EQUITYLINE
MORTGAGE INVESTMENT CORPORATION

Q3 2021 REPORT

EQUITYLINE MORTGAGE INVESTMENT CORPORATION

EquityLineMic.com

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EquityLine GROUP OF COMPANIES

550 Highway 7 Ave. E Suite #338
Richmond Hill Ontario Canada, L4B 3Z4
Phone: 1(888) 269-1988 | (416) 999-3993
Fax: (416) 747-9855
Email: info@EquityLineMic.com
Website: EquityLineMic.com

BROKERAGE # 12570 | ADMIN # 13068

CEO + PRESIDENT'S MESSAGE

Dear Shareholders,

I am happy to report that EquityLine MIC continues to build its team and platform for managing the growth we are seeing today and anticipate in the near future. We continue to invest in our people, systems, and partnerships to ensure EquityLine MIC delivers quality service, accessable mortgage solutions and performance results expected by our clients and shareholders. We are focused on building a strong mortgage portfolio secured by qualified real estate assets. We continue to mitigate risk through mortgage diversification, funding shorter-term loans (less than 12 months) and strictly applying a conservative underwriting practice to every mortgage we fund. We have consistently paid dividends and are dedicated to predictable cash flow for our shareholders.

To date, EquityLine MIC has not experienced any defaults or mortgage losses. We see tremendous growth opportunities in our market segments and plan to capitalize on it. As we expand our revenues, we will achieve the necessary economies of scale to achieve sustainable profitability while ensuring consistent dividend distributions.

We have returned an annual return of 8%, paid monthly, on our publicly traded preference shares and expect this to continue in the foreseeable future.

Thank you for your confidence displayed in EquityLine MIC as a shareholder, we look forward to growing together.

Sincerely,

Sergiy Shchavyelyev
President and Chief Executive Officer

ABOUT EQUITYLINE MIC

Founded in 2018, EquityLine Mortgage Investment Corporation (EquityLine MIC) is a Canadian company located in the Greater Toronto Area (GTA) of Ontario, Canada. It was founded by the principals of EquityLine Financial Services Corp. an Ontario based mortgage broker formed in 2014. The Founders and Management of the Corporation have extensive knowledge of the Canadian real estate and mortgage industries. The primary focus of the Corporation's investments are prime urban 1st and 2nd residential mortgages in the Southern Ontario region of Canada.

EquityLine MIC's objective is to provide financing to qualified borrowers that are not well serviced by the traditional commercial banks in Canada for short term (usually less than 12 months) loans. Loans are secured against equity in the borrower's home and are generally used for bridging, home improvements and debt consolidation. These mortgages are typically repaid with the proceeds from refinancing the loan.

The Company is, and intends to continue to be, qualified as a mortgage investment corporation ("MIC") as defined under Section 130.1(6) of the Income Tax Act (Canada) ("ITA").

The success of the Corporation's business model is based on:

- Deep knowledge of the Canadian real estate market, its' trends and regulatory oversight, which enables management to identify and qualify mortgage lending opportunities.
- Short duration residential mortgages in attractive targeted geographic areas.
- Realistic underwriting and risk mitigation policies that are executable, scalable and transparent.
- Rates of return for investors that are appealing and sustainable.
- Practical investor liquidity options.
- A strong and active Board that is represented by a majority of independent directors. The Board and the management team have significant experience and track records in real estate and the financial services industry.

The mortgage investment corporation structure provides qualified investors with an opportunity to participate in pools of Canadian residential mortgages. This investment product benefits investors with the opportunity to generate a predictable monthly income with returns above market for similar products. The mortgages that have been secured and funded by EquityLine MIC over the past three years earned an average interest rate of approximately 11% with a loan-to-value (LTV) ratio ranging between 68 -74%. Future growth in assets under management (AUM) is projected to enhance the economies of scale and returns achieved by the Corporation.

PREFERRED SHARE CLASSES AND DIVIDEND PROFILE

EquityLine MIC offers the following Preferred Share Classes:

Preferred Share Class	Distribution	Return
A	Monthly	Fixed 8%
B*, H	Monthly	Target 8% - 10%
F*	Monthly	Target 8.5% - 10%

- The Series A Preferred Shares trade on the Jamaican Stock Exchange (JSE: ELMIC)
- The Series B, H and F Preferred Shares are not listed on a securities exchange and are considered restricted securities available from exempt market dealers in the Canadian private capital markets.

***Note:** With respect to the Class B, H and F shares, both amounts are currently classified as debentures in the Financial Statements and the corresponding notes. Once appropriate thresholds are achieved the two classes will be classified and designated as Preferred Shares. As such, there are no additional shares besides the Series A Preferred Shares and the 200 voting common shares for EquityLine MIC.

Distributions Profile:

Year	Share Class	Annualized Return
2019	A	8%
2020	A	8%
2021 (projected)	A	8%
2021 (projected debenture interest)	B	8%
2021 (debenture interest projected)	F (Fee-based accounts, no commission)	8.5%
2021 (debenture interest projected)	H	8.0%

The Series B, H and F Preferred Shares are subject to restrictions respecting transferability and resale, including a restriction that no shareholder can trade the shares before the date that is four months and a day after the date the Corporation becomes a reporting issuer in any province or territory of Canada.

The Corporation is not a reporting issuer in any province or territory of Canada, and therefore the Series B, H and F Preferred Shares are subject to an indefinite hold period. They cannot be traded but they can be redeemed under the terms of our redemption policy as described in the Offering Memorandum. The Series B, F and H Preferred Shares are available to qualified investors through Exempt Market Dealers.

MEET OUR TEAM

Management Team

Sergiy Shchavyelyev

President and Chief Executive Officer; Director

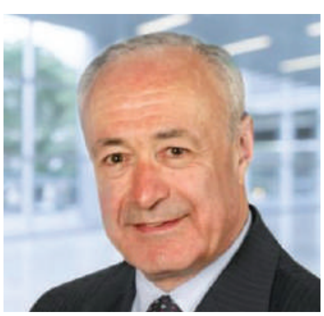
Sergiy Shchavyelyev is the CEO and Founder of the EquityLine Mortgage Investment Corp. (EquityLine MIC) and VeleV Capital. EquityLine MIC is publicly traded corporation on the Jamaica Stock Exchange. Sergiy received a Financial Accounting certificate from Harvard Business School and holds a Master of Law Degree from Mechnikov National University. He currently manages over C$110 million between funds and development projects. Sergiy is a real estate developer and mortgage broker, with extensive lending and financial experience in real estate assets. He has a track record of closing and redeveloping multi-million-dollar transactions in the real estate industry. He owns, in part, a family operated real estate brokerage, EquityLine Financial Corp., located in Toronto, Canada. Sergiy has been an active real estate broker from 2006 and mortgage specialist since 2008. Prior to working as a real estate broker, lender, and re-developer, Sergiy worked in a small claims court and land registry office as a paralegal for over two years. He joined his family real estate business where he was involved in residential and commercial developments, custom built dwellings, apartment buildings and multi-million-dollar commercial real estate projects. Sergiy has completed over C$750 million in real estate transactions.

Sergiy is a member of the advisory committee of PCMA Canada (Private Capital Markets Association of Canada).

Mark Korol, CFA, CPA

Chief Financial Officer

Mark Korol has over 20 years' experience as a chief financial officer in a variety of industries, including seven years of public company experience at Zenon Environmental, CDI Education Corp., and most recently, Char Technologies. He has spent the last 2 years at the Arturos Group, an international vertically integrated hospitality business with 2,000 employees and prior to those 12 years with the Xela Group of Companies. He has experience at National Bank Financial as a Research Analyst. Mark is a Chartered Financial Analyst (CFA) and a Certified Public Accountant (CPA). Mark is also a Certified Fraud Examiner (CFE) and Accredited Business Valuator (ABV) and holds the Institute of Corporate Directors designation (ICD.D).



Robert C. Kay

Executive Vice President; Director

Robert C. Kay is a seasoned Corporate Director and Business Advisor. He combines business and legal skills with extensive experience in international commerce to develop and assess complex strategies with governments and multinational companies. Robert has served as a Corporate Director in both privately held and publicly listed companies, serving on Governance, Audit, and Strategy Committees. He is currently Chairman, Advisory Board of Migao Group; Corporate Director of EquityLine Mortgage Investment Corporation, Baycrest Geriatric Health Care & Research Centre for Aging and the Brain, and the Royal Canadian Military Institute. Robert is a former Deputy Judge of the Superior Court of Justice of Ontario SCC branch.

Sergiy Przhebelskyy
Chief Operating Officer; Director

Sergiy Przhebelskyy brings a wealth of banking sector knowledge having spent time over seven years in the banking and financial sectors at TD and The National Bank of Canada. In 2014, Sergiy transitioned out of the traditional mortgage lending channels to the mortgage broker channel. During this time, he gained experience and insights into alternative mortgage lending practices including private mortgage financing. He has completed more than $200 million dollars in residential mortgage transactions over his career as a mortgage specialist. Sergiy's ability to source and secure the best deals that match client's needs continues to win him high praise. At EquityLine MIC, Sergiy is involved in daily operations of underwriting, deal compliance, administration, and office management. He has an excellent knowledge of real estate sector, appraisals reports, mortgage structuring and funding processes.

Arthur Smelyansky
Chief Portfolio Officer; Manager

Arthur Smelyansky currently serves as the Chief Executive Officer and Portfolio Manager at Maccabi Capital Management LLC and is a Portfolio Manager, Hedge Fund Trader and Co-Founder of Maccabi Equity Income Fund. Arthur was the Senior Analyst and Trader at Bonello Holdings Inc., located in Toronto, Canada, from September 2012 to January 2018. During his tenure at Bonello Holding, the company improved investment returns from 6% to 9.71%. Arthur's responsibilities include credit analysis, market research for EquityLine MIC and direct management of a portfolio with assets over $40 million. Arthur's specialty is in options trading and using derivatives to preserve capital and lower portfolio volatility.

Arthur holds the CIM (Chartered Investment Manager), DMS (Derivatives Market Specialist) and PFP (Personal Financial Planner) designations. He is currently in the process of obtaining the CAIA (Chartered Alternative Investment Analyst) designation.

Mark Simone
Vice President

Mark Simone is a business executive with extensive C-Suite experience in the development and management of businesses in the insurance, finance, and medical sectors.

He was the President of Medipac International Insurance, Canada's largest retailer of long-term travel medical insurance, the Executive and Managing Director of the Canadian Snowbird Association, one of Canada's largest lifestyle affinity groups, the President of Ontario Health Clinics, serving over fifty thousand patients and, most recently, the Vice President of Strategic Relations with Pinnacle Wealth Brokers, Canada's largest Exempt Market Dealer.

Stephen Clarke

Vice President

Stephen Clarke is an executive leader with over 30 years' experience in the marketing and sales areas of the wealth management and financial services sectors. Stephen has significant experience in different regulatory environments including the Investment Industry Regulatory Organization of Canada (IIROC), the Mutual Fund Dealers Association (MFDA), the Financial Services Regulatory Authority (FSRA) and Private Capital Markets (Issuers and Exempt Market Dealers). Stephen has worked in both the product (asset manager, issuer) and distribution side of the wealth management industry. He has a unique ability to structure and promote a wide range of innovative products through multiple channels to a diverse investor audience. He holds an Honours Bachelor of Commerce and a Master of Business Administration (MBA) from McMaster University.

Earl Chapman

International Business Development

Earl Chapman is a business executive with over twenty-five years' experience in business development and marketing. Earl has extensive knowledge of government processes and a strong network of government contacts.

Earl has held senior management roles with Bell Canada, leading a new internet division that created over $77 million in annual revenue, and at Tucows International. In addition, Earl founded and successfully operated Green Club Inc., a company that manufactured and distributed bio-degradable additives for plastic film. Earl continues to maintain strategic global relationships helping companies achieve their growth objectives.

Roman Raskin

Chief Financial Officer; EquityLine Service Corp.

Mr. Raskin is Chief Financial Officer of the EquityLine Service Corp. and VeleV Capital, with over 15 years of experience servicing local and international clients. Mr. Raskin is the founder and principal of Raskin & Associates Chartered Professional Accountants, an accounting firm located in Toronto providing accounting and assurance, taxation and business advisory services. Prior to Raskin and Associates, Mr Raskin held various accounting, audit and advisory roles at Crowe Soberman LLP, Williams & Partners LLP, G7G Partnership LLP and Sloan Partners. Mr Raskin is a Chartered Professional Accountant in Canada who takes pride in his work and offers personal commitment, strategy and unique foresight.

Independent Directors

Ungad Chadda

Independent Director

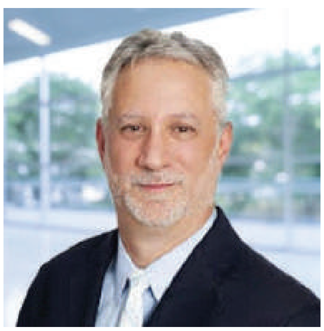
Ungad Chadda was Senior Vice President of TMX Group, parent company of Toronto Stock Exchange and Enterprise Head of Corporate Strategy, Development and External Affairs. He was responsible for building and maintaining the TMX Group investor base as well as supporting its public interest mandate and strategies to grow as a company. Ungad joined TMX Group in 1997. During his tenure, Ungad held progressively senior roles, including Director of Listings, TSX Venture Exchange; Chief Operating Officer, TSX Venture Exchange; Vice President, Business Development, Toronto Stock Exchange and TSX Venture Exchange, Senior Vice President, Toronto Stock Exchange and President, Capital Formation.

Donald Hathaway

Independent Director, Chair of the Governance Committee

Don Hathaway has spent over forty years as a business CEO, a senior partner in two major international consultancies and a corporate director on multiple boards while accumulating expertise in strategy, finance, risk management, marketing and corporate governance. Key roles have included the inaugural President and CEO of the Ontario Centres of Excellence and of the Global Risk Institute in Financial Services, and as a Founder and the original Board Chair of Compute Canada, the national system of high-performance computers supporting research at all Canadian universities (he remains the Emeritus Chair). He has been a Governor of both York University and Ontario Tech University, and he is a former Chair of the University of Waterloo Advisory Council; Board of Governors, The Ontario Free Trade Policy Advisory Council, and the Canadian Employment and Immigration Advisory Council.

After undergraduate studies in electrical engineering and mathematics he completed post graduate studies in business at the Schulich School of Business. Later he undertook the Economic Value Analysis program at the Kellogg School of Business and the program in corporate governance at the University of Toronto.



Eric Klein

Independent Director, Chair of the Audit Committee

Eric Klein is currently President of Klein Advisory Services Inc., a firm that focuses on business strategy, complex mergers, acquisitions, divestitures, and financings for mid-sized Canadian corporations. With more than 30 years of experience, Eric focuses on providing results-driven corporate finance advisory services for mid-market Canadian companies. Recently, Eric was a senior executive with a Canadian public financial institution. Prior to that he was the founder and Managing Director of the Corporate Finance, Valuations & Transaction practice of Farber Financial Group. Eric is a graduate of McGill University with a B.Comm and a graduate Diploma in Public Accounting and holds designations as a Chartered Public Accountant, a Chartered Business Valuator and is a member of the Institute of Corporate Directors.

Willie Handler

Independent Director, Chair of the Compensation Committee

Willie Handler has 28 years of experience in the insurance sector with 20 years working on insurance regulatory policy with the Financial Services Commission of Ontario and eight years' operating his own consulting business.

Willie has provided strategic advice to a wide range of clients dealing with an evolving regulatory environment. He holds a Bachelor of Science from the University of Toronto, a Master's degree in Health Administration from the Fox School of Business at Temple University and a Master's degree in Public Administration from the Schulich School of Business at York University.

Stability
Predictability
Diversification

EQUITYLINE
MORTGAGE INVESTMENT CORPORATION

Management's Discussion and Analysis

For the three months ended September 30, 2021

FORWARD-LOOKING STATEMENTS

ADVISORY

The terms, the "Company", "we", "us" and "our" in the following Management Discussion & Analysis ("MD&A") refer to EquityLine Mortgage Investment Corporation. (the "Company"). This MD&A may contain forward-looking statements relating to anticipated future events, results, circumstances, performance or expectations that are not historical facts but instead represent our beliefs regarding future events. These statements are typically identified by expressions like "believe", "expects", "anticipates", "would", "will", "intends", "projected", "in our opinion" and other similar expressions. By their nature, forward-looking statements require us to make assumptions which include, among other things, that (i) the Company will have sufficient capital under management to effect its investment strategies and pay its targeted dividends to shareholders, (ii) the investment strategies will produce the results intended by the manager, (iii) the markets will react and perform in a manner consistent with the investment strategies and (iv) the Company is able to invest in mortgages of a quality that will generate returns that meet and/or exceed the Company's targeted investment returns.

Forward-looking statements are subject to inherent risks and uncertainties. There is significant risk that predictions and other forward-looking statements will prove not to be accurate. We caution readers of this MD&A not to place undue reliance on our forward-looking statements as a number of factors could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed or implied in the forward-looking statements. Actual results may differ materially from management expectations as projected in such forward-looking statements for a variety of reasons, including but not limited to, general market conditions, interest rates, regulatory and statutory developments, the effects of competition in areas that the Company may invest in and the risks detailed from time to time in the Company's public disclosures.

We caution that the foregoing list of factors is not exhaustive and that when relying on forward-looking statements to make decisions with respect to investing in the Company, investors and others should carefully consider these factors, as well as other uncertainties and potential events and the inherent uncertainty of forward-looking statements. Due to the potential impact of these factors, the Company and Equityline Services Corporation. (the "Manager") do not undertake, and specifically disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by applicable law.

This MD&A is dated November 8th, 2021. Disclosure contained in this MD&A is current to that date, unless otherwise noted.

BUSINESS OVERVIEW

BASIS OF PRESENTATION

This MD&A has been prepared to provide information about the financial results of the Company for the three and nine months ended September 30, 2021. This MD&A should be read in conjunction with the audited December 31, 2020 financial statements and the unaudited interim financial statements ended September 30, 2020 and 2019, which are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

The functional and reporting currency of the Company is Canadian dollars.

Specifically, as at December 31st, 2020, the Company determined that Series A Preferred shares should be classified as a debt instrument. As such, the presentation of the Series A Preferred shares were reclassified from equity to a debt instrument because of its redeemable feature as well as its promises to pay a fixed dividend. In turn, the dividend paid on those outstanding shares has been classified as interest expense.

SIGNIFICANT EVENTS

COVID-19 UPDATE

The Company's operations, to date, have not been significantly adversely affected by the effects of a global pandemic (COVID-19) of a contagious disease.

The Company cannot accurately predict the future impact of COVID-19. However, with a large, and increasing number of vaccinated individuals in North America and Europe the risk to financials markets has seem to lessen.

For the nine months ended September 30, 2021, COVID-19 has had a minimal impact to the Company's income as shown by the fact that there were no defaults or no bounced cheques on its mortgage loans. The Company did not receive any request to default mortgages as of the date of this MD&A. Given the current situation, the Company is still expecting positive operating cash flows for the foreseeable future.

The Company continues to monitor developments and is prepared for impacts related to COVID-19. The Company has a comprehensive pandemic and business continuity plan that ensures its readiness to appropriately address and mitigate any business risks and impacts to investors and borrowers.

RECENT DEVELOPMENTS

(as of September 30, 2021)

57 new residential mortgages

Mortgages totalling $14,606,057

Weighted average mortgage interest rate 10.98%

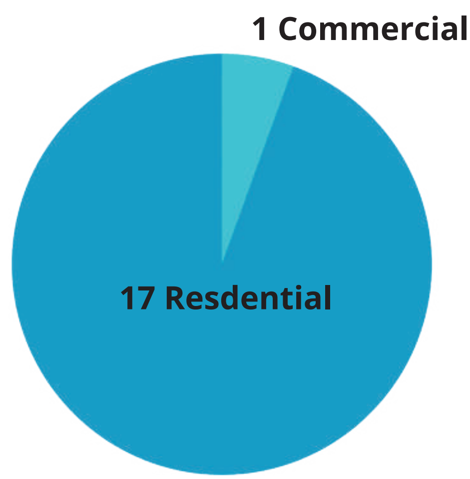
PORTFOLIO ACTIVITY

During the nine months ended September 30, 2021, the Company funded 53 new mortgages in 2021 totaling $17,391,325 Regulatory changes, including the B20 guidelines, have resulted in most residential–focused lenders tightening up on income qualification forcing borrowers to private lenders as a result of difficulty qualifying for institutional loans. This has shown a large increase in demand for more private mortgage products nationwide.

100% of the portfolio is invested in Ontario urban markets that generally experience better real estate liquidity in periods of uncertainty and thus offer a better risk profile.

MORTGAGE DEALS FUNDED (IN VALUE)
for three months ended September 30, 2021

Total funded: $6,443,625

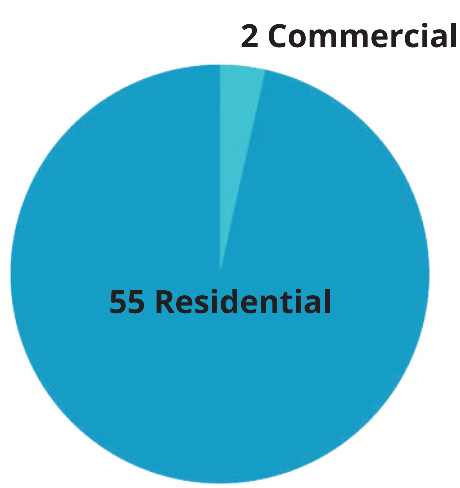


MORTGAGE AVERAGE RETURN

(as of September 30, 2021)

During the nine-month period, the Company earned $1,127,034 (2020- $743,836) of interest income on net mortgage investments while the weighted average interest rate on net mortgage investments for the three months ended September 30, 2021 was 10.98%.

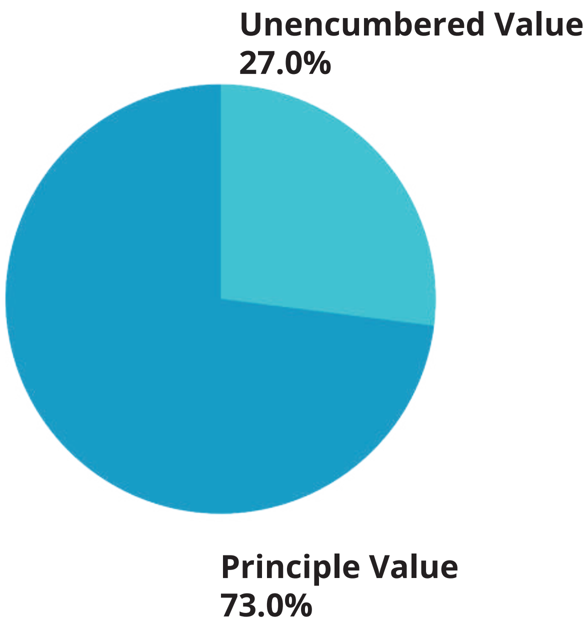
MORTGAGE PORTFOLIO
as of September 30, 2021



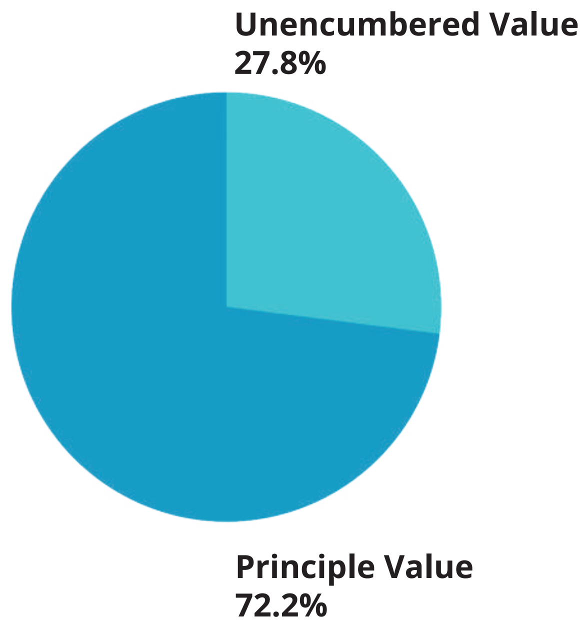
LOAN-TO-VALUE (LTV) OF PORTFOLIO

As the Company strengthens its balance sheet with the completion of the successful JSE public offering in fiscal 2020, funds were put towards a high-quality mortgage portfolio. This portfolio of mortgages at September 30, 2021 has an average loan-to-value of 73.0%

LOAN-TO-VALUE (%) AS OF September 30, 2021



LOAN-TO-VALUE (%) AS OF June 30, 2021



EXPENSES

Management Fees

The management fee is equal to 1% per annum of the gross net mortgage investments of the Company, calculated and paid monthly in arrears. Gross mortgage investments are defined as the total mortgage investments of the Company less unearned revenue. For the nine months ended September 30, 2021, the Company incurred management fees of $93,190 (2020 - $77,536).

General and Administrative

For the nine months ended September 30, 2021, the Company incurred general and administrative expenses of $40,989 (2020 – $4,615). General and administrative expenses consist of listing fees, fees paid on custodial services, and other operating costs and administration of the mortgage portfolio.

HIGHLIGHTS OF FINANCIAL PERFORMANCE

The Company ended its third quarter of 2021 with a net loss and comprehensive loss of $480,397 over the nine-month period. (2020 – net loss of $890,325).

An excerpt from the Interim Statement of Loss and Comprehensive Income for nine months ended September 30, 2021 and 2020 is as the following:

	SEPT-30 2021	SEPT-30 2020
MORTGAGE INTEREST INCOME	**$ 1,127,034**	$ 743,836
OPERATING EXPENSES	**(605,403)**	(761,744)
OTHER FINANCING EXPENSES	**(422,972)**	(226,716)
NET INCOME	**98,659**	(244,624)
GAIN (LOSS) ON FOREIGN EXCHANGE	**90,660**	3,748
ACCRETION OF TRANSACTIONS COSTS	**(267,305)**	(214,161)
DISTRIBUTION TO SHAREHOLDERS OF SERIES A PREFERRED SHARES	**(402,411)**	(435,288)
NET LOSS AND COMPREHENSIVE INCOME	**$ (480,397)**	$ (890,325)

The accounting standards require that capital issued with a redemption option are required to be reported as a liability, costs associated with the issuance of same capital are amortized over the expected redemption period. As such, Series A redeemable Preferred shares have been classified as a long-term liability, therefore dividends paid on those shares are recorded as expenses and associated expenses are recorded as accretion of transaction.

SHAREHOLDERS' EQUITY

SERIES A REDEEMABLE PREFERRED SHARES

The Company is authorized to issue an unlimited number of Series A Redeemable Preferred Shares. Holders of Series A Redeemable Preferred Shares are entitled to receive dividends as declared by the Board of Directors.

On January 18, 2019, the Company completed a public offering of 2,683,400 Series A Redeemable Preferred Shares for total net proceeds of ***$6,199,133*** in Canadian dollars.

DIVIDENDS/DISTRIBUTIONS

The Company pays dividends to holders of Series A Redeemable Preferred Shares monthly within 15 days following the end of each month. For the nine months ended September 30, 2021, the Company distributed $402,411 or $0.10 CAD per Series A Redeemable Preferred Share. (2020 - $145,878, or $0.11 CAD per Series A Preferred Share).

The Company pays dividends to holders of Series B Redeemable Preferred Shares monthly within 15 days following the end of each month. For the nine months ended September 30, 2021, the Company distributed $4,898 or $0.60 CAD per Series B Redeemable Preferred Share (currently classified as a debenture).

The Company pays dividends to holders of Series F Redeemable Preferred Shares monthly within 15 days following the end of each month. For the nine months ended September 30, 2021, the Company distributed $1,685 or $0.21 CAD per Series F Redeemable Preferred Share (currently classified as a debenture).

RELATED PARTY TRANSACTIONS

As at September 30, 2021, advances to EquityLine Services Corporation (the Manager) totaled $1,498,844 (2020 – $1,863,561). The advances are non-interest bearing and are due on demand. The Company and the Manager are related by virtue of common ownership in management.

As at September 30, 2021, included in "due from related parties" is $1,472,000 of cash held in trust by the Manager, the Company's mortgage servicing and administration provider. The balance relates to mortgage funding holdbacks and prepaid mortgage interest received from various borrowers.

OUTSTANDING SHARE DATA

As at September 30, 2021, the Company's authorized capital consists of an unlimited number of common shares, of which 200 are issued and outstanding, an unlimited number of Series A Preferred Shares, of which 2,683,400 are issued and outstanding.

The Company has also authorized an unlimited number of Series B, F and H non-voting shares, of which nil are issued and outstanding. The small amounts under the new series of Preference Shares will be classified and treated as debentures under the same terms until certail ownership thresholds are met. At such time, these debenture amounts will revert back to Preference Shares.

CAPITAL STRUCTURE AND LIQUIDITY

CAPITAL STRUCTURE

The Company manages its capital structure in order to support ongoing operations while focusing on its primary objectives of preserving shareholder capital and generating a stable monthly cash dividend to shareholders. The Company believes that the conservative amount of structural leverage gained from the debentures is accretive to net earnings, appropriate for the risk profile of the business. The Company anticipates meeting all its contractual liabilities (described below) using its mix of capital structure and cash flow from operating activities.

The Company reviews its capital structure on an ongoing basis and adjusts its capital structure in response to mortgage investment opportunities, the availability of capital and anticipated changes in general economic conditions.

LIQUIDITY

Access to liquidity is an important element of the Company as it allows the Company to implement its investment strategy. The Company is, and intends to continue to be, qualified as a MIC as defined under Section 130.1(6) of the ITA and, as a result, is required to distribute not less than 100% of the taxable income of the Company to its shareholders.

The Company manages its liquidity position through various sources of cash flows including cash generated from operations and convertible debentures to fund mortgage investments and other working capital needs. As at September 30, 2021, the Company is in compliance with its loan agreements and expects to remain in compliance going forward. The Company routinely forecasts cash flow sources and requirements, including unadvanced commitments, to ensure cash is effectively utilized.

CREDIT FACILITY

On August 30, 2021, the Company established a senior secured revolving facility, authorized to a maximum of $25 million, through a special purpose entity with a Canadian Schedule 1 bank. The facility is to be utilized for the purchase of eligible mortgage investments. As of September 30, 2021, $2,590,500 has been drawn. The rate is set at Canadian Prime + 1.50% (currently 3.95%), with a floor rate of 3.70%. With respect to the credit facility closing, the Company paid approximately $729,879. This amount was categorized in prepaid expenses.

CORPORATE GOVERNANCE AND BOARD COMMITTEES

CORPORATE GOVERNANCE POLICY

The Company has developed a governance framework of procedures and controls in alignment with applicable securities laws. The Company's Governance Policy can be found at EquityLineMic.com/documents.

BOARD COMMITTEES

The Company's Board has established the following Board Committees:

1) **EquityLine MIC Governance Committee**
   Chaired by: Independent Director Don Hathaway

2) **EquityLine MIC Audit Committee**
   Chaired by: Independent Director Eric Klein

3) **EquityLine MIC Compensation Committee**
   Chaired by: Independent Director Willie Handler

Stability
Predictability
Diversification

EQUITYLINE
MORTGAGE INVESTMENT CORPORATION

Interim Unaudited Financial Statements

For the Three Months Periods Ended September 30, 2021 and September 30, 2020

INDEX TO INTERIM UNAUDITED FINANCIAL STATEMENTS
For the Three Months Periods Ended September 30, 2021 and 2020

EQUITYLINE MORTGAGE INVESTMENT CORPORATION

Interim Unaudited Statements of Financial Position
(Expressed in Canadian dollars)
As at

	(Unaudited) *September 30* 2021	(Audited) *December 31* 2020
ASSETS		
Cash and cash equivalents	**$ 511,077**	$ 437,969
Withholding taxes recoverable	**-**	7,386
Prepaid expenses *(Note 16)*	**1,432,372**	254,413
Due from related party *(Note 6)*	**1,498,844**	43,354
Mortgage investments *(Note 4)*	**14,860,344**	11,182,755
	$ 18,302,637	$ 11,925,877
LIABILITIES AND SHAREHOLDERS' DEFICIENCY		
Accounts payable and accrued liabilities	**$ 211,712**	$ 121,174
Withholding taxes payable	**48,827**	-
Interest payable	**8,590**	-
Distributions payable	**145,941**	150,686
Prepaid mortgage interest	**49,421**	26,596
Due to related parties *(Note 6)*	**1,266,504**	41,360
Short term debentures *(Note 7)*	**5,592,532**	653,926
	7,323,527	993,742
Long term debentures *(Note 7)*	**3,874,000**	6,020,000
Credit Facility *(Note 16)*	**2,590,500**	-
Redeemable preferred shares *(Note 8)*	**6,663,747**	6,580,875
	13,128,247	13,594,617
SHAREHOLDERS' DEFICIENCY		
Share capital *(Note 9)*	**200**	200
Deficit	**(2,149,337)**	(1,668,940)
	(2,149,137)	(1,668,740)
	$ 18,302,637	$ 11,925,877

Contingent liability (Note 11)

ON BEHALF OF THE BOARD

Sergiy Shchavyelyev
President and Chief Executive Officer; Director

Sergiy Przhebelskyy
Chief Operating Officer; Director

The accompanying notes form an integral part of these financial statements.

EQUITYLINE MORTGAGE INVESTMENT CORPORATION

Interim Unaudited Statement of Net Income (Loss) and Comprehensive Income (Loss)
For the Three Month And Nine Month Period Ended
September 30, 2021 and September 30, 2020
(Expressed in Canadian dollars)

	Three months ended July 1 to *Sept 30* 2021	Three months ended July 1 to *Sept 30* 2020	Nine months ended January 1 to *Sept 30* 2021	Nine months ended January 1 to *Sept 30* 2020
MORTGAGE INTEREST INCOME	**$ 463,520**	$ 256,275	$ 1,127,034	$ 743,836
EXPENSES				
Professional fees	**88,097**	100,328	144,790	279,673
Management fees	**35,503**	27,944	93,190	77,536
Consulting fees	**39,525**	57,936	73,199	131,250
Director fees	**42,500**	27,500	79,500	52,500
Credit Facility Fees	**23,028**	-	23,028	-
General and administrative	**26,645**	1,446	40,989	4,615
Referral fees	**32,500**	-	46,200	14,975
Trustee services	**39,159**	2,333	51,189	11,441
Advertising and promotion	**41,368**	39,471	61,322	149,664
Insurance	**5,056**	2,903	11,996	8,708
Travel	**-**	-	-	11,382
Provision for mortgage investment losses (reversal)	**-**	-	(20,000)	20,000
	373,381	259,861	605,403	761,744
INCOME (LOSS) BEFORE FINANCE EXPENSES	**90,139**	(3,586)	521,631	(17,908)
FINANCE INCOME (EXPENSES)				
Unrealized foreign exchange gain (loss)	**(139,537)**	26,767	36,494	7,916
Realized foreign exchange gain	**34,612**	-	54,166	(4,168)
Distributions to shareholders of redeemable preferred shares	**(134,970)**	(142,310)	(402,411)	(435,288)
Accretion of transaction costs on Series A redeemable preferred shares	**(39,383)**	(71,387)	(180,513)	(214,161)
Interest and bank charges	**(268,808)**	(116,910)	(422,972)	(226,716)
Accretion of transaction costs of short term debentures	**(34,388)**	-	(86,792)	-
	(582,475)	(303,840)	(1,020,673)	(872,417)
NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)	**$ (492,335)**	$ (307,426)	$ (480,397)	$ (890,325)
BASIC AND DILUTED INCOME (LOSS) PER SHARE	**$ (2,461.67)**	$ (0.11)	$ (2,401.99)	$ (0.33)

The accompanying notes form an integral part of these financial statements.

EQUITYLINE MORTGAGE INVESTMENT CORPORATION

Interim Unaudited Statement of Changes in Shareholders' Deficiency
For the Three Month And Nine Month Period Ended
September 30, 2021 and September 30, 2020
(Expressed in Canadian dollars)

	Three months ended July 1 to *Sept 30* 2021	Three months ended July 1 to *Sept 30* 2020	Nine months ended January 1 to *Sept 30* 2021	Nine months ended January 1 to *Sept 30* 2020
DEFICIT - BEGINNING OF PERIOD	**$ (1,657,002)**	$(1,418,986)	$ (1,668,940)	$ (836,087)
NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)	**(492,335)**	(307,426)	(480,397)	(890,325)
DEFICIT - END OF PERIOD	**$ (2,149,337)**	$(1,726,412)	$ (2,149,337)	$ (1,726,412)

EQUITYLINE MORTGAGE INVESTMENT CORPORATION

Interim Unaudited Statement of Cash Flows

For the Three Month And Nine Month Period Ended

September 30, 2021 and September 30, 2020

(Expressed in Canadian dollars)

	Three Months Ended		Nine Months Ended	
	Sept 30 2021	*Sept 30* 2020	*Sept 30* 2021	*Sept 30* 2020
Increase (decrease) in cash and cash equivalents				
OPERATING ACTIVITIES				
Net income (loss)	$ (492,335)	$ (307,426)	$ (480,397)	$ (890,325)
Items not affecting cash:				
Provision for mortgage investment (recovery) losses	-	-	20,000	-
Unrealized foreign exchange gain (loss)	139,537	(26,767)	(36,494)	(7,916)
Accretion of transaction cost of Series A redeemable preferred shares	39,383	71,387	180,513	214,161
Accretion of transaction costs of short term debentures	34,388	-	86,792	-
	(279,027)	(262,806)	(229,586)	(684,080)
Changes in non-cash working capital:				
Accounts receivable	-	(270,000)	-	28,280
Accounts payable and accrued liabilities	199,580	33,462	90,538	(14,745)
Withholding taxes payable	16,097	-	56,213	(51,498)
Prepaid mortgage interest	42,972	(40,450)	22,825	(129,177)
Prepaid expenses	(1,007,672)	6,930	(1,177,959)	(6,929)
Interest payable	8,590	12,583	8,590	27,279
Distributions payable	93,670	19,290	31,749	145,878
	(646,763)	(238,185)	(968,044)	(912)
Cash flow used by operating activities	(925,790)	(500,991)	(1,197,630)	(684,992)
INVESTING ACTIVITY				
Investments in mortgage investments, net of discharges	(2,625,173)	891,201	(3,697,589)	(1,231,263)
FINANCING ACTIVITIES				
Advances from (to) related parties	(876,329)	(1,358,460)	(230,346)	(1,695,315)
Proceeds from issuance of convertible debentures	2,242,937	940,000	7,446,173	3,640,000
Repayment of debentures	(1,083,000)	-	(4,838,000)	-
Proceeds from credit facility	2,590,500	-	2,590,500	-
Cash flow from financing activities	2,874,108	(418,460)	4,968,327	1,944,685
INCREASE (DECREASE) IN CASH FLOW	(676,855)	(28,250)	73,108	28,430
Cash - beginning of period	1,187,932	250,236	437,969	193,566
CASH - END OF PERIOD	$ 511,077	$ 221,986	$ 511,077	$ 221,986

EQUITYLINE MORTGAGE INVESTMENT CORPORATION
Notes to Interim Unaudited Financial Statements
For the Nine Month Period Ended September 30, 2021

1. Nature of business

Equityline Mortgage Investment Corporation (the "Company") is a mortgage investment corporation domiciled in Canada. The Company is incorporated under the laws of the Province of Ontario. The registered office of the Company is Suite 338 - 550 Highway 7 Avenue East, Richmond Hill, Ontario L4B 3Z4. The Company is managed by Equityline Services Corp. ("the Manager"). The Series A preference shares of the Company are listed on the Jamaica Stock Exchange (JSE) under the symbol "ELMIC".

The investment objective of the Company is to acquire mortgages and maintain a portfolio of mortgages consisting primarily of residential Non-Conventional Mortgages and Alt-A Mortgages that generates attractive returns relative to risk in order to permit the Corporation to pay dividends to its shareholders.

2. Basis of presentation

Statement of compliance

These financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") and in accordance with International Accounting Standard ("IAS") 34 Interim Financial Reporting as published by the International Accounting Standards Board ("IASB") and as required by Canadian securities legislation and the Canadian Accounting Standards Board.

The unaudited interim financial statements were approved by the Board of Directors on November 8, 2021.

Basis of measurement

The financial statements have been prepared on the historical cost basis, except for financial instruments classified as fair value through profit or loss ("FVTPL") which are measured at fair value at each reporting date.

Functional and presentation currency

The unaudited interim financial statements are presented in Canadian dollars, which is the Company's functional currency.

Critical accounting estimates, assumptions and judgments

In the preparation of these unaudited interim financial statements, the Manager has made judgments, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses.

In making estimates, the Manager relies on external information and observable conditions where possible, supplemented by internal analysis as required. There are no known trends, commitments, events or uncertainties that the Manager believes will materially affect the methodology or assumptions utilized in making those estimates and judgments in these unaudited interim financial statements. The significant estimates and judgments used in determining the recorded amount for assets and liabilities in the statements are as follows:

(continues)

2. Basis of presentation (continued)

Classification of mortgage investments

Mortgage investments are classified based on the business model for managing assets and the contractual cash flow characteristics of the asset. The Manager exercises judgment in determining both the business model for managing the assets and whether cash flows of the asset comprise solely payments of interest.

Provision for impairment

The most significant estimates that the Company is required to make relate to the impairment of the investments (Note 4). These estimates include assumptions regarding local real estate market conditions, interest rates and the availability of credit, cost and terms of financing, the impact of present or future legislation or regulation, prior encumbrances, adverse changes in the payment status of borrowers, and other factors affecting the investments and underlying security of the investments. These assumptions are limited by the availability of reliable comparable data, economic uncertainty, ongoing geopolitical concerns, and the uncertainty of predictions concerning future events. Accordingly, by their nature, estimates of impairment are subjective and do not necessarily result in precise determinations of the actual outcome. Should the underlying assumptions change, the estimated fair value could vary by a material amount.

Classification of investment portfolio - Investment portfolio is classified based on the assessment of business model and the cash flow of the investments. The Company exercises judgment in determining the classification of loans in the investment portfolio into measurement categories (Note 3).

Measurement of expected credit loss

The determination of allowance for credit losses takes into account different factors and varies by nature of investment. These judgments include changes in circumstances that may cause future assessments of credit risk to be materially different from current assessments, which would require an increase or decrease in the allowance of credit risk (Note 4).

Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or liability, the Company uses market observable data where possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derive from prices).

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

(continues)

2. Basis of presentation (continued)

Measurement of fair values (continued)

The Manager reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or appraisals are used to measure fair values, the Manager will assess the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified.

The impact of COVID-19

The Manager exercises judgment in determining the impact this pandemic disease may have to the Company. Refer to Note 15 of the financial statements which further discusses how the pandemic could further affect the Company's operations.

3. Summary of significant accounting policies

(a) Cash and cash equivalents

The Company considers highly liquid investments with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value to be cash equivalents. Cash and cash equivalents are classified and measured at amortized cost.

(b) Mortgage investments

Mortgage investments are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, the mortgage investments are measured at amortized cost using the effective interest method, less any impairment losses. Mortgage investments are assessed on each reporting date to determine whether there is objective evidence of impairment.

A financial asset is considered to be impaired only if objective evidence indicates that one or more loss events have occurred after its initial recognition that have a negative effect on the estimatedfuture cash flows of that asset. The estimation of future cash flows includes assumptions about local real estate market conditions, market interest rates, availability and terms of financing, underlying value of the security and various other factors. These assumptions are limited by the availability of reliable comparable market data, economic uncertainty and the uncertainty of future events. Accordingly, by their nature, estimates of impairment are subjective and may not necessarily be comparable to the actual outcome. Should the underlying assumptions change, the estimated future cash flows could vary materially.

The Company considers evidence of impairment for mortgage investments at both a specific asset and collective level. All individually significant mortgage investments are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but is not yet identifiable at an individual mortgage level. Mortgage investments that are not individually significant are collectively assessed for impairment by grouping together mortgage investments with similar risk characteristics.

(continues)

3. Summary of significant accounting policies (continued)

(c) Mortgage interest income

Interest and other income includes interest earned on the Company's mortgage investments and interest earned on cash and cash equivalents. Interest income earned on mortgage and other investments is accounted for using the effective interest rate method.

(d) Income taxes

The Company is a mortgage investment corporation ("MIC") pursuant to the Income Tax Act (Canada). As such, the Company is entitled to deduct from its taxable income dividends paid to shareholders during the year or within 90 days of the end of the year to the extent the dividends were not deducted previously. The Company intends to maintain its status as a MIC and intends to distribute sufficient dividends in the year and in future years to ensure that the Company is not subject to income taxes. Accordingly, for financial statement reporting purposes, the tax deductibility of the Company's dividends results in the Company being effectively exempt from taxation and no provision for current or future income tax is required for the Company.

(e) Foreign currency forward contracts

The Company may enter into foreign currency forward contracts to economically hedge its foreign currency risk exposure of its mortgage and other investments that are denominated in foreign currencies. The value of forward currency contracts entered into by the Company is recorded as the difference between the value of the contract on the reporting period and the value on the date the contract originated. Any resulting gain or loss is recognized in the statement of net income and comprehensive income unless the foreign currency contract is designated and effective as a hedging instrument under IFRS. The Company has elected to not account for the foreign currency contracts as an accounting hedge.

(f) Financial instruments

Classification & Measurement of Financial Assets

Recognition and initial measurement

The Company on the date of origination or purchase recognizes loans, debt and equity securities, deposits and subordinated debentures at the fair value of consideration paid. Regular-way purchases and sales of financial assets are recognized on the date at which the Company becomes a party to the contractual provision of the instrument.

The initial measurement of a financial asset or liability is at fair value plus transaction costs that are directly attributable to its purchase or issuance. For instruments measured at fair value through profit or loss, transaction costs are recognized immediately in profit or loss.

(continues)

3. Summary of significant accounting policies (continued)

(f) Financial instruments (continued)

Classification and subsequent measurement - financial assets

Financial assets are classified into one of the following measurement categories:
- amortized cost;
- fair value through other comprehensive income ("FVOCI") - debt investment; or
- fair value through profit or loss ("FVTPL")

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:
- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:
- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of interest on the principal amount outstanding.

The Company has no debt investments measured at FVOCI.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets.

Financial assets - Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

The information considered includes:

- the objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- the frequency, volume and timing of sales of financial assets in prior periods. The reasons for such sales and expectation about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

(continues)

3. Summary of significant accounting policies (continued)

(f) Financial instruments (continued)

Financial assets - assessment whether contractual cash flows are solely payments of interest

For the purposes of this assessment, 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets.

A prepayment feature is consistent with the solely payments of interest criterion if the prepayment amount substantially represents unpaid amounts of interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

Subsequent measurement and gains and losses - financial assets

Financial assets at FVTPL:

Measured at fair value. Net gains and losses, including any interest, are recognized in net income and comprehensive income.

Financial assets at amortized cost:

Measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in net income and comprehensive income. Any gain or loss on derecognition is recognized in net income and comprehensive income.

Debt investments at FVOCI:

Measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in Other Comprehensive Income ("OCI"). On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

(continues)

3. Summary of significant accounting policies (continued)

(f) Financial instruments (continued)

Financial assets

The Company classified its financial assets into one of the following categories:

Financial Instrument	Classification and measurement
Financial Assets:	
Mortgage investments	Amortized cost
Cash and cash equivalents	Amortized cost
Due from related party	Amortized cost

Classification, subsequent measurement and gains and losses - financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as measured at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

The Company classified its financial liabilities into one of the following categories:

Financial Instruments	Classification and measurement
Financial Liabilities:	
Accounts payable	Amortized cost
Debentures	Amortized cost
Redeemable preferred shares	Amortized cost
Due to related parties	Amortized cost

Impairment of financial assets

The Company recognizes loss allowances for expected credit loss ("ECL") on financial assets measured at amortized cost, unfunded loan commitments and financial guarantee contracts. The Company applies a three-stage approach to measure allowance for credit losses. The Company measures loss allowance at an amount equal to 12 months of expected losses for performing loans if the credit risk at the reporting date has not increased significantly since initial recognition (Stage 1) and at an amount equal to lifetime expected losses on performing loans that have experienced a significant increase in credit risk since origination (Stage 2) and at an amount equal to lifetime expected losses which are credit impaired (Stage 3).

(continues)

3. Summary of significant accounting policies (continued)

(f) Financial instruments (continued)

Impairment of financial assets (continued)

The determination of a significant increase in credit risk takes into account different factors and varies by nature of investment. The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due interest payment or maturity date, and borrower specific criteria as identified by the Manager. As is typical in shorter duration, structured financing, the Manager does not solely believe there has been a significant deterioration in credit risk or an asset to be credit impaired if mortgage and other investments to go into overhold position past the maturity date for a period greater than 30 days or 90 days, respectively. The Manager actively monitors these mortgage and other investments and applies judgment in determining whether there has been significant increase in credit risk. The Company considers a financial asset to be credit impaired when the borrower is more than 90 days past due and when there is objective evidence that there has been a deterioration of credit quality to the extent the Company no longer has reasonable assurance as to the timely collection of the full amount of interest or/and when the Company has commenced enforcement remedies available to it under its contractual agreements.

The assessment of significant increase in credit risk requires experienced credit judgment. In determining whether there has been a significant increase in credit risk and in calculating the amount of expected credit losses, the Manager relies on estimates and exercise judgment regarding matters for which the ultimate outcome is unknown. These judgments include changes in circumstances that may cause future assessments of credit risk to be materially different from current assessments, which could require an increase or decrease in the allowance for credit losses. In cases where a borrower experiences financial difficulties, the Company may grant certain concessionary modifications to the terms and conditions of a loan. Modifications may include payment deferrals, extension of amortization periods, debt consolidation, forbearance and other modifications intended to minimize the economic loss and to avoid foreclosure or repossession of collateral. The Company determines the appropriate remediation strategy based on the individual borrower. If the Company determines that a modification results in expiry of cash flows, the original asset is derecognized while a new asset is recognized based on the new contractual terms. Significant increase in credit risk is assessed relative to the risk of default on the date of modification. If the Company determines that a modification does not result in derecognition, significant increase in credit risk is assessed based on the risk of default at initial recognition of the original asset. Expected cash flows arising from the modified contractual terms are considered when calculating the ECL for the modified asset. For loans that were modified while having a lifetime ECL, the loans can revert to having 12-month ECL after a period of performance and improvement in the borrower's financial condition.

(continues)

3. Summary of significant accounting policies (continued)

(f) Financial instruments (continued)

Measurement of ECLs

ECLs are probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset. Lifetime ECLs are the ECLs that result from all possible default event over the expected life of a financial instrument. 12-months ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months. The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

When determining the expected credit loss provision, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. The Manager considers past events, current market conditions and reasonable forward-looking supportable information about future economic conditions. In assessing information about possible future economic conditions, the Manager utilized multiple economic scenarios including our base case, which represents the most probable outcome and is consistent with our view of the portfolio. In considering the lifetime of a loan, the contractual period of the loan, including prepayment, extension and other options is generally used.

The calculation of expected credit losses includes the explicit incorporation of forecasts of future economic conditions. In determining expected credit losses, we have considered key macroeconomic variables that are relevant to each investment type. Key economic variables include unemployment rate, housing price index and interest rates. The estimation of future cash flows also includes assumptions about local real estate market conditions, availability and terms of financing, underlying value of the security and various other factors. These assumptions are limited by the availability of reliable comparable market data, economic uncertainty and the uncertainty of future events. Accordingly, by their nature, estimates of impairment are subjective and may not necessarily be comparable to the actual outcome. Should the underlying assumptions change, the estimated future cash flows could vary. The forecast is developed internally by the Manager. The Manager exercises experienced credit judgment to incorporate multiple economic forecasts which are probability-weighted in the determination of the final expected credit loss. The allowance is sensitive to changes in both economic forecast and the probability-weight assigned to each forecast scenario.

Credit-impaired financial assets

Allowances for Stage 3 are recorded for individually identified impaired loans to reduce their carrying value to the expected recoverable amount. The Manager reviews the loans on an ongoing basis to assess whether any loans carried at amortized cost should be classified as credit impaired and whether an allowance or write-off should be recorded. The review of individually significant problem loans is conducted at least quarterly by the Manager, who assesses the ultimate collectability and estimated recoveries for a specific loan based on all events and conditions that are relevant to the loan. To determine the amount the Manager expects to recover from an individually significant impaired loan, the Manager uses the value of the estimated future cash flows discounted at the loan's original effective interest rate. The determination of estimated future cash flows of a collateralized impaired loan reflects the expected realization of the underlying security, net of expected costs and any amounts legally required to be paid to the borrower.

(continues)

3. Summary of significant accounting policies (continued)

(f) Financial instruments (continued)

Presentation of allowance for ECL in the statement of financial position

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

Write-offs

The gross carrying amount of the financial assets are written off when the Company has no reasonable expectation of recovering a financial asset in its entirely or a portion thereof. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(g) Derecognition of financial assets and liabilities

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or in which the Company neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the financial asset. Any interest in such transferred financial assets that does not qualify for derecognition that is created or retained by the Company is recognized as a separate asset or liability. On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset transferred), and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss.

The Company enters into transactions whereby it transfers mortgage investments recognized on its statement of financial position, but retains either all, substantially all, or a portion of the risks and rewards of the transferred mortgage investments. If all or substantially all risks and rewards are retained, then the transferred mortgage or loan investments are not derecognized. In transactions in which the Company neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset and it retains control over the asset, the Company continues to recognize the assetto the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

Financial liabilities

The Company derecognizes a financial liability when the obligation under the liability is discharged, cancelled or expires.

(continues)

EQUITYLINE MORTGAGE INVESTMENT CORPORATION
Notes to Interim Unaudited Financial Statements For the Nine Month Period Ended September 30, 2021

3. Summary of significant accounting policies (continued)

(h) Adoption of new accounting standards

The Company has not adopted any new accounting standards that had a material impact on the Company's financial statements.

Future accounting policy changes

At the date of authorization of these unaudited interim financial statements, several new, but not yet effective, standards and amendments to existing standards, and interpretations have been published by the IASB. None of these standards or amendments to existing standards have been adopted early by the Company.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New standards, amendments and interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Company's financial statements.

4. Mortgage investments

	Sept 30, 2021	**Number**	December 31, 2020	Number
Residential	**$ 14,143,557**	**55**	$ 9,169,982	28
Commercial	**462,500**	**2**	1,981,500	3
	14,606,057	**57**	11,151,482	31
Accrued interest receivable (net of servicing fees)	**293,287**		90,273	
	14,899,344		11,241,755	
Allowance for loan loss	**(39,000)**		(59,000)	
	14,860,344		11,182,755	

	Sept 30, 2021	**%**	December 31, 2020	%
Interest in first mortgages	**4,554,111**	**31%**	3,684,123	33%
Interest in non-first mortgages	**10,345,233**	**69%**	7,557,632	67%
	14,899,344	**100%**	11,241,755	100%
Allowance for loan losses	**(39,000)**		(59,000)	
	14,860,344		11,182,755	

(continues)

EQUITYLINE MORTGAGE INVESTMENT CORPORATION
Notes to Interim Unaudited Financial Statements For
the Nine Month Period Ended September 30, 2021

4. Mortgage investments (continued)

The following table presents the gross carrying amounts of mortgage investments subject to IFRS 9 impairment requirements.

Allowance for credit losses

Allowance on performing loans

The mortgage investments are assessed at each reporting date to determine whether there is objective evidence of expected credit losses. The ECL model requires the recognition of credit losses based on 12 months of expected losses for performing loans (Stage 1) and the recognition of lifetime expected losses on performing loans that have experienced a significant increase in credit risk since origination (Stage 2). As at September 30, 2021, a provision for expected credit losses on the mortgage investments was recorded of ($20,000) (December 31, 2020- $59,000).

Allowance on impaired loans

Allowance for impaired loans (Stage 3) are recorded for individually identified impaired loans to reduce their carrying value to the expected recoverable amount. As at September 30, 2021 and December 31, 2020, there were no impaired mortgage investments.

Loans are broken down into the difficulty stages as follows:

	Stage 1	Stage 2	Stage 3	Total
Residential				
Gross mortgage investments	$ 13,920,252	$ 283,140	$ 228,765	$ 14,432,157
Allowance for loan losses	(19,089)	(6,437)	(11,691)	(37,217)
Mortgage investment, net of allowance	13,901,163	276,703	217,074	14,394,940
Commercial				
Gross mortgage investments	467,187	-	-	467,187
Allowance for loan losses	(1,783)	-	-	(1,783)
Mortgage investment, net of allowance	$ 465,404	-	-	465,404
Total mortgage loans	**$ 14,366,567**	**$ 276,703**	**$ 217,074**	**$ 14,860,344**

(continues)

4. Mortgage investments (continued)

The Company uses the following internal risk rating for credit risk purposes:

Low Risk: Mortgage and loan investments that exceed the credit risk profile standard of the Company with a below average probability of default. Yields on these investments are expected to trend lower than the Company's average portfolio.

Medium-Low: Mortgage and loan investments that are typical for the Company's risk appetite, credit standards and retain a below average probability of default. These mortgage and loan investments are expected to have average yields and would represent a significant percentage of the overall portfolio.

Medium-High: Mortgage and loan investments within the Company's risk appetite and credit standards with an average probability of default. These investments typically carry attractive risk-return yield premiums.

High Risk: Mortgage and loan investments within the Company's risk appetite and credit standards that have an additional element of credit risk that could result in an above average probability of default. These mortgage and loan investments carry a yield premium in return for their incremental credit risk. These mortgage and loan investments are expected to represent a small percentage of the overall portfolio.

Default: Mortgage and loan investments that are 90 days past due and when there is objective evidence that there has been a deterioration of credit quality to the extent the Company no longer has reasonable assurance as to the timely collection of the full amount of principal and interest and/or when the Company has commenced enforcement remedies available to it under its contractual agreements.

All Mortgage investments held at June 30, 2021 are classified as Medium-low risk. The mortgage loans bear interest at the weighted average rate of 11.07% (December 31, 2020 – 11.22%).

5. Management fees

The Manager is responsible for day-to-day operations including administration of the Company's mortgage portfolio. Pursuant to the management agreement, the Manager is entitled to 1% per annumof the gross mortgage investments of the Company, calculated and paid monthly in arrears.

Gross mortgage investments are defined as the total mortgage investments of the Company less unearned revenue. For the nine months ended September 30, 2021, the Company incurred management fees of $93,190 (September 30, 2020 - $77,536)

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6. Related party transactions and balances

	2021 Sept 30	2020 December 31
Due from related party		
Equityline Services Corp. (the Manager)	**$ 1,498,844**	$ 43,354

	2021 Sept 30	2020 December 31
Due to related parties		
Velev Capital GP Inc.	**$ 1,266,504**	$ 30,153
Equityline Financial Corp.	**-**	11,207
	$ 1,266,504	$ 41,360

As at September 30, 2021, included in due from the Manager is $1,472,000 (December 31, 2020 - $10,608) of cash held in trust by the Manager. The Manager provides mortgage servicing and administration services to the Company. The balance relates to mortgage funding holdbacks and prepaid mortgage interest received from various borrowers.

During the period the Company borrowed $2,155,000 from Velev Capital GP Inc. The loan is due on demand and non- interest bearing.

During the period, the Company repaid $858,000 of the revolving debenture facility established with Velev Capital GP Inc. As at September 30, 2021, the aggregate amount outstanding for the facility is $4,420,000 (December 31, 2020- $5,080,000). During the period, Velev Capital GP Inc. forgave $175,347 of interest from the Company. The term of the debentures are described in Note 7. Velev Capital GP Inc. is related to the Company by virtue of common ownership and management.

On August 20, 2020, Velev Capital GP Inc. assigned $940,000 of the debentures to Equityline Capital Limited. Equityline Capital Limited is related to the Company by virtue of common ownership and management.

During the six month period, the Company paid management fees of $57,688 (September 30, 2020 - $93,190) to the Manager.

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

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7. Debentures

	Sept 30, 2021	December 31, 2020
Short term debentures are comprised of as follows:		
Due December 2, 2021 carrying interest rate of 8%	**$ 250,000**	$ 250,000
Due on demand, carrying interest rate of 9%	**100,000**	100,000
Due on December 17, 2021, carrying interest rate of 8%	**400,000**	400,000
Due on April 15, 2022, carrying interest rate of 8%	**50,000**	-
Due on May 1, 2022, carrying interest rate of 8%	**80,000**	-
Due on May 10, 2022, carrying interest rate of 8%	**150,000**	-
Due on April 12, 2022, carrying interest rate of 8%	**660,000**	-
Due on June 23, 2022, carrying interest rate of 8%	**240,000**	-
Due on May 10, 2022, carrying interest rate of 8%	**120,000**	-
Due on June 30, 2022, carrying interest rate of 8%	**800,000**	-
Due January 22, 2022 carrying interest rate of 8%	**60,000**	-
Due January 22, 2022 carrying interest rate of 8%	**50,000**	-
Due January 26, 2022 carrying interest rate of 8%	**100,000**	-
Due February 18, 2022 carrying interest rate of 8%	**400,000**	-
Due July 21, 2022 carrying interest rate of 8.0%	**370,000**	-
Due July 22, 2022 carrying interest rate of 8.0%	**300,000**	-
Due July 27, 2022 carrying interest rate of 8.0%	**600,000**	-
Due August 17, 2022 carrying interest rate of 8.0%	**100,000**	-
Due August 31, 2022 carrying interest rate of 8.0%	**300,000**	-
Due September 1, 2022 carrying interest rate of 8.0%	**200,000**	-
Due September 22, 2022 carrying interest rate of 8.0%	**30,000**	-
Due September 28, 2022 carrying interest rate of 8.0%	**250,000**	-
	5,610,000	750,000
Less: transaction costs	**(104,808)**	(104,808)
	5,505,192	645,192
Accretion of transaction costs	**87,340**	8,734
	5,592,532	653,926
Long term debentures are comprised of as follows:		
Due January 3, 2023, carrying interest rate of 8% (Note 6)	**2,622,000**	5,080,000
Due August 20, 2022, carrying interest rate of 8% (Note 6)	**940,000**	940,000
Due April 1, 2024, carrying interest rate of 8%	**60,000**	-
Due June 3, 2024, carrying interest rate of 8%	**15,000**	-
Due August 9, 2024 carrying interest rate of 8%	**100,000**	-
Due September 7, 2024 carrying interest rate of 8%	**40,000**	-
Due September 24, 2024 carrying interest rate of 8%	**15,000**	-
Due May 20, 2024, carrying interest rate of 8.5%	**30,000**	-
Due June 15, 2024, carrying interest rate of 8.5%	**30,000**	-
Due August 9, 2024 carrying interest rate of 8.5%	**22,000**	-
	3,874,000	6,020,000
Total debentures	**$ 9,466,532**	$ 6,673,926

On January 3, 2020, the Company established a revolving debenture facility of $8,000,000 with Velev Capital GP Inc. As at September 30, 2021, the balance of the facility is $3,562,000 (December 31, 2020 - $5,080,000).

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During the nine month period ended September 30, 2021, the Company issued short term and long term debentures for proceeds of $5,922,000 and $135,000 respectively with maturity dates ranging from January 22, 2022 to September 24, 2024.

On August 20, 2020, Velev Capital GP Inc. assigned $940,000 of long term debentures to Equityline Capital Limited (Jamaica) due August 20, 2022.

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EQUITYLINE MORTGAGE INVESTMENT CORPORATION
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7. Debentures (continued)

The short term and long term debentures are secured by a general security agreement constituting a charge on all of the assets of the Company ranking equal with the holders of the redeemable preferred shares. Interest costs for the nine month ended September 30, 2021 of $422,972 (September 30, 2020 - $225,345) related to the debentures are recorded in financing costs using the effective interest rate method.

8. Redeemable Preferred Shares

	Sept 30, 2021		December 31, 2020	
	Shares	**Amount**	Shares	Amount
Series A Preferred Shares				
Shares outstanding at the beginning of the year	**2,683,400**	**$ 6,580,575**	2,683,400	$ 6,980,538
Foreign currency revaluation	**-**	**(36,494)**	-	(152,895)
Less: transaction costs	**-**	**-**	-	(737,667)
Accretion of transaction costs	**-**	**119,366**	-	490,899
	2,683,400	**$ 6,663,747**	2,683,400	$ 6,580,875

On January 18, 2019, the Company completed a public offering of 2,683,400 Series A preferred shares. After taking into account accretion of transaction costs the book value is $6,695,005.

There is an unlimited number of Series A redeemable preferred shares available for issue. The shares are non-voting and redeemable at $2.00 USD per share.

Distributions to shareholders of Series A redeemable preferred shares

The Company pays dividends to holders of Series A preferred shares monthly within 15 days following the end of each month. For the three month period ended September 30, 2021, the Company declared dividends of $134,970 (2020 - $146,116) or $0.05 CAD (three month ended September 30, 2020 - $0.05 CAD) per Series A preferred share.

EQUITYLINE MORTGAGE INVESTMENT CORPORATION
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9. Share capital

Authorized:

Unlimited voting common shares.

Unlimited Series A preferred shares, non-voting, redeemable by the Company after 24 months and retractable by the holder after 36 months at $2.00 USD per share with a right to a monthly dividend of $0.01333 USD ($0.16 USD annually).

Unlimited Series B non-voting shares, redeemable and retractable at $10 per share with a right to an annual cumulative dividend of 8.0% paid monthly.

Unlimited Series F non-voting shares, redeemable and retractable at $10 per share with a right to an annual cumulative dividend of 8.5% paid monthly.

Unlimited Series H non-voting shares, redeemable and retractable at $10 per share with a right to an annual cumulative dividend of 8.0% paid monthly.

	2021	2020
Issued		
200 voting common shares as at September 30, 2021	**$ 200**	$ 200

10. Basic and diluted income (loss) per share

Basic earnings per share are calculated by dividing total net income and comprehensive income by the weighted average number of shares during the period.

The following table shows the computation of per share amounts:

	For Nine Months ended Sept 30, 2021	For Nine Months ended Sept 30, 2020
Calculation of earnings per share		
Net loss and comprehensive loss	**$ (480,397)**	$ (890,325)
Weighted average number of shares (basic)	**200**	200
Income (loss) per share – basic and diluted	**$ (2,401.99)**	$ (4,451.63)

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11. Contingent liability

In the ordinary course of business activities company may be contingently liable for litigation and claims arising from investing in mortgage investments and other investments. Where required, management records adequate provisions in the accounts.

Although it is not possible to accurately estimate the extent of potential costs and losses, if any, management believes that the ultimate resolution of such contingencies would not have a material adverse effect on the Company's financial position.

Currently, there are no contingent liabilities or litigation.

12. Financial instruments

The Company is exposed to the effects of global economic conditions and other factors that could adversely affect its business, financial condition and operating results. Many of these ris k factors are beyond the Company's direct control. However, the Manager and Board of Directors play an active role and continuous in monitoring the Company's key risks and in determining the policies that are best suited to manage them. There has been no change in the procedure and process since the previous year.

The Company's business activities, including its use of financial instruments, exposes the Company to various risks, the most significant of which are market rate risk (interest rate risk and currency risk), credit risk, and liquidity risk.

Credit risk

Credit risk is the risk that a borrower may be unable to honour its debt commitments because of a negative change in market conditions that could result in a loss to the Company. The Company mitigates this risk by the following:

i. adhering to the investment restrictions and operating policies included in the asset allocation model (subject to certain duly approved exceptions);
ii. ensuring all new mortgage investments are approved by the investment committee before funding; and
iii. actively monitoring the mortgage investments and initiating recovery procedures, in a timely manner, where required.

The Company's primary exposure to credit risk at September 30, 2021 is its mortgage investments of $14,860,344 (December 31, 2020 - $11,182,755). However, the exposure to risk is mitigated by security against the assets of the borrowers.

The Company has recourse under these mortgages and in the event of default by the borrower; in which case, the Company would have a claim against the underlying collateral.

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12. Financial instruments (continued)

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they become due. This risk arises in normal operations from fluctuations in cash flow as a result of the timing of mortgage investment advances and repayments and the need for working capital. Management routinely forecasts future cash flow sources and requirements to ensure cash isefficiently utilized.

The contractual maturities of financial liabilities as at September 30, 2021 and December 31, 2020 are:

	Carrying values	Contractual cash flows	Within a year	1 to 3 years	3 to 5 years
September 30, 2021					
Accounts payable and accrued liabilities	$ 211,712	$ 211,712	$ 211,712	$ -	$ -
Withholding tax payable	48,827	48,827	48,827	-	-
Distributions payable	145,941	145,941	145,941	-	-
Interest payable	-	-	-	-	-
Prepaid mortgage interest payable	49,421	49,421	49,421	-	-
Short term debentures	5,904,532	5,904,532	5,904,532	-	-
Long term debentures	3,562,000	3,562,000	-	3,562,000	-
Redeemable preferred shares	6,663,747	6,663,747	-	6,663,747	-
	16,586,180	16,586,180	6,360,433	10,225,747	-
December 31, 2020					
Accounts payable and accrued liabilities	121,174	121,174	121,174	-	-
Distributions payable	150,686	150,686	150,686	-	-
Due to related parties	41,360	41,360	41,360	-	-
Prepaid mortgage interest payable	26,596	26,596	26,596	-	-
Short term debentures	653,926	750,000	750,000	-	-
Long term debentures	6,020,000	6,020,000	-	6,020,000	-
Redeemable preferred shares	6,580,875	6,827,643	-	-	6,827,643
	13,594,617	13,937,459	1,089,816	6,020,000	6,827,643

(continues)

EQUITYLINE MORTGAGE INVESTMENT CORPORATION
Notes to Interim Unaudited Financial Statements For the Nine Month Period Ended September 30, 2021

12. Financial instruments (continued)

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to currency risk primarily from other investments that are denominated in a currency other than the Canadian dollar. The Company does not use foreign currency forwards to hedge the principal balance of future earnings and cash flows caused by movements in foreign exchange rates.

As at September 30, 2021, the Company has the following assets and liabilities denominated in US dollars:

	2021 *Sept 30*	2020 *December 31*
Cash	**$ 155,369**	$ 154,363
Distribution payable	**145,941**	150,686
Redeemable preferred shares	**6,663,747**	6,580,875
	$ 6,965,057	$ 6,885,924

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of financial assets or financial liabilities will fluctuate because of changes in market interest rates. The Company manages its sensitivity to interest rate fluctuations by managing the fixed ratio in its investment portfolio.

The Company's amounts receivable, interest receivable, accounts payable and accrued expenses, prepaid mortgage interest, dividends payable and Management fee payable have no exposure to interest rate risk due to their short-term nature. Cash and cash equivalents carry a variable rate of interest and are subject to minimal interest rate risk and the debentures have no exposure to interest rate risk due to their fixed interest rate.

Interest income risk

The Company’s mortgage loans consist of short-term loans that are generally repaid by the borrowers in under 12 months. The reinvestment of the funds received from such repayments is invested at current market interest rates. As such, the weighted average interest rate applicable to the investment portfolio changes with time. This creates an ongoing risk that the weighted average interest rate on the investment portfolio will decrease, which will have a negative impact on the Company’s mortgage interest income.

Unless otherwise noted, it is management's opinion that the company is not exposed to significant market risk and other price risks arising from these financial instruments.

(continues)

13. Fair value of financial instruments

a) Mortgage investments

There is no quoted price in an active market for the mortgage investments. The Manager makes its determination of fair value based on its assessment of the current lending market for mortgages. Typically, the fair value of these mortgage investments approximates their carrying values given the amounts consist of short-term loans.

b) Other financial assets and liabilities

The fair value of cash and cash equivalents, due from related party, accounts payable, prepaid mortgage interest, debentures and redeemable preferred shares approximate their carrying amounts due to their short-term maturities or bear interest and dividend at market rates.

14. Capital risk management

The Company manages its capital structure in order to support ongoing operations while focusing on its primary objectives of preserving shareholder capital and generating a stable monthly cash dividend to shareholders. The Company defines its capital structure to include common shares and debentures.

The Company reviews its capital structure on an ongoing basis and adjusts its capital structure in response to mortgage investment opportunities, the availability of capital and anticipated changes in general economic conditions.

The Company's investment restrictions and asset allocation model incorporate various restrictions and investment parameters to manage the risk profile of the mortgage investments. There have been no changes in the process over the previous year.

On September 30, 2021, the Company was in compliance with its investment restrictions.

15. COVID-19 Pandemic

The Company's operations could be significantly adversely affected by the effects of a widespread global outbreak of a pandemic, including the recent outbreak of respiratory illness caused by COVID-19. The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations to the Company. In addition, the outbreak of the contagious diseases could result in another widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could subsequently impact the Company's operations and ability of borrowers to repay their debts.

The Company continues to operate at a functional capacity in a virtual manner.

EQUITYLINE MORTGAGE INVESTMENT CORPORATION
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16. Credit Facility

On August 30, 2021, the Company established a senior secured revolving demand facility authorized to a maximum of $25,000,000 through a special purpose entity with a Canadian Schedule 1 bank. The facility is to be utilized for the purchase of eligible mortgage investments. As of September 30, 2021, $2,590,500 has been drawn. The interest rate on the facility is the greater of 3.70% or Prime + 1.50%, currently 3.95%.

The company paid approximately $729,879 of expenses in securing this credit facility. This amount has been categorized in prepaid expenses and being amortized over a 36 month term.

17. Events after the statement of financial position date

On October 14, 2021, Articles of Amendments for the Company were registered subdividing the 200 issued and outstanding voting common shares into 100,000,000 issued and outstanding voting common shares of the Corporation by changing each one (1) voting common share into 1,000,000 voting common shares. The effective split date is November 10, 2021.

TOP 10 SHAREHOLDINGS

Shareholder	Units
JCSD TRUSTEE SERVICES LTD - SIGMA GLOBAL BOND	625,000
JCSD TRUSTEE SERVICES LTD - SIGMA OPTIMA	525,000
SAGICOR POOLED EQUITY FUND	384,000
SIGMA GLOBAL MARKETS FUND JCSD TRUSTEE SERVICES LTD.	225,000
ROLAND R. JAMES	112,000
HUGH CROSS	50,000
QUINTAL INVESTMENTS LTD.	50,000
VENIA L. GRAY	50,000
MARY J. MCCONNELL	50,000
ROBERT E. SMITH	29,951

EQUITY IN THE COMPANY OF MORE THAN 25%

Individual	Ownership	Active in the business
Sergiy Shchavyelyev	25%	Yes
Robert Kay	25%	Yes
Yuliya Yashku	25%	No
Igor Demitchev	25%	No

EQUITYLINE

MORTGAGE INVESTMENT CORPORATION

Stability / Predictability / Diversification

EquityLine GROUP OF COMPANIES

550 Highway 7 Ave. E Suite #338
Richmond Hill Ontario Canada, L4B 3Z4
Phone: 1(888) 269-1988 | (416) 999-3993
Fax: (416) 747-9855
Email: info@EquityLineMic.com
Website: EquityLineMic.com

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EquityLineMic.com