Coopers Park Corporation

Interim Consolidated Financial Statements
(Unaudited)
Three and Nine Months ended September 30, 2014 and 2013
(expressed in Canadian dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

The financial statements for the three and nine months ended September 30, 2014 and 2013 have not been reviewed by an auditor.

(Signed) "Terence Hui"
Terence Hui
Chief Executive Officer

(Signed) "Dennis Au-Yeung"
Dennis Au-Yeung
Chief Financial Officer

November 20, 2014

Coopers Park Corporation
Interim Consolidated Statements of Financial Position
(Unaudited)

(expressed in Canadian dollars)

	September 30, 2014 $	December 31, 2013 $ (Audited)
Assets		
Current assets		
Cash and cash equivalents	28,870,540	9,555,178
Short-term investments	69,266,595	102,832,821
Deposits (note 8)	29,422,967	14,445,771
Amounts receivable (note 7)	437,459	620,815
Prepaid expenses	1,010	20,695
Current income taxes receivable	199,322	169,905
	128,197,893	127,645,185
Non-current assets		
Properties (note 4)	348,005	357,392
Investments (note 5)	4,592,733	4,192,605
Deferred income taxes (note 8)	138,000	177,000
	5,078,738	4,726,997
	133,276,631	132,372,182
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	150,474	244,262
	150,474	244,262
Shareholders' Equity		
Share capital (note 6)	13,500,001	13,500,001
Retained earnings	119,626,156	118,627,919
	133,126,157	132,127,920
	133,276,631	132,372,182

Commitments and contingencies (notes 5, 7 and 8)

Approved by the Board of Directors

(Signed) "Terence Hui" **Director** **(Signed) "Thomas Chambers"** **Director**

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

Coopers Park Corporation

Interim Consolidated Statements of Comprehensive Income

For the three and nine months ended September 30, 2014 and 2013

(Unaudited)

(expressed in Canadian dollars)

	For the three months ended		For the nine months ended	
	September 30, 2014 $	September 30, 2013 $	September 30, 2014 $	September 30, 2013 $
Property sales	15,000	-	40,000	17,000
Cost of properties sold	2,052	-	9,439	3,748
	12,948	-	30,561	13,252
Expenses				
General and administrative (note 7)	70,727	70,425	243,138	232,709
Legal and professional fees	5,608	41,725	47,996	166,340
	76,335	112,150	291,134	399,049
Other income (loss)				
Gain (loss) from investments	81,660	(21,020)	131,274	(53,252)
Interest	409,165	485,116	1,204,635	1,441,131
Foreign exchange gain (loss) (note 5)	132,501	(53,750)	141,001	197,751
Others	300	449	900	41,161
	623,626	410,795	1,477,810	1,626,791
Income before income taxes	560,239	298,645	1,217,237	1,240,994
Provision for (recovery of) income taxes (note 8)				
Current	86,000	71,000	180,000	281,211
Deferred	4,000	27,000	39,000	(17,000)
	90,000	98,000	219,000	264,211
Net income and comprehensive income for the period	470,239	200,645	998,237	976,783
Weighted average number of voting and Non-voting common shares outstanding	80,988,406	80,988,406	80,988,406	80,988,406
Basic and diluted earnings per share	0.01	-	0.01	0.01

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

Coopers Park Corporation

Interim Consolidated Statements of Changes in Equity

For the nine months ended September 30, 2014 and 2013

(Unaudited)

(expressed in Canadian dollars)

	Share capital $	Retained earnings $	Total Equity $
Balance - January 1, 2014	13,500,001	118,627,919	132,127,920
Net income for the period	-	998,237	998,237
Balance - September 30, 2014	13,500,001	119,626,156	133,126,157
Balance - January 1, 2013	13,500,001	117,330,584	130,830,585
Net income for the period	-	976,783	976,783
Balance - September 30, 2013	13,500,001	118,307,367	131,807,368

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

Coopers Park Corporation

Interim Consolidated Statements of Cash Flows

For the three and nine months ended September 30, 2014 and 2013

(Unaudited)

(expressed in Canadian dollars)

	For the three months ended		For the nine months ended	
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
	$	$	$	$
Cash flows from operating activities				
Net income for the period	470,239	200,645	998,237	976,783
Expenditures on properties	(16)	(65)	(13,012)	(236)
Items not affecting cash				
Cost of properties sold	2,052	-	9,439	3,748
Deferred income taxes	4,000	27,000	39,000	(17,000)
(Gain) loss from investments	(81,660)	21,020	(131,274)	53,252
Foreign exchange gain (loss)	(132,501)	53,750	(141,001)	(197,751)
Change in non-cash working capital				
Amounts receivable	(130,155)	(85,684)	183,356	(101,569)
Deposits	-	(9,143,500)	(14,977,196)	(9,143,500)
Prepaid expenses	6,634	4,473	19,685	17,525
Accounts payable and accrued liabilities	(9,468)	(57,290)	(80,828)	(156,428)
Income taxes receivable	10,976	71,000	(29,417)	129,211
	140,101	(8,908,651)	(14,123,011)	(8,435,965)
Cash flows from investing activities				
Purchase of investment	(238,000)	(100,000)	(348,000)	(100,000)
Distribution from investment	-	-	220,147	-
Short-term investments	(168,464)	(2,778,352)	33,566,226	(794,908)
	(406,464)	(2,878,352)	33,438,373	(894,908)
Increase (decrease) in cash and cash equivalents	(266,363)	(11,787,003)	19,315,362	(9,330,873)
Cash and Cash equivalents - Beginning of period	29,136,903	21,387,437	9,555,178	18,931,307
Cash and cash equivalents - End of period	28,870,540	9,600,434	28,870,540	9,600,434
Supplemental disclosure of cash payments				
Income taxes paid	75,000	-	215,000	152,000

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

(expressed in Canadian dollars)

1 General information

The principal business of Coopers Park Corporation and its subsidiaries (together, the Company) was the acquisition, development and marketing of three residential condominium properties in Vancouver, British Columbia on two building sites the Company purchased from Concord Pacific Group Inc. On April 6, 2009, Concord Pacific Group Inc. changed its name to One West Holdings Ltd. (One West). Coopers Park Corporation is incorporated and domiciled in Canada. The address of its registered office is 208 West 1st Avenue, Vancouver, British Columbia.

"Coopers Pointe", an 86-unit high rise condominium tower on Site 6A, was completed in November 2007. "Flagship", a 112-unit high rise condominium tower, and "Mariner", a 133-unit high rise condominium tower, located on Site 6BD were both completed in December 2008.

The Company currently holds investments in private and public technology companies and evaluates other opportunities in the real estate and technology sectors.

2 Basis of preparation

Statement of compliance

These interim consolidated financial statements have been prepared using the same accounting policies as those disclosed in the audited consolidated financial statements for the year ended December 31, 2013. These interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2013. The interim consolidated financial statements were approved and authorized for issue by the Board of Directors on November 20, 2014.

Basis of measurement

The interim consolidated financial statements have been prepared on the historical cost basis except for financial assets and liabilities which are measured at fair value.

(expressed in Canadian dollars)

Functional and presentation currency

These interim consolidated financial statements are presented in Canadian dollars, which is the Company's functional currency. All financial information presented in Canadian dollars has been rounded to the nearest dollar.

Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Uncertainty is inherent in estimating the provision for legal and tax contingencies and the fair value of financial instruments. The impact on the consolidated financial statements of future changes in such estimates could be material.

3 Significant accounting policies, judgements and estimation uncertainty

Consolidation

Subsidiaries are all entities (including special purpose entities) over which the Company has the power to govern the financial and operating policies so as to obtain benefits from its activities, generally accompanying a shareholding of more than half of the voting rights. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are de-consolidated on the date that control ceases.

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries as follows:

	Country	Ownership
Coopers Park Real Estate Development Corporation	Canada	100%
Coopers Park Real Estate Trust	Canada	100%
Coopers Park Investment Holdings Limited	Canada	100%
Mariner Towers Limited	Canada	100%
Mariner Towers Limited Partnership	Canada	100%

Inter-company transactions, balances and unrealized gains on transactions between the Company and its subsidiaries are eliminated on consolidation.

(expressed in Canadian dollars)

Properties

Properties are stated at the lower of cost and net realizable value, being the estimated selling price less costs to complete and sell. Properties include capitalized construction and development costs and where applicable, borrowing costs incurred in qualifying developments. At each reporting date, properties are assessed for impairment. If found to be impaired, the carrying amount is reduced to net realizable value; the impairment loss is recognized immediately in profit or loss.

Management's estimates of the net realizable value of its properties are based on the best available information at the time of assessment. Costs are inherently subject to fluctuation and unforeseen costs or expenses could be incurred in the holding, development and construction processes. The costs associated with the Company's projects could be significantly increased by events outside the Company's control, including increases in interest rates and increases in development and construction costs. The Company's anticipated revenues from its properties are based on the sale of units of each project at estimated prices that are subject to market forces. There can be no assurance that the various assumptions will be realized or that the properties will not be adversely affected by unforeseen economic factors, resulting in a diminution in the anticipated value of the Company's projects.

Revenue recognition

Revenues from the sales of parking stalls and storage lockers are recognized when the significant risks and rewards have transferred to the buyer. This will normally take place when title transfers to the purchasers, they are entitled to occupancy, there is persuasive evidence of an arrangement for the sale of the property, the proceeds are fixed and determinable, and collection of the sale proceeds is reasonably assured.

Cost of properties sold

Cost of properties sold is determined using the net yield method whereby the cost of properties sold for the period is a pro-rated amount of the total estimated capitalized costs for the project based on sales for the period versus projected sales for the entire project.

Warranty costs

Estimated future warranty costs are accrued and charged to cost of properties sold in the period in which revenues are recognized from the sale of properties. The recognized amount of future warranty costs is based on management's best information and judgment and is based in part upon the Company's historical experience. The inherent uncertainty associated with real estate development makes it reasonably possible that future conditions may materially affect the amount of any warranty obligations. An increase in the provision for warranty costs, with a corresponding charge to earnings, is recorded in the period in which management estimates that additional warranty obligations are likely.

(expressed in Canadian dollars)

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

Short-term investments

Short-term investments include deposits with banks with original maturities of more than three months.

Financial instruments

Cash and cash equivalents and short-term investments are designated as loans and receivables and measured at amortized cost.

Amounts receivable are measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment of amounts receivable is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Available-for-sale financial assets include investments in private technology companies. The investments are measured at cost since the fair value is not reliably determinable. Any writedown due to impairment of the investment is reflected in income. Dividends on available-for-sale equity instruments are recognized in the income statements as part of other income when the Company's right to receive payments is established.

Financial assets at fair value through profit or loss include investments in publicly traded companies. The investments are measured at fair value. Any change in the fair value is reflected in net earnings. Dividends on these financial assets are recognized in the income statements as part of other income when the Company's right to receive payment is established.

Accounts payable and accrued liabilities are classified as other financial liabilities and are measured at amortized cost using the effective interest rate method.

Impairment

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a loss event) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

(expressed in Canadian dollars)

The criteria that the Company uses to determine that there is objective evidence of an impairment loss includes:

- significant financial difficulty of the issuer or obligor
- a breach of contract, such as a default of delinquency in interest or principal payments
- the probability that the borrower will enter bankruptcy or other financial reorganization

For the loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognized in the consolidated income statements. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the reversal of the previously recognized impairment loss is recognized in the consolidated income statements.

Income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except that a change attributable to an item of income or expense recognized as other comprehensive income is also recognized directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the country where the Company's subsidiaries operate and generate taxable income.

Deferred income tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements and on unused tax losses or tax credits in the group. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Earnings per share

Earnings per share are computed by dividing the net income by the weighted average number of voting and non-voting common shares outstanding during the period using the treasury stock method.

(expressed in Canadian dollars)

Significant accounting judgements and estimation uncertainties

The Company makes estimates and assumptions concerning the future that will, by definition, seldom equal actual results. These estimates and judgments have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

- The Company has recorded liabilities for warranties on the condominium units it sold. The amount was based on the best estimates of the Company. The actual amount of warranty claims may be significantly different from the amount estimated resulting in a material adjustment to the liabilities of the Company.

- The Company has applied losses, deductions and credits from periods prior to January 21, 2005 to reduce the taxable income of and tax payable by the Company for taxation years 2007 to 2009 and has recorded the tax liabilities according to its tax filing position. The Canada Revenue Agency (CRA) has reassessed the taxation years 2007, 2008 and 2009 and has subsequently disallowed the Company's objections to the notices of reassessments. The Company has engaged legal counsel. The Company remains confident in the appropriateness of its tax filing position and intends to appeal the reassessment(s). However, there is no assurance that the appeal will be successful. If the appeal is not successful, there will be a material adjustment to the liabilities of the Company. See note 8.

4 Properties

	September 30, 2014		
	Site 6A $	**Site 6BD** $	**Total** $
Land	3,812,959	14,007,968	17,820,927
Development costs	27,302,267	93,023,012	120,325,279
Interest	1,673,555	6,480,121	8,153,676
Cost of properties sold	(32,651,240)	(113,300,637)	(145,951,877)
	137,541	210,464	348,005

	December 31, 2013		
	Site 6A $	**Site 6BD** $	**Total** $
Land	3,812,959	14,007,968	17,820,927
Development costs	27,302,240	93,022,987	120,325,227
Interest	1,673,555	6,480,121	8,153,676
Cost of properties sold	(32,647,136)	(113,295,302)	(145,942,438)
	141,618	215,774	357,392

(expressed in Canadian dollars)

5 Investments

The Company has made the following investments which have been classified as available-for-sale:

a) During 2006, the Company acquired retractable voting preferred shares of a private technology company from One West for cash of $538,555, representing the carrying value of the shares to One West. During 2008, the retraction rights associated with the shares were removed and, as a result, the investment was classified as available-for-sale. During 2008, the Company acquired $300,000 of additional voting preferred shares from the private technology company. In May 24, 2012, the Company acquired $335,895 of Class E preferred shares from the private technology company. At September 30, 2014, the Company owns 1% of the shares issued.

b) During 2007, the Company acquired, for $200,000, 2.35% of the retractable preferred shares of a private technology company. One of the directors of the Company was the Chief Executive Officer of the private technology company at the time of acquisition. The Company immediately waived its right of retraction and, accordingly, classified the investment as available-for-sale. In the years ended December 31, 2008 and 2010, based primarily on a comparison to subsequent issuances of similar securities, the Company wrote down the investment by $129,769 and $67,231 respectively. In the year ended December 31, 2013 the Company wrote down the investment by $3,000 to $nil.

c) During 2010, the Company subscribed to 2,000 Class A limited partnership units for a subscription price of $2,000,000 as a limited partner representing about 2% of that class of limited partnership units and paid the first capital call of $100,000 towards the subscription price. In July 2011, the Company made a second contribution of $100,000 towards the subscription price. In December 2011, the Company made a third contribution of $120,000 towards the subscription price. In April 2012, the Company made a fourth contribution of $105,000 towards the subscription price. In December 2012, the Company made a fifth contribution of $108,000 towards the subscription price. In July 2013, the Company made a sixth contribution of $100,000 towards the subscription price. In March 2014, the Company made a seventh contribution of $110,000 towards the subscription price. In May 2014, the Company received a cash distribution of $220,147. In September 2014, the Company made an eighth contribution of $150,000 towards the subscription price. The limited partnership has been formed to invest in a portfolio of equities or debts of technology companies. During the three and nine months ended September 30, 2014, the Company recorded a gain of $93,000 (2013 - loss of $12,000) and a gain of $141,659 (2013 - loss of $28,500) on this investment respectively.

d) In April 2011, the Company acquired 75,758 Class A common shares for $2,378,013 (at US$33.00 per share) with an option to acquire up to 63,291 Class A common shares at a price of US$39.50 per share exercisable in whole or in part at any time prior to October 28, 2013 of a private medical technology company in the United States. The option was not exercised and, accordingly, expired. During the three and nine months ended September 30, 2014, the Company recorded a foreign exchange gain of $132,501 (2013 - loss of $53,750) and a foreign exchange gain of $141,001 (2013 - gain of $197,751) respectively on the translation of currency denomination of this investment to the currency expressed in this financial statement.

(expressed in Canadian dollars)

The Company has also made the following investment that have each been classified as a financial asset at fair value through profit or loss:

e) In May 2011, the Company acquired 11,111 common shares for $99,999 (at $9.00 per share) pursuant to the initial public offering of NexJ Systems Inc., which is an innovative provider of next generation enterprise customer relationship management applications for financial services, insurance and healthcare industries. The Company classified the investment as a financial asset at fair value through profit or loss. During the year ended December 31, 2012, the Company disposed 500 common shares. At September 30, 2014, the common shares of NexJ Systems Inc. were trading at $1.51 (2013 - $2.10) per share. During the three months ended September 30, 2014, the Company recorded a loss of $5,730 (2013 - loss of $9,020) and during the nine months ended September 30, 2014, the Company recorded a loss of $4,775 (2013 - loss of $21,752) on this investment.

f) In September 2014, the Company acquired 11,000 common shares for $88,000 (at $8.00 per share) pursuant to the short form prospectus offering of WesternOne Inc., a company in the construction and infrastructure services sector. The Company classified the investment as a financial asset at fair value through profit or loss. At September 30, 2014, the common shares of WesternOne Inc. were trading at $7.49 per share. During the three and nine months ended September 30, 2014, the Company recorded an unrealized loss of $5,610 (2013 - $nil) and $5,610 (2013 - $nil) on this investments respectively.

6 Share capital

Authorized

Unlimited number of voting common shares without par value
Unlimited number of non-voting common shares without par value

Issued

	Voting common shares	Non-voting common shares	Amount $
Balance - December 31, 2013 and September 30, 2014	846,953	80,141,453	13,500,001

(expressed in Canadian dollars)

7 Related party transactions and commitments

Compensation of key management

Key management includes the Company's directors. Compensation awarded to key management includes:

	For the three months ended		For the nine months ended	
	September 30, 2014 $	September 30, 2013 $	September 30, 2014 $	September 30, 2013 $
Salaries and short-term benefits	10,500	10,500	33,000	33,000

The Company has no employees and accordingly has entered into the following agreements with related parties:

Construction management agreement

The Company has entered into a construction management agreement with Centreville Construction Ltd. (Centreville), an affiliate of One West. In exchange for managing the development and construction of the properties under development, Centreville receives a fee equal to 3% of Construction Costs (the Costs), as defined in the agreement. The fee is payable monthly based on the Costs incurred in the immediately preceding month. Included in amounts receivable is $nil (2013 - $1,313) owing from Centreville.

Administration agreement

The Company has entered into an administration agreement with Concord Pacific Developments Inc. (CPDI), an affiliate of One West. In exchange for providing administrative services, CPDI will be reimbursed for all expenses, as defined in the agreement, incurred with respect to providing such services and will receive a monthly fee of 3% of the amount of the expenses. The Company and CPDI have agreed that the monthly expenses and fee (excluding miscellaneous out-pocket-expenses) aggregate $12,200 and accordingly have agreed to the fixed monthly charge of $12,200 through January 2015. The administration agreement expires in January 2015.

During the three and nine months ended September 30, 2014, expenses and administration fees of $36,600 (2013 - $36,600) and $109,800 (2013 - $109,800) respectively were charged by CPDI and have been included in general and administrative expenses.

Other related party balances and transactions are disclosed elsewhere in these interim consolidated financial statements.

(expressed in Canadian dollars)

8 Income taxes

The provision for income taxes differs from the amount obtained by applying the statutory Canadian federal and provincial income tax rates to earnings before income taxes as follows:

	For the three months ended		For the nine months ended	
	September 30, 2014 $	September 30, 2013 $	September 30, 2014 $	September 30, 2013 $
Provision for income taxes based on the combined statutory income tax rate of 26% (2013 - 25.5%)	145,000	79,000	316,000	319,000
Difference in tax rates on non-capital losses carried back	-	-	-	-
Change in estimated tax provision for previous years	-	-	-	(8,789)
Adjustment for changes in deferred tax rates	-	-	-	(52,000)
Change in unrecognized tax benefits	(28,000)	10,000	(62,000)	25,000
Change in valuation of investments	(27,000)	9,000	(35,000)	(19,000)
Provision for income taxes	90,000	98,000	219,000	264,211

The continuity of the deferred income tax asset is as follows:

	September 30, 2014 $	December 31, 2013 $
Balance - Beginning of period	177,000	178,000
Provision for deferred income taxes	(39,000)	(1,000)
Balance - End of period	138,000	177,000

(expressed in Canadian dollars)

The tax effect of temporary differences that give rise to deferred income tax assets are as follows:

	September 30, 2014 $	December 31, 2013 $
Deferred income tax assets		
Non-capital losses carry-forward	4,000	33,000
Taxable capital losses carry-forward	1,086,000	1,086,000
Investments	(46,000)	16,000
Properties	60,000	66,000
Eligible capital expenditures	74,000	78,000
	1,178,000	1,279,000
Unrecongnized deferred tax assets	(1,040,000)	(1,102,000)
Net deferred income tax asset	138,000	177,000

As at September 30, 2014, the Company has non-capital losses of approximately $15,000 (2013 - $127,000) available to reduce taxable income in future years. These losses expire as follows:

	$
2015	4,000
2026	3,000
2027	1,000
2028	1,000
2029	1,000
2030	1,000
2031	2,000
2032	1,000
2034	1,000
	15,000

In September 2012, the Company received a notice of reassessment for the year ended December 31, 2007. The reassessment denies the application of losses, deductions and credits from periods prior to January 21, 2005 to reduce the taxable income of and tax payable by the Company for 2007. The reassessment revises the Company's taxable income for that year by $24,105,172 resulting in income taxes and interest payable of $10,570,383 to the date of the reassessment.

During the year ended December 31, 2012, the Company made a payment of 50% of the taxes and interest the CRA claims were owed for the 2007 taxation year, being $5,302,271.

In August 2013, the Company received notices of reassessment for the years ended December 31, 2008 and 2009. The reassessments deny the application of losses, deductions and credits from periods prior to January 21, 2005 to reduce the taxable income of and tax payable by the Company for 2008 and 2009. The reassessments revise the Company's taxable income for 2008 and 2009 by $41,789,445 and $1,727,073

(expressed in Canadian dollars)

respectively, resulting in income tax and interest payable of $16,738,271 and $1,588,580 respectively to the date of the reassessment.

During the year ended December 31, 2013, the Company made a payment of 50% of the taxes and interest the CRA claims were owed for the 2008 and 2009 taxation years, being $9,143,500.

During the three months ended March 31, 2014, the Company made a payment of $14,971,544 and transferred $5,652 from it taxes receivable from the taxation year ended December 31, 2013 towards the amount the CRA claims were owed by the Company. These amounts together represent the remaining taxes and interest the CRA claims were owed for 2007, 2008 and 2009 taxation years, being $14,977,196.

In September 2014, the Company received notices of confirmation from CRA disallowing the Company's objections to the notices of reassessments for the taxation years 2007, 2008 and 2009 issued earlier and confirming CRA's tax position for the taxation years 2007, 2008 and 2009. The Company intends to appeal the reassessments. However, there is no assurance that the appeal will be successful.

The impact of these payments has been recorded on the interim consolidated financial statements as deposits as Company does not consider it probable that an outflow of economic benefits will result based on its tax filing position. If the Company is ultimately successful in defending its position, such payments plus applicable interest will be refunded to the Company.

9 Financial instruments

Fair values

	September 30, 2014		December 31, 2013	
	Carrying value $	Fair value $	Carrying value $	Fair value $
Cash and cash equivalents	28,870,540	28,870,540	9,555,178	9,555,178
Short-term investments	69,266,595	69,266,595	102,832,821	102,832,821
Investments carried at cost (b)	4,494,320	n/a	4,171,807	n/a
Investments carried at fair value (a)	98,413	98,413	20,798	20,798
	4,592,733	98,413	4,192,605	20,798
Amounts receivable	437,459	437,459	620,815	620,815
Deposits	29,422,967	29,422,967	14,445,771	14,445,771
Accounts payable and accrued liabilities	150,474	150,474	244,262	244,262

a) Investments in publicly listed shares are measured at fair value in the interim consolidated statements of financial position as at September 30, 2014, which are classified as Level 1 in the fair value hierarchy.

b) The fair value of investments carried at cost is not reliably measured.

(expressed in Canadian dollars)

Interest rate risk

The Company's interest-bearing financial instruments that are subject to interest rate risk are cash and cash equivalents which earn interest at market rates.

Credit risk exposures

Credit risk arises when the borrowers are unable to repay the loans and debts due to the Company on time and in full. The financial instruments that potentially expose the Company to a concentration of credit risk are cash and cash equivalents, short-term investments, and amounts receivable. The Company limits its exposure to credit loss by placing its cash and cash equivalents and short term investments with high quality financial institutions.

Liquidity risk

The Company manages liquidity risk by maintaining adequate cash balances compared to the amount of liabilities at the statement of financial position date. In addition, the Company regularly monitors and reviews both actual and forecasted cash flows.

10 Capital management

The capital structure of the Company consists of shareholders' equity. The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and to provide returns for shareholders and benefits for other stakeholders.

11 Expenses by nature

The Company presents its expenses by function on the interim consolidated statements of income and comprehensive income. Additional disclosure of the nature of expenses is as follows:

	For the three months ended		For the nine months ended	
	September 30, 2014 $	September 30, 2013 $	September 30, 2014 $	September 30, 2013 $
Changes in inventories of finished goods	2,052	-	9,439	3,748
General and administrative	60,227	59,925	210,138	199,709
Salaries and short-term benefits	10,500	10,500	33,000	33,000
Legal and professional	5,608	41,725	47,996	166,340
	78,387	112,150	300,573	402,797