BELGRAVIA HARTFORD

2022

Condensed Consolidated Interim Financial Statements

for the six months ended June 30, 2022

(Unaudited - Expressed in CAD dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the 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 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 financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

BELGRAVIA HARTFORD CAPITAL INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited - Expressed in CAD Dollars)

	June 30, 2022	December 31, 2021
ASSETS		
Current		
Cash	$ 26,215	$ 184,570
Investments - current (note 3)	5,044,478	12,476,487
Receivables	4,991	-
Prepaid expenses	240,744	50,134
	5,316,428	12,711,191
Investments (note 3)	94,050	74,250
Equipment (note 4)	3,342	4,312
	$ 5,413,820	$ 12,789,753
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (notes 5,8)	$ 273,644	$ 279,514
Total current liabilities	273,644	279,514
Equity		
Share capital (note 6)	107,897,472	108,021,610
Reserves (note 6)	14,278,016	14,210,401
Currency translation adjustment reserve	18,681,269	18,681,269
Deficit	(135,716,581)	(128,403,041)
Total equity	5,140,176	12,510,239
	$ 5,413,820	$ 12,789,753

Nature of operations and going concern (note 1)
Contingencies (note 12)

On behalf of the Board:

"Mehdi Azodi" **Director** ***"John Stubbs"*** **Director**

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

BELGRAVIA HARTFORD CAPITAL INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)
(Unaudited – Expressed in CAD Dollars)

	Three Month Period Ended Jun 30, 2022	Three Month Period Ended Jun 30, 2021	Six Month Period Ended Jun 30, 2022	Six Month Period Ended Jun 30, 2021
NET REALIZED AND UNREALIZED GAIN (LOSS)				
Investment gain/(loss) (note 3)	**(770,682)**	$ (103,310)	**(1,194,514)**	$ 901,447
Unrealized investment gain/(loss) (note 3)	**(5,010,148)**	2,393,571	**(4,360,641)**	2,052,069
Interest income	**5,088**	14,631	**9,284**	92,638
	(5,775,742)	2,304,892	**(5,545,871)**	3,046,154
OTHER INCOME				
Management services revenue	**$ 15,000**	50,000	**$ 30,000**	50,000
EXPENSES				
Administration (note 8)	**83,409**	89,914	**272,059**	271,378
Business and market development	**22,827**	-	**116,974**	-
Consulting fees	**9,782**	197,626	**41,870**	327,926
Depreciation (note 4)	**485**	350	**970**	701
Foreign exchange gain (loss)	**4,350**	3,031	**6,640**	3,833
Investor relations	**43,859**	88,389	**56,662**	143,180
Professional fees	**261,921**	131,703	**538,335**	215,406
Regulatory fees and taxes	**8,301**	211,827	**15,164**	222,105
Rent	**27,180**	19,705	**54,885**	39,885
Share-based compensation	**-**	-	**67,615**	-
Travel	**39,949**	45,803	**81,797**	47,246
Wages and benefits (note 8)	**269,032**	2,412,113	**544,698**	2,727,894
Total expenses	**(771,095)**	(3,200,461)	**(1,797,669)**	(3,999,554)
Income and comprehensive loss for the period	**$ (6,531,837)**	$ (845,569)	**$ (7,313,540)**	$ (903,400)
Loss and comprehensive loss attributate to:				
Shareholders	**(6,531,837)**	$ (845,425)	**(7,313,540)**	$ (901,309)
Non-controlling interest	**-**	(144)	**-**	(2,091)
	$ (6,531,837)	$ (845,569)	**$ (7,313,540)**	$ (903,400)
Basic and diluted loss per common share	**$ (0.14)**	$ (0.02)	**$ (0.16)**	$ (0.09)
Weighted average number of common shares outstanding, basic and diluted	**46,473,115**	45,053,910	**46,749,095**	42,630,045

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

BELGRAVIA HARTFORD CAPITAL INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited – Expressed in CAD Dollars)

	Six Month Period Ended June 30, 2022	Six Month Period Ended June 30, 2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	$ (7,313,540)	$ (903,400)
Items not affecting cash:		
Depreciation	970	701
Share-based compensation	67,615	1,782,000
Realized loss/(gain) on sale of investments	1,194,514	(901,447)
Unrealized investments (gain)/loss	4,360,641	(2,052,069)
Accrued for interest	(9,284)	92,625
Changes in non-cash working capital items:		
Decrease (increase) in receivables	(4,991)	70,363
Decrease (increase) in prepaid expenses	(190,610)	7,789
Increase (decrease) in accounts payable and accrued liabilities	(5,870)	141,505
Acquisition of investments	(3,678,339)	(3,280,526)
Acquisition of subsidiary	-	(70,162)
Currie Project	-	(55,871)
Proceeds from sale of investments	5,544,677	5,372,100
Net cash used in operating activities	(34,217)	203,608
CASH FLOWS FROM INVESTING ACTIVITIES		
Equipment expenditures	-	(2,017)
Net cash provided by investing activities	-	(2,017)
CASH FLOWS FROM FINANCING ACTIVITIES		
Shares buy-back	(124,138)	(175,022)
Net cash used in financing activities	(124,138)	(175,022)
Change in cash for the period	(158,355)	26,569
Cash beginning of year	184,570	108,627
Cash, end of period	$ 26,215	$ 135,196

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

BELGRAVIA HARTFORD CAPITAL INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited – Expressed in CAD Dollars)

	Share Capital							
	Number of Shares	Amount	Reserves	Accumulated Other Comprehensive Income	Accumulated Deficit	Equity	Non-controlling interest	Total
		$	$	$	$	$	$	$
Balances as at December 31, 2020	40,179,248	106,739,953	14,236,476	18,681,269	(124,309,538)	15,348,160	-	15,348,160
Acquisition of non-controlling interes	-	-	-	-	-	-	(39,773)	(39,773)
Shares buy-back for cancellation	(850,024)	(161,851)	(13,171)	-	-	(175,022)	-	(175,022)
Bonus Shares	8,910,000	1,782,000	-	-	-	1,782,000	-	1,782,000
Loss and comprehensive loss	-	-	-	-	(901,309)	(901,309)	(2,091)	(903,400)
Balance as at June 30, 2021	48,239,224	108,360,102	14,223,305	18,681,269	(125,210,847)	16,053,829	(41,864)	16,011,965
Balance as at December 31, 2021	47,224,724	108,021,610	14,210,401	18,681,269	(128,403,041)	12,510,239	-	12,510,239
Shares buy-back for cancellation	(891,391)	(124,138)	-	-	-	(124,138)	-	(124,138)
Share-based compensation	-	-	67,615	-	-	67,615	-	67,615
Loss and comprehensive loss	-	-	-	-	(7,313,540)	(7,313,540)	-	(7,313,540)
Balance as at June 30, 2022	46,333,333	107,897,472	14,278,016	18,681,269	(135,716,581)	5,140,176	-	5,140,176

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Belgravia Hartford Capital Inc. ("Belgravia" or the "Company") is a publicly traded investment holding company listed on the Canadian Securities Exchange. Belgravia is focused on growing its assets and holdings and increasing its net asset value (NAV). Belgravia invests in a portfolio of private and public companies located in jurisdictions governed by the rule of law. It takes a multi-sector investment approach with emphasis in the resources and commodities sector. The Company was formerly named Belgravia Capital International Inc. and was originally incorporated under the CBCA in 2002. It was restructured from IC Potash Corp., Trigon Uranium Corp., and subsequently continued into British Columbia on December 20, 2019, under the Business Corporation Act (British Columbia). The Company's registered office is located at #3-3185 Via Centrale, Kelowna, BC V1V 2A7.

Belgravia is entitled to receive USD$12.2 million royalty interest from its formerly owned Ochoa asset in the state of New Mexico which the Company sold in 2017. The royalty includes the initial 75% of potential water revenue sales and a mining royalty whereby the Company is entitled to receive 1% of polyhalite production sales for any shortfall in payment of the total USD$12.2 million.

Belgravia owns 100% of Belgravia Hartford Gold Assets Corp. (formerly Intercontinental Potash Corp.) ("ICP"), a Canadian company involved in mining and metals resource exploration and development.

Belgravia owns 100% of Belgravia Hartford Estates Corp. (formerly, Trigon Exploration Utah Inc.), a US-based company registered to do business in the States of Utah and Florida involved in real estate acquisitions and development.

Belgravia currently owns minority positions in 9 companies of which 7 are publicly traded.

The Company's continuation as a going concern is dependent on cash flow from its investments, royalties, or operations and its ability to raise equity capital or borrowings sufficient to meet current and future obligations. While the Company currently has no source of operating revenue other than management services consulting fees, its working capital of $5,042,784 as at June 30, 2022 leads management to believe the Company has sufficient resources to fund its business activities for at least the next 12 months. The Company's financial success is dependent on its ability to identity, evaluate, negotiate, and exit investments in assets or businesses. These consolidated financial statements have been prepared by management on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

2. SIGNIFICANT ACCOUNTING POLICIES

a) **Statement of compliance:**

These Interim Financial Statements have been prepared in accordance with IAS "Interim Financial Reporting" ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The Interim Financial Statements were authorized by the audit committee and board of directors of the Company on August 24, 2022.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

b) **Basis of presentation:**

The Interim Financial Statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value. In addition, these Financial Statements have been prepared using the accrual basis of accounting, except for cash flow information. The comparative figures presented in these Interim Financial Statements are in accordance with IFRS and have not been audited.

The preparation of interim financial statements in conformity with IAS 34 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. These Interim Financial Statements do not include all of the information required for annual financial statements.

The significant accounting policies for these Interim Financial Statements are consistent with those disclosed in the audited financial statements for the year-ended December 31, 2021. These Interim Financial Statements should be read in conjunction with the Company's audited consolidated financial statements for the year-ended December 31, 2021.

c) **Basis of consolidation:**

The Consolidated Financial Statements of the Company include the following subsidiaries:

Name of subsidiary	Place of incorporation	Percentage ownership
Belgravia Hartford Gold Asset Corp.	Canada	100%
Belgravia Hartford Estates Corp.	USA	100%

The Company consolidates the subsidiaries on the basis that it controls these subsidiaries when the Company possesses power over an investee, has exposure to variable returns from the investee, and has the ability to use its power over the investee to affect its returns. All intercompany transactions and balances are eliminated on consolidation. For partially owned subsidiaries, the interest attributable to non-controlling shareholders is reflected in non-controlling interest. Adjustments to non-controlling interest are accounted for as transactions with owners and adjustments that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

d) **Cash:**

Cash is comprised of cash deposited at Canadian banks and secure, short-term, highly liquid demand deposits.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

e) **Investments:**

All investments except investments in debt instruments are classified upon initial recognition at fair value through profit or loss ("FVTPL"), with changes in fair value reported in profit or loss. Purchases and sales of investments are recognized on the settlement date. Investments at FVPTL are initially recognized at fair value. Transaction costs are expensed as incurred in profit or loss. Investments in debt instruments are initially measured at fair value then subsequently measured at amortized cost using the effective interest rate method.

Subsequent to initial recognition, all investments are measured at fair value. Gains and losses arising from changes in the fair value of the FVTPL investments are recognized in profit or loss.

Investments in common shares of public companies are measured at fair value based on published market prices with unrealized gains and losses recognized through profit or loss. The valuation of these shares has been determined in whole by reference to the close price of the shares on the TSX, TSX Venture Exchange or Canadian Securities Exchange ("CSE") at each reporting date. Various warrants have been received as attachments to share purchase units and do not trade in an active market. At the time of purchase, the per unit cost is allocated to common shares and warrants using the residual value method. The value of the warrants is subsequently determined at the measurement date using the Black-Scholes option pricing model.

All privately held investments are initially recorded at the transaction price, being the fair value at the time of acquisition. Thereafter, at each reporting period, the fair value of an investment may, depending upon the circumstances, be adjusted with unrealized gains and losses recognized through profit or loss.

f) **Significant accounting estimates and judgments:**

The preparation of these Interim Financial Statements requires management to make judgments, estimates and assumptions about future events that affect the reported amounts of assets and liabilities and disclosure of contingent assets at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results may differ from these estimates.

g) **Revenue recognition:**

Management services revenue is recognized when services are rendered, and the amount can be reasonably estimated and collected. Any amount received for future services is recorded as deferred revenue and recognized as revenue when the related services are performed.

(Expressed in CAD Dollars)

3. INVESTMENTS

The Company's investments include common shares and warrants of Canadian companies that are listed on various Canadian stock exchanges and investments in private Canadian and U.S. companies as well as certain investment funds. The fair values of the common shares of the publicly traded companies have been directly referenced to published price quotations in an active market. The fair value of investments in private companies is referenced to the most recent equity financing completed by each private company. The investments in unlisted warrants of companies that are publicly traded are valued using the Black-Scholes option pricing model, with the following weighted average assumptions:

	Quarter ended June 30, 2022	Year ended December 31, 2021
Risk-free interest rate	3.09%	0.91%
Expected life of warrants	1.47 years	1.69 years
Annualized volatility	129.11%	120.85%
Dividend rate	0.00%	0.00%
Weighted average fair value of warrants	$0.02	$0.06

As at June 30, 2022, fair value of the investments was $5,138,528 (2021 - $16,084,855) . This includes the value of equity investments of $4,287,449 (2021 - $12,483,941), debt instruments of $360,726 (2021 - $417,625), and value of warrants of $490,353 (2021 - $3,183,289).

During the quarter ended June 30, 2022, the Company sold certain of its investments for proceeds totalling $1,541,429 (2021 - $2,520,224) and recognized a loss of $770,682 (2021 – $103,310).

During the quarter ended June 30, 2022, the Company recorded an unrealized loss of $3,839,615 (2021 – unrealized gain $1,948,592) for equity investments and an unrealized loss of $1,170,532 (2021 –unrealized gain $444,980) for warrants.

(Expressed in CAD Dollars)

3. INVESTMENTS (cont'd…)

Investments at June 30, 2022	Number of Shares		Cost		Fair Value
Public Companies:					
Atmofizer Technolgies Inc.	1,615,000	$	257,728	$	56,525
Azincourt Energy Corp	2,779,220	$	430,049	$	152,857
Bald Eagle Gold Corp.	1,320,000	$	64,522	$	125,400
Blackrock Silver Corp.	4,501,110	$	1,446,001	$	2,520,622
Cross River Ventures Corp.	1,388,000	$	186,285	$	51,276
DragonFly Capital Corp.	3,333,333	$	500,000	$	450,000
Imperial Mining GRP Ltd.	1,312,666	$	144,161	$	91,887
Private Companies:					
Autumn Resources Inc.	5,008,100	$	88,912	$	250,405
Grit Capital Corp.	250,000	$	25,000	$	25,000
Pennsylvania Hawthorne LP	n/a	$	799,612	$	563,477
Investments in Promissory Note	n/a	$	350,000	$	360,726
Investments in Warrants	n/a	$	68,000	$	490,353
Total		$	4,360,270	$	5,138,528

		June 30, 2022		December 31, 2021
Current investments	$	5,044,478	$	12,476,487
Non-current investments		94,050		74,250
	$	5,138,528	$	12,550,737

(Expressed in CAD Dollars)

4. PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment consists of the following:

	Computer equipment
Cost	
As at December 31, 2020	$ 7,070
Additions	2,017
As at December 31, 2021	9,087
Additions	-
As at June 30, 2022	9,087
Depreciation	
As at December 31, 2020	2,919
Additions	1,856
Disposal	-
As at December 31, 2021	4,775
Additions	970
As at June 30, 2022	5,745
Net book value:	
As at December 31, 2021	4,312
As at June 30, 2022	3,342

(Expressed in CAD Dollars)

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		June 30, 2022		December 31, 2021
Trade payables	$	228,578	$	203,668
Accrued liabilities		35,000		67,005
Other		10,066		8,841
Total	$	273,644	$	279,514

6. SHARE CAPITAL AND RESERVES

Common shares

Authorized: The Company is authorized to issue an unlimited number of common shares without par value.

Refer to the Consolidated Statements of Changes in Shareholders' Equity for a summary of changes in share capital and reserves for the quarter ended June 30, 2022; Reserves relate to stock options and warrants that have been issued by the Company (note 7).

During the period ended June 30, 2022, the Company issued nil common shares.

On February 3, 2022, under its previous normal course issuer bid ("NCIB") , which commenced on February 23, 2021, the Company has purchased for cancellation the maximum number of common shares in the capital of the Company. Between March 25, 2021 and January 28, 2022, the Company has purchased for cancellation a total of 2,008,963 common shares at a volume weighted average price of $0.185 per common share, resulting in a total investment of $371,169. The Company renewed its NCIB commencing on February 3, 2022.

As of February 3, 2022, the Company had 47,080,285 common shares issued and outstanding. Under the terms of the NCIB, the Company may acquire up to 2,354,014 of its common shares, representing 5% of its issued and outstanding common shares. As of June 30, 2022, the Company has purchased a total of 746,952 common shares for a total of $101,187 at an average price of $0.135/share under the NCIB. The NCIB was subsequently amended and will terminate on the earlier of February 3, 2023, and the date on which the maximum number of Common Shares that can be acquired pursuant to the NCIB have been purchased. Any common shares purchased pursuant to the NCIB were cancelled by the Company (note 14).

During the period ended June 30, 2021, the Company issued 8,910,000 common shares (the "Bonus Shares") to members of Belgravia Hartford management for past services. The Bonus Shares was issued at a price of $0.20 consistent with CSE policies which represent approximately 18.42% of the total issued and outstanding shares after completion of the issue.

(Expressed in CAD Dollars)

7. STOCK OPTIONS AND WARRANTS

Stock options

The Company has an incentive stock option plan (the "Plan") whereby the Company may grant stock options to eligible employees, officers, directors and consultants at an exercise price to be determined by the board of directors, provided the exercise price is not lower than the market value at time of issue less any discount allowed by the stock exchange upon which the common shares are listed. The Plan provides for the issuance of up to 10% of the Company's issued common shares as at the date of grant with each stock option having a maximum term of ten years. The board of directors has the exclusive power over the granting of options and their vesting and cancellation provisions.

As at June 30, 2022, the Company had stock options outstanding, enabling the holders to acquire the following number of common shares:

Number of Options		Exercise Price	Average Contractual Life Remaining (years)	Expiry Date
200,000	$	0.50	0.25	October 1, 2022
500,000	$	0.17	1.59	February 1, 2024
926,000	$	0.50	3.26	October 1, 2025
1,626,000				

Stock option transactions are summarized as follows:

	Number of Options		Weighted Average Exercise Price
Outstanding December 31, 2020	3,990,000	$	0.52
Expired on June 6, 2021	(250,000)		0.80
Outstanding December 31, 2021	3,740,000		0.50
Cancelled on January 28, 2022	(2,614,000)		0.50
Granted on February 1, 2022	500,000		0.17
Outstanding June 30, 2022	1,626,000	$	0.40
Number of options exercisable at June 30, 2022	1,626,000	$	0.40

During the six-month period ended June 30, 2022, the Company granted 500,000 (2021 – nil) stock options to a consultant of the Company.

The fair value of the options granted during the six-month period ended June 30, 2022, as determined by the Black-Scholes option pricing model, was $67,615 (2021 - $nil) or $0.135 per option (2021 - $nil).

Share-based compensation recognized during the period was $67,615 (2021 - $nil).

(Expressed in CAD Dollars)

7. STOCK OPTIONS AND WARRANTS (cont'd...)

Stock options (cont'd…)

The following weighted-average assumptions were used for the Black-Scholes valuation of stock options granted during the period ended:

	Period ended June 30, 2022	Year ended December 31, 2021
Risk-free interest rate	1.28%	-
Expected life of options	1.76 years	-
Annualized volatility	279.43%	-
Dividend rate	0.00%	-
Forfeiture rate	0.00%	-

Warrants

There were no warrant outstanding as at June 30, 2022 (2021 – nil)

8. RELATED PARTY TRANSACTIONS AND BALANCES

The accounts payable and accrued liabilities of the Company include the following amounts due to related parties:

	June 30, 2022	December 31, 2021
Key management personnel	$ nil	$ 9,222
	$ nil	$ 9,222

Key management personnel compensation (consisting of senior officers and directors of the Company):

	Six-month period ended			
		30-Jun-22		30-Jun-21
Short-term benefits *	$	336,000	$	670,000
Bonus shares *		-		1,782,000
Directors' fees **		202,500		202,500
Total remuneration	$	538,500	$	2,654,500

* Amounts are included within wages and benefits on the statement of income (loss) and comprehensive income (loss).
** Amounts are included within administration on the statement of income (loss) and comprehensive income (loss).

9. SEGMENTED INFORMATION

The Company has one operating segment focused on merchant banking as well as providing management services and pursuing the royalty streams from its previous potash project. All of the Company's equipment are located in Canada. All revenue is earned in Canada.

10. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to invest to earn a risk-appropriate return for shareholders. The Company does not have any externally imposed capital requirements to which it is subject. The capital of the Company consists of items in shareholders' equity. The Company had no bank indebtedness at June 30, 2022. The Board of Directors do not establish quantitative return on capital criteria for management, but rather rely on the expertise of the Company's management to sustain future development of the business.

The Company manages the capital structure and makes adjustments to it in light of changes in available funds, economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may issue new shares, borrow money, or dispose of assets to adjust the amount of cash.

The Company's investment policy is to invest its cash necessary to fund operations for the next 12 months in demand investment instruments in high credit quality financial institutions to provide liquidity over the expected time of expenditures from continuing operations. The Company also invests some of its excess cash in common shares and other securities of private and public companies.

There were no significant changes in the Company's approach to capital management during the period ended June 30, 2022.

(Expressed in CAD Dollars)

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

IFRS 7, Financial Instruments: Disclosures, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

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

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

The Company’s financial instruments include cash, investments, receivables, and accounts payable and accrued liabilities.

The carrying values of cash, receivables, and accounts payable and accrued liabilities approximate fair value because of the short-term nature of these instruments.

As at June 30, 2022, the Company’s classification of financial instruments measured at fair value within the fair value hierarchy are summarized below:

	Level 1	Level 2	Level 3	Total
Equity investments	$ 4,372,770	$ 275,405	$ 490,353	$ 5,138,528

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

The Company's credit risk is primarily attributable to cash, investment in loans and receivables. The Company has no significant concentration of credit risk arising from operations. Cash is held at reputable financial institutions, from which management believes the risk of loss to be remote. Receivables consist primarily of amounts due from government agencies, and from management services customers, which the Company believes will be fully collected.

Liquidity risk

As at June 30, 2022, the Company had a cash balance of $26,215 to settle current liabilities of $273,644. The Company also has $5,044,478 in current investments that can be easily liquidated to cash. The Company is not subject to significant liquidity risk.

Interest rate risk

The Company has cash balances subject to fluctuations in the prime rate. The Company's current policy is to invest some of excess cash in investment-grade highly liquid demand deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. Management believes that interest rate risk is remote as cash deposits are payable on demand and the Company currently does not carry interest bearing debt at floating rates. Fluctuations in interest rates may impact the value of the Company’s investments in publicly traded common shares.

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd...)

Foreign currency risk

The Company's functional currency is the Canadian dollar; however, there are few transactions and investments in U.S. dollars and the Company keeps some of its cash in U.S. currency. The Company is exposed to financial risk arising from fluctuations in foreign exchange rates and the degree of volatility in these rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. A 10% change in the foreign exchange rate would have had an approximate $700 impact on foreign exchange gain or loss.

Market risk

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate due to changes in market prices. The value of financial instruments 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 unfavourable market conditions could result in dispositions of investments at less than favourable prices. The Company's investments are primarily concentrated in the natural resources, junior healthcare, and technology industries, which results in exposure to higher volatility than broader market investments and indexes. The Company's investments are accounted for at fair value and are sensitive to changes in market bid prices, such that changes in market prices result in a proportionate change in the carrying value of the Company's investments. The Company holds investments in private and public traded equity securities. Market prices for equity securities are subject to fluctuation and consequently the amount realized in the subsequent sale of an investment may significantly differ from the reported market value. Some investments may not be very liquid, and dispositions may take time or may be sold at less than market prices. A 10% change in the fair values of the Company's investments at June 30, 2022 would have an $514,000 impact on results from operations.

12. CONTINGENCIES

The Company is involved in certain claims and legal actions in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters is not determinable. No amounts have been accrued in the financial statements as of June 30, 2022.