GreenBank Capital Inc

# MANAGEMENT DISCUSSION & ANALYSIS

## FOR THE YEAR ENDED JULY 31, 2018

**(Prepared by Management on September 13, 2019)**

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MANAGEMENT DISCUSSION AND ANALYSIS (MD&A) AS OF JULY 31, 2018 TO ACCOMPANY THE AUDITED FINANCIAL STATEMENTS OF GREENBANK CAPITAL INC (THE "COMPANY" OR "GREENBANK") FOR THE YEAR ENDED JULY 31, 2018.

This MD&A is dated September 13, 2019.

The following MD&A should be read in conjunction with the audited financial statements for the year ended July 31, 2018 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 merchant banking business, and to the constituent businesses comprising its investment portfolio. 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 merchant banking business listed on the Canadian Securities Exchange (trading symbols CSE: GBC and OTCMKTS: GRNBF and FRA: 2TL). GreenBank's 100% subsidiary GreenBank Financial Inc. is a merchant bank. As on the date of this MD&A GreenBank's portfolio comprises equity investments in 14 small cap businesses, namely; 10% of The Lonsdale Group LLC, a USA based private equity company focused on small cap investments; 23.24% of Ubique Minerals Limited, a zinc exploration company in Newfoundland, Canada; 52.5% of Blockchain Evolution Inc, owners of the world's first identification based blockchain, and developers of Xbook a user permissioned and revenue sharing social media platform; 10% of Reliable Stock Transfer Inc, a Canadian small cap transfer agency; 100% of Veterans Financial Group LLC, a USA based insurance agency, 19% of Inside Bay Street Corporation, a financial news communications company; 25.16% of Buchans Wileys Exploration Inc, a minerals exploration company with interests in Newfoundland, Canada; 100% of Medik Blockchain Inc, providing blockchain based medical confidentiality systems to the healthcare community; 100% of North America Veterans Insurance Services Inc, an insurance agency holding company; 59.5% of Kabaddi Games Inc, developers of a mobile application game based on the sport of Kabaddi; 11.12% of Minfocus Exploration Corp (TSXV: MFX), a mineral exploration company; 34.76% of Gander Exploration, a minerals exploration company in Newfoundland, Canada; 100% of Cannabis Blockchain Inc, developers of a digital information management system for the cannabis industry; 100% of Expatriate Assistance Services Inc, providing relocation services to expatriates; and 47.47% of GBC Grand Exploration Inc, a minerals exploration company in Newfoundland, Canada.

### Investment Portfolio

GreenBank and its 100% subsidiary GreenBank Financial holds an investment portfolio of equity positions in 14 small-cap companies, more fully described below.

**<u>The Lonsdale Group, LLC</u>**

GreenBank owns 10% of The Lonsdale Group which is a USA private equity company feeding investment opportunities to GreenBank. The Lonsdale Group was founded in 2008 by David Lonsdale, GreenBank Director, President and CEO, and the former President of Allegiance Capital Corporation, a private investment bank focusing on mergers and acquisitions. The Lonsdale Group has minority investments in a number of diversified private companies comprising data protection, emergency response technology, telecommunication testing equipment, technology marketing platforms, and medical alert technology. In addition to equity financing, Lonsdale Group plays an active advisory role in helping its portfolio companies grow.

**Ubique Minerals Limited**

GreenBank owns 23.24% of Ubique Minerals Limited ("Ubique") a zinc exploration company in Newfoundland, Canada, listed on the CSE (CSE:UBQ).

Ubique is focused on exploration of its 100% owned and 55% optioned Daniel's Harbour zinc properties in Newfoundland, around the former Daniel's Harbour zinc mine situated approximately 10 km northeast of the town of Daniel's Harbour on the west coast of Newfoundland. Approximately 7,000,000 tonnes averaging 7.8% zinc having been mined from the Daniel's Harbour mine, *(Wardle, R.J. (2000) Mineral Commodities of Newfoundland and Labrador - Zinc and Lead; Government of Newfoundland and Labrador, Geological Survey, Mineral Commodities Series Number 1, 12).*

Since GreenBank's initial investment in Ubique in May 2017, Ubique has completed one drilling program on its Daniel's Harbour zinc project in 2017 and two more drilling campaigns in 2018, all of which were successful in delineating zinc mineralization extending from the vicinity of former mine workings.

The 2017 diamond drilling program intersected zinc mineralization in six of the nine holes drilled in the Ubique claims known as the P Zone. Ubique hole UM-4-17 had an exceptionally high-grade interval averaging 13.6% zinc over 12.2 metres, including individual 0.8 metre assay intervals as high as 35% zinc. All holes were drilled vertically and are believed to have intersected approximately true thicknesses of mineralization. Depths of intersections ranged between 50 and 65 metres below surface. A complete summary of the results of the drill holes is given below.

| Drill Hole # | Easting | Northing | Dip | Interval | Zinc % | Zone targeted |
|---|---|---|---|---|---|---|
| UM-1-17 | 9169 | 3175 | -90 | | Trace only | P-North |
| UM-2-17 | 9162 | 3176 | -90 | | Trace only | P-North |
| UM-3-17 | 9180 | 3180 | -90 | | Trace only | P-North |
| UM-4-17 | 9260 | 2908 | -90 | 12.2m | 13.60 | P-East |
| UM-5-17 | 9344 | 2922 | -90 | 0.65m | 14.06 | P-East |
| UM-6-17 | 9300 | 2894 | -90 | 11.5m | 5.06 | P-East |
| | | Or | | 4.5m | 10.1 | P-East |
| UM-7-17 | 9348 | 2915 | -90 | 1.7m | 12.79 | P-East |
| UM-8-17 | 9350 | 2906 | -90 | 1.62m | 5.1 | P-East |
| | | Or | | 0.6m | 10.8 | P-East |
| UM-9-17 | 9307 | 2905 | -90 | 4.2m | 5.37 | P-East |

On November 1, 2017 Ubique transferred its Buchans Wileys property to Ubique's subsidiary Buchans Wileys Exploration Inc ("Buchans Wileys") and made a dividend to Ubique shareholders of 100% of the issued and outstanding share capital shares of Buchans Wileys. Ubique has no further interest in Buchans Wileys.

On June 7, 2018, Ubique completed a $237,500 private placement and issued 1,770,000 non-flow-through units and 605,000 flow-through units which funds were used to in part complete a Daniel's Harbour Zinc Project drilling program in August 2018.

On August 13, 2018, after completion of plan of arrangement with GreenBank Capital, Company become a reporting issuer in British Columbia and Alberta.

On September 12, 2018, the Company listed its common shares on the Canadian Securities Exchange and commenced trading under the symbol UBQ.

On October 2, 2018, the Company announced the first set of assay results from its 2018 diamond drilling program at its Daniel's Harbour property. Results of samples from the first seven holes UM 10-18 through UM 16-18 show several high-grade zinc intersections, highlighted by a 0.63 metre length grading 47.1% zinc within a longer intersection of 6.05 metres grading 16.00% zinc in hole UM 13-18. Full results are given below:

| **Drill Hole #** | **Starting depth (m)** | **Width (m)** | **Assay Zn %** |
|---|---|---|---|
| UM-13-18 | 46.55 | 6.05 | 16.00 |
| Including | 49.60 | 0.55 | 28.90 |
| | 50.70 | 0.63 | 47.10 |
| | 51.33 | 1.00 | 38.20 |
| UM-14-18 | 48.50 | 10.43 | 8.41 |
| Including | 48.5 | 8.60 | 9.77 |
| And | 49.87 | 0.5 | 24.4 |
| And | 54.59 | 0.74 | 38.4 |
| And | 55.7 | 0.2 | 39.1 |
| UM-15-18 | 51.0 | 3.24 | 7.16 |
| Including | 51.3 | 0.55 | 31.2 |
| UM-16-18 | 53.73 | 3.74 | 7.30 |
| Including | 56.9 | 0.38 | 30.3 |

On October 10, 2018, Greenbank agreed to acquire an investment portfolio, comprising 3,958,424 common shares of Ubique at $0.0720572 per share for $285,233 with the issuance of 203,738 GreenBank common shares at $1.40 per share. Upon closing of the transaction, GreenBank capital owned approximately 24.07% of the Company.

On October 17, 2018, the Company announced results from the extended soil sampling of the grid on the East Claims at Daniel's Harbour, Newfoundland and that they extended the zinc soil anomaly over the length of the extended sampling. More sampling will be needed to fully define this anomaly which now has a length of more than 2 kilometres. The highest value recorded was 639 parts per million ("ppm") of zinc and the sample values greater than 313 ppm were determined as anomalous.

On November 30, 2018, the Company announced the assay results from the last holes drilled in 2018 at its Daniel's Harbour property in western Newfoundland. Results of samples from this final set of six holes, UM 23-18 through UM 28-18, identified high grade zinc intersections in all six holes, with intervals grading up to 16.1% zinc over 0.55 metres in hole UM 23-18.

In February 2019, Ubique executed an Option Agreement which provides for Kapuskasing Gold Corp. (TSX-V:KAP) ("Kapuskasing") granting Ubique an option to earn a 55% or greater interest in Kapuskasing's Daniel's Harbour property in western Newfoundland, which comprises 42 claim units, adjacent to Ubique's Daniel's Harbour property to its west and making for a property area of more than 4,000 hectares.

Ubique has an experienced management group with a record of multiple discoveries of deposits worldwide and owns an extensive and exclusive database of historic exploration results from the Daniel's Harbour area. Ubique personnel have reviewed many hundreds of historic drill holes searching for high grade intercepts in areas where surrounding drilling is non-existent or too wide spaced to eliminate the potential for a zinc deposit. This search revealed five high priority targets and other lower priority targets. The top five targets are:

> **1386 Zone** This target is surrounding the location of historic diamond drill hole which intersected approximately 50 feet of zinc mineralization including 18.8 feet grading 8.96% zinc. Along the assumed strike direction there are no other holes for 400 feet either side.
>
> **N Zone** This target is in an area beyond the limit of mining of the former N Zone and is identified by an historic drill hole which intersected 6.78% zinc over 13.6 feet. There were no other drill holes within 100 feet of this hole in any direction.
>
> **2160 Zone** A fault cut off the mineralized zone that was being mined historically in the G and H Zones and other than a trench which revealed zinc mineralization at surface the continuation of the zone was not located.
>
> **Nose Zone** This target is inferred from an historic section of drill holes in which two drill holes, 100 feet apart both intersected zinc mineralization. Hole 1311 had the highest grade intersection with an average of 25.5 feet grading 6.79% zinc including 8.9 ft grading 10.89% zinc.
>
> **J Zone** This target was identified by widely spaced historic drilling in fences across strike and one section of four holes had zinc intersections in three of the holes. One hole intersected 19.21% zinc over 1.3 feet, the next 6.87% zinc over 12.2 feet and the third 6.2% zinc over 11.4 feet. These holes were spaced at 50 feet spacing along the section. The next sections of historic drilling were more than 400 feet away in either direction along strike.

On August 29, 2019, Ubique announced that it has closed the first tranche of a non-brokered private placement to raise a minimum of $100,000 and up to $200,000 to further its exploration and definition of zinc deposits at Daniel's Harbour, Newfoundland. Ubique has closed $52,700 of which $47,075 is flow through units and $5,625 hard dollar units. Of this amount $47,700 was invested by officers and directors of Ubique.

Gerald Harper P.Geo., is the qualified person as defined by NI 43-101 responsible for the technical data presented herein, and has reviewed and approved this section of this MD&A. More information regarding Ubique's exploration activities and results is available on the website www.ubiqueminerals.com and on SEDAR.

**Blockchain Evolution Inc**

GreenBank owns 52.5% of Blockchain Evolution Inc ("BE") owners of the world's first identification based blockchain.

BE was incubated by GreenBank in June 2017, as a 100% subsidiary, to further develop its blockchain software development business. Upon completion of a Plan of Arrangement with GreenBank, in September 2017, BE became and independent reporting issuer in British Columbia and Alberta, and pursuant to the terms of the agreement GreenBank distributed a majority of its holding in BE to GreenBank shareholders, and retained a 15% stake.

On April 30, 2018, BE completed a private placement in the amount of $250,000 by the issuance of 10,000,000 common shares at $0.025 per share. GreenBank subscribed $150,000 in the private placement payable by the issuance of 150,000 common shares of GreenBank at $1.00 per share and now owns 6,300,000 common shares or 52.5% of BE. Daniel Wettreich, who was a director and the CEO of GreenBank and of BE, invested $67,500, and David Lonsdale, who was also a director of GreenBank and BE, and now the President and CEO of both companies, invested $10,000. Daniel Wettreich's estate now owns 3,759,666 common shares or 31.33% of BE, and David Lonsdale owns 511,828 common shares or 4.26% of BE.

At the time of the Plan of Arrangement with GreenBank, BE's sole customer was the GreenCoinX ecosystem. On December 21, 2017 the Company announced that it had successfully completed the cloning of its EvolveChain identification based blockchain. The cloning process is a critical component in the commercialization of the EvolveChain blockchain. The BE software team can now create multiple versions of the EvolveChain blockchain, each of which can be modified for specific targeted commercial and governmental uses.

BE is focussed on expanding the customer base of its identification based blockchain, EvolveChain. EvolveChain is the basis for a proposed blockchain project by BE designed to create anti-fraud blockchains for use by governments worldwide. BE has also contracted with Medik Blockchain Inc, a subsidiary of GreenBank to create a custom designed blockchain solution providing medical confidentiality systems for the healthcare community; and with Cannabis Blockchain Inc, a subsidiary of GreenBank to create a custom designed blockchain solution providing plant to point-of-sale tracking systems for the cannabis industry. The primary differentiation between EvolveChain and other blockchains is that EvolveChain is based on user identification.

*Xbook Network Inc.*

On May 14, 2018 BE announced that it had formed a 100% subsidiary Xbook Network Inc ("Xbook") to develop a unique social media platform. Upon launch, Xbook will be a user permissioned social media platform empowering users to control access to their personal data. Further, Xbook will share 50% of its revenue with Xbook users. Xbook utilizes eKYC-ID blockchain technology to provide the critical user identification infrastructure that is needed to accurately and securely record data for both users and advertisers. Current "facebook type" social media platforms create privacy concerns by sharing user data with advertisers and other third parties, and their business model retains all revenue generated by the platform. In contrast, Xbook resolves privacy concerns by enabling users to have total control of access to their data, as well as sharing 50% of Xbook revenues with Xbook users. Xbook users can decide which advertising to accept, and which entities have access to their data, and so control both their personal data and their personal revenue stream. The unique identification based blockchain technology owned by Blockchain Evolution Inc has been licensed to Xbook, and forms the core capability of facilitating permission based targeted advertising and an accurate revenue sharing model.

Xbook has three access levels, all of which are free to the user, who can upload data via a mobile app. At Level One the Xbook user provides basic identification information and receives a limited revenue sharing cash income stream, together with a credit balance which is available when upgrading to Level Two. At Level Two the Xbook user provides enhanced identification information, which can be shared with advertisers only at the users' discretion. As Level Two information is more valuable to Xbook advertisers, it generates for the Xbook user a cash income stream equal to 50% of the Xbook revenue attributable to that specific user. At Level Three the Xbook user provides full KYC identification data (similar to the data provided when opening a bank account), and thereby creates a personal online digital identity. The user digital identity is recorded securely on the Xbook blockchain, and can be utilized exclusively by the user for multiple commercial and governmental purposes. At all times it is the Xbook user who decides who has access to partial or complete digital data.

On July 31, 2018, BE announced that it had achieved several critical milestones in its five-project development program and was seeking $10 million funding to coincide with its proposed listing on the Canadian Securities Exchange ("CSE"). The five development projects are:

1. Xbook, the social media alternative to Facebook- a user-permissioned 3.0 social media platform using blockchain technology which shares 50% of revenue with its user base
2. India Healthcare platform- the blockchain solution for digitizing the Indian national public healthcare program
3. UK Social Security Fraud Prevention- the blockchain solution for resolving UK social security fraud
4. Medik- a patient controlled blockchain based healthcare data management system with worldwide applicability
5. Cannabis Blockchain- a plant-to-consumer transaction management blockchain system for the Cannabis industry

The financing discussions were put on hold after the untimely death of Daniel Wettreich, in September 2018.

BE management is evaluating alternate avenues to commercialize its proprietary blockchain IP.The potential uses of blockchain technology are wherever there is any need for a trustworthy cryptography protected system of record, such as (1) a form of authentication of items which are paired with tokens, such as supply chains, intellectual property, and data management (2) regulatory compliance such as stock market transactions, social security database verification and record keeping (3) audit trails for banks and financial institutions, (4) record keeping for businesses and government institutions (5) health record maintenance (6) accounting and auditing record keeping (7) insurance record keeping (8) legal contracts (9) clearing and settlement of stock transactions. All these commercial, regulatory, and governmental uses can utilize blockchains to record data at a reduced cost and an increased transaction speed, however additional modifications need to be made to blockchains to accommodate each of these different functions.

The market for blockchain services is competitive, and there is no guarantee of success of the BE business plan. BE is dependent on its management, and the loss of any one of these individuals will have an adverse impact on the activities of BE. BE is not economically dependent on other parties and has no licensed technology from other parties. It provides blockchain services to GreenCoinX at no charge.

BE will earn revenue by creating identification based blockchains for specific uses and charging fees for creating and maintaining such blockchains. The BE EvolveChain blockchain is unique and is not compatible with any other blockchain. The GreenCoinX blockchain is not compatible with any other cryptocurrency blockchain. BE will provide its services to third party customers. Management is not able to determine the fee structure that would be charged to third party customers as each blockchain and customer need is different. BE intends to develop different blockchains for specific projects/customers. The costs associated with maintaining a blockchain differ from customer to customer and are dependent on different requirements. The operating costs of running BE are nominal until such time as specific agreements are entered into with third party customers. Management are not able to define such future operating costs at this time. BE has not been in contact with any merchants, institutions, government or regulators regarding use of the blockchain, except for the governments of UK and India. Prior to the formation of BE, Daniel Wettreich, the former CEO of BE, had preliminary discussions with the UK Government's Department of Works and Pensions to discuss how the XGC blockchain can mitigate social security fraud. In February 2018, Daniel Wettreich, the former CEO of BE, had preliminary discussions with the government of India with respect to potential uses of the EvolveChain blockchain.

BE anticipates that additional capital will be required to create customized software and commence a marketing campaign to offer its services, and intends to raise funds from the equity markets, subject to market conditions prevailing at the time. The amounts of additional investment is not determinable at this time. There is no guarantee that sufficient capital will be raised to carry out the BE objectives, or that BE services will be utilized in the market, or if utilized that BE will be successful, or if capital is available that it will be on terms acceptable to BE.

More information regarding BE's exploration activities and results is available on the website www.blockchainevolutioninc.com and on SEDAR.

**Reliable Stock Transfer Inc**

GreenBank owns 10% of Reliable Stock Transfer Inc ("Reliable"), acquired in June 2017. Reliable is a Canada based transfer agency focused on providing transfer agency services to public companies listed on the Canadian Securities Exchange. Reliable provides stock transfer services for small cap public companies at competitive rates. Services include processing of transfers, shareholder reports, obtaining CUSIP and ISIN numbers, acting as escrow agents, acting as scrutineers for shareholder meetings, providing stock options and warrant services, shareholder mailing services, and processing treasury directions.

More information regarding Reliable is available on the website www.reliablestocktransfer.com.

**Veterans Financial Group LLC (USA)**

GreenBank owns 100% of Veterans Financial Group LLC ("VFG") a USA based insurance agency providing insurance services to veterans, families and businesses. VFG is a veterans' managed insurance agency providing insurance services at competitive rates. Offering to both the veterans community and non-veterans, its range of insurance products includes whole life, term life, universal life, indexed universal life, annuities, final expense, health, and Medicare.

GreenBank acquired a 15% investment interest in VFG on September 5, 2017, for $57,000 payable $25,000 in cash and $32,000 by issuance of 32,000 $1 non-voting 5% preference shares Series C of GreenBank. On

Sep 25, 2017, the Company participated in a private placement and further increased its investment interest to 19% for sum of $42,340 by issuance of 42,340 $1 non-voting preference shares Series C in the capital of GreenBank. GreenBank subsequently repriced the $74,340 Non-Voting 5% Preference Shares Series C to $24,780 Non-Voting 15% Preference Shares Series C, to reflect comparable market rates of interest for similar investment instruments while maintaining the coupon due to the holders.

In January 2018, GreenBank acquired the balance of the 81% of VFG that it did not own for $412,966 payable by the issuance of 259,727 common shares of GreenBank at a price of $1.54 per share.

**Inside Bay Street Corporation**

GreenBank owns 19% of Inside Bay Street Corporation, a financial communications company. Inside Bay Street is an online portal that offers dissemination of company news by way of press releases, research reports and commentary which is distributed to brokers, investment dealers, and investors. It also provides exposure to small cap companies in its Featured Companies section.

GreenBank acquired 19% of Inside Bay Street Corporation for $40,000 in September 2017, payable by the issuance of 40,000 $1 Non-Voting 5% Preference Shares Series D. In December 2017, Inside Bay Street closed a private placement and debt settlement in the amount of $134,525. GreenBank participated in the private placement and maintained its 19% equity ownership of Inside Bay Street. GreenBank subscribed $41,000 in the Inside Bay Street private placement payable by the issuance of 41,000 $1 Non-Voting 5% Preference Shares Series D. Former GreenBank director and CEO Daniel Wettreich, who is also a director of Inside Bay Street, invested $20,000 in the Inside Bay Street offering. In addition, Inside Bay Street settled $73,525 consulting fees due to a company affiliated with Daniel Wettreich, by the issuance of Inside Bay Street common shares. Upon closing, and including the shares owned by GreenBank of which Daniel Wettreich is deemed to be the controlling shareholder, Daniel Wettreich owns directly and indirectly a 60% ownership position in Inside Bay Street.

GreenBank subsequently repriced the $81,000 Non-Voting 5% Preference Shares Series D to $27,000 Non-Voting 15% Preference Shares Series D, to reflect comparable market rates of interest for similar investment instruments while maintaining the coupon due to the holders. In July 2018, GreenBank acquired the 81,000 Series D preference shares, held by Inside Bay Street Corporation for 19,284 common shares of GreenBank at the market price of $.140 per share.

During the year-ended July 31, 2018, Inside Bay Street decided to revamp its platform to attract more users and provide enhanced services to the small cap companies featured on the site. These initiatives were put after the untimely death of Daniel Wettreich, in September 2018. Inside Bay Street intends to reinitiate the planned platform development in 2019. The planned platform development will require additional financing and there is no guarantee that the company will be able to raise the required financing. GreenBank has written down its investment in Inside Bay Street to $1, due to a lack of a reasonable method to value the business at this stage.

More information regarding Inside Bay Street is available on the GreenBank website www.greenbankcapitalinc.com.

Buchans Wileys Exploration Inc

GreenBank owns 25.16% of Buchans Wileys Exploration Inc. (“Buchans”), a mineral exploration company with properties in Newfoundland, Canada. The company currently owns 6 claims in the vicinity of the past producing Buchans Mine in Newfoundland and is actively evaluating the acquisition of other assets.

Buchans was formed on November 1, 2017 by Ubique transferring its Buchans Wileys property to a subsidiary that was 100% dividend out to Ubique shareholders. GreenBank received a 27% ownership in Buchans, corresponding to its ownership of Ubique at the time.

Pursuant to the terms of a Plan of Arrangement with GreenBank, Buchans become a reporting issuer in British Columbia and Alberta in August 2018, and GreenBank shareholders received 0.08206 of a common share in Buchans for every one GreenBank common share held on the Record Date of June 4, 2018. GreenBank retained a 15.39% ownership position in Buchans.

On October 9, 2018, Greenbank agreed to acquire an investment portfolio, comprising 1,964,212 common shares of Buchans Wileys at $0.01 per share for $19,642 with the issuance of 14,030 GreenBank common shares at $1.40 per share. Upon closing of the transaction, GreenBank capital owns approximately 25.16% of Buchans.

Buchans' flagship property formerly comprised 48 contiguous mineral claims within two map staked licences. The property covered an area measuring 12 square kilometers, located 3-4 km southwest of the past producing Buchans Mine. The Buchans Mine produced 16,196,876 tons of ore at an average mill grade of 14.51% Zn, 7.56 Pb, 1.33% Cu, 126 g/t Ag, and 1.37 g/t Au.

Exploration work discovered three base metal rich boulders along the shoreline of Wileys Lake. Two samples collected from Boulder 1 returned grades of 10.6% Zn, 1.84% Cu, 2.27% Pb, 26.4 g/t Ag and 9.90% Zn, 1.31% Cu, 2.50% Pb, and 19.2 g/t Ag. Boulder 2, discovered approx. 500 meters north of Boulder 1, returned grade of 13.5% Zn and 12.2 g/t Ag. Boulder 3, discovered approx. 500 meters north of Boulder 2, returned grades of 3.20% Pb, 1.16% Zn, and 9.1 g/t Ag.

An airborne survey assessment reported that, based on the total magnetic data, there was a significant geological contact that runs NE-SW through the project area. The electromagnetic data highlighted one priority target of interest, along with other weaker targets of interest. Additional work is required on the airborne dataset and its relevance to local geology. The airborne geophysical survey was conducted by SkyTEM Canada Inc of Ayr, Ontario and reviewed by RDF Consulting Ltd. of Paradise, NewFoundland. The survey consisted of 140 line kilometers of magnetometer and electromagnetic data collection on 100 meter spaced flight lines flown at an azimuth of 150 degrees. More exploration work was needed to validate the value of the claims. Buchans management decided that this project was not financially viable, and subsequently let 42 of the 48 claims lapse, while retaining 6 claims.

Buchans also held another 30 claims, known as Buchans WIleys South ("BW South") located 15 km southeast of the Buchans Wileys flagship property. BW South is located approximately 18 km southeast of the past producing Buchan's Mine that produced 16,196,876 tonnes of ore at an average mill head grade of 14.51% zinc, 7.65% lead, 1.33% copper, 126 grams/tonne silver, and 1.37 grams/tonne gold. (*Wardle, R.J. (2000) Mineral Commodities of NewFoundland and Labrador- Zinc and Lead; Government of NewFoundland and Labrador, Geological Survey, Mineral Commodities Series Number 1, 12 pages).* BW South is along strike to the northeast, and within 8 km of Bobby's Pond Deposit, which in 2013 reported an Indicated Resource of 1,095,000 tonnes of .86% Cu, 4.61% Zn, 0.44% Pb, 16.6 g/t Ag, and .2 g/t Au; and an Inferred Resource of 1,177,000 tonnes of 0.95% Cu, 3.75% Zn, 0.27% Pb, 10.95 g/t Ag, and 0.06% g/t Au. *(Mountain Lake Resources - NewFoundland and Labrador Geological Survey, Assessment File 12A/10/1489, 2009, 67 pages).* More exploration work was needed to validate the value of the claims. Buchans management decided that this project was not financially viable, and subsequently let these 30 claims lapse.

Roland Crossley P.Geo., is the qualified person as defined by NI 43-101 responsible for the technical data presented herein, and has reviewed and approved this MD&A.

More information regarding Buchans is available on the website www.buchanswileys.com and on SEDAR.

**Medik Blockchain Inc**

In December 2017, GreenBank formed a 100% owned subsidiary company Medik Blockchain Inc (“Medik”) to provide blockchain based medical confidentiality systems to the healthcare community. GreenBank management believes that recording and storing patient data on an identification based blockchain represents the future of healthcare recordkeeping and has created Medik as a wholly owned subsidiary to take advantage of this opportunity. Medik has entered into an agreement with Blockchain Evolution Inc to create a custom designed blockchain solution to ensure patient data confidentiality. As payment, Medik will pay Blockchain Evolution Inc a 5% license fee on all revenue generated by Medik. Medik will address modern medical and healthcare recordkeeping needs to comply with privacy standards for handling protected health information. If a patient's confidentiality is violated, hospitals, doctors, dentists, hygienists, caregivers, and other healthcare practitioners risk expensive, damaging lawsuits and regulatory issues. By utilizing the Medik identification based blockchain, healthcare recordkeeping will be maintained in a secure and low-cost environment in compliance with privacy standards.

Medik initiatives were put on hold after the untimely death of Daniel Wettreich, in September 2018. Medik management is evaluating alternate approaches to reinitiate the planned platform development in 2019. The planned platform development will require additional financing and there is no guarantee that the company will be able to raise the required financing.

**North America Veterans Insurance Services Inc**

GreenBank incubated and owns 100% of North America Veterans Insurance Services Inc, (“NAVIS”) an insurance agency holding company. GreenBank intends to expand NAVIS by the acquisition of other insurance agencies such as VFG in both Canada and the USA.

GreenBank management decided to put the NAVIS business plan on hold after the untimely death of Daniel Wettreich, in September 2018. GreenBank intends to revisit the NAVIS business plan in 2019. NAVIS will require additional financing and there is no guarantee that the company will be able to raise the required financing.

**Kabaddi Games Inc.**

Kabaddi Games Inc (“Kabaddi Games”) is 59.5% owned by GreenBank, and is a developer of a mobile application game that is based on the sport of Kabaddi. The Kabaddi Games mobile game is currently in beta form, and version 1.0 is anticipated to be released in the summer of 2019.

GreenBank acquired 19% in Kabaddi Games in January 2018, when it acquired all rights, title and interest to a mobile application game based on the Kabaddi sport. In August 2018, GreenBank participated in a private placement undertaken by Kabaddi to provide the working capital required to complete the phase one development of the mobile application game. Consequently, GreenBank increased its percentage ownership in Kabaddi Games to 59.5%.

The sport of Kabaddi is the second most popular sport in India, after cricket, attracting 430 million television viewers during the 2014 inaugural televised season of the Pro Kabaddi League. The sport of Kabaddi is a cross between freestyle wrestling and rugby that tests speed, agility and power. Two teams of seven players each take turns in sending an individual “raider” to tag an opponent. If the raider is wrestled down by a defender he is suspended temporarily until his team wins him back by tackling the opposition’s raider. The game is fast paced and the winner is declared in 40 minutes. The Kabaddi sport is played in over 65 countries.

More information regarding Kabaddi Games is available on the GreenBank website www.greenbankcapitalinc.com.

**Minfocus Exploration Corp**

On March 1, 2018, GreenBank acquired 19.62% of Minfocus Exploration Corp (TSXV: MFX) a publicly listed minerals exploration company. GreenBank acquired its investment in a private transaction and requisitioned a Minfocus shareholders meeting to remove the existing directors of Minfocus and replace them with three new directors. In the opinion of GreenBank, the current directors of Minfocus had taken actions that served only the interests of the Minfocus directors and did not serve the interests of Minfocus shareholders.

In March 2018, Minfocus entered into an agreement to acquire a 100% interest in the Round Pond Zinc Project, comprising 30 claims (750 hectares), located in Western Newfoundland for total consideration of up to 750,000 shares (321,432 shares issued during the year ended February 28, 2019 with a fair value of $24,107) of Minfocus. A 2.0% Net Smelter Return ("NSR") royalty is to be granted upon completion of all payments to earn the 100% interest, of which $1.5 million can be paid to reduce the royalty to a 0.75% NSR interest.

On April 11, 2018, Minfocus entered into an agreement to acquire a 100% interest in a mineral claim contiguous to Minfocus's Peregrine Zinc Project. Total consideration for the claim is 28,571 shares upon TSX Venture Exchange approval (issued May 11, 2018 with a fair value of $3,000), plus a payment of $2,500 or 50,000 shares within 3 months of approval, at the discretion of Minfocus (50,000 shares issued during the year ended February 28, 2019 with a fair value of $5,250).

On June 28, 2018, Minfocus announced its intention to acquire a 45% ownership interest ("New Coral Interest") in the 80% interest in the Coral Zinc Project tenures that it currently does not hold. Minfocus currently holds a direct 20% interest and this acquisition would represent an additional 36% beneficial ownership interest in the Coral Zinc Project. On September 19, 2018, Minfocus issued 7,180,000 shares and 7,180,000 share purchase warrants, exercisable at $0.07 for 2 years, with a fair value of $287,200.

On August 1, 2018, Minfocus completed a consolidation of the outstanding common shares of the Company on the basis of seven (7) pre-consolidation shares for one (1) post-consolidation share.

On September 17, 2018, Minfocus held its Annual General Meeting to elect directors, appointment of auditors and annual approval of the Stock Option Plan for the ensuing year. GreenBank was not permitted to vote 1.787 of the 2.044 million common shares of Minfocus registered in the name Greenbank Capital Inc. As a result of this exclusion, management nominees were elected by a margin 1.2 million shares, but only AFTER excluding Greenbank's 1.787 million shares. Subsequently, a disinterested shareholders' vote approved the creation of a New Control Person related to the acquisition of the Coral Interest and the TSXV approved the issuance of 7,180,000 shares and 7,180,000 warrants on September 19, 2018 to close the acquisition of the Coral Interest. As of September 19, 2018, Francis Manns became a Control Person upon the issuance of the 7,180,000 shares representing 39% of the outstanding shares of the Company.

As a result of the above corporate actions by Minfocus, GreenBank's ownership interest in Minfocus has decreased to 11.12%. GreenBank continues to hold this position as an equity portfolio investment.

More information regarding Minfocus is available on SEDAR.

**Gander Exploration Inc**

GreenBank owns 34.76% of Gander Exploration Inc ("Gander") a mineral exploration company with interests in Newfoundland, Canada.

GreenBank acquired 19.9% of Gander on March 21, 2018. Pursuant to the terms of a Plan of Arrangement with GreenBank, Gander become a reporting issuer in British Columbia and Alberta in August 2018, and GreenBank shareholders received 0.01846 of a common share in Gander for every one GreenBank common share held on the Record Date of June 4, 2018. GreenBank continued to hold a 10% ownership position in Buchans.

On October 10, 2018, Greenbank agreed to acquire an investment portfolio, comprising 1,005,000 common shares of Gander at $0.025 per share for $25,125 with the issuance of 17,946 GreenBank common shares at $1.40 per share. Upon closing of the transaction, GreenBank capital owned approximately 30.14% of Gander.

On March 28, 2019 GreenBank agreed to to settle a debt of $11,000 owed by Gander in stock. Gander issued 1,100,000 common shares of Gander to the Company at the price of $0.01 per share. Post the transaction, GreenBank owns 34.76% of Gander.

The principal property of Gander is the Cripple Creek Property in Newfoundland, comprising 65 claims located 25km north of the town of Gander. Between 2011 and 2013 Capstone Mining Corp (TSX:CS) completed airborne geophysical, soil sampling and mapping surveys on the Cripple Creek Property, as well as a 10-hole drilling program in 2013. The highlights of the drilling program were 9.28m of 2.98 copper; 3.6m of 4.74% copper and 0.16 g/t of Gold. The drilling program also discovered awaruite in several drill holes (Capstone Mining Corp, Newfoundland Geological Survey, Assessment File 2E/1823). Previously, in 2005, seven grab samples from the property yielded significant gold, copper and silver values, including up to 19.8 g/t gold, up to 10.2% copper, and up to 21.9 g/t silver *(P.H. Davenport, L.W. Nolan, A.J. Butler, H.A. Wagenbauer and P. Honarvar, 1999 The Geoscience Atlas of Newfoundland, Newfoundland Department of Mines and Energy, Geological Survey, Open File NFLD/2687,Version1.1).*

Gander also owns the Dudder Lake property which is located approximately 40 km north of the town of Gander, and consists of 16 contiguous claims (4 square km). Limited drilling by Noront Resources Ltd (TSXV:NOT) in 1990 returned mafic volcanic core gold intercepts up to 7.0 g/t of over 2.8 m within 9.8 m of 3.86 g/t, and 6.4 g/t over 2.8 meters within 7.8 meters of 4.20 g/t, as well as 5.14 g/t over 5.20 meters. Noront also drilled one hole into the sediment hosted Stinger prospect in Duder Lake returning 2.04 g/t gold over 4.25 meters. Other results from additional work within the property include 2.56 g/t gold over a 3.6 meter channel, and grab samples returning gold values up to 9.6 g/t. *(Noront Resources Ltd., Newfoundland Geological Survey, Assessment File 2E/07/0893.)*

Gander's third property is the Blue Wind property which is located approximately 5 km north of the Duder Lake property. The property consists of 30 claims (7.50 square km). The property has no known previous mineral exploration.

Roland Crossley P.Geo., is the qualified person as defined by NI 43-101 responsible for the technical data presented herein, and has reviewed and approved this MD&A.

More information regarding Gander is available on SEDAR.

**Cannabis Blockchain Inc**

On May 16, 2018, GreenBank incubated Cannabis Blockchain Inc ("Cannabis Blockchain") a 100% subsidiary of GreenBank, to develop an industry-wide digital information management system for the cannabis industry. Cannabis Blockchain has entered into an exclusive cannabis industry license agreement with GreenBank's portfolio company Blockchain Evolution Inc, to use EvolveChain, the unique identification-based blockchain, as the basis of its cannabis digital information management system. Although blockchain applications have the potential to transform the operations of the Cannabis industry, the adoption of this revolutionary technology has been hampered by the complexity of embedding identification of product and users into the blockchain. Cannabis Blockchain will address this problem and create a safe and secure fully identified tracking system to maintain an ecosystem-wide record of transactions from the grower to the consumer. Recent legislation in Canada and a number of states in the

USA has modified the regulatory framework for the cultivation, production, distribution, and consumption of cannabis, however the management systems to track ecosystem activity have failed to keep pace. There is a need not only for essential managerial data, but also to measure the performance of regulatory frameworks against their primary objectives, such as monitoring legal activity, providing system transparency, and facilitating tax collection. Cannabis Blockchain will provide an identification-based blockchain solution for cannabis consumers, retailers, growers, manufacturers and the wider ecosystem. This solution will be hosted on a modified EvolveChain platform, be accessible by a mobile app, and provide universal but private access and real-time "seed-to-sale" transaction capabilities. Unlike all other blockchains, which are based on anonymity, EvolveChain is based on each participant on the blockchain being identified (per KYC banking norms), before the user can transact with others on the blockchain. Each participant's confidential personal information is kept private and secure. A unique identifier allows the participants to access only their own profiles, which they use to transact with others on the blockchain. As a result, an identifiable record of transactions across the ecosystem is recorded on the blockchain while maintaining the confidential KYC information of each participant in a secure environment. The Cannabis Blockchain solution has three core stakeholders.

**Consumers:** Each consumer is required to provide a verified Know Your Client ("KYC") identity to transact with the other participants on the Cannabis Blockchain. This includes transactions with suppliers, other consumers and the government. Suppliers: Each supplier is required to provide a verified KYC identity to transact with the other participants on the Cannabis Blockchain, including other suppliers, consumers and the government.

**Suppliers,** including intermediary sellers, will interact with the blockchain based inventory management system which will track the supply-side value chain for each specific product.

**Government & Regulators:** The Cannabis Blockchain will include a feature to generate seller/buyer transaction reports to be used for filing tax returns. Further, a specific audit trail will also be provided upon request by governmental authorities and regulators.

Using Cannabis Blockchain, it will be possible to efficiently track the entire value-chain journey from source of product until the point of purchase, across the cannabis industry, which is of significant value to all the stakeholders.Cannabis Blockchain will license its technology to the cannabis industry on the basis of a fee charge per transaction record, which includes user support and blockchain ecosystem maintenance.

Cannabis Blockchain initiatives were put on hold in September 2018, upon the untimely death of Daniel Wettreich. GreenBank intends to reinitiate the planned Cannabis Blockchain platform development in 2019. The planned platform development will require additional financing and there is no guarantee that the company will be able to raise the required financing.

**<u>Expatriate Assistance Services Inc</u>**

On May 22, 2018 GreenBank announced that it has established Expatriate Assistance Services Inc ("EASI") as a 100% subsidiary. EASI will provide a broad range of services to expatriates seeking to settle in Canada. Fee based services provided by EASI will include employment opportunities, immigration and visa procedures, housing assistance, education opportunities, banking facilities, and professional services. The process of relocation for expatriates is stressful, time consuming, and expensive, and limited capabilities are available to assist in navigating the multiple issues that require resolution. EASI will offer specialist expertise to expatriates to smooth the transition to Canada for an initial fixed fee for 90 day support services. Thereafter, clients can select from a menu of support services on an "as needed" basis. Concierge services will include home-country assistance with tax issues, bill payments, property management, and cross-border estate planning. In jurisdictions outside Canada, EASI will enter into arrangements with local professionals to ensure the quality of home-country services. In May 2018 the Conference Board of Canada called for an increase in the rate of Canadian immigration to an annual rate of 415,000 from the current rate of 310,000, primarily due to the fact that immigration accounts for most of the labour growth and about 30% of GDP growth. Over 40% of Canadian immigrants relocate to the Toronto area, where EASI is based. Canadian government policies are likely to continue encouraging immigration for the foreseeable future.

GreenBank intends to review the EASI business plan in 2019. EASI will require additional financing and there is no guarantee that the company will be able to raise the required financing.

**GBC Grand Exploration Inc**

On June 19, 2018, GreenBank acquired 50% of GBC Grand Exploration Inc ("Grand"), a mineral exploration company in Newfoundland, Canada.

The principal property of Grand is the Twilite Gold Property in Newfoundland, comprising 65 claims located 14km southwest of Grand Falls-Windsor. The property is easily accessible via an all-weather gravel road network that transects the property and crosses within 50-100m of the main prospects. The Twilite property features low-sulphidation epithermal-style gold mineralization and shares geological characteristics in common with the Moosehead bonanza-style gold property located 30 km to the northeast. The Moosehead property currently is the focus of an exploration program by Sokoman Iron Corp. (TSXV:SIC) under option from Altius Minerals Corporation (TSX:ALS). On the Twilite property, deformed carbonaceous argillite, mudstone and siltstone are the primary host rocks to sulphide mineralization. "The presence of sulfosalt minerals is potentially significant in that these can exhibit a spatial association with bonanza-grade gold mineralization" said Barry Greene, P.Geo, and a director of Grand. Gold mineralization on the Twilite property is hosted by both northwest and northeast orientated structures. Two principal mineralized areas are associated with separate sub parallel northwest trending structures that are 300 meters apart. To the east, these structures appear to intersect a northeast-trending fault zone, which also hosts mineralization. Grand intends to proceed with obtaining a NI 43-101 report on its Twilite Gold Property, following which it will decide on the timing and scope of an exploratory drilling program.

Grand also owns the Browning property comprising 24 claims located 2km south of Pollards Point, Newfoundland. The Browning Property includes the Browning Mine, which produced 149 ounces of gold in 1903. This production came from some 1000 tons of ore, indicating an average grade of some 0.15 oz/ton, or about 5 ppm Au. The Browning Mine is the best-known gold deposit in the area and has the distinction of being one of the first-producing gold-only deposits on the Island of Newfoundland. On the Browning property, gold mineralization is epigenetic and is associated with mesothermal-style quartz and quartz-carbonate veins that typically also contain base-metal sulphides such as pyrite, chalcopyrite, galena and sphalerite. Auriferous veins are mostly hosted by volcanic and volcaniclastic rocks of the Pollards Point Formation or by sedimentary rocks of the Simms Ridge Formation, which respectively sit west and east of a proposed structure separating the two sequences within the Sops Arm group. Iron carbonate alteration is spatially associated with gold-bearing veins at the Browning Mine *(Kerr. A, Current Research (2006) Newfoundland and Labrador Department of Natural Resources Geological Survey, Report 06-1, pages 61-90).*

On August 15, 2018, GBC Grand confirmed gold in bedrock on its Twilite Gold Property which is located approximately 30km southwest from the Moosehead Gold Project discovery hole recently announced by Sokoman Iron Corp (TSXV:SIC) ("Sokoman"). Sokoman reported a drill intersection of 44.96 grams per tonne gold over 11.9 metres, and a number of companies have now acquired new positions in the emerging Moosehead gold exploration district in Newfoundland, Canada.

GreenBank intends to provide Grand with continuing merchant banking services, with the objective of listing Grand on the Canadian Securities Exchange in due course, although there is no guarantee that a listing application will be approved.

Barry Greene, P.Geo, is the qualified person as defined by NI 43-101 guidelines responsible for the technical data presented herein and has reviewed and approved this MD&A.

## GreenBank Financial Inc

GreenBank owns 100% of GreenBank Financial Inc. a merchant bank. GreenBank Financial received approval for an Exempt Market Dealer License on May 22, 2015. A registered exempt market securities dealer is a dealer or underwriter for any securities which are prospectus exempt. Effective October 28, 2016, the Ontario Securities Commission granted the request of GreenBank Financial to suspend its license. GreenBank Financial may pursue the reactivation of its license at a future date.

**Exited investments – following is historic information on companies that GreenBank held in its investment portfolio during the year-ended July 31, 2018, but has exited these investments since**

## Slabdeck Technology Inc

***GreenBank currently owns no interest in Slabdeck***

GreenBank formerly owned 14% of Slabdeck Technology Inc ("Slabdeck") a mobile search application. The Slabdeck mobile application is currently in beta form, and development continues on a version 1.0. Following differences with Slabdeck management about the product roadmap and go-to-market launch, GreenBank directors resigned from the Slabdeck board and GreenBank wrote-down this investment to $1.

Slabdeck Technology Inc. and its founder, Benjamin Peter aka Adayehi Benjamin Peter, (the "Plaintiffs") filed a claim against Greenbank in the Supreme Court of British Columbia on May 25, 2018 (the "Claim"), alleging damages for fraudulent, oppressive and or/ unfairly prejudicial conduct, breach of fiduciary duty, and other allegations. On June 15, 2018, GreenBank filed a response to the Claim denying the allegations against it. In addition, on June 21, 2018, GreenBank filed a counterclaim against Benjamin Peter aka Adeayehi Benjamin Peter for breach of fiduciary duty, breach of duty of care, fraudulent misrepresentation and negligent misrepresentation.

On May 31, 2019, GreenBank and Slabdeck and its founder agreed to settle all intercompany claims. Per the terms of the agreement, GreenBank has sold its entire stake in Slabdeck to its founder, and exited the investment.

## KYC Technology Inc

***GreenBank currently owns no interest in KYC***

GreenBank formerly owned 12% of KYC Technology Inc. ("KYC"), owners of a worldwide online 24-hour "Know Your Customer" identification verification process. KYC is a requirement by the regulators and the commercial world, and the online system at KYC provides a low-cost solution.

KYC was incubated by GreenBank in June 2017, as a 100% subsidiary, to provide KYC identification for GreenCoinX, and to expand its customer base to the FinTech space and offer its services worldwide. Upon completion of a Plan of Arrangement with GreenBank, in September 2017, KYC became and independent reporting issuer in British Columbia and Alberta, and pursuant to the terms of the agreement GreenBank distributed a majority of its holding in KYC to GreenBank shareholders, and retained a 15% stake.

On April 30, 2018, KYC closed a private placement in the amount of $25,000 by the issuance of 500,000 common shares at $0.05 per share. Daniel Wettreich, who was a director of KYC, invested $12,500, and David Lonsdale, who was also a director of KYC, invested $2,500. Post the financing, Daniel Wettreich directly and indirectly beneficially owned 1,909,666 common shares or 76.39% of KYC (inclusive of the 300,000 common shares or 12% shareholding owned by GreenBank of which Daniel Wettreich was deemed to be a controlling shareholder), and David Lonsdale owned 161,828 common shares or 6.47% of KYC. These funds were used for working capital.

On March 21, 2019 GreenBank announced that it had sold its entire stake in KYC to a group of private investors. GreenBank sold 300,001 common shares for the payment of $97,500 at a deemed price of $0.325 per share.

***XGC Software Inc and its subsidiaries ("XGC") – XGC was Distributed as a Dividend to GreenBank Shareholders on September 8, 2017.***

***GreenBank currently owns no interest in XGC***

XGC Software and GreenCoinX

XGC was founded to be the holding company for GreenCoinX Limited, a UK company and its subsidiary GreenCoinX Inc, a Canadian company. Following completion of a Plan of Arrangement on September 8, 2017, XGC is an independent reporting issuer in the Provinces of British Columbia, and Alberta. In due course XGC intends to apply for listing its shares on the Canadian Securities Exchange, although there is no guarantee that such application will be approved.

***Historic Information given below for Previous Publicly Listed Investment Portfolio –***

***Zara, Hadley and Leo were Distributed as a Dividend to GreenBank Shareholders on January 29, 2016.***

***GreenBank currently owns no interest in Zara, Hadley and Leo***

Prior to January 29, 2016, GreenBank had an investment portfolio of publicly traded mining stocks. GreenBank had owned significant equity stakes in Zara Resources Inc (CSE:ZRI) ("Zara"), Hadley Mining Inc (CSE:HM) ("Hadley"), and Leo Resources Inc (CSE:LEO) ("Leo"), all of which were mining exploration companies. These investments were distributed as a special dividend to the shareholders of the Company on January 29, 2016, and the Company now has no shareholdings in these companies.

**Corporate Structure of GreenBank**

GreenBank began trading as a public company on the CSE under the symbol "GBC" on April 17, 2013, following completion of a statutory plan of arrangement spin-off from its former parent company, Winston Resources Inc. On November 15, 2013 GreenBank effected a share consolidation of its common shares on the basis of one "new" common share for five "old" common shares. All outstanding options and warrants were adjusted to reflect the consolidation ratio, with their respective prices being multiplied by five. GreenBank's investments in Zara, Hadley and Leo was distributed as a dividend to the shareholders of GreenBank on January 29, 2016.

In the year-ended July 31, 2018, the GreenBank corporate structure evolved into a holding company with a portfolio of equity investments ranging from 10-100% ownership positions. These have been accounted for as majority owned subsidiaries, equity accounted affiliates and minority investments, as per IFRS.

On September 8, 2017, pursuant to the terms of a Plan of Arrangement, GreenBank distributed its software business into three subsidiaries, BE, XGC and KYC, and subsequently dividend out all its shareholding in

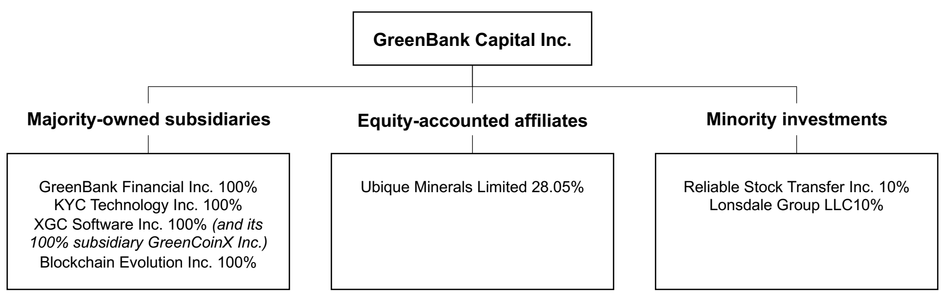
XGC, and the majority of its shareholdings in BE and KYC, to GreenBank shareholders. Post the completion of this arrangement, GreenBank retained a 15% ownership each in KYC and BE.

On August 2, 2018, pursuant to the terms of another Plan of Arrangement, GreenBank distributed a part of its ownership in its mining investments in Ubique, Gander and Buchans to GreenBank shareholders. Post the completion of this arrangement, GreenBank retained a 14.68% ownership in Ubique, 15.39% ownership in Buchans and a 10% ownership position in Gander.

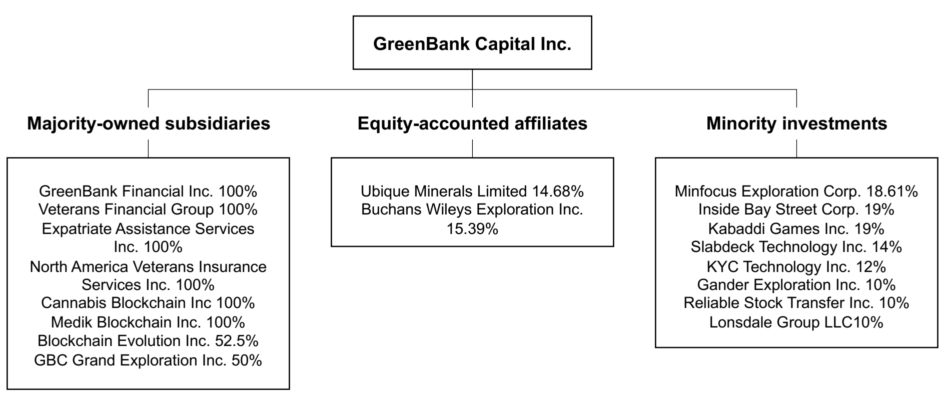
On October 9, 2018, GreenBank closed the previously agreed acquisition of an investment portfolio, comprising common shares in three of its portfolio companies Ubique, Buchans Wileys, and Gander, for $330,000, payable in GreenBank common shares. Upon closing, GreenBank increased its ownership in these portfolio investments to approximately 24.07% of Ubique, 25.16% of Buchans Wileys, and 30.13% of Gander.

Other stock-related corporate actions by some of the portfolio companies, more fully described earlier in this document, resulted in further changes to the corporate structure. The following charts illustrate the evolution of GreenBank's corporate structure as on July 31, 2017, July 31, 2018 and as on the date of this MD&A.

**Corporate Structure on July 31, 2017**

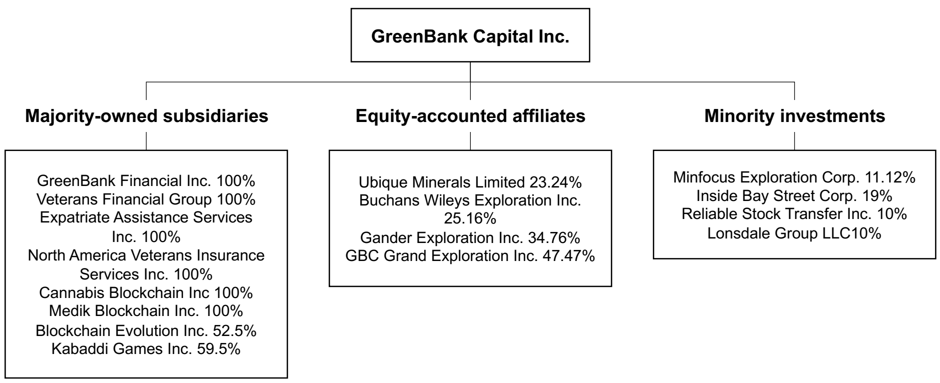



**Corporate Structure on July 31, 2018**



*Note: Although GreenBank's ownership in Ubique and Buchans was under 20% each on July 31, 2018, these investments have been recorded as equity accounted affiliates as GreenBank's ownership was above 20% for most of the year ended July 31, 2018 and increased again after October 2018.*

**Current Corporate Structure**
**(September 2019)**




## INTEREST IN MINERAL PROPERTIES OF AFFILIATES –

### Ubique Minerals Limited (23.24% owned by GreenBank)

Ubique's flagship property comprises 109 claims around the former Daniel's Harbour zinc mine situated approximately 10 km northeast of the town of Daniel's Harbour on the west coast of Newfoundland. The claims adjacent to Ubique's claims are primarily owned by Altius Resources Inc, a subsidiary of Altius Minerals Corporation. Approximately 7,000,000 tonnes averaging 7.8% zinc have been mined from the Daniel's Harbour mine *(Wardle, R.J. (2000) Mineral Commodities of Newfoundland and Labrador - Zinc and Lead; Government of Newfoundland and Labrador, Geological Survey, Mineral Commodities Series Number 1, 12).*

The 2017 diamond drilling program intersected zinc mineralization in six of the nine holes drilled in the Ubique claims known as the P Zone. Ubique hole UM-4-17 had an exceptionally high-grade interval averaging 13.6% zinc over 12.2 metres, including individual 0.8 metre assay intervals as high as 35% zinc. All holes were drilled vertically and are believed to have intersected approximately true thicknesses of mineralization. Depths of intersections ranged between 50 and 65 metres below surface.

A complete summary of the results of the drill holes is given below.

| Drill Hole # | Easting | Northing | Dip | Interval | Zinc % | Zone targeted |
|---|---|---|---|---|---|---|
| UM-1-17 | 9169 | 3175 | -90 | | Trace only | P-North |
| UM-2-17 | 9162 | 3176 | -90 | | Trace only | P-North |
| UM-3-17 | 9180 | 3180 | -90 | | Trace only | P-North |

| | | | | | | |
|---|---|---|---|---|---|---|
| UM-4-17 | 9260 | 2908 | -90 | 12.2m | 13.60 | P-East |
| UM-5-17 | 9344 | 2922 | -90 | 0.65m | 14.06 | P-East |
| UM-6-17 | 9300 | 2894 | -90 | 11.5m | 5.06 | P-East |
| | | Or | | 4.5m | 10.1 | P-East |
| UM-7-17 | 9348 | 2915 | -90 | 1.7m | 12.79 | P-East |
| UM-8-17 | 9350 | 2906 | -90 | 1.62m | 5.1 | P-East |
| | | Or | | 0.6m | 10.8 | P-East |
| UM-9-17 | 9307 | 2905 | -90 | 4.2m | 5.37 | P-East |

On November 1, 2017 Ubique transferred its Buchans Wileys property to Ubique's subsidiary Buchans Wileys Exploration Inc ("Buchans Wileys") and made a dividend to Ubique shareholders of 100% of the issued and outstanding share capital shares of Buchans Wileys. Ubique has no further interest in Buchans Wileys.

On November 22, 2017 Ubique acquired an additional 36 claims and now has 108 claims in Daniel's Harbour covering 27 sq kms, of which 100 claims are contiguous. The Ubique claims comprise three zones, namely P Zone, Cobo's Pond and Tilt Pond. The P Zone is where Ubique completed its 2017 drilling program. Ubique management believes that the Cobo's Pond claims are strategically significant as they could potentially contain the extension to the mineralized horizon hosting the high-grade zinc intercepts from the 2017 drilling program. The Tilt Pond claims cover a southern mineral trend adjacent to previous drilling completed by Teck Exploration in 1990 on the adjacent Black Duck and Trapper claims *(Newfoundland and Labrador Department of Mines, Geofiles Metadata Search).*

On October 2, 2018, the Company announced the first set of assay results from its 2018 diamond drilling program at its Daniel's Harbour property. Results of samples from the first seven holes UM 10-18 through UM 16-18 show several high-grade zinc intersections, highlighted by a 0.63 metre length grading 47.1% zinc within a longer intersection of 6.05 metres grading 16.00% zinc in hole UM 13-18. Full results are given below:

| Drill Hole # | Starting depth (m) | Width (m) | Assay Zn % |
|---|---|---|---|
| UM-13-18 | 46.55 | 6.05 | 16.00 |
| Including | 49.60 | 0.55 | 28.90 |
| | 50.70 | 0.63 | 47.10 |
| | 51.33 | 1.00 | 38.20 |

| | | | |
|---|---|---|---|
| UM-14-18 | 48.50 | 10.43 | 8.41 |
| Including | 48.5 | 8.60 | 9.77 |
| And | 49.87 | 0.5 | 24.4 |
| And | 54.59 | 0.74 | 38.4 |
| And | 55.7 | 0.2 | 39.1 |
| UM-15-18 | 51.0 | 3.24 | 7.16 |
| Including | 51.3 | 0.55 | 31.2 |
| UM-16-18 | 53.73 | 3.74 | 7.30 |
| Including | 56.9 | 0.38 | 30.3 |

On October 17, 2018, the Company announced results from the extended soil sampling of the grid on the East Claims at Daniel's Harbour, Newfoundland and that they extended the zinc soil anomaly over the length of the extended sampling. More sampling will be needed to fully define this anomaly which now has a length of more than 2 kilometres. The highest value recorded was 639 parts per million ("ppm") of zinc and the sample values greater than 313 ppm were determined as anomalous.

On November 30, 2018, the Company announced the assay results from the last holes drilled in 2018 at its Daniel's Harbour property in western Newfoundland. Results of samples from this final set of six holes, UM 23-18 through UM 28-18, identified high grade zinc intersections in all six holes, with intervals grading up to 16.1% zinc over 0.55 metres in hole UM 23-18.

In February 2019, Ubique executed an Option Agreement which provides for Kapuskasing granting Ubique an option to earn a 55% or greater interest in Kapuskasing's Daniel's Harbour property in western Newfoundland, which comprises 42 claim units, adjacent to Ubique's Daniel's Harbour property to its west and making for a property area of more than 4,000 hectares.

Ubique owns an extensive and exclusive database of historic exploration results from the Daniel's Harbour area. Ubique personnel have reviewed many hundreds of historic drill holes searching for high grade intercepts in areas where surrounding drilling is non-existent or too wide spaced to eliminate the potential for a zinc deposit. This search revealed five high priority targets and other lower priority targets. The top five targets are:

> **1386 Zone** This target is surrounding the location of historic diamond drill hole which intersected approximately 50 feet of zinc mineralization including 18.8 feet grading 8.96% zinc. Along the assumed strike direction there are no other holes for 400 feet either side.
>
> **N Zone** This target is in an area beyond the limit of mining of the former N Zone and is identified by an historic drill hole which intersected 6.78% zinc over 13.6 feet. There were no other drill holes within 100 feet of this hole in any direction.

**2160 Zone** A fault cut off the mineralized zone that was being mined historically in the G and H Zones and other than a trench which revealed zinc mineralization at surface the continuation of the zone was not located.

**Nose Zone** This target is inferred from an historic section of drill holes in which two drill holes, 100 feet apart both intersected zinc mineralization. Hole 1311 had the highest grade intersection with an average of 25.5 feet grading 6.79% zinc including 8.9 ft grading 10.89% zinc.

**J Zone** This target was identified by widely spaced historic drilling in fences across strike and one section of four holes had zinc intersections in three of the holes. One hole intersected 19.21% zinc over 1.3 feet, the next 6.87% zinc over 12.2 feet and the third 6.2% zinc over 11.4 feet. These holes were spaced at 50 feet spacing along the section. The next sections of historic drilling were more than 400 feet away in either direction along strike.

Gerald Harper P.Geo., is the qualified person as defined by NI 43-101 responsible for the technical data presented herein, and has reviewed and approved this section of this MD&A. More information regarding Ubique's exploration activities and results is available on the website www.ubiqueminerals.com and on SEDAR.

**Buchans Wileys Exploration Inc (25.16% owned by GreenBank)**

Buchans' flagship property formerly comprised 48 contiguous mineral claims within two map staked licences. The property covered an area measuring 12 square kilometers, located 3-4 km southwest of the past producing Buchans Mine. The Buchans Mine produced 16,196,876 tons of ore at an average mill grade of 14.51% Zn, 7.56 Pb, 1.33% Cu, 126 g/t Ag, and 1.37 g/t Au.

Exploration work discovered three base metal rich boulders along the shoreline of Wileys Lake. Two samples collected from Boulder 1 returned grades of 10.6% Zn, 1.84% Cu, 2.27% Pb, 26.4 g/t Ag and 9.90% Zn, 1.31% Cu, 2.50% Pb, and 19.2 g/t Ag. Boulder 2, discovered approx. 500 meters north of Boulder 1, returned grade of 13.5% Zn and 12.2 g/t Ag. Boulder 3, discovered approx. 500 meters north of Boulder 2, returned grades of 3.20% Pb, 1.16% Zn, and 9.1 g/t Ag.

An airborne survey assessment reported that, based on the total magnetic data, there was a significant geological contact that runs NE-SW through the project area. The electromagnetic data highlighted one priority target of interest, along with other weaker targets of interest. Additional work is required on the airborne dataset and its relevance to local geology. The airborne geophysical survey was conducted by SkyTEM Canada Inc of Ayr, Ontario and reviewed by RDF Consulting Ltd. of Paradise, NewFoundland. The survey consisted of 140 line kilometers of magnetometer and electromagnetic data collection on 100 meter spaced flight lines flown at an azimuth of 150 degrees. More exploration work was needed to validate the value of the claims. Buchans management decided that this project was not financially viable, and subsequently let 42 of the 48 claims lapse, while retaining 6 claims.

Buchans also held another 30 claims, known as Buchans WIleys South ("BW South") located 15 km southeast of the Buchans Wileys flagship property. BW South is located approximately 18 km southeast of the past producing Buchan's Mine that produced 16,196,876 tonnes of ore at an average mill head grade of 14.51% zinc, 7.65% lead, 1.33% copper, 126 grams/tonne silver, and 1.37 grams/tonne gold. (*Wardle, R.J. (2000) Mineral Commodities of NewFoundland and Labrador- Zinc and Lead; Government of NewFoundland and Labrador, Geological Survey, Mineral Commodities Series Number 1, 12 pages)*. BW South is along strike to the northeast, and within 8 km of Bobby's Pond Deposit, which in 2013 reported an Indicated Resource of 1,095,000 tonnes of .86% Cu, 4.61% Zn, 0.44% Pb, 16.6 g/t Ag, and .2 g/t Au; and an Inferred Resource of 1,177,000 tonnes of 0.95% Cu, 3.75% Zn, 0.27% Pb, 10.95 g/t Ag, and 0.06% g/t Au. *(Mountain Lake Resources - NewFoundland and Labrador Geological Survey, Assessment File 12A/10/1489, 2009, 67 pages).* More exploration work was needed to validate the value of the claims. Buchans management decided that this project was not financially viable, and subsequently let these 30 claims lapse.

Roland Crossley P.Geo., is the qualified person as defined by NI 43-101 responsible for the technical data presented herein, and has reviewed and approved this MD&A.

**Gander Exploration Inc (34.76% owned by GreenBank)**

The principal property of Gander is the Cripple Creek Property in Newfoundland, comprising 65 claims located 25km north of the town of Gander. Between 2011 and 2013 Capstone Mining Corp (TSX:CS) completed airborne geophysical, soil sampling and mapping surveys on the Cripple Creek Property, as well as a 10-hole drilling program in 2013. The highlights of the drilling program were 9.28m of 2.98 copper; 3.6m of 4.74% copper and 0.16 g/t of Gold. The drilling program also discovered awaruite in several drill holes *(Capstone Mining Corp, Newfoundland Geological Survey, Assessment File 2E/1823).* Previously, in 2005, seven grab samples from the property yielded significant gold, copper and silver values, including up to 19.8 g/t gold, up to 10.2% copper, and up to 21.9 g/t silver (*P.H. Davenport, L.W. Nolan, A.J. Butler, H.A. Wagenbauer and P. Honarvar, 1999 The Geoscience Atlas of Newfoundland, Newfoundland Department of Mines and Energy, Geological Survey, Open File NFLD/2687,Version1.1).*

Gander also owns the Dudder Lake property which is located approximately 40 km north of the town of Gander, and consists of 16 contiguous claims (4 square km). Limited drilling by Noront Resources Ltd (TSXV:NOT) in 1990 returned mafic volcanic core gold intercepts up to 7.0 g/t of over 2.8 m within 9.8 m of 3.86 g/t, and 6.4 g/t over 2.8 meters within 7.8 meters of 4.20 g/t, as well as 5.14 g/t over 5.20 meters. Noront also drilled one hole into the sediment hosted Stinger prospect in Duder Lake returning 2.04 g/t gold over 4.25 meters. Other results from additional work within the property include 2.56 g/t gold over a 3.6 meter channel, and grab samples returning gold values up to 9.6 g/t. *(Noront Resources Ltd., Newfoundland Geological Survey, Assessment File 2E/07/0893.)*

Gander's third property is the Blue Wind property which is located approximately 5 km north of the Duder Lake property. The property consists of 30 claims (7.50 square km). The property has no known previous mineral exploration.

**GBC Grand Exploration Inc (47.47% owned by GreenBank)**

The principal property of Grand is the Twilite Gold Property in Newfoundland, comprising 65 claims located 14km southwest of Grand Falls-Windsor. The property is easily accessible via an all-weather gravel road network that transects the property and crosses within 50-100m of the main prospects. The Twilite property features low-sulphidation epithermal-style gold mineralization and shares geological characteristics in common with the Moosehead bonanza-style gold property located 30 km to the northeast. The Moosehead property currently is the focus of an exploration program by Sokoman Iron Corp. (TSXV:SIC) under option from Altius Minerals Corporation (TSX:ALS). On the Twilite property, deformed carbonaceous argillite, mudstone and siltstone are the primary host rocks to sulphide mineralization. "The presence of sulfosalt minerals is potentially significant in that these can exhibit a spatial association with bonanza-grade gold mineralization" said Barry Greene, P.Geo, and a director of Grand. Gold mineralization on the Twilite property is hosted by both northwest and northeast orientated structures. Two principal mineralized areas are associated with separate sub parallel northwest trending structures that are 300 meters apart. To the east, these structures appear to intersect a northeast-trending fault zone, which also hosts mineralization. Grand intends to proceed with obtaining a NI 43-101 report on its Twilite Gold Property, following which it will decide on the timing and scope of an exploratory drilling program.

Grand also owns the Browning property comprising 24 claims located 2km south of Pollards Point, Newfoundland. The Browning Property includes the Browning Mine, which produced 149 ounces of gold in 1903. This production came from some 1000 tons of ore, indicating an average grade of some 0.15 oz/ton, or about 5 ppm Au. The Browning Mine is the best-known gold deposit in the area and has the distinction of being one of the first-producing gold-only deposits on the Island of Newfoundland. On the Browning property, gold mineralization is epigenetic and is associated with mesothermal-style quartz and quartz-carbonate veins that typically also contain base-metal sulphides such as pyrite, chalcopyrite, galena and sphalerite. Auriferous veins are mostly hosted by volcanic and volcaniclastic rocks of the Pollards Point Formation or by sedimentary rocks of the Simms Ridge Formation, which respectively sit west and east of a proposed structure separating the two sequences within the Sops Arm group. Iron carbonate alteration is spatially associated with gold-bearing veins at the Browning Mine *(Kerr. A, Current Research (2006) Newfoundland and Labrador Department of Natural Resources Geological Survey, Report 06-1, pages 61-90).*

On August 15, 2018, GBC Grand confirmed gold in bedrock on its Twilite Gold Property which is located approximately 30km southwest from the Moosehead Gold Project discovery hole recently announced by Sokoman Iron Corp (TSXV:SIC) ("Sokoman"). Sokoman reported a drill intersection of 44.96 grams per tonne gold over 11.9 metres, and a number of companies have now acquired new positions in the emerging Moosehead gold exploration district in Newfoundland, Canada.

## *INTEREST IN MINERAL PROPERTIES OF FORMER AFFILIATES - HISTORIC INFORMATION PRIOR TO JANUARY 29, 2016*

### ***GreenBank has no current interest in the Mineral Properties of its former Affiliate, Zara***

Prior to January 29, 2016 by way of its minority investments in Zara, Hadley and Leo, GreenBank was deemed to have an interest in the mineral properties owned by those companies. Subsequent to January 29, 2016 GreenBank distributed its shareholdings in these companies to GreenBank shareholders and ceased to have any interest in these companies or their mineral properties. The full capitalized cost of the mineral properties is reflected in the financial statements of Zara, Hadley and Leo until January 29, 2016. Full information on the mineral properties is available on the Zara, Hadley and Leo profiles on SEDAR. An overview of the mineral properties owned by Zara is described below :

*Zara - Forge Lake Gold Project.*

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. As consideration, Zara issued HRM 571,578 common shares of the Company at a fair value of $1.00 per common share. The consideration was subject to an agreement whereby HRM distributes the shares to its shareholders within 18 months and until such time when the 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. As these shares were not distributed within the required time, they were cancelled. During the year ended July 31, 2015, management determined that Zara did not have the financing to further the project and the carrying value of the Forge Lake property was impaired.

## FINANCIAL STATEMENTS GOING CONCERN ASSUMPTION

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern under International Financial Reporting Standards ("IFRS"). The use of these principles under IFRS 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 and its subsidiaries and affiliates have interests in merchant banking and software, which has yet to generate significant income or cash flows from operations. The Company continues to incur operating losses, which casts significant doubt about the Company's ability to continue as a going concern. The Company's continued existence is dependent upon its success in merchant banking investments, and its software interests. There is no assurance that the Company will be able to obtain external financing necessary to develop its business. 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 should it not be able to obtain the necessary financing to fund working capital. 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 terminate its operations.

As at July 31, 2018, the Company had yet to generate significant revenues from operations and had a deficit of $4,839,238 (July 31, 2017 $2,468,679). The Company is actively seeking additional sources of financing. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. Management is aware, in making its assessment, of uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern that these uncertainties are material and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore to realize its assets and discharge its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying financial statements. These adjustments could be material.

## RESULTS OF OPERATIONS

GreenBank is currently operating in five business segments, merchant banking, technology, financial services, mineral exploration and other professional services. The merchant banking, technology, mineral exploration and other professional services activities are early stage and have not yet generated any revenues. The financial services segment is the revenue generated by Greenbank's 100% subsidiary VFG, an insurance agency acquired in January 2018. The segment information includes VFG from January 11, 2018. Previously it also operated in the additional business segment of software development. The software division was distributed to GreenBank shareholders on September 8, 2017.

For the year ended July 31, 2018 the net loss and consolidated comprehensive loss was $(2,461,619) (2017 - $1,089,026 (restated)). The comprehensive loss includes: -

- Share-based compensation $777,372 (2017- $555,343)
- Impairment of goodwill $632,333 (2017- $nil)

The major expenses were:

- Insurance agency operating costs $116,250 (2017-$nil)

- Consulting expenses $164,435 (2017-$46,845). The increase is due to the expansion of business activities across each business segment.
- Office and general expenses of $317,858 (2017-$144,686). The increase is primarily due to expenses related to merchant banking.
- Research and development costs of $127,409 (2017-$nil). The increase is primarily due to software development costs that were expensed.

For the year ended July 31, 2018 the Company used cash in operating activities of $(754,314) (2017 – $(428,423)), generated cash from investing activities of $33,666 (2017 - $(50,000)) and obtained cash from financing activities of $1,011,546 (2017 - $547,852).

Depending on future events, the rate of expenditures and general and administrative costs could increase or decrease.

Until September 2017, GreenBank was also engaged in the business of software which was primarily related to a former subsidiary of the Company, GreenCoinX Inc. The Company no longer has any interest in GreenCoinX Inc.

The GreenCoinX investment portfolio of XGC digital coins was purchased in June 2014 as part of the purchase of the unfinished cryptocurrency software. The software that was acquired in June 2014 was the basis for the development of the completed GreenCoinX software. Between June 2014 and April 2016 the development of the GreenCoinX software was completed by modifying and adding to the original software. The original software could mine XGC but did not have all the features and sophistication that was subsequently developed, such as an online wallet with identification requirements, a KYC identification process, the ability to send and receive XGC using an email address, the ability to create password protection using a passphrase in any language, the ability to have multiple online wallets with one unique KYC number, and other features. Those are material differences from the original software acquired in June 2014. During the period between June 2014 and September 2017 when GreenCoinX Inc was a subsidiary of the Company, the Company provided corporate support services to GreenCoinX Inc by total corporate support expenditures of $494,065, comprised of listing and filing fees, professional fees, office and general expenses, investors relations and market research, shareholder information, transfer agent fees, and bank charges and interest.

During the period between June 2014 and September 2017 when GreenCoinX Inc was a subsidiary of the Company, the Company incurred and recorded software development expenditures in the financial statements, and such expenditures are disclosed in the tabular form below:

| Year | Financial Statement Line Item | | Amount | Recipient |
|---|---|---|---|---|
| **2014** | **Software Development Services** | **$** | **-** | NA; no signficant activity |
| **2015** | **Software Development Services** | **$** | **161,336** | |
| | Consulting expenses | $ | 17,758 | Sabrina Schmitz |
| | | $ | 99,487 | Nilam Doctor |
| | Office and general | $ | 6,406 | YP Solution |
| | | $ | 37,685 | Nilam Doctor (Travel and Accomodation Exp) |
| **2016** | **Software Development Services** | **$** | **199,448** | |
| | Consulting expenses | $ | 6,000 | Two Hat LLC |
| | | $ | 27,454 | Sabrina Schmitz |
| | | $ | 30,649 | Nilam Doctor |
| | | $ | 7,500 | Todd D Sonoga |
| | | $ | 60,000 | FronTier |
| | Office and general | $ | 8,610 | Alan Molloy |
| | | $ | 24,181 | Click to Click LLC |
| | | $ | 6,775 | Joe Devich |
| | | $ | 805 | Trevor Koverko |
| | | $ | 11,104 | YP Solutioin |
| | | $ | 325 | Vinnie Grosso |
| | Professional fees | $ | 4,132 | Liburd and Dash |
| | | $ | 11,913 | LK(Fiduciaries) Limited |
| **2017** | **Software Development Services** | **$** | **176,175** | |
| | Consulting expenses | $ | 3,764 | A 2 B Consulting UK |
| | | $ | 23,324 | Nilam Doctor |
| | | $ | 7,925 | Sabrina Schmitz |
| | Office and general | $ | 23,836 | YP Solutioin |
| | | $ | 113,937 | Nilam Doctor (Travel and Accomodation Exp) |
| | Professional fees | $ | 678 | KRMJ Wiseview Inc. |
| | Transfer agent fees | $ | 2,712 | Reliable Stock Transfer |
| **TOTAL** | | **$** | **536,959** | |

**Selected 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.

| For the year ended July 31 (in $) | 2018 | 2017 (restated) |
|---|---|---|
| **Net Loss** | (2,461,619) | (1,089,026) |
| **Current Assets** | 516,248 | 183,578 |
| **Non-current Assets** | 479,634 | 295,826 |
| **Total Assets** | 995,882 | 479,404 |
| **Total Liabilities** | 348,423 | 27,100 |
| **Total Shareholder's Equity** | 647,459 | 177,783 |

**Summary of Quarterly Results**

| **Quarter ended** | **July 31, 2018** | **April 30, 2018** | **Jan.31,2018** | **Oct.31,2017** |
|---|---|---|---|---|
| | **$** | **$** | **$** | **$** |
| Net Income (loss) | (1,143,795) | 151,272 | (944,873) | (524,223) |
| Current Assets | 516,248 | 438,733 | 288,386 | 296,561 |
| Total Assets | 995,882 | 1,316,732 | 820,852 | 833,428 |
| Total Liabilities | 348,423 | 148,701 | 127,298 | 20,768 |
| Total Shareholder's Equity (deficiency) | 647,459 | 1,216,490 | 693,554 | 812,661 |
| **Quarter ended** | **July 31, 2017** | **April 30, 2017** | **Jan.31,2017** | **Oct.31,2016** |
| | **$** | **$** | **$** | **$** |
| Net Income (loss) | (860,368) | (68,837) | (135,256) | (24,565) |
| Current Assets | 183,578 | 267,099 | 127,034 | 84,171 |
| Total Assets | 479,404 | 279,599 | 139,534 | 96,671 |
| Total Liabilities | 301,621 | 10,728 | 11,826 | 75,570 |
| Total Shareholder's Equity (deficiency) | 177,783 | 268,871 | 127,708 | 21,101 |

The comparative figures are presented as if the entities had been combined for the period in which the entities were placed under common control

**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. On June 5, 2015 the Company completed a non-brokered private placement for gross proceeds of $120,000. On June 12, 2015 a director of the Company exercised 2,000,000 warrants for gross proceeds of $100,000. On April 5, 2016 the Company completed a private placement with Daniel Wettreich, a director of the Company, for gross proceeds of $125,000. On May 2, 2016 the Company completed a private placement with Daniel Wettreich, a director of the Company, for gross proceeds of $78,000. On January 25, 2017 the Company completed a private placement with Daniel Wettreich and David Lonsdale, directors of the Company, for gross proceeds of $110,000, and Sammiri Capital Inc, a private company owned by Daniel Wettreich exercised its warrants for gross proceeds of $100,000. On February 24, 2017 the Company completed a private placement with Daniel Wettreich and David Lonsdale, directors of the Company, for gross proceeds of $110,000, and Sammiri Capital Inc a private company owned by Daniel Wettreich exercised its warrants for gross proceeds of $100,000. On May 31, 2017 three directors of the Company exercised options and warrants for gross proceeds of $89,000. On October 11, 2017 the Company completed a private placement for gross proceeds of $283,000. On March 2, 2018, Daniel Wettreich, director of the Company, exercised outstanding warrants and invested $203,000 by purchasing 760,000 common shares of the Company. On June 25, 2018 the Company closed a private placement in the amount of $280,000 by the issuance of 280,000 common shares at $1.00 per share. Directors Daniel Wettreich and David Lonsdale invested $50,000 each in this private placement. Since the passing of Daniel Wettreich, Founder Chairman and CEO, in September 2018 the Company has borrowed $350,000 from the Wettreich family, who are the principal majority shareholders of the company, to meet working capital requirements. The Company may borrow more funds from its directors, shareholders. In order to maintain its operations, the Company needs funds for primarily merchant banking operations, including management fees, legal and accounting and office and general, and for its insurance agency operations. The Company would need to raise additional equity capital to develop its business plans, or other investment opportunities, or to support special projects.

The following table summarizes the Company's consolidated cash on hand, working capital and cash flow as at July 31, 2018

| In $ | July 31, 2018 | July 31, 2017 |
|---|---|---|
| **Cash** | 440,954 | 140,586 |
| **Working Capital (Deficiency)** | 167,825 | 156,478 |
| **Cash Used in Operating Activities** | (772,314) | (428,423) |
| **Net Cash Provided (Used) in Investing Activities** | 51,666 | (50,000) |
| **Cash Provided by Financing Activities** | 1,011,546 | 547,852 |
| **Effect of foreign exchange on cash** | 9,470 | - |
| **Increase in Cash** | 300,368 | 69,429 |

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 net cash flow. Its long term financial success is dependent on the Company taking equity positions in its clients that are profitable over time. The Company's primary capital assets as at July 31, 2018, are cash, accounts receivable, government HST recoverable, and investments.

The Company has no commitments for capital expenditure, and there are no known trends or expected fluctuations in the Company's capital resources. The Company requires additional equity in order to fund its business plans, and there is no guarantee that such funds will be raised, and if raised that they will be sufficient to carry out the operations of the Company.

The following is a summary of the Company's outstanding share, warrant and stock options data as of July 31 2018

Common Shares
The authorized common share capital of the issuer consists of an unlimited number of common shares without par value of which 27,351,664 were outstanding as at July 31, 2018. This included 150,000 common shares that are held by the Company's subsidiary Blockchain Evolution which have therefore been treated as treasury shares and excluded from the number of outstanding common shares. 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 in any distribution of property or assets upon the liquidation, winding up or dissolution of the Issuer. As on the date of this MD&A the Company had 27,570,866 common shares issued. This included 150,000 common shares that are held by the Company's subsidiary Blockchain Evolution, which have therefore been treated as treasury shares and excluded from the number of outstanding common shares.

Preferred Shares
The authorized preferred share capital of the issuer consists of an unlimited number of 15% Series C Preferred Shares of $0.33 par value of which 24,780 issued to VFG, a 100% subsidiary, are outstanding. These are eliminated upon consolidation. Holders of the issuer's preferred shares are not entitled to vote at meetings of shareholders declared by the directors, and rank in priority to the common shares upon the liquidation, winding up or dissolution of the Issuer.

<u>GreenBank Stock Options</u>

Options to purchase common shares in the capital of the Company are granted by the Company's Board of Directors to eligible persons pursuant to the GreenBank 2017 Stock Option Incentive Plan. The following options for the Company were outstanding at July 31, 2018:

| Grant Date | Number | Name of Optionee if Related Person and relationship | Exercise Price | Expiry Date | Market Price on date of Grant |
|---|---|---|---|---|---|
| 05/31/2017 | 1,256,700 | Daniel Wettreich, Director | $0.305 | 05/31/2019 | $0.305 |
| 05/31/2017 | 400,000 | David Lonsdale, Director | $0.305 | 05/31/2019 | $0.305 |
| 05/31/2017 | 50,000 | Peter Wanner, Director | $0.305 | 05/31/2019 | $0.305 |
| 10/03/2017 | 225,000 | David Robino, Director | $1.19 | 10/03/2019 | $1.19 |
| 10/11/2017 | 14,286 | Gaurav Singh, Director | $1.40 | 10/11/2019 | $1.40 |
| 11/20/2017 | 165,000 | Gaurav Singh, Director | $1.45 | 11/20/2019 | $1.45 |
| 11/20/2017 | 165,000 | Mark Wettreich | $1.45 | 11/20/2019 | $1.45 |
| 04/16/2018 | 223,700 | Saurabh Srivastava | $1.14 | 04/16/2020 | $1.14 |

Of the above, 1,706,700 options expired unexercised on May 31, 2019. As on the date of this MD&A, the Company has 792,986 options outstanding.

GreenBank Warrants

At July 31, 2018, the Company had no brokers warrants outstanding, and had 471,357 warrants outstanding; 30,000 which is held by an investor, with each warrant entitling the holder to acquire one additional common share in the capital of the Company at $0.60 per share until September 27, 2019; 164,690 which is held by David Robino, a director, with each warrant entitling the holder to acquire one additional common share in the capital of the Company at $0.60 per share until September 28, 2019; 206,667 which is held by an investor ,with each warrant entitling the holder to acquire one additional common share in the capital of the Company at $0.60 per share until September 28, 2019; 30,000 which is held by 3 investors, with each warrant entitling the holder to acquire one additional common share in the capital of the Company at $0.60 per share until October 10, 2019; 30,000 which are held by Alex Wettreich, a director, with each warrant entitling the holder to acquire one additional common share in the capital of the Company at $1.80 per share until February 6, 2020; and 10,000 which is held by an investor ,with each warrant entitling the holder to acquire one additional common share in the capital of the Company at $1.80 per share until February 6, 2020.

As on the date of this MD&A, the Company has 471,357 warrants outstanding.

**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**

At July 31, 2018, the due from related parties is $37,379 (July 31, 2017 - $14,914).

At July 31, 2018, the due from related parties is $37,379 (July 31, 2017 - $14,914). This includes $2,662 from KYC Technologies Inc., $11,269 from XGC Software Inc., $1,811 from Zara Resources Inc., $18,000 from Kabaddi Games Inc. and $3,637. From Daniel Wettreich.

At July 31, 2018, the net due to related parties is an amount of $159,017 (July 31,2017 - $Nil). This includes accrued preference share dividends to portfolio companies $25,228 (July 31,2017 - $9,171), $339 (July 31,2017 - $Nil) to Reliable Stock Transfer, $4,859 (July 31,2017 - $Nil) due to Daniel Wettreich, $861 (July 31,2017 - $Nil) to Sammiri Capital, a company controlled by Daniel Wettreich, $69,538 payable by BEI to XGC, and $58,192 in subsidiary loans payable including $49,314 to David Lonsdale (July 31,2017 - $Nil) and $8,878 to Nick Goodwin (July 31,2017 - $Nil), that was made to provide for working capital.

During the year ended July 31, 2018, the Company incurred transfer agent fees of $19,968 (July 31, 2017- $3,414) to Reliable Stock Transfer Inc., a company with common majority shareholders, for the provision of share transfer services.

Included in accounts payable and other liabilities is $40,331 (2017 - $Nil) due to directors of the Company and a company that has common directors and shareholders. These amounts are unsecured, non-interest bearing and due on demand.

During the year ended July 31, 2018, the Company earned consulting income of $46,500 (2017 - $Nil) from Companies with common directors and shareholders.

**Key Management Compensation**

During the year ended July 31, 2018 the Company payroll expenses included management compensation of $69,333 (2017 - $Nil) paid to a director and officer of the Company.

During the year ended July 31, 2018, the Company granted 792,986 options (July 31, 2017 – 2,270,000) to directors and they were assigned a fair value of $777,372 (July 31, 2017 - $555,343).

**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. The Company applies IFRS as issued by the International Accounting Standards Board (“IASB”).

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.

**Principles of consolidation**

These consolidated financial statements for the year ended July 31, 2018 include the accounts of the 100% owned GreenBank Financial Inc., Medik Blockchain Inc, Veterans Financial Group LLC, North America Veterans Insurance Services Inc, Cannabis Blockchain Inc. Expatriate Assistance Services Inc. 50% of GBC Grand Exploration Inc. and 52.5% owned Blockchain Evolution Inc (for the period that it had majority control). The consolidated financial statements also include the Company's 100% owned subsidiaries XGC, KYC and BE, until the date the Company lost control, pursuant to the terms of a Plan of Arrangement, on September 8, 2018.

On consolidation, all intercompany transactions, balances, income and expenses are eliminated. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company losses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

**Investments in associates**

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. In general, significant influence is presumed to exist when the Company has between 20% and 50% of voting power. An Investment in associates is accounted for using the equity method from the date on which the investee becomes an associate to the date that the Company ceases to have significant influence. An equity investment is accounted for under the cost method if it does not provide the investor with a controlling investment, does not provide the investor with the ability to exercise significant influence, does not have readily determinable fair values and is not subject to other industry-specific guidance. At the end of each reporting period, the Company assesses whether there is any objective evidence that its investments in associates are impaired.

**Dividends**

Dividends on ordinary shares are recognized as a liability and deducted from equity when they are approved by the Company's Board of Directors ("BOD'). Dividends for the year that are approved after the reporting date are disclosed as an event after the reporting date. Dividend payable is recognized when the dividend is appropriately authorized by the BOD and is no longer at management's discretion. The Company measures a liability to distribute non-cash assets as a dividend to the shareholders at the fair value of the assets to be distributed. In case the Company offers an option of receiving either a non-cash asset or a cash and cash equivalent, the Company estimates the dividend payable by considering probability weighted fair value of each option. The Company reviews and adjusts the carrying amount of the dividend payable at each reporting date and the date of settlement, with any change in the carrying amount recognized in equity.

**Related Party Disclosures**

Parties are considered to be related if one party has the ability to directly or indirectly 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 are in the normal course of business and have commercial substance and are measured at the fair value.

**Income taxes**
Income tax expense consisting of current and deferred tax expense is recognized in the statement of loss and comprehensive loss. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period-end, adjusted for amendments to tax payable with regard to previous years. Deferred income taxes are provided using the liability method on temporary differences at the date of the statement of financial position between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences, except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and Taxable temporary differences associated with investments in associates and interests in joint ventures, where the timing in the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and unused tax losses can be utilized. The carrying amount of deferred income tax assets is reviewed at each reporting date of the statement of financial position and reduced to the extent that it is no longer probable that sufficient taxable profit 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 reporting 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 tax rates that are expected to apply in the year when the asset is expected to be realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the date of the statement of financial position. Deferred income taxes relating to items recognized directly in equity are recognized in equity and not in the statement of comprehensive income. Deferred income tax assets and deferred income tax 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 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 these assets suffer any impairment in value. If the recoverable amount of an asset is estimated to be less than its carrying amount, its carrying amount is reduced to its recoverable amount with a corresponding impairment loss recognized in the statement of comprehensive income in the period of impairment. If an impairment loss reverses in a subsequent period then the carrying amount of the asset is increased to its revised value to the extent that the increased carrying amount does not exceed its original carrying amount.

**Functional currency**
The Company's presentation and functional currency is the Canadian dollar.

**Equity Settled Transactions**

The costs of equity-settled transactions are measured by reference to the fair value at the date on which they are granted. The costs of equity-settled transactions are recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled and vested, ending on the date on which the relevant recipient become fully entitled to the award ("the vesting period or date"). The cumulative expense is recognized for equity-settled transactions at each reporting date until the vesting date reflects the Company's best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and the corresponding amount is represented in share based compensation reserve. When the share-based payment arrangement has been cancelled or the terms have expired the fair value assigned to the share-based payment arrangement is transferred to contributed surplus.

**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 shares are classified as equity instruments. Incremental costs directly attributable to the issue of new shares are recognized in equity as a reduction from the gross proceeds received from the issued shares.

**Shares issued for purchase of investments**

Transactions in which an investment in a subsidiary, associate or joint venture is acquired in exchange for shares is accounted for at the fair value of the consideration given (being fair value of equity instruments issued) or the assets received, if that is more easily measured, together with directly attributable transaction costs. When the purchase consideration does not correspond to the fair value of the investment acquired the Company as the acquirer has an accounting policy choice to account for the investment at fair value of the consideration given or may impute an equity contribution or dividend distribution and in effect account for the investment at its fair value. Alternatively, if the investment in a subsidiary constitutes a business and is acquired in a share-for-share exchange, the Company measures the cost based on the original carrying amount of the investment in the subsidiary, in the transferor entity's separate financial statements, rather than at the fair value of the shares given as consideration.

**Financial instruments**

Fair value through profit or loss (FVTPL)

Financial assets that are held with the intention of generating profits in the near term are classified as held for trading within FVTPL. 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 as gain or loss in the statement of loss and comprehensive loss during the period.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such by management or not classified in any of the other categories. Available-for-sale financial assets are measured at fair value with changes recognized in other comprehensive income. Upon sale or impairment, the accumulated fair value adjustments recognized in other comprehensive income are recorded in the statements of loss and comprehensive loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate method ("EIR"), less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of loss and comprehensive loss. The losses arising from impairment are recognized in the statement of loss and comprehensive loss. The Company has classified due from related companies as loans and receivable.

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. The effective interest rate (or amortized cost method) 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.

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).

The company's cash is considered Level 1 and its investments is considered Level 3 in the hierarchy.

**Impairment of financial assets**

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each period end. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.
Objective evidence of impairment could include the following:

- Significant financial difficulty of the issuer or counterparty;
- Default or delinquency in interest or principal payments; or
- It has become probable that the borrower will enter bankruptcy or financial reorganization.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

**Loss Per Share**
Loss per share is calculated based on the weighted average number of common shares issued and outstanding during the period. In the years when the Company reports a net loss, the effect of potential issuances of common shares are anti-dilutive, therefore, basic and fully diluted loss per common share is the same. The diluted loss per share reflects the potential dilution of common share equivalents, such as the conversion of outstanding stock options and share purchase warrants, in the weighted average number of

common shares outstanding during the year, if dilutive. The treasury stock method is used for the assumed proceeds upon exercise of the options and warrants.

**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") was issued by the IASB in November 2009 and will replace IAS 39 - Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 replaces the multiple rules in IAS 39 with a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having only two categories: amortized cost and fair value. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. This standard also requires an expected loss impairment method to be used, replacing the incurred loss model.

In October 2010, the IASB added requirements for financial liabilities to IFRS 9. These requirements were largely carried forward from the existing requirements in IAS 39, however, fair value changes due to credit risk for liabilities designated at fair value through profit and loss are to be recorded in other comprehensive income.

In November 2013, the IASB amended IFRS 9 to include a new general hedge accounting model.

In July 2014, the IASB issued the final version IFRS 9 that supersedes the requirements of earlier versions of the standard. The new standard will replace both IAS 39 and IFRIC 9 - Reassessment of Embedded Derivatives. The standard will retain the classification and measurements requirements and new hedge accounting model introduced by the previous versions while introducing a single forward-looking expected credit loss impairment model. The final version of this new standard is effective for annual periods beginning on or after January 1, 2018. The Company is still in the process of assessing the impact of this pronouncement.

Various other accounting pronouncements (such as IFRS 14, IFRS 15, IFRS 16, and the various annual improvements) that have no material impact to the Company are not included above. The Company has not early adopted these standards.

**Critical Accounting Estimates and Judgments**
The preparation of these financial statements in accordance with IFRS requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates its judgments 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 judgments and estimates. Actual outcomes may differ from these estimates. The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income/loss in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

**Critical judgments in applying accounting policies**

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below:

(a) Income taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities. In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent that it is probable that taxable profit will be available against which a deductible temporary difference can be utilized. This is deemed to be the case when there are sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity which are expected to reverse in the same year as the expected reversal of the deductible temporary difference, or in years into which a tax loss arising from the deferred tax asset can be carried back or forward. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

(b) Going concern risk assessment

The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon its ability to fund its existing acquisition and investing activities when they come due, which would cease to exist if the Company decides to terminate its commitments, and to cover its operating costs. The Company may be able to generate working capital to fund its operations by the sale of the investment assets or raising additional capital through equity markets. However, there is no assurance it will be able to raise funds in the future. These financial statements do not give effect to any adjustments required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements.

(c) Interest in other entities

As at July 31, 2018, the Company has less than 20% voting rights in The Lonsdale Group, Reliable Stock Transfer Inc, Slabdeck Technology Inc, Inside Bay Street Corporation, Kabaddi Games Inc, Minfocus Exploration Inc, and KYC Technology Inc. Management has assessed the involvement of the Company in accordance with IFRS 10 and has concluded that it has no significant influence. In making its judgement, management considered the Company's voting rights, the relative size and dispersion of the voting rights held by other shareholders and other relevant facts and circumstances.

(d) Impairment of Available-for-Sale Securities

Impairment losses are recognized on available-for-sale securities if there is objective evidence of impairment as a result of one or more events that have occurred after initial recognition and the loss event(s) results in a decrease in the estimated cash flows of the instrument. The Company individually reviews these securities at least quarterly for the presence of these conditions. For available-for-sale equity securities, a significant or prolonged decline in fair value below cost is considered objective evidence of impairment.

(e) Fair Value Measurements

The fair value of financial instruments traded in active markets at the balance sheet date is based on their quoted market prices. For all other financial instruments not traded in an active market, fair value may be based on other observable current market transactions involving the same or similar instrument, without modification or repackaging, or is based on a valuation technique which maximizes the use of observable market inputs. Observable market inputs may include interest rate yield curves, foreign exchange rates, and option volatilities. Valuation techniques include comparisons with similar instruments where observable market prices exist, discounted cash flow analysis, option pricing models, and other valuation techniques commonly used by market participants. For certain illiquid financial instruments, fair value is determined using valuation techniques in which current market transactions or observable market inputs are not available. Determining which valuation technique to apply requires judgment. The valuation techniques themselves also involve some level of estimation and judgment. The judgments include liquidity considerations and model inputs such as volatilities, correlations, spreads, discount rates, prepayment rates, and prices of underlying instruments. Any imprecision in these estimates can affect the resulting fair value. The inherent nature of private equity investing is that the Company's valuation may change over time due to developments in the business underlying the investment. Such fluctuations may be significant depending on the nature of the factors going into the valuation methodology and the extent of change in those factors.

**Key sources of estimation uncertainty**

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in material adjustments to the financial statements.

Share based compensation

The Company records all share-based compensation using the fair value method. The Company uses the Black- Scholes option pricing model to determine the fair value of share-based compensation. This estimate also requires determining the most appropriate inputs to the valuation model. The main factor affecting the estimates of the fair value of stock options is the stock price, expected volatility used and the expected duration of the instrument. The Company currently estimates the expected volatility of its common shares based on comparable information derived from the trading history of guideline public companies which are in a similar situation to the Company taking into consideration the expected life of the options.

***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, with the Board of Directors oversight, 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.

***Financial risks***

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

***Credit risk***

Credit risk is the risk of loss associated with a counter-party’s inability to fulfill its payment obligations. The credit risk is limited to the carrying value amount carried on the consolidated statement of financial position. The Company’s assets most susceptible to credit risk is its cash, which is held at a Canadian chartered bank in a non-interest bearing account, due from related companies and due from director, which is described in Note and is expected to be recoverable. As such, the risk of loss on these assets is minimal.

***Market and other risk***

Market risk is the risk of uncertainty arising primarily from possible interest rate risk, equity price risk, foreign exchange risk and commodity risk 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. The Company is not exposed to foreign exchange risk and commodity risk. The interest rate risk is minimal as most of the financial assets are non-interest bearing. With respect to equity price risk, the value of the Company's securities portfolio may be impacted by market determined variables which are beyond our control, such as benchmark yields, credit and/or market spreads, implied volatilities, the possibility of credit migration and default, among others.

***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 July 31, 2018, the Company had, at its disposal, $ 440,954 in cash. The Company will require additional working capital to fund its corporate and administrative expenses for the next twelve months and 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. The carrying values of the Company's financial instruments carried at amortized cost approximate fair values due to their short duration. The Company has designated its cash at FVTPL and investments at AFS. The due from related companies and due from director are classified as loans and receivables whereby they are initially recognized at fair value and then subsequently carried at amortized cost. Accounts payables and accrued liabilities, due to related parties and convertible debentures are classified as other financial liabilities whereby they are initially recognized at fair value and then measured at amortized cost.

The carrying values, which approximate fair values of the Company's financial instruments, are as follows:

| | As at July 31, 2018 | As at July 31, 2017 |
|---|---|---|
| **Financial Assets** | | |
| **Fair value through profit or loss** | | |
| Cash | $ 440,954 | $ 140,586 |
| **Available for sale** | | |
| Investments | 307,799 | 162,185 |
| **Loans and recievables** | | |
| Government HST Recoverable | 7,594 | 15,578 |
| Due from related parties | 37,379 | 14,914 |
| Prepaid expenses | 30,212 | - |
| **Financial Liabilities** | | |
| **Other financial liabilities** | | |
| Accounts payable and accrued liabilities | 163,372 | 27,100 |
| Due to related parties and loans payable | $ 185,051 | $ - |

## Capital Management

The Company's objective in managing capital is to ensure continuity as a going-concern and to safeguard its ability to maintain its investments and 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 its affiliates may 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 merchant banking activities. Companies in the merchant banking business are subject to many and varied kinds of risk, including but not limited to competition from companies with larger resources and more access to capital, companies with greater depth of management, and companies with a longer track record. Fluctuations in markets may have an adverse effect on the ability of the Company to attract investment opportunities and restrict the Company's ability to liquidate investments.

In relation to GreenBank's former subsidiary GreenCoinX Inc, the Company filed Material Change Reports on March 27, 2014 and on June 11, 2014 containing disclosures with regard to the risks of investing in cryptocurrency and a cryptocurrency business, including risks related to cryptocurrency networks, risks related to the cryptocurrency exchange market, and risk factors related to the regulation of cryptocurrencies, and such Reports are available on the GreenBank profile at www.sedar.com. Securities regulatory authorities in Canada, including the Ontario Securities Commission, have yet to determine the impact of an investment product that invests in cryptocurrencies, including whether or not cryptocurrencies constitute a suitable asset class for retail investors. On September 8, 2017 the Company distributed its ownership of XGC Software Inc, the parent company of GreenCoinX Inc, to the shareholders of the Company pursuant to a plan of arrangement, and the Company has no further interest in GreenCoinX Inc.

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 merchant banking or investment companies, 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.

**Trends**

Trends in the industry can materially affect how well any merchant banking company is performing. Company management believes that the general environment for merchant banking companies is strong, and will continue to be so for the foreseeable future, as the Company believes and assumes that the demand and need for small companies to raise funds, complete merger and acquisitions, and become publicly listed will continue.

## Outlook

In Company managements' opinion, the long term outlook for merchant banking 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 the Company's expectation of future trends in merchant banking and the Company's other future plans and objectives are forward-looking statements that involve various risks and uncertainties. The material factors and assumptions that management has used to determine such forward-looking statements include, without limitation, (1) estimates of stock-based compensation expense (2) expectations of industry trends and (3) expectations of future funding. 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 the Company is bound. Forward-looking statements are based on the estimates and opinions of management on the date of statements are made, and the Company endeavors 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 merchant banking, mergers and acquisitions activities, investment portfolio risk, and operational and political risks.

## Other

Additional information relating to the Company's operations and activities can be found by visiting the Company's website at www.GreenBankCapitalInc.com, and GreenBank's profile at www.SEDAR.com