

GRAND PEAK CAPITAL CORP.

Condensed Consolidated Interim Financial Statements

Three and Nine Months Ended June 30, 2021 and 2020

(Unaudited - Expressed in Canadian Dollars)

NOTICE TO READER

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

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The unaudited condensed interim financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards for the preparation of the condensed interim financial statements and are in accordance with IAS 34 – Interim Financial Reporting.

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

GRAND PEAK CAPITAL CORP.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION***(Unaudited - Expressed in Canadian dollars)*

	Note	June 30, 2021	September 30, 2020
		\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents		362,394	425,155
Accounts receivable		16,541	44,627
Investment in warrants	3	2,237,215	405,932
Marketable securities	4	9,115,753	5,166,258
Loans and interest receivable	5	349,049	2,338,649
		12,080,952	8,380,621
Non-Current Assets			
Loans and interest receivable	5	1,026,963	-
Investment property	6	982,238	990,527
TOTAL ASSETS		14,090,153	9,371,148
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities			
Trade payables and accrued liabilities	7	87,685	40,423
Loans and interest payable	8	-	407,307
Convertible debentures	9	-	2,828,541
Total		87,685	3,276,271
Non-current Liabilities			
Loans and interest payable	8	938,132	-
Total liabilities		1,025,817	3,276,271
SHAREHOLDERS' EQUITY			
Share capital	10	10,450,604	10,450,604
Reserves	10	358,697	238,541
Deficit		2,255,035	(4,594,268)
Total		13,064,336	6,094,877
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY		14,090,153	9,371,148

Nature and continuance of operations

1

On behalf of the Board:

"Tajinder Johal"
Tajinder Johal, Director

"Sonny Janda"
Sonny Janda, Director

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

GRAND PEAK CAPITAL CORP.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF INCOME (LOSS) AND
COMPREHENSIVE INCOME (LOSS)***(Unaudited -Expressed in Canadian dollars)*

	Three months ended June 30,		Nine months ended June 30,	
	2021	2020	2021	2020
Revenue			\$	\$
Management fee income(Note 11)	47,208	85,829	162,510	236,194
Rental income (Note 6)	3,022	8,157	14,589	21,462
Total	50,230	93,986	177,099	257,656
Expenses				
Advertisement and promotion	-	-	-	2,172
Consulting fees	1,700	7,000	25,707	7,000
Depreciation	2,763	5,235	8,289	15,080
Office and miscellaneous	2,835	4,339	22,588	23,252
Professional fees	15,450	21,800	42,450	58,653
Rent (Note 11)	8,880	9,000	26,880	27,000
Transfer agent and regulatory fees	10,133	3,780	47,912	20,314
Wages and benefits	14,002	17,857	43,800	42,278
Total	55,763	69,011	217,626	195,749
Other gain (loss)				
Finance fees and interest income (Note 5)	16,325	7,506	950,749	106,590
Interest and accretion expense (Note 8,9)	(54,567)	(67,635)	(323,887)	(212,855)
Foreign exchange gain (loss)	-	(50,710)	(8,142)	65,783
Gain on loan receivable settlement (Note 5)	-	-	2,481,518	-
Recovery of loan receivable (Note 5)	-	-	7,133,403	-
Loss on modification of convertible debentures	-	-	-	(102,332)
Gain on accounts payable and loans settlement	-	-	-	20,950
Recovery of receivables	-	-	3,053	-
Realized loss on disposition of marketable securities (Note 4)	(3,191,565)	(11,554)	(5,039,220)	(460,358)
Unrealized gain (loss) on marketable securities (Note 4)	2,414,331	993,947	2,805,545	144,672
Unrealized loss on warrants (Note 3)	583,553	-	(1,113,189)	-
Other income	-	24,378	-	24,428
	(231,923)	895,932	6,889,830	(413,122)
Net income (loss) and comprehensive income (loss)	(237,456)	920,907	6,849,303	(351,215)
Earnings (loss) per share, basic and diluted	(0.00)	0.01	0.06	(0.00)
Weighted average number of outstanding common share, basic and diluted	108,557,940	108,557,940	108,557,940	108,557,940

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

GRAND PEAK CAPITAL CORP.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY***(Unaudited - Expressed in Canadian dollars)*

	Issued Common Shares				
	Number of Shares	Amount	Reserves	Deficit	Total
		\$	\$	\$	\$
Balance at September 30, 2019	108,557,940	10,450,604	238,541	(7,830,327)	2,858,818
Net loss for the period	-	-	-	(351,215)	(351,215)
Balance at June 30, 2020	108,557,940	10,450,604	238,541	(8,181,542)	2,507,603
Balance at September 30, 2020	108,557,940	10,450,604	238,541	(4,594,268)	6,094,877
Issuance of convertible debentures	-	-	120,156	-	120,156
Net income for the period	-	-	-	6,849,303	6,849,303
Balance at June 30, 2021	108,557,940	10,450,604	358,697	2,255,035	13,064,336

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

GRAND PEAK CAPITAL CORP.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS***(Unaudited - Expressed in Canadian dollars)*

Six months ended March 31,	2021	2020
OPERATING ACTIVITIES	\$	\$
Net income (loss)	6,849,303	(1,272,122)
Adjustment for non-cash items:		
Realized loss on disposition of marketable securities	5,039,220	448,804
Unrealized loss on investments in warrants	1,113,189	415,371
Unrealized loss (gain) on investments in marketable securities	(2,805,545)	433,906
Accretion	-	(60,910)
Accrued interest expense	323,887	200,731
Accrued interest and finance fee income	(966,732)	(30,246)
Bad debt recovery	(3,053)	-
Depreciation	8,289	9,844
Foreign exchange loss (gain)	8,142	(253,203)
Gain from settlement of accounts payable	-	(20,950)
Gain on settlement of loan receivable	(7,133,403)	
Gain on modification of convertible debentures	-	102,332
Recovery of loan receivable	(2,481,518)	-
Changes in non-cash working capital items:		
Accounts receivable	31,139	(29,896)
Deferred revenue	-	19,000
Prepays	-	1,000
Refundable deposit	-	(705)
Trade payables and accrued liabilities	47,262	(90,110)
Cash provided by (used in) operating activities	30,180	(127,154)
FINANCING ACTIVITIES		
Proceeds from increase in loan payable	1,100,000	-
Repayment of loan payable	(593,307)	630,966
Cash provided by investing activities	506,693	630,966
INVESTING ACTIVITIES		
Proceeds from sale of marketable securities	1,526,085	87,343
Acquisition of marketable securities	(1,119,719)	(148,608)
Issuance of loan receivable	(1,006,000)	-
Cash provided by investing activities	(599,634)	(61,265)
Change in cash	(62,761)	(188,419)
Cash, beginning of period	425,155	395,536
Cash, end of period	362,394	207,117

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

GRAND PEAK CAPITAL CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****THREE AND NINE MONTHS ENDED JUNE 30, 2021 AND 2020***(Unaudited - Expressed in Canadian dollars)*

1. NATURE AND CONTINUANCE OF OPERATIONS

Grand Peak Capital Corp. (the “Company”) is incorporated under the Business Corporations Act of British Columbia and is a diversified industry investment company. The Company invests in high quality cash flow assets across multiple industries, including real estate ventures in Canada and the USA, securities, and early-stage venture capital companies.

The Company is listed on the Canadian Securities Exchange (the “CSE”) and trades under the symbol “GPK”. The head office, principal address and records office of the Company are located at 210-9648 128 Street, Surrey, BC V3T2X9.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economics, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company’s business or results of operations at this time.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES**Statement of Compliance**

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standards (“IAS”) 34 *Interim Financial Reporting* and should be read in conjunction with the annual financial statements for the year ended September 30, 2020, which 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 condensed consolidated interim financial statements for the nine months ended June 30, 2021 were authorized for issue by the Board of Directors on August 30, 2021.

Basis of Consolidation

These consolidated financial statements included the accounts of the Company and its wholly owned subsidiaries. The results of each subsidiary will continue to be included in the consolidated financial statements of the Company until the date that the Company’s control over the subsidiary ceases. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Intercompany balances and transactions, including unrealized income and expenses arising from intercompany transactions are eliminated upon consolidation.

Entity	Incorporation	Ownership Percentage
1151101 BC Ltd. (i)	Canada	100%
Grand Peak Mexico S.A. de C.V.	Mexico	100%
Grand Peak USA, Inc.	USA	100%
Fruitridge 65 LLC	USA	100%

(i) The Company amalgamated with 1151101 BC Ltd. During the nine months ended June 30, 2021.

GRAND PEAK CAPITAL CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****THREE AND NINE MONTHS ENDED JUNE 30, 2021 AND 2020***(Unaudited - Expressed in Canadian dollars)*

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)**Basis of Preparation**

These condensed consolidated interim financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The financial statements were presented in Canadian dollars unless otherwise noted.

Significant Estimates and Assumptions

The preparation of these financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, profit and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if it affects both current and future periods.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the recoverability and measurement of deferred tax assets, fair value of investments held for trading and fair values of loans receivable.

Significant Judgements

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include:

- the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty;
- the classification of financial instruments.

Adoption of new accounting policies

The Company has not adopted new accounting policies since its recent year ended September 30, 2020.

GRAND PEAK CAPITAL CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

THREE AND NINE MONTHS ENDED JUNE 30, 2021 AND 2020

*(Unaudited - Expressed in Canadian dollars)***3. INVESTMENTS IN WARRANTS**

As at June 30, 2021, and September 30, 2020, the Company's investments in warrants consists of share-purchase warrants of Canadian public companies which are measured at fair value. The fair values of the warrants are as follows:

	June 30, 2021	September 30, 2020
	\$	\$
Opening balance	405,932	459,966
Cost of acquisition	4,249,472	-
Increase of fair value before exercise of warrants	-	128,041
Exercise of warrants	-	(229,500)
Change in fair value	(2,418,189)	47,425
Ending balance	2,237,215	405,932

The fair value of the warrants was determined using the Black-Scholes Option Pricing Model using the following assumptions:

	June 30, 2021	September 30, 2020
Expected life of warrants	2 – 5 years	0.72 – 3.65 years
Annualized volatility	100% - 250%	125% - 280%
Risk-free interest rate	0.19 – 1.0 %	0.19 – 1.5 %
Dividend rate	0%	0%

4. MARKETABLE SECURITIES

As at June 30, 2021, and September 30, 2020, the Company's marketable securities comprise of investments in common shares of Canadian public companies. The Company designates its investment in common shares as fair value through profit or loss ("FVTPL"). The cost and fair values of the marketable securities are as follows:

	June 30, 2021	September 30, 2020
Cost	\$ 8,239,425	\$ 7,336,412
Fair value	\$ 9,115,753	\$ 5,166,258

5. LOANS RECEIVABLE

On July 23, 2018, the Company acquired a note receivable for \$4,500,000 with consideration consisting of \$3,500,000 and 1,176,471 common shares of the counterparty with an estimated fair value of \$1,000,000. During the year ended September 30, 2018, management identified evidence that this loan was impaired, and recognized an impairment loss of \$4,500,000. In September 2019, the Company signed a promissory note with the borrower, whereby the borrower agreed to repay the Company \$6,621,500 (US\$5,000,000) at an interest rate of 10% per annum, payable each month.

During the nine months ended June 30, 2021, the Company received common shares with fair value of \$8,292,677 and share purchase warrants with fair value of \$4,249,472 of the borrower (totalling \$12,542,149) as full repayment of the loan receivable plus default interest of \$908,746. As a result, the Company recorded an interest income of \$908,746, a gain on loan receivable settlement of \$7,133,403 to account for the difference between the shares and warrants received (\$12,542,149) and the amount of loan impairment recovery (\$4,500,000) plus the payment of the default interest of \$908,746.

As the \$4,500,000 impairment recorded in 2018 has been fully recovered - a recovery of loan receivable of \$2,018,482 in fiscal 2020 and \$2,481,518 during the nine months ended June 30, 2021 are recorded respectively.

GRAND PEAK CAPITAL CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

THREE AND NINE MONTHS ENDED JUNE 30, 2021 AND 2020

*(Unaudited - Expressed in Canadian dollars)***5. LOANS RECEIVABLE (Continued)**

During the nine months ended June 30, 2021, the Company advanced \$1,006,000 (US\$800,000) to an arm's length entity. This loan receivable is unsecured, has a two-year term that will mature on January 27, 2023, and has an interest of 5% per annum.

During fiscal 2020, the Company advanced an unsecured loan of \$300,000 to a company at an interest rate of 5% per annum. This loan will mature on August 7, 2021. As at June 30, 2021, the outstanding balance from this borrower was \$349,049. One director of the Company is a significant shareholder of this borrower (Note 11).

	Nine months ended June 30, 2020	Year ended September 30, 2020
	\$	\$
Balance at September 30, 2020 and 2019	2,338,649	1,109,923
Loans advanced	1,006,000	445,677
Repayment received	(12,542,149)	(1,291,729)
Interest and finance fees income	958,591	73,152
Gain (loss) in settlement	7,133,403	(12,828)
Recovery of loan receivable	2,481,518	2,018,482
Foreign exchange	-	(4,028)
Balance at June 30, 2021 and September 30, 2020	1,376,012	2,338,649
Represent by:		
Current	349,049	2,338,649
Non-current	1,026,963	-

6. INVESTMENT PROPERTIES

The following table presents changes in the cost and the accumulated depreciation and impairment on the Company's investment property which is comprised of land and building:

	Building	Land	Total
Cost:	\$	\$	\$
Balance, September 30, 2019	303,904	119,987	423,091
Additions	-	578,487	578,487
Foreign exchange	-	-	-
Balance at June 30, 2021 and September 30, 2020	303,904	697,674	1,001,578
Depreciation:			
Balance at September 30, 2019	-	-	-
Depreciation	11,051	-	11,051
Balance at September 30, 2020	11,051	-	11,051
Depreciation	8,289	-	8,289
Balance at June 30, 2021	19,340	-	19,340
Net carrying amount at June 30, 2021	284,564	697,674	982,238
Net carrying amount at September 30, 2020	292,853	697,674	990,527

GRAND PEAK CAPITAL CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

THREE AND NINE MONTHS ENDED JUNE 30, 2021 AND 2020

*(Unaudited - Expressed in Canadian dollars)***6. INVESTMENT PROPERTIES (Continued)**

The rental house acquired in fiscal 2020 is amortized over 27.5 years on a straight-line basis commencing the beginning of fiscal 2020. As at June 30, 2021, the Company estimated the carrying value of this investment property approximated its fair value of \$284,564 (September 30, 2020 - \$292,853)

As at June 30, 2021 and September 30, 2020, the cost of Land approximated its fair value as the acquisition.

7. TRADE PAYABLES AND ACCRUED LIABILITIES

		June 30, 2021		September 30, 2020
Trade payable	\$	19,685	\$	20,423
Accrued liabilities		68,000		20,000
	\$	87,685	\$	40,423

8. LOANS PAYABLE

In May and June 2020, the Company entered into a loan agreement of \$150,000 and \$250,000 with two arm's length entities respectively. These loans are unsecured, with a one-year term, carry an interest rate of 6%. During the nine months ended June 30, 2021, the Company fully repaid the outstanding loan balance of \$413,307.

During the nine months ended June 30, 2021, the Company borrowed from a lender an amount of \$1,100,000. This loan is unsecured, has an interest of 4% per annum, and will mature on January 26, 2023. The Company repaid the lender \$180,000 during the three months ended June 30, 2021. As at June 30, 2021, the outstanding balance of this loan payable was 938,132.

	Nine months ended June 30, 2021	Year ended September 30, 2020
	\$	\$
Balance at September 30, 2020 and 2019	407,307	556,784
Loans borrowed	1,100,000	400,000
Repayment of loan and interest	(580,000)	(525,000)
Interest expense	24,132	19,191
Gain on loan settlement	-	(5,328)
Interest paid	(13,307)	(38,340)
Balance at June 30, 2021 and September 30, 2020	938,132	407,307

9. CONVERTIBLE DEBENTURES

As at June 30, 2021, the outstanding payable for convertible debentures was \$Nil. The Company fully repaid all the convertible debentures during the nine months period ended June 30, 2021. Details are as follow:

1) In January 2019, the Company issued convertible debentures with total principal of \$2,140,000 ("CD #1"). These convertible debentures are convertible into units of the Company at a conversion price of \$0.15 per unit; each unit consists of one common share and one common share purchase warrant of the Company exercisable for one year from the conversion date. These convertible debentures are unsecured, mature two years from issuance, and carry an interest rate of 8% per annum. The Company reserves the right to pay interest by cash payment of 4% and issuance of shares at the market price corresponding to 4% of accrued interest payable.

GRAND PEAK CAPITAL CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****THREE AND NINE MONTHS ENDED JUNE 30, 2021 AND 2020***(Unaudited - Expressed in Canadian dollars)*

9. CONVERTIBLE DEBENTURES (Continued)

The Company estimates 13% to be the market interest rate for a similar debt instrument without a conversion option of these convertible debentures and applied this rate to obtain the fair value (\$1,944,083) of the convertible debentures at inception. The Company applied the residual method and recorded the fair value of the conversion option of \$195,917 to the Company's loan reserve. During fiscal 2019, the Company paid a total of \$687,452 to three holders of these convertible debentures which included \$680,000 in principal and \$7,452 in accrued interest. As a result of early repayment, the equity component was reduced to \$137,836.

In October 2019, the Company and the debenture holder reached an agreement to reprice the conversion amount and the maturity dates of the debentures. The new conversion price is \$1.00 per unit and the new maturity date is December 31, 2020. As a result, the Company recorded a loss from modification of \$9,234 in fiscal 2020.

As at December 31, 2020, CD#1 had a carrying value of \$1,460,000 with accrued interest of \$225,888, totalling \$1,685,888. On January 1, 2021, the Company issued a replacement convertible debenture with the principal of \$1,685,888 and an interest rate of 9% per annum, which mature on April 30, 2021. The Company estimates 13% to be the market interest rate for a similar debt instrument without a conversion option of these convertible debentures and applied this rate to obtain the fair value (\$1,616,256) of the convertible debentures at inception on January 1, 2021. The difference (\$69,632) between the face value of \$1,685,888 and \$1,616,256 has been added to the Company's account of reserve.

2) In August 2019, the Company issued convertible debentures with total principal of \$1,100,000 ("CD #2") These convertible debentures are convertible into units of the Company at a conversion price of \$0.20 per unit; each unit consists of one common share and one common share purchase warrant of the Company exercisable for one year from conversion date. These convertible debentures are unsecured, mature two years from issuance, and carry an interest rate of 8% per annum. The Company reserves the right to pay interest by cash payment of 4% and issuance of shares at the market price corresponding to 4% of accrued interest payable.

The Company estimates 13% to be the market interest rate for a similar debt instrument without a conversion option of these convertible debentures and applied this rate to obtain the fair value (\$999,295) of the convertible debentures at inception. The Company applied the residual method and recorded the fair value of the conversion option of \$100,705 to the Company's loan reserve.

In October 2019, the Company and the debenture holder reached an agreement to reprice the conversion amount and the maturity dates of the debentures. The new conversion price is \$1.00 per unit and the new maturity date is December 31, 2020. As a result, the Company recorded a loss from modification of \$34,914 in fiscal 2020.

As at December 31, 2020, these convertible debentures had a carrying value of \$1,100,000 with accrued interest of \$123,260, totalling \$1,223,260. On January 1, 2021, the Company issued a replacement convertible debenture with the principal of \$1,233,260 and an interest rate of 9% per annum, which mature on April 30, 2021. The Company estimates 13% to be the market interest rate for a similar debt instrument without a conversion option of these convertible debentures and applied this rate to obtain the fair value (\$1,172,736) of the convertible debentures at inception on January 1, 2021. The difference (\$50,524) between the face value of \$1,233,260 and \$1,172,736 has been added to the Company's account of reserve.

GRAND PEAK CAPITAL CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****THREE AND NINE MONTHS ENDED JUNE 30, 2021 AND 2020***(Unaudited - Expressed in Canadian dollars)*

9. CONVERTIBLE DEBENTURES (Continued)

The Company fully repaid these two CDs on May 19, 2021 without any conversion into common shares of the Company. The Company deliver common shares of a public company with fair value of \$ 3,008,140 to fully repay the CD#1 with a payable amount of \$1,747,480 and the CD#2 with a payable amount of \$1,260,660. The Company consider the closing price of the shares delivered on the day before delivery as the fair value of those shares.

10. SHARE CAPITAL**Authorized Share Capital**

Unlimited number of common shares without par value

Share Issuance

There was no share issuance nor redemption during the nine months ended June 30, 2021.

Stock Options

The Company has adopted a stock option plan whereby the Company may from time-to-time in accordance with the CSE requirements grant to directors, officers, employees and consultants options to purchase common shares of the Company provided that the number of options granted, including all options granted by the Company to date, does not exceed 10% of the Company's common shares issued and outstanding at the time of granting stock options.

Options may be exercised no later than 90 days following cessation of the optionee's position with the Company or 30 days following cessation of an optionee conducting investor relations activities'.

There was no option outstanding at June 30, 2021 and September 30, 2020.

11. RELATED PARTY TRANSACTIONS

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Board of Directors and corporate officers.

Excepted the loan receivable with the principal of \$300,000 that has been disclosed in the Note 5, the Company had the following transactions with related parties during the nine months ended June 30, 2021:

- 1) The Company earned management fee income totalling \$95,037 from two companies of which one director of the Company is also a director and/or officers of these two companies.
- 2) The Company was charged an office rent of \$26,880 by a landlord for a month-to-month rental arrangement. One director of the Company is also a significant shareholder of this landlord.

GRAND PEAK CAPITAL CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

THREE AND NINE MONTHS ENDED JUNE 30, 2021 AND 2020

*(Unaudited - Expressed in Canadian dollars)***12. FINANCIAL INSTRUMENTS****Classification of Financial Instruments**

Financial assets and liabilities of the Company are as follows:

	Fair value measurement	Classification	June 30, 2021	September 30, 2020
			\$	\$
Financial assets:				
Accounts receivable		Amortized cost	362,394	44,627
Loan receivables (current and non-current)		Amortized cost	1,331,287	2,338,649
Cash	Level 1	FVTPL		425,155
Investment in warrants	Level 3	FVTPL	2,237,215	405,932
Marketable securities	Level 1	FVTPL	9,115,753	5,166,258
Financial liabilities:				
Accounts payable and accrued liabilities		Amortized cost	87,685	40,423
Loans and interest payable		Amortized cost	938,132	407,307
Convertible debentures		Amortized cost	-	2,858,541

Fair Value

The fair value of the Company's financial assets and liabilities approximate the carrying amount whether due to their short-term nature or because the interest rates applied to measure their carrying amount approximate current market rates.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 - Unadjusted quote prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly; and
- Level 3 - Inputs that are not based on observable market data.

Investments consist of common shares and share-purchase warrants of Canadian public companies (Notes 3 & 4). Investments in common shares are measured using level 1 fair value measurements. Investments in share-purchase warrants are measured using level 3 fair value measurements as the fair value estimate incorporates the use of option pricing models, where volatility is not based on observable market data.