

**GreenBank Capital Inc.**  
**Condensed Interim Consolidated Financial Statements**  
**For the three months ended October 31, 2019**  
**(Unaudited & Expressed in Canadian Dollars)**

---

## **NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

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

The accompanying unaudited condensed interim consolidated 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 financial statements in accordance with standards established by the Canadian Chartered Professional Accountants for a review of interim financial statements by an entity's auditor.

## GreenBank Capital Inc.

### Interim Consolidated Statements of Financial Position

(expressed in Canadian dollars)

	Notes	October 31, 2019	July 31, 2019
<b>Current assets</b>			
Cash		\$ 119,563	\$ 73,287
Accounts receivable		3,520	2,496
HST recoverable		68,093	52,130
Due from related parties	14	18,968	17,323
Prepaid expense		19,137	-
<b>Total current assets</b>		<b>229,281</b>	<b>145,236</b>
<b>Non-current assets</b>			
Exploration and evaluation assets	8	705,323	619,519
Investments in marketable securities	9	141,833	162,277
Investments in associates	10	19,299	20,009
<b>Total non-current assets</b>		<b>866,455</b>	<b>801,805</b>
<b>Total assets</b>		<b>\$ 1,095,736</b>	<b>\$ 947,041</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	11	\$ 304,575	\$ 231,979
Loans payable		50,434	23,666
Due to related parties	14	834,082	680,384
<b>Total current liabilities</b>		<b>1,189,091</b>	<b>936,029</b>
<b>Equity</b>			
Common share capital	13	3,549,533	3,549,533
Reserve for warrants	13	42,308	256,353
Contributed surplus	13	1,768,346	940,417
Share-based payment reserve		186,424	777,372
Foreign currency reserve		12,923	12,787
Deficit		(5,992,265)	(5,862,050)
<b>Total equity attributed to owners of Greenbank</b>		<b>(432,731)</b>	<b>(325,588)</b>
Non-controlling interest	15	339,377	336,600
<b>Total equity</b>		<b>(93,354)</b>	<b>11,012</b>
<b>Total liabilities and equity</b>		<b>\$ 1,095,736</b>	<b>\$ 947,041</b>
Nature of operations	1		
Going concern	2		
Re-statement	18		
Events after the reporting period	19		
Approved on behalf of the Board of Directors:			
<u>"David Lonsdale" (signed)</u>		<u>"Gaurav Singh" (signed)</u>	
David Lonsdale, Director		Gaurav Singh, Director	

The notes to the condensed interim consolidated financial statements are an integral part of these statements.

## GreenBank Capital Inc.

### Interim Consolidated Statements of Loss and Comprehensive Loss

(expressed in Canadian dollars)

Three months ended October 31	Notes	2019	2018 (Restated)
<b>Revenue</b>			
Other Income		\$ -	\$ 15,943
<b>Expenses</b>			
Consulting expenses	14	35,302	53,774
Foreign exchange loss		(191)	1,010
Investor relations and market research		750	1,278
Office and general		15,869	34,758
Payroll	14	52,391	52,701
Professional fees		50,005	27,567
Public company costs	14	26,896	12,909
Research and development	7	10,516	125,233
		<b>191,538</b>	<b>309,229</b>
<b>Net loss from operations</b>		<b>(191,538)</b>	<b>(309,229)</b>
<b>Other expenses</b>			
Provision for bad debts		(956)	-
Fair value adjustment on marketable securities	9	(20,444)	(61,333)
Premium on net assets acquired		-	22,093
Share of loss of associates	10	(710)	(5,039)
<b>Net loss from continuing operations</b>		<b>(213,648)</b>	<b>(353,508)</b>
<b>Net income (loss) from discontinued operations</b>	<b>17</b>	<b>32,370</b>	<b>(24,325)</b>
<b>Net loss</b>		<b>(181,278)</b>	<b>(361,890)</b>
<b>Other comprehensive income</b>			
Net movement in foreign currency		136	(868)
<b>Net comprehensive loss</b>		<b>\$ (181,141)</b>	<b>\$ (362,758)</b>
<b>Net loss attributed to:</b>			
Equity holders of GreenBank Capital Inc.		\$ (130,215)	\$ (322,686)
Non-controlling interest	15	(51,063)	(39,204)
		<b>\$ (181,278)</b>	<b>\$ (361,890)</b>
<b>Net comprehensive loss attributed to:</b>			
Equity holders of GreenBank Capital Inc.		\$ (130,078)	\$ (323,554)
Non-controlling interest	15	(51,063)	(39,204)
		<b>\$ (181,141)</b>	<b>\$ (362,758)</b>
<b>Basic and diluted net loss per share - continuing operations</b>		<b>\$ (0.01)</b>	<b>\$ (0.01)</b>
<b>Basic and diluted net loss per share - discontinued operations</b>		<b>\$ 0.00</b>	<b>\$ (0.00)</b>
<b>Basic and diluted net loss per share</b>		<b>\$ (0.00)</b>	<b>\$ (0.01)</b>
<b>Weighted average number of common shares outstanding - basic and diluted</b>		<b>27,570,866</b>	<b>27,415,228</b>

The notes to the condensed interim consolidated financial statements are an integral part of these statements.

**GreenBank Capital Inc.**  
**Interim Consolidated Statements of Cash Flows**

(expressed in Canadian dollars)

<b>Three months ended October 31</b>	<b>2019</b>	<b>2018 (Restated)</b>
<b>Operating activities</b>		
Net loss	\$ (181,278)	\$ (361,890)
Non-cash adjustments for:		
Other income (non-cash)	-	(15,943)
Impairment of investments	20,444	61,333
Research and development expense (non-cash)	-	50,782
Premium on net assets acquired	-	(22,093)
Share of loss of associates	710	5,039
	<b>(160,124)</b>	<b>(282,772)</b>
Net changes in non-cash working capital		
Accounts receivable	(92)	2,560
Government HST recoverable	(15,963)	(6,471)
Prepaid expenses	(19,137)	9,425
Amounts payable and other liabilities	74,404	30,022
<b>Net cash used in operating activities - continuing operations</b>	<b>(120,912)</b>	<b>(247,236)</b>
<b>Net cash used in operating activities - discontinued operations</b>	<b>(32,665)</b>	<b>8,144</b>
<b>Net cash used in operating activities</b>	<b>(153,577)</b>	<b>(239,092)</b>
<b>Investing activities</b>		
Expenditures on exploration and evaluation assets	(85,804)	(19,928)
Acquisition on subsidiary, net of cash acquired	-	211,246
<b>Net cash provided by investing activities</b>	<b>(85,804)</b>	<b>191,318</b>
<b>Financing activities</b>		
Due from related parties	(1,645)	(8,725)
Due to related parties	163,126	17,896
Loans payable	47,276	-
Private placement by subsidiary	68,000	-
Stock options of subsidiary exercised	10,000	-
Share issue costs of subsidiary	(1,224)	-
<b>Net cash provided by financing activities</b>	<b>285,533</b>	<b>9,171</b>
<b>Foreign exchange impact on cash</b>	<b>124</b>	<b>(1,116)</b>
<b>Net change in cash</b>	<b>46,276</b>	<b>(39,719)</b>
<b>Cash, beginning of period</b>	<b>73,287</b>	<b>440,954</b>
<b>Cash, end of period</b>	<b>\$ 119,563</b>	<b>\$ 401,236</b>
<b>Non-cash financing and investing activities</b>		
Issuance of common shares for investment		
Ubique	\$ -	\$ 61,121
Buchans	\$ -	\$ 4,209
Gander	\$ -	\$ 5,384
Return of common shares	\$ -	\$ (22,126)

The notes to the condensed interim consolidated financial statements are an integral part of these statements.

**GreenBank Capital Inc.**  
**Interim Consolidated Statements of Changes in Equity**  
(expressed in Canadian dollars)

	Common shares		Reserves			Foreign currency reserve	Deficit	Non- controlling interest	Total
	Number of shares	Amount	Warrants	Share-based payments	Contributed surplus				
<b>Balance July 31, 2019</b>	<b>27,201,664</b>	<b>\$ 3,549,533</b>	<b>\$ 256,353</b>	<b>\$ 777,372</b>	<b>\$ 940,417</b>	<b>\$ 12,787</b>	<b>\$ (5,862,050)</b>	<b>\$ 336,600</b>	<b>\$ 11,012</b>
Capital transactions of subsidiary									
Units issued	-	-	-	-	-	-	-	68,000	68,000
Fair value of warrants issued	-	-	22,447	-	-	-	-	(22,447)	-
Fair value of finders' warrants issued	-	-	-	-	490	-	-	(490)	-
Exercise of warrants	-	-	-	-	-	-	-	10,000	10,000
Share issuance costs	-	-	-	-	-	-	-	(1,224)	(1,224)
Reallocation on expiry of options	-	-	-	(590,948)	590,948	-	-	-	-
Reallocation on expiry of warrants	-	-	(236,491)	-	236,491	-	-	-	-
Net loss for the period	-	-	-	-	-	-	(130,215)	(51,063)	(181,278)
Other comprehensive loss	-	-	-	-	-	136	-	-	136
<b>Balance, October 31, 2019</b>	<b>27,201,664</b>	<b>\$ 3,549,533</b>	<b>\$ 42,308</b>	<b>\$ 186,424</b>	<b>\$ 1,768,346</b>	<b>\$ 12,923</b>	<b>\$ (5,992,265)</b>	<b>\$ 339,377</b>	<b>\$ (93,354)</b>
<b>Balance, July 31, 2018</b>	27,201,664	\$ 3,531,198	\$ 256,353	\$ 1,262,928	\$ 454,861	\$ 4,096	\$ (4,839,238)	\$ (22,739)	\$647,459
Common shares issued for investments	235,714	70,714	-	-	-	-	-	-	70,714
Common shares owned by subsidiary reacquired	(100,842)	(30,253)	-	-	-	-	-	-	(30,253)
Return of common shares	(16,512)	(22,126)	-	-	-	-	-	-	(22,126)
Recognition of non-controlling interest on acquisition	-	-	-	-	-	-	-	559,066	559,066
Distribution by plan of arrangement	-	-	-	-	-	-	(54,704)	-	(54,704)
Net loss for the period	-	-	-	-	-	(868)	(322,686)	(39,204)	(362,758)
<b>Balance, October 31, 2018 (Restated)</b>	<b>27,320,024</b>	<b>\$ 3,549,533</b>	<b>\$ 256,353</b>	<b>\$ 1,262,928</b>	<b>\$ 454,861</b>	<b>\$ 3,228</b>	<b>\$ (5,216,628)</b>	<b>\$ 497,123</b>	<b>\$807,397</b>

The financial information for the three-month period ended October 31, 2018 has been restated, please refer to Note 18

The notes to the condensed interim consolidated financial statements are an integral part of these statements.

---

# GreenBank Capital Inc.

## Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended October 31, 2019

(Unaudited & Expressed in Canadian Dollars)

---

### 1. Nature of Operations

GreenBank Capital Inc. ("GreenBank" or "the Company") was incorporated on January 30, 2013 under the laws of the Province of British Columbia. The Company is a public company whose common shares are listed for trading on the Canadian Securities Exchange ("CSE") under the symbol "GBC", and are also traded in the USA under symbol "OTCMKTS: GRNBF" and in Frankfurt, Germany on the Deutsche Börse under symbol FRA: 2TL.

The primary business of the Company is merchant banking. The Company owns an equity portfolio of 14 small cap investments comprising 10-100% ownership positions in an insurance agency (financial services), blockchain and gaming technology ventures, mineral exploration companies and professional services providers.

The head office of the Company is located at 100 King Street West, Suite 5700, Toronto, Ontario M5X 1C7, Canada.

### 2. Going Concern Assumption

These unaudited consolidated condensed interim financial statements have been prepared on the basis of accounting principles applicable to a going concern under International Financial Reporting Standards ("IFRS"). The use of these principles under IFRS assumes that the Company will continue in operation for the foreseeable future and will be able to realize assets and discharge its liabilities in the normal course of operations. The Company and its subsidiaries and affiliates have yet to generate significant income or cash flows from its operations. The Company continues to incur operating losses, which casts significant doubt about the Company's ability to continue as a going concern. The Company's continued existence is dependent upon its success in its merchant banking activities.

There is no assurance that the Company will be able to obtain external financing necessary to further its merchant banking activities. The Company has no proven history of profitability, which casts doubt as to whether the Company will be able to continue as a going concern should it not be able to obtain the necessary financing to fund working capital. The ability of the Company to arrange such financing in the future depends in part upon the prevailing capital market conditions as well as the business performance of the Company. If additional financing is raised by the issuance of shares from the treasury of the Company existing shareholders may have their interest diluted. If adequate financing is not available, the Company may be required to terminate its operations.

As at October 31, 2019, the Company had yet to generate significant revenues from operations and had a consolidated deficit of \$5,992,265 (July 31, 2019 – \$5,862,050). The Company is actively seeking additional sources of financing. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period.

Management is aware, in making its assessment, of uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern that these uncertainties are material and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore to realize its assets and discharge its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying financial statements. These adjustments could be material.

### 3. Statement of Compliance and Basis of Presentation

#### (a) Statement of compliance

The policies applied in these unaudited condensed interim financial statements are based on IFRS issued and outstanding as of January 23, 2020, the date the Board of Directors approved the statements. The accounting policies set out in Note 4 have been applied consistently in these unaudited condensed interim financial statements and are the same as compared with the most recent audited annual financial statements as at and for the year ended July 31, 2019, except as noted below. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending July 31, 2020 could result in restatement of these unaudited consolidated condensed interim financial statements.

---

# GreenBank Capital Inc.

## Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended October 31, 2019

(Unaudited & Expressed in Canadian Dollars)

---

### 3. Statement of Compliance and Basis of Presentation (continued)

#### *(b) Basis of presentation*

These consolidated financial statements have been prepared on a going concern basis, under the historical cost convention, except for certain financial instruments which may be measured at fair value in subsequent periods, and have been prepared using the accrual basis of accounting, except for cash flow information.

#### *(c) Functional and presentation currency*

The financial statements are presented in Canadian dollars, which is the functional currency.

### 4. Significant Accounting Policies

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

#### *Principles of consolidation*

These consolidated financial statements include the accounts of the Company, and 100% owned GreenBank Financial Inc., Veterans Financial Group LLC, North America Veterans Insurance Services Inc., Expatriate Assistance Services Inc., Cannabis Blockchain Inc. and Medik Blockchain Inc.; 52.5% owned Blockchain Evolution Inc. after April 6, 2018 and its 100% subsidiary Xbook Network Inc ("Xbook") after May 14, 2018; 50% owned GBC Grand Exploration Inc. after June 19, 2018 until November 4, 2018; 22.77% owned Ubique Minerals Ltd. from October 5, 2018 (subsequently diluted to 22.59%); 25.2% owned Buchans Wileys Exploration Inc. from October 5, 2018; 59.5% owned Kabaddi Games Inc. from August 21, 2018; and 34.8% owned Gander Exploration Inc. from March 27, 2019. The results of these companies are also consolidated into the books of GreenBank.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed during the period are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

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

#### *Investments in associates*

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. In general, significant influence is presumed to exist when the Company has between 20% and 50% of voting power.

An Investment in associates is accounted for using the equity method from the date on which the investee becomes an associate to the date that the Company ceases to have significant influence. An equity investment is accounted for under the cost method if it does not provide the investor with a controlling investment, does not provide the investor with the ability to exercise significant influence, does not have readily determinable fair values and is not subject to other industry-specific guidance. At the end of each reporting period, the Company assesses whether there is any objective evidence that its investments in associates are impaired.



---

# GreenBank Capital Inc.

## Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended October 31, 2019

(Unaudited & Expressed in Canadian Dollars)

---

### 4. Significant Accounting Policies (continued)

#### *Exploration and evaluation assets*

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

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

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

- The period for which the entity has the right to explore in the specific area has expired during the financial statement period or will expire in the near future and is not expected to be renewed.
- Substantive expenditures on further exploration for, and evaluation of, mineral resources in the specific area is neither budgeted nor planned.
- Exploration for and evaluation of mineral resources in the specific area has not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area.
- Sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or sale.

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

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

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

#### *Impairment of non-financial assets*

At each date of the statement of financial position, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication that these assets suffer any impairment in value.

If the recoverable amount of an asset is estimated to be less than its carrying amount, its carrying amount is reduced to its recoverable amount with a corresponding impairment loss recognized in the statement of comprehensive income in the period of impairment.

If an impairment loss reverses in a subsequent period then the carrying amount of the asset is increased to its revised value to the extent that the increased carrying amount does not exceed its original carrying amount.

---

# GreenBank Capital Inc.

## Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended October 31, 2019

(Unaudited & Expressed in Canadian Dollars)

---

### 4. Significant Accounting Policies (continued)

#### *Equity Settled Transactions*

The costs of equity-settled transactions are measured by reference to the fair value at the date on which they are granted.

The costs of equity-settled transactions are recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled and vested, ending on the date on which the relevant recipient become fully entitled to the award (“the vesting period or date”). The cumulative expense is recognized for equity-settled transactions at each reporting date until the vesting date reflects the Company’s best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and the corresponding amount is represented in share based compensation reserve.

When the share-based payment arrangement has been cancelled or the terms have expired the fair value assigned to the share-based payment arrangement is transferred to contributed surplus.

#### *Share Capital*

Financial instruments issued by the Company are treated as equity only to the extent that they do not meet the definition of a financial liability. The Company’s common shares are classified as equity instruments. Incremental costs directly attributable to the issue of new shares are recognized in equity as a reduction from the gross proceeds received from the issued shares.

#### *Shares issued for purchase of investments*

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

#### *Financial instruments*

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

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

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

---

# GreenBank Capital Inc.

## Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended October 31, 2019

(Unaudited & Expressed in Canadian Dollars)

---

### 4. Significant Accounting Policies (continued)

#### *Financial instruments (continued)*

##### Financial assets

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

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

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

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

##### Impairment of financial assets

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

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

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

##### Financial liabilities

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

---

# GreenBank Capital Inc.

## Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended October 31, 2019

(Unaudited & Expressed in Canadian Dollars)

---

### 4. Significant Accounting Policies (continued)

#### *Financial instruments (continued)*

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

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

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

#### Financial instruments recorded at fair value

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

Level 1: Valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

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

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

#### **Loss Per Share**

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

#### **Future accounting policies**

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

### 5. Critical Accounting Estimates and Judgments

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

Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates.

---

## GreenBank Capital Inc.

### Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended October 31, 2019

(Unaudited & Expressed in Canadian Dollars)

---

#### 5. Critical Accounting Estimates and Judgments (continued)

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income/loss in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

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

(a) Going concern risk assessment

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

(b) Interest in other entities

At October 31, 2019, the Company had less than 20% voting rights in The Lonsdale Group, Reliable Stock Transfer Inc., Inside Bay Street Corporation, and Minfocus Exploration Corporation. Management has assessed the involvement of the Company in accordance with IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures and has concluded that it has no significant influence. In making its judgement, management considered the Company's voting rights, the relative size and dispersion of the voting rights held by other shareholders and other relevant facts and circumstances.

At October 31, 2019, the Company had a 47.468% interest in GBC Grand Exploration Inc. Management assessed the involvement of the Company in accordance with IFRS 10 Consolidated Financial Statements and has concluded that it does not have control. In making its judgment, management considered the fact that the remaining 52.532% interest was held by a small number of founding shareholders that are independent of the Company.

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

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

---

# GreenBank Capital Inc.

## Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended October 31, 2019

(Unaudited & Expressed in Canadian Dollars)

---

Key sources of estimation uncertainty:

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

(a) Share based compensation

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

(b) Fair Value Measurements

The fair value of financial instruments traded in active markets at the balance sheet date is based on their quoted market prices. For all other financial instruments not traded in an active market, fair value may be based on other observable current market transactions involving the same or similar instrument, without modification or repackaging, or is based on a valuation technique which maximizes the use of observable market inputs. Observable market inputs may include interest rate yield curves, foreign exchange rates, and option volatilities. Valuation techniques include comparisons with similar instruments where observable market prices exist, discounted cash flow analysis, option pricing models, and other valuation techniques commonly used by market participants.

For certain illiquid financial instruments, fair value is determined using valuation techniques in which current market transactions or observable market inputs are not available. Determining which valuation technique to apply requires judgment. The valuation techniques themselves also involve some level of estimation and judgment. The judgments include liquidity considerations and model inputs such as volatilities, correlations, spreads, discount rates, pre-payment rates, and prices of underlying instruments. Any imprecision in these estimates can affect the resulting fair value.

The inherent nature of private equity investing is that the Company's valuation may change over time due to developments in the business underlying the investment. Such fluctuations may be significant depending on the nature of the factors going into the valuation methodology and the extent of change in those factors.

## 6. Financial Risk Management

### *Financial risk management objectives and policies*

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

### *Financial risks*

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

#### *Credit risk*

Credit risk is the risk of loss associated with a counter-party's inability to fulfill its payment obligations. The credit risk is limited to the carrying value amount carried on the consolidated statement of financial position. The Company's assets most susceptible to credit risk is its cash, which is held at a Canadian chartered bank in a non-interest bearing account, due from related companies. The Company recorded a bad debt expense of \$30,979 related to amounts due from a related company and a former subsidiary.

---

# GreenBank Capital Inc.

## Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended October 31, 2019

(Unaudited & Expressed in Canadian Dollars)

---

### 6. Financial Risk Management (continued)

#### **Market and other risk**

Market risk is the risk of uncertainty arising primarily from possible interest rate risk, equity price risk, foreign exchange risk and commodity risk and their impact on the future economic viability of the Company's projects and ability of the Company to raise capital. These market risks are evaluated by monitoring changes in key economic indicators and market information on an on-going basis and adjusting operating and exploration budgets accordingly. The Company is not exposed to foreign exchange risk and commodity risk. The interest rate risk is minimal as most of the financial assets are non-interest bearing. With respect to equity price risk, the value of the Company's securities portfolio may be impacted by market determined variables which are beyond our control, such as benchmark yields, credit and/or market spreads, implied volatilities, the possibility of credit migration and default, among others.

#### **Liquidity risk**

Liquidity risk is the risk the Company will not be able to meet its financial obligations as they fall due. The Company manages its liquidity needs by carefully monitoring cash outflows due in day-to-day business. As at October 31, 2019, the Company had, at its disposal, \$119,563 in cash. The Company will require additional working capital to fund its corporate and administrative expenses for the next twelve months and will be seeking additional equity capital to expand investment opportunities. There is no guarantee that market conditions will be conducive to raising such additional equity capital.

The carrying value of the Company's financial instruments approximate their fair value.

### 7. Acquisitions

#### **Veterans Financial Group LLC**

On August 14, 2017, the Company acquired a 15% interest in Veterans Financial Group LLC ("Veterans"), an insurance agency located in Ohio, USA. As consideration the Company paid \$25,000 cash and issued 32,000 \$1 non-voting 5% series C preferred shares with a fair value of \$10,667. The chairman of Veterans is a director of the Company and on completion of this transaction the CEO of the Company became a director of Veterans.

On September 25, 2017, the Company increased its ownership in Veterans to 19% by subscribing to a private placement. As consideration, the Company issued 42,340 \$1 non-voting 5% series C preferred shares with a fair value of \$14,113.

On January 11, 2018, the Company acquired the remaining 81% interest in Veterans by issuing 259,727 common shares with a fair value of \$399,980.

In the year ended July 31, 2019, the Company decided to discontinue the business activity in Veterans and is in the process of winding up its operations. The financial results of Veterans for the quarter ended October 31, 2019 are consolidated into the results of the Company and recorded as results of discontinued operations (Refer Note 17).

#### **Blockchain Evolution Inc.**

On April 5, 2018, the Company participated a private placement of Blockchain Evolution Inc. ("Blockchain Evolution") and acquired an additional 37.5% interest. Prior to this transaction, the Company already held a 15% interest bringing its totaling interest to 52.5% and therefore gained control. The Company recognized a gain of \$7,501 in relation to its existing investment immediately before the acquisition. As consideration, the Company issued 150,000 common shares which are treated as treasury shares for the purpose of these consolidated financial statements and excluded from the number of outstanding common shares.

In the quarter ended October 31, 2019 GreenBank's share of the net (loss) in Blockchain Evolution was (\$5,019) ((\$49,748) - October 31, 2018).

---

## GreenBank Capital Inc.

### Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended October 31, 2019

(Unaudited & Expressed in Canadian Dollars)

---

#### ***Kabaddi Games Inc.***

On January 24, 2018, the Company incubated Kabaddi Games Inc. ("Kabaddi Games"), a mobile gaming technology company headquartered in Toronto, Canada, which acquired all the rights and title to the software IP of an unfinished mobile game based on the Kabaddi sport for stock. As consideration for its services, the Company received Kabaddi Games common shares valued at \$1,900, representing a 19% equity ownership.

On August 21, 2018, the Company increased its ownership in Kabaddi Games to 59.5% by subscribing to a private placement and acquired 1,000,000 common shares of Kabaddi Games at \$0.074 per share. The chairman, CFO and another director of Kabaddi Games are directors of the Company. Kabaddi Games did not have the necessary inputs and processes to constitute a business as defined by IFRS 3 *Business Combinations* and was therefore accounted for as an asset acquisition with the assets, liabilities and non-controlling interest recognized as follows:

---

<b>Consideration Paid</b>	
Cost of existing interest	\$ 1,900
Cash invested	74,000
<b>Total</b>	<b>\$ 75,900</b>

---

---

<b>Assets and liabilities acquired</b>	
Cash	\$ 33,238
Due from GreenBank	18,333
Intangible assets	-
Accounts payable	(9,357)
Net assets	42,215
Non-controlling interest	(17,097)
Premium paid over net assets acquired	50,782
Net assets (net of controlling interest)	\$ 75,900

---

Management determined that there was no separately identifiable intangible asset and therefore the excess of the consideration paid over the net monetary assets and liabilities of \$50,782 was expensed as a research and development expense.

In the quarter ended October 31, 2019 GreenBank's share of the net (loss) in Kabaddi Games was (\$13,136) ((\$6,735) - October 31, 2018).

#### ***Ubique Minerals Ltd.***

On October 5, 2018, the Company acquired additional shares of Ubique increasing its ownership interest from 14.34% to 23.51%. As consideration for the additional shares of Ubique, the Company issued 203,738 of its common shares with an estimated fair value of \$61,121. This resulted in the Company acquiring control of Ubique as the Company's interest, in combination with the interests held by the Company's controlling shareholder and other related parties, being more than combined interests held by a group of non-related founding shareholders of those companies.

Ubique did not have the necessary inputs and processes to constitute a business as defined by IFRS 3 *Business Combinations* and was therefore accounted for as an asset acquisition with the assets, liabilities and non-controlling interest recognized as follows:



---

## GreenBank Capital Inc.

### Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended October 31, 2019

(Unaudited & Expressed in Canadian Dollars)

---

#### 7. Acquisitions (continued)

##### *Ubique Minerals Ltd. (continued)*

---

<b>Consideration paid</b>	
Fair value of existing interest	\$ 95,567
Fair value of common shares issued	61,121
<b>Total</b>	<b>\$ 156,688</b>

---

<b>Fair value of identifiable assets and liabilities acquired</b>	
Cash	\$ 251,920
Investment in Greenbank common shares	30,253
HST receivable	25,805
Due from Greenbank	21,178
Due from related party	12,681
Exploration and evaluation assets	372,255
Accounts payable	(36,669)
Flow-through share liability	(11,008)
<b>Net liabilities</b>	<b>666,415</b>
<b>Non-controlling interest</b>	<b>(509,727)</b>
<b>Total</b>	<b>\$ 156,688</b>

---

On October 31, 2019 the Company owned 22.77% of Ubique and was assessed to have continued control of Ubique. In the quarter ended October 31, 2019 GreenBank's share of the net (loss) in Ubique was (\$6,217) (other income of \$3,402 – October 31, 2018).

##### *Buchans Wileys Exploration Inc.*

On October 5, 2018, the Company acquired additional shares of Buchans increasing its ownership interest from 15.39% to 25.16%. This resulted in the Company acquiring control of Buchans as the Company's interest, in combination with the interests held by the Company's controlling shareholder and other related parties, being more than combined interests held by a group of non-related founding shareholders of those companies. As consideration for the additional shares of Buchans, the Company issued 14,030 of its common shares with an estimated fair value of \$4,209.

Buchans did not have the necessary inputs and processes to constitute a business as defined by IFRS 3 *Business Combinations* and was therefore accounted for as an asset acquisition with the assets, liabilities and non-controlling interest recognized as follows:

---

**GreenBank Capital Inc.****Notes to Condensed Interim Consolidated Financial Statements****Three Months Ended October 31, 2019****(Unaudited & Expressed in Canadian Dollars)**

---

**7. Acquisitions (continued)*****Buchans Wileys Exploration Inc. (continued)***

---

**Consideration paid**

Fair value of existing interest	\$	6,632
Fair value of common shares issued		4,209
<b>Total</b>	<b>\$</b>	<b>10,841</b>

---

---

**Fair value of identifiable assets and liabilities acquired**

Cash	\$	88
Due from related party		1,953
Exploration and evaluation assets		75,244
Accounts payable		(5,570)
Due to Greenbank		(28,631)
<b>Net liabilities</b>		<b>43,084</b>
<b>Non-controlling interest</b>		<b>(32,243)</b>
<b>Total</b>	<b>\$</b>	<b>10,841</b>

---

The Company's ownership interest in Buchans between July 31 - October 31, 2019, was unchanged at 25.16%, and it was assessed to have continued control of Buchans. In the quarter ended October 31, 2019 GreenBank's share of the net (loss) in Buchans was (\$4,441) ((\$76) – October 31, 2018).

***Gander Exploration Inc.***

On March 27, 2019, the Company acquired additional shares of Gander increasing its ownership interest from 30.10% to 34.76%. This resulted in the Company acquiring control of Gander as the Company's interest, in combination with the interests held by the Company's controlling shareholder and other related parties, being more than combined interests held by a group of non-related founding shareholders of those companies.

The Company received the additional shares as payment for an amount due from Gander in the amount of \$11,000.

---

## GreenBank Capital Inc.

### Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended October 31, 2019

(Unaudited & Expressed in Canadian Dollars)

---

#### 7. Acquisitions (continued)

##### *Gander Exploration Inc. (continued)*

Gander did not have the necessary inputs and processes to constitute a business as defined by IFRS 3 *Business Combinations* and was therefore accounted for as an asset acquisition with the assets, liabilities and non-controlling interest recognized as follows:

<b>Consideration paid</b>	
Cost of existing interest	\$ 15,051
Cost of additional interest	11,000
<b>Total</b>	<b>\$ 26,051</b>

---

<b>Fair value of identifiable assets and liabilities acquired</b>	
Cash	\$ 12,062
Exploration and evaluation assets	2,400
Accounts payable	(3,446)
Net liabilities	11,016
Non-controlling interest	(7,187)
Premium paid over net assets acquired - expensed	22,222
<b>Total</b>	<b>\$ 26,051</b>

The Company's ownership interest in Gander was unchanged on October 31, 2019, and it was assessed to have continued control of Gander. In the quarter ended October 31, 2019 GreenBank's share of the net (loss) in Gander was (\$1,571).

#### 8. Exploration and evaluation assets

	Ubique			Gander	Consolidated Total
	Daniels Harbour	Kapusksasing	Ubique Total	Cripple Creek	
<b>Balance - July 31, 2019</b>	<b>499,362</b>	<b>119,465</b>	<b>618,827</b>	<b>692</b>	<b>619,519</b>
Drilling and development costs	21,452	64,352	85,804	-	85,804
<b>Balance - October 31, 2019</b>	<b>520,814</b>	<b>183,817</b>	<b>704,631</b>	<b>692</b>	<b>705,323</b>

##### *Ubique Minerals Limited*

###### **Daniels Claims**

As a result of the acquisition of control of Ubique on October 5, 2018 (Note 7), the Company acquired the Daniels Claims. The Daniels Claims consists of 85 claims (previously 109 claims) in the Daniels Harbour area of Newfoundland and Labrador.

###### **Kapusksasing Claims**

On February 13, 2019, the Ubique entered into an Option Agreement with MinKap Resources Inc., formerly Kapuskasing Gold Corp. (TSX-V:KAP) ("MinKap") which provides for MinKap granting Ubique an option to earn a 55% or up to 70% interest in MinKap's Daniels Harbour property in western Newfoundland, which comprises 42 claim units adjacent to Ubique's Daniel's Harbour property to its west.

---

# GreenBank Capital Inc.

## Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended October 31, 2019

(Unaudited & Expressed in Canadian Dollars)

---

### 8. Exploration and evaluation assets (continued)

#### *Ubique Minerals Limited (continued)*

In order to earn a 55% interest in the Kapuskasing Claims:

- On signing of the agreement, Ubique must pay MinKap \$10,000 (paid) and deliver to MinKap 500,000 common shares in the capital of Ubique (issued with a fair value of \$100,000);
- On or before September 15, 2019, Ubique must incur an additional \$100,000 in expenditures (incurred subsequent to July 31, 2019);
- On or before February 12, 2020, Ubique must pay MinKap \$10,000 and deliver to MinKap 500,000 common shares in the capital of Ubique;
- On or before February 12, 2021, Ubique must deliver to MinKap 200,000 common shares in the capital of Ubique;
- On or before February 28, 2021, Ubique must incur an additional \$200,000 in expenditures;
- On or before September 1, 2021, paying \$40,000 to the vendors from whom MinKap optioned the property.
- On or before February 28, 2022, Ubique must incur an additional \$300,000 in expenditures.
- On or before February 12, 2024, Ubique must incur an additional \$400,000 in expenditures, at which point the Company will have earned a 55% interest in the MinKap property.

Upon Ubique earning a 55% interest, Ubique may earn an additional 15% interest by incurring an additional \$400,000 in expenditures, on or before February 28, 2025.

Upon Ubique earning either a 55% or 70% interest in the property, the companies will form a joint venture to continue exploration, or MinKap may elect to grant Ubique the right to earn an additional 5% interest in the property for every additional work expenditure of \$100,000 to a limit of 95% ownership by Ubique, at which time the agreement provides for MinKap's interest to be converted to a 2% Net Smelter Royalty ("NSR"). Ubique will then have the right to buy back 1.75% of the NSR for \$2,000,000. The underlying vendors are entitled to a NSR of 3% of which 2% may be repurchased for \$2,000,000. In addition, the underlying vendors are entitled to a bonus payment in the event that the Operator delineates a NI 43-101 compliant resource of a minimum of 5,000,000 tonnes of ore with a grade of at least 7% zinc.

In the quarter ended October 31, 2019 Ubique incurred drilling and development costs of \$85,804, and met its work commitments, due by September 15, 2019, under the MinKap option agreement.

#### *Gander Exploration Inc.*

##### **Cripple Creek**

As a result of the acquisition of control of Gander on March 27, 2019 (Note 7), the Company acquired the Cripple Creek property, comprising 35 claims located 25km north of the town of Gander. At July 31, 2019, GreenBank recognized an impairment loss of \$1,708 against the Cripple Creek claims held by Gander, to reflect the decision let some of these claims lapse in November 2019.

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

### 9. Investments in marketable securities

	As at October 31, 2019	As at July 31, 2019
Shares of Canadian Public Companies	\$ 81,778	\$ 102,223
Shares of Canadian Private Companies	60,055	60,054
	\$ 141,833	\$ 162,277

Investments held for sale consist of investments where the Company's interest is less than 20% and the Company does not otherwise have control or significant influence.

---

## GreenBank Capital Inc.

Notes to Condensed Interim Consolidated Financial Statements  
Three Months Ended October 31, 2019  
(Unaudited & Expressed in Canadian Dollars)

---

### 9. Investments in marketable securities (continued)

Shares in Canadian public companies are measured at fair value based on the shares quote market price. During the quarter ended October 31, 2019, the Company recognized a (loss) in the fair value of its investment in the shares of a public company in the amount of (\$20,444) (October 31, 2018 – (loss) of (\$61,333)).

Shares in private companies are recorded at fair value. Management determined that the cost of the Company's investments in shares of private companies as determine under IFRS 9 was the most reliable estimate of fair value.

### 10. Investments in associates

Details of the Company's equity accounted investees is as follows:

	GBC Grand	
	Exploration Inc.	Total
Balance - July 31, 2019	\$ 20,009	\$ 20,009
Share of loss	(710)	(710)
Balance - October 31, 2019	\$ 19,299	\$ 19,299

Summarized financial information for the Company's equity accounted investee as at October 31, 2019, is as follows:

	GBC Grand
	Exploration Inc.
Reporting period end date	October 31, 2019
Owenship %	47.47%
Current assets	\$ 12,117
Non-current assets	\$ 28,538
Total assets	\$ 20,698
Total liabilities	\$ 19,957
Net assets	\$ 40,655
Income	\$ -
Expenses	\$ (1,496)
Net loss	\$ (1,496)

### 11. Accounts Payable and Accrued Liabilities

	As at	
	October 31, 2019	July 31, 2019
Accounts payable	\$ 264,879	\$ 196,483
Accrued liabilities	39,696	35,496
	\$ 304,575	\$ 231,979

The accounts payable and accrued liabilities which arise from the Company's day to day operations have standard vendor terms and are normally settled between one and two months.

# GreenBank Capital Inc.

Notes to Condensed Interim Consolidated Financial Statements  
 Three Months Ended October 31, 2019  
 (Unaudited & Expressed in Canadian Dollars)

## 12. Preference shares

Details of the issued preference shares are as follows:

	As at		As at	
	October 31, 2019		July 31, 2019	
	#		#	
\$1 Series A non-voting	-	\$ -	-	\$ -
\$1 Series B non-voting	-	-	-	-
\$1 Series C non-voting (revised to \$0.33)	74,340	-	74,340	-
\$1 Series D non-voting	-	-	-	-
	74,340	\$ -	74,340	\$ -

The preference shares pay a 5% dividend and are non-voting. As the dividend is not in the discretion of the Company's management the preference shares have been accounted for as financial liabilities. The preference shares were recorded at their fair value based on the estimated market yield of 15%.

During the year ended July 31, 2018, the Company issued 74,340 \$1 Series C non-voting preference shares to acquire shares of Veterans (Note 7). As of April 30, 2018, the par value of the Series C 5% Preference Shares was revised from \$1 par value to \$0.33 par value, to reflect the market yield from similar securities. This reduction in par value represents a comparative market yield of 15%. Subsequent to the issuance of the Series C preference shares, the Company acquired 100% of Veterans and therefore related preference share liability has been eliminated on consolidation.

## 13. Share Capital

### (a) Authorized Share Capital

The Company's authorized share capital includes:

- an unlimited number of common shares without par value
- an unlimited number of \$0.33 Series C non-voting preferred shares.

### (b) Issued Share Capital

At October 31, 2019, there were 27,570,866 common shares issued (July 31, 2019 – 27,570,866). The number of issued shares at October 31, 2019 (and July 31, 2019) includes 150,000 common shares that are held by the Company's subsidiary Blockchain Evolution and 100,842 common shares that are held by the Company's subsidiary Ubique which have therefore been treated as treasury shares and excluded from the number of outstanding common shares.

### (c) Common Share Transactions

There were no common share transactions in the quarter ended October 31, 2019.

### (d) Warrants

The changes in warrants during the quarter ended October 31, 2019 is as follows:

	Year ended		Year ended	
	October 31, 2019		July 31, 2019	
	#		#	
Balance beginning	471,357	\$ 0.98	471,357	\$ 0.98
Expired	(431,357)	0.90	-	-
Balance ending	40,000	\$ 1.80	471,357	\$ 0.98

# GreenBank Capital Inc.

## Notes to Condensed Interim Consolidated Financial Statements Three Months Ended October 31, 2019 (Unaudited & Expressed in Canadian Dollars)

### 13. Share Capital (continued)

#### (d) Warrants (continued)

The issued and outstanding warrants balance at October 31, 2019 is comprised as follows:

Expiry Date	Exercise Price	Number of warrants	Fair Value
February 06, 2020	1.80	40,000	19,862
	\$ 1.80	40,000	\$ 19,862

#### (e) Stock options

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

	Three months ended October 31, 2019		Year ended July 31, 2019	
	#	Exercise Price	#	Exercise Price
Balance beginning	792,986	\$ 1.29	2,499,686	\$ 0.63
Granted		-	-	-
Exercised		-	-	-
Cancelled		-	-	-
Expired	(569,286)	1.35	(1,706,700)	0.31
Balance ending	223,700	\$ 1.14	792,986	\$ 1.29

- i) On April 6, 2018, the Company granted a total of 223,700 stock options that vested on the grant date. The fair value of \$186,424 was recognized as share-based compensation and was estimated using the Black-Scholes pricing model based on the following assumptions: dividend yield rate 0%, volatility of 226.37%, risk free rate of 1.79%, and an expected life of 2 years.

The following table sets out the details of the stock options outstanding as at October 31, 2019:

Expiry Date	Exercise Price	Remaining Contractual Life (years)	Number of Options Outstanding	Number of Options Vested	Number of Options Unvested
April 06, 2020	1.14	0.43	223,700	223,700	-
	\$ 1.14	0.43	223,700	223,700	-

#### (f) Basic and diluted loss per share

Diluted loss per share did not include the effect of options and warrants as the effect would be anti-dilutive.

### 14. Related Party Transactions and Disclosures

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

During the quarter ended October 31, 2019, the Company incurred transfer agent fees of \$5,763 (October 31, 2018-\$3,475) to a company with common majority shareholders, for the provision of share transfer services.

# GreenBank Capital Inc.

## Notes to Condensed Interim Consolidated Financial Statements Three Months Ended October 31, 2019 (Unaudited & Expressed in Canadian Dollars)

During the quarter ended October 31, 2019, a subsidiary of the Company incurred consulting fees of \$15,000 (2018 - \$Nil) to an officer of the Company.

### Key Management Compensation

During the year ended July 31, 2019 the Company payroll expenses included management compensation of \$30,000 (2018 - \$28,066) paid to a director and officer of the Company.

### 15. Non-Controlling Interests

A continuity of the non-controlling interest by subsidiary is as follows:

	Blockchain Evolution Inc.	Kabaddi Games Inc.	Ubique Minerals Ltd.	Buchans Wileys Exploration Inc.	Gander Exploration Inc.	Total
<b>Balance, July 31, 2019</b>	\$ (142,863)	\$ (12,396)	\$ 514,073	\$ (24,205)	\$ 1,991	\$ 336,600
Shares issued by subsidiary	-	-	78,000	-	-	78,000
Allocation of warrant reserve	-	-	(22,937)	-	-	(22,937)
Share issuance costs	-	-	(1,224)	-	-	(1,224)
Share of net profit (loss) for the period	(5,430)	(8,941)	(20,533)	(13,210)	(2,949)	(51,063)
<b>Balance, October 31, 2019</b>	\$ (148,293)	\$ (21,337)	\$ 547,380	\$ (37,415)	\$ (958)	\$ 339,377

### 16. Segmented Information

As at October 31, 2019, the Company has four reportable segments: merchant banking; financial services; software development and mineral exploration.

The Company evaluates performance and allocates resources based on profit or loss from operations before income taxes as well as results from operating activities. All the operations are in North America hence no geographical segmental information is provided. Information on reportable segments is as follows:

October 31, 2019	Merchant Banking	Financial Services	Software Development	Mineral Exploration	Total
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Segment income (loss)	\$ (131,145)	\$ 32,313	\$ (19,154)	\$ (12,229)	\$ (130,214)

October 31, 2018	Merchant Banking	Financial Services	Software Development	Mining Interest	Total
Revenue	\$ -	\$ -	\$ -	\$ 15,943	\$ 15,943
Segment income (loss)	\$ (210,951)	\$ (24,382)	\$ (107,280)	\$ 19,928	\$ (322,686)

October 31, 2019	Merchant Banking	Financial Services	Software Development	Mining Interest	Total
Segment assets	\$ 691,101	\$ (70,795)	\$ (184,582)	\$ 660,013	\$ 1,095,736
Segment liabilities	\$ (702,832)	\$ (137,749)	\$ (180,827)	\$ (167,683)	\$ (1,189,091)

July 31, 2019	Merchant Banking	Financial Services	Software Development	Mining Interest	Total
Segment assets	\$ 239,670	\$ 178	\$ 3,357	\$ 703,836	\$ 947,041
Segment liabilities	\$ (466,478)	\$ (169,494)	\$ (215,120)	\$ (84,937)	\$ (936,029)



---

## **GreenBank Capital Inc.**

### **Notes to Condensed Interim Consolidated Financial Statements**

**Three Months Ended October 31, 2019**

**(Unaudited & Expressed in Canadian Dollars)**

---

#### **17. Discontinued operations**

As at July 31, 2019, the operations of Veterans were discontinued, and no new policies have been written thereafter. The insurance agency related revenues, other income and expenses have been reclassified as discontinued operations. In the quarter ended October 31, 2019 Veterans contributed a net income of \$32,370 (net (loss of (\$24,325) - October 31, 2018), primarily from gains arising from settlement of outstanding dues at a discount.

#### **18. Restatement**

The financial information for the three month period ended October 31, 2018 has been restated. The Company previously accounted for its interests in Ubique and Buchans Wileys as investments in associates using the equity method. The Company determined that effective October 5, 2018, the Company obtained control of Ubique and Buchans Wileys therefore requiring consolidation of these entities in the consolidated financial statements for that interim period. The Company has also expensed certain costs as research and development that were previously capitalized as an intangible asset. The effect of the restatement was as follows:

- Decrease in comprehensive loss of \$17,359
- Decrease in loss per share of \$0.0002
- Increase in cash flows used in operating activities of \$1,809
- Increase in cash flows provided by investing activities of \$252,008
- Increase in cash flows provided by financing activities of \$Nil

#### **19. Events After the Reporting Period**

Nil