

Unaudited Interim Condensed Consolidated Financial Statements

The Mint Corporation

For the three months ended
March 31, 2017 and 2016

The Mint Corporation

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THE MINT CORPORATION

Notice of Disclosure of Non-Auditor Review of Interim Condensed Consolidated Financial Statements for the three months ended March 31, 2017 and March 31, 2016.

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

The accompanying unaudited interim condensed consolidated financial statements of The Mint Corporation (the “Corporation”) for the periods ended March 31, 2017 and 2016, have been prepared in accordance with International Financial Reporting Standards and are the responsibility of the Corporation’s management.

The Corporation’s independent auditors, MNP LLP, have not performed a review of the interim condensed consolidated financial statements for the periods ended March 31, 2017 and 2016 in accordance with the standards established by the Chartered Professional Accountants Canada for a review of interim financial statements by an entity’s auditor.

MANAGEMENT’S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying unaudited interim condensed consolidated financial statements of The Mint Corporation (the “Corporation”) have been prepared by management in accordance with International Financial Reporting Standards (“IFRS”). Management acknowledges responsibility for the preparation and presentation of the consolidated financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Corporation’s circumstances.

Management, in discharging these responsibilities, maintains a system of internal controls designed to provide reasonable assurance that its assets are safeguarded, only valid and authorized transactions are executed and accurate, timely and comprehensive financial information is prepared. However, any system of internal control over financial reporting, no matter how well designed and implemented, has inherent limitations and may not prevent or detect all misstatements.

The Board of Directors is responsible for reviewing and approving the consolidated financial statements together with other financial information of the Corporation and for ensuring that management fulfills its financial reporting responsibilities.

“Vishy Karamadam”

Chief Executive Officer

“Kym No”

Interim Chief Financial Officer

The Mint Corporation
UNAUDITED INTERIM CONDENSED CONSOLIDATED
STATEMENTS OF FINANCIAL POSITION
(Presented in Canadian Dollars)

As at	March 31, 2017 \$	December 31, 2016 \$
ASSETS		
Current assets		
Cash and cash equivalents <i>[note 13]</i>	62,895	461,739
HST and other receivables	534,183	514,581
Advances and deposits <i>[note 9]</i>	25,747	34,951
Current assets	622,825	1,011,271
Non-current assets		
Investment in Mint UAE Operations <i>[note 3]</i>	3,929,664	4,269,929
Non-current assets	3,929,664	4,269,929
Total assets	4,552,489	5,281,200
LIABILITIES		
Current		
Trade and other payables <i>[note 10]</i>	2,573,917	1,664,023
Due to related party <i>[note 11]</i>	424,999	424,999
Current portion of debentures - secured <i>[note 5]</i>	3,427,907	3,330,412
Debentures – held by Gravitas <i>[note 4 and 11]</i>	1,286,156	1,286,156
Promissory note <i>[note 11]</i>	226,800	226,800
Current liabilities	7,939,779	6,932,390
Non-current liabilities		
Debentures - secured <i>[note 5]</i>	58,199,415	58,092,138
Long-term due to related party <i>[notes 11]</i>	719,790	500,000
Non-current liabilities	58,919,205	58,592,138
DEFICIENCY		
Capital stock <i>[note 6]</i>	30,983,677	30,983,677
Warrants <i>[note 8]</i>	384,438	384,438
Contributed surplus	5,486,064	5,486,064
Deficit	(99,160,674)	(97,097,507)
Total deficiency	(62,306,495)	(60,243,328)
Total deficiency and liabilities	4,552,489	5,281,200

Going concern [note 1]

Commitments and contingency [note 12]

See accompanying notes to the unaudited interim condensed consolidated financial statements

On behalf of the Board:

“Steve Dulmage”

Director

“Vishy Karamadam”

Director

The Mint Corporation
UNAUDITED INTERIM CONDENSED
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Presented in Canadian Dollars)

	For the three months ended March 31,	
	2017	2016
	\$	\$
Expenses		
General and administrative	383,941	166,183
Gain on extinguishment of debt	-	(468,823)
Debenture restructuring fee <i>[note 5(a)]</i>	-	3,583,429
Financing costs	1,072,172	1,105,346
Share of loss in Investment in Mint UAE Operations <i>[note 3]</i>	606,925	346,650
Foreign exchange loss (gain)	129	(11,290)
	2,063,167	4,721,495
Net (loss) from continuing operations	(2,063,167)	(4,721,495)
Net gain from discontinued operations	-	327,801
Net loss and comprehensive loss	(2,063,167)	(4,393,694)
Loss per common share, basic and diluted		
- Continuing operations	(0.023)	(0.064)
- Discontinued operations	-	0.004
	(0.023)	(0.060)
Weighted average number of common shares outstanding - 000's	91,082	73,643

See accompanying notes to the unaudited interim condensed consolidated financial statements.

The Mint Corporation

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIENCY)

(Presented in Canadian Dollars)

For the three months ended March 31, 2017 and 2016:

	Number of common shares	Capital stock \$	Warrants \$	Contributed Surplus \$	Deficit \$	Total deficiency \$
Balance, December 31, 2015	73,642,790	27,580,524	731,438	5,486,064	(87,959,674)	(54,161,648)
Net loss for the period	-	-	-	-	(4,393,695)	(4,393,695)
Balance, March 31, 2016	73,642,790	27,580,524	731,438	5,486,064	(92,353,369)	(58,555,343)
Balance, December 31, 2016	135,022,742	30,983,677	384,438	5,486,064	(97,097,507)	(60,243,328)
Net loss for the period	-	-	-	-	(2,063,167)	(2,063,167)
Balance, March 31, 2017	135,022,742	30,983,677	384,438	5,486,064	(99,160,674)	(62,306,495)

See accompanying notes to the unaudited interim condensed consolidated financial statements.

The Mint Corporation

**UNAUDITED INTERIM CONDENSED
CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Expressed in Canadian Dollars)

For the three months ended March 31, 2017 and 2016:

	March 31, 2017	March 31, 2016
	\$	\$
OPERATING ACTIVITIES		
Net loss	(2,063,167)	(4,393,695)
Adjustments:		
Interest accretion on promissory notes, debentures and convertible debentures	204,772	525,619
Gain on settlement of debentures	-	(468,823)
Debenture restructuring fee	-	3,583,429
Share of loss in Investment in Mint UAE Operations	606,925	346,650
Gain from discontinued operations	-	(327,801)
Changes in non-cash working capital balances related to operations		
Trade and other payables	909,894	(698,548)
HST and other receivables	(19,602)	29,817
Advances and deposits	9,204	(16,714)
Net cash used in operating activities	(351,974)	(1,420,066)
INVESTING ACTIVITIES		
Investment in associates	(266,660)	(422,620)
Redemption of short term investments	-	2,900,000
Net cash from (used) in investing activities	(266,660)	2,477,380
FINANCING ACTIVITIES		
Loan from related party	219,790	-
Redemption of debentures	-	(408,500)
Net cash from financing activities	219,790	(408,500)
Net change in cash during the period	(398,844)	648,814
Cash and cash equivalents, beginning of the period	461,739	345,214
Cash and cash equivalents, end of the period [note 13]	62,895	994,028

Supplemental cash flow information [note 14]

See accompanying notes to the consolidated financial statements.

The Mint Corporation

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2017 and 2016

(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Nature of operations

The Mint Corporation (“Mint” or the “Corporation”) is a publicly listed company on the TSX Venture Exchange. The registered office of the Corporation is at 333 Bay Street, Suite 1700, Toronto, Ontario M5H 2R2. Currently, The Mint Corporation has no active operations in Canada. The Corporation is a 77% subsidiary of Gravitas Financial Inc. (“Gravitas”), a publicly listed company on the Canadian Stock Exchange (“CSE”). Gravitas is the parent entity.

The Corporation operates primarily through its associates in the United Arab Emirates (“UAE”). On April 2, 2015, the Corporation finalized a management agreement (the “Management Agreement”) with Global Business Systems for Multimedia (“GBS”), a shareholder of Mint Middle East (“MME”). The Management Agreement is effective December 31, 2014. Under the terms of the Management Agreement, GBS is entitled to a fixed management fee of UAE Dirham (“AED”) 120,000 (\$43,476) per month and a variable management fee of 20% of the net income of Mint UAE operations. The fixed management fee is payable effective May 1, 2014 and the variable management fee is payable effective January 1, 2015. In addition, GBS assumed the oversight of the day-to-day operations of the Corporation’s UAE operations. Accordingly, the Corporation lost control over its operations in the UAE with effect from December 31, 2014, but still continues to exercise significant influence [See note 3].

The Corporation’s UAE operations comprise four entities: Mint Middle East LLC (“MME LLC”), Mint Electronic Payment Services Ltd (“MEPS”), Mint Capital LLC (“MCO”) and Mint Gateway for Electronic Payment Services (“MGEPS”). MME LLC is 51% owned by Mint, and 49% owned by GBS. MEPS is owned 49% by MME LLC, but is a fully controlled subsidiary of MME LLC by virtue of a nominee agreement which provides for Board and management control to MME LLC as well as a 100% commercial interest in the operations of MEPS. MCO is owned 100% by the Corporation. MGEPS is owned 49% by MCO and GBS owns the remaining 51%. Under the terms of a Nominee Agreement, dated June 28, 2015, GBS has nominated a 2% share of its ownership and commercial interest in favour of MCO. Accordingly, MCO beneficially owns 51% of MGEPS. The above four entities are together referred to as ‘Mint UAE Operations’.

Mint UAE operations focuses on payroll cards, mobile airtime top up, merchant network solutions and microfinance products to existing payroll cardholders. The payroll card revenues are generated in the UAE in MME LLC. MME LLC manages the issuance, administration, customer support, payment processing and set-up and reporting of payroll cards and related activities.

On May 6, 2014, Mint incorporated 2417624 Ontario Inc. This entity has no active operations and was formed to acquire and surrender for cancellation various debentures of the Corporation.

On September 29, 2014, MGEPS was incorporated to carry on the new operations being contemplated under a revised business strategy being developed to enhance Mint UAE Operations and owns the required IT infrastructure.

The Mint Corporation

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2017 and 2016

(Expressed in Canadian Dollars)

Going concern

These unaudited interim condensed consolidated financial statements have been prepared on a going concern basis, which assumes the Corporation will continue its operations in the foreseeable future and that it will be able to realize its assets and discharge its liabilities in the normal course of operations. The Corporation has incurred several years of losses and as at March 31, 2017, has a cumulative deficit of \$99,160,674 [December 31, 2016 - \$97,097,507]; working capital deficit of \$7,316,954 [December 31, 2016 – working capital deficit of \$5,921,119]; negative cash flows from operations for the three months ended March 31, 2017 of \$351,974 [for the three months ended March 31, 2016 – \$1,420,066]; and has a shareholders' deficiency of \$62,306,495 [December 31, 2016 - \$60,243,328]. These conditions raise significant doubt about the ability of the Corporation to continue as a going concern without additional equity or debt financing.

The Corporation's ability to continue as a going concern has always depended on the ability of management to raise capital and issue debt in the market. The Corporation has taken steps to put in place a debt arrangement that is expected to provide sufficient liquidity to enable the Corporation to pursue its redefined business objective and provide adequate liquidity to meet its future obligations. The outcome of these initiatives cannot be predicted at this time.

Specifics of management's plan to achieve profitable operations include:

- A new business plan has been developed during to consolidate operations and migrate to a modern, state of the art software platform that will enable the Corporation to provide additional value-add services to the employee and the employer customers of the Wage Protection System in the UAE as well as progress into more remunerative lines of business.
- An intensive review of all operations and expenditures, including staffing and overhead costs, to identify and eliminate inefficiencies and redundancies in order to preserve capital while growing the business.

Mint is still in the process of implementing its business plan and has not yet generated operating profits. Long-term continuance of the Corporation's operations is dependent upon achieving profitable operations and, until that occurs, will rely on additional equity or debt financing. The Corporation will need to secure significant additional financing in the immediate term in order to meet the Corporation's requirements for funding of the business plan and pay its obligations as they come due. There is no assurance that these initiatives will be successful or sufficient. These circumstances lead to significant doubt as to the ability of the Corporation to meet its obligations as they become due and, accordingly, the ultimate appropriateness of use of the accounting principles applicable to a going concern.

These unaudited interim condensed consolidated financial statements do not reflect adjustments to the carrying value of assets and liabilities or reported expenses and balance sheet classifications that would be necessary if the going concern assumption was not appropriate. These adjustments could be material.

The Mint Corporation

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2017 and 2016

(Expressed in Canadian Dollars)

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These unaudited interim condensed consolidated financial statements of the Corporation have been prepared in accordance with International Financial Reporting Standards ["IFRS"] applicable to the preparation of interim financial statements, including IAS 34 – Interim Financial Reporting, as issued by the International Accounting Standards Board ["IASB"]. These financial statements are condensed and do not include all of the information required for full annual financial statements and should be read in conjunction with the audited financial statements for the years ended December 31, 2016 and 2015.

The financial statements were prepared on a going concern basis under the historical cost convention and these financial statements were authorized for issuance by the Board of Directors of the Corporation on May 25, 2017.

Basis of presentation

These unaudited interim condensed consolidated financial statements have been presented in Canadian dollars (“\$”) unless otherwise stated and have been prepared on a historical cost basis, except for the revaluation of certain financial instruments.

These unaudited interim condensed consolidated financial statements include the accounts of The Mint Corporation [“the Corporation”] or [“Mint”] and its subsidiaries. Subsidiaries include Mint Technology Inc. [“MTI”] (100%) (now wound up, see note 5) and 2417624 Ontario Inc. [“OIC”] (100%). The Corporation’s share in gains or losses of associates is recognized on the equity basis of accounting in the statements of loss and comprehensive loss. Associates include MME LLC (51%), MGEPS (51%, through an ownership of 49% and a nominee agreement for 2%), MCO (100%) and MEPS (49% but is a fully controlled subsidiary of MME by virtue of a nominee agreement, which provides for Board of Directors and management control to MME, plus a 100% commercial interest in the operations of MEPS, thus consolidated as a fully owned subsidiary of MME). All inter-company balances and transactions are eliminated on consolidation.

3. INVESTMENT IN MINT UAE OPERATIONS

Investment in Mint UAE Operations

As at March 31, 2017, the carrying value of the investment in Mint UAE Operations is as follows:

	March 31, 2017
	\$
Balance, December 31, 2015	3,964,342
Add: Additional working capital funds invested	422,620
Share of results of associates for the year	(346,650)
Balance, March 31, 2016	4,040,312
Add: Additional working capital funds invested	1,308,750
Share of results of associates for the year	(1,079,133)
Balance, December 31, 2016	4,269,929
Add: Additional working capital funds invested	266,660
Share of results of associates for the period	(606,925)
Balance, March 31, 2017	3,929,664

The Mint Corporation

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2017 and 2016

(Expressed in Canadian Dollars)

A summary of financial information of associates is as follows:

	MME	MEPS	MCO	MGEPS	Total
	\$	\$	\$	\$	\$
Balance sheet at March 31, 2017					
Current assets	2,129,325	41,036	10,024	7,435	2,187,820
Non-current assets	303,763	63	54,405	4,918,117	5,276,348
Current liabilities	2,426,215	65,522	9,068	238,371	2,739,176
Non-current liabilities, excluding payables to Mint	386,881	15,088	-	-	401,969
Balance sheet at December 31, 2016					
Current assets	2,178,505	96,368	14,135	30,026	2,319,034
Non-current assets	237,974	512	54,840	4,942,939	5,236,265
Current liabilities	1,825,136	66,046	7,312	228,197	2,126,691
Non-current liabilities, excluding payables to Mint	382,273	15,208	-	-	397,481

	MME	MEPS	MCO	MGEPS	Total
Statement of loss for the three months ended March 31, 2017					
Revenues	860,488	-	-	-	860,488
General and administrative	(1,078,508)	(360)	(7,895)	(256,506)	(1,343,269)
Operating costs	(404,479)	-	-	(50,590)	(455,069)
Sales and marketing	(3,604)	-	-	(20,583)	(24,187)
Other expenses	(910)	(54)	-	(2,785)	(3,749)
Amortization	(27,299)	(189)	-	(189,189)	(216,677)
Net loss	(654,312)	(603)	(7,895)	(519,653)	(1,182,463)
Mint's share of loss of associate	(333,699)	(308)	(7,895)	(265,023)	(606,925)

	MME	MEPS	MCO	MGEPS	Total
Statement of earnings for the three months ended March 31, 2016					
Revenues	1,042,229	-	-	-	1,042,229
General and administrative	(1,056,285)	(744)	(7,088)	(209,322)	(1,273,439)
Operating costs	(373,176)	-	-	(28,656)	(401,832)
Sales and marketing	(8,455)	-	-	(28,113)	(36,568)
Other expenses	(656)	-	-	(38)	(694)
Amortization	(12,951)	(196)	-	(3,343)	(16,490)
Net loss	(409,294)	(940)	(7,088)	(269,472)	(686,794)
Mint's share of loss of associate	(208,739)	(480)	(7,088)	(137,431)	(346,650)

In March, the Corporation announced that, Gravitas through its holding company (Siraj Holding Ontario) has advanced to Hafed Holding LLC, USD \$5.45 million as a deposit to secure the right to acquire a UAE Central Bank licensed financial company (the "Financial Company"). The purchase price is 100 million UAE dirham (approximately USD \$27.25 million), of which approximately USD \$15 million is due at closing, subject to adjustments.

The Mint Corporation

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2017 and 2016

(Expressed in Canadian Dollars)

Gravitas and Global Business Systems for Multimedia (“GBS”) have each agreed to provide USD \$7.5 million of funding to acquire the Financial Company and also agreed to fund another USD \$7.5 million each to satisfy ongoing UAE Central Bank capital reserve requirements. If the transaction were to close, the financial company on closing will have a cash balance of USD \$9.54 million.

In order to complete the acquisition of the Financial Company, the parties must obtain financing to fund the remaining portion of the purchase price, obtain UAE Central Bank approval, complete their due diligence and enter into definitive agreements. The participation of the Corporation in this transaction is also subject to stock exchange approval.

The acquisition of the Financial Company will occur through a holding company formed in the UAE. GBS and GFI will each hold 25% beneficial ownership interest in this holding company. Mint Gateway for Electronic Payment Services LLC (“Mint Gateway”) will own the remaining 50% beneficial interest. Mint Gateway is a company in which Mint owns, indirectly, a 51% beneficial interest and GBS owns 49% beneficial interest. The holding company and the Financial Company will both have a board of directors consisting of five directors, three of whom will be appointed by GBS and two of whom will be appointed by Gravitas.

Mint Middle East LLC, a company 51% owned by Mint and Mint Gateway (collectively the (Mint Group”) will use the financial Company as their BIN sponsor. The Mint Group will also provide sourcing, disbursement, collection, customer care and marketing services to the Financial Company and will promote all products of the Financial Company on an exclusive basis to customers of the Mint Group.

4. DEBENTURES HELD BY GRAVITAS

As at March 31, 2017, a total of \$1,286,156 were outstanding (December 31, 2016 - \$1,286,156). These debentures were issued to Gravitas in November 2013 and January 2014. Under the terms of their issuance, the debentures and accrued interest were convertible into common shares of the Corporation during the period ended November 22, 2015 at a conversion price of \$0.10 per share. The debentures matured on November 22, 2015 and have not been redeemed or converted as of March 31, 2017.

5. DEBENTURES

Debentures as at March 31, 2017:

	Series A	Series B	Series C	Total
	\$	\$	\$	\$
Balance, December 31, 2016	48,285,259	3,330,412	9,806,879	61,422,550
Interest accretion	76,371	97,495	30,906	204,772
Balance, March 31, 2017	48,361,630	3,427,906	9,837,785	61,627,322
Less: Current portion	-	(3,427,907)	-	(3,427,906)
Non-current portion	48,361,630	-	9,837,785	58,199,415

The Mint Corporation

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2017 and 2016

(Expressed in Canadian Dollars)

Debentures as at December 31, 2016:

	Series A \$	Series B \$	Series C \$	Total \$
Balance, December 31, 2015	43,556,598	4,160,164	9,688,197	57,404,959
Debt restructuring fee [a]	3,583,429	-	-	3,583,429
Repayment/ settlement of debentures	-	(689,500)	-	(689,500)
Gain on repayment/settlement of debentures	-	(750,940)	-	(750,940)
Interest accretion	1,145,232	610,688	118,682	1,874,602
Balance, December 31, 2016	48,285,259	3,330,412	9,806,879	61,422,550
Less: Current portion	-	(3,330,412)	-	(3,330,412)
Non-current portion	48,285,259	-	9,806,879	58,092,138

[a] On January 8, 2016, the Corporation re-structured the outstanding Series A debentures. Subsequent to the restructuring, the term of the Series A debentures was extended from May 16, 2019 to December 15, 2019 and the interest payable on the Series A was reduced from 10% per annum to 3% per annum until January 7, 2017 and 5% thereafter, payable quarterly on March 31, June 30, September 30 and December 31. In consideration, the Corporation issued additional debentures totalling \$3,953,506, increasing the face value of the outstanding Series A to \$49,019,962. The debt restructuring requires an additional payment of cash fee of 2.5% of the principal outstanding if certain “payroll card” targets are not met during the term of the debentures. Since the terms of the Series A debentures were substantially modified, the transaction has been accounted for as an extinguishment of the original liability and the recognition of the revised liability that will be accreted to the face value of the debentures at an effective rate of 5.5% per annum. As a result, a debt restructuring expense of \$3,583,429 has been recorded in the consolidated statement of loss and comprehensive loss. These debentures are treated as floating rate liabilities, with the effective interest rate re-determined periodically, based on the expected threshold of active card targets. Accordingly, the additional payment of cash fee above the base interest rate is recognized as interest expense in the same period that the related thresholds are met.

[b] During the three months ended March 31, 2016, the Corporation purchased and cancelled Series B debentures of face value of \$817,000 for a cash payment of \$408,500 and recognized a gain on settlement of \$468,823.

[c] Subsequent to the quarter ended March 31, 2017, Mint’s Series A and Series C debentures are to be replaced by \$20 million of debt, bearing a 10% per annum interest, maturing on December 31, 2021. The new debt will be secured by a first position security interest in the assets of Mint, MME and Mint Capital LLC. The debenture-holders will also receive (a) 17,300,000 common shares of Mint, (b) 11,700,000 common share purchase warrants of Mint, and (c) subscription receipts to acquire 16,000,000 common shares of Mint for no additional consideration. Each warrant will be exercisable after two years and on or before the maturity date of the New Debt for one common share of Mint at an exercise price of \$0.10. The subscription receipts will automatically convert into 2,000,000 common shares of Mint, without payment of additional consideration, at the end of each of the first eight three-month periods following the issuance of the new debt (subject to adjustment if any of the New Debt is prepaid prior to that conversion date. As a result, the ownership interest of Gravititas in Mint is expected to be reduced to approximately 66.5% on a non-diluted basis and approximately 56.5% on a fully-diluted basis. The above is conditional upon Series B debentures being modified as follows:

- i. For every \$1,000 of principal and interest (including bonus interest) owing to a holder when the Series B debentures matured on March 7, 2017, the holder will receive \$340 principal amount of new Series B debentures (the “New Series B Debentures”) and 750 common shares of Mint;

The Mint Corporation

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2017 and 2016

(Expressed in Canadian Dollars)

- ii. The New Series B Debentures will mature on December 31, 2021. The New Series B Debentures will become due and payable within 30 days following a change of control of Mint (other than through a treasury issuance); and
- iii. The New Series B Debentures will bear interest at 10% per annum, commencing on the 2nd anniversary of the issuance of the New Series B Debentures, and payable quarterly thereafter. If Mint does not have sufficient funds to pay cash interest when required, the shortfall will be paid by the issuance of common shares of Mint.

Debenture Terms:

Debentures	Face value March 31,	Face value December	Coupon rate	Maturity	Notes
	2017	31, 2016			
	\$	\$			
Series A	49,019,962	49,019,962	3.0-5.0%	15/12/2019	1
Series B	3,452,000	3,452,000	2.0%	07/03/2017	2
Series C	10,000,000	10,000,000	5.5%	23/06/2018	3
	62,471,962	62,471,962			

- Series A debentures carry simple interest at 3% per annum to January 17, 2017 and 5% per annum thereafter, payable quarterly on March 31, June 30, December 31 and December 31. Series A debentures were restructured in January 2016 and are redeemable at par on December 15, 2019. Series A debentures are guaranteed by MME LLC and secured against the assets of the Corporation and MME LLC.
- Series B debentures require a cash payment for simple interest at 2% per annum payable quarterly on March 7, June 7, September 7 and December 7 each year. Series B debentures were issued in March 2014, are redeemable at par on March 7, 2017 and require a 'bonus interest' of 30% of the principal outstanding on March 7, 2017. Series B debentures can be redeemed at par at any date subject to paying a 'bonus interest' such that interest paid and payable on the redeemed amounts aggregates to 12% per annum for the period outstanding. Series B debentures can be extended for an additional 2 years at Mint's option at an interest rate of 12% per annum and it is the Corporation's intention currently to extend the term of these debentures. Series B debentures are guaranteed by MME LLC and secured against the assets of the Corporation and MME LLC.
- Series C debentures require a cash payment for simple interest at 5.5% per annum payable quarterly in March, June, September and December each year. The Series C debentures were issued on June 23, 2015 and are redeemable at par on June 23, 2018. Series C debentures are secured against the assets of the Corporation and MCO, including the 49% interest of MGEPS held by MCO.

6. CAPITAL STOCK

Authorized – unlimited common preferred shares.

	March 31, 2017		December 31, 2016	
	Number of common shares	Amount	Number of common shares	Amount
		\$		\$
Common shares issued				
Balance, beginning	135,022,742	30,983,677	73,642,790	27,580,524
Common shares issued on rights offering [b]	-	-	51,379,952	2,568,998
Cost of issuance	-	-	-	(12,845)
Warrants exercised [c]	-	-	10,000,000	847,000
Balance, ending	135,022,742	30,983,677	135,022,742	30,983,677

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NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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[a] On June 30, 2016, the Corporation issued 51,379,952 common shares for aggregate gross proceeds of \$2,568,998 (\$12,845 cash issuance costs) as a rights offering, wherein shareholders were entitled to subscribe for one common share at \$0.05 per share for each share held as at June 3, 2016. Proceeds from the rights offering are required to be used for salaries, general administrative expenses, interest on Series A, B and C debentures and Series B bonus interest.

[b] On December 23, 2016, Gravitas exercised Mint warrants to purchase 10,000,000 common shares of Mint for a total exercise price of \$500,000 (\$0.05 per common share).

7. STOCK OPTIONS

The Corporation has an employee stock option plan under which the Corporation is authorized to issue stock options to employees, officers, directors and other eligible participants of up to 10% of the Corporation's share capital. As at March 31, 2017, the Corporation has no stock options outstanding.

8. WARRANTS

Share purchase warrants

Warrants outstanding as of March 31, 2017 and December 31, 2016 are summarized below:

Warrants issued	Number of warrants	Grant date	Expiry date	Exercise price (\$)
Balance, January 1, 2016	10,776,929			0.22
Broker warrants issued	500,000	23/06/2015	23/06/2018	0.05
Issued	10,000,000	23/06/2015	23/12/2016	0.05
Exercised on 23/12/2016	(10,000,000)			(0.05)
Balance, December 31, 2016 and March 31, 2017	11,276,929			0.22

9. ADVANCES AND DEPOSITS

	March 31, 2017 \$	December 31, 2016 \$
Prepayments	24,028	33,232
Other advances and deposits	1,719	1,719
	25,747	34,951

10. TRADE AND OTHER PAYABLES

	March 31, 2017 \$	December 31, 2016 \$
Trade payables	130,300	41,931
Accruals and other payables	2,443,617	1,622,092
	2,573,917	1,664,023

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11. RELATED PARTY TRANSACTIONS

Key management personnel and directors include the Corporation's Chief Executive Officer and Chief Financial Officer and members of the Board of Directors. The compensation paid or payable to key management and outside directors, included in general and administrative expenses on the statement of loss and comprehensive loss comprised the following:

	For the three months ended March 31,	
	2017	2016
	\$	\$
Management personnel		
Management fees	18,504	18,504
Directors		
Director fees	25,500	25,500
Total	44,004	44,004

During the three months ended March 31, 2017, management and consulting charges paid to GBS in connection with the Management Agreement aggregated \$129,744 [UAE Dirham ("AED") 360,000] [three months ended March 31, 2016 - \$134,555 (360,000 AED)] were incurred and recorded in MME UAE Operations and are included in the Corporation's share of losses of associates on the statements of loss and comprehensive loss.

Due to a related party

The balance of \$424,999 [December 31, 2016 - \$424,999] represents the interest-free amount outstanding as at March 31, 2017 and payable to GBS in connection with the GBS Agreement. Under the terms of this agreement between Mint and GBS, GBS assumed all responsibility for the day-to-day activities of Mint UAE Operations. The management agreement entitles GBS to a fixed monthly fee of AED 120,000 and a variable fee of 20% of the net income of Mint UAE Operations and was effective December 31, 2014.

Long-term due to a related party

The Corporation has borrowed \$719,790 [December 31, 2016 - \$500,000] from Gravitass. The loan matures on October 23, 2018 and bears interest at 4.5% per annum. The loan is secured against the assets of the Corporation and is subordinated to all existing security interests. During the three months ended March 31, 2017, the Corporation borrowed an additional \$219,790. The Corporation recorded interest expense of \$5,548 on the amounts borrowed from Gravitass for the three months ended March 31, 2017 [three months ended March 31, 2016 - \$5,609].

The Corporation has also issued an unsecured promissory note for \$226,800 bearing interest at 5% per annum, due July 31, 2017 and a 12% convertible, subordinated secured debenture of \$1,286,156 to Gravitass and due November 23, 2016. The Corporation recorded interest expense of \$38,056 on the amounts borrowed from Gravitass for the three months ended March 31, 2017 [three months ended March 31, 2016 - \$46,916].

The Corporation has also issued debentures to Gravitass in November 2013 and January 2014. Under the terms of their issuance, the debentures and accrued interest were convertible into common shares of the Corporation during the period ended November 22, 2015 at a conversion price of \$0.10 per share. The debentures matured on November 22, 2015 and have not been redeemed as of March 31, 2017.

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12. COMMITMENTS AND CONTINGENCY

The Corporation currently does not have any commitments for leased premises or any other contractual commitments.

The Corporation and its parent entity have committed to invest an aggregate of US\$6 million in the Mint UAE Operations to facilitate the completion of the IT infrastructure. As at March 31, 2017, the Corporation has advanced US\$4,500,000 and Gravitas has advanced the remainder of US\$1,500,000 against the commitment.

Contingency

In the course of operating the business, the Corporation may from time to time be subject to various claims or possible claims. Management is of the opinion that there are no claims or possible claims that if resolved would either individually or collectively result in a material adverse impact on the Corporation's financial position, results of operations or cash flows. These matters are inherently uncertain and management's view of these matters may change in the future.

13. CASH, CASH EQUIVALENTS AND SHORT TERM INVESTMENTS

Cash balance consists of:

	March 31, 2017	December 31, 2016
As at	\$	\$
Cash at bank and in hand:		
-Canadian Dollar ("CAD")	48,262	446,796
-US Dollar ("USD")	14,633	14,943
	62,895	461,739

14. SUPPLEMENTAL CASH FLOW INFORMATION

	For the three months ended March 31,	
	2017	2016
	\$	\$
Interest paid	-	1,145,385
Interest received	-	-
Taxes paid	-	-
Taxes received	-	-

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15. CAPITAL MANAGEMENT

The Corporation defines its capital as shareholders' equity and debt. The Corporation's objectives when managing capital are to build liquidity and shareholders' equity to ensure that strategic objectives are met. The Corporation makes every attempt to manage its liquidity to minimize shareholder dilution when possible.

	March 31, 2017 \$	December 31, 2016 \$
Debentures	61,627,322	61,422,550
Equity deficiency	(99,160,674)	(97,097,507)
	(37,533,352)	(35,674,957)

The Corporation has historically followed an approach that relies on issuance of common shares and debt financing to finance its activities.

The Corporation policy on dividends is to retain cash to keep funds available to finance operations and growth.

Capital structure is managed within guidelines approved by the Board with no external restrictions. The Corporation makes adjustments to its capital structure based on changes in economic conditions and planned requirements. The Corporation has the ability to adjust its capital structure by issuing new equity or debt.

The Corporation is currently in default of the the Gravitas debentures which matured on November 22, 2015 and have not been redeemed as of March 31, 2017.

17. FINANCIAL INSTRUMENTS

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. However, a variation of interest rates would not significantly affect results or equity of the Corporation as its interest bearing financial instruments are all fixed-rate instruments.

Credit risk

The Corporation is exposed to credit risk in its cash and cash equivalents and trade accounts receivable. The Corporation does not use credit derivatives or similar instruments to mitigate this risk and, as such, the maximum exposure is the full carrying value or face value of the financial instruments. The Corporation minimizes credit risk on cash by depositing with only reputable financial institutions. The Corporation is also exposed to credit risk for its advances and its investment to Mint UAE operation of \$3,929,664. The Corporation monitors the cash flows and financial position of its associates to mitigate this risk.

Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they come due. The Corporation currently settles all of its financial obligations out of cash or issuances of debt and equity instruments. The Corporation's approach in managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its obligations when due, under both normal and stress conditions, without incurring unacceptable losses or risking damages to the actual and budgeted cash flows. The Board reviews and approves the Corporation's operating

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and capital budgets, as well as any material transactions out of the ordinary course of business, including proposals on mergers and acquisitions or other major investments or divestitures. In recent years, the Corporation has financed its activities mainly through equity offerings, and debenture issuances [See also *note 1*].

The cash obligations related to the Corporation's financial liabilities as at December 31, 2016 were:

	Less than 1 year	1 to 5 years	Total
	\$	\$	\$
Trade and other payables	2,573,917	-	2,573,917
Due to related party	424,999	-	424,999
Promissory note payable to Gravitas	226,800	-	226,800
Convertible debenture	1,286,156	-	1,286,156
Long term loan from Gravitas	-	719,790	719,790
Debentures-secured	3,427,907	58,199,415	61,627,322
	7,939,779	58,919,205	66,858,984

Currency risk

Currency risk arises from financial instruments that are denominated in a currency other than the Canadian dollar. The Corporation is exposed to the risk that the value of its financial instruments will fluctuate due to changes in exchange rates.

Sensitivity analysis

Based on management's knowledge and experience of the financial markets, the Corporation believes the following movements are reasonably possible over a twelve month period:

- Management believes interest rate risk is minimal as its promissory notes, convertible debentures and debentures are at fixed rates.
- The Corporation holds balances in foreign currencies that could give rise to exposure to foreign exchange risk. Sensitivity to a plus or minus 10% change in the Canadian dollar foreign exchange rate against the USD would affect the reported loss and comprehensive loss by approximately \$1,471.

Limitations of sensitivity analysis

The above analysis demonstrates the effect of change in foreign exchange rates. The financial position of the Corporation may vary at the time those changes in foreign exchange rates occur, causing the impact on the Corporation's results to differ from that shown above.

18. SEGMENTED INFORMATION

Subsequent to the effective date of the Management Agreement and the resulting de-consolidation of the Corporation's subsidiaries and associates in the UAE, the Corporation only has head-office corporate activities in North America. The Corporation operates in a single segment, that being the activity of holding its investment in Mint UAE Operations and management of the debenture and corporate obligations

19. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the financial statement presentation adopted for the current year.