



**MANAGEMENT DISCUSSION & ANALYSIS**

**FOR THE INTERIM PERIOD ENDED JANUARY 31, 2020**

**(Prepared by Management on April 1, 2020)**

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## **GREENBANK CAPITAL INC., MD&A FOR THE INTERIM PERIOD ENDED JANUARY 31, 2020**

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MANAGEMENT DISCUSSION AND ANALYSIS (MD&A) AS OF JANUARY 31, 2020 TO ACCOMPANY THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF GREENBANK CAPITAL INC (THE "COMPANY" OR "GREENBANK") FOR THE INTERIM PERIOD ENDED JANUARY 31, 2020.

This MD&A is dated April 1, 2020.

The following MD&A should be read in conjunction with the unaudited condensed interim consolidated financial statements for the interim period ended January 31, 2020 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 10 small cap businesses, namely; 10% of The Lonsdale Group LLC, a USA based private equity company focused on small cap investments; 22.34% 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; 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; 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; and 47.47% of GBC Grand Exploration Inc, a minerals exploration company in Newfoundland, Canada.

On January 31, 2020 GreenBank obtained OSC approval for the revocation of a Failure to File Cease Trade Order ("FFCTO") on its stock, which was issued for failing to file the Company's financial statements, accompanying management's discussion and analysis, and the CEO and CFO certifications for the fiscal year ended July 31, 2018, in a timely manner. This was a consequence of the unexpected passing of the Founder Chairman and CEO, Daniel Wettreich. The management team has since re-built the institutional knowledge lost with the passing of the founder and met all its disclosure requirements.

Pursuant to an Undertaking to hold an Annual General Meeting within three months of the revocation of the FFCTO, filed with the OSC, on March 12, 2020, GreenBank has issued the Notice of Annual and Special Meeting, and accompanying Information Circular for the shareholder meeting to be held on April 8, 2020. After discussions with pertinent regulators in Canada, out of an abundance of caution, to proactively deal with the unprecedented public health impact of coronavirus disease 2019, also known as COVID-19, and to mitigate risks to the health and safety of our shareholders, employees and other stakeholders, GreenBank will hold its Meeting in a virtual only format via live audio webcast. Shareholders will have an equal opportunity to participate at the Meeting online regardless of their geographic location.

GreenBank is in the process of filing an application to the Canadian Securities Exchange (“CSE”) to resume trading of its common shares.

### **COVID19 Impact on Business**

The COVID19 pandemic has not had any material impact on the core operations of GreenBank. The entire team was equipped for remote / work-from-home operations and is telecommuting per Government guidelines. GreenBank management is maintaining a continuous watch on its portfolio companies and is supporting their transition to remote-enabled operations. The portfolio company specific situations and responses are outlined below.

### **Investment Portfolio**

GreenBank and its 100% subsidiary GreenBank Financial hold an investment portfolio of equity positions in 15 small-cap companies that are described below.

#### **The Lonsdale Group, LLC**

GreenBank owns 10% of The Lonsdale Group, a USA-based 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 advisory role in helping its portfolio companies.

The COVID 19 pandemic has not had any material impact on the Core Operations of The Lonsdale Group. Business has continued as normal using telephone and email as the primary forms of communication while the company adheres to the recommended social distancing measures in the United States of America.

#### **Ubique Minerals Limited**

GreenBank owns 22.34% 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 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*). Ubique owns 100% of two Mineral Licenses and is earning an interest in another block of Mineral Licenses through an option agreement.

GreenBank initially acquired a 35% equity interest in Ubique, in May 2017. Subsequently, following stock issuances for private placement and exploration services, GreenBank’s ownership reduced to 28.05% on July 31, 2017 and 25.12% on July 31, 2018.

In August 2018, pursuant to the terms of a court approved Plan of Arrangement, GreenBank distributed a part of its shareholding in Ubique to GreenBank shareholders, reducing its ownership to 14.68%. On completion of the Plan of Arrangement, Ubique became a reporting issuer in British Columbia and Alberta on August 13, 2018. On September 12, 2018, the Ubique listed its common shares on the Canadian Securities Exchange and commenced trading under the symbol UBQ.

On October 5, 2018, Greenbank acquired an investment portfolio, comprising 3,958,424 common shares of Ubique at \$0.01544 per share for \$61,121 with the issuance of 203,738 GreenBank common shares at \$0.30 per share. Upon closing of the transaction, GreenBank capital owned approximately 23.51% of the Company. As a result of this transaction, the combined ownership of GreenBank, GreenBank's Directors, and GreenBank's majority shareholder, in Ubique, exceeded 50% and GreenBank was deemed to have acquired control of Ubique. Consequently, Ubique's financials have been consolidated into GreenBank's financial results from the date of deemed acquisition.

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.

Subsequently, following stock issuances in consideration for claims acquired under the option agreement, and warrants exercised, GreenBank's ownership in Ubique reduced to 23.24% on July 31, 2019.

On September 25, 2019, Ubique announced that it had closed a non-brokered private placement to raise \$68,000 to further its exploration and definition of zinc deposits at Daniel's Harbour, Newfoundland, of which \$62,375 is from flow through units and \$5,625 is from hard dollar units. Of this amount \$47,700 was invested by officers and directors of Ubique.

Following stock issuances for the above private placement, options and warrants exercised, GreenBank's ownership in Ubique has reduced to 22.59%.

On December 10, 2019 Ubique announced that it has received the results of additional soil samples collected from the East Mineral License in their Daniel's Harbour zinc project which expands the zinc anomaly. Ubique and MinKap Resources Inc. ("KAP") have agreed to modify the timing of certain work and payment commitments in their Option Agreement for Daniel's Harbour Mineral Licenses. Ubique has filed its annual financials for the financial year ending July 31, 2019.

On December 23, 2019 Ubique announced that, pursuant to the Company's stock option plan having an effective date of July 26, 2019, the Ubique ("UBQ") Board has issued a total of 1,350,000 options to its seven directors and officers. The options are issued at an exercise price of \$0.075, vesting on issuance, and are exercisable up to three years commencing December 23, 2019. The Company also announces the exercise of 100,000 previously issued options expiring in January 2020, by a Director, at an exercise price of \$0.10 per share.

On February 12, 2020 Ubique issued 500,000 common shares and completed its milestone payment to MinKap Resources Inc., formerly Kapuskasing Gold Corp. pursuant to its option agreement which provides for MinKap granting Ubique an option to earn a 55% or greater interest in MinKap's Daniel's Harbour property in western Newfoundland, which comprises 42 claim units covering an aggregate of 1,326 hectares, 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.

Since GreenBank's initial investment in Ubique in May 2017, Ubique has completed drilling programmes on its Daniel's Harbour zinc project in 2017, 2018 and 2019, all of which were successful in delineating

zinc mineralization extending from the vicinity of former mine workings. Please refer to subsequent section on Interest in Mineral Properties for details.

Ubique anticipates that additional capital will be required to pursue further exploration on its projects and intends to raise funds from the equity markets, subject to market conditions prevailing at the time. The amounts of additional investment are not determinable at this time. There is no guarantee that sufficient capital will be raised to carry out the Ubique's objectives, or if capital is available that it will be on terms acceptable to Ubique, or if raised that Ubique will be successful in determining mineralization of economic value.

Ubique's field operations are mostly concentrated in the summer months, and hence, the current restrictions due to COVID19 have not impacted exploration activity. In the meanwhile, Ubique is continuing to focus its efforts on securing additional financing for the 2020 summer drill program. The weakness in capital markets for junior mineral exploration companies may impact Ubique's financing plans.

More information regarding Ubique's exploration activities and results is available on the website [www.ubiqueminerals.com](http://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 an 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 6,300,001 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 3,737,417 common shares or 31.15%, 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.

From January to August 2018, BE was focussed on expanding the customer base of its identification based blockchain, EvolveChain. GreenBank had identified multiple industry specific use-cases for the application of Evolvechain, and had initiated discussions with potential partners and customers. These include:

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 Blockchain- 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

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.

BE may earn revenue by creating identification based blockchains for specific uses and charging fees for creating and maintaining such blockchains. BE may explore opportunities to license its technology to or form joint venture partnerships with other technology companies to commercialize its technology assets.

BE anticipates that additional capital will be required to create customized software for each application 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.

BE projects and financing discussions were put on hold after the untimely death of the Founder Chairman and CEO, Daniel Wettreich, in September 2018. The current weakness in capital markets for early stage companies may impact BEI's financing plans.

More information regarding BE's exploration activities and results is available on the website [www.blockchainevolutioninc.com](http://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.

Reliable has its entire team enabled for telecommuting and is maintaining core operations. It is assisting clients adopt virtual models for conducting pre-scheduled Annual and Special Meetings, and related online



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voting mechanisms. More information regarding Reliable is available on the website [www.reliablestocktransfer.com](http://www.reliablestocktransfer.com).

### **Veterans Financial Group LLC (USA)**

GreenBank owned 100% of Veterans Financial Group LLC (“VFG”) a USA based insurance agency that was providing insurance services to veterans, families and businesses a range of insurance products including whole life, term life, universal life, indexed universal life, annuities, final expense, health, and Medicare.

At July 31, 2019 VFG operations were discontinued and no new policies were written thereafter. On December 28, 2019, GreenBank settled all external liabilities and transferred remaining related party dues to GreenBank, and wound-up VFG operations.

### **Inside Bay Street Corporation**

GreenBank owns 19% of Inside Bay Street Corporation, a financial communications company. Inside Bay Street was conceptualized as an online portal that offers dissemination of company news by way of press releases, research reports and commentary to be distributed to brokers, investment dealers, and investors; and to provide exposure to small cap companies in its Featured Companies section. A shareholder and a Director of the Company together own 41% of Inside Bay Street.

The project has been on hold since the death of Daniel Wettreich, in September 2018.

Renewing the planned platform development will require additional financing and there is no guarantee that the company will be able to raise the required financing. The amounts of additional investment are not determinable at this time. 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.

### **Buchans Wileys Exploration Inc**

GreenBank owns 25.16% of Buchans Wileys Exploration Inc. (“Buchans”), a mineral exploration company that had properties in Newfoundland, Canada. Pursuant to the terms of a Plan of Arrangement with GreenBank, Buchans become a reporting issuer in British Columbia and Alberta in August 2018.

On July 31, 2019, the company held 6 claims in the vicinity of the past producing Buchans Mine in Newfoundland. In November 2019, Buchans opted to let these claims lapse and is evaluating the acquisition of other assets.

More information regarding Buchans is available on the website [www.buchanswileys.com](http://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.

Medik initiatives were put on hold after the death of Daniel Wettreich, in September 2018. On January 31, 2020, GreenBank discontinued the operations of the company.

### **North America Veterans Insurance Services Inc**

GreenBank owned 100% of North America Veterans Insurance Services Inc, (“NAVIS”) an insurance agency holding company. GreenBank management decided to put the NAVIS business plan on hold after

the death of Daniel Wettreich, in September 2018. On January 31, 2020, GreenBank discontinued the operations of the company.

### **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 being tested on the iOS and Android platforms. It is anticipated to be released in 2020.

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. In early 2020, Kabaddi Games had initiated discussions for launch partnerships in India, which is expected to be a key market for the mobile game. These discussions were temporarily slowed due to COVID19, and are expected to resume over the next few weeks.

Kabaddi Games anticipates that additional capital will be required to progress the business plan, launch the game and build further enhancements, from private equity markets, subject to market conditions prevailing at the time. The amount of additional investment for the year is estimated at \$1,000,000. Kabaddi Games had initiated discussions with lead investors, which have subsequently been put on hold in light of the rapid COVID19 developments. There is no guarantee that sufficient capital will be raised to carry out Kabaddi Games’ objectives, or if capital is available that it will be on terms acceptable to Kabaddi Games, or if raised that Kabaddi Games will be successful in commercializing its mobile game.

More information regarding Kabaddi Games is available on the GreenBank website [www.greenbankcapitalinc.com](http://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. In August 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. Post the distribution, 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 \$0.00536 per share for \$5,389 with the issuance of 17,946 GreenBank common shares at \$0.30 per share. Upon closing of the transaction, GreenBank capital owned approximately 30.14% of Gander.

On March 27, 2019 GreenBank agreed 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. Gander also settled a debt of \$1,950, owed to Buchans Wileys, on the same terms. Concurrent to the debt settlement, Gander also conducted a private placement to raise \$12,000 by issuing 1,200,000 shares at \$0.01 per share, to meet working capital expenses. Four common Directors, at Gander and GreenBank participated in this private placement. Since the combined direct and indirect ownership of GreenBank and the common directors, in Gander, exceeded 50% after this transaction,

GreenBank was deemed to have acquired control of Gander. Consequently, Gander's financials have been consolidated into GreenBank's financial results from the date of deemed acquisition.

The principal property of Gander is the Cripple Creek Property in Newfoundland, comprising 35 claims located 25km north of the town of Gander. Gander also owns the Duder Lake property which is located approximately 40 km north of the town of Gander and consists of 8 contiguous claims. Please refer to subsequent section on Interest in Mineral Properties for details.

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 initiatives were put on hold in September 2018, upon the death of Daniel Wettreich. On January 31, 2020, GreenBank discontinued the operations of the company.

### **Expatriate Assistance Services Inc**

GreenBank owned 100% of Expatriate Assistance Services Inc ("EASI"). EASI was conceptualized to provide a broad range of fee based services such as employment opportunities, immigration and visa procedures, housing assistance, education opportunities, banking facilities, and professional services, to expatriates seeking to settle in Canada.

In August 2019, EASI management decided to put the business on hold, due to working capital constraints. On January 31, 2020, GreenBank discontinued the operations of the company.

### **GBC Grand Exploration Inc**

GreenBank owns 47.47% of GBC Grand Exploration Inc ("Grand"), a mineral exploration company in Newfoundland, Canada. The principal property of Grand is the Twilite Gold Property, comprising 65 claims located 14km southwest of Grand Falls-Windsor.

GreenBank had acquired a 50% equity interest in Grand, on June 19, 2018. Subsequently, in November 2018, Grand issued stock in consideration for exploration services to two existing shareholders. Consequently, GreenBank's ownership interest in Grand was reduced to 47.47%.

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.

### **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, 2019, but has exited these investments since**

**Slabdeck Technology Inc**

***GreenBank currently owns no interest in Slabdeck Technology Inc.***

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 Technology Inc.***

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 an 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.

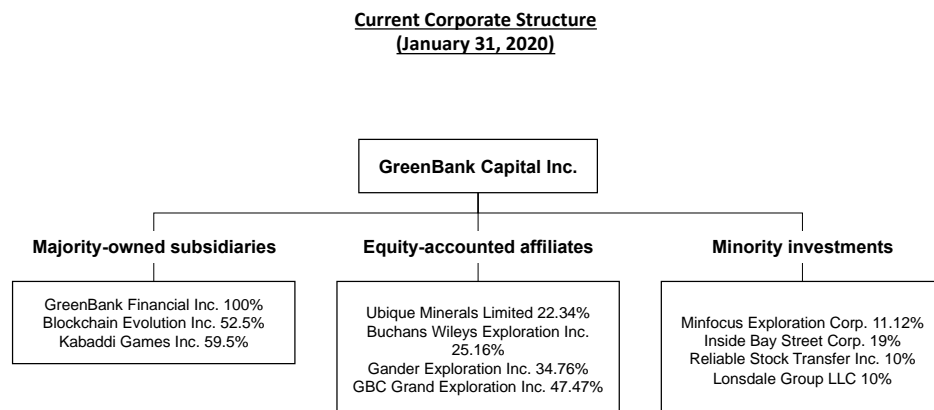
On April 30, 2018, KYC closed a private placement in the amount of \$25,000 by the issuance of 500,000 common shares at \$0.05 per share. Daniel Wettreich, who was a director of KYC, invested \$12,500, and David Lonsdale, who was also a director of KYC, invested \$2,500. Post the financing, Daniel Wettreich 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.

On September 3, 2019 KYC announced that it had reached agreement to merge with CanaFarma Corp., a private company engaged in Hemp industry and headquartered in the United States of America.

## Corporate Structure of GreenBank

At the period ended January 31, 2020, GreenBank's corporate structure comprised 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.



## Key Event After The Reporting Period

On March 11, 2020, GreenBank closed a 19% investment in Staminier Limited ("Staminier"), payable by the issuance of 22,494,262 common shares of the Company. On closing, Staminier shareholders own 44.93% of GreenBank's enlarged share capital of 50,065,128 common shares.

Staminier is a United Kingdom based merchant banking business whose overall strategy is to acquire substantial interests in undervalued fast-growing companies with at least five years profitability and proven cash flow. Staminier also provides private and public companies with business advisory, corporate finance and marketing services. Its net assets, audited as of July 31, 2019, reported total assets of approximately \$3.9 million CAD. Staminier's Board of Directors have confirmed no adverse changes between July 31, 2019 and March 11, 2020 and the transaction is subject to a purchase price adjustment clause for any decline in the independently assessed fair value of the investment (between the audited figure and on the closing date). Staminier's assets include 3500 Berkshire Hathaway B shares, 51% of EcoSpace 41, a private steel-framed house building company, and an option over 13 acres of land at London, Gatwick airport, and a portfolio of investments. Staminier also has a pipeline of transactions under consideration.

## Key terms of the Investment:

- GreenBank acquires 19% of Staminier Limited by the issuance of 22,494,262 GreenBank common shares
- GreenBank receives an initial 480,000CAD funding line from Staminier for general working capital purposes, which will enable GreenBank to continue to develop its business interests.
- GreenBank acquires a 6 month call option to acquire the remaining 81% of Staminier for 87,789,202 five year non-interest bearing non-voting convertible loan notes which grant the holder the right, on demand, to convert each loan note into one new common share provided that, until such time as a

prospectus and other regulatory requirements have been fulfilled by GreenBank, the loan note conversion is capped at 45% of the resultant outstanding voting common shares of GreenBank.

- Staminier has the right to nominate one person to the GreenBank Capital Board of Directors
- Staminier acquires a 1 year put option (to be activated on the expiry of the aforementioned GreenBank Capital call option) to sell the remaining 81% to GreenBank Capital for 87,789,202 common shares of GreenBank subject to Staminier having a net asset value of not less than £2.25 million (CAD 3.86 million) on a pro forma basis, GreenBank Capital shareholders passing a special resolution as outlined below, on closing that the outstanding amount on the credit line between Staminier and GreenBank is expensed, and meeting all regulatory requirements, including the filing of a prospectus if necessary
- The conversion of \$657,681 CAD of GreenBank accounts payable due to Mrs Zara Wettreich and \$52,170 CAD of GreenBank accounts payable due to Mr. David Lonsdale into 5 year 3% convertible Loan Notes. These conversions were approved by Mrs. Wettreich and Mr. Lonsdale respectively and took effect at the closing of the Acquisition
- A six month resale restriction on share sales by any GreenBank shareholder owning over 10% of the post-investment share capital of GreenBank after closing.
- A Purchase Price adjustment for any shortfall in Staminier's Net Asset Value between July 31, 2019 and the Net Asset Value on the closing of the exercise of the 81% call option.

For more details, please refer to the GreenBank's Press Release dated March 12, 2020 and March 27, 2020.

### **INTEREST IN MINERAL PROPERTIES**

#### **Ubique Minerals Limited (22.34% owned by GreenBank)**

Ubique's flagship property comprises 85 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*). Ubique is also earning an interest in another block of Mineral Licenses through an option agreement.

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*).

#### ***Highlights of the 2017 Drill Programme***

The 2017 diamond drilling programme 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:

**GREENBANK CAPITAL INC., MD&A FOR THE INTERIM PERIOD ENDED JANUARY 31, 2020**

<b>Drill Hole #</b>	<b>Easting</b>	<b>Northing</b>	<b>Dip</b>	<b>Interval</b>	<b>Zinc %</b>	<b>Zone targeted</b>
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

***Highlights of the 2018 Drill Programme***

On October 2, 2018, the Company announced the first set of assay results from its 2018 diamond drilling programme 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.

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

<b>Drill Hole #</b>	<b>Starting depth (m)</b>	<b>Width (m)</b>	<b>Assay Zn %</b>
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.

### ***Highlights of the 2019 Drill Programme***

On October 3, 2019 Ubique announced that it has completed seven diamond drill holes at Daniel's Harbour, Newfoundland, of which four were drilled into targets on the MINKAP option property. These four holes were targeted to duplicate intersections by historic holes into three zones of mineralization. All intersected visible zinc mineralization in the approximate depth intervals are identified by the historic drilling. Samples were cut and sent for analysis.

On October 21, 2019 Ubique announced that it has received assay results from the first three diamond drill holes at Daniel's Harbour, Newfoundland, which were drilled into targets on the MINKAP option property. These holes were targeted to duplicate intersections by historic holes into three zones of mineralization. All intersected zinc mineralization as previously identified by the historic drilling. Hole UM29 intersected 7.86% zinc over a core length of 8.4 metres: hole UM30 intersected 4.34% zinc over a core length of 3.65 metres and hole UM31 intersected 8.80% zinc over a core length of 4.30 metres.

On December 10, 2019 Ubique announced that it has received the results of additional soil samples collected from the East Mineral License in their Daniel's Harbour zinc project which expands the zinc anomaly. Ubique and MinKap Resources Inc. ("KAP") have agreed to modify the timing of certain work and payment commitments in their Option Agreement for Daniel's Harbour Mineral Licenses. Ubique has filed its annual financials for the financial year ending July 31, 2019.

On January 23, 2020 Ubuque reported that it has filed an amended NI 43-101 report for its Zinc exploration project in Daniel's Harbour, Newfoundland, based on guidance from the Ontario Security Commission ("OSC").

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.

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

Buchans' flagship property formerly comprised 48 contiguous mineral claims within two map staked licenses. The property covered an area measuring 12 square kilometers, located 3-4 km southwest of the past producing Buchans Mine. As of July 2019, Buchans held 6 of the 48 claims. Buchans management decided that this project was not financially viable to pursue the project, and subsequently let these 6 claims lapse in November 2019. Buchans is evaluating the acquisition of other assets.

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

The principal property of Gander is the Cripple Creek Property in Newfoundland, comprising 35 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, Version 1.1*).

Gander also owns the Duder Lake property which is located approximately 40 km north of the town of Gander and consists of 8 contiguous claims. 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*.)

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

The principal property of GBC 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 has been 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. 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. GBC 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.

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 that had been 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.

In October 2019, GBC Grand undertook a further exploration work programme towards defining drill targets on its claims. The work resulted in a new gold showing being identified on the Twilite property where grab sampling of a poorly exposed, mineralized and altered subcrop zone measuring ~ 0.5m x 0.75m was completed near the north end of the claim group. This very angular exposure contains silica-sericite-ankerite altered siltstone/shale with 2-3% arsenopyrite and fine disseminated pyrite and crosscutting veinlets of quartz-carbonate. A single grab sample assayed 2276ppb gold and greater than 1000ppm arsenic (full arsenic assay was not completed). This area is approximately 4.5 km north of GBC Grand’s historical Spring Pit/Discovery gold prospect and represents a new exploration target. A second area of interest was identified ~ 175m across strike where a zone of mineralized and altered quartz – ankerite stockwork breccia veining and silicification was observed in bedrock over a true width of ~ 15m. These rocks appear to have relict intrusive textures indicating a possible gabbroic protolith. A total of three grab samples collected from this area assayed between 61 to 394ppb gold.

GBC Grand also carried out a review of archived drill core from 11 of the 15 historic drill holes from the property, which are stored at the Newfoundland Department of Mines and Energy core storage facility in Buchans, NL. The overall impression was that most of the historical drilling was carried out without a thorough knowledge of the controlling structures and most of the holes were not orientated correctly. Unfortunately, this picture gradually emerged in 1999 as exploration proceeded and more information became available. It is estimated that of the 15 historical drill holes, only four were drilled with the correct orientation. The drilling was completed in 1999 largely targeting the northeast trending structures and it wasn’t until 2003 after Altius Minerals Ltd. optioned the ground and flew an airborne geophysical survey that it became clearer that two separate northwest trending structures were playing a role in localizing the gold.

The core review also revealed that many of the gold intersections were in fault bounded intervals where core recoveries were poor. The historical drilling was done with smaller diameter BQ coring which is not ideal in an area of structurally controlled gold. An increase in core recoveries might be obtained using larger diameter core, slower penetration rates in known areas of interest and increased use of drilling fluids.

Finally, GBC Grand recently completed a test pitting program approximately 400-1000m southeast, along trend, from the main gold prospects. The test pitting program was designed to provide deep till samples. It was determined that most of the area covered by test pitting has a thick blanket of distally derived glacial deposits which have filled a paleo depression, possibly a fault escarpment. Sampling of this distally derived, bedded, washed gravels and sand was not successful in evaluating the underlying mineral potential of the overall area. Many of the samples at the base of the test pits were of bedded fine sand material, akin to play sand. Results from the till geochemistry however, did show that a small sample of the test pits had gold values that are above the 5ppb lower detection limit of the ICP, TP19-01 (9 ppb Au), TP19-03 (8 ppb Au), TP19-04 (7 ppb Au), TP19-05 (7 ppb Au) and TP19-27 (13 ppb Au). Test pits TP19-01, TP19-03, and TP19-27 are aligned in a linear NW-SE orientation and are correctly positioned to be a potential extension of the structure hosting the 320 Vein. It is worth noting that the observed till from TP19-01 and TP19-03, while separated by 380m, both contained visually anomalous dark brown, oxidized Fe-Carbonate altered float material.

In light of the observations, GBC Grand considers the residual exploration potential to be encouraging and is seeking a joint venture partner to carry out a first phase of diamond drilling.

GBC Grand cautions investors that grab samples are selective and are not necessarily representative of the mineralization hosted on the property and that reference to historic exploration data have not been independently verified.

### **Sampling and Analysis**

All samples were collected and transported to Eastern Analytical in Springdale, NL by Barry Greene, P.Geol. and analyzed for gold and ICP analysis. Eastern Analytical is an accredited assay lab that conforms with requirements of ISO/IEC 17025. Eastern Analytical has an in-house standard and duplicate policy.

Barry Greene, P.Geol. 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.

### **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 January 31, 2020, the Company had yet to generate significant revenues from operations and had a deficit of \$5,966,469 (deficit of July 31, 2019 \$5,862,050). 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 four business segments, merchant banking, technology, financial services, and mineral exploration. The merchant banking, technology, and mineral exploration activities are early stage and have not yet generated any operating revenues.

## GREENBANK CAPITAL INC., MD&A FOR THE INTERIM PERIOD ENDED JANUARY 31, 2020

For the three-month interim period ended January 31, 2020 the net loss and consolidated comprehensive loss was \$(115,846) (January 31, 2019 - \$(217,206)). The comprehensive loss includes expenses included in the loss from continuing operations as follows:

- Consulting expenses of \$21,000 (Jan 31, 2019 - \$46,826)
- Payroll expenses of \$39,550 (Jan 31, 2019 - \$56,638)
- Investor relations and market research \$3,226 (Jan 31, 2019-\$4,967)
- Professional fees of \$2,326 (Jan 31, 2019 - \$26,587)
- Office and general expenses of \$21,021 (Jan 31, 2019 - \$24,115)
- Public company costs of \$54,487 (Jan 31, 2019 - \$13,125)

For the six-month interim period ended January 31, 2020 the net loss and consolidated comprehensive loss was \$(296,989) (Jan 31, 2019-\$577,202).The comprehensive loss includes expenses included in the loss from continuing operations as follows:

- Consulting expenses of \$56,302 (Jan 31, 2019 - \$100,599)
- Payroll expenses of \$91,941 (Jan 31, 2019 - \$109,341)
- Investor relations and market research \$3,976 (Jan 31, 2019-\$6,245)
- Professional fees of \$52,331 (Jan 31, 2019 - \$54,154)
- Office and general expenses of \$36,890 (Jan 31, 2019 - \$58,873)
- Public company costs of \$81,383 (Jan 31, 2019 - \$26,033)

For the six month interim period ended January 31, 2020 the Company (used) cash in operating activities of \$(305,871) (Jan 31, 2019 – \$(517,169)), generated (used) cash from investing activities of \$(100,055) (Jan 31, 2019 – 20,002) and obtained cash from financing activities of \$400,723 (Jan 31, 2019 - \$199,935).

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

### 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.

<b>For the year ended July 31</b>	<b>(in \$)</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
<b>Net (Loss)</b>		(1,250,663)	(2,465,715)	(1,089,026)
<b>Current Assets</b>		145,236	516,248	183,578
<b>Non-current Assets</b>		801,805	479,634	295,826
<b>Total Assets</b>		947,041	995,882	479,404
<b>Total Liabilities</b>		936,029	348,423	301,621
<b>Total Shareholder's Equity</b>		11,012	647,459	177,783

**GREENBANK CAPITAL INC., MD&A FOR THE INTERIM PERIOD ENDED JANUARY 31, 2020****Summary of Quarterly Results**

<b><u>Quarter ended.</u></b> (in \$)	<b><u>January 31,2020</u></b>	<b><u>October 31, 2019</u></b>	<b><u>July 31, 2019</u></b> (Re-stated)	<b><u>April 30, 2019</u></b> (Re-stated)
Revenue from Operations			12,500	
Net (Loss)	(131,971)	(181,278)	(418,813)	(234,220)
Current Assets	133,691	229,281	145,236	195,276
Total Assets	1,013,184	1,095,736	947,041	1,075,521
Total Liabilities	1,160,536	1,189,091	936,029	628,067
Total Shareholder's Equity	(147,353)	(93,354)	11,012	447,454
<b><u>Quarter ended.</u></b> (in \$)	<b><u>January 31, 2019</u></b> (Re-stated)	<b><u>October 31, 2018</u></b> (Re-stated)	<b><u>July 31, 2018</u></b>	<b><u>April 30, 2018</u></b>
Revenue from Operations		-	46,730	9,983
Net (Loss)	(235,740)	(361,890)	(1,138,447)	151,366
Current Assets	279,316	(506,086)	516,248	438,733
Total Assets	1,184,593	1,260,854	995,882	1,316,732
Total Liabilities	608,024	453,457	348,423	148,701
Total Shareholder's Equity	576,569	807,397	647,459	1,216,490

As a merchant bank GreenBank does not witness any predictable or observed seasonality as merchant banking is generally unaffected by seasonal risks. Further, the investment portfolio of GreenBank is diversified and that further reduces the impact of seasonality in any individual underlying business. GreenBank's operating activity is primarily influenced by its involvement with investee companies and with the deal flow of potential new investments. Since the passing of the Founder Chairman and CEO in September 2018, GreenBank management has prioritized its bandwidth and working capital resources towards meeting its regulatory requirements, and re-building lost institutional knowledge. In 2019, GreenBank completed one portfolio listing, stock distributions of parts of its shareholdings in three companies, and two other exits via stake sales, from its portfolio. The state of the early stage private venture investing capital market also influences GreenBank's operations. In 2019, GreenBank observed a weakness in investment interest in junior mining projects, and consequently, some of the exploration and evaluation projects were scaled back.

**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



## **GREENBANK CAPITAL INC., MD&A FOR THE INTERIM PERIOD ENDED JANUARY 31, 2020**

Company. Since the passing of Daniel Wettreich, Founder Chairman and CEO, in September 2018 the Company has borrowed \$601,451 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, or 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 for the interim period ending January 31, 2020 and year ended July 31, 2019:

<b>In \$</b>	<b>January 31, 2020</b>	<b>July 31, 2019</b>
<b>Cash</b>	67,372	73,287
<b>Working Capital (Deficiency/Surplus)</b>	(1,026,845)	(790,793)
<b>Cash Used in Operating Activities</b>	(305,871)	(1,027,675)
<b>Net Cash Provided (Used) in Investing Activities</b>	(100,055)	123,420
<b>Cash Provided by Financing Activities</b>	400,723	533,587
<b>Effect of foreign exchange on cash</b>	(712)	(3,001)
<b>Change in Cash</b>	(5,915)	(367,667)

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 January 31, 2020, 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.

## **GREENBANK CAPITAL INC., MD&A FOR THE INTERIM PERIOD ENDED JANUARY 31, 2020**

The following is a summary of the Company's outstanding share, warrant and stock options data as of January 31, 2020.

### Common Shares

The authorized common share capital of the issuer consists of an unlimited number of common shares without par value of which 27,570,866 were outstanding as at January 31, 2020 and as on the date of this MD&A (27,570,866 on July 31, 2019). This included 150,000 common shares that are held by the Company's subsidiary Blockchain Evolution, and 100,842 common shares that are held by the Company's subsidiary Ubique Minerals, 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.

### Preferred Shares

The authorized preferred share capital of the issuer consisted 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. VFG was wound up on December 28, 2019, and these 24,780 preferred shares were canceled.

### GreenBank Stock Options

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. 330,000 options expired unexercised during the quarter ended January 31, 2020. The following options for the Company were outstanding at January 31, 2020:

<b>Grant Date</b>	<b>Number</b>	<b>Name of Optionee if Related Person and relationship</b>	<b>Exercise Price</b>	<b>Expiry Date</b>	<b>Market Price on date of Grant</b>
04/06/2018	223,700	Saurabh Srivastava	\$1.14	04/06/2020	\$1.14

As on the date of this MD&A, the Company has 2,757,036 options outstanding. 2,533,386 options were issued after January 31, 2020 as outlined in the Company's March 27<sup>th</sup>, 2020 Press Release.

### **GreenBank Warrants**

At January 31, 2020, the Company had no brokers warrants outstanding, and had 40,000 common share warrants outstanding of which 30,000 which are held by Alex Wettreich, a director, 10,000 are 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.

After the reporting period, all of the above warrants expired unexercised. As on the date of this MD&A, the Company has zero 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**

Due from / to related parties includes amounts due from / to Companies with directors, officers and shareholders in common. These amounts are unsecured, non-interest bearing and due on demand.

During the six months ended January 31, 2020, the Company incurred transfer agent fees of \$10,254 (2019-\$7,457) to a company with common majority shareholders, for the provision of share transfer services.

During the six months ended January 31, 2020, a subsidiary of the Company incurred consulting fees of \$30,000 (2019 - \$5,000) to an officer of the Company.

### **Key Management Compensation**

During the six months ended January 31, 2020, the Company payroll expenses included management compensation of \$60,000 (2019 - \$47,799) paid to a director and officer of the Company.

### **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 include the accounts of the Company, and 100% owned GreenBank Financial Inc., North America Veterans Insurance Services Inc., Expatriate Assistance Services Inc., Cannabis Blockchain Inc. and Medik Blockchain Inc.; 52.5% owned Blockchain Evolution Inc. after April 6, 2018 and its 100% subsidiary Xbook Network Inc ("Xbook") after May 14, 2018; 50% owned GBC Grand Exploration Inc. after June 19, 2018 until November 4, 2018; 23.512% owned Ubique Minerals Ltd. from October 5, 2018 (subsequently diluted to 22.34%); 25.2% owned Buchans Wileys Exploration Inc. from October 5, 2018; 59.5% owned Kabaddi Games Inc. from August 21, 2018; and 34.76% owned Gander Exploration Inc. from March 27, 2019. The results of these companies are consolidated into the books of GreenBank.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed during the period 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.

On consolidation, all intercompany transactions, balances, income and expenses are eliminated.

### **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.

### **Exploration and evaluation assets**

The Company capitalizes all exploration and evaluation costs that result in the acquisition and retention of resource properties or an interest therein. The amount shown for mineral rights represents costs to date, including acquisition, maintenance, exploration, salaries based on time spent, and management fees. All costs incurred prior to obtaining the legal right to explore are expensed as incurred.

Mining rights shall be assessed for impairment when facts and circumstances suggest that the carrying amount of the mining rights may exceed its recoverable amount. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). The Company estimates the recoverable amount of each asset or cash-generating unit ("CGU"), on the basis of areas of interest. Management groups mineral claims that are contiguous and specific to an area that encompasses the same prospective minerals, into one area of interest and assigns a name to this mineral property. Each named mineral property is considered an area of interest and a CGU.

Although not an exhaustive list, one or more of the following facts and circumstances indicate that a specific CGU should be tested for impairment:

- The period for which the entity has the right to explore in the specific area has expired during the financial statement period or will expire in the near future and is not expected to be renewed.
- Substantive expenditures on further exploration for, and evaluation of, mineral resources in the specific area is neither budgeted nor planned.
- Exploration for and evaluation of mineral resources in the specific area has not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area.

- Sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or sale.

An impairment loss may be reversed in a situation where there is a change in the circumstances that had initially dictated that impairment had occurred. An example of such a situation might include, but not be limited to, the recommencement of exploration activity on a mineral property due to a significant change in commodity prices.

Recoverable amount is the higher of fair value less disposal costs and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as "mines under construction". Mining rights are also tested for impairment before the assets are transferred to development properties.

#### **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.

#### **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 common 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**

Effective August 1, 2018, the Company has adopted IFRS 9 Financial instruments. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

<b>Financial assets/liabilities</b>	<b>Original classification IAS 39</b>	<b>New classification IFRS 9</b>
Cash	FVTPL	Amortized cost
Accounts receivable	Amortized cost	Amortized cost
Due from related parties	Loans and receivables	Amortized cost
Investments in marketable securities	Available-for-sale (private companies) or FVTPL (public companies)	FVTPL
Accounts payable and other liabilities	Other financial liabilities	Amortized cost
Due to related parties	Other financial liabilities	Amortized cost
Loans payable	Other financial liabilities	Amortized cost

**Financial assets**

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income (“FVOCI”); or (iii) fair value through profit or loss (“FVTPL”). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed.

All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment’s fair value in other comprehensive income.



The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

The classification determines the method by which the financial assets are carried on the statement of financial position subsequent to inception and how changes in value are recorded.

Impairment of financial assets

IFRS 9 uses the expected credit loss (“ECL”) model. The credit loss model groups receivables based on similar credit risk characteristics and days past due in order to estimate bad debts. The ECL model applies to the Company’s receivables.

An ‘expected credit loss’ impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset’s original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial liabilities

Financial liabilities are designated as either: (i) fair value through profit or loss; or (ii) other financial liabilities. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the statement of financial position subsequent to inception and how changes in value are recorded. Accounts payable and due to shareholder are classified under other financial liabilities and carried on the statement of financial position at amortized cost.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

The Company retrospectively adopted IFRS 9 on August 1, 2018. The adoption had no impact on the amounts recognized in the Company’s financial statements for the year ended July 31, 2019.

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); and

Level 3: Valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The company's investments in private companies (note 9) are considered Level 3 in the hierarchy and in public companies are considered Level 1.

### **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**

Various accounting pronouncements (such as IFRS 16, and the various annual improvements) are not expected to have a material impact on the Company's financial statements.

### **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.

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) **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.

(b) Interest in other entities

At January 31, 2020, the Company had less than 20% voting rights in The Lonsdale Group, Reliable Stock Transfer Inc., Inside Bay Street Corporation, and Minfocus Exploration Corporation. Management has assessed the involvement of the Company in accordance with IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures 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.

At January 31, 2020, the Company had a 47.468% interest in GBC Grand Exploration Inc. Management assessed the involvement of the Company in accordance with IFRS 10 Consolidated Financial Statements and has concluded that it does not have control. In making its judgment, management considered the fact that the remaining 52.532% interest was held by a small number of founding shareholders that are independent of the Company.

(c) Deemed control of minority owned subsidiaries

At July 31, 2019, the Company had a 23.243% interest in Ubique Minerals Ltd. ("Ubique"), a 25.162% interest in Buchans Wileys Exploration Inc. ("Buchans") and a 34.758% interest in Gander Exploration Inc. ("Gander"). Management assessed the involvement of the Company in accordance with IFRS 10 Consolidated Financial Statements and has concluded that control was acquired on the acquisition of its additional interest on October 5, 2018 (Ubique and Buchans) and March 27, 2019 (Gander). In making its judgment, management considered the following:

- (i) The Company's controlling shareholder also held a significant interest in these entities. The Company considers its controlling shareholder to be a "de facto agent" on the basis that the shareholder is a related party and is reliant on Greenbank for making strategic and operational decisions that impact the relevant activities of these entities. Consequently, the Company has combined the shareholdings of its controlling shareholder with its direct shareholdings in these entities when assessing control;
- (ii) The combined shareholding of the Company and its controlling shareholder is significant and the shares held by other non-related shareholders is dispersed amongst a large number of shareholders meaning it unlikely that other shareholders could outvote the Company; and
- (iii) The Company has common management with the entities and the majority of the directors of these entities are directors of Greenbank.

**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.

(a) 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.

(b) 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, pre-payment 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.

(c) Basis of Valuation for the Staminier Investment

The Staminier investment was priced based on an arms-length negotiation between two unrelated parties.

## **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](http://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, despite the short-term uncertainties and capital markets weakness due to COVID19, the long-term outlook for merchant banking continues to be positive.

### **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](http://www.GreenBankCapitalInc.com), and GreenBank's profile at [www.SEDAR.com](http://www.SEDAR.com)