -	\$ 1,977,144	\$ 8,444	\$ -	\$ 1,985,588

Riverbank

The property is located in Sachigo sub-province, Ontario. The Riverbank property consists of 8 unpatented mining claims covering approximately 1392 ha. Zara can obtain an initial 51% undivided interest in the Properties by incurring a minimum of \$1,600,000 in work expenditures by no later than December 31, 2014. Following that, Melkior has the right to elect to form a joint venture with Zara. Should Melkior not elect to form a joint venture on the Properties, Zara will have the option to acquire an additional 19% interest (for a total 70% undivided interest in the Properties) by incurring an additional \$1,000,000 in work expenditures on the Properties within twenty-four months

On January 23, 2013, Zara completed the acquisition of the 100% Riverbank claims from Melkior. The consideration was \$68,000 payable by the issuance of 225,000 common shares of Zara at a deemed price of \$0.10 per share and 455,000 non-voting 5% convertible Series A preferred shares of Zara at a deemed price of \$0.10 per share. The preference shares annual yield will be payable in common shares of Zara at the prevailing market price, and are convertible at the discretion of Zara into common shares of Zara at the market price at the time of conversion. Riverbank is also subject to a pre-existing 2% NSR.

On August 2, 2013, Zara completed its Purchase Agreement (the "Agreement") with its subsidiary Leo whereby Leo agreed to purchase from Zara all of Zara's rights, interests, obligations and benefits of the Riverbank property by way of a Plan of Arrangement for the amount of \$358,000. (Note 12)

The Company consolidates both Zara and Leo so the Plan of Arrangement did not affect the consolidated Exploration and Evaluation assets.

GreenBank Capital Inc.

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7. Exploration and Evaluation Assets (continued)

Etamame

Etamame consists of 10 claim blocks totaling 142 claim units that have not previously been drilled. Winston acquired 100% of Hadley in July 2012, which owns 100% of the Etamame Lake Nickel Project located in the Lingman Lake Greenstone belt area about 38 kilometers south-west of Sachigo Lake in Northwestern Ontario. It also acquired a geophysical airborne survey (the "Airborne Survey") carried out over Etamame.

On April 8, 2014, management determined that they would not renew nine of ten claim blocks and accordingly recognized a write-off in the amount of \$288,099 during the period ended April 30, 2014.

Pigeon River

On January 7, 2013, Zara acquired 100% of the Pigeon River claims from Pele Mountain Resources ("Pele") for a purchase price of \$700,000. The Pigeon River property 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 purchase price was paid by the issuance of 2,250,000 common shares of Zara at a deemed price of \$0.10 per share and 4,750,000 non-voting 5% convertible Series B preferred shares of Zara at deemed price of \$0.10 per share. The preference shares annual yield will be payable in common shares of Zara at the prevailing market price. The property is also subject to a 2% NSR of which 0.5% is granted to Pele and 1.5% is granted to 2212150 Ontario Inc. (operating as Vanex Exploration). The 2,250,000 Zara common shares were valued at \$225,000 and Series B non-voting convertible 5% preference shares of Zara were valued at \$475,000.

During the period ended April 30, 2014, management made the decision to abandon 20 of the Pigeon River claims. As a result, the Company recognized a write-off of the evaluation and exploration assets of \$501,439 (2013 – \$10,000).

Forge Lake

On April 16, 2013, Zara completed the acquisition of 100% of the Forge Lake Gold Project located in Ontario from Hudson River Minerals Ltd ("HRM") for the sum of \$583,010. Zara acquired the property by the purchase of all the rights, title and interest to that certain Mineral Exploration Agreement dated November 1, 2011 ("the Licence") between HRM and 3011650 Nova Scotia Ltd. ("Licensor"). The License is subject to an original 5 years with an extension for a further 5 years and the right to convert from a license into a lease with rights to enter commercial production. If the property goes into production, there is a 3.0% royalty, of which the first 1% can be purchased for \$1 Million and the second 1% can be re-purchased for \$1 Million for each 0.5%. As consideration, Zara issued HRM 5,715,780 common shares at a deemed price of \$0.10 per common share. The consideration is subject to an agreement whereby HRM distributes the shares to its shareholders within 18 months and until such time distribution takes place the shares cannot be sold and voting rights are to be exercised by Danny Wettreich, the CEO of Zara, under a voting rights agreement.

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7. Exploration and Evaluation Assets (continued)

In addition, Zara issued 2% of the \$583,010 value to the Licensor or \$11,432 payable through the issue of 114,316 common shares during the period and guarantees three years of license and tax payments to the Licensor.

8. Share Capital

The Company's authorized share capital includes:

- (i) an unlimited number of common shares without par value;
- (ii) an unlimited number of \$1 non-voting preferred shares
- (iii) The Company's affiliate, Zara Resources Inc. ("Zara") has issued

455,000 non-voting 5% convertible Series A preferred shares.
4,750,000 non-voting 5% convertible Series B preferred shares
833,333 non-voting 5% convertible Series C preferred shares

The 5% annual yield on each series will be payable in common shares of Zara at the prevailing market price, and are convertible at the discretion of Zara into common shares at the market price at the time of conversion.

Share Consolidation

On November 5, 2013, the Company approved a share consolidation of its common shares on the basis of one new common share for five old common shares to be effective November 15, 2013. All outstanding common shares, options and warrants were adjusted to reflect the consolidation ratio, with their respective prices being multiplied by five.

Private Placements

(a) On August 1, 2013 the Company's subsidiary Zara agreed to a private placement of 833,333 Units in the capital of Zara at \$0.12 per unit for the aggregate subscription amount of \$100,000. Each Unit consists of one Series C Preferred Share with a 5% yield payable in common shares of Zara at the prevailing market price and convertible into common shares on a one for one basis, and two common share purchase warrants, each warrant being exercisable for 36 months into one common share of Zara at \$0.18 per share. The proceeds of the private placement will be used for general corporate purposes. The Company incurred \$13,000 in finder's fees in connection with the private placement.

(b) On November 27, 2013, the Company completed a non-brokered private placement with a director of the Company, for 2,000,000 units of the Company at a price of \$0.05 per Unit, for proceeds of \$100,000. Each unit consists of one common share in the capital of the Company and one common share purchase warrant. Each common share purchase warrant entitles the holder to acquire one additional common share in the capital of the Company at an exercise price of \$0.05, for 36 months after closing. The proceeds of the Private Placement will be used for working capital purposes. On January 1, 2014, the warrants were exercised providing a further \$100,000 in cash.

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8. Share Capital (continued)

Stock Options

The Company has a stock option plan in place under which the Board of Directors may grant options to acquire common shares of the Company to qualified directors, officers, employees and other service providers. The stock options vest according to the provisions of the individual option agreements approved by the directors' resolutions and have a maximum life of ten years. The plan allows for the issuance of up to 10% of the number of issued and outstanding common shares of the Company at any time on a non-diluted basis.

The following table summarizes the activity in the Plan over the period.

	Fair Value	Number of Options	Weighted Average Exercise Price
Granted – December 28, 2012 (Zara.)	170,800	2,450,000	0.10
Granted – December 28, 2012 (Hadley)	170,800	2,450,000	0.10
Granted – May 30, 2013	30,000	500,000	0.25
Granted – June 21, 2013 (Zara)	26,000	400,000	0.12
Granted – January 1, 2014	50,100	300,000	0.25
Granted – April 14, 2014	3,000	100,000	0.25
Outstanding, July 31, 2013 and April 30, 2014	\$450,700	6,200,000	\$ 0.121
Exercisable, July 31, 2013 and April 30, 2014	\$450,700	6,200,000	

During the period ended April 30, 2014, the Company granted 400,000 stock options. The fair value of \$53,100 (2013 - \$276,600) was recognized as share-based compensation and was estimated using the Black-Scholes pricing model based on the following assumptions: dividend yield rate of 0%, forfeiture rate of 0%, volatility ranging from 105% to 109%, risk free rate ranging from 1.05% to 1.95%, and an executed life ranging from 1.1 to 4.4 years. At April 30, 2014, there were 6,200,000 vested options, inclusive of Zara and Hadley options..

The following table sets out the details of the stock options granted and outstanding as at April 30, 2014:

Number of stock options		Remaining contractual life	Exercise price per share	Expiry Date
800,000	Zara	0.66 years	0.10	December 28, 2014
800,000	Hadley	0.66 years	0.10	December 28, 2014
1,650,000	Zara	3.66 years	0.10	December 28, 2017
1,650,000	Hadley	3.66 years	0.10	December 28, 2017
400,000		4.08 years	0.25	May 30, 2018
100,000		1.08 years	0.25	May 30, 2015
400,000	Zara	1.14 years	0.12	June 21, 2015
200,000		4.08 years	0.25	May 30, 2018
100,000		1.08 years	0.25	May 30, 2015
100,000		1.08 years	0.25	May 30, 2015
6,200,000		2.64 years	\$0.123	

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8. Share Capital (continued)

Distributions in Kind

In August 2013, pursuant to a plan of arrangement with Leo as detailed in Note 12, the Company's subsidiary Zara declared a distribution of 13,737,500 common shares of Leo at a value of \$358,000. The Company received 6,730,000 shares of Leo at a value of \$175,000 and other Leo shareholders received 7,007,500 shares of Leo at a value of \$183,000. The distribution was on a pro rata basis whereby one share of Leo was issued for every two share of Zara held. The intercompany distribution in the amount of \$175,000 has been eliminated on consolidation leaving \$183,000 as the distribution in kind for the period ended April 30, 2014.

9. Equity Investments

	April 30, 2014	July 31, 2013
Sovereign Exchange International		
Common shares (20.0%)	\$ 100,000	\$ -
Share of equity loss recognized (January 7, 2014 to March 31, 2014)	(551)	-
	<u>\$ 99,449</u>	<u>\$ -</u>

10. Convertible Debentures

On January 7, 2014, the Company's wholly owned subsidiary Bitcoin Angel Capital Inc. issued \$100,000 Convertible Debentures Series B ("Debenture") to acquire 20% of the outstanding shares of Sovereign Exchange International Inc. ("Sovereign"). Each \$1 debenture may be converted into four common shares of the Company at the time the Company lists on the CNSX. Unless repaid early or converted to common shares, the obligation will be due and payable by December 31, 2015. The holder has the right to receive a yield prior to conversion of 10% of the net profits after expenses from the Company's sale of shares of Sovereign on a quarterly basis. The Debenture is secured by the shares of Sovereign held by the Company.

For accounting purposes, the Debenture contains both a liability component and an equity component, being the holder's conversion right, which has been separately presented in the consolidated statement of financial position. The Company has allocated the \$100,000 face value of the Debenture to the liability and equity components. At issuance, the Company estimated the fair value of the conversion option by deducting the present value of the future cash outflows of the debenture from the face value of the principal of the Debenture. The fair value of the liability component was determined by discounting the stream of future payment of principal at the estimated prevailing market rate of 15% for a comparable debt instrument that excluded any conversion privilege by the holder. The Company's intention is to hold the investment in Sovereign Exchange for the long-term. The residual carrying value of the Debenture is required to be accreted to the redemption value of the Debenture to the first redemption date of the Debenture based on an effective annual interest rate of 20%. The value of the conversion feature has been accounted for as equity in the amount of \$15,000 and the liability portion has been accounted for in the amount of \$85,000 at April 30, 2014.

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11. Related Party Transactions and Remuneration

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. The amount of the due to related parties at April 30, 2014 in the amount of \$5,372 (July 31, 2013 - \$29,435) is comprised of a payable to a director in the amount of \$Nil (July 31, 2013 - \$845), due to a private company controlled by a director in the amount of \$5,372 (July 31, 2013 - \$27,000), and due to Winston of \$Nil (July 31, 2013 - \$1,590). The amount of the due from related parties at April 30, 2014 in the amount of \$20,401 (July 31, 2013 - \$Nil) is due from Winston. All of the amounts are interest-free and due on demand.

During the nine months ended April 30, 2014, the Company incurred management fee expenses of \$50,000 (2013 - \$63,000) to a private company controlled by an officer and director, for the provision of management services. As at April 30, 2014, the amount of \$110,740 (July 31, 2013 - \$144,640) was owed thereto has been included in trade payables and accrued liabilities.

12. Plans of Arrangement

- (i) On February 8, 2013, GreenBank entered into a Plan of Arrangement (the "Winston Plan") and acquired certain assets from Winston, its then parent company. Under the terms of the Winston Plan, GreenBank issued 25,711,457 common shares to Winston in exchange for 13,460,000 common shares of Zara and 12,250,000 common shares of Hadley. In addition, the Winston board of directors approved a spinoff to its shareholders 100% of its wholly-owned subsidiary GreenBank. The GreenBank common shares were transferred to Winston shareholders at the rate of one GreenBank share for every 2.567 Winston shares.

A special meeting of Winston shareholders was held on April 15, 2013 at which the shareholders voted and approved the Winston Plan. Court approval was also obtained and spin-off was completed shortly thereafter. The Company is no longer a subsidiary of Winston. On April 17, 2013, the Company announced its common shares were now listed on the CNSX under the symbol "GBC".

All costs and expenses of the transactions under the Winston Plan, including legal, financial advisory, regulatory, printing and mailing costs, were paid and borne by Winston.

- (ii) On March 20, 2013, the Company's affiliate Zara entered into a purchase agreement with its own subsidiary Leo Resources Inc. ("Leo") Under the terms of the Agreement, Leo agreed to purchase from the Zara, all of Zara's rights, interests, obligations and benefits of the Riverbank property ("Riverbank") for \$358,000. The Riverbank property consists of 8 unpatented mining claims comprising 87 claim units covering an area of approximately 1,392 hectares. The claims are located in the Kasabonika-McFauld's Greenstone Belt about 550 km northeast of Thunder Bay and 350 north of Geraldton, Ontario. Riverbank is subject to a pre-existing 2% NSR payable to Melkior Resources Inc. (TSXV: "MKR").

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12. Plans of Arrangement (continued)

In consideration, Leo issued 13,737,500 common shares of Leo to Zara at an attributed issue price of \$0.02606 per share for a total of \$358,000. In addition, as part of the Agreement, Leo issued to Zara, 100,000 Series A preferred shares for the sum of \$100,000 cash.

On March 20, 2013, Zara announced that its board of directors has unanimously approved a proposal to spin-off to its shareholders 100% of its shares in Leo. Following the spin-off, Leo applied for listing its common shares on the CNSX. The spin-off was transacted by way of a statutory plan of arrangement (the "Leo Plan") under the Business Corporations Act (British Columbia). During the period ended October 31, 2013, pursuant to the terms of the Leo Plan, Zara distributed 13,737,500 common shares of Leo to holders of common shares of the Zara on the Share Distribution Record Date. Each Zara shareholder of record on the Share Distribution Record Date received 1 common share in the capital of Leo for every 2 common shares in the capital of Zara.

A Special Meeting ("Meeting") of the Zara shareholders was held on May 14, 2013 at which time the shareholders voted to approve Leo Plan and a continuance of Zara into British Columbia. The spin-off was subject to numerous conditions including court approval, and completion of all regulatory filings. The continuance was granted in Ontario and British Columbia during the period and facilitated the spin off by way of statutory plan of arrangement under the Business Corporations Act of British Columbia.

13. Non-Controlling Interests

	Hadley Mining Inc.	Zara Resources Inc.	Leo Resources Inc.	Total
Share of net loss	\$ (58,238)	\$ (223,170)	\$ -	\$ (281,408)
Contributions	221,700	1,103,906	-	1,325,606
Balance – July 31, 2013	\$ 163,462	\$ 880,736	\$ -	\$ 1,044,198
Share of net loss	(163,462)	(711,206)	(26,592)	(901,260)
Contributions	-	115,917	183,000	298,917
Balance – April 30, 2014	\$ -	\$ 285,447	\$ 156,408	\$ 441,855

The cumulative non-controlling interest in the net losses for Hadley through April 30, 2014 was \$167,840. However, since that amount exceeds the contribution of \$163,462, the Company has recognized no further net loss beyond the contribution amount. If Hadley subsequently reports profits, the Company will resume allocating a non-controlling interest in those profits only after its share of the profit equals the share of the losses not recognized.

14. Pooling of Interests

Under the pooling of interest method, the comparative figures are presented as if the entities had been combined for the period in which the merging entities were placed under common control. Under the pooling of interest method, the comparative figures are presented as if the entities had been combined for the period in which the merging entities were placed under common control. The consolidated statements of loss and cash flow for the period ended April 30, 2013 includes GreenBank from

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14. Pooling of Interests *(continued)*

January 30, 2013 *(date of incorporation)* to April 30, 2013, Zara from October 9, 2012 *(date of incorporation)* to April 30, 2013, and Hadley from August 1, 2012 to April 30, 2013.

15. Income Taxes

The Company's income tax provision differs from the amount resulting from the application of the Canadian statutory income tax rate. A reconciliation of the combined Canadian federal and provincial income tax rates with the Company's effective tax rate is as follows:

	April 30, 2014	April 30, 2013
Loss before income taxes	\$ (1,651,490)	\$ (395,616)
Combined statutory rate	26.50%	26.50%
	(437,000)	(105,000)
Stock-based compensation	14,000	73,000
Write-off of exploration and evaluation assets	210,000	3,000
Tax benefits not recognized	213,000	29,000
	\$ -	

Deferred income tax assets

The tax effects of temporary differences that give rise to significant portions of future tax assets are as follows:

	April 30, 2014	July 31, 2013
Benefit of losses	\$ 364,000	\$ 150,000
Mineral property exploration	212,000	5,000
Less: Valuation allowance	(576,000)	(155,000)
	\$ -	\$ -

As at April 30, 2014, the Company has Canadian non-capital losses of approximately \$1,374,000 (July 31, 2013 - \$565,100) available for deduction against future Canadian taxable income, the balances of which will expire as follows:

2033	\$	565,000
2034		809,000
	<u>\$</u>	<u>1,374,000</u>

GreenBank Capital Inc.

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16. Take-Over Bids

(i) On August 19, 2013, Zara announced its intention to offer to acquire shares of Visible Gold Mines Inc. ("Visible"), Greencastle Resources Ltd. ("Greencastle"), and Altai Resources Inc. ("Altai") (collectively the "Targets"). By a circular dated August 26, 2013, Zara offered to acquire Shares of the Targets in consideration of the issuance of Zara common shares as follows:

Target	Offer Price	Consideration Payable
Visible	\$0.05 per Visible Share	0.4167 Zara Shares
Greencastle	\$0.14 per Greencastle Share	1.667 Zara Shares
Altai	\$0.17 per Altai Share	1.4167 Zara Shares

The Offer is conditional on, among other things, there being validly deposited under the Offer and not withdrawn at the expiry time, such number of shares of the respective Targets that constitutes at least 50% plus one share, of the outstanding shares of the respective Targets, excluding in the case of Visible the shares beneficially owned by Zara and its related parties (if any).

- (ii) On August 26, 2013 Zara announced they retained the services of a third party corporation to provide information agent and advisory services in connection with the Company's simultaneous offers for 100% of Visible, Greencastle and Altai. The compensation upon closing of the acquisition is an estimated \$275,000.
- (iii) On September 13, 2013, the Bureau de Decision et de Revision (Quebec) ("BDR") issued a cease trade order on Zara's simultaneous bid for Visible, Greencastle and Altai pending correction and translation of all offer documents into French and review by the Autorité des marchés financiers ("AMF").

Zara is completing French versions of the offer documents and at which time there is approval, the offers will be extended and shareholders of all target companies will be notified of the new expiry date.

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17. Events After Reporting Period

(a) On May 14, 2014, the Company's subsidiary Zara determined that they would no longer proceed with the take-over bids as detailed in Note 16.

(b) On May 30, 2014, the Company's subsidiary Zara announced that it has signed a Letter of Intent ("LOI") and proposes to enter into a definitive binding agreement (the "Agreement") to acquire certain recreational marine assets comprising two recreational submarines, a 10 year lease on a luxury yacht named Avery Claire, and the website www.LuxAquatica.com offering luxury yacht and diving services ("Lux Aquaticata") for the sum of \$500,000 (the "Consideration").

Subject to numerous conditions, including shareholder and regulatory approvals and the closing of the acquisition of the Lux Aquatica assets, Zara will transfer its Forge Lake mineral property to its wholly owned subsidiary Desi Assets Inc ("Desi") and its Pigeon River mineral property to its wholly owned subsidiary Sonjo Assets Inc ("Sonjo"). and will distribute to Zara shareholders by way of a plan of arrangement 100% of the common shares Desi and Sonjo. The spin-off will be transacted by way of a statutory plan of arrangement under the Business Corporations Act (British Columbia). Following the spin-off, Desi and Sonjo will apply for listing of its common shares on the CSE, although there is no guarantee that such listing applications will be successful. A further press release providing more information will be issued by the Company in due course.

The Letter of intent sets out the basic terms of the Agreement to acquire all rights, title and interest to the Lux Aquatica assets from Chivas Land Limited. The Consideration will be payable by the issuance of 10,000,000 new Company shares at \$0.05 per share. Closing of the Agreement will be subject to compliance with any required governmental and securities regulations, and the approval of a majority of Company shareholders at a special shareholders meeting. Closing of the Agreement will further be subject to the completion of a private placement of no less than 7,000,000 new Company shares at \$0.05 per share higher. Upon closing, a Finders Fee of 5% of the Consideration will be paid to an unrelated third party and a Negotiation Bonus of 5% of the Consideration will be paid to a director of the Company. It is proposed that the Company will change its business to luxury investments, and will change its corporate name to Zara Assets Inc.

(c) During the period, the Company's subsidiary Zara reached an agreement to settle \$206,766 of trade debt into units of the Company, each unit comprising of one common share at \$0.05 per share and one warrant exercisable at \$0.05 for 24 months. The debt conversion has not yet been transacted but will result in the issue of 4,135,320 Zara common shares and 4,135,320 Zara warrants. The debt is related to legal costs payable to an arm's length legal firm. No commission will be payable in relation to this settlement. The actual settlement date of the debt is yet to be determined.

(d) On June 1, 2014, the Company's subsidiary Zara agreed to effect a conversion of \$50,000 of trade debt into warrants to acquire 1,000,000 common shares of Zara at \$0.05 per share or the market price whichever is the higher. The debt is related to consulting and finder's fee services provided by a director of Zara.

(e) On May 28, 2014, the Company announced that it will apply for an Exempt Market Dealer License so that it can commence investment banking transactions. The license application will be made to the Ontario Securities Commission and there is no assurance that such a license will be granted.

GreenBank Capital Inc.

Notes to Unaudited Interim Consolidated Financial Statements

Nine Months ended April 30, 2014 and 2013

(Expressed in Canadian Dollars)

17. Events After Reporting Period *(continued)*

(f) On June 11, 2014, the Company announced that it has signed an agreement to acquire all the rights, title and interest to the GreenCoin cryptocurrency software. Under the agreement, the Company will issue 1,250,000 new common shares from its newly formed subsidiary GreenCoin Inc. After, the transaction, the Company will own 75% of GreenCoin Inc. When all aspects of the GreenCoin software are completed, GreenCoin will be a new innovative cryptocurrency featuring digital identification that aims to resolve the “trust based concerns” with other virtual currencies.