



Dear Valued Shareholder:

**Re: September 30, 2021 Quarter-End Results and Dividend Distribution**

Results for our fourth fiscal quarter ended September 30, 2021 are summarized below, with comparative figures for the previous 3-months ended June 30, 2021 in brackets:

Net Income (3 months):	<b>\$122,499</b>	(\$143,280)
Income Recapture (one-time):	<b><u>\$0.00</u></b>	(\$50,904)
Total Income for the Quarter:	<b>\$122,499</b>	(\$194,184)
Annualized Yield (before Recapture):	<b>4.69%</b>	(5.58%)
Annualized Yield (incl. Recapture):	<b>4.69%</b>	(7.56%)
Share Capital:	<b>\$10,371,020</b>	(\$10,297,050)
Mortgage Loan Portfolio:	<b>\$5,317,005 (26 loans)</b>	(\$6,345,476) (27 loans)
Cash on-hand:	<b>\$5,193,688</b>	(\$4,148,812)

Our net annualized yield of **4.69%** earned for this past quarter is off notably (0.89%) from the 5.58% yield that would have resulted in the previous quarter, ignoring the one-time recapture of \$50,904 in interest income from our only impaired loan and down considerably more (2.87%) from the actual results of 7.56% generated the previous quarter including the one-time recapture.

Our yields continue to be suppressed due only to the amount of cash we continue to hold, \$5,193,688 at September 30<sup>th</sup> up \$1,044,876 (25%) from the \$4,148,812 at the end of the previous quarter, as a result of existing loans paying out faster than we are able to replace them.

During this past quarter a total of \$1,752,000 was funded on 7 loans, 6 of which were new and 4 of those being construction loans. This compares favorably to the \$1,162,775 funded on 8 loans in the previous quarter.

Conversely however, we received back a total of \$2,796,765 on 6 loans repaid in the quarter, up considerably (\$1,310,753) from \$1,486,012 paid back on 5 loans the previous quarter.

Of the 26 loans in our portfolio at the end of this past quarter, 5 were construction loans with a combined unfunded portion of \$1,195,000 on which we are receiving Standby Fees averaging 4.40% (compared to \$655,325 unfunded on 3 loans with Standby Fees averaging 4.50% the previous quarter).

Of the cash on-hand at quarter-end, \$4,946,400 is invested in term deposits, with varying maturities and rates, the combined net return on which averages 0.736%.

Of the \$122,499 in net earnings being distributed this quarter, \$52,000 (42%) was reinvested by some Shareholders who purchased a combined 5,200 of additional shares with their portion of the earnings, increasing our share capital to \$10,423,020 (+0.50%) effective October 1, 2021.

In our last report we advised of a release of a personal judgement we must negotiate, which will likely result in an additional, though smaller, recapture of earnings on the former impaired loan that was repaid during the previous quarter, to-date however there is no progress to report.