FOUNTAIN ASSET

Condensed Interim Consolidated Financial Statements

For the Three and Nine Months Ended September 30, 2021 and 2020

Unaudited

Presented in Canadian Dollars

November 26, 2021

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The accompanying condensed interim consolidated financial statements of Fountain Asset Corp. (the “**Company**”) are the responsibility of the Board of Directors and executive management. The unaudited condensed interim consolidated financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with International Financial Reporting Standards (“**IFRS**”) as issued by the International Accounting Standards Board. These unaudited condensed interim consolidated financial statements do not include all of the disclosures required for annual consolidated financial statements and therefore should be read in conjunction with the Company’s audited annual consolidated financial statements and notes thereto for the year ended December 31, 2020. These unaudited condensed interim consolidated financial statements follow the same significant accounting policies and methods of application as those included in the Company’s most recent audited annual consolidated financial statements, except as described in note 2. Management acknowledges responsibility for the preparation and presentation of the unaudited condensed interim consolidated financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances. In the opinion of management, the unaudited condensed interim consolidated financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34, Interim Financial Reporting using accounting policies consistent with IFRS appropriate in the circumstances.

Management has established processes, which are in place to provide it sufficient knowledge to support management representations that it has exercised reasonable diligence that (i) the unaudited condensed interim consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of, and for the periods presented by, the unaudited condensed interim consolidated financial statements and (ii) the unaudited condensed interim consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the period presented by the unaudited condensed interim consolidated financial statements.

The Board of Directors is responsible for reviewing and approving the consolidated financial statements and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the internal controls over the financial reporting process, the consolidated financial statements and the auditors’ report. The Audit Committee also reviews the Company's Management’s Discussion and Analysis to ensure that the financial information reported therein is consistent with the information presented in the consolidated financial statements. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the consolidated financial statements for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

(Signed) *"Andrew Parks"*
Andrew Parks
President & Chief Executive Officer

(Signed) *"Michael Leskovec"*
Michael Leskovec
Chief Financial Officer

AUDITOR INVOLVEMENT

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements as at and for the three and nine months ended September 30, 2021 have not been reviewed by the Company's auditors.

FOUNTAIN ASSET

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Presented in Canadian Dollars

Unaudited

As at	September 30, 2021	December 31, 2020
ASSETS		
Cash	**$ 1,511,134**	$ 1,022,934
Short-term investments *(note 4)*	**40,000**	40,000
Amounts receivable and sundry assets	**433,741**	1,234,233
Loans and convertible debentures - fair value through profit or loss *(note 5)*	**631,248**	1,299,195
Investments - fair value through profit or loss *(note 6)*	**21,483,176**	15,993,398
	$ 24,099,299	$ 19,589,760
LIABILITIES		
Accounts payable and accrued liabilities	**$ 120,623**	$ 303,103
Accrued annual incentive plan *(note 11)*	**144,878**	-
Income taxes payable	**29,375**	29,375
	294,876	332,478
SHAREHOLDERS' EQUITY		
Share capital *(note 9(b))*	**29,799,107**	29,799,107
Contributed surplus *(note 9(c))*	**6,658,629**	6,524,036
Deficit	**(12,653,313)**	(17,065,861)
	23,804,423	19,257,282
	$ 24,099,299	$ 19,589,760

Contingencies and commitments *(note 15)*

The accompanying notes are an integral part of the condensed interim consolidated financial statements

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)

Presented in Canadian Dollars

Unaudited

	Three months ended September 30, **2021**	Three months ended September 30, 2020	Nine months ended September 30, **2021**	Nine months ended September 30, 2020
Revenue				
Net unrealized gains (losses) on portfolio investments	**$ (1,123,513)**	$ (29,421)	**$ 3,170,182**	$ 1,638,319
Net realized gain (losses) on portfolio investments	**486,374**	89,213	**2,131,987**	(3,710,183)
Interest and dividend income	**10,716**	214	**76,108**	168,400
Structuring fees, consulting fees and bonuses	**40,000**	-	**40,000**	657,237
	(586,423)	60,006	**5,418,277**	(1,246,227)
Expenses				
Salaries and consulting fees	**117,655**	64,684	**379,782**	194,052
Audit and legal fees	**25,929**	92,816	**153,651**	193,712
Annual incentive plan expense *(note 11)*	**144,878**	-	**144,878**	-
Commissions	**36,338**	14,392	**115,961**	37,433
Filing and listing fees	**339**	7,797	**14,795**	16,116
General and administrative	**(71,383)**	46,255	**13,165**	143,567
Stock-based compensation *(note 9(c))*	**29,353**	86,830	**134,593**	131,336
Foreign exchange loss	**42,421**	-	**48,904**	-
	325,530	312,774	**1,005,729**	716,216
Net income (loss) and comprehensive income (loss)	**$ (911,953)**	$ (252,768)	**$ 4,412,548**	$ (1,962,443)
Net income (loss) per share - basic and diluted	**$ (0.01)**	$ Nil	**$ 0.07**	$ (0.03)
Weighted average number of shares outstanding during the periods:				
Basic	61,864,462	58,994,462	61,864,462	58,994,462
Diluted	61,883,970	58,994,462	61,883,970	58,994,462

The accompanying notes are an integral part of the condensed interim consolidated financial statements

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
Presented in Canadian Dollars

	Share Capital	Contributed surplus	Deficit	Total shareholders' equity
Balance at December 31, 2019	**$ 29,153,357**	**$ 6,369,593**	**$ (19,642,473)**	**$ 15,880,477**
Stock based compensation	-	131,336	-	131,336
Comprehensive loss	-	-	(1,962,443)	(1,962,443)
Balance at September 30, 2020	**29,153,357**	**6,500,929**	**(21,604,916)**	**14,049,370**
Issuance of common shares on settlement of debt	645,750	-	-	645,750
Stock based compensation	-	23,107	-	23,107
Comprehensive income	-	-	4,539,055	4,539,055
Balance at December 31, 2020	**29,799,107**	**6,524,036**	**(17,065,861)**	**19,257,282**
Stock based compensation	-	134,593	-	134,593
Comprehensive income	-	-	4,412,548	4,412,548
Balance at September 30, 2021	**$ 29,799,107**	**$ 6,658,629**	**$ (12,653,313)**	**$ 23,804,423**

The accompanying notes are an integral part of the condensed interim consolidated financial statements

FOUNTAIN ASSET

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

Presented in Canadian Dollars

For the nine months ended September 30,	**2021**	2020
Cash provided by (used in)		
Operations		
Net income (loss)	**$ 4,412,548**	$ (1,962,443)
Items not involving cash:		
Unrealized gains on portfolio investments	**(3,170,182)**	(1,638,319)
Realized losses (gains) on sale of portfolio investments	**(2,131,987)**	3,710,183
Proceeds from sale of investments	**11,121,415**	5,049,136
Purchase of investments	**(10,641,077)**	(4,792,114)
Stock compensation expense	**134,593**	131,336
Change in non-cash working capital:		
Amounts receivable and sundry assets	**800,492**	32,857
Accounts payable and accrued liabilities	**(182,480)**	(176,210)
Accrued annual incentive plan	**144,878**	-
Change in cash	**488,200**	354,426
Cash beginning of period	**1,022,934**	335,537
Cash end of period	**$ 1,511,134**	$ 689,963

Supplementary cash flow information *(note 10)*

The accompanying notes are an integral part of the condensed interim consolidated financial statements

1. NATURE OF OPERATIONS

Fountain Asset Corp. (the "**Company**") is a publicly traded company incorporated and domiciled in Canada. The Company is an investment company focused on creating shareholder value by offering various debt and/or equity financing solutions to companies across many industries such as manufacturing, retail, financial services, technology, cannabis, biotechnology, oil and gas, mining, and cryptocurrency. The Company's subordinate voting shares are listed on the TSX Venture Exchange ("**TSXV**") under the symbol "FA".

The address of the Company's registered head office is 3 Market Street, Unit 609, Toronto, Ontario, M5E 0A3.

In March 2020, the World Health Organization declared a global pandemic related to the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19". This has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures which include the implementation of travel bans, self-imposed quarantine periods, and social distancing have caused material disruption to businesses resulting in a global economic disruption. At the same time, global equity markets have experienced historic volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize domestic economic conditions. The duration and eventual impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions.

The Corporation's ability to operate has not been directly impacted by the COVID-19 pandemic or the closure of non-essential businesses, but many of the Corporation's investee companies could be negatively impacted by the COVID-19 pandemic.

The unaudited condensed interim consolidated financial statements as at and for the three and nine months ended September 30, 2021 have been approved for issue by the Board of Directors on November 26, 2021.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

The Company's unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**"), and interpretations of the International Financial Reporting Interpretations Committee ("**IFRIC**"). These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("**IAS 34**") as issued by the IASB. Accordingly, they do not include all of the information required for full annual consolidated financial statements as required by IFRS. These unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's audited annual consolidated financial statements for the year ended December 31, 2020.

(b) Basis of presentation

These unaudited condensed interim consolidated financial statements have been prepared on a going concern basis, under the historical cost convention, except for valuation of fair value through profit or loss ("**FVTPL**") financial assets and financial liabilities which are shown at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The Company classifies its expenses by function.

The consolidated statements of cash flows shows the changes in cash and cash equivalents arising during the year from operating activities, investing activities and financing activities.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Basis of presentation (continued)

The cash flows from operating activities are determined using the indirect method. Net income is therefore adjusted for non-cash items, such as measurement gains or losses, changes in provisions, as well as changes from receivables, prepaid expenses, accounts payable and accrued liabilities and income taxes receivable and payable. In addition, all income and expenses from cash transactions that are attributable to investing or financing activities are eliminated. Interest received or paid is classified as operating cash flows. The cash flows from investing and financing activities are determined using the direct method. The Company's assignment to operating, investing and financing category depends on the business model (management approach).

(c) Principles of consolidation

(i) Subsidiaries

A subsidiary is an entity over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. As an investment entity, the Company is required to account for its investments in subsidiaries (Somersby Park 2010 Limited Partnership, and the Auto repair finance company) at fair value through profit or loss rather than by consolidation.

The Company has concluded that Fountain Advisors Corp. should be consolidated as this entity provides services relating to the Company's investment activities. All intercompany balances, profits and transactions are eliminated in full.

(ii) Status as investment entity

The following are the criteria within IFRS 10, Consolidated financial statements, which the Company used to evaluate and determine that it continues to meet the definition of an Investment Entity:

(a) Obtain funds from one or more investors for the purpose of providing those investor(s) with investment management services;

(b) Commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and

(c) Measures and evaluates the performance of substantially all its investments on a fair value basis.

The Company has evaluated the above criteria and determined that it meets the definition of an Investment Entity. As a result of meeting the definition of an Investment Entity, except for Foothills, subsidiaries which otherwise would have been consolidated are carried at fair value.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Presented in Canadian Dollars

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

(a) Critical accounting estimates

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

(i) Valuation of deferred income tax assets – The valuation of deferred income tax assets requires judgment on their recoverability. Such judgments are made based on management's estimate on the timing and amount of the Company's future taxable earnings; and

(ii) Valuation methodology of level 2 and level 3 investments. Refer to note 8 for more details.

(b) Critical accounting judgments

Management exercises judgment in applying criteria in IFRS 10, which determines the Company's status as an investment entity. The determination of categories of financial assets and financial liabilities has been identified as an accounting policy choice which involves judgments or assessments made by management.

4. SHORT-TERM INVESTMENTS

The Company has outstanding $40,000 in a short-term guaranteed investment certificate with its financial institution at September 30, 2021 (December 31, 2020 - $40,000). These investments are held as security on its credit card line with a Schedule A Canadian chartered bank.

5. LOANS AND OTHER CONVERTIBLE DEBENTURES

FVTPL	Instrument	Interest rate / term	Financial instrument hierarchy	Dec. 31, 2020 Cost	Dec. 31, 2020 **Fair value**	**September 30, 2021** Cost	**September 30, 2021** **Fair value**
2400918 Ontario Inc.	Term debt	15%, < 1 year	Level 3	$ -		$ -	
Advantagewon Oil Corp.	Convertible debt	24% & 12%, > 1 yr	Level 2	50,096		-	
Central Coast	Convertible debt	8%, > 1 year	Level 3	-		-	
Compression Capital Corp.	Convertible debt	8%, > 1 year	Level 3	500,000		500,000	
Eqitrade Ltd.	Convertible debt	8%, < 1 year	Level 3	-		50,000	
Cura Partners	Convertible debt	8%, > 1 year	Level 3	-		-	
Humble & Fume Inc.	Convertible debt	8%, > 1 year	Level 3	300,000		-	
KWESST Microsystems inc.	Convertible debt	10%, > 1 year	Level 2	-		-	
Popreach Incorporated	Convertible debt	8%, > 1 year	Level 3	-		-	
Rise Life Sciences	Convertible debt	12%, > 1 year	Level 2	250,000		-	
TipTapPay	Convertible debt	9%, > 1 year	Level 3	-		100,000	
Ways Security Inc.	Convertible debt	6%, < 1 year	Level 3	50,000		50,000	
Cryptologic Corp.	Convertible debt	8%, > 1 year	Level 2	-		-	
				$ 1,150,096	**$ 1,299,195**	$ 700,000	**$ 631,248**

Presented in Canadian Dollars

6. INVESTMENTS - FVTPL

The following chart lists the investments carried at FVTPL. See note 8 for fair value measurement techniques and evaluations.

		Financial instr.	Dec. 31, 2020		September 30, 2021	
Investment	Instrument	hierarchy	Cost	Fair value	Cost	Fair value
1616 Media Ltd.	Equity	3	$ 32,920		$ 32,920	
1014379 BC Limited	Equity	3	7,500			
10557510 Canada (Royal Wlns)	Equity	3	-		200,000	
Sprout AI (formerly 1262803 BC Ltd.)	Equity	3	30,000		-	
2459160 Ontario Inc.	Equity	3	217,763		217,763	
2459160 Ontario Inc.	Warrants	3	112,237		-	
African Cannabis Corp.	Equity	3	450,000		450,000	
Agriforce Growing Systems Ltd.	Equity	3	176,008		-	
Agriforce Growing Systems Ltd.	Warrants	3	81,492		-	
Alabs	Equity	3	-		484,120	
Attorneys Title Guaranty Fund Inc.	Equity	3	413,000		413,000	
BabelBark Inc.	Equity	3	729,618		729,618	
Beacon Hill Brands Inc.	Equity	3	400,855		400,855	
Black Swan Tech	Equity	3	-		94,905	
Bravio Technologies Limited	Equity	3	360,525		360,525	
Brazil Investments Inc.	Equity	3	202,595		202,595	
The BRN Group Inc.	Equity	3	305,479		305,479	
Canapar Corp.	Equity	3	199,800		-	
CannAgri Blockchain Inc.	Equity	3	119,849		119,849	
CannAgri Blockchain Inc.	Warrants	3	60,151		-	
Canivate Growing Systems Ltd. 2024	Warrants	3	-		34,557	
Casters Holdings Inc.	Equity	3	497,825		497,825	
Central Coast Agriculture	Equity	3	128,128		128,128	
Click Partners LP	Equity	3	-		251,440	
Cyberreason	Equity	3	-		72,398	
Danavation Tehnologies	Equity	3	83,156		-	
Danavation Tehnologies	Warrants	3	16,844		-	
Elim Mining.	Equity	3	51,267		51,267	
Embark Health Inc.	Equity	3	138,509		138,509	
Empatho Corp.	Equity	3	-		192,314	
Empatho Corp.	Warrants	3	-		57,686	
Gage Cannabis (Wolverine Ptnrs)	Equity	3	682,500		-	

Presented in Canadian Dollars

6. INVESTMENTS - FVTPL (continued)

Investment	Instrument	Financial instr. hierarchy	Dec. 31, 2020 Cost	Dec. 31, 2020 Fair value	September 30, 2021 Cost	September 30, 2021 Fair value
Gen X Biosciences	Equity	3	$ 250,000		$ 250,000	
Goodee Inc.	Equity	3	250,002		250,002	
Heavenly RX Ltd.	Equity	3	80,000		80,000	
Hemp Hydrate International	Equity	3	219,509		219,509	
Hemp Hydrate International	Warrants	3	30,491		-	
Holistic Industries Inc.	Equity	3	130,873		130,873	
Impulsa Capital LLC	Equity	3	66,510		66,510	
Legacy Eight Group Ltd.	Equity	3	427,180		427,180	
McFarlane Lake Mining	Equity	3	-		75,000	
Miraculo Inc.	Equity	3	105,000		105,000	
Molecular Science Corp.	Equity	3	250,000		250,000	
Newt Inc.	Equity	3	50,000		50,000	
Payfare Inc.	Equity	3	100,000		-	
Pluribus Technologies Inc.	Equity	3	149,971		493,030	
Promedia Investments Incorporated	Equity	3	263,120		263,120	
Prominex Resources Corp.	Equity	3	18,650		18,650	
Reciprocity Corp.	Equity	3	140,000		-	
S1 Capital Corp.	Equity	3	50,000		50,000	
ScreenPro Security Ltd.	Equity	3	20,000		-	
Sentia Wellness, Inc.	Equity	3	71,857		71,857	
Small Pharma Inc.	Equity	3	-		160,320	
Somersby Park 2010 Ltd Partnership	Equity	3	772,079		772,079	
Southern Sun (Southern Sky)	Equity	3	99,999		99,999	
Sportsventure Holdings Inc	Equity	3	-		200,000	
Taste Brands Corp.	Equity	3	200,000		200,000	
Trait Biosciences Incorporated	Equity	3	192,000		192,000	
WAR - Trenchant Life Science	Warrants	3	-		150,000	
Tripsitter Clinic Corp	Equity	3	31,938		31,938	
Private company investments - FVTPL			$ 9,435,262	$ 7,358,287	$ 10,042,820	$ 8,130,810

Presented in Canadian Dollars

6. INVESTMENTS - FVTPL (continued)

		Financial instr.	Dec. 31, 2020		September 30, 2021	
Investment	Instrument	hierarchy	Cost	Fair value	Cost	Fair value
180 Life Sciences Corp.	Equity	1	$ 314,730.00		$ -	
180 Life Sciences Corp.	Warrants	2	-		48,379	
79North Ltd.	Equity	1	25,000		-	
79North Ltd.	Warrants	2	-		-	
Abraplata Resources Corp.	Equity	1	16,706		-	
Abraplata Resources Corp.	Warrants	2	3,301		3,301	
Advantagewon Oil Corp.	Equity	1	152,289		59,612	
Advantagewon Oil Corp.	Warrants	2	-		-	
Agriforce Growing Systems Ltd.	Equity	1	-		114,629	
Agriforce Growing Systems Ltd.	Warrants	2	-		-	
Airboss America	Equity	1			500,200	
Aris Gold Corp. (Caldas Gold)	Equity	1	21,030		-	
Aris Gold Corp. (Caldas Gold)	Warrants	2	12,720		-	
Arizona Metals Corp.	Equity	1	54,405		7,254	
Avanti Energy Inc	Equity	1	-		252,000	
Bluma Wellness Inc.	Equity	1	423,886		-	
Bragg Gaming Group	Equity	1	67,872		-	
Bragg Gaming Group	Warrants	2	28,434		-	
Canaccord Gen G Class A RSTD	Equity	1			150,000	
Cansortium Inc.	Equity	1	2,834,575		1,427,065	
Cansortium Inc.	Warrants	2	528,545		528,545	
Columbia Care Inc.	Warrants	2	-		-	
Cover Technologies Inc	Equity	1	-		127,621	
Cover Technologies Inc	Warrants	2	-		39,470	
Cybin Inc.	Warrants	2	-		-	
Greenhawk Resources Inc (formerly Cryptologi	Equity	1	236,610		219,810	
Curaleaf Holdings Inc.	Equity	1	69,511		109,819	
Danavation Technologies	Equity	1	-		603,331	
Danavation Technologies	Warrants	2	-		16,844	
Emerge Commerce	Equity	1	15,000		-	
Engine Media Holdings Inc.	Equity	1	61,190		155,042	
Engine Media Holdings Inc.	Warrants	2	18,030		-	

FOUNTAIN ASSET

CONDENSED INTERIM NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Presented in Canadian Dollars
Unaudited

For the nine months ended September 30, 2021 and 2020

6. INVESTMENTS - FVTPL (continued)

		Financial instr.	Dec. 31, 2020		September 30, 2021	
Investment	Instrument	hierarchy	Cost	Fair value	Cost	Fair value
Filo Mining Corp	Equity	1	$ -		$ 96,000.00	
Gage Growth Corp.	Equity	1	-		293,734	
Gamesquare Esports Inc	Equity	1	-		119,530	
Gamesquare Esports Inc	Warrants	2	-		36,168	
Global Health Clinics Ltd.	Equity	1	31,661		31,661	
Global Health Clinics Ltd.	Warrants	2	8,339		8,339	
Global Care Capital Inc.	Warrants	2	1,793		1,793	
High Tide Inc.	Equity	1	236,001		-	
High Tide Inc.	Warrants	2	-		144,578	
HTC Purenergy Inc.	Warrants	2	38,432		38,432	
Humble & Fume	Equity	1	-		244,948	
Isracann Biosciences Inc.	Warrants	2	-		-	
Kwesst Micro Systems	Equity	1	409,911		935,849	
Kwesst Micro Systems	Warrants	2	-		268,132	
Legato Merger Corp	Equity	1	-		242,067	
Lendified Holdings Inc.	Equity	1	20,000		22,763	
Lendified Holdings Inc.	Warrants	2	-		-	
Marathon Gold Corporation	Equity	1	-		113,418	
Maritime Resources Corp.	Equity	1	39,998		-	
Mydecine Innovations Group Inc.	Equity	1	-		50,985	
Mydecine Innovations Group Inc.	Warrants	2	-		24,015	
Nighthawk Gold Corp.	Equity	1	66,877		66,877	
Nighthawk Gold Corp.	Warrants	2	9,623		-	
Noront Resources Ltd	Equity	1			122,900	
Nova Mentis Life Science Corp.	Equity	1	26,500		-	
Pampa Metals Corp.	Equity	1	40,000		-	
Pampa Metals Corp.	Warrants	2	-		-	
Parkit Enterprise Inc	Equity	1	-		94,750	

Presented in Canadian Dollars

6. INVESTMENTS - FVTPL (continued)

		Financial instr.	Dec. 31, 2020		September 30, 2021	
Investment	Instrument	hierarchy	Cost	Fair value	Cost	Fair value
Pivotree Inc.	Equity	1	$ 25,500.00		$ -	
Plant & Co Brands Ltd.	Equity	1	40,000		-	
Plantfuel Life Inc (former Sire Bioscience Inc)	Equity	1	-		60,000	
Popreach Incorporated	Equity	1	187,500		305,500	
Popreach Incorporated	Warrants	2	301,229		301,229	
Prismo Metals Inc.	Equity	1	42,785		56,460	
Psyched Wellness (Duncan Park)	Equity	1	25,962		-	
Ramm Pharma Corp	Equity	1			108,225	
Reconnaissance Energy Africa Ltd.	Warrants	2	10,155		-	
Reliq Health Technologies	Equity	1	82,881		82,881	
Reliq Health Technologies	Warrants	2	17,244		17,244	
Rise Life Science Corp	Equity	1			153,846	
CB2 Insights Inc.	Warrants	2	-		-	
Salona Global Medical	Equity	1	46,357		72,164	
Salona Global Medical	Warrants	2	3,643		3,643	
Simply Inc. (Cool Holdings Inc.)	Equity	1	627,837		922,840	
Simply Inc. (Cool Holdings Inc.)	Warrants	2	518,080		-	
Slang Worldwide Inc.	Equity	1	208,001		-	
Spectra7 Microsystems Inc.	Warrants	2	60,885		60,885	
Sprout AI (formerly 1262803 BC Ltd.)	Equity	1			108,081	
Talisker Resources Ltd.	Equity	1	34,588		34,588	
Talisker Resources Ltd.	Warrants	2	5,412		-	
Turmalina Metals Corp.	Warrants	2	12,246		12,246	
Universal Proptech Inc	Warrants	2	-		-	
Vision Marine Technologies	Equity	1	158,505		158,505	
Public company investments - FVTPL			$ 8,221,779	**$ 8,635,111**	$ 9,777,998	**$ 13,352,365**
Total investments			$ 17,657,041	**$ 15,993,398** #	$ 19,820,818	**$ 21,483,176**

Presented in Canadian Dollars

7. SUBSIDIARIES AND ASSOCIATES

The Company's subsidiaries are as follows:

Subsidiary/Associate	2020 Ownership	2019 Ownership	Place of business
Fountain Advisor's Corp.	100%	0%	Canada
Somersby Park 2010 Limited Partnership	73%	73%	United States
Auto repair finance company	50%	50%	Canada

Fountain Advisor's Corp. was incorporated in January 2020.

The Company is the parent company of the general partner of GC Global Capital Lending Partners Limited Partnership and Somersby Park 2010 General Partner Inc. (Somersby). The General Partner has unlimited liability for the liabilities and obligations of the partnerships in excess of the contributions of the limited partners. As at September 30, 2021, there were no outstanding liabilities or obligations for which the Company was contingently liable.

Somersby Park 2010 Limited Partnership (Somersby) owned vacant real estate in the United States which was sold during the year ended December 31, 2020.

The auto repair finance company filed for receivership in December 2019.

8. FAIR VALUE MEASUREMENTS

The following table presents the Company's financial assets as categorized on the statement of financial position measured at fair value and classified into levels of the fair value hierarchy:

As at September 30, 2021	Level 1	Level 2	Level 3
Cash and short term investments	$ 1,551,134	$ -	$ -
Loans and convertible debt - FVTPL	-	-	631,248
Investments - FVTPL	11,707,862	1,644,504	8,130,810
	$ 13,258,996	$ 1,644,504	$ 8,762,058

As at December 31, 2020	Level 1	Level 2	Level 3
Cash and short term investments	$ 1,062,934	$ -	$ -
Loans and convertible debt - FVTPL	-	313,507	985,688
Investments - FVTPL	7,130,482	1,504,629	7,358,287
	$ 8,193,416	$ 1,818,136	$ 8,343,975

Fair value estimation

The Company's management review and approve the valuation results of all investments in the portfolio based on all observable and non-observable inputs. The Company also will engage an independent valuation firm to perform an independent valuation in situations where it requires additional expertise. The valuation results are reviewed with the audit committee as part of its quarterly approval of the Company's consolidated financial statements.

8. FAIR VALUE MEASUREMENTS (continued)

The fair value of the Company's investments is determined as follows:

Listed securities

The fair value of securities traded in active markets are based on quoted market prices at the close of trading on the reporting date. The Company uses the last traded market price where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Company determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. The fair value of securities that are subject to trading restrictions are recorded at a value which takes into account the length and nature of the restrictions, if needed.

Unlisted securities

For investments that are not publicly traded, subsequent to initial recognition, the fair value of these investments is determined by the Company using the most appropriate valuation methodology in light of the nature, facts and circumstances of the investment and its materiality in the context of the total investment portfolio.

For unlisted equity instruments:

- Investments are valued at cost for a limited period after the date of acquisition, if the purchase price remains representative of the fair value at the reporting date; otherwise, investments are valued using one of the other methodologies detailed below.
- Investments in which there has been a recent or in-progress funding round involving significant financing from external investors are valued at the price of the recent funding, whereby the various shareholder categories rights are taken into account in the valuation. The price is adjusted, where appropriate.
- Investments in which there has been a recent private secondary market trade of meaningful volume and the transaction is undertaken by a sophisticated, arm's-length investor are valued at the price of the recent trade.
- Investments in established companies for which there has not been any recent independent funding or secondary private market transaction are valued by using revenue or earnings multiples. When valued on a multiple basis, the maintainable revenue or earnings of a portfolio company are multiplied by an appropriate multiple. The multiple is derived from the market capitalization of a peer group. Companies are selected for the peer group that are comparable with the portfolio company to be valued as to their business model and size. If the portfolio company to be valued differs in certain aspects compared with features of companies in the peer group, discounts or premiums are applied to the relevant multiple or resulting valuation.
- Investments in early-stage companies not generating sustainable revenue or earnings and for which there has not been any recent independent funding are valued using alternative methodologies. The Company considers investee company performance relative to plan, going concern risk, continued funding availability, comparable peer group valuations, exit market conditions and general sector conditions and calibrates its valuation of each investment as appropriate.
- For public company warrants, options and conversion features on debt (i.e., the underlying security of which is traded on a recognized stock exchange), valuation models such as Black-Scholes are used when there are sufficient and reliable observable market inputs. These market inputs include risk-free interest rate, exercise price, market price at date of valuation, expected dividend yield, expected life of the instrument and expected volatility of the underlying security based on historical volatility. For private company warrants, the underlying security is not traded on a recognized stock exchange, therefore fair value is determined consistent with other investments that do not have an active market, as described above.

Presented in Canadian Dollars

8. FAIR VALUE MEASUREMENTS (continued)

- Loans, debentures and promissory notes issued by investees are generally valued at the price at which the instrument was issued. The Company regularly considers whether any indications of deterioration in the value of the underlying business exist, which suggest that the debt instrument will not be fully recovered. The fair value of convertible debentures receivable is measured using valuation techniques including discounted cash flow models and modified Black Scholes option pricing models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment and assumptions provided by Management is required in establishing fair values. Judgements include consideration of inputs such as credit risk, discount rates, volatility, probability of certain triggering events and IPO events, and share prices of private company borrowers. Changes in assumptions relating to these factors could affect the reported fair value of the financial instruments.

The Company may apply a further illiquidity discount to the fair value of an investment if conditions exist that could make it challenging to monetize the investment in the near term at a price indicated by the valuation models. The amount of illiquidity discount applied requires considerable judgment and is based on the facts and circumstances of each investment.

The process of valuing investments for which no active market exists is inevitably based on inherent uncertainties, and the resulting values may differ significantly from values that would have been used had a ready market existed for the investments. These differences could be material to the fair value of investments in the portfolio.

During the nine months ended September 30, 2021, the reconciliation of investments measured at fair value using unobservable inputs (Level 3) is presented as follows:

Balance - December 31, 2020	$ 8,343,975
Transfers (to) from Level 1	(2,513,441)
Purchases	2,365,800
Dispositions	(979,261)
Change in unrealized gains (losses)	1,544,985
Balance - September 30, 2021	**$ 8,762,058**

The table below presents the valuation techniques and the nature of significant inputs used to determine the fair values of the Level 3 investments as at September 30, 2021:

Investment	**Method**	**Inputs**	**Fair Value Change + / - 10%**
Equity Instruments	Transaction price	Recent purchase price	796,545
Convertible Debt	Black Scholes model on conversion	Market prices, volatility, discount rate	63,125
Warrants	Black Scholes model	Market prices, volatility, discount rate	18,405

Presented in Canadian Dollars

9. SHARE CAPITAL

(a) Authorized Capital

Unlimited number of:

Multiple voting shares ("**MVS**")

Subordinate voting shares ("**SVS**")

Preferred shares

The rights of MVS and SVS shares are identical other than voting rights. MVS shares are entitled to four votes per share whereas SVS shares are entitled to one vote per share.

(b) Issued

Multiple Voting Shares	**Number of shares**	**Consideration**
Balance - December 31, 2020 and September 30, 2021	87,760	$ 160,028

Subordinate Voting Shares	**Number of shares**	**Consideration**
Balance - December 31, 2020 and September 30, 2021	61,776,702	$ 29,639,079
Total MVS and SVS Shares - December 31, 2020 and September 30, 2021	**61,864,462**	**$ 29,799,107**

(c) Contributed Surplus

Share-based Payment Reserve

Balance - December 31, 2020	$ 6,524,036
Stock-based compensation	134,593
Balance - September 30, 2021	**$ 6,658,629**

Stock Options

The Company has a stock option plan (the "**Plan**") which was approved by the Board of Directors of the Company. The total number of shares reserved for issuance under the Plan is equal to 10% of the outstanding Subordinate Voting Shares.

Presented in Canadian Dollars

9. SHARE CAPITAL (continued)

(c) Contributed Surplus (continued)

The Plan is for the benefit of the employees, officers and directors of the Company. 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, the number of shares to be optioned to each and the vesting terms of such options. 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 options may not be assigned, transferred or pledged. Subject to any grace period allowed under the policies of the Exchange, and notwithstanding any specific agreements with the Company, 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. It has been the Company's policy for options to vest upon issuance, however it remains open to change at the Board's discretion.

	Number of options	Weighted average exercise price
Balance - December 31, 2020	5,080,000	$ 0.36
Granted	1,025,000	0.265
Balance - September 30, 2021	**6,105,000**	**$ 0.34**

A summary of the Company's outstanding stock options at September 30, 2021 is presented below:

Grant date	Options outstanding	Options exercisable	Exercise price	Weighted average remaining life (years)
June 5, 2014	230,000	230,000	$0.40	2.7
January 23, 2017	350,000	350,000	$0.30	.3
November 8, 2017	1,100,000	1,100,000	$0.3625	1.1
June 4, 2018	1,250,000	1,250,000	$0.455	1.7
August 31, 2018	300,000	300,000	$0.455	1.9
November 29, 2018	575,000	575,000	$0.505	2.2
July 16, 2020	1,275,000	850,000	$0.145	3.8
June 3, 2021	1,025,000	341,667	$0.265	4.7
	6,105,000	4,996,667	$0.34	1.8

Option pricing models require the use of highly subjective estimates and assumptions including the expected stock price volatility. Volatility is based on the historical volatility of the Company. Changes in the underlying assumptions can materially affect the fair value estimates. The options issued to non-employees were valued using the fair value of the equity instrument granted in the absence of a reliable estimate of the fair value of the goods or services received.

10. SUPPLEMENTAL CASH FLOW INFORMATION

For the nine months ended September 30,	**2021**	2020
Interest income received	**$ 76,108**	$ 167,900

Presented in Canadian Dollars

11. COMPENSATION OF KEY MANAGEMENT

The remuneration of directors and other key management personnel of the Company consisted of the following:

	Three months ended September 30, **2021**	Three months ended September 30, 2020	Nine months ended September 30, **2021**	Nine months ended September 30, 2020
Cash compensation	**$ 117,100**	$ 60,700	**$ 349,600**	$ 182,100
Annual incentive plan expense	**144,878**	-	**144,878**	-
Fair value of stock options	**29,353**	86,830	**134,593**	131,336
	$ 291,331	$ 147,530	**$ 629,071**	$ 313,436

Key consultants and management of the Company are entitled to an annual incentive bonus based on the performance of the Company's investment portfolio. The bonus pool will be based on certain performance metrics based on the Company's net realized capital gains, plus interest and dividends over certain hurdle rates, calculated on an annual basis. As at September 30, 2021, $144,878 was accrued for the 2021 annual incentive plan (December 31, 2020 - $nil).

12. RELATED PARTY TRANSACTIONS

The aggregate value of transactions and outstanding balances relating to directors and executive management and entities over which they have control or significant influence were as follows:

	Amounts Receivable/Investment **September 30, 2021**	Amounts Receivable/Investment December 31, 2020
Somersby Park 2010 Limited Partnership	**$ 308,591**	$ 316,959

Transaction	*Note*	Transaction value for the nine months ended **September 30, 2021**	Transaction value for the nine months ended September 30, 2020	Balance outstanding as at **September 30, 2021**	Balance outstanding as at December 31, 2020
Consulting	*(1)*	**$ 45,000**	$ 45,000	**$ -**	$ -

(1) During the six months ended September 30, 2021, the Company paid financial consulting fees of $45,000 (2020 - $45,000) to 2245448 Ontario Inc., a company controlled by Michael Leskovec, the Chief Financial Officer of the Company. As at September 30, 2021, the balance owed was $nil (December 31, 2020 - $nil).

These transactions have been recorded at the exchange amounts established and agreed to by the related parties.

The Company often receives the right to nominate a member to the Board of Directors of companies to which it provides an investment. The nominees may be of the Company, and accordingly, the investee company may become related to the Company. The table below identifies the related party, the name of the related officer or director of the Company and the position they held with the investee company.

Investment	Ownership	Officer/Director Name	Position Held
Canaccord Genuity Growth Corp. Class A Restricted	<10%	Roger Daher	Director
CannAgri Blockchain Inc.	<10%	Michael Galloro	Director
Cansortium Inc.	<10%	Roger Daher	Director
Global Health Clinic	<10%	Andrew Parks	Director
Nighthawk Gold Corp.	<10%	Morris Prychidny	Director
Nighthawk Gold Corp.	<10%	Michael Leskovec	Officer
Prominex Resources Corp.	<10%	Andrew Parks	Director
Simply, Inc.	<10%	Michael Galloro	Director
Somersby Park 2010 Limited Partnership	<10%	Andrew Parks	Director
Talisker Resources Ltd.	<10%	Morris Prychidny	Director
The BRN Group Inc.	<10%	Andrew Parks	Director
Tripsitter Clinic Corp	<10%	Andrew Parks	Director

Presented in Canadian Dollars

13. CAPITAL MANAGEMENT

The primary goals of the Company's risk management programs are to ensure that the outcomes of activities involving elements of risk are consistent with the Company's objectives and risk tolerance. The Company's investment strategy requires a level of risk in exchange for an above average return on investment. The Company plans to maintain an appropriate risk and 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.

The Company includes the following in its capital:

As at	**September 30, 2021**	December 31, 2020
Shareholders' equity comprised of		
Share capital	**$ 29,799,107**	$ 29,799,107
Contributed surplus	**6,658,629**	6,524,036
Deficit	**(12,653,313)**	(17,065,861)
	$ 23,804,423	$ 19,257,282

There were no changes to the Company's capital management objectives during the period. The Company's objectives when managing capital are:

(a) to ensure that the Company maintains the level of capital necessary to meet the requirements of its brokers and bank;

(b) to allow the Company to respond to changes in economic and/or marketplace conditions by maintaining the Company's ability to purchase new investments;

(c) to give shareholders sustained growth in shareholder value by increasing shareholders' equity. It is the intention of the Company in the long term to pay out a portion of its future annual earnings to shareholders in the form of dividends; and

(d) to maintain a flexible capital structure which optimizes the cost of capital at acceptable levels of risk.

There were no changes to the way the Company manages its capital structure during the period. The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk of its underlying assets. The Company has the ability to maintain or adjust its capital level to enable it to meet its objectives by:

(a) realizing proceeds from the disposition of its investments;

(b) utilizing leverage in the form of margin (due to brokers) and long-term debt from financial lenders; and

(c) raising capital through equity financings.

14. MANAGEMENT OF FINANCIAL RISK AND SENSITIVITY ANALYSIS

The primary goals of the Company's risk management programs are to ensure that the outcomes of activities involving elements of risk are consistent with the Company's objectives and risk tolerance. The Company's investment strategy requires a level of risk in exchange for an above average return on investment. The Company plans to maintain an appropriate risk and 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.

14. MANAGEMENT OF FINANCIAL RISK AND SENSITIVITY ANALYSIS (continued)

The success of the Company is dependent upon its ability to assess and manage all forms of risk that affect its operations. The Company 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.

The investment operations of the Company's business involve the purchase and sale of securities and, accordingly, the majority of the Company's assets are currently comprised of financial instruments. The use of financial instruments can expose the Company to several risks, including liquidity, market, interest, credit and currency risks. A discussion of the Company's use of financial instruments and their associated risks is provided below. There has been no change to the Company's risk management policies or processes during the period.

(a) Liquidity risk

Liquidity risk is the risk that the Company will have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital markets is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company, or if the value of the Company's investments declines, resulting in losses upon disposition. The Company generates cash flow primarily from its operational activities and the proceeds from the disposition of its investments, in addition to interest and dividend income earned on its investments. The Company has sufficient investments which are freely tradable and relatively liquid to fund its obligations as they become due under normal operating conditions. The Company’s accounts payable, accrued liabilities and due to broker, all have contractual maturities of less than 30 days and are subject to normal trade terms. The syndicated loans carry similar terms and conditions and have various terms ranging from 9 to 30 months. 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 operations in the long-term. However, the Company may procure debt or equity financing from time to time to fund its operations.

(b) Market risk

The Company is exposed to certain market risk that the value of, or future cash flows from, the Company’s financial assets will significantly fluctuate due to changes in market prices. The value of the financial assets can be affected by changes in interest rates, foreign exchange rates, and equity and commodity prices. The Company is exposed to market risk in trading its investments, and unfavorable market conditions could result in dispositions of investments at less than favorable prices. Additionally, the Company is required to mark to market its fair value through profit or loss investments at the end of each reporting period. This process could result in significant write-downs of the Company’s investments over one or more reporting periods, particularly during periods of overall market instability, which would have a significant unfavourable effect on the Company’s financial position. The Company manages market risk by having a portfolio which is not singularly exposed to any one issuer or class of issuers. The Board monitors changes in the market on an ongoing basis and adjusts the Company’s lending and investing practices and policies when necessary to reduce the impact of the above risks.

The Company’s investments include publicly-listed entities that are listed on a Canadian stock exchange. Changes in the fair value of investments designated as fair value through profit and loss are reported in the statement of comprehensive income.

Presented in Canadian Dollars

14. MANAGEMENT OF FINANCIAL RISK AND SENSITIVITY ANALYSIS (continued)

The following table shows the estimated sensitivity on the statement of comprehensive income for the nine months ended September 30, 2021 from a change in closing price of the Company's publicly-listed investments, not including share purchase warrants and options (refer to note 8 for sensitivity of warrant and option inputs), of $11,707,862 with all other variables held constant as at September 30, 2021:

Percentage of change in closing prices	Change in comprehensive income (net of tax) from % increase in closing price	Change in comprehensive income (net of tax) from % decrease in closing price
5%	$ 585,393	$ (585,393)
10%	$ 1,170,786	$ (1,170,786)

(c) Interest rate risk

The observable impacts on the fair values and future cash flows of financial instruments that can be directly attributable to interest rate risk include changes in net income from financial instruments whose cash flows are determined with reference to floating interest rates and changes in value of financial instruments whose cash flows are fixed in nature.

Should market interest rates rise, then the fair value of these convertible debentures and term debt may decrease. Conversely, should market interest rates fall, the fair value of these assets may increase. The effect of changes in interest rates on the fair value of these debt instruments is partially muted by the nature of the investments. Convertible debentures placed in early stage investees are typically less sensitive to changes in market interest rates than non-convertible debt instruments placed in more mature investees. Additionally, the economic exposure to interest rate risk is mitigated by the Company's intention to either convert the debentures into the related underlying equities or, in the case of nonconvertible debentures, to hold the instrument until maturity.

As at September 30, 2021, if interest rates were higher by 1% per annum, the potential effect to the Company would be an increase in net income of approximately $7,000 (December 31, 2020 – $11,501).

(d) 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:

- obtaining collateral guarantees;
- the investigation of the creditworthiness of all borrowers;
- the engagement of qualified independent consultants such as lawyers and real estate appraisers, to whom management may reach for professional advice.
- 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.

Presented in Canadian Dollars

14. MANAGEMENT OF FINANCIAL RISK AND SENSITIVITY ANALYSIS (continued)

As at September 30, 2021, gross accounts receivable of $nil and $nil of convertible loans and debentures were past due (December 31, 2020 - $nil and $263,411 of convertible loans and debentures).

As at	**September 30, 2020**	December 31, 2020
Amounts receivable	$ 433,742	$ 1,160,833
Loans and convertible debentures	631,248	1,299,195
	$ 1,064,990	$ 2,460,028

(e) Currency risk

Foreign exchange risk exposures arise from transactions and balances denominated in foreign currencies. The Company's foreign currency risk arises primarily with respect to the United States dollar. Fluctuations in the exchange rates between the United States dollar and the Canadian dollar could have a material effect on the Company's business, financial condition and results of operations. The Company does not engage in any hedging activity to mitigate this risk.

The Company has cash and cash equivalents, certain receivables, convertible debentures and investments in companies denominated in a foreign currency. For the nine months ended September 30, 2021 management estimates that if the United States dollar had strengthened or weakened by 10% against the Canadian dollar, assuming all other variables remained constant, net income for the year would have increased or decreased by approximately $162,676 (December 31, 2020 - $427,302).

(f) Concentration risk

Included in Investments - FVTPL is one investment which comprises 12% of the balance (2020 - 12%).

15. CONTINGENCIES AND COMMITMENTS

The Company is the parent company of the general partner of GC Global Capital Lending Partners Limited Partnership and Somersby Park 2010 General Partner Inc. The General Partner has unlimited liability for the liabilities and obligations of the partnerships in excess of the contributions of the limited partners. As at September 30, 2021, there were no outstanding liabilities or obligations for which the Company was contingently liable.

On September 4, 2017, the Company announced that it was served with a statement of claim by First Global Data Limited ("**FGD**"). The claim seeks damages of $20,000,000 against a number of defendants including the Company and its former Chief Executive Officer, alleging breach of contract, conspiracy and various other causes of action (the "**FGD Action**").

The Company believes the claim against the Company and its former CEO is without merit and frivolous, and has been commenced in an attempt to delay the outcome of the Company's claims against FGD in existing proceedings commenced by the Company on February 3, 2017 (Ontario Superior Court of Justice Court File No. CV-17-569015, the "**Application**"). The Company commenced the Application because FGD has refused to honour its contractual obligations to issue certain options and warrants to the Company.

15. CONTINGENCIES AND COMMITMENTS (continued)

As a result of an August 24, 2017 order of the Ontario Superior Court of Justice, the Company's Application will be pursued as a counterclaim in the FGD Action. The Company will vigorously defend the FGD Action and will vigorously pursue its claims against FGD. Specifically, the Company will seek damages of at least $6,015,000, equal to the difference between the purchase price per share under the Options/Warrants, and the highest trading value to date, as well as punitive and exemplary damages of $2,000,000. The counterclaim by the Company against FGD and others is difficult to precisely quantify as the Company's claim is in respect of the enforcement of rights under certain options and warrants, not only pure damages.

No amounts have been accrued in the financial statements with respect to this matter.