

GC-Global Capital Corp.

Management Discussion & Analysis

Dated: June 1, 2009

Description of Business

The following information should be read in conjunction with the GC-Global Capital Corp. ("Global Capital" or "the Company") Interim Consolidated Financial Statements dated March 31, 2009, which are prepared in accordance with Canadian generally accepted accounting principles. All figures are expressed in Canadian dollars unless otherwise indicated.

Global Capital is a merchant bank which provides bridge loan services (asset back/collateralized financing), ranging from \$300,000 to \$3,000,000 to companies across many industries such as oil & gas, mining, real estate, manufacturing, retail, financial services, technology and biotechnology. Global Capital takes a disciplined and systematic approach to investment and is guided by four core principles: Capital Preservation, Shareholder Value, Secure Generation of Income and Risk Management. Global Capital also invests in emerging North American companies across all industries. Global Capital's investments are made through equity financings and Global Capital works with management of operating companies in order to create value for businesses in which Global Capital assumes a position. These services can include additional equity financing, developing mergers and acquisitions, providing operational management support and structuring and negotiating debt and equity placements.

Overall Performance

As at March 31, 2009 Global Capital had net assets totaling \$19.7 million or \$0.98 per share compared to \$19.7 million or \$0.98 per share as at December 31, 2008.

For the three months ended March 31, 2009, Global Capital had net income before taxes of \$363,094 or \$0.02 compared to net income before tax of \$412,891 or \$0.02 per share for the same period in 2008. The above net income per share has been calculated using the weighted average number of multiple and subordinate voting shares during each period. Net income for the three months ended March 31, 2009 was \$363,094 as compared to \$327,184 for the same period in 2008.

Total assets as at March 31, 2009 were \$20.3 million compared to \$20.1 million as at December 31, 2008. Included in total assets are \$2.9 million in cash and short term investments (December 31, 2008 - \$3.4 million), \$9.9 million in notes receivable, bridge loans and convertible debentures (December 31, 2008 - \$11.1 million), \$2.4 million in portfolio investments (December 31, 2008 - \$2.7 million), \$2.8 million in investment property (December 31, 2008 - \$0.6 million), \$1.0 million in other receivables (December 31, 2008 - \$1.0 million) and \$1.2 million in future income taxes (December 31, 2008 - \$1.2 million). The bridge loans were provided to public companies, private companies and individuals in industries such as information technology, real estate, electronic manufacturing services and consumer goods. Trends in the economy are leading to fewer or delayed public financings and the Company will benefit from these trends as more and more companies will need bridge financings.

Summary of Quarterly Results

The following table sets out selected financial information and other data of GC-Global Capital Corp., which should be read in conjunction with the unaudited interim consolidated financial statements for the periods ending March 31, 2009. Certain comparative figures of those previously issued audited and unaudited financial statements have been reclassified to conform to the current year's basis of presentation.

For the quarters ended	Mar 31/09	Dec 31/08	Sep 30/08	Jun 30/08
Total revenue	\$ 377,083	\$ (382,412)	\$ 160,253	\$ 2,040,235
Net income (loss) before taxes	363,094	(6,005,703)	(137,308)	1,465,586
Net income	363,094	(5,883,034)	7,689	1,390,619
Net income per share ⁽¹⁾	\$ 0.02	\$ (0.29)	\$ 0.00	\$ 0.07

For the quarters ended	Mar 31/08	Dec 31/07	Sep 30/07	Jun 30/07
Total revenue	\$ 838,792	\$ 2,175,752	\$ 1,333,262	\$ 1,566,766
Net income before taxes	412,891	1,420,259	642,145	772,089
Net income	327,184	1,631,486	452,443	569,349
Net income per share ⁽¹⁾	\$ 0.02	\$ 0.08	\$ 0.02	\$ 0.03

(1) Net income per share has been calculated using the weighted average number of multiple and subordinate voting shares during each year. Diluted income per share were not calculated as they would be anti-dilutive.

Operating Results for Three Months ended March 31, 2009

Revenues

Total revenue for the quarter ended March 31, 2009 was \$377,083 compared to \$838,792 million for the same period in 2008.

Interest income decreased from \$366,968 to \$229,767 in 2009 as a result of having less funds deployed into bridge loans in the period. Structuring fees and bonuses for the quarter decreased from \$498,523 to \$66,149 in 2009 due to a lower volume of loans advanced during the quarter. The Company charges interest and a structuring fee or a bonus on its bridge loan financings. Bonuses can be in the form of cash, shares in companies, warrants or other compensation.

Sales of investments and securities for the first quarter of 2009 have resulted in Global Capital recording a realized loss of \$225,439 for the quarter as compared to a realized gain of \$644,223 for the same period in 2008. The realized loss is made up of \$216,054 from held for trading investments and \$9,385 from available for sale investments (2008 – Gain of \$618,126 from held for trading investments and \$26,097 from available for sale investments). The decrease is largely due to the sale of the majority of Global Capital's shares in Homeland Energy Group Ltd. (TSX symbol "HEG") during the first quarter of 2008. In June of 2007, Global Capital provided US\$2,000,000 to Homeland through a secured convertible debenture. In late February of 2008, Global Capital converted its debenture into 3,241,000 common shares (post share-split) of Homeland.

Changes in the fair value of held-for-trading financial assets have resulted in an unrealized gain of \$306,336 for the period as compared to an unrealized loss of \$670,922 for the same period in 2008. This gain includes the reversal of \$358,289 in unrealized losses from 2008 which were realized in the current period. The most notable change was the \$0.215 closing share price of Homeland Energy Group Ltd. at the end of the period, an increase of \$0.15 from its closing price at December 31, 2008.

Expenses

Total expenses for the quarter before the gain on foreign exchange were \$365,388 as compared to \$514,038 for the same period in 2008.

The Company provides bridge loans to US and Canadian companies. The Company recorded a foreign exchange gain of \$351,399 for the first quarter of 2009 as compared to a gain of \$88,137 in 2008.

Overhead including office and general expenses and filing and listing fees remained constant from 2008 to 2009. Management and consulting fees decreased 40% from 2008 to 2009. Management's long term incentive plan is based on realized profits. The Company recorded increased management fees and salaries during the first quarter of 2008 due to costs associated with its long term incentive plan. Travel and promotion expenses increased from \$6,361 to \$17,292 as a result of increased promotional activities in the quarter. Audit and legal fees decreased from \$53,617 to \$36,705 in the quarter due to the settlement of a contingent liability during the first quarter of 2008. Rent increased from \$16,486 to \$20,931 in 2009 due to additional office space acquired in 2008. Interest expense increased from \$921 to \$2,644 as a result of a 7% note on a property acquired during the quarter.

Liquidity

As at March 31, 2009, Global Capital had \$2,895,900 in cash in cash and short-term investments. The Company had \$5,499,968 in bridge loans and notes receivable due within one year. The Company does not have any bank indebtedness.

Management is not aware of any trends or expected fluctuations that would create any liquidity deficiencies. The Company believes that cash flow from continuing operations and existing cash resources will be sufficient to meet the Company's short-term requirements, as well as ongoing operations, and will be able to generate sufficient capital to support the Company's business. However, the Company assumes short-term debt from time to time to fund its loan operations.

Capital Resources

Management is not aware of any significant commitments or expected fluctuations with respect to its Capital Resources at the date of its year-end financial statements.

Subsequent Events

On April 30, 2009, the Company declared a cash dividend of \$0.025 per share payable to shareholders of the Company's subordinate voting and multiple voting shares. The dividend will be payable on June 15, 2009, to shareholders on record on May 15, 2009.

Proposed Transactions

There were no proposed transactions as at the date of the Company's interim financial statements for the quarter ended March 31, 2009.

Critical Accounting Estimates

The preparation of the Company's consolidated financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the consolidated financial statements and the reported amount of revenues and expenses during the period. Financial statement items subject to significant management judgment include revenue recognition; loan losses; the valuation of accounts receivable, loans and notes receivable, debentures and investment properties; the valuation of portfolio investments; the fair value of non-cash fees received; the completeness of accounts payable and accrued liabilities; customer advances and deferred revenue; the valuation of share compensation expense and warrants; and, future income tax assets. While management believes that the estimates and assumptions are reasonable, actual results may differ.

Changes in Accounting Policies

a) *Recently adopted pronouncements*

Goodwill and intangible assets

In January 2008, the CICA issued Handbook Section 3064, *Goodwill and Intangible Assets*, which will replace Section 3062, *Goodwill and Other Intangible Assets*. The standard provides guidance on the recognition of intangible assets in accordance with the definition of an asset and the criteria for asset recognition as well as clarifying the application of the concept of matching revenues and expenses, whether these assets are separately acquired or internally developed. This standard applies to the Company's interim and annual consolidated financial statements beginning January 1, 2009. The adoption of this standard will not have a material impact on the financial position and results of operations of the Company.

b) *Future accounting pronouncements*

International Financial Reporting Standards

In February 2008, the Canadian Accounting Standards Board confirmed that International Financial Reporting Standards ("IFRS") will replace Canadian Generally Accepted Accounting Principles in 2011 for Canadian publicly-listed companies. The Company will be required to report its results in accordance with IFRS beginning in 2011. The adoption of IFRS on January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. While the Company has begun assessing and reviewing the impact of IFRS, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

Financial Instruments

Under CICA Handbook Section 3855, financial assets must be classified into one of four categories: held-for-trading, held-to-maturity, loans and receivables and available for sale; financial liabilities must be classified into one of two categories: held-for-trading and other financial liabilities. All derivative instruments, including those that are embedded in, but not closely related to, another contract must be classified as held-for-trading with changes in their fair value reported in net income for the period. All financial instruments, including derivatives, are measured at fair value except for loans and receivables, held-to-maturity investments and other financial liabilities, which are measured at amortized cost, using the effective interest method where applicable. Subsequent measurement and changes in fair value will depend on their initial classification, as follows: held-for-trading financial assets are measured at fair value and changes in fair value are recognized in net income; available for sale financial instruments are measured at fair value with changes in fair value recorded in other comprehensive income until the investment is derecognized or impaired at which time the amounts would be recorded in net income.

Short-term investments are designated as held-for-trading. Accounts receivable, letters of credit, bridge loans and notes receivable are designated as loans and receivables which are measured at amortized cost, subject to impairment reviews, and accounts payable and accrued liabilities are designated as other financial liabilities which are measured at amortized cost. Fees received for originating the Company's loans are netted against the corresponding costs of the loans and are recognized in net earnings using the effective interest rate method. Portfolio investments in publicly traded companies have been designated as available for sale and are recorded in the consolidated balance sheets at fair value. Fair value is determined directly by reference to quoted market prices in active markets. Portfolio investments in private companies have been designated as available for sale and as quoted market prices in an active market do not exist, these investments are measured at cost, absent evidence of impairment. The Company's derivative investments comprise warrants, which are included in portfolio investments, and the convertible portion of convertible debentures which must be classified as held-for-trading.

Transactions with Related Parties

The Company often receives the right to nominate a member to the board of directors of companies to which it provides a bridge loan. The nominees may be an employee, officer or director of the Company, and accordingly, the borrower may become related to the Company. Notes receivable, bridge loans and convertible debentures include balances due from companies having a current or former director or officer in common with the Company, with a carrying value of \$2,844,798 (December 31, 2008 - \$4,312,844). Notes receivable, bridge loans and convertible debentures include a note to a director of the Company for US\$500,000 (December 31, 2008 - US\$500,000). The note relates to certain real estate property that was sold to the director.

These amounts are all due within one year. Portfolio investments include \$207,038 (December 31, 2008 - \$475,797) of shares of companies and partnerships having a current director or officer in common with the Company. Accounts receivable includes balances due from companies having a current director or officer in common with the Company in the amount of \$389,255 (December 31, 2008 - \$402,356). These amounts are subject to normal creditor terms.

Interest and dividend revenue includes interest earned on loans to entities with current directors and officers in common with the Company in the amount of \$45,028 (2008 - \$203,862). Interest and dividend revenue includes interest earned on loans with a former director in common with the Company in the amount of \$49,162 (2008 - \$Nil). Interest receivable includes interest earned on loans to entities with current and former directors and officers in common with the Company, in the amount of \$328,087 (December 31, 2008 - \$319,236). These amounts are subject to normal creditor terms. Structuring fees revenue includes \$28,099 (2008 - \$352,874) received from companies with current and former directors and officers in common with the Company. Management and consulting fees and travel and promotion expenses include \$94,588 (2008 - \$59,850) paid to companies controlled by current directors and officers of the Company.

Risks and Uncertainties

Risk Management

The success of Global Capital is dependent upon its ability to assess and manage all forms of risk that affect its operations. Like other financial institutions, Global Capital is exposed to many factors that could adversely affect its business, financial conditions or operating results. Developing policies and procedures to identify risk and the implementation of appropriate risk management policies and procedures is the responsibility of senior management and the Board of Directors. The Board directly, or through its committees, reviews and approves these policies and procedures, and monitors their compliance with them through ongoing reporting requirements. A description of the Company's most prominent risks follows.

Credit Risk

Concentration of credit risk may arise from exposures to a single debtor or to a group of debtors having similar characteristics such that their ability to meet their current obligations is expected to be affected similarly by changes in economic or other conditions. Senior management is committed to several processes to ensure that this risk is appropriately mitigated. These include:

- the investigation of the creditworthiness of all borrowers;
- the engagement of qualified independent consultants such as lawyers and real estate appraisers, dedicated to protecting the Company's interests;
- the segregation of duties to ensure that qualified staff are satisfied with all due diligence requirements prior to funding; and
- the prompt initiation of recovery procedures on overdue loans.

In addition, the Board of Directors meets on a quarterly basis, to review and assess the risk profile of the loan portfolio. The Board of Directors is required to approve all loans above \$500,000. The Board has delegated approval authority for all loans less than \$500,000 to senior management. The Company reviews its policies regarding its lending limits on an on-going basis. The amount of the Company's loans generally does not exceed 75% of the collateral value.

Market Risk

The Company is exposed to certain market risk that the value of a financial instrument will fluctuate due to changes in market prices whether those changes are caused by factors specific to an individual security or its issuer or factors affecting all securities traded in the market. The Board monitors changes in the market on an ongoing basis and adjusts the Company's lending practices and policies when necessary to reduce the impact of the above risks.

Liquidity Risk

Liquidity risk is the risk that the Company will not have sufficient cash to meet its obligations as they become due. This risk arises from fluctuations in cash flows from making loan advances and receiving loan repayments. The goal of liquidity management is to ensure that adequate cash is available to honour all future loan commitments. As well, effective liquidity management involves determining the timing of such commitments to ensure cash resources are optimally utilized. Global Capital manages its liquidity risk by monitoring loan advances and repayments.

As at March 31, 2009, Global Capital had \$2,895,900 in cash and short-term investments. The Company had \$5,499,968 in bridge loans and notes receivable due within one year. The Company does not have any bank indebtedness. In management's opinion, the Company has sufficient resources to meet its current cash flow requirements.

Currency Risk

The Company is exposed to certain currency risks that the value of certain financial instruments will fluctuate due to changes in foreign exchange rates. From time to time the Company takes advantage of foreign exchange contracts to manage the risk of currency fluctuations. Gains and losses on foreign exchange contracts are included in income in the corresponding reporting period. In the fourth quarter of 2008, the value of the Canadian dollar declined significantly and to ensure that the Company would not have a liquidity deficiency, the Company temporarily terminated its hedging program.

Other Data

Additional information related to the Company is available for viewing on SEDAR at www.sedar.com or on its website at www.gcglobalcapital.ca.

Share Data

Outstanding Shares

Subordinate Voting Shares	19,061,760
Multiple Voting Shares	<u>1,053,572</u>
	20,115,332

Outstanding Options and Warrants

Type	Amount Outstanding	Exercise Price	Expiry Date
Stock option	840,000	\$0.87	May 5, 2009
Stock option	150,000	\$0.87	November 24, 2009
Stock option	20,000	\$0.87	February 7, 2011
Stock option	120,000	\$1.15	September 11, 2012

Disclosure Controls and Procedures

Management of the Corporation, consisting of the Chief Executive Officer and the Chief Financial Officer, have evaluated the effectiveness of the Corporation's disclosure controls and procedures as required by Canadian securities laws. Based on that evaluation, they have concluded that, as of the end of the period covered by this Management's Discussion and Analysis, the disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in the Corporation's annual filings and interim filings (as such terms are defined under Multilateral Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings) and other reports filed or submitted under Canadian securities laws is recorded, processed, summarized and reported within the time periods specified by those laws and that material information is accumulated and communicated to management as appropriate to allow timely decisions regarding required disclosure.

Internal Control Risks

The Chief Executive Officer and Chief Financial Officer ("CFO") are responsible for designing internal controls over financial reporting in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's financial statements for external purposes in accordance with Canadian GAAP. The design of the Company's internal control over financial reporting was assessed as of the date of this Management Discussion and Analysis.

Based on this assessment, it was determined that certain weaknesses existed in internal controls over financial reporting. As indicative of many small companies, the lack of segregation of duties and effective risk assessment were identified as areas where weaknesses existed. The existence of these weaknesses is to be compensated for by senior management monitoring, which exists. The officers will continue to monitor very closely all financial activities of the Company and increase the level of supervision in key areas. It is important to note that this issue would also require the Company to hire additional staff in order to provide greater segregation of duties. Since the increased costs of such hiring could threaten the Company's financial viability, management has chosen to disclose the potential risk in its filings and proceed with increased staffing only when the budgets and work load will enable the action. The Company has attempted to mitigate these weaknesses, through a combination of

extensive and detailed review by the CFO of the financial reports, the integrity and reputation of senior accounting personnel, and candid discussion of those risks with the audit committee.

Forward-Looking Information

These materials include certain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Other than statement of historical fact, all statements in this material, including, without limitation, statements regarding fair values of marketable securities, investments, bridge loans, convertible debentures, and future plans and objectives of the Company, are forward-looking statements that involve various known and unknown risks, uncertainties and other factors. There can be no assurance that such statements will prove accurate. Actual results and future events could differ materially from those anticipated in such statements. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date of these materials. Important factors that could cause actual results to differ materially from the Company’s expectations include, without limitation, the level of bridge loans completed, the nature and credit quality of the collateral security, as well as those factors discussed in the Company’s documents filed from time to time with the TSX Venture Exchange, Canadian securities regulators and other regulatory authorities. All subsequent written and oral forward-looking statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by this notice.



GLOBAL CAPITAL CORP.

Consolidated Financial Statements

March 31, 2009 & 2008

Management’s Responsibility for Financial Reporting

The accompanying consolidated financial statements of the Company have been prepared by management in accordance with Canadian generally accepted accounting principles. These consolidated financial statements contain estimates based on management’s judgment. Management maintains an appropriate system of internal controls to provide reasonable assurance that transactions are authorized, assets safeguarded, and proper records maintained.

The Audit Committee of the Board of Directors, which is composed of a majority of independent Directors, reviews the results of the consolidated interim financial statements prior to submitting the consolidated interim financial statements to the Board for approval.

“Jason Ewart”

Jason Ewart
Chief Executive Officer

“Chris Carmichael”

Chris Carmichael
Chief Financial Officer

Toronto, Ontario
June 1, 2009

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 consolidated interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited consolidated interim financial statements of the company have been prepared by and are the responsibility of the company's management.

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

"Jason Ewart"

Jason Ewart
Chief Executive Officer

"Chris Carmichael"

Chris Carmichael
Chief Financial Officer

June 1, 2009
Toronto, Ontario

GC-Global Capital Corp.
Consolidated Balance Sheets
(Unaudited)

	March 31	December 31
	2009	2008
Assets		
Cash	\$ 595,900	\$ 3,387,855
Short-term investments (note 5)	2,300,000	-
Accounts receivable and sundry assets (note 14 and 16)	609,967	590,001
Prepaid expenses	11,733	11,733
Interest and dividends receivable (note 16)	391,957	361,344
Bridge loans, notes receivable and letter of credit (notes 6 & 16)	8,850,849	10,070,167
Convertible debentures (notes 6 & 16)	1,000,000	1,075,000
Portfolio investments (notes 5 & 16)	2,421,569	2,683,374
Investment properties (note 7)	2,848,907	631,088
Property and equipment (note 8)	49,112	50,696
Future income taxes (note 15)	1,245,700	1,245,700
	<u>\$ 20,325,694</u>	<u>\$ 20,106,958</u>
Liabilities		
Accounts payable and accrued liabilities	\$ 159,023	\$ 334,184
Customer advances and deferred revenue	45,426	76,845
Note payable (note 9)	371,782	-
	<u>576,231</u>	<u>411,029</u>
Shareholders' equity		
Share capital (notes 10 & 11)	18,084,143	18,124,420
Contributed surplus (notes 10, 11 & 12)	3,301,143	3,282,851
Accumulated other comprehensive loss	(751,043)	(463,468)
(Deficit) retained earnings	(884,780)	(1,247,874)
	<u>19,749,463</u>	<u>19,695,929</u>
	<u>\$ 20,325,694</u>	<u>\$ 20,106,958</u>

Commitments, contingent liabilities and subsequent events (notes 19, 20 & 21)

On Behalf of the Board

“Gordon Ewart” _____, Director

“Jason Ewart” _____, Director

The accompanying notes are an integral part of these consolidated financial statements.

GC-Global Capital Corp.
Consolidated Statements of Retained Earnings (Deficit)
For the three months ended March 31
(Unaudited)

	2009	2008
Retained earnings (deficit) – beginning of period	\$ (1,247,874)	\$ 4,130,988
Net income	<u>363,094</u>	<u>327,184</u>
Retained earnings (deficit) – end of period	\$ <u>(884,780)</u>	\$ <u>4,458,172</u>

The accompanying notes are an integral part of these consolidated financial statements.

GC-Global Capital Corp.
Consolidated Statements of Income
For the three months ended March 31
(Unaudited)

	2009	2008
Revenue		
Structuring fees and bonuses (note 16)	\$ 66,419	\$ 498,523
Interest and dividend income (note 16)	229,767	366,968
Gain (loss) on sale of portfolio investments held-for-trading	(216,054)	618,126
Gain (loss) on sale of portfolio investments available for sale	(9,385)	26,097
Unrealized gain (loss) on derivative investments	306,336	(670,922)
	<u>377,083</u>	<u>838,792</u>
Expenses		
Management and consulting fees (note 16)	242,916	404,297
Filing and listing fees	10,719	13,466
Audit and legal fees	36,705	53,617
Interest	2,644	921
Office and general	19,675	16,881
Travel and promotion (note 16)	17,292	6,361
Rent	20,931	16,486
Property taxes	10,770	-
Amortization	3,736	2,010
Foreign exchange gain	(351,399)	(88,137)
	<u>13,989</u>	<u>425,901</u>
Income before income taxes	<u>363,094</u>	<u>412,891</u>
Income taxes		
Current	-	15,000
Future	-	70,707
	<u>-</u>	<u>85,707</u>
Net income for the period	<u>\$ 363,094</u>	<u>\$ 327,184</u>
Net income per share (note 13)	<u>\$ 0.02</u>	<u>\$ 0.02</u>
Weighted average number of shares outstanding	<u>20,142,451</u>	<u>20,373,783</u>

The accompanying notes are an integral part of these consolidated financial statements.

GC-Global Capital Corp.
Consolidated Statement of Comprehensive Income (Loss)
For the three months ended March 31
(Unaudited)

	2009	2008
Net income for the period	\$ 363,094	\$ 327,184
Other comprehensive income		
Unrealized losses on available-for-sale financial assets (note 5)	<u>(287,574)</u>	<u>(816,599)</u>
Comprehensive income (loss) for the period	\$ <u>75,520</u>	\$ <u>(489,415)</u>
Accumulated other comprehensive loss - beginning of period	\$ (463,468)	\$ (613,281)
Other comprehensive loss for the period	<u>(287,575)</u>	<u>(816,599)</u>
Accumulated and other comprehensive loss – end of period	\$ <u>(751,043)</u>	\$ <u>(1,429,880)</u>

GC-Global Capital Corp.
Consolidated Statements of Cash Flows
For the three months ended March 31
(Unaudited)

	2009	2008
Operating activities		
Net income for the year	\$ 363,094	\$ 327,184
<i>Items not affecting cash:</i>		
Gain on sale of portfolio investments held-for-trading	216,054	(618,126)
Gain on sale of portfolio investments available for sale	9,385	(26,097)
Unrealized gain on held-for-trading investments	(306,336)	670,922
Discount on letter of credit	(22,178)	-
Non cash structuring fees and bonuses	(35,000)	(211,050)
Amortization	3,736	2,010
Future income taxes	-	70,025
	<u>228,755</u>	<u>214,868</u>
Net changes in non-cash working capital balances (note 11)	<u>(257,160)</u>	<u>(292,685)</u>
	<u>(28,405)</u>	<u>(77,817)</u>
Investing activities		
Issuance of notes receivable, bridge loans and convertible debentures	(327,568)	(3,526,931)
Proceeds from notes receivable, bridge loans and convertible debentures	-	-
Purchase of portfolio investments	(123,691)	(753,477)
Proceeds from sale of investments	288,818	1,780,071
Purchase of investment property	(276,972)	-
Additions to property and equipment	(2,152)	(2,860)
	<u>(441,565)</u>	<u>(2,503,197)</u>
Financing activities		
Purchase of treasury shares	(21,985)	(43,683)
	<u>(21,985)</u>	<u>(43,683)</u>
Increase (decrease) in cash and cash equivalents	(491,955)	(2,624,697)
Cash and cash equivalents, beginning of year	<u>3,387,855</u>	<u>3,434,526</u>
Cash and cash equivalents, end of year	<u>\$ 2,895,900</u>	<u>\$ 809,829</u>
Cash and cash equivalents comprise:		
Cash	\$ 595,900	\$ 259,580
Short term investments	<u>2,300,000</u>	<u>550,249</u>
	<u>\$ 2,895,900</u>	<u>\$ 809,829</u>

Supplemental cash flow information (note 14)

The accompanying notes are an integral part of these consolidated financial statements.

GC-Global Capital Corp.
Notes to Consolidated Financial Statements
Three months ended March 31, 2009
(Unaudited)

1. Nature of Business

GC-Global Capital Corp. (the "Company") is incorporated under the Canadian Business Corporations Act and was formed via articles of amalgamation on December 31, 2005. The Company provides a range of merchant banking services to small and mid-size cap companies in North America in both the public and private markets. The Company provides bridge loan services (asset backed/collateralized financing) ranging from \$300,000 to \$3,000,000 to companies across many industries such as oil and gas, mining, real estate, manufacturing, retail, financial services, technology and biotechnology. The Company also has a diversified investment division engaged in investing in emerging growth companies.

2. Basis of Presentation

The accompanying financial information does not include all disclosure required under generally accepted accounting principles for annual financial statements. The accompanying financial information reflects all adjustments, consisting primarily of normal recurring adjustments, which are, in the opinion of management, necessary for a fair presentation of results for the interim periods. These consolidated financial statements should be read in conjunction with the Company's 2008 audited annual financial statements and notes.

3. Summary of Significant Accounting Policies

These interim consolidated financial statements follow the same accounting policies and methods of application as the Company's annual financial statements, except as noted below. These interim consolidated financial statements are prepared in accordance with Canadian generally accepted accounting principles and include the Company's accounts and those of its wholly-owned subsidiaries, Newborn Realty Corp., Laurel Development Corporation and Foothills Development Corp.

4. Change in Accounting Policies

a) Recently adopted pronouncements

Goodwill and intangible assets

In January 2008, the CICA issued Handbook Section 3064, *Goodwill and Intangible Assets*, which will replace Section 3062, *Goodwill and Other Intangible Assets*. The standard provides guidance on the recognition of intangible assets in accordance with the definition of an asset and the criteria for asset recognition as well as clarifying the application of the concept of matching revenues and expenses, whether these assets are separately acquired or internally developed. This standard applies to the Company's interim and annual consolidated financial statements beginning January 1, 2009. The adoption of this standard will not have a material impact on the financial position and results of operations of the Company.

b) Future accounting pronouncements

International Financial Reporting Standards

In February 2008, the Canadian Accounting Standards Board confirmed that International Financial Reporting Standards ("IFRS") will replace Canadian generally accepted accounting principles in 2011 for Canadian publicly-listed companies. The Company will be required to report its results in accordance with IFRS beginning in 2011. The adoption of IFRS on January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. While the Company has begun assessing and reviewing the impact of IFRS, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

GC-Global Capital Corp.
Notes to Consolidated Financial Statements
Three months ended March 31, 2009
(Unaudited)

5. Financial Instruments

	March 31 2009 Carrying Value	March 31 2009 Fair Value	December 31 2008 Carrying Value	December 31 2008 Fair Value
Short-term investments	\$ 2,300,000	\$ 2,300,000	\$ -	\$ -
Portfolio investments in publicly traded companies – available for sale (a)	\$ 759,824	\$ 759,824	\$ 990,451	\$ 990,451
Portfolio investments in private companies – available for sale (a)	\$ 1,661,745	\$ 1,661,745	\$ 1,661,745	\$ 1,661,745
Portfolio investments in share purchase warrants of a publicly traded company – held for trading (b)	\$ -	\$ -	\$ 31,178	\$ 31,178
Portfolio investments	<u>\$ 2,421,569</u>	<u>\$ 2,421,569</u>	<u>\$ 2,683,374</u>	<u>\$ 2,683,374</u>

- (a) Portfolio investments represent shares in publicly traded companies and partnerships and private companies. For publicly traded companies and partnerships, fair value represents the quoted trading price of the shares held at March 31, 2009 and December 31, 2008. Private companies which are measured as cost, absent evidence of impairment.
- (b) Included in portfolio investments is the fair value of the Company's investments in share purchase warrants of other corporations. Where the value of these warrants is not publicly quoted in active markets, the Company employs the Black-Scholes pricing model to determine fair value, with volatility and risk free rates taken directly from the most recent audited financial statements of the corresponding companies. As these warrants are derivative instruments, the change in their fair value resulted in a decrease in net income, due to a decrease in their fair value, at March 31, 2009 of \$31,178 (2008 - \$32,915).
- (c) The Company invests extensively in emerging growth companies that are in the development stage or in companies which primarily hold investments in such companies. Certain investments are in companies which have not yet established commercial viability for their business activities and have not yet earned significant revenue. Therefore, the quoted market values of their shares are not necessarily indicative of the fair value of these investments and the recoverability of invested amounts is dependent upon the eventual commercial success of these entities. Lack of positive developments, or adverse developments, could result in future write-downs of the carrying values of these investments.

GC-Global Capital Corp.
Notes to Consolidated Financial Statements
Three months ended March 31, 2009
(Unaudited)

6. Notes receivable, bridge loans and convertible debentures

Maturity Date	Interest Rate	March 31 2009 Carrying Value	March 31 2009 Fair Value	December 31 2008 Carrying value	December 31 2008 Fair Value
<u>Notes Receivable</u>					
Due on demand (a)	NIL	\$ 630,650	\$ 630,650	\$ 609,000	\$ 609,000
Due within 13 to 24 months	NIL	630,650	630,650	609,000	609,000
Due December 2013	7%	<u>1,576,625</u>	<u>1,576,625</u>	<u>1,522,500</u>	<u>1,522,500</u>
		\$ <u>2,837,925</u>	\$ <u>2,837,925</u>	\$ <u>2,740,500</u>	\$ <u>2,740,500</u>
<u>Bridge Loans</u>					
Due on demand	12%	\$ 264,240	\$ 264,240	\$ 255,169	\$ 255,169
Due within one year	10%	1,992,854	1,992,854	-	-
Due within one year	12%-15%	2,481,247	2,481,247	5,876,219	5,876,219
Due within one year	24%	<u>130,977</u>	<u>130,977</u>	<u>130,977</u>	<u>130,977</u>
		\$ <u>4,869,318</u>	\$ <u>4,869,318</u>	\$ <u>6,262,365</u>	\$ <u>6,262,365</u>
<u>Letter of Credit</u>					
Due December, 2011 (a)	NIL	\$ <u>1,343,605</u>	\$ <u>1,343,605</u>	\$ <u>1,267,302</u>	\$ <u>1,267,302</u>
Total notes receivable, bridge loans and letter of credit		\$ <u>9,050,849</u>	\$ <u>9,050,849</u>	\$ <u>10,270,167</u>	\$ <u>10,270,167</u>
Less: general provision for impaired bridge loans		\$ <u>(200,000)</u>	\$ <u>(200,000)</u>	\$ <u>(200,000)</u>	\$ <u>(200,000)</u>
		\$ <u>8,850,849</u>	\$ <u>8,850,849</u>	\$ <u>10,070,167</u>	\$ <u>10,070,167</u>

The fair values of notes receivable and bridge loans are estimated to be approximately equivalent to carrying value due to the market interest rates being charged. Shares, real estate, and borrower, corporate or personal guarantees generally have been pledged as security.

- (a) The carrying value of the non-interest bearing letter of credit has been adjusted to its fair value based on an interest rate of 7% applied to the face value of this receivable. As the non-interest bearing note receivable is due on demand, no discount rate has been applied.

GC-Global Capital Corp.
Notes to Consolidated Financial Statements
Three months ended March 31, 2009
(Unaudited)

6. Notes receivable, bridge loans and convertible debentures – continued

		March 31	March 31	December 31	December 31
		2009	2009	2008	2008
Maturity Date	Interest Rate	Carrying Value	Fair Value	Carrying value	Fair Value
Convertible Debentures	12%	\$ <u>1,000,000</u>	\$ <u>1,000,000</u>	\$ <u>1,075,000</u>	\$ <u>1,075,000</u>

As the conversion features of the convertible debentures are derivative instruments, the change in their fair value resulted in a decrease in net income, due to a decrease in their fair value, for the quarter ended March 31, 2009 of \$75,000 (2008 - \$642,349). Included in the value of convertible debentures is \$Nil (December 31, 2008 - \$75,000) which is the fair value of the conversion feature at year end.

Shares, personal and corporate guarantees generally have been pledged as security for the notes receivable, bridge loans and convertible debentures.

7. Investment Properties

The company owns investment properties which are recorded at cost.

	March 31	December 31
	2009	2008
Wellington, Florida	\$ 348,874	\$ 331,088
Asheville, North Carolina	827,887	-
Canyon Ridge, New Mexico	888,769	-
White Plains, Georgia (3 properties)	606,626	300,000
Maysville, Kentucky	176,751	-
	<u>\$ 2,848,907</u>	<u>\$ 631,088</u>

During the quarter, the Company received the Asheville, North Carolina property, a property from White Plains, Georgia and the Maysville, Kentucky property as a settlement on two of its bridge loans.

GC-Global Capital Corp.
Notes to Consolidated Financial Statements
Three months ended March 31, 2009
(Unaudited)

8. Property and Equipment

			March 31 2009	
	Cost	Accumulated Amortization	Net Book Value	
Computer equipment	\$ 29,944	\$ 23,519	\$	6,425
Leasehold improvements	33,836	6,318		27,518
Furniture	18,980	8,731		10,249
Equipment	14,006	9,086		4,920
	<u>\$ 96,766</u>	<u>\$ 47,654</u>	<u>\$</u>	<u>49,112</u>

			December 31 2008	
	Cost	Accumulated Amortization	Net Book Value	
Computer equipment	\$ 29,944	\$ 22,999	\$	6,945
Leasehold improvements	31,684	4,004		27,680
Furniture	18,980	8,228		10,752
Equipment	14,006	8,687		5,319
	<u>\$ 94,614</u>	<u>\$ 43,918</u>	<u>\$</u>	<u>50,696</u>

GC-Global Capital Corp.
Notes to Consolidated Financial Statements
Three months ended March 31, 2009
(Unaudited)

9. Note Payable

At March 31, 2009 the outstanding principal on the note payable was US\$294,761 (December 31, 2008 - \$Nil). The note bears interest at 7% compounded annually and is secured by the Canyon Ridge property in New Mexico. Interest and principal are due March 13, 2011. The accrued interest at March 31, 2009 was US\$1,089.

10. Share Capital

- a) Authorized:
Unlimited multiple voting shares
Unlimited subordinate voting shares
Unlimited preferred shares
- b) Shares issued and outstanding

	March 31 2009	December 31 2008
Issued and outstanding:		
1,053,572 (December 31, 2008 - 1,053,572) multiple voting	\$ 1,921,076	\$ 1,921,076
19,061,760 (December 31, 2008 - 19,109,260) subordinate voting	16,163,067	16,163,344
	<u>\$ 18,084,143</u>	<u>\$ 18,124,420</u>

	Number of Shares	Amount
Multiple voting shares		
Balance, January 1, 2009 and March 31, 2009	<u>1,053,572</u>	<u>\$ 1,921,076</u>
Subordinate voting shares		
Balance, January 1, 2009	19,109,260	\$ 16,203,344
Shares cancelled	(47,500)	(40,277)
Balance, March 31, 2009	<u>19,061,760</u>	<u>\$ 16,163,067</u>

During the quarter ended March 31, 2009, the Company completed treasury purchases for cancellation under a normal course issuer bid of 47,500 (2008 - 51,500) subordinate voting shares with a stated capital of \$40,277 (2008 - \$43,655) for \$21,985 (2008 - \$43,683) resulting in an increase in contributed surplus of \$18,292 (2008 – decrease of \$18).

GC-Global Capital Corp.
Notes to Consolidated Financial Statements
Three months ended March 31, 2009
(Unaudited)

10. Share Capital - continued

c) Stock options outstanding

	Number of options	Average Exercise price per share	Expiry dates
Subordinate voting share options			
Opening balance, January 1, 2009	1,130,000		
Closing Balance, December 31, 2008	1,130,000	\$0.90	May 5, 2009 to Sep. 11, 2012

11. Stock-based compensation plan

The Company has a stock option plan (the "Plan") which was approved by the Board of Directors of the Company. The total amount of shares reserved for issuance under the Plan is 1,470,000 Subordinate Voting Shares.

The Plan is for the benefit of the employees, officers and directors and certain consultants of the Company and its subsidiaries. The Plan is administered by the Compensation Committee of the Board of Directors of the Company. The Compensation Committee may from time to time designate individuals to whom options to purchase shares of the capital stock of the Company may be granted and the number of shares to be optioned to each. The option price per share which is the subject of any option shall be fixed by the Board of Directors when such option is granted. The option price can be discounted according to the rules of the Exchange at the time the option is granted. The period during which an option is exercisable shall not exceed five years from the date the option is granted. The options may not be assigned, transferred or pledged. Subject to any grace period allowed under the policies of the Exchange, the options will expire upon the termination of the employment or office with the Company or any of its subsidiaries or death of an individual. The total number of shares to be optioned to any one individual cannot exceed five percent of the total of the issued and outstanding shares.

As at March 31, 2009, the Company had outstanding 1,130,000 stock options. These include 1,010,000 options with an exercise price of \$0.87 of which 840,000, 150,000 and 20,000 options expiring May 5, 2009, November 24, 2009 and February 7, 2011, respectively and an additional 120,000 options with an exercise price of \$1.15 expiring September 11, 2012.

The fair value of the 120,000 options granted in 2007 has been estimated using the Black-Scholes option pricing model, resulting in a value of \$33,969. Assumptions used in the pricing model is a risk-free rate of 3%, expected life of options of 5 years, expected stock price volatility of 72% and an expected dividend yield of 5%.

12. Contributed surplus

Balance December 31, 2008	\$ 3,282,851
Cancellation of shares under normal course issuer bid	<u>18,292</u>
Balance March 31, 2009	<u>\$ 3,301,143</u>

GC-Global Capital Corp.
Notes to Consolidated Financial Statements
Three months ended March 31, 2009
(Unaudited)

13. Net Income per Share

Net (loss) income per share has been calculated using the weighted average number of multiple and subordinate voting shares outstanding during the year. Diluted income per share is calculated in a similar manner, except that the weighted average number of multiple and subordinate voting shares outstanding is increased to include potentially issuable subordinate voting shares from the assumed exercise of stock options, if dilutive. The potential effect of the exercise of stock options and warrants was anti dilutive for the three months ended March 31, 2008 and 2009.

14. Supplementary Cash Flow Information

	2009	2008
Net change in non-cash working capital balances		
Accounts receivable and sundry assets	\$ (19,965)	\$ (400,256)
Prepaid expenses	-	-
Interest and dividends receivable	(30,615)	(174,143)
Accounts payable and accrued liabilities	(175,161)	222,376
Customer advances and deferred revenue	(31,149)	59,338
	<u>\$ (257,160)</u>	<u>\$ (292,685)</u>
Interest received	\$ 199,153	\$ 192,827
Interest paid	\$ 382	\$ 436
Income taxes paid	\$ -	\$ -

GC-Global Capital Corp.
Notes to Consolidated Financial Statements
Three months ended March 31, 2009
(Unaudited)

15. Income Taxes

The Company has utilized tax losses in certain of its entities to reduce its taxable income. The Company has recognized a future tax asset to the extent that the amount is more likely than not to be realized from future earnings.

	2009	2008
Current	\$ -	\$ 15,000
Future income taxes	-	70,707
Total provision for income taxes	<u>\$ -</u>	<u>\$ 85,707</u>

16. Related Party Transactions

The Company often receives the right to nominate a member to the Board of Directors of companies to which it provides a bridge loan. The nominees may be an employee, officer or director of the Company, and accordingly, the borrower may become related to the Company.

- a) Notes receivable, bridge loans and convertible debentures include balances due from companies having a current or former director or officer in common with the Company, with a carrying value of \$2,844,798 (December 31, 2008 - \$4,312,844). Notes receivable, bridge loans and convertible debentures include a note to a director of the Company for US\$500,000 (December 31, 2008 – US\$500,000) The note relates to certain real estate property that was sold to the director. These amounts are all due within one year.
- b) Portfolio investments include \$207,038 (December 31, 2008 - \$475,797) of shares of companies and partnerships having a current director or officer in common with the Company.
- c) Accounts receivable includes balances due from companies having a current director or officer in common with the Company in the amount of \$389,255 (December 31, 2008 - \$402,356). These amounts are subject to normal creditor terms.
- d) Interest and dividend revenue includes interest earned on loans to entities with current directors and officers in common with the Company in the amount of \$45,028 (2008 - \$203,862). Interest and dividend revenue includes interest earned on loans with a former director in common with the Company in the amount of \$49,162 (2008 - \$Nil). Interest receivable includes interest earned on loans to entities with current and former directors and officers in common with the Company, in the amount of \$328,087 (December 31, 2008 - \$319,236). These amounts are subject to normal creditor terms.
- e) Structuring fees revenue includes \$28,099 (2008 - \$352,874) received from companies with current and former directors and officers in common with the Company.
- f) Management and consulting fees and travel and promotion expenses include \$94,588 (2008 - \$59,850) paid to companies controlled by current directors and officers of the Company.

Related party transactions are in the normal course of operations and are measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

GC-Global Capital Corp.
Notes to Consolidated Financial Statements
Three months ended March 31, 2009
(Unaudited)

17. Sensitivity Analysis

The Company's portfolio investments, classified as available for sale, consist mainly of equity investments in publicly-listed entities. Changes in the fair value of investments, other than permanent impairments of these investments, are reported in other comprehensive income. For the remainder of 2009, a 10% increase or decrease in the market value of these investments would affect comprehensive income by \$242,157.

The Company's notes receivable, bridge loans and convertible debentures all carry a fixed interest rate. A 1% increase or decrease in the interest rate would affect net loss by approximately \$100,000.

Notes receivable and bridge loans denominated in US dollars amounts to \$5,104,752 as at March 31, 2009. A 10% increase or decrease in the exchange rate would affect net loss by approximately \$510,475.

18. Risk Management

The primary goals of the Company's risk management are to ensure that the outcomes of activities involving elements of risk are consistent with the Company's objectives and risk tolerance, and to maintain an appropriate risk/reward balance while protecting the Company's financial operations from events that have the potential to materially impair its financial strength. Balancing risk and reward is achieved through aligning risk tolerance with the Company's business strategy, diversifying risk, pricing appropriately for risk, mitigating risk through preventative controls and transferring risk to third parties.

Capital Management

The Company considers the items included in shareholders' equity as capital. The Company's capital management objectives are to maintain a strong and efficient capital structure to provide liquidity to support continued asset growth. A strong capital position also provides flexibility in considering accretive growth opportunities. It is the intention of the Company to pay out a portion of its future annual earnings to shareholders in the form of dividends.

Financial Instruments

Effective January 1, 2008, the Company adopted the CICA Handbook Section 3862, "Financial Instruments – Disclosures". As permitted by the standard, the disclosures required under this section can be found in the Company's MD&A section "risks and uncertainties". The following table provides a cross referencing of those disclosures from the MD&A.

Description	Section
For each type of risk arising from financial instruments, an entity shall disclose: the exposure to risk and how they arise; objectives, policies and processes used for managing the risks; methods used to measure the risk; and description of collateral	Risk management
	Credit risk management
	Market risk
	Liquidity risk
	Currency risk
Credit risk- gross exposure to credit risk, credit quality and concentration of exposures	Credit risk management
Market risk- value-at-risk, interest rate risk and equity risk	Market risk
Liquidity risk- liquid assets, maturity of financial liabilities and credit and liquidity commitments	Liquidity risk
Currency risk- exchange rate risk	Currency risk

GC-Global Capital Corp.
Notes to Consolidated Financial Statements
Three months ended March 31, 2009
(Unaudited)

19. Commitments

The Company has entered into an operating lease for office premises expiring in 2013. Minimum annual lease payments, exclusive of taxes and other operating costs, for each the next five years are approximately:

2009	\$	34,188
2010	\$	47,365
2011	\$	49,501
2012	\$	51,638
2013	\$	26,353

20. Contingencies

- a) In March 2004, the Company and a director were named in an action of which the plaintiff has claimed \$130,000, or in the alternative, the return of shares. The Company and the Director have defended and counterclaimed rescission of the agreement by which the Company agreed to purchase shares from the plaintiff. Affidavits of Documents have yet to be exchanged and the plaintiff has taken no steps to move the action forward. Management is of the opinion that this claim is without merit. Accordingly, no provision has been made for this claim in the accompanying consolidated financial statements.

The outcome of these claims are not determinable at the time of issue of these consolidated financial statements and the costs, if any, will be charged to income in the period(s) in which they are reasonably determinable.

- b) In 1997, the Company's wholly-owned subsidiary, Global Benefit Plan Consultants Inc. ("GBPC"), had two divisions. The Company sold the assets of one of the divisions ("GBPC Division") to companies controlled by the then current management of that specific division (the "Former Management"). Pursuant to the sale agreement, the Company received an indemnity from the Former Management in respect of any reassessments by Revenue Canada for taxes related to the GBPC Division.

During fiscal 2006, Revenue Canada reassessed the tax returns for GBPC for the tax years 1996 and 1997. The reassessment concluded that the GBPC reported false travel and promotion expenses for two former members of GBPC's management in the amounts of \$206,814 and \$19,641. The reassessment further concluded that GBPC made false ITC claims in the amounts of \$14,083 and \$1,370 attributed to the false travel and promotion expenses. Total taxes payable on the reassessment amounted to \$101,409 plus interest and penalties of approximately \$215,000.

Since 2005, the Company paid \$143,054 of the total liability of \$316,000, in relation to the contingency. The Company expects to recover this amount, which is included in accounts receivable and sundry assets.

21. Subsequent Events

On April 30, 2009, the Company declared a cash dividend of \$0.025 per share payable to shareholders of the Company's subordinate voting and multiple voting shares. The dividend will be payable on June 15, 2009, to shareholders on record on May 15, 2009.