Consolidated Financial Statements of

CROWN CAPITAL PARTNERS INC.

Years ended December 31, 2019 and 2018

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of Crown Capital Partners Inc.

Opinion

We have audited the consolidated financial statements of Crown Capital Partners Inc. (the "Entity"), which comprise:

- the consolidated statements of financial position as at December 31, 2019 and December 31, 2018;
- the consolidated statements of comprehensive income (loss) for the years then ended;
- the consolidated statements of changes in equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- notes to the consolidated financial statements, including a summary of significant accounting policies.

(hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2019 and December 31, 2018, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "*Auditors' Responsibilities for the Audit of the Financial Statements*" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. Other information comprises:

- the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions.
- the information, other than the financial statements and the auditors' report thereon, included in a document likely to be entitled the "Annual Report".

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or appears to be materially misstated.

We obtained the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions as at the date of this auditors' report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report. We have nothing to report in this regard.

The information, other than the financial statements and the auditors' report thereon, included in a document likely to be entitled the "Annual Report" is expected to be made available to us after the date of this auditors' report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

- Provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

The engagement partner on the audit resulting in this auditors' report is Peter Hayes.

Toronto, Canada

March 12, 2020

CROWN CAPITAL PARTNERS INC.

Consolidated Statements of Financial Position

(expressed in thousands of Canadian dollars)

As at		December 31, 2019		December 31, 2018
Assets				
Cash and cash equivalents	$	8,361	$	11,307
Accounts receivable		10,881		4,388
Income taxes recoverable		227		-
Prepaid expenses and deposits		311		250
Investments (Note 4)		250,137		246,862
Share purchase loans (Note 11)		163		638
Property and equipment (Note 17)		14,876		124
Network services contracts (Note 18)		3,371		-
Net investment in leased distributed power equipment (Note 4)		644		-
Distributed power equipment under development and related deposits (Note 19)		10,540		12,000
Deferred income taxes (Note 21)		142		352
	$	**299,653**	**$**	**275,921**
Liabilities and Shareholders' Equity				
Accounts payable and accrued liabilities	$	4,177	$	1,143
Distributions payable to non-controlling interests		2,432		2,765
Income taxes payable		-		287
Promissory notes payable (Note 4)		8,512		-
Lease obligations		4,324		-
Deferred compensation (Note 7)		386		265
Contingent consideration (Note 15)		284		-
Provision for performance bonus (Note 10)		2,096		2,679
Credit facilities (Note 8)		38,406		17,730
Convertible debentures - liability component (Note 9)		18,562		18,222
Non-controlling interests (Note 13)		122,996		127,938
Total Liabilities		202,175		171,029
Equity				
Share capital (Note 6)		95,342		97,615
Convertible debentures - equity component (Note 9)		483		483
Contributed surplus		1,087		1,397
Retained earnings		566		5,397
Total Equity		97,478		104,892
	$	**299,653**	**$**	**275,921**

Commitments and contingencies (Note 20)

See accompanying notes to consolidated financial statements.

On behalf of the Board:

signed "Alan Rowe" Chairman
Alan Rowe

signed "Chris Johnson" Director
Chris Johnson

CROWN CAPITAL PARTNERS INC.

Consolidated Statements of Comprehensive Income

(expressed in thousands of Canadian dollars, except earnings per share and weighted average number of shares)

For the years ended December 31,		**2019**		**2018**
Revenues				
Interest revenue	$	28,252	$	26,592
Fees and other income		3,621		3,540
Network services revenue		4,002		-
Net gain (loss) on investments				
Net realized gain (loss) from investments		(9,866)		222
Net change in unrealized gains (losses) of investments		(802)		2,312
		25,207		32,666
Expenses				
Salaries, management fees and benefits		4,550		2,690
Share-based compensation (Note 7)		723		1,555
General and administration		3,492		1,994
Cost of network services revenue		1,420		-
Performance bonus expense (recovery)		(583)		998
Provision for bad debt (Note 4)		2,526		-
Depreciation		2,046		34
Provision for credit losses		610		118
Impairment of equipment (Note 17)		326		-
Finance costs (Notes 8 and 9)		3,933		2,096
		19,043		9,485
Earnings before other adjustments and income taxes		6,164		23,181
Gain on acquisition (Note 15)		85		-
Non-controlling interests (Note 13)		(5,977)		(13,225)
Earnings before income taxes		272		9,956
Income taxes (Note 21)				
Current tax expense		271		2,400
Deferred tax		210		505
		481		2,905
Net income (loss) and comprehensive income (loss)	$	(209)	$	7,051
Earnings (loss) per share attributable to shareholders:				
Basic	$	(0.02)	$	0.74
Diluted	$	(0.02)	$	0.73
Weighted average number of shares, basic		9,536,140		9,546,122
Weighted average number of shares, diluted		9,646,734		9,679,289

See accompanying notes to consolidated financial statements.

CROWN CAPITAL PARTNERS INC.

Consolidated Statements of Changes in Equity

For the years ended December 31, 2019 and 2018

(expressed in thousands of Canadian dollars, except number of shares)

	Number of shares		Share capital		Convertible debentures - equity component		Contributed surplus		Retained earnings		Total Equity
Balance as at January 1, 2018	9,510,017	$	96,570	$	-	$	2,931	$	4,948	$	104,449
Impact of adoption of IFRS 9	-		-		-		-		(888)		(888)
Adjusted balance as at January 1, 2018	9,510,017		96,570		-		2,931		4,060		103,561
Net income and comprehensive income attributable to shareholders of the Corporation	-		-		-		-		7,051		7,051
Share-based compensation (Note 7)	-		-		-		1,385		-		1,385
Cash-settled share-based compensation (Note 7)	-		-		-		(546)		(9)		(555)
Issuance of common shares (Note 6)	237,318		2,373		-		(2,373)		-		-
Shares repurchased (Note 6)	(130,780)		(1,328)		-		-		28		(1,300)
Conversion feature of Convertible Debentures issued, net of tax effect (Note 9)	-		-		483		-		-		483
Dividends declared (Note 6)	-		-		-		-		(5,733)		(5,733)
Balance as at December 31, 2018	9,616,555	$	97,615	$	483	$	1,397	$	5,397	$	104,892
Net income (loss) and comprehensive income (loss) attributable to shareholders of the Corporation	-		-		-		-		(209)		(209)
Share-based compensation (Note 7)	-		-		-		454		-		454
Cash-settled share-based compensation (Note 7)	-		-		-		(117)		(8)		(125)
Issuance of common shares (Note 6)	13,059		126		-		(126)		-		-
Shares repurchased (Note 6)	(236,372)		(2,399)		-		-		588		(1,811)
Cancellation of stock options (Note 7)	-		-		-		(521)		521		-
Dividends declared (Note 6)	-		-		-		-		(5,723)		(5,723)
Balance as at December 31, 2019	9,393,242	$	95,342	$	483	$	1,087	$	566	$	97,478

See accompanying notes to consolidated financial statements.

CROWN CAPITAL PARTNERS INC.

Consolidated Statements of Cash Flows

(expressed in thousands of Canadian dollars)

For the years ended December 31,	**2019**	**2018**
Cash provided by (used in) operating activities		
Net income (loss)	$ (209)	$ 7,051
Non-controlling interests (Note 13)	5,977	13,225
Adjustments for:		
Net realized loss (gain) from investments	9,866	(222)
Net change in unrealized losses (gains) in fair value of investments	802	(2,312)
Finance fees received on loans carried at amortized cost, net of non-cash finance fees	680	1,473
Interest income	(28,252)	(26,591)
Interest income received in the period	19,847	23,903
Provision for expected credit loss	610	118
Non-cash finance costs	760	466
Depreciation	2,046	34
Current income tax (recovery)	271	2,400
Income taxes paid in the period	(785)	(2,071)
Deferred income tax	210	505
Share-based compensation, net of cash settlements	565	1,000
Provision for performance bonus, net of payments	(583)	14
Provision for bad debt	2,526	-
Impairment of equipment (Note 17)	326	-
Gain on acquisition	(85)	-
Net change in non-cash working capital (Note 14)	(910)	(923)
	13,662	18,070
Cash provided by (used in) investing activities		
Proceeds from repayment of debt securities	70,512	37,572
Addition of investments	(88,672)	(102,428)
Share purchase loan repayments, net of advances	469	1,588
Purchase of property and equipment	(6,748)	(147)
Acquisition of subsidiary, net of cash acquired (Note 15)	(10)	-
Purchase of distributed power equipment under development and related deposits (Note 19)	(1,478)	(12,000)
	(25,927)	(75,415)
Cash provided by (used in) financing activities		
Non-controlling interests contributions to Crown Partners Fund (Note 13)	23,600	32,607
Non-controlling interests contributions to Crown Power Fund (Note 13)	13,289	-
Distributions paid by Crown Partners Fund to non-controlling interests	(39,629)	(34,642)
Payments of lease obligations	(662)	-
Credit facility advances, net of repayments (Note 8)	21,300	18,000
Issuance of convertible debentures, net of issuance costs (Note 9)	-	18,703
Shares repurchased (Note 6)	(1,811)	(1,300)
Dividends (Note 6)	(5,723)	(5,733)
Deferred financing costs	(1,045)	(89)
	9,319	27,546
Decrease in cash and cash equivalents	(2,946)	(29,799)
Cash and cash equivalents, beginning of period	11,307	41,106
Cash and cash equivalents, end of period	$ 8,361	$ 11,307
Supplemental cash flow information:		
Interest paid in the period	$ 3,210	$ 1,436

See accompanying notes to consolidated financial statements.

1. Reporting entity:

Crown Capital Partners Inc. (the "Corporation") was incorporated under the Canada Business Corporations Act on September 8, 1999 and commenced operations effective October 1, 2000. The Corporation provides investment management services and its registered office is 150 9th Avenue S.W., Suite 2827, Calgary, Alberta. These consolidated financial statements as at and for the years ended December 31, 2019 and 2018 comprise the Corporation and its subsidiaries, which include:

- A 100% interest (December 31, 2018 - 100%) in Crown Capital Funding Corporation ("CCFC");
- Through CCFC, a 100% interest (December 31, 2018 - 100%) in Crown Capital Private Credit Fund, LP ("Crown Private Credit Fund");
- Through CCFC, an effective interest of 38.8% (October 1, 2018 to December 30, 2019 - 37.0%; July 1, 2018 to September 30, 2018 - 37.1%; January 1, 2018 to June 30, 2018 - 36.5%) in Crown Capital Partner Funding, LP ("Crown Partners Fund");
- A 100% interest (December 31, 2018 - 100%) in Crown Capital Private Credit Management Inc. ("CCPC MI"), the General Partner of Crown Private Credit Fund;
- A 100% interest (December 31, 2018 - 100%) in Crown Capital LP Partner Funding Inc. ("CCPF MI"), the general partner of Crown Partners Fund and Crown Capital Fund IV Investment, LP ("CCF IV Investment");
- A 100% interest (December 31, 2018 - 100%) in Crown Capital Fund III Management Inc. ("CCF III"), the general partner and manager of Norrep Credit Opportunities Fund, LP ("NCOF LP");
- A 100% interest (December 31, 2018 - 100%) in 10824356 Canada Inc. ("Crown Power Fund GP"). Crown Power Fund GP was incorporated on June 8, 2018 and is the general partner of Crown Capital Power Limited Partnership ("Crown Power Fund");
- Through CCFC, an interest of 43.2% (June 8, 2018 to February 27, 2019 - 100%) in Crown Power Fund; and
- Effective July 12, 2019, a 100% interest in WireIE Holdings International Inc., WireIE (Canada) Inc. and WireIE (Development) Inc. (hereinafter collectively referred to as "WireIE").

2. Basis of preparation:

(a) Statement of compliance:

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

These consolidated financial statements were authorized for issue by the Corporation's Board of Directors on March 12, 2020.

(b) Basis of measurement:

The consolidated financial statements have been prepared on the historical cost basis, other than investments and certain share-based awards carried at fair value through profit or loss ("FVTPL").

(c) Functional and presentation currency:

These consolidated financial statements are presented in Canadian dollars, which is the Corporation's functional currency.

(d) Use of estimates and judgments:

The preparation of the consolidated financial statements in accordance with the financial reporting framework requires management to make judgments, estimates and assumptions that affect the application of the Corporation's accounting policies and the reported amounts of assets, liabilities, income and expenses and disclosures of contingent assets and liabilities at the reporting date. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

Information about judgments, assumptions and estimation uncertainties that have the most significant effect on the amounts recognized in the consolidated financial statements are included in the following notes:

(i) Note 3(e)(vi) – identification and timing of satisfaction of performance obligations in relation to the Corporation's network services revenues;

(ii) Note 3(g)(i) – lease identification and the estimated discount rate used in respect of network co-location arrangements;

(iii) Notes 3(g)(iii)-(iv) and 3(h) – recoverability of costs capitalized in relation to distributed power equipment under development through lease contracts;

(iv) Notes 3(k) and 7 – measurement of share-based compensation;

(v) Notes 3(m) and 21 – recognition of deferred tax assets;

(vi) Note 4 – fair value measurement of investments, classification of financial assets and determination of expected credit losses on financial assets;

(vii) Note 15 – fair value measurement of net identifiable assets acquired in a business combination and fair value of contingent consideration;

2. Basis of preparation (continued):

(d) Use of estimates and judgments (continued):

(viii) Notes 3(g)(i) and 17 – estimated useful lives and recoverability of network services equipment and estimated allocation of capitalized labour; and

(ix) Notes 3(i) and 18 – estimated useful lives and recoverability of intangible assets with finite lives.

3. Significant accounting policies:

(a) Basis of consolidation:

The consolidated financial statements include the accounts of the Corporation and its subsidiaries. All inter-company accounts and transactions have been eliminated on consolidation.

Subsidiaries are entities controlled by the Corporation. The Corporation controls an entity when it 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. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

(b) Business combinations:

The Corporation accounts for business combinations using the acquisition method when control is transferred to the Corporation. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any excess of consideration given over the fair value of net assets acquired is recognized as goodwill. Any gain on a bargain purchase is recognized in profit or loss immediately. Transaction costs are expensed as incurred, except to the extent related to the issuance of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss.

Any contingent consideration is measured at fair value at the date of the acquisition. Liabilities to pay contingent consideration are remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

3. Significant accounting policies (continued):

(c) Non-controlling interests:

Non-controlling interests are measured at the proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition plus the non-controlling interests' share of net income and comprehensive income and contributions, less any distributions paid to the non-controlling interests.

Non-controlling interests on the consolidated statement of financial position are classified as a liability as the corresponding net assets attributable to the limited partners of the subsidiaries are classified as liabilities rather than equity.

(d) Financial assets and financial liabilities:

(i) Recognition and initial measurement

The Corporation initially recognizes financial assets and financial liabilities at fair value when the Corporation becomes a party to the contractual provisions of the instruments.

A financial asset or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

(ii) Classification and measurement

Classification of financial assets is based on the business model for managing the portfolio of assets and the contractual cash flow characteristics of these financial assets. There are three principal classification categories for financial assets that are debt securities: measured at amortized cost, fair value through other comprehensive income ("FVOCI") and FVTPL. Equity securities are generally measured at FVTPL unless an election is taken to measure at FVOCI.

The Corporation's classification and measurement of equity investments and financial liabilities are measured at FVTPL and amortized cost, respectively.

The Corporation's debt instruments are held within a business model where the objective is achieved by holding to collect the contractual cash flows, rather than holding to sell. The Corporation therefore is required to assess the contractual terms of the cash flows to determine the appropriate classification and measurement of its debt instruments. For those debt instruments which give rise to cash flows that are solely payments of principal and interest, these financial assets are classified and measured at amortized cost. For those debt instruments which give rise to cash flows that are other than solely payments of principal and interest, these financial assets are classified and measured at FVTPL. The Corporation measures some of its debt instruments at amortized cost and others at fair value based on these requirements.

3. Significant accounting policies (continued):

(d) Financial assets and financial liabilities (continued):

(ii) Classification and measurement (continued)

The Corporation derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Corporation neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the asset.

The Corporation derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expire. The Corporation also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

Financial assets and financial liabilities are offset and the net amounts presented in the statement of financial position when, and only when, the Corporation currently has a legally enforceable right to offset the amounts and intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(iii) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Corporation has access at that date. The fair value of a liability reflects its non-performance risk.

(iv) Amortized cost measurement

The amortized cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at recognition, minus principal repayments (if applicable), plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount recognized and the maturity amount (if applicable), minus any reduction for impairment (if applicable).

3. Significant accounting policies (continued):

(d) Financial assets and financial liabilities (continued):

(v) Impairment of financial assets

An expected credit loss model applies to financial assets, including debt securities carried at amortized cost, as well as to certain loan commitments and financial guarantees but not to equity investments or to debt instruments carried at FVTPL. Expected credit losses are the difference between all contractual cash flows that are due to the Corporation and all the cash flows the Corporation expects to receive, discounted at the original effective interest rate.

The expected loss impairment model is based on a forward-looking approach and contains a three-stage methodology to evaluate changes in credit risk since initial recognition. For assets where there has not been a significant increase in credit risk since initial recognition (Stage One), a loss provision equal to 12 months expected credit losses is recognized. If credit risk increases significantly from initial recognition (Stage Two) or if a financial asset is considered credit impaired (Stage Three), a loss provision equal to the lifetime expected credit losses is recognized. In considering the lifetime of a loan, the contractual period of the loan is generally used.

Debt securities measured at amortized cost are classified as impaired when it is determined that there is no longer reasonable assurance that principal or interest will be collected in their entirety or on a timely basis as a result of one or more loss events, including default, bankruptcy or delinquency. In determining whether or not a default has occurred, the Corporation considers both qualitative and quantitative factors, including compliance with financial covenants and days past due. Interest income on impaired debt securities measured at amortized cost is recognized based on amortized cost, net of allowance, and the original effective interest rate on the impaired debt security.

The Corporation elects to measure the loss allowance for its net investment in leased distributed power equipment and receivables from network services at an amount equal to lifetime expected credit losses under a simplified approach that does not require the Corporation to track changes in credit risk. In considering the lifetime of the net investment in leased distributed power equipment and receivables from network services, the contractual period of the underlying assets are generally used.

3. Significant accounting policies (continued):

(d) Financial assets and financial liabilities (continued):

(v) Impairment of financial assets (continued)

On an ongoing basis, the Corporation assesses whether any investment should be classified as impaired and whether any resulting write-off or change in allowance should be recorded. The gross carrying amount of a financial asset is written off when the Corporation has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Corporation assesses the timing and amount of write-offs for impaired assets based on whether there is a reasonable expectation of recovery.

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Corporation considers reasonable and supportable information that is relevant and available. This includes both quantitative and qualitative information and analysis, based on the Corporation's historical experience and credit risk assessment from qualified personnel, including forward-looking information.

The key inputs into the measurement of expected credit loss, regardless of the presence of significant increase in credit risk, are probability of default, loss given default and exposure at default. The allowance for expected credit loss is established with consideration for borrower-specific factors, including estimated levels of collateral security, the Corporation's historical credit loss experience, and current and future expected economic conditions.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

3. Significant accounting policies (continued):

(e) Revenue recognition:

(i) Interest revenue

Interest revenue includes the coupon interest and bonus interest, if applicable, received by the Corporation on investments in debt securities measured at FVTPL on an accrual basis.

Interest revenue also includes interest calculated using the effective interest rate method on debt securities measured at amortized cost. Such interest includes amortization of financing fees received upon origination and amendment fees on debt securities measured at amortized cost.

(ii) Dividend income

Dividend income is recognized in profit or loss on the date on which the right to receive payment is established. This is usually the ex-dividend date.

(iii) Fees and other income

Revenue from investment management services rendered are generally calculated based on the level of invested capital, in accordance with agreements with the managed funds. The fees are earned and recognized over the time during which the assets are managed by the Corporation.

Under certain circumstances the Corporation can voluntarily reduce the management fees. Fees are recognized net of management fee discounts payable to third parties.

Financing fees, prepayment fees and other fees earned on debt securities measured at FVTPL are recognized in fees and other income when the Corporation becomes entitled to the fee earned.

(iv) Performance fee distributions

Performance fees earned from non-consolidated managed funds are recognized when the services have been provided, it is highly probable that the fees will be received, and the amount of the fees can be reliably measured, which is determined subject to agreements in the underlying funds.

(v) Net gain (loss) on investments at FVTPL

Net realized and unrealized gain (loss) from financial instruments at FVTPL is calculated with reference to the initial purchase cost of the financial instrument, adjusted for additions and dispositions.

3. Significant accounting policies (continued):

(e) Revenue recognition (continued):

(vi) Network services revenue recognition

Network services revenues are comprised of the following types of revenue:

- Professional services revenue

  Revenue from professional services, network support, maintenance and repair services is recognized as the related service is rendered.

- Contractual network services revenue

  Contractual network services revenue relates to the access to and usage of telecommunications infrastructure. There are two types of contractual network services revenue: (i) non-recurring revenues related to the upfront installation of network elements are invoiced at the time of installation and are deferred and recognized on a straight-line basis over the term of the customer life, which is generally three to five years in duration; and (ii) monthly recurring revenues relating to the ongoing operation of network services are recognized as the service is rendered over the term of the arrangement.

  Network services revenue is recognized to the extent the performance obligations to the customer have been satisfied.

  The contracts with customers do not have a significant financing component. Payments are typically due 30-60 days from the billing date and are typically rendered on a monthly basis.

  Costs of contract acquisition, namely commissions expense, are capitalized and subsequently recognized as an expense over the customer life.

3. Significant accounting policies (continued):

(f) Compound financial instruments:

The Corporation's compound financial instrument is comprised of its convertible debentures that can be converted to common shares at the option of the holder. The number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of a convertible debenture is recognized initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognized at the difference between fair value of the compound financial instrument as a whole and the fair value of the liability component. Any direct attributable transaction costs are allocated to the equity and liability components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound instrument is measured at amortized cost using the effective interest method. Interest, gains and losses relating to the financial liability are recognized in profit and loss. The equity component of the compound instrument is not re-measured subsequent to initial recognition. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognized.

(g) Property and equipment:

(i) Network services equipment:

Network services equipment is depreciated on a straight-line basis over its estimated useful life, which ranges between 6-15 years, depending on the nature of the equipment. Depreciation includes the amortization of right-of-use assets where the Corporation is the lessee. The total cost of network equipment situated at customers' premises, associated installation costs and costs of contract acquisition are capitalized as incurred.

The Corporation leases network services equipment and properties, including the usage of third-party tower space through network co-location arrangements. As a lessee, the Corporation recognizes right-of-use assets and lease liabilities for most leases. The Corporation has elected not to recognize right-of-use assets and lease liabilities for some leases of low-value assets and recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term. For the year ended December 31, 2019, the expense associated with such lease payments was $327 (2018 - $nil).

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

3. Significant accounting policies (continued):

(g) Property and equipment (continued):

(ii) Office equipment:

All classes of office equipment are measured at cost less accumulated depreciation. Cost includes expenditures that are directly attributable to the acquisition of the asset.

Depreciation is calculated using the following methods: computer equipment on a straight-line basis over three years; office furniture and equipment on a declining balance basis at 20 per cent annually.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

(iii) Distributed power equipment:

Distributed power equipment comprises the carrying value of power generation assets that have completed construction and are to be deployed on future projects of Crown Power Fund. These assets are recorded at cost, less any accumulated impairment losses.

At each reporting date, the carrying amounts of distributed power equipment are reviewed to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGUs"). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows on the lease contracts, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

The equipment is not subject to depreciation until the point in time in which it is available or ready for use, at which point the equipment is reclassified as a net investment in leased distributed power equipment and is measured at amortized cost. Any gain or loss arising on remeasurement is recognized in profit and loss.

3. Significant accounting policies (continued):

(g) Property and equipment (continued):

(iv) Net investment in leased distributed power equipment:

The Corporation, through Crown Power Fund, leases its equipment to its operating partners, who in turn use the equipment to provide on-site distributed power generation to their end customers. The determination is made at lease inception as to whether each lease is a finance lease or an operating lease. The distributed power equipment under lease as at December 31, 2019 is part of a finance lease arrangement. To classify each lease, an overall assessment is made as to whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, certain indicators are considered, such as whether the lease is for the major part of the economic life of the asset and whether the present value of minimum lease payments amount to at least substantially all of the fair value of the leased asset.

Under a finance lease arrangement, as the lessor, a net investment in leased distributed power equipment is recognized on the statement of financial position at the amount of its net investment, which comprises the present value of the minimum lease payments for the lease term and any unguaranteed residual value accruing to the lessor. The present value is calculated by discounting the minimum lease payments due and any unguaranteed residual value, at the interest rate implicit in the lease.

Interest income is accrued on the net investment over the lease term. Lease payments are treated as a repayment of principal and interest, allocated between reducing the net investment and recognizing finance income to produce a constant rate of return on the net investment.

The Corporation applies the derecognition and impairment requirements in IFRS 9 to the net investment in leased distributed power equipment. Estimated unguaranteed residual values used are regularly reviewed in calculating the gross investment in the leased distributed power equipment.

3. Significant accounting policies (continued):

(h) Distributed power equipment under development and related deposits:

Distributed power equipment under development and related deposits comprise the carrying value of distributed power assets owned by Crown Power Fund that are in the course of construction. These assets are recorded at cost, which includes all expenditures necessary to bring the assets to working condition for their intended use, plus accrued interest on advances made in the course of construction by Crown Power Fund to the operating partners to whom it will ultimately lease the distributed power assets, less any accumulated impairment losses as described in note 3(g)(iii). Accrued interest is subsequently recovered through receipt of lease payments over the duration of the lease contract.

The equipment is not subject to depreciation until completion of its development phase, at which point the equipment is reclassified as a net investment in leased distributed power equipment and is measured at amortized cost. Any gain or loss arising on remeasurement is recognized in profit and loss.

(i) Network services contracts

Intangible assets in respect of the WireIE acquisition relate to customer contracts acquired.

Intangible assets with finite lives are amortized on a straight-line basis over their estimated useful lives, which are reviewed at least annually and adjusted as appropriate.

Network services contracts are subject to amortization on a straight-line basis as the Corporation believes that this method reflects the consumption of resources related to the economic lifespan of these assets better than a diminishing basis and is more representative of the economic substance of the underlying use of the assets. The estimated useful life for a network services contract ranges between 4-6 years and the intangible assets related to such contracts are depreciated on a straight-line basis over 4-6 years, with consideration for the average remaining useful life of the contracts. Indicators of impairment such as competitive pressures and technological obsolescence are considered when determining whether the carrying value of an asset is recoverable. An impairment loss is recorded to the extent the carrying value of an asset is not considered to be recoverable.

3. Significant accounting policies (continued):

(j) Employee benefits:

(i) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Corporation has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Defined contribution plan

The Corporation contributes to a defined contribution pension plan for employees and expenses contributions when they are due in respect of service rendered to the end of the reporting period.

(iii) Other long-term employee benefits

The provision for performance bonus represents the period end estimate of the amount of future benefit that employees have earned in return for their service in the current and prior periods. Remeasurements of the obligation are recognized in profit or loss in the period in which they arise.

(k) Share-based payment plans:

Equity-settled, share-based payments to employees, directors and others are measured at fair value of the equity instrument granted. A Black-Scholes option pricing model is used to fair value the stock options issued to employees on the date of grant. The closing market value of the Corporation's common shares on the day prior to the date of grant is used to determine the fair value of the equity-based share units issued to employees, except those granted on the date of the IPO in which case the closing market value on the date of the grant was used.

The cost of the equity-settled, share-based payments is recognized as an expense with a corresponding increase in contributed surplus over the related service period provided to the Corporation. The service period may commence prior to the grant date with compensation expense recognition being subject to specific vesting conditions (including non-market vesting performance conditions) and the best estimate of equity instruments expected to vest. Estimates relating to vesting conditions are reviewed regularly with any adjustments recorded to compensation expense. On the vesting date, the Corporation revises, if necessary, the estimate to equal the number of equity instruments ultimately vested and adjusts the corresponding compensation expense and contributed surplus accordingly.

Upon exercise or settlement of equity-based instruments, consideration received, if any, together with amounts previously recorded in contributed surplus, are recorded as an increase in share capital.

Cash-settled share-based payments are measured based on the fair value of the cash liability. The amount determined is recorded as compensation expense over the service period. The liability is re-measured each period with a corresponding adjustment to the related compensation expense until the date of settlement.

3. Significant accounting policies (continued):

(l) Earnings per share:

Basic earnings per share is calculated by dividing the net income and comprehensive income or loss for the period attributable to the shareholders of the Corporation by the weighted average number of common shares outstanding for the period.

Diluted earnings per share is calculated in the same manner as basic earnings per share, except that the weighted average number of common shares outstanding is adjusted for dilutive instruments. The number of shares included with respect to stock options, share units and similar instruments is computed using the treasury stock method.

(m) Income tax:

Income tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to a business combination or items recognized directly in equity.

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of prior years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; or for taxable temporary differences arising on the recognition of goodwill.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans for the Corporation and its subsidiaries. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Such reductions are reversed when the probability of future taxable profits improves. Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

3. Significant accounting policies (continued):

(n) IFRS 16 “Leases” (“IFRS 16”):

On January 1, 2019, the Corporation adopted IFRS 16, which replaced IAS 17 “Leases” (“IAS 17”). IFRS 16 introduced a single, on-balance sheet accounting model for lessees. As a result, the Corporation, as a lessee, has recognized a right-of-use asset in respect of its office lease representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

The right-of-use asset is measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

The Corporation has applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognized in retained earnings at January 1, 2019, with no restatement of comparative information.

As a result of initially applying IFRS 16, the Corporation recognized a right-of-use asset in the amount of $503 and a lease liability in the amount of $503, with a nil difference in retained earnings.

Transition

Previously, the Corporation classified its office lease as an operating lease under IAS 17. At transition, the lease liability was measured at the present value of the remaining lease payments, discounted at the Corporation’s incremental borrowing rate as at January 1, 2019. When measuring the lease liability, the Corporation discounted lease payments using its incremental borrowing rate at January 1, 2019. The weighted-average rate applied is 7.0%.

(expressed in thousands of Canadian dollars except number of shares and where otherwise indicated)

4. Financial instruments:

(a) Investments

As at	December 31, 2019	December 31, 2018
Investments at FVTPL:		
Canadian debt securities at FVTPL	$ 72,227	$ 69,006
Canadian equity securities	2,662	8,016
Other investments	10,532	4,494
Total Investments at FVTPL	85,421	81,516
Canadian debt securities at amortized cost	165,460	165,567
Allowance for credit losses	(744)	(221)
Total Investments at amortized cost, net of allowance for credit losses	164,716	165,346
Total Investments	$ 250,137	$ 246,862

(b) Canadian debt securities

The gross carrying value of Canadian debt securities broken down by contractual maturity is as follows:

Contractual maturity	December 31, 2019	December 31, 2018
On demand	$ 17,414	$ 17,414
0 – 12 months	7,900	4,660
1 – 3 years	77,737	60,072
3 – 5 years	101,357	112,400
5 years or more	33,279	40,027
Total debt securities	$ 237,687	$ 234,573

As at December 31, 2019, investments held in the form of Canadian debt securities had coupon interest rates ranging from 8.0% to 14.0% (December 31, 2018 – 8.0% to 14.0%) per annum.

Interest revenue calculated using the effective interest rate method for debt securities carried at amortized cost totaled $19,183 for the year ended December 31, 2019 (December 31, 2018 - $19,321). The effective interest rates as at December 31, 2019 ranged from 10.0% to 15.1%.

4. Financial instruments (continued):

(b) Canadian debt securities (continued)

Finance fees recognized in revenue in relation to the repayment of debt securities carried at amortized cost totaled $900 for the year ended December 31, 2019 (December 31, 2018 - $2,220).

(c) Canadian equities

As at December 31, 2019, investments in equity securities included common shares of Canadian public companies, warrants in Canadian public companies, common shares of a Canadian private company and warrants in a Canadian private company.

(d) Other investments

Other investments include royalty arrangements and other investment structures that are neither debt securities nor equity-linked.

(e) Cash and cash equivalents

Cash and cash equivalents comprise deposits with banks and are used by the Corporation in the management of short-term commitments.

(f) Other receivable

Included in accounts receivable is a receivable that comprises an amount owing from an operating partner formerly affiliated with Crown Power Fund. This amount relates to advances from the Corporation that were used by the operating partner to fund unauthorized operating expenses. A provision for bad debt has been set up in the amount of $2,526, representing the gross amount of the receivable, and is based on the Corporation's current assessment of the recoverability of this amount.

(g) Network services receivables

Included in accounts receivable are amounts owing from parties with which the Corporation has entered into network services contracts.

(expressed in thousands of Canadian dollars except number of shares and where otherwise indicated)

4. Financial instruments (continued):

(h) Net investment in leased distributed power equipment

During 2019, the Corporation entered into a finance lease contract upon completion of the development of the related distributed power assets. There was no resultant gain or loss on reclassification of the distributed power equipment under development to a net investment in leased distributed power equipment. During 2019, the Corporation recognized interest income in relation to its net investment in leased distributed power equipment of $4 (2018 - $nil).

The following table sets out a maturity analysis of its net investment in leased distributed power equipment, showing the undiscounted lease payments to be received as at the reporting date.

		2019
Less than one year	$	59
One to two years		65
Two to three years		65
Three to four years		65
Four to five years		65
Greater than five years		962
Total undiscounted lease payments		1,281
Unearned finance income		(696)
Undiscounted unguaranteed residual value		65
Net investment in leased distributed power equipment, before allowance for credit loss		650
Allowance for credit loss		(6)
Net investment in leased distributed power equipment	$	644

(expressed in thousands of Canadian dollars except number of shares and where otherwise indicated)

4. Financial instruments (continued):

(i) Allowance for credit losses

The changes to the Corporation's allowance for credit losses under IFRS 9, as at and for the years ended December 31, 2019 and December 31, 2018, are shown in the following tables.

December 31, 2019				
Allowance for credit losses	**Debt securities**	**Net investment in leased distributed power equipment**	**Network services receivables**	**Total**
Opening balance	$ 221	$ -	$ -	$ 221
Additions	43	6	81	130
Repayment	(14)	-	-	(14)
Net remeasurement of loss allowance	94	-	-	94
Transfer from Stage One to Stage Two – not credit impaired[1]	491	-	-	491
Settlement upon acquisition	(91)	-	-	(91)
Ending balance	$ 744	$ 6	$ 81	$ 831

December 31, 2018				
Allowance for credit losses	**Debt securities**	**Net investment in leased distributed power equipment**	**Network services receivables**	**Total**
Opening balance	$ 103	$ -	$ -	$ 103
Additions	85	-	-	85
Repayment	(28)	-	-	(28)
Net remeasurement of loss allowance	(33)	-	-	(33)
Transfer from Stage One to Stage Two – not credit impaired[1]	94	-	-	94
Ending balance	$ 221	$ -	$ -	$ 221

[1] There were no transfers from Stage Two to Stage One in the years ended December 31, 2019 and December 31, 2018.

(expressed in thousands of Canadian dollars except number of shares and where otherwise indicated)

4. Financial instruments (continued):

(i) Allowance for credit losses (continued)

The total gross carrying values of debt securities at amortized cost classified as Stage One, Stage Two and Stage Three and the associated allowance for credit losses, as at December 31, 2019 and December 31, 2018, are shown in the following tables:

December 31, 2019	Stage One	Stage Two	Stage Three	Total
Debt securities at amortized cost	$ 58,388	$ 107,072	$ -	$ 165,460
Allowance for credit losses	(26)	(718)	-	(744)
Debt securities at amortized cost, net of allowance for credit losses	$ 58,362	$ 106,354	$ -	$ 164,716

December 31, 2018	Stage One	Stage Two	Stage Three	Total
Debt securities at amortized cost	$ 122,244	$ 43,323	$ -	$ 165,567
Allowance for credit losses	(87)	(134)	-	(221)
Debt securities at amortized cost, net of allowance for credit losses	$ 122,157	$ 43,189	$ -	$ 165,346

The total gross carrying value of the net investment in leased distributed power equipment at amortized cost classified as Stage One, Stage Two and Stage Three were $nil, $650 and $nil, respectively, and the associated allowance for credit losses were $nil, $6 and $nil, respectively.

The total gross carrying values of the receivables from network services at amortized cost classified as Stage One, Stage Two and Stage Three were $nil, $1,287 and $nil, respectively, and the associated allowance for credit losses were $nil, $81 and $nil, respectively.

4. Financial instruments (continued):

(j) Fair values:

The fair values of financial assets and financial liabilities that are traded on active markets are based on closing quoted market prices at the reporting date. For all other financial instruments, the Corporation determines fair values using other valuation techniques.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

Fair values of investments without quoted market prices are determined by management on the basis of the expected realizable value of the investments as at the date of the statement of financial position if they were disposed of in an orderly manner over a reasonable period of time, discounted at a discount rate which is considered by management to be appropriate at the date of the financial statement for the specific investment. There is no active secondary market for many investments which are not publicly-traded, and there is considerable uncertainty and a potentially broad range of outcomes with respect to the future cash flows from these investments. Valuations of such investments are subject to a number of assumptions and uncertainties that may cause actual values realized on disposal to differ materially from the fair value estimated at any particular time.

A three-tier hierarchy is used as a framework for disclosing fair value based on inputs used to value the Corporation's investments. The hierarchy of inputs is summarized below:

- Inputs that are quoted prices (unadjusted) in active markets for identical instruments (Level 1);
- Inputs other than quoted prices included in Level 1 that are observable for instruments, either directly (i.e., as prices) or indirectly (i.e., derived from prices) (Level 2). This category includes instruments valued using: quoted market prices in active markets for similar instruments, quoted prices for identical or similar instruments in markets that are considered less than active, or other valuation techniques in which all significant inputs are directly or indirectly observable from market data; and
- Inputs for the instruments that are not based on observable market data (unobservable inputs) (Level 3). This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on the quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

(expressed in thousands of Canadian dollars except number of shares and where otherwise indicated)

4. Financial instruments (continued):

(j) Fair values (continued):

The tables below analyze the fair value of investments at December 31, 2019 and December 31, 2018 by the level in the fair value hierarchy into which the fair value measurement is categorized. For investments carried at FVTPL, the amounts are based on the values recognized in the statement of financial position. There were no transfers between levels during the period.

December 31, 2019	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total fair value	Carrying value
Canadian debt securities at FVTPL	$ -	$ -	$ 72,227	$ 72,227	$ 72,227
Canadian equity securities	480	706	1,476	2,662	2,662
Other investments	-	-	10,532	10,532	10,532
Total Investments at FVTPL	480	706	84,235	85,421	85,421
Canadian debt securities at amortized cost	-	-	166,107	166,107	164,716
Total Investments	$ 480	$ 706	$ 250,342	$ 251,528	$ 250,137

December 31, 2018	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total fair value	Carrying value
Canadian debt securities at FVTPL	$ -	$ -	$ 69,006	$ 69,006	$ 69,006
Canadian equity securities	1,416	3,058	3,542	8,016	8,016
Other investments	-	-	4,494	4,494	4,494
Total Investments at FVTPL	1,416	3,058	77,042	81,516	81,516
Canadian debt securities at amortized cost	-	-	168,607	168,607	165,346
Total Investments	$ 1,416	$ 3,058	$ 245,649	$ 250,123	$ 246,862

4. Financial instruments (continued):

(j) Fair values (continued):

Canadian debt securities are valued using the discounted present value of expected cash flows arising from these debt instruments.

Observable inputs used in the development of an appropriate discount rate include Government of Canada benchmark interest rate for the term of the individual loan and the BBB-rated corporate interest rate spread for the term of the individual loan. Significant unobservable inputs include an illiquidity spread as well as a credit spread, both of which increase the discount rate. These rates are set initially at a level such that the loan valuation equals the initial purchase cost of the loan and are subsequently adjusted at each valuation date to reflect management's current assessment of market conditions.

Discount rates are subject to adjustment based on both management's current assessment of market conditions and the economic performance of individual investments. At December 31, 2019, discount rates used range from 10.0% to 15.3% (December 31, 2018 – 10.4% to 21.5%).

The most significant input into the calculation of fair value of Level 3 debt investments is the discount rate applied to expected future cash flows. If the discount rate increased (decreased) by 100 bps, the fair value of Level 3 investments at December 31, 2019 would decrease by $5,124 or increase by $5,351, respectively.

The Canadian equity securities at December 31, 2019 include warrants classified as Level 3 that are valued based on a net asset value-based estimate of the underlying equity value, and common shares in a Canadian private company classified as Level 3 that are valued using an enterprise value multiple approach. The other investments classified as Level 3 are either valued using the discounted present value of expected cash flows arising from these investments with discount rates ranging from 15.1% to 30.0% or are valued using both this discounted cash flow approach and an enterprise value approach. If the discount rate increased (decreased) by 100 bps, the fair value of other Level 3 investments at December 31, 2019 would not move significantly.

(expressed in thousands of Canadian dollars except number of shares and where otherwise indicated)

4. Financial instruments (continued):

(j) Fair values (continued):

The following tables reconcile opening balances to closing balances for fair value measurements of investments carried at FVTPL in Level 3 of the fair value hierarchy as at and for the years ended December 31, 2019 and December 31, 2018:

For the year ended	**December 31, 2019**	**December 31, 2018**
Level 3 securities at FVTPL		
Opening balance	77,042	62,077
Purchases	58,573	10,895
Repayment	(40,511)	-
Realized loss	(11,062)	-
Net change in unrealized gains	193	4,070
Ending balance	$ 84,235	$ 77,042

The carrying values of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, distributions payable to non-controlling interests and promissory notes payable approximate their fair values due to their short term to maturity. The carrying values of the credit facilities, net investment in leased distributed power equipment and share purchase loans approximate their fair values due to the market interest rates on the loans. The carrying value of the convertible debentures – liability component approximates fair value at December 31, 2019 due to the market interest rate at December 31, 2019 which was consistent with that used to record the convertible debentures – liability component upon initial recognition at fair value on June 13, 2018.

Contingent consideration in relation to the WireIE acquisition is valued using the discounted present value of expected cash flows in excess of prescribed percentages of cumulative earnings arising from the Corporation's investment in WireIE.

The deferred compensation liability is measured based on the market value of the Corporation's share price with the impact of any resultant change included in share-based compensation expense in the period.

4. Financial instruments (continued):

(k) Promissory notes payable

Upon the redemption of 13,600 limited partnership units effective December 31, 2019 in Crown Partners Fund, the general partner elected to settle the redemption price, equal to the net asset value of the limited partnership units so redeemed calculated on December 31, 2019, by way of secured promissory notes. The promissory notes bear interest at 8.0% per annum, which is compounded semi-annually and payable quarterly in arrears. Principal amounts are to be repaid in four equal quarterly installments, payable on the last day of each calendar quarter, commencing on the last day of the first full calendar quarter ending after December 31, 2019. The Corporation has the ability to prepay all or any portion of the promissory notes at any time without penalty. Any proceeds in excess of $5,000 received by the Corporation in relation to the disposition or prepayment of investments must be applied as a prepayment of promissory notes payable. As of December 31, 2019, the balance of promissory notes payable is $8,512 (2018 - $nil). Interest expense in relation to promissory notes payable for the year ended December 31, 2019 was $nil (2018 - $nil).

5. Financial risk management:

(a) Overview:

The Corporation has exposure to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk; and
- market risk.

This note presents information about the Corporation's exposure to each of the above risks, the Corporation's objectives, policies and processes for measuring and managing risk and the Corporation's management of capital.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Corporation's activities.

(b) Risk management framework:

The Corporation's risk management policies are established to identify and analyze the risks faced by the Corporation, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Corporation's activities.

The Corporation views its capital as a combination of debt and shareholders' equity balances. The Corporation's securities regulators require the Corporation to maintain a minimum of $100 of excess working capital, in its separate non-consolidated financial position. Management ensures it is meeting this requirement by performing a monthly calculation from internally prepared non-consolidated financial statements. Should there be any indication that the Corporation is nearing the minimum excess working capital threshold, management would take the necessary steps to enhance its working capital position including, but not limited to, such measures as raising equity or acquiring long-term debt. During the period, the Corporation has met or exceeded its minimum excess working capital requirements as required by the securities regulator.

(expressed in thousands of Canadian dollars except number of shares and where otherwise indicated)

5. Financial risk management (continued):

(c) Credit risk:

Credit risk is the risk of financial loss to the Corporation if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Corporation's investments in debt securities, as well as accounts receivable from the investment funds that it manages.

The maximum exposure to credit risk is summarized as follows:

	December 31, 2019	December 31, 2018
Cash and cash equivalents	$ 8,361	$ 11,307
Accounts receivable	10,881	4,388
Income taxes recoverable	227	-
Share purchase loans	163	638
Investments in debt securities at FVTPL	72,227	69,006
Investments in debt securities at amortized cost	164,716	165,346
Net investment in leased distributed power equipment	644	-
Unfunded commitments on debt securities at amortized cost (Note 20)	6,065	9,572
	$ 263,284	$ 260,257

Management fees receivable from managed investment funds are funded by cash flows from the underlying investments.

Share purchase loans are personally guaranteed by senior management ("Participants"). Shares of the Corporation funded by these loans are pledged as security for the loans.

The debt instruments held by the Corporation's investment fund subsidiaries are unrated and relatively illiquid. Repayments are dependent on the ability of the underlying businesses to generate sufficient cash flow from operations, refinancings or the sale of assets or equity. As at the reporting date, the terms of the individual debt instruments and the risks of the underlying businesses are reflected in the fair values of debt instruments carried at FVTPL and in the allowance for credit losses for debt instruments carried at amortized cost. The Corporation follows an internal risk rating process to monitor the credit risk of individual investments. The Corporation generally considers collateral of the underlying businesses, including property, plant and equipment, inventory and receivables, in structuring its investments and managing credit risk. The Corporation actively reviews collateral values and monitors financial results of the underlying businesses regularly against the underlying business plans and industry trends.

The net investment in leased distributed power equipment held by the Corporation is unrated and relatively illiquid. Repayments are dependent on the ability of the underlying end user of the leased asset to generate sufficient cash flow from operations, refinancing or the sale of assets or equity. The carrying value of the net investment in leased distributed power equipment at amortized cost is net of an allowance for credit losses that reflects management's estimation of expected credit loss.

(expressed in thousands of Canadian dollars except number of shares and where otherwise indicated)

5. Financial risk management (continued):

(d) Liquidity risk:

Liquidity risk is the risk that the Corporation will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Corporation's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Corporation's reputation. Certain obligations in respect of the provision for performance bonus and non-controlling interests only become due as the related investment fund's assets are liquidated and liquidation proceeds are received, and as such, there is no associated liquidity risk.

The carrying value of financial liabilities broken down by contractual maturity is as follows, reflecting the subsequent maturity date extension of the amended and revised senior secured revolving credit facility to May 31, 2021:

Contractual maturity	**December 31, 2019**	**December 31, 2018**
On demand	$ -	$ -
0 – 12 months	15,126	4,195
1 – 3 years	40,336	17,730
3 – 5 years	21,083	18,222
5 years or more	2,634	2,944
Total carrying value of financial liabilities	$ 79,179	$ 43,091

(e) Market risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

(i) Currency risk:

Currency risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Corporation invests primarily in Canadian-dollar denominated investments. Through one of its controlled funds, the Corporation is exposed to transactional foreign currency risk to the extent sales or expenditures are denominated in foreign currencies and in relation to the translation of assets and liabilities denominated in foreign currencies to Canadian dollars.

As at the reporting date, the Corporation's exposure to U.S. dollar-denominated cash, expressed in Canadian dollars and as a percentage of its net assets, was $2,025 and 2.1%, respectively. If the U.S. dollar appreciated (depreciated) by 100 bps, the Corporation's comprehensive income and total equity at December 31, 2019 would decrease by $20 and $9, respectively, (2018 - $nil and $nil, respectively) or increase by $20 and $9, respectively (2018 - $nil and $nil, respectively).

5. Financial risk management (continued):

(e) Market risk (continued):

(ii) Interest rate risk:

Interest rate risk is the risk that the Corporation's earnings will be affected by fluctuations in interest rates. The Corporation's convertible debentures bear a fixed rate of interest. The Corporation's exposure to the risk of changes in market interest rates relates primarily to the Corporation's credit facility as its credit facility bears interest at market rates. The Corporation's interest-bearing debt investments are impacted by the credit metrics, liquidity and business fundamentals of the corporate entity with a minimal correlation to interest rates. If interest rates on the Corporation's credit facility increased (decreased) by 100 basis points with all other variables held constant, finance costs on the credit facility would increase (decrease) by $393.

(iii) Other price risk:

Other price risk includes other factors that affect market prices, other than currency and interest risk. This may include the ability of an investee company to profitably distribute its products. Most of the companies in which the Corporation invests are dependent upon a single product or industry. The Corporation manages this risk through careful due diligence prior to committing funds to the investment.

(expressed in thousands of Canadian dollars except number of shares and where otherwise indicated)

5. Financial risk management (continued):

(iii) Other price risk (continued):

The Corporation's investments were concentrated in the following industries:

	December 31, 2019				December 31, 2018
	Investments at FVTPL	Stage One Investments[1]	Stage Two Investments[1]	% of Total Investments	% of Total Investments
Oil and gas	1.8%	18.0%	8.8%	**28.6%**	**20.4%**
Industrial services	18.0%	2.0%	6.9%	**26.9%**	**7.9%**
Energy services	6.6%	-	9.4%	**16.0%**	**15.8%**
Real estate development	-	-	9.7%	**9.7%**	**9.9%**
Services	-	-	7.7%	**7.7%**	**11.0%**
Diversified	4.3%	-	-	**4.3%**	**4.2%**
Technology	0.3%	3.3%	-	**3.6%**	**15.6%**
Manufacturing	3.1%	-	-	**3.1%**	**2.9%**
Pharmaceuticals	0.1%	-	-	**0.1%**	**0.2%**
Retail	-	-	-	**-**	**6.3%**
Transportation	-	-	-	**-**	**3.3%**
Telecommunications	-	-	-	**-**	**2.5%**
Total	34.2%	23.3%	42.5%	**100.0%**	**100.0%**

[1] Investments in debt securities carried at amortized cost are classified as Stage One or Stage Two investments

5. Financial risk management (continued):

(e) Market risk (continued):

(iii) Other price risk (continued):

The Corporation is also exposed to equity price risk, which arises from equity securities held at FVTPL. The Corporation actively monitors the activity and performance of its investments subject to equity price risk. If the underlying share price on equity securities held at FVTPL increased (decreased) by 10%, the fair value of equity securities held at FVTPL would increase by $402 and decrease by $373, respectively. The Corporation actively monitors the activity and performance of its investments subject to equity price risk.

6. Share capital:

The authorized share capital of the Corporation consists of an unlimited number of common shares, each carrying the right to one vote per common share at all meetings of shareholders of the Corporation and fully participating as to dividends of the Corporation.

On April 10, 2018, the Corporation renewed its normal course issuer bid ("NCIB") to purchase up to 300,000 common shares, representing approximately 3.2% of its issued and outstanding common shares as at April 5, 2018, over the next twelve months, or until such time as the bid is completed or terminated at the Corporation's option. Any shares purchased under this bid were purchased on the open market at the prevailing market price at the time of the transaction and were cancelled. Total shares purchased and cancelled under the NCIB prior to its expiry on April 9, 2019 was 102,583.

On April 10, 2019, the Corporation renewed its normal course issuer bid ("NCIB") to purchase up to 300,000 common shares, representing approximately 3.1% of its issued and outstanding common shares as at March 31, 2019, over the next twelve months, or until such time as the bid is completed or terminated at the Corporation's option. Any shares purchased under this bid are purchased on the open market at the prevailing market price at the time of the transaction. Common shares acquired under this bid are cancelled. Total shares purchased and cancelled under the current NCIB up to December 31, 2019 was 214,111.

During the year ended December 31, 2019, the Corporation purchased and cancelled a total of 236,372 shares (December 31, 2018 – 130,780) for total consideration of $1,811 (December 31, 2018 - $1,300).

During the year ended December 31, 2019, the Corporation issued 13,059 shares as vested share-based compensation (December 31, 2018 – 237,318) (see Note 7).

During the year ended December 31, 2019, the Corporation declared and paid dividends of $0.60 per share (December 31, 2018 - $0.60 per share) for a total payment of $5,723 (2018 - $5,733).

7. **Share-based compensation:**

The Corporation issues performance share units ("PSUs") and restricted share units ("RSUs") to employees. On July 9, 2015, the Corporation issued a one-time grant of transition restricted share units ("TRSUs") to certain employees. Prior to May 8, 2018, the Corporation issued RSUs and retainer restricted share units ("RRSUs") to directors. PSUs, RSUs, TRSUs and RRSUs are collectively referred to as "Share Units". On the vesting date, each Share Unit is exchanged for one common share of the Corporation, except that the holder may elect to be compensated in cash based on the fair value of such common shares to the extent necessary to pay any tax withholdings related to the vesting of the Share Units. The PSUs vest when certain performance objectives are achieved. RSUs issued to employees vest on January 3, 2020 and January 3, 2021 provided the holder of the RSUs remains an employee of the Corporation. RSUs issued to directors vest over a three-year period from the issue date provided the holder remains a director of the Corporation. RRSUs vested immediately upon grant.

The Corporation issues additional Share Units to employees and directors in lieu of dividends on outstanding Share Units. These Share Units vest on the same date as the respective Share Units for which they were awarded. The number of Share Units issued in lieu of dividends is based on the weighted average trading price of the common shares in the five days preceding payment of a dividend.

Effective May 8, 2018, the Corporation revised its compensation program for directors and introduced a Director Deferred Share Unit ("DDSU") Plan under which it issues DDSUs to directors. DDSUs vest immediately upon grant and are redeemable no earlier than the date at which a director ceases to be a director, and no later than 367 days following such date. Upon redemption, DDSUs are settled by cash payments based on the market value of the DDSUs being redeemed, net of applicable tax withholdings. The Corporation's liability related to its DDSU settlement obligation is measured based on the market value of the Corporation's share price and is recorded in provision for deferred compensation, with the impact of any resulting changes in carrying value included in share-based compensation expense in the period. At December 31, 2019, the deferred compensation liability was $386 (December 31, 2018 - $265).

Effective December 20, 2019, the Corporation revised its compensation program for employees and introduced a Medium-Term Performance Unit ("MTPU") Plan under which it issues MTPUs to employees. The Corporation does not expect to issue PSUs and RSUs to employees in the future. MTPUs vest when certain performance objectives are achieved. Vested MTPUs are settled in cash or Employee Deferred Share Units ("EDSUs") on the date of vesting. EDSUs vest immediately upon grant and are redeemable no earlier than the date on which an employee ceases to be an employee, and no later than 367 days following such date. Upon redemption, EDSUs are settled by cash payments based on the market value of the EDSUs being redeemed, net of applicable tax withholdings. The Corporation's liability related to its EDSU settlement obligation is measured based on the market value of the Corporation's share price and is recorded in provision for deferred compensation, with the impact of any resulting changes in carrying value included in share-based compensation expense in the period. As at December 31, 2019, there are no EDSUs outstanding and $nil liability related to the EDSU settlement obligation. In the year ended December 31, 2019, 124,588 MTPUs were issued in respect of new awards, and $115 was included in share-based compensation expense in the year ended December 31, 2019 in respect of a related accrual.

(expressed in thousands of Canadian dollars except number of shares and where otherwise indicated)

7. Share-based compensation (continued):

The Corporation issues additional DDSUs to directors and additional MTPUs and EDSUs to employees in lieu of dividends on outstanding DDSUs, MTPUs and EDSUs. These DDSUs, MTPUs and EDSUs vest on the same terms as the respective units for which they were awarded. The number of DDSUs, MTPUs and EDSUs issued in lieu of dividends is based on the weighted average trading price of the common shares for a ten-day period ending at the dividend payment date.

Stock options granted are valued using a Black-Scholes formula and the expense is recognized over the vesting period. The stock options vest over a three-year period and have a five-year term and an exercise price of $11.00. During the year ended December 31, 2019, 450,182 stock options that had vested but had not been exercised were cancelled, and 21,212 stock options that had not vested were cancelled. In the same period, 31,818 options were granted. As at December 31, 2019, nil (December 31, 2018 – 450,182) stock options had vested but had not been exercised, and an additional 31,818 (December 31, 2018 – 21,212) stock options which had not vested were outstanding.

The tables below detail the share-based compensation expense recognized in the years ended December 31, 2019 and 2018. Share-based compensation expense is recognized over the expected vesting period of each award.

For the year ended December 31, 2019						
	Number outstanding at January 1, 2019	Issued in the period	Vested or exercised	Cancelled or forfeited	Number outstanding at December 31, 2019	Expensed in the year
PSUs [1]	54,825	3,945	-	(2,788)	55,982	$ 224
RSUs [1]	85,037	4,319	(25,322)	(4,777)	59,257	210
MTPUs [2]	-	124,588	-	-	124,588	115
DDSUs [3]	25,433	28,794	(3,311)	-	50,916	155
Total units	165,295	161,646	(28,633)	(7,565)	290,743	704
Stock options	471,394	31,818	-	(471,394)	31,818	19
Total	636,689	193,464	(28,633)	(478,959)	322,561	$ 723

[1] The PSUs and RSUs issued in the period were issued in lieu of dividends on the underlying securities.
[2] The MTPUs issued in the period were new awards.
[3] The DDSUs issued in the period were new awards and units issued in lieu of dividends on the underlying securities.

(expressed in thousands of Canadian dollars except number of shares and where otherwise indicated)

7. Share-based compensation (continued):

For the year ended December 31, 2018						
	Number outstanding at January 1, 2018	**Issued in the period**	**Vested or exercised**	**Forfeited**	**Number outstanding at December 31, 2018**	**Expensed in the year**
TRSUs [1]	200,725	6,289	(207,014)	-	-	$ 390
PSUs [2]	38,426	65,018	(48,619)	-	54,825	500
RSUs [2]	80,210	35,907	(31,080)	-	85,037	400
RRSUs	-	5,726	(5,726)	-	-	55
DDSUs [2]	-	25,433	-	-	25,433	169
Total units	319,361	138,373	(292,439)	-	165,295	1,514
Stock options	471,394	-	-	-	471,394	41
Total	790,755	138,373	(292,439)	-	636,689	$ 1,555

[1] The TRSUs issued in the period were units issued in lieu of dividends on the underlying securities.
[2] The PSUs, RSUs and DDSUs issued in the period were new awards and units issued in lieu of dividends on the underlying securities.

8. Credit facilities:

The Corporation has a $35,000 senior secured revolving credit facility (the "Crown Credit Facility") to fund the Corporation's capital commitments to each of its controlled investment funds and its investment in WireIE. The Crown Credit Facility provides financing at a variable interest rate based on Prime Rate plus 275 bps to 325 bps or on Bankers Acceptance rate plus 375 to 425 bps and has a customary set of covenants. Effective February 5, 2019, the Corporation extended the maturity of the Crown Credit Facility by 17 months to May 31, 2021, which is subject to a one-year extension annually on each May 31, and amended certain terms of the facility. As of December 31, 2019, $14,300 (December 31, 2018 - $18,000) has been drawn on the Crown Credit Facility. The Crown Credit Facility is secured by the Corporation's effective ownership interest in the investments held by its controlled investment funds, through CCFC and certain other investments held by the Corporation. The carrying value of assets pledged as at December 31, 2019 was $136,574.

During the year ended December 31, 2019, $1,187 (December 31, 2018 - $1,260) was expensed as finance costs relating to the Crown Credit Facility including amortization of deferred financing costs of $314, interest of $643 and standby fees of $207 and other lending fees of $23 (2018 - $290, $776 and $184 and $10, respectively). The balance of unamortized deferred financing costs relating to the Crown Credit Facility as at December 31, 2019 was $425 (December 31, 2018 - $270).

(expressed in thousands of Canadian dollars except number of shares and where otherwise indicated)

8. Credit facilities (continued):

On February 5, 2019, Crown Partners Fund entered into an agreement for a $25,000 senior secured revolving credit facility ("CCPF Credit Facility") to fund investments in mid-market corporations (prior to February 5, 2019 - $nil). On December 17, 2019, the size of the CCPF Credit Facility was increased to $50,000. The CCPF Credit Facility provides financing at a variable interest rate based on Prime Rate plus 225 bps to 325 bps or on Bankers Acceptance rate plus 325 to 425 bps and has a customary set of covenants. The CCPF Credit Facility matures on May 31, 2022 and is subject to a one-year extension annually on each May 31, which is not to exceed the term of Crown Partners Fund, as defined in its limited partnership agreement.

As of December 31, 2019, $25,000 has been drawn on the CCPF Credit Facility. The CCPF Credit Facility is secured by the investments held by Crown Partners Fund. The carrying value of assets pledged as at December 31, 2019 was $220,624.

During the year ended December 31, 2019, $964 was expensed as finance costs relating to the CCPF Credit Facility including amortization of deferred financing costs of $105, interest of $817 and standby fees of $42, respectively (2018 - $nil, $nil and $nil, respectively). The balance of unamortized deferred financing costs relating to the CCPF Credit Facility as at December 31, 2019 was $469 (December 31, 2018 - $nil).

The following table reconciles opening balances to closing balances for the Crown Credit Facility and CCPF Credit Facility as at and for the years ended December 31, 2019 and December 31, 2018:

As at		**December 31, 2019**	
	Crown Credit Facility	**CCPF Credit Facility**	**Total**
Balance drawn			
Balance, January 1, 2019	$ 18,000	$ -	$ 18,000
Net advances (repayments)	(3,700)	25,000	21,300
Balance, December 31, 2019	**$ 14,300**	**$ 25,000**	**$ 39,300**

As at		**December 31, 2019**	
	Crown Credit Facility	**CCPF Credit Facility**	**Total**
Deferred finance costs			
Balance, January 1, 2019	$ (270)	$ -	$ (270)
Amortization	314	105	419
Additions	(469)	(574)	(1,043)
Balance, December 31, 2019	**$ (425)**	**$ (469)**	**$ (894)**

Carrying value			
Balance, December 31, 2019	**$ 13,875**	**$ 24,531**	**$ 38,406**

(expressed in thousands of Canadian dollars except number of shares and where otherwise indicated)

8. Credit facilities (continued):

As at	December 31, 2018		
	Crown Credit Facility	CCPF Credit Facility	Total
Balance drawn			
Balance, January 1, 2018	$ -	$ -	$ -
Net advances	18,000	-	18,000
Balance, December 31, 2018	**$ 18,000**	**$ -**	**$ 18,000**

As at	December 31, 2018		
	Crown Credit Facility	CCPF Credit Facility	Total
Deferred finance costs			
Balance, January 1, 2018	$ (536)	$ -	$ (536)
Amortization	290	-	290
Additions	(24)	-	(24)
Balance, December 31, 2018	**$ (270)**	**$ -**	**$ (270)**

Carrying value			
Balance, December 31, 2018	**$ 17,730**	**$ -**	**$ 17,730**

9. Convertible Debentures:

On June 13, 2018 the Corporation issued $20,000 of 6.0% convertible unsecured subordinated debentures (the "Convertible Debentures") for net proceeds of $18,703 with maturity date of June 30, 2023 (the “Debenture Maturity Date”). Interest on the Convertible Debentures is payable semi-annually in arrears on June 30 and December 31 of each year, commencing on December 31, 2018. The Convertible Debentures are direct, subordinated unsecured obligations of the Corporation, subordinated to the Credit Facility.

Each $1 principal amount of Convertible Debenture is convertible at the option of the holder into approximately 72.99 common shares of the Corporation (representing a conversion price of $13.70 per share). The Convertible Debentures are not redeemable on or before June 30, 2021, except in limited circumstances following a Change of Control (as defined in the Trust Indenture). After June 30, 2021, but prior to June 30, 2022, the Convertible Debentures may be redeemed in whole or in part from time to time at the Corporation's option, on not more than 60 days and not less than 30 days prior written notice, at a price equal to the aggregate principal amount plus accrued and unpaid interest, provided that the weighted average price of the common shares during the 20 consecutive trading days ending on the fifth day preceding the date on which the notice of redemption is given is not less than 125% of the conversion price. On or after June 30, 2022 and prior to the Debenture Maturity Date, the Convertible Debentures may be redeemed in whole or in part from time to time at the Corporation's option at a price equal to their aggregate principal amount plus accrued and unpaid interest.

(expressed in thousands of Canadian dollars except number of shares and where otherwise indicated)

9. Convertible Debentures (continued):

On a Redemption Date (as defined in the Trust Indenture) or on the Debenture Maturity Date, as applicable, the Corporation may, at its option, elect to satisfy its obligation to pay the aggregate principal amount of and premiums on (if any) the Convertible Debentures by issuing common shares. Payment for such Convertible Debentures, subject to the election, would be satisfied by delivering that number of common shares obtained by dividing the aggregate principal amount of the outstanding Convertible Debentures which are to be redeemed, or which will mature, by 95% of the Weighted Average Price of the Common Shares for the 20 consecutive trading days ending five trading days prior to the date fixed for redemption or the Maturity Date, as the case may be. Any accrued and unpaid interest will be paid in cash.

	Liability Component	Equity Component
Balance, January 1, 2018	$ -	$ -
Issuance of Convertible Debentures	19,297	703
Issuance costs	(1,251)	(46)
Deferred income tax liability	-	(174)
Effective interest on Convertible Debentures	176	
Balance, December 31, 2018	$ 18,222	$ 483
Effective interest on Convertible Debentures	340	-
Balance, December 31, 2019	18,562	483

During the year ended December 31, 2019, $1,540 (December 31, 2018 - $836) was expensed as finance costs relating to the Convertible Debentures including amortization of deferred financing costs of $340 and interest of $1,200 (2018 - $176 and $660, respectively).

(expressed in thousands of Canadian dollars except number of shares and where otherwise indicated)

9. Convertible Debentures (continued):

The following table reconciles total finance costs to costs recognized in relation to the Crown Credit Facility, CCPF Credit Facility, Convertible Debentures and the Corporation's lease obligations, including its office lease and network co-location arrangements as at and for the years ended December 31, 2019 and December 31, 2018:

As at	**December 31, 2019**				
	Crown Credit Facility	**CCPF Credit Facility**	**Convertible Debentures**	**Lease Obligations**	**Total**
Interest	$ 643	$ 817	$ 1,200	$ 242	$ 2,902
Standby and other lending fees	230	42	-	-	272
Amortization of deferred finance costs	314	105	340	-	759
Total Finance Costs	**$ 1,187**	**$ 964**	**$ 1,540**	**$ 242**	**$ 3,933**

As at	**December 31, 2018**				
	Crown Credit Facility	**CCPF Credit Facility**	**Convertible Debentures**	**Lease Obligations**	**Total**
Interest	$ 776	$ -	$ 660	$ -	$ 1,436
Standby and other lending fees	194	-	-	-	194
Amortization of deferred finance costs	290	-	176	-	466
Total Finance Costs	**$ 1,260**	**$ -**	**$ 836**	**$ -**	**$ 2,096**

10. Provision for performance bonus:

The Corporation has asset performance bonus pool ("APBP") arrangements for certain individuals, primarily employees, collectively, the "APBP Participants". For certain investment funds managed by the Corporation, 20% of investment returns in excess of an annual rate of return of 8% earned by the fund accrue to the Corporation as performance fee distributions. The Corporation's current compensation policy provides that 50% of such performance fees will be distributed to APBP Participants with the other 50% retained by the Corporation.

Allocation of the units of the APBP relating to Crown Partners Fund commenced in 2015 and will continue until the expiration of the investment fund's term in 2025, subject to annual one-year extensions, with 50% of performance fees recognized by Crown Partners Fund allocated to employees.

As at December 31, 2019, no amounts have been accrued and no units have been allocated in relation to the APBP of Crown Power Fund.

Performance bonus amounts will be paid to APBP Participants in accordance with the Limited Partnership Agreement of the investment fund, upon declaration by the General Partner of the investment fund.

As at December 31, 2019, the Corporation had accrued a provision for performance bonus payable of $2,096 relating to the APBP of Crown Partners Fund (December 31, 2018 - $2,679).

11. Share purchase loans:

The Corporation has an Executive Share Purchase Plan (the "Share Purchase Plan") whereby the Board can approve loans to Participants ("Share Purchase Plan Participants") for the purpose of purchasing the Corporation's common shares in the open market. Loans in relation to the Share Purchase Plan are advanced by both a third-party financial institution and the Corporation (collectively the "Lenders"). The following must be paid directly to the Lenders on behalf of management in repayment of interest and principal on these loans: all dividend distributions on the common shares, all annual performance incentive plan payments to Participants in excess of target bonus payouts, and all proceeds from the sale of the common shares.

During the year ended December 31, 2019, the Corporation advanced $459 of new loans under the Share Purchase Plan and $935 of principal was repaid. During the year ended December 31, 2018, the Corporation advanced $1,926 of new loans and $3,503 of principal was repaid. As at December 31, 2019, $163 of loans to the Corporation were outstanding (December 31, 2018 - $638), including accrued interest of $nil (2018 - $7). Loans to the Corporation under the Share Purchase Plan bear interest at prime (3.95% as at December 31, 2019), are repayable in full within 90 days following the date on which the Participant ceases to be employed by the Corporation and are personally guaranteed by Participants.

The Corporation has guaranteed repayment of loans advanced to Participants by a third-party financial institution pursuant to the Share Purchase Plan which totaled $2,526 as at December 31, 2019 (December 31, 2018 - $2,886), and which are secured by common shares of the Corporation owned by Participants with a value of $3,014 as at December 31, 2019 (December 31, 2018 - $3,910).

(expressed in thousands of Canadian dollars except number of shares and where otherwise indicated)

12. Related party transactions:

(a) Key management personnel compensation:

Key management personnel are those persons having authority over the planning, directing and controlling activities of the Corporation, and include the Directors, President and Chief Executive Officer, Executive Vice President, Chief Financial Officer, Chief Investment Officer and Chief Operating Officer.

Directors are paid a retainer, of which at least 50% must be paid as DDSUs and the balance can be received as either additional DDSUs or cash at the Director's discretion. Prior to May 2018, the Corporation issued RSUs and RRSUs to directors. RRSUs issued as part of the annual retainer vested immediately upon grant and, on the grant date, each was exchanged for one common share of the Corporation. RSUs issued to Directors vest over a three-year period from the issue date provided the holder remains a director of the Corporation.

Key management personnel compensation for the years ended December 31, 2019 and 2018 is comprised of:

For the years ended December 31,	2019	2018
Salaries, management fees and benefits	$ 2,469	$ 1,916
Share-based compensation	695	1,464
Performance bonus expense (Note 10)	(442)	713
	$ 2,722	$ 4,093

(b) Other related party transactions:

Pursuant to limited partnership agreements, Crown Partners Fund, NCOF LP and Crown Power Fund pay management fees to the Corporation for management services provided. Management fees paid to the Corporation by Crown Partners Fund and Crown Power Fund are eliminated on consolidation. For the year ended December 31, 2019, the Corporation voluntarily waived management fees in respect of Crown Power Fund. During the year ended December 31, 2019, management fees earned from NCOF LP amounted to $nil (2018 - $97).

At December 31, 2019, accounts receivable included $494 due from NCOF LP (2018 - $494).

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

(expressed in thousands of Canadian dollars except number of shares and where otherwise indicated)

13. Non-controlling interests (NCI):

As at	**December 31, 2019**		
	Crown Partners Fund	**Crown Power Fund**	**Total**
NCI percentage	63.0%	56.8%[1]	
Beginning balance, January 1, 2019	$127,938	$ -	$ 127,938
Allocation of net income (loss)	6,280	(303)	5,977
Contributions	23,600	13,289	36,889
Distributions	(39,296)	-	(39,296)
Redemption of units	(8,512)	-	(8,512)
Balance, December 31, 2019	$ 110,010	$ 12,986	$ 122,996

1. NCI percentage in Crown Power Fund increased from 0.0% to 56.8% effective February 28, 2019.

As at	**December 31, 2018**	
	Crown Partners Fund	**Total**
NCI percentage	63.0%[1]	
Beginning balance, January 1, 2018	$ 118,394	$ 118,394
Impact of adoption of IFRS 9	(896)	(896)
Adjusted balance, January 1, 2018	117,498	117,498
Allocation of net income	13,225	13,225
Contributions	32,607	32,607
Distributions	(35,392)	(35,392)
Balance, December 31, 2018	$ 127,938	$ 127,938

1. NCI percentage in Crown Partners Fund decreased from 63.5% to 62.9% effective July 1, 2018 and increased to 63.0% from 62.9% effective October 1, 2018.

(expressed in thousands of Canadian dollars except number of shares and where otherwise indicated)

14. Net change in non-cash working capital:

Year ended December 31,	**2019**	**2018**
Accounts receivable	$ (1,160)	$ (518)
Prepaid expenses	131	(117)
Accounts payable and accrued liabilities	119	(288)
Total	$ (910)	$ (923)
Net change attributable to operating activities	(910)	(923)

15. Acquisition of subsidiary:

(a) Consideration transferred:

On July 12, 2019, the Corporation acquired 100% of the common shares, voting interests and debt in WireIE, an Ontario-based broadband network operator specializing in the deployment and management of carrier-grade data networks across Canada and internationally to underserved communities. Prior to the acquisition, the Corporation and WireIE were parties to a long-term debt security contract under which the Corporation invested $7,591. The Corporation expects to achieve revenue growth and diversification from this acquisition and intends to provide additional capital as required.

For the period from July 12, 2019 to December 31, 2019, WireIE contributed revenue of $4,002 and earnings before other adjustments and income taxes of $(855) to the Corporation's results. If the acquisition had occurred on January 1, 2019, management estimates that consolidated revenue and consolidated net loss for the year ended December 31, 2019 would have been $30,023 and $(2,116), respectively. In determining these amounts, management has assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition had occurred on January 1, 2019.

(expressed in thousands of Canadian dollars except number of shares and where otherwise indicated)

15. Acquisition of subsidiary (continued):

(a) Consideration transferred (continued):

The following table summarizes the acquisition date fair value of each major class of consideration transferred:

		July 12, 2019
Cash	$	165
Contingent consideration		284
Fair value of pre-existing WireIE debt		7,591
Total consideration transferred	$	8,040

As partial consideration for the debt acquired from the previous debtholders, the Corporation has agreed to pay the selling debtholders additional consideration on an annual basis at a predefined percentage of cumulative EBITDA in relation to WireIE, in accordance with prescribed dollar thresholds starting in 2020 for a five-year period, and not to exceed a $5,000 aggregate amount. The Corporation has recorded $284 as contingent consideration related to the additional consideration, which represents its fair value at the date of acquisition. At December 31, 2019, the contingent consideration has been recorded as a liability and is held at $284.

(b) Acquisition-related costs:

The Corporation incurred legal fees of $48 in relation to this acquisition. These costs have been included in general and administration expenses.

(c) Identifiable assets acquired and liabilities assumed:

The following table summarizes the recognized amounts of assets acquired and liabilities assumed at the date of acquisition.

		July 12, 2019
Cash and cash equivalents	$	155
Accounts receivable		1,817
Network services contracts		3,972
Prepaid expenses and deposits		192
Property, office equipment and network services equipment		10,049
Accounts payable and accrued liabilities		(2,799)
Lease obligations		(5,261)
Total identifiable net assets acquired	$	8,125

15. Acquisition of subsidiary (continued):

(c) Identifiable assets acquired and liabilities assumed (continued):

(i) Measurement of fair values:

The valuation techniques used for measuring the fair value of material assets acquired were as follows:

Assets acquired	Valuation technique
Accounts receivable	*Income technique:* The fair value of accounts receivable is equal to the gross contractual amounts receivable and reflects the best estimates as at the acquisition date of the contractual cash flows expected to be collected.
Network services contracts	*Multi-period excess earnings method:* The fair value of network services contracts considers the present value of net cash flows in respect of network services contracts and employs the following key assumptions: (i) future cash flows on existing contracts; (ii) expected contract durations and renewals; (iii) a risk-adjusted discount rate; and (iv) cash flows related to contributory assets (e.g. network services equipment).
Property, office equipment and network services equipment	*Cost technique:* The fair value of property, office equipment and network services equipment considers depreciated replacement cost, which reflects adjustments for physical deterioration as well as functional and economic obsolescence.

Accounts receivable comprise gross contractual amounts due of $2,094, of which $277 was expected to be uncollectable as at the date of acquisition.

The fair values of accounts receivable, network service contracts, and property, office equipment and network services equipment acquired have been measured on a provisional basis, pending completion of the related valuations.

If new information obtained within one year of the date of acquisition about facts and circumstances that existed at the date of acquisition identifies adjustments to the above amounts, or any provisions that existed at the date of acquisition, then the accounting for the acquisition will be revised. Certain accounting adjustments have been recognized in the year ended December 31, 2019 relating to facts and circumstances regarding the valuation of accounts receivable, network services contracts, contingent consideration and property, office equipment and network services equipment.

(ii) Settlement of pre-existing relationship

The Corporation and WireIE were parties to a long-term debt security contract under which the Corporation advanced amounts in accordance with an income-streaming funding structure. This pre-existing relationship was effectively terminated when the Corporation acquired WireIE. The fair value of the loan at the date of acquisition was $7,591. As the long-term debt security contract was previously carried at amortized cost, the settlement of the pre-existing relationship of the long-term debt security contract at the date of acquisition resulted in a realized gain on investment of $265 and a recovery of expected credit loss of $91.

15. Acquisition of subsidiary (continued):

(d) Gain on acquisition

The loss on acquisition arising from the business combination has been recognized as follows:

		July 12, 2019
Fair value of identifiable net assets		8,125
Consideration transferred	$	(8,040)
Gain on acquisition	$	85

16. Segment information:

Operating segments are components of an entity that engage in business activities from which they earn revenues and incur expenses. The Corporation has two strategic divisions, which are its reportable segments. These divisions offer different services and are managed separately because they invest in different asset classes, serve different customer types, require different operational strategies and involve different regulatory treatment.

The following summary describes the operations of each reportable segment:

Reportable segments	**Operations**
Specialty finance	Origination and management of, and investment in, capital pools comprised of special situations financing, long-term financing and distributed power investments.
Network services	Provision of network services segment in relation to the deployment and management of carrier-grade data networks.

Information related to each reportable segment is set out below. Segment net income (loss) is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries.

(expressed in thousands of Canadian dollars except number of shares and where otherwise indicated)

16. Segment information (continued):

Information presented in respect of reportable segments became applicable following the acquisition of WireIE on July 12, 2019. Network services is from the date of acquisition, and a reconciliation of amounts presented in the statement of financial position for the comparative period is not presented.

For the year ended		December 31, 2019	
Reportable segments	**Specialty finance**	**Network services**	**Total**
External revenues[1]	$ 31,873	$ 4,002	$ 35,875
Net realized loss on investment	(9,866)	-	(9,866)
Net change in unrealized loss of investments	(802)	-	(802)
Consolidated revenues[2]	**21,205**	**4,002**	**25,207**
Inter-segment revenues[3]	492	-	492
Segment revenues	**21,697**	**4,002**	**25,699**
Cost of network services	-	1,420	1,420
Segment earnings (loss) before other adjustments and income taxes[4]	**7,019**	**(855)**	**6,164**
Financing costs[3]	3,722	211	3,933
Depreciation and amortization	141	1,905	2,046
Income taxes – current	271	-	271
Income taxes – deferred	210	-	210
Other material non-cash items:			
Provision for expected credit loss	529	81	610
Performance bonus expense (recovery)	(583)	-	(583)
Additions to property and equipment	5,417	1,194	6,611

[1] External revenues of the "specialty finance" segment include interest revenue of $28,252. Revenues from one customer of the Corporation's "network services" segment represented approximately $2,516 of the Corporation's total revenues.

[2] Consolidated revenues represents the Corporation's consolidated revenues.

[3] Inter-segment revenue representing interest revenue earned on certain intercompany debt amounts is eliminated on consolidation of the Corporation's revenues. The related interest expense is eliminated on consolidation from financing costs attributable to the "network services" segment.

[4] Total segment income (loss) before gain on acquisition and tax represents the Corporation's consolidated income before gain on acquisition and tax. Interest revenue earned on certain intercompany debt amounts is eliminated on consolidation from segment net income before gain on acquisition and tax attributable to the "specialty finance" segment. The related interest expense is eliminated on consolidation from segment net income before gain on acquisition and tax attributable to the "network services" segment.

(expressed in thousands of Canadian dollars except number of shares and where otherwise indicated)

16. Segment information (continued):

As at	December 31, 2019		
Reportable segments	**Specialty finance**	**Network services**	**Total**
Segment assets[1,2]	$ 286,163	$ 13,490	$ 299,653
Segment liabilities[1,2]	196,379	5,796	202,175

[1] Total segment assets and total segment liabilities represent the consolidated assets and liabilities of the Corporation, respectively.
[2] Intercompany debt amounts are eliminated on consolidation from segment assets and segment liabilities presented above.

17. Property and equipment:

As at	December 31, 2019				
	Network Co-location	Network Service Equipment	Office and Other Equipment	Distributed Power Equipment	**Total**
Cost					
Beginning balance, January 1, 2019	$ -	$ -	$ 383	$ -	$ 383
Impact of adoption of IFRS 16	-	-	503	-	503
Adjusted balance as at January 1, 2019	-	-	886	-	886
Additions through acquisition	5,085	4,904	60	-	10,049
Additions	-	1,154	44	5,551	6,749
Derecognition	(778)	-	-	-	(778)
Balance, December 31, 2019	**$ 4,307**	**$ 6,058**	**$ 990**	**$ 5,551**	**$ 16,906**

(expressed in thousands of Canadian dollars except number of shares and where otherwise indicated)

17. Property and equipment (continued):

As at	December 31, 2019				
	Network Co-location	Network Service Equipment	Office and Other Equipment	Distributed Power Equipment	**Total**
Accumulated depreciation and impairment of equipment					
Beginning balance, January 1, 2019	$ -	$ -	$ (259)	$ -	$ (259)
Depreciation	(654)	(644)	(147)	-	(1,445)
Impairment of equipment	-	(189)	-	(137)	(326)
Balance, December 31, 2019	**$ (654)**	**$ (833)**	**$ (406)**	**$ (137)**	**$ (2,030)**
Carrying value					
As at December 31, 2019	**$ 3,653**	**$ 5,225**	**$ 584**	**$ 5,414**	**$ 14,876**

In the year ended December 31, 2018, there were purchases of office and other equipment in the amount of $147 and related depreciation expense of $34.

18. Network services contracts

The Corporation has recognized an intangible asset in the amount of $3,972 relating to the acquisition of network services contracts acquired by the Corporation on July 12, 2019 that have finite useful lives, of which $601 has been amortized as of December 31, 2019 and is included in depreciation expense. The unamortized balance outstanding as at December 31, 2019, is $3,371.

(expressed in thousands of Canadian dollars except number of shares and where otherwise indicated)

19. Distributed power equipment under development and related deposits:

Reconciliation of carrying amount:

	Carrying amount
Balance, June 8, 2018	$ -
Additions	12,000
Balance, December 31, 2018	12,000
Additions	7,263
Reclassification to other receivable	(2,526)
Reclassification to net investment in leased distributed power equipment	(646)
Reclassification to property and equipment	(5,551)
Balance, December 31, 2019	$ 10,540

Additions to distributed power equipment under development and related deposits included capitalized interest of $234 as at December 31, 2019 (2018 - $nil).

20. Commitments and contingencies:

The following is a summary of the Corporation's financial commitments as at December 31, 2019:

The Corporation, through Crown Partners Fund, had unfunded commitments to provide loan advances of $6,065 as at December 31, 2019, of which $3,714 was attributable to non-controlling interests.

As at December 31, 2019 the Corporation, through Crown Power Fund, had committed to contracts valued at $21,572 in relation to the construction of power generation assets, of which $10,326 was funded, included in equipment under development and related deposits, and $11,246 was unfunded, of which $6,392 was attributable to non-controlling interests.

The Corporation, through CCFC, has an aggregate commitment to provide funding to Crown Partners Fund and CCF IV Investment of $39,714 as at December 31, 2019.

The Corporation, through CCFC, has an aggregate commitment to provide funding to Crown Power Fund of $14,909 as at December 31, 2019.

The Corporation, through WireIE, has an aggregate commitment with respect to its use of broadband network infrastructure of $3,066 as at December 31, 2019.

From time to time, the Corporation is party to legal proceedings. Based on current knowledge, the Corporation does not expect the outcome of such proceedings to have a material effect on the consolidated statement of financial position or consolidated statement of comprehensive income (loss).

(expressed in thousands of Canadian dollars except number of shares and where otherwise indicated)

21. Income taxes:

The Corporation's reconciliation of income tax expense based on the statutory income tax rate to the income tax expense recorded in the financial statement is as follows:

Years ended December 31,	2019	2018
Earnings before income tax	$ 272	$ 9,956
Statutory income tax rate	26.5%	26.5%
Income tax at statutory income tax rate	72	2,638
Non-deductible expenses and other	1	2
Non-deductible share compensation expense	72	265
Losses for WireIE treated as a permanent difference	336	-
Income tax	$ 481	$ 2,905

Deferred income taxes result mainly from the financing costs associated with the Crown Credit Facility (see Note 8), Convertible Debentures (see Note 9) and IPO which are deductible for tax purposes over a five-year period and unrealized gains or losses that are not taxed until they are realized. The financing costs relating to the Crown Credit Facility and Convertible Debentures are being amortized over the three-year loan period and five-year debenture term, respectively, for accounting. The table below outlines the changes in deferred tax balances.

As at	**December 31, 2019**			
	Balance January 1, 2019	Recognized in profit and loss	Recognized through equity	Balance December 31, 2019
Property and equipment	$ 6	$ 2	$ -	$ 8
Financing costs	322	(308)	-	14
IFRS 9 adoption – amortized cost adjustment	213	(26)	-	187
Deferred compensation	-	82	-	82
Performance bonus	709	(154)	-	555
Partnership earnings timing difference	(898)	194	-	(704)
	$ 352	$ (210)	$	$ 142

(expressed in thousands of Canadian dollars except number of shares and where otherwise indicated)

21. Income taxes (continued):

As at	December 31, 2018			
	Balance January 1, 2018	Recognized in profit and loss	Recognized through equity	Balance December 31, 2018
Property and equipment	$ 2	$ 4	$ -	$ 6
Financing costs	829	(333)	(174)	322
IFRS 9 adoption – amortized cost adjustment	-	(107)	320	213
Performance bonus	445	264	-	709
Partnership earnings timing difference	(565)	(333)	-	(898)
	$ 711	$ (505)	$ 146	$ 352

Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

Year ended December 31,	2019	2018
Property and equipment	$ 10,859	$ -
Network services contracts	(3,371)	-
Finance costs	779	-
Lease obligations	3,921	-
Non-capital losses	487	-
Total	**$ 12,675**	**$ -**