FORM 5

QUARTERLY LISTING STATEMENT

Name of Listed Issuer: Gunpowder Capital Corp. (the "Issuer").

Trading Symbol: GPC and GPC.PR.A

This Quarterly Listing Statement must be posted on or before the day on which the Issuer's unaudited interim financial statements are to be filed under the *Securities* Act, or, if no interim statements are required to be filed for the quarter, within 60 days of the end of the Issuer's first, second and third fiscal quarters. This statement is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the Exchange Policies. If material information became known and was reported during the preceding quarter to which this statement relates, management is encouraged to also make reference in this statement to the material information, the news release date and the posting date on the Exchange website.

General Instructions

(a) Prepare this Quarterly Listing Statement using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.

(b) The term "Issuer" includes the Listed Issuer and any of its subsidiaries.

(c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

There are three schedules which must be attached to this report as follows:

SCHEDULE A: FINANCIAL STATEMENTS

Financial statements are required as follows:

For the first, second and third financial quarters interim financial statements prepared in accordance with the requirements under Ontario securities law must be attached.

If the Issuer is exempt from filing certain interim financial statements, give the date of the exempting order.

SCHEDULE B: SUPPLEMENTARY INFORMATION

The supplementary information set out below must be provided when not included in Schedule A.

Not Applicable

1. Related party transactions

Provide disclosure of all transactions with a Related Person, including those previously disclosed on Form 10. Include in the disclosure the following information about the transactions with Related Persons:

(a) A description of the relationship between the transacting parties. Be as precise as possible in this description of the relationship. Terms such as affiliate, associate or related company without further clarifying details are not sufficient.

Transactions with Related Parties

JIT Financial Inc.

During the year ended December 31, 2017, the Company loaned $31,538 to JIT, in which the Company acquired a 12.5% ownership stake. As result of this stake, the Company appointed one of its officers to the Board of Directors of JIT. JIT is in the cash clearing business. The loan bears interest at a rate of 10% per annum and the Company charges a royalty of $0.05 per transaction on certain transactions processed by JIT. The loan is repayable on a basis of $0.25 per transaction on certain transactions processed by JIT. The loan is secured by a first charge and security interest in all of the present and after-acquired personal property and assets of the borrower pursuant to a general security agreement.

During the year ended December 31, 2017, the Company loaned $1,000,000 to JIT, through a promissory note and a number of amendments of the promissory note. The loan bears interest at a rate of $0.30 per transaction on certain transactions processed by JIT. The loan is secured by a first charge and security interest in all of the present and after-acquired personal property and assets of the borrower pursuant to a general security agreement. During the year ended December 31, 2018, this loan was fully repaid to the Company.

On June 1, 2018, the Company disposed of its interest in JIT for $nil as part of exiting the cash clearing business. Operations related to JIT have been disclosed as discontinued operations in the Company's consolidated statement of loss and comprehensive loss.

Other related parties
During the three months ended March 31, 2019 and 2018, the Company entered into the following transactions in the ordinary course of business with related parties that are not subsidiaries of the Company.

	Revenue earned from services			
	Three months ended March 31,			
		2019		**2018**
Meryllion Resources Corporation	**$**	**55,086**	$	7,500
Bitblox Technologies Inc.		**17,000**		17,000

The Company had two common officers with Meryllion Resources Corporation and Bitblox Technologies Inc. Included in accounts receivable are $8,475 owing from Meryllion and $19,210 owing from Bitblox as at March 31, 2019 (December 31, 2018 - $28,278 and $nil). These amounts are unsecured, non-interest bearing with no fixed terms of repayment.

Compensation of key management personnel of the Company
The remuneration of directors and other members of key management personnel during the period was as follows:

	Three months ended March 31,			
		2019		**2018**
Short-term benefits	**$**	**52,800**	$	93,300
Share-based payments		**-**		-

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

As at March 31, 2019, the Company owed $5,374 (December 31, 2018 - $5,374) to an officer of the Company and $2,400 (December 31, 2018 - $nil) to directors of the Company. These amounts are unsecured, non-interest bearing with no fixed terms of repayment.

(b) A description of the transaction(s), including those for which no amount has been recorded.

Not Applicable

(c) The recorded amount of the transactions classified by financial statement category.

Not Applicable

(d) The amounts due to or from Related Persons and the terms and conditions relating thereto.

Please refer to point (a) above for complete details.

(e) Contractual obligations with Related Persons, separate from other contractual obligations.

Not Applicable

(f) Contingencies involving Related Persons, separate from other contingencies.

Not Applicable

2. Summary of securities issued and options granted during the period.

Provide the following information for the period beginning on the date of the last Listing Statement (Form 2A):

(a) summary of securities issued during the period,

Date of Issue	Type of Security (common shares, convertible debentures, etc.)	Type of Issue (private placement, public offering, exercise of warrants, etc.)	Number	Price	Total Proceeds	Type of Consideration (cash, property, etc.)	Describe relationship of Person with Issuer (indicate if Related Person)	Commission Paid
Mar 4th	Units	Private Placement	8,900,000	$0.05	$445,000.00	Cash	None	8%
Feb 28th	Common Shares	Asset Acquisition	15,000,000	$0.05	$750,000.00	Property	None	Nil / N/A
Feb 7th	Class – A Shares	Asset Acquisition	20,000	$10.00	$200,000.00	Property	None	Nil / N/A
Feb 1st	Common Shares	Debt Settlement	600,000	$0.075	$45,000.00	Debt Settlement	None	Nil / N/A
Jan 2nd	Common Shares	Debt Settlement	2,500,000	$0.05	$125,000.00	Debt Settlement	None	Nil / N/A

(b) summary of options granted during the period,

Not Applicable for Q1, 2019 as no stock options were granted in the stated time period.

Date	Number	Name of Optionee if Related Person and relationship	Generic description of other Optionees	Exercise Price	Expiry Date	Market Price on date of Grant

3. Summary of securities as at the end of the reporting period.

Provide the following information in tabular format as at the end of the reporting period:

(a) description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,

As At March 31st, 2019

1) *Common Shares: 92,911,750 Issued | Unlimited Authorized*
2) *Class – A Shares: 493,020 Issued | 6,639,241* Authorized*
3) *Class – B Shares: 33,550 Issued | 6,639,241* Authorized*

As at Mar 31st, 2019, the Company's authorized share capital consisted of an unlimited number of voting common shares and a combined total of 6,639,241 non-voting, cumulative, "Class – A" preferred shares and "Class – B" preferred shares that are redeemable at the option of the Company at fair value.

(b) number and recorded value for shares issued and outstanding,

As At March 31st, 2019

1) *Common Shares: $9,793,225*
2) *Class – A Shares: $4,350,785*
3) *Class – B Shares: $ 278,860*

(c) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, an

Stock Options As At March 31st, 2019

# of Options outstanding and exercisable	Fair value at grant date	Exercise price	Expiry Date
200,000	$ 14,100	0.10	Jul 11th, 2021
100,000	$ 3,500	0.10	Dec 1st, 2021
1,550,000	$179,000	0.12	May 5th, 2026
400,000	$ 31,000	0.10	Jun19th, 2027

Warrants As At March 31st, 2019

# of Warrants	Fair value of warrants	Weighted average exercise price	Expiry Date
192,500	$ 11,338	0.15	Apr 19th, 2019
1,537,500	$ 90,559	0.15	Apr 29th, 2019
1,193,490	$ 70,298	0.15	May 16th, 2019
50,000	$ 2,945	0.15	May 24th, 2019
382,147	$ 52,253	0.25	Dec 21st, 2019
3,001,000	$ 117,097	0.15	May 17th, 2020
10,000,000	$276,000	0.12	April 18th, 2022
2,500,000	$14,310	0.12	Jan 2nd, 2020
3,084,828	$43,845	0.075	Oct 17, 2020
15,400,000	$241,273	0.075	Dec 19, 2020
8,900,000	$98,093	0.075	Mar 4, 2021

(d) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer.

Not Applicable

4. List the names of the directors and officers, with an indication of the position(s) held, as at the date this report is signed and filed.

As At The Date of Filing of This Quarterly Listing Statement

Directors

1) *Frank Kordy*
2) *Steve Mlot*
3) *Dan Collia*
4) *Ben Gelfand*

Officers

1) *Frank Kordy – CEO & Secretary*
2) *Paul Haber – CFO*

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

Provide Interim MD&A if required by applicable securities legislation.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Quarterly Listing Statement.

2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.

3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).

4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated May 30th, 2019 ____________________.

Frank Kordy
Name of Director or Senior Officer

/s/ Frank Kordy
Signature

CEO, Secretary & Director
Official Capacity

<table>
<tr><td>Issuer Details
Name of Issuer

Gunpowder Capital Corp.</td><td>For Quarter Ended

Q1 2019</td><td>Date of Report
YY/MM/D

2019/05/30</td></tr>
<tr><td colspan="3">Issuer Address

8 King Street East, Suite 1005</td></tr>
<tr><td>City/Province/Postal Code

Toronto</td><td>Issuer Fax No.

Not Applicable</td><td>Issuer Telephone No.

(416) 363-3833</td></tr>
<tr><td>Contact Name

Frank Kordy</td><td>Contact Position

CEO</td><td>Contact Telephone No.

(647) 466-4037</td></tr>
<tr><td>Contact Email Address

frank.kordy@gunpowdercapitalcorp.com</td><td colspan="2">Web Site Address

www.gunpowdercapitalcorp.com</td></tr>
</table>

SCHEDULE A: FINANCIAL STATEMENTS

GUNPOWDER

CAPITAL CORP

GUNPOWDER CAPITAL CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED – PREPARED BY MANAGEMENT)

FOR THE THREE MONTHS ENDED MARCH 31, 2019 AND 2018

Gunpowder Capital Corp. (CSE:GPC) (CSE:GPC.PR.A) (OTCQB:GNPWF)
T: (416) 363-3833 | **E:** info@gunpowdercapitalcorp.com | **W:** www.gunpowdercapitalcorp.com
8 King Street East, Suite 1005 | Toronto, Ontario | M5C 1B5

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

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

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

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

GUNPOWDER CAPITAL CORP.

UNAUDITED CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian Dollars)

As at,

	Notes	March 31, 2019	December 31, 2018
ASSETS			
CURRENT			
Cash		**$ 587,380**	$ 981,354
Accounts and other receivables	4, 15	**186,424**	169,794
Prepaid expenses		**93,849**	69,951
Notes receivable	5	**53,520**	7,492
US real estate participation loans	6	**-**	240,060
Total current assets		**921,173**	1,468,651
EQUIPMENT	7	**26,672**	27,447
BUILDINGS AND IMPROVEMENTS	8	**4,555,337**	4,562,247
LONG-TERM NOTES RECEIVABLE	5	**313,400**	236,279
LONG-TERM INVESTMENTS	9	**2,057,535**	684,894
TOTAL ASSETS		**$ 7,874,117**	$ 6,979,518
LIABILITIES			
CURRENT			
Accounts payable and accrued liabilities	15	**$ 299,379**	$ 379,952
Mortgages payable - current portion	10	**696,877**	473,307
Loans payable - current portion	11	**54,225**	138,281
Total current liabilities		**1,050,481**	991,540
LONG-TERM MORTGAGES PAYABLE	10	**2,214,287**	2,452,193
LONG-TERM LOANS PAYABLE	11	**36,516**	37,867
TOTAL LIABILITIES		**3,301,284**	3,481,600
SHAREHOLDERS' EQUITY			
Preferred shares	13(a)	**4,629,645**	4,429,645
Common shares	13(a)	**9,793,225**	8,580,822
Units to be issued		**-**	124,856
Contributed surplus	13(c)	**1,582,093**	1,570,047
Warrants	13(b)	**994,010**	893,653
Deficit	13(d)	**(12,426,140)**	(12,101,105)
TOTAL SHAREHOLDERS' EQUITY		**4,572,833**	3,497,918
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$ 7,874,117**	$ 6,979,518

Description of business (Note 1)

Going concern of operations (Note 2(d))

Subsequent events (Note 21)

APPROVED ON BEHALF OF THE BOARD:

Signed “Frank Kordy”
DIRECTOR

Signed “Stephen Mlot”
DIRECTOR

The accompanying notes are integral part to these unaudited condensed interim consolidated financial statements.

GUNPOWDER CAPITAL CORP.
UNAUDITED CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
For the three months ended March 31,

	Notes	**2019**	2018
INCOME			
Rental		**$ 107,170**	$ 81,236
Advisory services		**92,136**	21,045
Payment processing services		**25,553**	87,583
Interest		**29,365**	112,471
TOTAL INCOME		**254,224**	302,335
EXPENSES			
Consulting and other professional fees	15	**100,309**	167,168
Management fees		**84,300**	96,300
General, office and administrative		**66,469**	85,296
Property taxes and maintenance		**62,068**	64,766
Marketing and investor relations		**46,445**	25,428
Travel and accomodations		**40,581**	9,020
Amortization		**31,881**	27,171
Mortgage and loan interest		**30,740**	27,645
Transfer agent and filing fees		**16,788**	9,992
Legal and audit fees		**13,144**	2,000
Non-recoverable input tax credits	4	**10,897**	6,144
Bank service charges		**2,405**	1,707
NET (LOSS) BEFORE OTHER ITEMS		**(251,802)**	(220,302)
Realized gain on investments	5, 9	**25,688**	4,453
Unrealized (loss) on investments	9	**20,392**	6,379
Accretion on financial instruments	10	**(4,561)**	255
Foreign exchange gain (loss)		**(13,439)**	24,625
TOTAL OTHER ITEMS		**28,080**	35,712
NET LOSS AND COMPREHENSIVE LOSS		**(223,722)**	(184,590)
Weighted average number of shares outstanding - basic and diluted		**76,712,861**	33,911,256
Basic and diluted (loss) income per share	14	**(0.00)**	(0.01)

The accompanying notes are integral part to these unaudited condensed interim consolidated financial statements.

GUNPOWDER CAPITAL CORP.

UNAUDITED CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Expressed in Canadian Dollars)

	Notes	Number of shares	Preferred shares	Common shares	Units to be issued	Contributed surplus	Warrants	Deficit	Total
Balance, December 31, 2017		**31,476,636**	**$ 5,291,445**	**$ 6,703,871**	**$ -**	**$ 1,570,047**	**$ 356,535**	**$ (9,021,242)**	**$ 4,900,656**
Shares to be issued for debt		-	-	-	60,000	-	-	-	60,000
Dividends		-	-	-	-	-	-	(122,276)	(122,276)
Net loss for the period		-	-	-	-	-	-	(184,590)	(184,590)
Balance, March 31, 2018		**31,476,636**	**$ 5,291,445**	**$ 6,703,871**	**$ 60,000**	**$ 1,570,047**	**$ 356,535**	**$ (9,328,108)**	**$ 4,653,790**
Issuance of common shares (net of share issue costs)		18,484,828	-	540,060	-	-	285,118	-	825,178
Common shares issued for debt		1,100,000	-	82,500	(60,000)	-	-	-	22,500
Common shares issued for interest		416,666	-	18,750	-	-	-	-	18,750
Issuance of warrants (net of issue costs)		-	-	-	-	-	252,000	-	252,000
Issuance of preferred shares (net of share issue costs)		5,750	52,900	-	-	-	-	-	52,900
Repurchase of preferred shares		(91,470)	(914,700)	-	-	-	-	-	(914,700)
Conversion of convertible debenture		15,000,000	-	1,235,641	-	-	-	-	1,235,641
Units to be issued		-	-	-	124,856	-	-	-	124,856
Dividends		-	-	-	-	-	-	(331,905)	(331,905)
Net loss for the period		-	-	-	-	-	-	(2,441,093)	(2,441,093)
Balance, December 31, 2018		**66,392,410**	**$ 4,429,645**	**$ 8,580,822**	**$ 124,856**	**$ 1,570,047**	**$ 893,653**	**$ (12,101,105)**	**$ 3,497,918**
Issuance of common shares (net of share issue costs)	13	27,000,000	-	1,212,403	(124,856)	-	112,403	-	1,199,950
Issuance of preferred shares	13	20,000	200,000	-	-	-	-	-	200,000
Expiry of warrants	13	-	-	-	-	12,046	(12,046)	-	-
Dividends	13	-	-	-	-	-	-	(101,313)	(101,313)
Net loss for the period		-	-	-	-	-	-	(223,722)	(223,722)
Balance, March 31, 2019		**93,412,410**	**$ 4,629,645**	**$ 9,793,225**	**$ -**	**$ 1,582,093**	**$ 994,010**	**$ (12,426,140)**	**$ 4,572,833**

The accompanying notes are integral part to these condensed interim consolidated financial statements.

GUNPOWDER CAPITAL CORP.
UNAUDITED CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
For the three months ended March 31,

	2019	2018
CASH FLOW PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Net loss for the period	**$ (223,722)**	$ (184,590)
Items not involving cash:		
Amortization	**31,881**	27,171
Non-cash consulting income	**(47,586)**	-
Bad debt expense	-	33,894
Unrealized loss on investments	**(20,392)**	(6,379)
Realized gain on investments	**(18,741)**	(4,453)
Accretion on notes receivable	**4,561**	(255)
Foreign exchange	**(7,157)**	(18,561)
Changes in working capital items other than cash:		
Accounts and other receivables	**(16,630)**	(66,821)
Prepaid expenses	**(23,898)**	(3,956)
Accounts payable and accrued liabilities	**(70,037)**	(39,160)
CASH (USED IN) OPERATING ACTIVITIES	**(391,721)**	(263,110)
CASH FLOWS PROVIDED BY (USED IN) FINANCING ACTIVITIES		
Share issue costs	**(40,050)**	-
Proceeds from issuance of common shares	**445,000**	-
Cash dividends paid to preferred shareholders	**(101,313)**	(122,276)
Repayment of loan payable	**(84,642)**	(11,356)
Repayment of mortgages payable	**(18,897)**	(14,434)
Proceeds from mortgages payable	**-**	-
CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	**200,098**	(148,066)
CASH FLOWS PROVIDED BY (USED IN) INVESTING ACTIVITIES		
Funds loaned for US real estate participation loans	-	(348,576)
Repayments from US real estate participation loans	**258,801**	-
Funds loaned for notes receivable	**(125,000)**	(50,395)
Repayments received for notes receivable	**544**	220,896
Funds loaned for loans receivable	-	60,105
Purchase of investments	**(312,500)**	(100,000)
Proceeds from sale of investments	-	131,642
Purchase of buildings	**(23,436)**	(252,696)
Purchase of equipment	**(760)**	(2,038)
Long-term prepaids	-	(2,452)
CASH FLOWS (USED IN) INVESTING ACTIVITIES	**(202,351)**	(343,514)
CHANGE IN CASH	**(393,974)**	(754,690)
Cash, beginning of the period	**981,354**	992,755
Cash, end of the period	**$ 587,380**	$ 238,065

Supplemental cash flow information (Note 19)

The accompanying notes are integral part to these unaudited condensed interim consolidated financial statements.

1. DESCRIPTION OF BUSINESS

Gunpowder Capital Corp. ("GPC" or the "Company") is merchant bank and advisory services firm. In May 2016, Gunpowder Capital Corp. implemented its new business model under the leadership of a new management team.

The Company is a reporting issuer in Ontario, Alberta and British Columbia and its common shares trades under the symbol "GPC" and its "Class – A" preferred shares trades under the symbol "GPC.PR.A" on the Canadian Securities Exchange. The Company's common shares also trade on the Frankfurt Stock Exchange under "YS6N" and on the OTCQB Market under the trading symbol "GNPWF".

As a merchant bank and advisory services firm, GPC provides financial capital and capital markets advisory services. The Company offers a variety of financing options including mezzanine debt, bridge loans, convertible debentures and straight loans as well as equity financing. GPC's goal when investing is to, as best as possible, ensure the preservation of capital and structure upside for our stakeholders through participation opportunities such as royalties, equity or options. GPC's main focus with advisory services is to assist companies that are interested in going public, however, GPC is also involved with capital markets advisory services and advising on mergers and acquisitions.

The Company's corporate office and principal place of business is 8 King Street East, Toronto, Ontario, Canada, M5C 1B5.

The unaudited condensed interim consolidated financial statements of the Company for the three months ended March 31, 2019 and 2018 were authorized for issuance in accordance with a resolution of the board of directors on May 30, 2019.

During the three months ended March 31, 2019, GPC incorporated one new wholly-owned subsidiaries, MethodeVerte Inc.

2. BASIS OF PRESENTATION

(a) Basis of consolidation

These unaudited condensed interim consolidated financial statements include the accounts of the Company and its controlled subsidiaries. Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date control is transferred to the Company and are de-consolidated from the date control ceases. The unaudited condensed interim consolidated financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiaries after eliminating inter-entity balances and transactions.

(Expressed in Canadian Dollars)

2. BASIS OF PRESENTATION - continued

(a) Basis of consolidation (continued)

The following companies have been consolidated within the unaudited condensed interim consolidated financial statements:

Company	Registered	Principle activity
Gunpowder Capital Corp.	Canada	Parent company
GP Realty Inc. (1)	Canada	Holding company
57 Wellington St. Inc.(2)	Canada	Real estate rental company
63 Wellington Street Inc. (2)	Canada	Real estate rental company
1209 Hickory Road Inc. (2)	Canada	Real estate rental company
559 Assumption Road Inc. (2)	Canada	Real estate rental company
934 Maisonville Road Inc. (2)	Canada	Real estate rental company
1571 Hickory Road Inc. (2)	Canada	Real estate rental company
935 Albert Street Inc. (2)	Canada	Real estate rental company
663 Marentette Ave. Inc. (2)	Canada	Real estate rental company
491 Louis Ave. Inc. (2)	Canada	Real estate rental company
1 Balfour Place Inc. (2)	Canada	Real estate rental company
53 McClary Ave. Inc. (2)	Canada	Real estate rental company
1021 Henry Ford Centre Inc. (2)	Canada	Real estate rental company
Alpha Invoice Inc. (2)	Canada	Payment processing company
MethodeVerte Inc. (1)	Canada	Holding company
GP Financial Services Corp.(1)	Canada	Payment processing company
GP Self Storage Inc.(1)	Canada	Storage facility rental company

(1) 100% owned by the parent company

(2) 100% owned by GP Realty Inc

(b) Statement of compliance to international financial reporting standards

The unaudited condensed interim consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") 34, Interim Financial Reporting ("IAS34") and apply the same accounting policies and application as disclosed in the annual consolidated financial statements for the year ended December 31, 2018 other than noted below. They do not include all of the information and disclosures required by IFRS for annual statements. In the opinion of management, all adjustments considered necessary for fair presentation have been included in these unaudited unaudited condensed interim consolidated financial statements. Operating results for the period ended March 31, 2019 are not necessarily indicative of the results that may be expected for the full year ended December 31, 2019. For further information, see the Company's audited consolidated financial statements including the notes thereto for the year ended December 31, 2018.

(c) Basis of measurement

These unaudited condensed interim consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments, which are measured at fair value as explained in these unaudited condensed interim consolidated financial statements. These unaudited condensed interim consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

2. BASIS OF PRESENTATION - continued

(d) Going concern of operations

The Company incurred a net loss of $223,722 during the three months ended March 31, 2019 (2018 - $184,590) and, as of that date the Company's deficit was $12,426,140 (December 31, 2018 - $12,101,105).

These unaudited condensed interim consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern. 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 be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying unaudited condensed interim consolidated financial statements. Such adjustments could be material. The Company may periodically have to raise funds to continue operations and, although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future.

e) Significant accounting estimates and judgments

The preparation of these unaudited condensed interim consolidated financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities at the date of the unaudited condensed interim consolidated financial statements and reported amounts of revenue and expenses during the reporting period. Actual outcomes could differ from these estimates. The unaudited condensed interim consolidated financial statements include estimates, which, by their nature, are uncertain. The impact of such estimates are pervasive throughout the unaudited condensed interim consolidated financial statements, and may require accounting adjustments based on future occurrences.

The estimates and underlying assumptions are reviewed on a regular basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. The areas involving a higher degree of judgment or complexity, or areas where the assumptions and estimates are significant to the financial statements were the same as those applied to the Company's audited consolidated financial statements for the year ended December 31, 2018.

3. CHANGES IN ACCOUNTING POILICES AND PRONOUNCEMENTS

(a) Changes in accounting policies

The Company has adopted the following new standards, along with any consequential amendments, effective January 1, 2019. These changes were made in accordance with the applicable transitional provisions.

IAS 23 – Borrowing Costs ("IAS 23") was amended in April 2018 to clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalization rate on general borrowings.

(Expressed in Canadian Dollars)

3. CHANGES IN ACCOUNTING POILICES AND PRONOUNCEMENTS – Continued

(a) Changes in accounting policies - continued

IFRS 16 – Leases ("IFRS 16") was issued in January 2016 and replaces IAS 17 – Leases as well as some lease related interpretations. With certain exceptions for leases under twelve months in length or for assets of low value, IFRS 16 states that upon lease commencement a lessee recognises a right-of-use asset and a lease liability. The right-of-use asset is initially measured at the amount of the liability plus any initial direct costs. After lease commencement, the lessee shall measure the right-of-use asset at cost less accumulated depreciation and accumulated impairment. A lessee shall either apply IFRS 16 with full retrospective effect or alternatively not restate comparative information but recognise the cumulative effect of initially applying

IFRS 16 as an adjustment to opening equity at the date of initial application. IFRS 16 requires that lessors classify each lease as an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise it is an operating lease.

(b) Standards, amendments and interpretations not yet effective

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2019. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IAS 1 – Presentation of Financial Statements ("IAS 1") and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8") were amended in October 2018 to refine the definition of materiality and clarify its characteristics. The revised definition focuses on the idea that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments are effective for annual reporting periods beginning on or after January 1, 2020. Earlier adoption is permitted.

IFRS 10 – Condensed interim consolidated financial statements ("IFRS 10") and IAS 28 – Investments in Associates and Joint Ventures ("IAS 28") were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined, however early adoption is permitted.

4. ACCOUNTS AND OTHER RECEIVABLES

		March 31, 2019		December 31, 2018
Trade receivables (Note 6(i))	$	**86,902**	$	68,193
HST receivables (i)		**31,159**		29,197
Other receivables		**71,554**		75,595
Allowance for doubtful accounts		**(3,191)**		(3,191)
Total accounts and other receivables	$	**186,424**	$	169,794

(i) Only HST input tax credits which are deemed refundable are recorded as HST receivables. When it is reasonably estimable that a portion of the input tax credits is not eligible for refund, the amount is recorded as an expense. For the three months ended March 31, 2019, $10,897 was recorded as a non-recoverable input tax credits expense in the unaudited condensed interim consolidated statements of loss and comprehensive loss (2018 - $6,144).

(Expressed in Canadian Dollars)

4. ACCOUNTS AND OTHER RECEIVABLES - Continued

Aging analysis of trade receivables:		March 31, 2019		December 31, 2018
1-30 days	**$**	**25,807**	$	8,212
31 - 60 days		**16,166**		7,487
61 - 90 days		**5,534**		4,385
Greater than 90 days		**39,395**		48,109
	$	**86,902**	$	68,193

5. NOTES RECEIVABLE

		March 31, 2019		December 31, 2018
Franchise Holdings International Inc. (i)	**$**	**-**	$	228,526
Loan portfolio (ii)		**230,440**		236,070
1123568 BC Ltd. (iii)		**-**		-
Advantagewon Oil Corporation (iv)		**-**		-
Other (v)		**136,480**		114,051
	$	**366,920**	$	578,647
Less: provision for notes receivable		**-**		(334,876)
Total notes receivable	**$**	**366,920**	$	243,771
Classification:				
Short-term notes receivable	**$**	**53,520**	$	7,492
Long-term notes receivable		**313,400**		236,279
	$	**366,920**	$	243,771

(i) On July 23, 2016, the Company was engaged by Franchise Holdings International Inc. ("FHI") to assist with the listing of FHI shares on the Canadian Securities Exchange. The Company has one common officer with FHI. Upon successful completion FHI will issue 6 million common shares to the Company. As part of the relationship with FHI, the Company has agreed to loan up to $300,000 to FHI at an interest rate of 18% per annum. At March 31, 2019, the balance outstanding on this loan was $nil (December 31, 2018 - $141,293).

On July 26, 2016, the Company issued a secured promissory note to Truxmart Inc., a subsidiary of FHI for an amount up to $59,000 with a maturity date of July 13, 2018. On October 1, 2016, the Company issued a secured promissory note to FHI for USD $22,500 ($33,383) with a maturity date of October 1, 2018. Both of these notes bear interest at a rate of 18% per annum. At March 31, 2019, the balance outstanding on these notes was $nil (December 31, 2018 - $87,232) plus accrued interest of $nil.

An impairment loss of $nil was recorded on this loan on the unaudited condensed interim consolidated statement of loss for the three months ended March 31, 2019 (Year ended December 31, 2018 - $228,525) based on the present value of the estimated future cash flows from the loan.

These loans above are secured by a general security agreement over FHI as well as a charge on the assets of the business.

5. NOTES RECEIVABLE - continued

(ii) On November 23, 2016, the Company entered into two purchase and sale agreements with companies to acquire loan portfolios. The portfolios included four loans with interest rates ranging from 12% to 24%. Included in these loan portfolios is a $90,000 loan to Advantagewon Oil Corporation ("AOC"), a company with two directors in common with the Company. The maturity date of the loans in these loan portfolios range from August 1, 2017 to March 31, 2037. The carrying value of the loans on November 23, 2016 was $743,432. The Company issued 69,200 "Class – A" preferred shares with an estimated fair value of $10 per share for total consideration of $692,000 for the portfolio. The difference between the consideration given and the face value of the loans is related to one specific loan and has been recorded as a reduction to the fair value of the loan. This amount will be accreted to profit (loss) until April 10, 2018 when the loan matures. Accretion of $nil was recorded for the three months ended March 31, 2019 (2018 - $4,237) in the unaudited condensed interim consolidated statements of loss and comprehensive loss.

During the three months ended March 31, 2019, $544 (2018 - $207,065) was repaid to the Company in relation to these loans.

On January 16, 2017, the Company entered into a purchase and sale agreement to acquire a loan portfolio. This portfolio included two loans with rates ranging from 10% to 12%. The maturity date of the loans in this loan portfolio ranged from March 31, 2018 to March 31, 2037. The carrying value of the loans on January 16, 2017 was $238,000. The Company issued 23,800 "Class – A" preferred shares with an estimated fair value of $10 per share for total consideration of $238,000 for the portfolio. During the year ended December 31, 2017, one of the loans in the portfolio was fully repaid.

At March 31, 2019, the balance outstanding on the above loan portfolios was $230,440 (December 31, 2018 - $236,070).

(iii) On October 5, 2017, the Company entered into a loan agreement with an unrelated party where the Company loaned a total of $181,000. The loan bears interest at a rate of 24% per annum has a maturity date of October 1, 2018. The loan is secured first by a second mortgage charge on the building owned by the borrower, a general security agreement and a charge against the assets of the borrower. The Company also received 116,667 common shares of the borrower. These common shares had an estimated fair value of $nil on the day of receipt and as at December 31, 2017. During the year ended December 31, 2018, this loan was fully repaid via the conversion to shares and warrants of Harbour Star Capital Inc. (TSXV:EAST). The Company received 658,182 common shares and 329,091 warrants of Harbour Star Capital Inc. in relation to this conversion.

(iv) On November 24, 2017, the Company entered into a loan agreement with AOC where the Company loaned AOC a total of USD $200,500 ($256,961). The loan bears interest at a rate of 1% per month and is to be repaid from the net proceeds of AOC's next fundraising. The loan is secured by a first charge and security interest in all of the present and after-acquired property of the borrower and a general security agreement provided by the borrower.

On May 25, 2018, the Company entered into a loan agreement amendment with AOC to combine the loans above and the $90,000 loan as described in Note 6(ii) together. The new combined loan is for $350,000 bearing an interest rate of 14% per annum. The loan is secured by a first charge and security interest in all of the present and after-acquired property of the borrower and a general security agreement provided by the borrower. In relation to this agreement, AOC issued 1,000,000 share purchase warrants to the Company. Each warrant will allow the Company to purchase one common share of AOC for $0.10 for one year. These warrants were valued with the Black-Scholes method and had an estimated fair value of $50,412 on the date of receipt. The value of these warrants has been recorded in the unaudited condensed interim consolidated statements of loss as advisory revenue.

5. NOTES RECEIVABLE - continued

On November 24, 2017, the Company entered into a loan agreement with AOC where the Company loaned AOC a total of USD $200,500 ($256,961). The loan bears interest at a rate of 1% per month and is to be repaid from the net proceeds of AOC's next fundraising. The loan is secured by a first charge and security interest in all of the present and after-acquired property of the borrower and a general security agreement provided by the borrower.

On May 25, 2018, the Company entered into a loan agreement amendment with AOC to combine the loans above and the $90,000 loan as described in Note 6(ii) together. The new combined loan is for $350,000 bearing an interest rate of 14% per annum. The loan is secured by a first charge and security interest in all of the present and after-acquired property of the borrower and a general security agreement provided by the borrower. In relation to this agreement, AOC issued 1,000,000 share purchase warrants to the Company. Each warrant will allow the Company to purchase one common share of AOC for $0.10 for one year. These warrants were valued with the Black-Scholes method and had an estimated fair value of $50,412 on the date of receipt. The value of these warrants has been recorded in the unaudited condensed interim consolidated statements of loss as advisory revenue.

On June 15, 2018, the Company entered into a loan agreement with AOC for USD $45,000 ($60,179) and $27,600. The loan bears interest of 15% per annum and monthly principal repayments of $5,000 begin in September 2018. In relation to this loan, AOC issued 300,000 share purchase warrants to the Company. Each warrant will allow the Company to purchase one common share of AOC for $0.06 for one year. These warrants were valued with the Black-Scholes method and had an estimated fair value of $9,527 on the date of receipt. The value of these warrants has been recorded in the unaudited condensed interim consolidated statements of loss as advisory revenue.

During the year ended December 31, 2018, this loan with an outstanding balance of $436,426 plus accrued interest of $6,367 was fully repaid by AOC with 65,560 Class – A preferred shares of the Company owned by AOC. As these shares have a fair value of $655,600, the Company paid cash of $142,208 to AOC and recorded a gain of $70,600 in relation to the settlement of the loan.

(v) On May 22, 2017, the Company loaned $50,000 to 2230164 Ontario Inc. ("2230164"), a company with an officer in common with FHI. The loan bears interest at a rate of 18% and is secured by a general security agreement over 2230164 as well as a charge on the assets of the business. Subsequent to May 22, 2017, the Company loaned 2230164 a further $10,000 with the same terms as the original loan. At December 31, 2018, the outstanding balance of this loan was $36,267 (December 31, 2017 - $61,867). See Note 9(ii).

An impairment loss of $36,267 was recorded on this loan on the consolidated statement of loss for the year ended December 31, 2018 based on the present value of the estimated future cash flows from the loan.

5. NOTES RECEIVABLE – continued

On March 19, 2018, the Company loaned $50,000 Bitblox Technologies Inc. ("Bitblox"), a company with two common officers as the Company. The loan bears interest at a rate of 24% per annum and has a maturity date of three months subsequent to the issuance of the loan. On October 15, 2018, the Company loaned an amount up to $40,000 to Bitblox. The loan bears interest at a rate of 15% per annum and has a maturity date of January 15, 2020. At December 31, 2018, the outstanding balance of this loan was $62,784 plus accrued interest of $7,300 (December 31, 2017 - $nil).

An impairment loss of $70,084 was recorded on this loan on the consolidated statement of loss for the year ended December 31, 2018 based on the present value of the estimated future cash flows from the loan.

At March 31, 2019, the outstanding balance of this loan was $7,290 (December 31, 2018 - $nil). The amount is in good standing.

On August 29, 2018, the Company loaned $7,700 to Meryllion Resources Corporation ("Meryllion"). At March 31, 2019, the outstanding balance of this loan was $4,190 (December 31, 2018 - $7,700).

On March 9, 2019, the Company loaned $100,000 to an unrelated party. The loan bears an interest rate of 12% per annum and has a maturity date of December 1, 2022. As a March 31, 2019, the outstanding balance of this loan was $100,000 (December 31, 2018 - $nil).

On March 13, 2019, the Company loaned $25,000 to an unrelated party. The loan bears an interest rate of 15% per annum and has a maturity date of September 10, 2020. As a March 31, 2019, the outstanding balance of this loan was $25,000 (December 31, 2018 - $nil).

6. US REAL ESTATE PARTICIPATION LOANS

During the year ended December 31, 2017, the Company invested in three rehabilitation properties in the United States for USD$52,698 ($66,782), USD$90,725 ($115,104) and USD$157,421 ($197,324). The Company invested in a further two rehabilitation properties in the United States for USD$289,204 ($374,936) and USD$125,655 ($164,971) in the year ended December 31, 2018. The Company has provided financing for the purchase of the properties and will be repaid upon the sale of the properties as well as receive a share of the gross profits from the sale.

One of the properties was sold during the year ended December 31, 2017. Three of the properties were sold during the year ended December 31, 2018 for a gain of USD$21,739 ($27,576) recorded in the consolidated statements of loss. The remaining property was sold in the three months ended March 31, 2019 for a gain of USD$14,120 ($18,740) recorded in the unaudited condensed interim consolidated statements of loss.

(Expressed in Canadian Dollars)

7. EQUIPMENT

	Equipment	Computers	Total
Cost as at December 31, 2018	$ 57,785	$ 10,908	$ 68,693
Additions	760	-	760
Cost as at March 31, 2019	**58,545**	**10,908**	**69,453**
Accumulated depreciation as at December 31, 2018	(31,342)	(9,904)	(41,246)
Charge for the period	(1,397)	(138)	(1,535)
Accumulated depreciation as at March 31, 2019	**(32,739)**	**(10,042)**	**(42,781)**
Net book value as at December 31, 2018	26,443	1,004	27,447
Net book value as at March 31, 2019	**$ 25,806**	**$ 866**	**$ 26,672**

8. BUILDINGS AND IMPROVEMENTS

	57 Wellington	63 Wellington	1209 Hickory	559 Assumption	1571 Hickory	935 Albert	663 Marenette	491 Louis	1 Balfour	53 McClary	1021 Henry Ford	Madoc Self Storage	Total
Cost as at December 31, 2018	$ 482,024	$ 826,478	$ 144,958	$ 157,660	$ 218,452	$ 160,565	$ 312,126	$ 404,710	$ 664,350	$ 758,994	$ 293,154	$ 308,071	$4,731,542
Additions	-	14,292	-	-	-	-	-	-	10,095	(950)	-	-	23,437
Cost as at March 31, 2019	**482,024**	**840,770**	**144,958**	**157,660**	**218,452**	**160,565**	**312,126**	**404,710**	**674,445**	**758,044**	**293,154**	**308,071**	**4,754,979**
Accumulated depreciation as at December 31, 2018	(29,709)	(38,232)	(5,809)	(5,919)	(7,656)	(5,406)	(9,654)	(10,644)	(15,843)	(17,723)	(5,482)	(17,219)	(169,296)
Charge for the period	(3,152)	(5,397)	(906)	(985)	(1,534)	(1,038)	(1,951)	(2,541)	(4,039)	(5,045)	(1,832)	(1,925)	(30,346)
Acc. depreciation as at March 31, 2019	**(32,861)**	**(43,629)**	**(6,715)**	**(6,904)**	**(9,190)**	**(6,444)**	**(11,605)**	**(13,185)**	**(19,882)**	**(22,768)**	**(7,314)**	**(19,144)**	**(199,642)**
Net book value as at December 31, 2018	$ 452,315	$ 788,246	$ 139,149	$ 151,741	$ 210,796	$ 155,159	$ 302,472	$ 394,066	$ 648,507	$ 741,271	$ 287,672	$ 290,852	$4,562,247
Net book value as at March 31, 2019	**$ 449,163**	**$ 797,141**	**$ 138,243**	**$ 150,756**	**$ 209,262**	**$ 154,121**	**$ 300,521**	**$ 391,525**	**$ 654,563**	**$ 735,276**	**$ 285,840**	**$ 288,927**	**$4,555,337**

During the year ended December 31, 2018, the Company formed 1 Balfour Place Inc., 53 McClary Ave. Inc. and 1021 Henry Ford Centre Inc. and completed the purchase of its third and fourth residential rental properties in London, Ontario and its ninth residential rental property located in Windsor, Ontario.

Deposits on additional properties not yet acquired are included in long-term prepaids. As at December 31, 2018, these deposits amounted to $nil (2017 - $88,425).

Subsequent to March 31, 2019, 663 Marentette and 491 Louis were disposed of to unrelated parties.

(Expressed in Canadian Dollars)

9. LONG-TERM INVESTMENTS

	March 31, 2019		December 31, 2018	
	# of shares	Estimated fair market value	# of shares	Estimated fair market value
Cannabis Royalties & Holdings Corp. (i)	-	-	-	-
Franchise Holdings International Inc. (ii)	1,627,287	348,596	1,627,287	55,450
Payfare Inc. (iii)	333,334	50,000	333,334	50,000
Advantagewon Oil Corp. (iv)	132,548	108,008	132,548	16,152
Cheetah Canyon Resources Corp. (v)	1,698,850	101,931	1,698,850	101,932
Meryllion Resources Corporation (vi)	2,000,000	97,313	2,000,000	30,000
Bitblox Technologies Inc. (vii)	1,900,000	-	1,900,000	-
Chess Supersite Corp (viii)	300,000	-	300,000	-
Eastwest Bioscience Inc. (ix)	774,849	81,359	774,849	131,498
Astro Airspace Ltd (x)	500,000	320,328	500,000	299,862
Eighteen Fifty Inc. (xi)	1,530,000	200,000	-	-
Hemp Inc. (xii)	24,000,000	750,000	-	-
Total long-term investments		$ 2,057,535		$ 684,894

(i) On July 26, 2015, the Company had an agreement with Rock Vapor Technologies Inc. (“RVT”) to purchase 80,000 shares of RVT at a cost of USD$1.25 per share for a total purchase price of USD$100,000 ($138,000). These shares were sold by RVT in pursuant to the terms of Regulation S of the Securities Act of 1933, as amended. The shares will be restricted indefinitely until Rock Vapor Technologies Inc. takes the necessary steps to become a publicly traded entity, at which time the restrictions may only be lifted pursuant to an effective registration statement or exemption statement or an exemption to the registration requirements. While restricted, the shares may not be traded in the United States or in Canada.

During the year ended December 31, 2016, RVT entered into an agreement with Cannabis Royalties & Holdings Corp. (“CRHC”) (CSE:CRZ) to sell certain assets of RVT to CRHC for 375,000 common shares of CRHC. As a result of this agreement, the Company’s RVT shares were swapped for 28,850 common shares of CRHC.

During the three months ended March 31, 2018, all of the Company’s common shares of CRHC were sold for $131,642 and an unrealized loss of $30,390 previously recognized was reversed and a realized loss of $6,358 was recorded in the unaudited condensed interim consolidated statements of loss.

(ii) On September 16, 2016, the Company acquired 50,000 common shares of FHI as part of a capital market consulting agreement with FHI for $nil cost to the Company. The Company has one common officer with FHI. These shares had an estimated fair value of USD$7,500 ($9,675) on the date of acquisition based on the quoted market share price of FHI on the date of acquisition.

In relation to the note receivable described in Note 5(i), FHI issued 1,577,287 shares of FHI to the Company at a subscription price of USD$0.001 ($0.00134) as payable for consulting services provided. The fair market value of these shares was estimated at USD$47,319 ($63,735) on the date of acquisition based on the quoted market share price of FHI on the date of acquisition and $61,611 was recorded as consulting income for the year ended December 31, 2017.

During the three months ended March 31, 2019, the Company subscribed to 4,800,000 subscription receipts of FHI for $240,000.

During the three months ended March 31, 2019, FHI completed a reverse 6:1 stock split. As such, the Company owned 271,215 shares of FHI and 800,000 subscription receipts of FHI.

9. LONG-TERM INVESTMENTS – continued

As at March 31, 2019, FHI's quoted share price was USD $0.30 ($0.40). As a result, an unrealized gain of $53,146 was recorded for three months ended March 31, 2019 (2018 – unrealized loss of $1,838).

(iii) On August 30, 2016, the Company acquired 333,334 common shares of Payfare Inc. for $50,000, a private company in the business of payment processing. The Company does not believe the fair value of the investment has materially changed. The Company and Payfare have a director in common.

(iv) On October 20, 2016, the Company acquired 1,666,667 common shares of Advantagewon Oil Corporation ("AOC") for consideration of 2,500,000 common shares of the Company. The estimated fair value of the investment on the date of purchase was $112,500 based the closing quoted market share price of the Company's common shares on the day before the transaction. As at December 31, 2016, AOC's shares were valued at $150,000 based on the share price from a private placement occurring near December 31, 2016. AOC has two directors in common with the Company. AOC completed its process of going public on July 14, 2017 and on that date, 1,534,119 of these shares were distributed to shareholders of the Company as a dividend valued at $199,435 based on the quoted market price of the AOC shares on the day the shares were distributed.

As part of the service agreement between AOC and the Company, AOC issued 3,000,000 common shares to the Company upon completion of its going public process. The fair market value of these shares was estimated at $420,000 on the date of acquisition based on the quoted market share price of AOC on the date of acquisition and $420,000 was recorded as consulting income for the year ended December 31, 2017. During the year ended December 31, 2017, the Company entered into an agreement to dispose of 3,000,000 to a holder of the Company's Preferred "Class – A" shares in exchange for 45,000 "Class – A" shares. As a result, a realized gain of $30,000 was recorded for the year ended December 31, 2017.

In relation to a loan agreements as described in Note 5(iv), the Company received 1,300,000 share purchase warrants of AOC. These warrants were valued with the Black-Scholes method and had a fair value of $59,939 on the date of receipt. As at March 31, 2019, these warrants had a fair value of $15,417 (December 31, 2018 - $12,838). As a result, an unrealized gain of $2,578 was recorded for the three months ended March 31, 2019 (2018 - $47,101).

During the three months ended March 31, 2019 the Company subscribed for 2,071,428 units of AOC for $72,500. Each unit consists of one common share and one share purchase warrant which entitles the holder to purchase one common share of AOC for $0.06 for two years after closing. These warrants were valued with the Black-Scholes method and had a fair value of $20,997 on the date of receipt. As at March 31, 2019, these warrants had a fair value of $26,473 (December 31, 2018 - $nil). As a result, an unrealized gain of $5,476 was recorded for the three months ended March 31, 2019 (2018 - $nil).

As at March 31, 2019, AOC's quoted share price was $0.03. As such, an unrealized gain of $11,303 was recorded for the three months ended March 31, 2019 (2018 - unrealized loss of $3,579).

(v) On June 13, 2017, Cheetah Canyon Resources Corp. (formerly "Cardiff Energy Corp.") ("Cardiff", "Cheetah") (TSXV:CHTA) issued 1,000,000 common shares of Cardiff with a fair value of $80,000 based on their quoted market price on the date of issuance to the Company as part of a loan repayment. On July 12, 2017, a further 698,850 shares of Cheetah were issued to the Company with a fair value of $69,885 based on their quoted market price on the day of issuance to fully repay the loan. The loan bore an interest rate of 24% per annum and was made on February 16, 2016. As at March 31, 2019, Cheetah's quoted share price was $0.06. As a result, an unrealized gain of $nil was recorded for the three months ended March 31, 2019 (2018 – unrealized gain of $8,494).

9. LONG-TERM INVESTMENTS – continued

(vi) On August 1, 2017, the Company subscribed for 2,000,000 units of Meryllion Resources Corporation ("Meryllion") (CSE: MYR) at $0.025 per unit. Each unit is comprised of one common share of Meryllion and one half common share purchase warrant. Each whole warrant entitles the Company to acquire one common share of Meryllion for $0.05 for a period of 18 months from the date of acquisition.

On January 24, 2019, Meryllion issued 4,487,500 common shares with a value of $89,750 based on the quoted market share price of Meryllion on the day of issuance to the Company to settle debt of $89,750.

As at March 31, 2019, Meryllion's quoted share price was $0.015 and the warrants were valued at $nil using the Black-Scholes valuation method. As a result, an unrealized loss of $22,438 was recorded for the three months ended March 31, 2019 (2018 – unrealized loss of $37,556).

(vii) On December 13 and 20, 2017, the Company subscribed for 400,000 token units and 500,000 digital tokens units of Bitblox Technologies Inc. ("Bitblox") at $0.05 per token unit and at $0.0001 per token, respectively. On January 29, 2018, the Company subscribed for 1,000,000 token units of Bitblox at $0.10 per token unit. Each token unit is comprised of one digital token and one warrant that is exercisable into one common share of Bitblox for no additional consideration immediately prior to certain events. Each digital token may entitle the Company to receive a proportionate share of Bitblox's quarterly profit share to be determined by Bitblox's board of directors.

An impairment loss of $145,000 was recorded on this investment on the consolidated statement of loss for the year ended December 31, 2018 based on the present value of the estimated future cash flows from the investment.

(viii) On February 6, 2018, the Company received 300,000 common shares of Chess Supersite Corp. ("Chess") as payment for outstanding accounts receivable of $33,900. The fair market value of these shares was estimated at USD $3,690 ($4,648) on the date of acquisition based on the quoted market share price of Chess on the date of acquisition and $29,252 was recorded as a bad debt expense in the year ended December 31, 2018. At December 31, 2018 and March 31, 2019, the quoted market price of Chess was USD $nil and as a result, an unrealized loss of $nil was recorded for the three months ended March 31, 2019 (2018 – unrealized gain of $10,468).

(ix) In relation to a loan agreement with an unrelated party as described in Note 5(iii), the Company received 116,667 common shares of Eastwest Bioscience Inc. (formerly Star Habour Capital Inc.) ("Eastwest"). The fair market value of these shares on the date of receipt was estimated at $nil. On October 5, 2018, the Company subscribed for 658,182 units of Eastwest for $181,000. As at March 31, 2019, the quoted market price of Eastwest was $0.105 and the warrants in the units were valued at $nil with the Black-Scholes method and as a result, an unrealized loss of $50,139 was recorded for the three months ended March 31, 2019 (2018 - $nil).

(x) As consideration for the convertible debenture described in Note 12, the Company received 500,000 shares of Astro Airspace Ltd. ("Astro") on August 6, 2018. The fair market value of these shares on the date of receipt was estimated at USD $950,000 ($1,235,637) based on the quoted market share price of Astro on the date of receipt. At March 31, 2019, the quoted market price of Astro was USD $0.48 ($0.65) and as a result, an unrealized gain of $20,466 was recorded for the three months ended March 31, 2019 (2018 - $nil).

(xi) On February 7, 2019, the Company acquired 1,530,000 shares of an unrelated company with the issuance of 20,000 "Class – A" preferred shares with a fair market value of $200,000. The Company does not believe the fair value of the investment has materially changed.

(Expressed in Canadian Dollars)

9. LONG-TERM INVESTMENTS – continued

(xii) On February 28, 2019, the Company acquired 24,000,000 shares of an unrelated company with the issuance of 15,000,000 "Class – A" preferred shares with a fair market value of $750,000. The Company does not believe the fair value of the investment has materially changed.

10. MORTGAGES PAYABLE

	Principal amount	Annual interest	Term of mortgage	Amortization life	Fair value at March 31, 2019	Fair value at December 31, 2018
57 Wellington Street, London, Ontario	$ 279,500	4.75%	36 months	300 months	**$ 262,813**	$ 264,467
63 Wellington Street, London, Ontario	543,750	4.20%	60 months	300 months	**516,825**	520,181
1209 Hickory Road, Windsor, Ontario	101,250	4.65%	60 months	300 months	**96,774**	97,365
559 Assumption Road, Windsor, Ontario	112,425	4.65%	60 months	300 months	**107,493**	108,136
1571 Hickory Road, Windsor, Ontario	149,925	4.20%	12 months	300 months	**143,305**	144,226
935 Albert Street, Windsor, Ontario	105,000	4.55%	60 months	240 months	**94,905**	95,361
663 Marentette Ave, Windsor, Ontario	210,000	4.55%	60 months	240 months	**196,203**	197,649
491 Louis Ave, Windsor, Ontario	316,000	3.85%*	60 months	300 months	**306,830**	308,641
1 Balfour Place, Windsor Ontario	393,919	3.63%	60 months	360 months	**358,719**	358,811
53 McClary Ave, Windsor, Ontario	514,650	3.63%	60 months	360 months	**474,238**	474,652
1021 Henry Ford Centre Drive, Windsor, Ontario	228,000	3.55%**	60 months	360 months	**224,093**	225,166
Madoc storage facility	146,250	4.63%	60 months	180 months	**128,966**	130,845
Total mortgages payable	$ 3,100,669				**$ 2,911,164**	$ 2,925,500

*Variable interest rate of prime rate minus 0.10%
**Variable interest rate of prime rate minus 0.40%

	2019	2018
Balance, beginning of year	**$ 2,925,500**	$ 1,916,621
Proceeds from mortgages payable	**-**	1,298,713
Repayments	**(18,897)**	(313,098)
Accretion of transactions costs	**4,561**	23,264
Balance, end of period	**$ 2,911,164**	$ 2,925,500
Classification:		
Short-term mortgages payable	**$ 696,877**	$ 473,307
Long-term mortgages payable	**2,214,287**	2,452,193
	$ 2,911,164	$ 2,925,500

Mortgages payable are secured by general security agreements constituting a first ranking security interest in all assets, a collateral mortgage in the amount of $3,100,669 over real property, and a first position security interest over accounts receivable.

Subsequent to March 31, 2019, the Company disposed of two properties and as a result, the mortgages for 663 Marentette Ave. and 491 Louis Ave. were fully repaid.

(Expressed in Canadian Dollars)

11. LOANS PAYABLE

		2019		2018
Balance, beginning of year	$	**176,148**	$	160,464
Proceeds from loans payable		**-**		238,230
Repayments		**(84,642)**		(215,749)
Foreign exchange loss		**(765)**		(6,797)
Balance, end of period	$	**90,741**	$	176,148
Classification:				
Short-term loans payable	$	**54,225**	$	138,281
Long-term loans payable		**36,516**		37,867
	$	**90,741**	$	176,148

Mortgages payable

On June 1, 2017, the Company borrowed $50,000 from an unrelated party. The secured promissory note bears interest of 8% per annum and has a maturity of May 31, 2022. The note is secured by a mortgage charge on the 1209 Hickory Road property. As at March 31, 2019, the carrying value of loan is $41,765 (December 31, 2018 - $43,012).

On July 10, 2017, the Company borrowed USD$100,000 ($124,654) from an unrelated party. The secured promissory note bears interest of 8% per annum and has a maturity of October 1, 2019. The note is secured by a first charge and security interest in all of the present and after-acquired property and assets of the Company pursuant to a general security agreement. As at March 31, 2019, the carrying value of this loan is USD$36,695 ($48,976) (December 31, 2018 - USD$47,740 ($65,070)).

On August 1, 2018, the Company entered into an agreement to repurchase 25,910 "Class – A" preferred shares of the Company from AOC for $238,230 to be paid in seven equal installments of $34,033. This loan is non-interest bearing. In relation to this transaction, the Company recognized a gain of $20,870 in the year ended December 31, 2018. As at March 31, 2019, the carrying value of this loan is $nil (December 31, 2018 - $68,066).

12. CONVERTIBLE DEBENTURE

On August 6, 2018, the Company closed a $750,000 financing of convertible debenture maturing on August 7, 2020. The debenture bears interest at 10% per annum. Each debenture is convertible at the holder's option into one common share at any time prior to maturity at a conversion price of $0.10 per common share.

The debentures were recorded in the consolidated statement of financial position at the net present value of future payments. After discounting the liability to its estimated fair value using the calculated discount rate, the liability and equity portions of the convertible debenture were $750,000 and $485,641 respectively. There were no transaction costs to offset against the carrying value of the convertible debentures.

During the year ended December 31, 2018, the whole debenture was converted into 15,000,000 common shares of the Company at a conversion price of $0.05.

(Expressed in Canadian Dollars)

13. SHAREHOLDERS' EQUITY

a) Preferred shares and common shares

As at March 31, 2019, the Company's authorized share capital consisted of an unlimited number of voting common shares and 2,740,925 non-voting, cumulative, "Class – A" preferred shares "Class – B" preferred shares that are redeemable at the option of the Company at fair value.

Preferred shares

Class-A	**# of shares**		**Value of shares**
Balance, December 31, 2018	447,110	$	4,150,785
"Class - A" shares issued (Note 9(xi))	20,000		200,000
Balance, March 31, 2019	**467,110**	**$**	**4,350,785**

Class-A	**# of shares**		**Value of shares**
Balance, December 31, 2017 and March 31, 2018	**532,830**	**$**	**5,012,585**

Class-B	**# of shares**		**Value of shares**
Balance, December 31, 2017 and 2018 and March 31, 2019	**33,550**	**$**	**278,860**

13. SHAREHOLDERS' EQUITY - continued

a) Preferred shares and common shares – continued

Common shares

	# of shares		**Value of shares**
Balance, December 31, 2018	65,911,750		8,580,822
Common shares issued (i)	26,400,000		1,319,856
Value of warrants granted (i)	-		(122,105)
Common shares issued in settlement of debt (i)	600,000		45,000
Cost of issue (i)	-		(30,348)
Balance, March 31, 2019	**92,911,750**	**$**	**9,793,225**

	# of shares	**Value of shares**
Balance, December 31, 2017 and March 31, 2018	**30,910,256**	**6,703,871**

(i) During the year ended December 31, 2018, the Company entered into an agreement where 2,500,000 units of the Company would be issued to a third party as part of its business development process. These units were issued in the three months ended March 31, 2019. Each unit is comprised of one common share of the Company plus one common share warrant. Each warrant entitles the holder to acquire one common share of the Company for $0.12 for a period of 12 months from the closing date. The fair value of the 2,500,000 warrants was estimated as $14,310 using the Black-Scholes option pricing model with the following assumptions: 100% expected volatility; a risk-free interest rate of 1.86%; an expected dividend yield of Nil%; and 12 months expected term.

(Expressed in Canadian Dollars)

13. SHAREHOLDERS' EQUITY - continued

a) Preferred shares and common shares – continued

Common shares

During the three months ended March 31, 2019, the Company closed a non-brokered private placement raising gross proceeds of $445,000 through the issuance of 8,900,000 units at $0.05 per unit. Each unit is comprised of one common share of the Company plus one common share warrant. Each warrant entitles the holder to acquire one common share of the Corporation for $0.075 for a period of 24 months from the closing date. The fair value of the 8,900,000 warrants was estimated as $98,093 using the Black-Scholes option pricing model with the following assumptions: 92% expected volatility; a risk-free interest rate of 1.74%; an expected dividend yield of Nil%; and 24 months expected term.

A total of $30,348 of share issue costs were incurred in relation to the common shares issued above.

See Note 9(xii).

In addition, The Company issued an aggregate of 600,000 common shares with an estimated fair value of $45,000 to settle debts owed to a consultant of the Company.

b) Warrants

	# of warrants	Fair value of warrants	Weighted average exercise price
Balance, December 31, 2018	**35,045,965**	**$ 893,653**	**$ 0.101**
Granted (Note 13(a)(i))	11,400,000	112,403	0.080
Expired	(204,500)	(12,046)	(0.15)
Balance, March 31, 2019	**46,241,465**	**$ 994,010**	**$ 0.172**

	# of warrants	Fair value of warrants	Weighted average exercise price
Balance, December 31, 2017 and March 31, 2018	**6,561,137**	**$ 356,535**	**$ 0.146**

The following warrants were in existence as at March 31, 2019:

# of warrants	Fair value of warrants	Weighted average exercise price	Expiry Date
192,500	11,338	0.15	April 19, 2019*
1,537,500	90,559	0.15	April 29, 2019*
1,193,490	70,298	0.15	May 16, 2019
50,000	2,945	0.15	May 24, 2019
382,147	52,252	0.25	December 21, 2019
3,001,000	117,097	0.15	May 17, 2020
10,000,000	252,000	0.12	April 18, 2020
2,500,000	14,310	0.12	January 2, 2020
3,084,828	43,845	0.075	October 17, 2020
15,400,000	241,273	0.075	December 19, 2020
8,900,000	98,093	0.075	March 4, 2021
46,241,465	$ 994,010		

*Subsequent to March 31, 2019, 1,730,000 warrants expired unexercised.

(Expressed in Canadian Dollars)

13. SHAREHOLDERS' EQUITY - continued

c) Contributed surplus

Balance, December 31, 2017, March 31, 2018 and December 31, 2018	**$**	**1,570,047**
Expiry of warrants		12,046
Balance, March 31, 2019	**$**	**1,582,093**

Stock options

	# of options		Fair value of options		Weighted average exercise price
Balance, December 31, 2017 and 2018 and March 31, 2019	**2,250,000**	**$**	**227,600**	**$**	**0.115**

As at March 31, 2019, the Company's outstanding stock options are as follows:

# of options outstanding and exercisable		Estimated fair value at grant date	Exercise price	Expiry Date	Expected volatility	Expected life (years)	Expected dividend yield	Risk-free interest rate
200,000	$	14,100	0.10	July 11, 2021	161%	5	0%	0.53%
100,000		3,500	0.10	December 1, 2021	156%	5	0%	1.07%
1,550,000		179,000	0.12	May 5, 2026	143%	10	0%	0.98%
400,000		31,000	0.10	June 19, 2027	131%	10	0%	1.54%
2,250,000	$	227,600						

Employee share option plan

The shareholders of the Company approved the Company's existing stock option plan, the "Plan", to be administered by the directors of the Company. Under the Plan, the Company may grant to directors, officers, employees and consultants options to purchase shares of the Company. The Plan provides for the issuance of stock options to acquire up to 10% of the Company's issued and outstanding capital. The plan is a rolling plan as the number of shares reserved for issuance pursuant to the grant of stock options will increase as the Company's issued and outstanding share capital increases.

There were no stock options granted during the three months ended March 31, 2018 and 2017.

d) Dividends

On January 31, 2019, the Company declared and subsequently paid a dividend of $0.20 per "Class – A" preferred share and "Class – B" preferred share for a total of $101,313.

14. BASIC AND DILUTED LOSS PER SHARE

Shares issuable from options and warrants were excluded from the computation of diluted loss per share because their effect would be anti-dilutive for the three months ended March 31, 2019 and 2018.

(Expressed in Canadian Dollars)

15. RELATED PARTY TRANSACTIONS

JIT Financial Inc.

During the year ended December 31, 2017, the Company loaned $31,538 to JIT Financial Inc. ("JIT"), in which the Company acquired a 12.5% ownership stake. As result of this stake, the Company appointed one of its officers to the Board of Directors of JIT. JIT is in the cash clearing business. The loan bears interest at a rate of 10% per annum and the Company charges a royalty of $0.05 per transaction on certain transactions processed by JIT. The loan is repayable on a basis of $0.25 per transaction on certain transactions processed by JIT. The loan is secured by a first charge and security interest in all of the present and after-acquired personal property and assets of the borrower pursuant to a general security agreement.

During the year ended December 31, 2017, the Company loaned $1,000,000 to JIT, through a promissory note and a number of amendments of the promissory note. The loan bears interest at a rate of $0.30 per transaction on certain transactions processed by JIT. The loan is secured by a first charge and security interest in all of the present and after-acquired personal property and assets of the borrower pursuant to a general security agreement. During the year ended December 31, 2018, this loan was fully repaid to the Company.

On June 1, 2018, the Company disposed of its interest in JIT for $nil as part of exiting the cash clearing business. Operations related to JIT have been disclosed as discontinued operations in the Company's consolidated statement of loss.

Other related parties

During the three months ended March 31, 2019 and 2018, the Company entered into the following transactions in the ordinary course of business with related parties that are not subsidiaries of the Company.

	Revenue earned from services	
	Three months ended March 31,	
	2019	**2018**
Meryllion Resources Corporation	**$ 55,086**	$ 7,500
Bitblox Technologies Inc.	**17,000**	17,000

The Company had two common officers with Meryllion Resources Corporation and Bitblox Technologies Inc. Included in accounts receivable are $8,475 owing from Meryllion and $19,210 owing from Bitblox as at March 31, 2019 (December 31, 2018 - $28,278 and $nil). These amounts are unsecured, non-interest bearing with no fixed terms of repayment.

Compensation of key management personnel of the Company

The remuneration of directors and other members of key management personnel during the periods were as follows:

	Three months ended March 31,	
	2019	**2018**
Short-term benefits	**$ 52,800**	$ 93,300
Share-based payments	**-**	-

(Expressed in Canadian Dollars)

15. RELATED PARTY TRANSACTIONS - continued

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

As at March 31, 2019, the Company owed $5,374 (December 31, 2018 - $5,374) to an officer of the Company and $2,400 (December 31, 2018 - $nil) to directors of the Company. These amounts are unsecured, non-interest bearing with no fixed terms of repayment.

See Notes 5(i), 5(ii), 5(v), 9(ii), 9(iii), 9(iv), 9(vi) and 9(vii).

16. SEGMENTED INFORMATION

As at March 31, 2019, the Company has five reportable segments; corporate, merchant banking, real estate, consulting and advisory and payment processing. The merchant banking segment provides loans to third parties and earns interest income. The real estate segment acquires rental properties for capital appreciation and earns rental income. The consulting and advisory segment provides advisory services to third party corporations and earns service income. The corporate segment is responsible for the overall investments operations of the Company excluding investments in rental properties. The corporate segment also includes all overhead costs. The payment processing segment provided processing services to third parties and earns service fees and interest income. All of the Company's revenues are recognised at a point in time. During 2018, the Company discontinued its payment processing segment.

March 31, 2019	Corporate	Merchant banking	Real estate	Consulting and advisory	Payment processing	Total
Assets						
Canada	$ 340,073	$ 1,388,611	$ 4,555,337	$ -	$ -	$ 6,284,021
US	-	668,924	-	-	-	668,924
Non-current assets	$ 340,073	$ 2,057,535	$ 4,555,337	$ -	$ -	$ 6,952,945

December 31, 2018	Corporate	Merchant banking	Real estate	Consulting and advisory	Payment processing	Total
Assets						
Canada	$ 695,911	$ -	$ 4,562,247	$ -	$ 16,430	$ 5,274,588
US	-	236,279	-	-	-	236,279
Non-current assets	$ 695,911	$ 236,279	$ 4,562,247	$ -	$ 16,430	$ 5,510,867

	Three months ended March 31,	
Revenues	2019	2018
Corporate	$ -	$ -
Merchant banking	29,365	112,471
Payment processing	25,553	87,583
Real estate	107,170	81,236
Consulting and advisory	92,136	21,045
	$ 254,224	$ 302,335

(Expressed in Canadian Dollars)

17. CAPITAL MANAGEMENT

The Company considers its capital to be shareholders' equity, which is comprised of preferred shares, common shares, units to be issued, contributed surplus, warrants and deficit. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company's objective when managing capital are:

a) to allow the Company to respond to changes in economic and/or marketplace conditions by maintaining the Company's ability to purchase new investments;
b) to give shareholders sustained growth in value by increasing shareholders' equity; while
c) taking a conservative approach towards financial leverage and management of financial risks.

The Company's management reviews its capital structure on an on-going basis and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its underlying investments. The Company's current capital is composed of its shareholders' equity and, to-date, has adjusted or maintained its level of capital by:

a) raising capital through equity financings; and
b) realizing proceeds from the disposition of its investments

The Company raises capital, as necessary, to meet its needs and take advantage of perceived opportunities and, therefore, does not have a numeric target for its capital structure. Funds are primarily secured through equity capital raised by way of private placements. There can be no assurance that the Company will be able to continue raising equity capital in this manner.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company invests all capital that is surplus to its immediate operational needs in short term, liquid and highly rated financial instruments, such as cash, and short term guarantee deposits, all held with major Canadian financial institutions. The Company and its subsidiaries is not subject to externally imposed capital requirements. There were no significant changes in the Company's approach to capital management during the three months ended March 31, 2019 and 2018.

18. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial assets and financial liabilities as at March 31, 2019 and December 31, 2018 are as follows:

	Assets & liabilities at amortized cost	Assets & liabilities at fair value through profit and loss	Total
March 31, 2019			
Cash	$ 587,380	$ -	$ 587,380
Accounts and other receivables	155,265	-	155,265
Notes receivable	366,920	-	366,920
Long-term investments	-	2,057,535	2,057,535
Accounts payable and accrued liabilities	(299,379)	-	(299,379)
Loans payable	(90,741)	-	(90,741)
Mortgages payable	(2,911,164)	-	(2,911,164)

(Expressed in Canadian Dollars)

18. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT - continued

	Assets & liabilities at amortized cost	Assets & liabilities at fair value through profit and loss	Total
December 31, 2018			
Cash	$ 981,354	$ -	$ 981,354
Accounts and other receivables	140,597	-	140,597
Notes receivable	243,771	-	243,771
Long-term investments	-	684,894	684,894
Accounts payable and accrued liabilities	(379,952)	-	(379,952)
Loans payable	(176,148)	-	(176,148)
Mortgages payable	(2,925,500)	-	(2,925,500)

The Company's has loans receivable outstanding and a significant portion of the Company's assets are currently comprised of financial instruments which can expose it to several risks, including market, liquidity, credit and currency risks. There have been no changes in the risks, objectives, policies and procedures during the three months ended March 31, 2019 and 2018. A discussion of the Company's use of financial instruments and their associated risks is provided below:

Market risk

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate because of changes in market prices. The Company is exposed to market risk in trading its investments and unfavourable market conditions could result in dispositions of investments at less than favorable prices. The Company mitigates this risk by attempting to have a portfolio which is not singularly exposed to any one issuer, with exception to the Company having three positions as at March 31, 2019 which made up of approximately 36%, 17% and 16% (December 31, 2018 – one position, 44%) of the total equity portfolio. (See Note 9).

For the three months ended March 31, 2019, a 10% decrease in the closing price of this concentrated position would result in an estimated increase in net loss of $142,000 (2018 - $35,000).

For the three months ended March 31, 2019, a 10% decrease (increase) in the closing prices of its other portfolio investments would result in an estimated increase (decrease) in net loss of $64,000 (2018 - $9,800).

Liquidity Risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure and financial leverage. As at March 31, 2019, the Company's current liabilities totaled $1,050,481(December 31, 2018 - $991,540) and cash totaled $587,380 (December 31, 2018 - $981,354). The Company generates cash flow from advisory fees, loan interest, rental income and payment processing services. The payment processing segment was discontinued in 2018.

The Company manages liquidity risk by reviewing the amount of cash available, to ensure that it can meet its current obligations. There is no guarantee that the Company will be able to continue to meet its current obligations. See Note 2.

18. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT - Continued

	Carrying amount	Contractual cash flows	Year 1	Year 2-3	Year 4-5	Greater than 5 years
Accounts payable and accrued liabilities	$ 299,379	$ 299,379	$ 299,379	$ -	$ -	$ -
Mortgages payable	2,911,164	4,655,546	683,844	321,649	321,649	2,832,265
Loans payable	90,741	188,986	59,407	16,800	16,800	8,358
Total	$ 3,301,284	$ 5,143,911	$ 1,042,630	$ 338,449	$ 338,449	$ 2,840,623

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's accounts and other receivables and notes receivable.

The Company monitors the credit risk and credit standing of its customers on a regular basis. See Note 4 for an aging analysis of other receivables.

Security was obtained against specific assets of the counterparty, in case of non-performance on the notes receivable. The total carrying value of these financial instruments at March 31, 2019 was $366,919 (December 31, 2018 - $243,771). One lendee make up 63% of the Company's notes receivable balance, at March 31, 2019 (December 31, 2018 – one lendee, 97%). Management considered the potential impairment of loans and receivables and recorded an impairment for the three months ended March 31, 2019 and 2018.

The Company's advisory services revenues are primarily derived from a small number of customers within Canada. The Company had two customers who represented 60% and 18% of advisory services revenues in the three months ended March 31, 2019 (2018 advisory fees revenue – no significant customers). There can be no assurance that all or any of the Company's customers will continue to engage in the Company's services. The loss of any such customer may have a materially negative impact on the Company business conditions and financial results.

Currency Risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company operates in Canada and a portion of its loans receivable and investments are in United States dollars. A significant change in the currency exchange rates between the United States dollar relative to the Canadian dollar could have an effect on the Company's results of operations, financial position or cash flows. The Company has not hedged its exposure to currency fluctuations.

Fair value of financial instruments

The Company has determined the carrying values of its financial instruments as follows:

i. The carrying values of cash, accounts and other receivables, and accounts payable and accrued liabilities approximate their fair values due to the short-term nature of these instruments.
ii. Notes receivable, long-term notes receivable, US real estate participation loans and long-term investments are carried at amounts in accordance with the Company's accounting policies as set out in Note 3.
iii. Mortgages payable approximate their fair values due to the short time since they were received.
iv. Prior to maturity, the outstanding notes receivable are carried at their discounted value. Following their maturity, loans receivable are carried at their estimated realizable value.

(Expressed in Canadian Dollars)

18. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT – Continued

The following table illustrates the classification and hierarchy of the Company's financial instruments, measured at fair value in the consolidated statements of financial position as at March 31, 2019 and December 31, 2018:

Investments, fair value	Level 1 (Quoted market price)	Level 2 (Valuation technique - observable market inputs)	Level 3 (Valuation technique - non-observable market inputs)	Total
Publicly traded investments	$ 1,015,646	$ 41,889	$ -	$ 1,057,535
Private investments	-	-	1,000,000	1,000,000
March 31, 2019	$ 1,015,646	$ 41,889	$ 1,000,000	$ 2,057,535
Publicly traded investments	$ 500,979	$ 133,915	$ -	$ 634,894
Private investments	-	-	500,000	500,000
December 31, 2018	$ 500,979	$ 133,915	$ 500,000	$ 1,134,894

Level 3 Hierarchy

The following table presents the changes in fair value measurements of financial instruments classified as Level 3 for the three months ended March 31, 2019 and year ended December 31, 2018. These financial instruments are measured at fair value utilizing non-observable market inputs. The net realized losses and net unrealized gains are recognized in the unaudited condensed interim consolidated statements of loss.

Investments classified as Level 3, fair value	For the three months ended March 31, 2019	For the year ended December 31, 2018
Balance, beginning of year	$ 50,000	$ 95,000
Purchase at cost - shares	950,000	100,000
Impairment	-	(145,000)
Balance, end of period	$ 1,000,000	$ 50,000

Within Level 3, the Company includes private company investments which are not quoted on an exchange. The key assumptions used in the valuation of these instruments include (but are not limited to) the value at which a recent financing was done by the investee, company-specific information, trends in general market conditions and the share performance of comparable publicly-traded companies. The fair values of all of the private company investments held by the Company were determined by recent financings done by the investee other than that described in Note 9(iii) and (vii).

As valuations of investments for which market quotations are not readily available, are inherently uncertain, may fluctuate within short periods of time and are based on estimates, determination of fair value may differ materially from the values that would have resulted if a ready market existed for the investments. Given the size of the private investment portfolio, such changes may have a significant impact on the Company’s financial condition or operating results.

(Expressed in Canadian Dollars)

18. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT – Continued

Where the Company holds an investment in a privately-held entity for which there is no active market and for which there is no reliable estimate of fair value, the investment is carried at cost less any provision for impairment.

For those investments valued based on a recent financing or transaction price, management has determined that there are no reasonably possible alternative assumptions that would change the fair value significantly as at March 31, 2019 and December 31, 2018. A +/- 25% change in the fair value of these Level 3 investments as at March 31, 2019 will result in a corresponding +/- $250,000 (December 31, 2018 - +/- $12,500). While this illustrates the overall effect of changing the values of the unobservable inputs by a set percentage, the significance of the impact and the range of reasonably possible alternative assumptions may differ significantly between investments, given their different terms and circumstances. The sensitivity analysis is intended to reflect the significant uncertainty inherent in the valuation of private investments under current market conditions, and the results cannot be extrapolated due to non-linear effects that changes in valuation assumptions may have on the estimated fair value of these investments. Furthermore, the analysis does not indicate a probability of changes occurring and it does not necessarily represent the Company's view of expected future changes in the fair value of these investments. Any management actions that may be taken to mitigate the inherent risks are not reflected in this analysis.

19. SUPPLEMENTAL CASH FLOW INFORMATION

	Three months ended March 31,	
	2019	**2018**
Interest paid	**$ 30,740**	$ 27,645
Common shares issued for debt settlement	**45,000**	-
Investments received to settle receivables	**89,750**	-

20. CONTINGENCIES

The Company is party to certain management contracts. These contracts contain aggregate minimum commitments of approximately $315,000 (December 31, 2018 - $315,000) ranging from 12 to 18 months and additional contingent payments of up to approximately $240,000 (December 31, 2018 - $240,000) upon the occurrence of a change of control. As a triggering event has not taken place, the contingent payments have not been reflected in these unaudited condensed interim consolidated financial statements.

The Company has discontinued mining operations in various jurisdictions and has written down the carrying value of the related assets to nominal amounts. An estimate of the total liability, it any, for which the Company might become obligated as a result of its role as operator, guarantor or indemnifier, is not determinable, nor expected to be material, and no amount has been provided for in these unaudited condensed interim consolidated financial statements.

The Company may become party to legal proceedings and other claims in the ordinary course of its operations. Litigation and other claims are subject to many uncertainties and the outcome of individual matters is not predictable. Where management can estimate that there is a loss probable, a provision is recorded in the unaudited condensed interim consolidated financial statements. Where proceedings are at a premature stage or the ultimate outcome is not determinable, then no provision is recorded. It is possible that the final resolution of any such matters may require the Company to make expenditures over an extended period of time and in a range of amounts that cannot be reasonably estimated and may differ significantly from any amounts recorded in these unaudited condensed interim consolidated financial statements. Should the Company be unsuccessful in its defense or settlement of one or more of legal actions or other claims, there could be a materially adverse effect on the Company's financial position, future expectations, and cash flows.

(Expressed in Canadian Dollars)

20. CONTINGENCIES – continued

The Company leases its office under a lease agreement which commenced October 1, 2016, the following is a summary of its lease commitments for the term of the lease:

< 1 year from reporting date	$	45,136
1 to 2 years from reporting date		45,136
2 to 3 years from reporting date		33,852
	$	124,124

21. SUBSEQUENT EVENTS

Subsequent to March 31, 2019, the Company raised $257,000 with the issuance of 5,140,000 units with a price of $0.05 per unit. Each unit is comprised of one common share of the Company plus one common share warrant. Each warrant entitles the holder to acquire one common share of the Corporation for $0.075 for a period of 24 months from the closing date.

Subsequent to March 31, 2019, the Company issued 7,391,020 commons shares with a fair value of $0.05 per share for settlement of debt.

Subsequent to March 31, 2019, the Company granted 100,000 stock options to a consultant of the Company with an exercise price of $0.10. The options vested immediately have an expiry date five years after grant date.

See Notes 8, and 13(b).

SCHEDULE B: SUPPLEMENTARY INFORMATION

(NOT APPLICABLE)

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

GUNPOWDER CAPITAL CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE THREE MONTHS ENDED MARCH 31, 2019 AND 2018

MAY 30, 2019

Gunpowder Capital Corp. (CSE:GPC) (CSE:GPC.PR.A) (OTCQB:GNPWF)
T: (416) 363-3833 | **E:** info@gunpowdercapitalcorp.com | **W:** www.gunpowdercapitalcorp.com
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The following is Management's Discussion and Analysis ("MD&A") of the financial condition of Gunpowder Capital Corp. ("Gunpowder" or the "Company") and the financial performance for the three months ended March 31, 2019. This information, prepared as of May 30, 2019, and should be read in conjunction with the unaudited condensed interim consolidated financial statements of Gunpowder for the three months ended March 31, 2019, as well as the audited consolidated financial statements for the year ended December 31, 2018 and the related management's discussion and analysis (the "Annual MD&A"). The unaudited condensed interim consolidated financial statements for the three months ended March 31, 2019 have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are expressed in Canadian dollars unless otherwise indicated.

Forward Looking Statements

This MD&A, and specifically the "Outlook" section contains or incorporates forward-looking statements within the meaning of Canadian securities legislation (collectively, "forward-looking statements"). These forward-looking statements relate to, among other things, revenue, earnings, changes in cost and expenses, capital expenditures and other objectives, strategic plans and business development goals, and may also include other statements that are predictive in nature or that depend upon or refer to future events or conditions, and can generally be identified by words such as "may", "will", "expects", "anticipates", "intends", "plans", "believes", "estimates" or similar expressions. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances are forward-looking statements. These statements are not historical facts but instead represent only Gunpowder Capital Corp., expectations, estimates and projections regarding future events.

Although the Company believes the expectations reflected in such forward-looking statements are reasonable, such statements are not guarantees of future performance and involve certain risks and uncertainties that are difficult to predict. Undue reliance should not be placed on such statements. Certain material assumptions are applied in making forward-looking statements and actual results may differ materially from those expressed or implied in such statements.

The forward-looking statements contained in this MD&A are made as at the date of this MD&A and, accordingly, are subject to change after such date. Except as required by law, Gunpowder Capital Corp., does not undertake any obligation to update or revise any forward-looking statements made or incorporated in this MD&A, whether as a result of new information, future events or otherwise.

For a description of material factors that could cause the Company's actual results to differ materially from the forward-looking statements in this MD&A, please see "Risks related to our business".

Overview

Listed on the Canadian Securities Exchange under the trading symbol "GPC" and on the OTCQB Markets under the trading symbol "GNPWF". Gunpowder is a Merchant Bank and Advisory Services Firm. In May 2016 Gunpowder Capital Corp. (formerly Silver Shield Resources Corp.) implemented its new business model under the leadership of a new management team.

As a merchant bank and advisory services firm, Gunpowder provides financial capital and capital markets advisory services. The Company offers a variety of financing options including mezzanine debt, bridge loans, convertible debentures and straight loans as well as equity financing. Our goal when investing is to as best as possible ensure the preservation of capital and structure upside for our stakeholders through participation opportunities such as royalties, equity or options. Our main focus with advisory services is to assist companies that are interested in going public, however, we are also involved with general capital markets advisory services and advising on mergers and acquisitions.

Business Objectives and Milestones

Gunpowder's primary focus for 2019 is to continue to grow as a merchant bank. The Company's set goals for fiscal 2019 included:

1. Achieve merchant banking and advisory service business revenues of $1 million.

We expect FNHI to complete their go public in the second quarter of 2019. We are waiting for an update from Payfare which elected not to complete a qualifying transaction with a CPC. We have several other active go public clients that are in the early stages of the process.

2. Continue to develop the Company's blockchain business.

The Company recently announced that it had formed a wholly owned subsidiary, MethodeVerte Inc. to focus on the blockchain business. In addition we announced that appointment of Anthony Pearlman as the President and COO of that subsidiary and that the subsidiary had acquired approximately 1,000 cards that were being actively used in cryptomining operations. We are very excited about this initiative and hope to have many more announcements as we execute on this strategy.

Highlights for the Quarter ended March 31, 2019

Gunpowder continues to execute on its strategic and operational initiatives as highlighted during the quarter and shortly thereafter:

The Company recently announced that it had formed a wholly owned subsidiary, MethodeVerte Inc. to focus on the blockchain business. In addition we announced that appointment of Anthony Pearlman as the President and COO of that subsidiary and that the subsidiary had acquired approximately 1,000 cards that were being actively used in cryptomining operations.

During the quarter ended March 31, 2019, the Company loaned $125,000 to unrelated parties. The loans are in good standing and generates between 12% and 15% interest per annum.

Outlook

The first quarter of 2019 did not materialize as planned as our two main go public transactions were delayed. We are hopeful that one will be finalized by the second quarter of 2019. We have continued to work on various initiatives and have a robust pipeline of opportunities that we believe will make 2019 a very successful year.

Quarterly results

The following table shows our results of operations for the last eight quarters:

	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017
Revenue from continuing and discontinued operations	$ 254,224	$ 163,079	$ 159,981	$ 341,458	$ 302,335	$ 407,222	$ 680,501	$ 255,184
Net Income (Loss)	(223,722)	(1,648,275)	(668,567)	(124,251)	(184,590)	(107,814)	128,132	(202,007)
Income (Loss) per share - basic and diluted	(0.00)	(0.03)	(0.02)	(0.00)	(0.01)	(0.00)	0.00	(0.01)
Cash	587,380	981,354	474,330	1,144,379	238,066	992,755	2,124,895	1,111,222
Buildings and improvements	4,555,337	4,562,247	4,542,928	4,559,827	4,287,341	2,900,815	2,193,316	1,834,842
Loans and other investment assets (long term)	2,370,935	921,173	1,516,081	784,922	1,716,458	1,802,968	1,891,890	1,670,349
Dividends paid to common share shareholders	-	-	-	-	-	-	216,667	-
Dividends paid to "Class - A" and "Class - B" preferred shares shareholders	101,313	101,314	109,314	121,276	122,276	102,044	80,536	72,446

Results of Operations

The following table shows the results of operations for the three months ended March 31, 2019 compared to the same period last year:

	Three months ended March 31, 2019	2018
INCOME		
Rental	107,170	81,236
Advisory services	92,136	21,045
Payment processing services	25,553	87,583
Interest	29,365	112,471
TOTAL INCOME	254,224	302,335
EXPENSES		
Consulting and other professional fees	100,309	167,168
Management fees	84,300	96,300
General, office and administrative	66,469	85,296
Property taxes and maintenance	62,068	64,766
Marketing and investor relations	46,445	25,428
Travel and accomodations	40,581	9,020
Amortization	31,881	27,171
Mortgage and loan interest	30,740	27,645
Transfer agent and filing fees	16,788	9,992
Legal and audit fees	13,144	2,000
Non-recoverable input tax credits	10,897	6,144
Bank service charges	2,405	1,707
NET (LOSS) BEFORE OTHER ITEMS	(251,802)	(220,302)
Realized gain on investments	**25,688**	4,453
Unrealized loss on investments	**20,392**	6,379
Accretion on financial instruments	**(4,561)**	255
Foreign exchange (loss) gain	**(13,439)**	24,625
TOTAL OTHER ITEMS	28,080	35,712
LOSS AND COMPREHENSIVE LOSS FOR THE	(223,722)	(184,590)

Operating expenses before other items for the three months March 31, 2019 were $506,027 compared to $522,637 for the same period in 2018.

For the three months ended March 31, 2019

The following table shows revenues from continuing operations from the three months ended March 31, 2019 compared to the same period in the prior year:

	2019	2018	Increase/ (decrease) in $	Increase/ (decrease) in %
Rental	$ 107,170	$ 81,236	$ 25,934	32%
Advisory services	92,136	21,045	71,091	338%
Payment processing services	25,553	87,583	(62,030)	-71%
Interest	29,365	112,471	(83,106)	-74%
Total revenues	$ 254,224	$ 302,335	$ (48,111)	-16%

The Company acquired three additional rental properties in 2018 and operated eight rental properties for the first quarter of 2019, as a result, rental income had increased significantly in 2019 compared to the same period of the prior year.

A significant portion of the advisory services revenue earned in 2019 was related to shares of Meryllion Resources Corporation ("Meryllion"). The Company has two common officers with Meryllion. These shares had a fair market value of $47,586 on the day of acquisition and was recorded as advisory service revenue. As this was an one-time transaction, advisory services revenue in 2018 did not include this amount.

During the year ended December 31, 2018, the Company ceased a significant portion of its cash clearing business which resulted in the significant decline in the Company's payment processing services revenue and interest revenues in Q1 2019 to Q1 2018.

The following table shows operating costs for the three months ended March 31, 2019 compared the prior year:

	2019	2018	Increase/ (decrease) in $	Increase/ (decrease) in %
Consulting and other professional fees	100,309	167,168	$ (66,859)	-40%
Management fees	84,300	96,300	(12,000)	-12%
General, office and administrative	66,469	85,296	(18,827)	-22%
Property taxes and maintenance	62,068	64,766	(2,698)	-4%
Marketing and investor relations	46,445	25,428	21,017	83%
Travel and accomodations	40,581	9,020	31,561	350%
Amortization	31,881	27,171	4,710	17%
Mortgage and loan interest	30,740	27,645	3,095	11%
Transfer agent and filing fees	16,788	9,992	6,796	68%
Legal and audit fees	13,144	2,000	11,144	557%
Non-recoverable input tax credits	10,897	6,144	4,753	77%
Bank service charges	2,405	1,707	698	41%
Total operating costs	$ 506,027	$ 522,637	$ (16,610)	-3%

Operating expenses before other items for the year was $506,027 compared to $522,637 in the prior year.

Consulting fees of $100,309 were incurred in the three months ended March 31, 2019 compared to $167,168 during the prior year for a decrease of $66,859. A total of $72,000 was paid to officers of the Company in Q1 2018 as bonuses which were not paid during Q1 2019.

Marketing and investment relations expenses increased from $25,428 in Q1 2018 to $46,445 in Q1 2019. A significant portion of this increase was related to the services of a consultant hired in Q1 2019 for $30,000.

Travel and accommodations expenses increased from $9,020 in Q1 2018 to $40,581 in Q1 2019. This increase is due the increased activity in Q1 2019 to develop the Company's advisory business and development of the Company's blockchain business.

Liquidity and Capital Resources

The following table summarizes cash flows from the three months ended March 31, 2019 compared to the prior year:

	Three months ended March 31, 2019	2018
CASH FLOWS (USED IN) PROVIDED BY OPERATING ACTIVITIES	$ (391,721)	$ (263,110)
CASH FLOWS (USED IN) PROVIDED BY FINANCING ACTIVITIES	200,098	(148,066)
CASH FLOWS (USED IN) PROVIDED BYINVESTING ACTIVITIES	(202,351)	(343,514)
	(393,974)	(754,690)
Cash, opening balance	981,354	992,755
Cash, end of period	$ 587,380	$ 238,065

In addition to the operating activities discussed above, the Company generated $200,098 from financing activities (see the unaudited condensed interim consolidated financial statements for details of these transactions) and received $445,000 from the closing of a private placement during the three months ended March 31, 2019.

As at March 31, 2019, Company had total current assets of $921,173 to meet its current liabilities of $1,050,481.

To successfully pursue its merchant banking model, the Company plans to continue to raise debt and equity in order to pursue additional deals and build scale.

The ability of the Company to arrange such financing in the future will depend in part upon the prevailing capital market conditions as well as the business performance of the Company. There can be no assurance that the Company will be successful in its efforts to arrange additional financing, if needed, on terms satisfactory to the Company. If additional financing is raised by the issuance of shares from the treasury of the Company, control of the Company may change and shareholders may suffer dilution. If adequate financing is not available, the Company may be required to sell its interests in some or all of its assets / holdings or current properties and / or reduce or terminate its operations.

Additional disclosures

Critical Accounting Estimates

The preparation of these unaudited condensed interim consolidated financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities at the date of the unaudited condensed interim consolidated financial statements and reported amounts of revenue and expenses during the reporting period. Actual outcomes could differ from these estimates. The unaudited condensed interim consolidated financial statements include estimates, which, by their nature, are uncertain. The impact of such estimates are pervasive throughout the unaudited condensed interim consolidated financial statements, and may require accounting adjustments based on future occurrences.

Changes in Accounting Policies and Future Pronouncements

The Company has adopted the following new standards, along with any consequential amendments, effective January 1, 2019. These changes were made in accordance with the applicable transitional provisions.

IAS 23 – Borrowing Costs ("IAS 23") was amended in April 2018 to clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalization rate on general borrowings.

IFRS 16 – Leases ("IFRS 16") was issued in January 2016 and replaces IAS 17 – Leases as well as some lease related interpretations. With certain exceptions for leases under twelve months in length or for assets of low value, IFRS 16 states that upon lease commencement a lessee recognises a right-of-use asset and a lease liability. The right-of-use asset is initially measured at the amount of the liability plus any initial direct costs. After lease commencement, the lessee shall measure the right-of-use asset at cost less accumulated depreciation and accumulated impairment. A lessee shall either apply IFRS 16 with full retrospective effect or alternatively not restate comparative information but recognise the cumulative effect of initially applying

IFRS 16 as an adjustment to opening equity at the date of initial application. IFRS 16 requires that lessors classify each lease as an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise it is an operating lease.

Standards, amendments and interpretations not yet effective

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2019. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IAS 1 – Presentation of Financial Statements ("IAS 1") and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8") were amended in October 2018 to refine the definition of materiality and clarify its characteristics. The revised definition focuses on the idea that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments are effective for annual reporting periods beginning on or after January 1, 2020. Earlier adoption is permitted.

IFRS 10 – Condensed interim consolidated financial statements ("IFRS 10") and IAS 28 – Investments in Associates and Joint Ventures ("IAS 28") were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined, however early adoption is permitted.

Financial Instruments

Financial assets and financial liabilities as at March 31, 2019:

	Assets & liabilities at amortized cost	Assets & liabilities at fair value through profit and loss	Total
March 31, 2019			
Cash	$ 587,380	$ -	$ 587,380
Accounts and other receivables	155,265	-	155,265
Notes receivable	366,920	-	366,920
Long-term investments	-	2,057,535	2,057,535
Accounts payable and accrued liabilities	(299,379)	-	(299,379)
Loans payable	(90,741)	-	(90,741)
Mortgages payable	(2,911,164)	-	(2,911,164)

The Company's has loans receivable outstanding and a significant portion of the Company's assets are currently comprised of financial instruments which can expose it to several risks, including market, liquidity, credit and currency risks. As a result of the change in business, there are new risks, objectives, policies and procedures compared to the previous year as discussed below. A discussion of the Company's use of financial instruments and their associated risks is provided below:

Market risk

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate because of changes in market prices. The Company is exposed to market risk in trading its investments and unfavourable market conditions could result in dispositions of investments at less than favorable prices. In addition, a significant portion of the Company's investments are in the resource sector. The Company mitigates this risk by attempting to have a portfolio which is not singularly exposed to any one issuer, with exception to the Company having three positions as at March 31, 2019 which made up of approximately 36%, 17% and 16% (December 31, 2018 – one position, 44%) of the total equity portfolio.

For three months ended March 31, 2019, a 10% decrease in the closing price of this concentrated position would result in an estimated increase in net loss of $142,000 (2018 - $35,000).

For the three months ended March 31, 2019, a 10% decrease (increase) in the closing prices of its other portfolio investments would result in an estimated increase (decrease) in net loss of $64,000 (2018 - $9,800).

Liquidity Risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure and financial leverage. As at March 31, 2019, the Company's current liabilities totaled $1,050,481 and cash totaled $587,380. The Company generates cash flow from advisory fees, loan interest, rental income and payment processing services.

The Company manages liquidity risk by reviewing the amount of cash available, to ensure that it can meet its current obligations. There is no guarantee that the Company will be able to continue to meet its current obligations.

	Carrying amount	Contractual cash flows	Year 1	Year 2-3	Year 4-5	Greater than 5 years
Accounts payable and accrued liabilities	$ 299,379	$ 299,379	$ 299,379	$ -	$ -	$ -
Mortgages payable	2,911,164	4,655,546	683,844	321,649	321,649	2,832,265
Loans payable	90,741	188,986	59,407	16,800	16,800	8,358
Total	$ 3,301,284	$ 5,143,911	$ 1,042,630	$ 338,449	$ 338,449	$ 2,840,623

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's accounts and other receivables and notes receivable.

Security was obtained against specific assets of the counterparty, in case of non-performance on the notes receivable. The total carrying value of these financial instruments at March 31, 2019 was $366,919 (December 31, 2018 - $243,771). One lendee make up 63% of the Company's notes receivable balance, at March 31, 2019 (December 31, 2018 – one lendee, 97%). Management considered the potential impairment of loans and receivables and recorded an impairment for the three months ended March 31, 2019 and 2018.

The Company's consulting fee revenues are primarily derived from a small number of customers within Canada. The Company had two customers who represented 60% and 18% of advisory services revenues in the three months ended March 31, 2019 (2018 advisory fees revenue – no significant customers). There can be no assurance that all or any of the Company's customers will continue to engage in the Company's services. The loss of any such customer may have a materially negative impact on the Company business conditions and financial results.

Currency Risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company operates in Canada and a portion of its loans receivable and investments are in United States dollars. A significant change in the currency exchange rates between the United States dollar relative to the Canadian dollar could have an effect on the Company's results of operations, financial position or cash flows. The Company has not hedged its exposure to currency fluctuations.

Contractual Obligations and Commitments

The Company is party to certain management contracts. These contracts contain aggregate minimum commitments of approximately $315,000 (December 31, 2018 - $315,000) ranging from 12 to 18 months and additional contingent payments of up to approximately $240,000 (December 31, 2018 - $240,000) upon the occurrence of a change of control. As a triggering event has not taken place, the contingent payments have not been reflected in these consolidated financial statements.

The Company has discontinued mining operations in various jurisdictions and has written down the carrying value of the related assets to nominal amounts. An estimate of the total liability, if any, for which the Company might become obligated as a result of its role as operator, guarantor or indemnifier, is not determinable, nor expected to be material, and no amount has been provided for in these condensed interim consolidated financial statements.

The Company may become party to legal proceedings and other claims in the ordinary course of its operations. Litigation and other claims are subject to many uncertainties and the outcome of individual matters is not predictable. Where management can estimate that there is a loss probable, a provision is recorded in the consolidated financial statements. Where proceedings are at a premature stage or the ultimate outcome is not determinable, then no provision is recorded. It is possible that the final resolution of any such matters may require the Company to make expenditures over an extended period of time and in a range of amounts that cannot be reasonably estimated and may differ significantly from any amounts recorded in these consolidated financial statements. Should the Company be unsuccessful in its defense or settlement of one or more of legal actions or other claims, there could be a materially adverse effect on the Company's financial position, future expectations, and cash flows.

The Company leases its office under a lease agreement which commenced October 1, 2016, the following is a summary of its lease commitments for the term of the lease:

< 1 year from reporting date	$	45,136
1 to 2 years from reporting date		45,136
2 to 3 years from reporting date		33,852
	$	124,124

Fair value of financial instruments

The Company has determined the carrying values of its financial instruments as follows:

i. The carrying values of cash, accounts receivable, accounts payable and accrued liabilities and due to related parties approximate their fair values due to the short-term nature of these instruments.
ii. Notes receivable, long-term notes receivable and long-term investments are carried at amounts in accordance with the Company's accounting policies as set out in Note 3 of the audited consolidated financial statements.
iii. Mortgages payable approximate their fair values due to the short time since they were received.
iv. Prior to maturity, the outstanding notes receivable are carried at their discounted value. Following their maturity, loans receivable are carried at their estimated realizable value.

The following table illustrates the classification and hierarchy of the Company's financial instruments, measured at fair value in the consolidated statements of financial position as at March 31, 2019:

Investments, fair value	Level 1 (Quoted market price)	Level 2 (Valuation technique - observable market inputs)	Level 3 (Valuation technique - non-observable market inputs)	Total
Publicly traded investments	$ 1,015,646	$ 41,889	$ -	$ 1,057,535
Private investments	-	-	1,000,000	1,000,000
March 31, 2019	$ 1,015,646	$ 41,889	$ 1,000,000	$ 2,057,535

Outstanding share data

As at March 31, 2019, the Company had 92,911,750 common shares issued and outstanding, 467,110 preferred "Class – A" shares issued and outstanding and 33,550 preferred "Class – B" shares issued and outstanding. In addition, the Company has 46,241,465 common share purchase warrants outstanding priced at between $0.075 and $0.25 and 2,250,000 stock options entitling the holder to acquire an additional common share by paying $0.10 to $0.12 per common share.

As at May 30, 2019, the Company had 105,442,770 common shares issued and outstanding, 467,110 "Class- A" preferred shares issued and outstanding and 33,550 "Class – B" preferred shares issued and outstanding. In addition, the Company has 51,381,465 common share purchase warrants outstanding priced at between $0.075 and $0.25 and 2,350,000 stock options entitling the holder to acquire an additional common share by paying $0.10 to $0.12 per common share.

Transactions with Related Parties

JIT Financial Inc.

During the year ended December 31, 2017, the Company loaned $31,538 to JIT, in which the Company acquired a 12.5% ownership stake. As result of this stake, the Company appointed one of its officers to the Board of Directors of JIT. JIT is in the cash clearing business. The loan bears interest at a rate of 10% per annum and the Company charges a royalty of $0.05 per transaction on certain transactions processed by JIT. The loan is repayable on a basis of $0.25 per transaction on certain transactions processed by JIT. The loan is secured by a first charge and security interest in all of the present and after-acquired personal property and assets of the borrower pursuant to a general security agreement.

During the year ended December 31, 2017, the Company loaned $1,000,000 to JIT, through a promissory note and a number of amendments of the promissory note. The loan bears interest at a rate of $0.30 per transaction on certain transactions processed by JIT. The loan is secured by a first charge and security interest in all of the present and after-acquired personal property and assets of the borrower pursuant to a general security agreement. During the year ended December 31, 2018, this loan was fully repaid to the Company.

On June 1, 2018, the Company disposed of its interest in JIT for $nil as part of exiting the cash clearing business. Operations related to JIT have been disclosed as discontinued operations in the Company's consolidated statement of loss and comprehensive loss.

Other related parties
During the three months ended March 31, 2019 and 2018, the Company entered into the following transactions in the ordinary course of business with related parties that are not subsidiaries of the Company.

	Revenue earned from services			
	Three months ended March 31,			
		2019		**2018**
Meryllion Resources Corporation	**$**	**55,086**	$	7,500
Bitblox Technologies Inc.		**17,000**		17,000

The Company had two common officers with Meryllion Resources Corporation and Bitblox Technologies Inc. Included in accounts receivable are $8,475 owing from Meryllion and $19,210 owing from Bitblox as at March 31, 2019 (December 31, 2018 - $28,278 and $nil). These amounts are unsecured, non-interest bearing with no fixed terms of repayment.

Compensation of key management personnel of the Company
The remuneration of directors and other members of key management personnel during the period was as follows:

	Three months ended March 31,			
		2019		**2018**
Short-term benefits	**$**	**52,800**	$	93,300
Share-based payments		**-**		-

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

As at March 31, 2019, the Company owed $5,374 (December 31, 2018 - $5,374) to an officer of the Company and $2,400 (December 31, 2018 - $nil) to directors of the Company. These amounts are unsecured, non-interest bearing with no fixed terms of repayment.

Off Balance Sheet Arrangements

The Company has not entered into any off-balance sheet arrangements such as guarantee contracts, contingent interests in assets transferred to unconsolidated entities, derivative financial obligations, or with respect to any obligations under a variable interest equity arrangement.

Proposed Transactions

The Company is not party to any proposed transactions that have not been disclosed elsewhere in this MD&A.

Additional Information

Additional information relating to the Company is available on SEDAR at www.sedar.com.