Condensed Interim Consolidated Financial Statements for the period ended September 30, 2013

Contents

Consolidated Statements of Financial position

(in thousands of Canadian dollars)
(unaudited)

As at,	Notes		**September 30, 2013**		December 31, 2012
Assets					
Current assets					
Cash and cash equivalents		**$**	**5,948**	$	2,330
Trade and other receivables	19(a,f)		**5,510**		4,161
Current income tax receivable			**-**		689
Investments at fair value through profit or loss			**1,725**		1,669
Short term portion of restricted trust units receivable	19(b)		**189**		254
Prepaid expenses			**71**		217
Notes receivable	19(d)		**-**		342
		$	**13,443**	$	9,662
Property and equipment			**1,218**		1,684
Restricted trust units receivable	19(b)		**88**		92
Prepaid deposits			**573**		546
Investments at fair value through other comprehensive income	4		**7,451**		6,597
Intangible assets			**72,806**		45,539
Deferred sales commissions	10		**1,881**		1,121
Total assets		**$**	**97,460**	$	65,241
Liabilities					
Current Liabilities					
Trade and other payables	19(a,e)	**$**	**3,901**	$	1,862
Current income tax payable			**112**		-
Provisions	14		**2,275**		2,706
Revolving line of credit	13		**-**		1,000
Term credit facility	13		**-**		1,396
		$	**6,288**	$	6,964
Convertible debentures	15		**35,321**		34,870
Forward purchase contract liability	6		**3,930**		-
Deferred tax liabilities			**11,515**		4,028
		$	**57,054**	$	45,862
Non-controlling interest					
Non-controlling interest			**193**		102
Shareholders' equity					
Share capital		**$**	**45,236**	$	24,121
Treasury stock			**(752)**		(641)
Convertible debentures equity component			**5,838**		5,838
Contributed surplus			**6,080**		5,057
Retained deficit			**(12,021)**		(10,203)
Accumulated other comprehensive loss			**(4,168)**		(4,895)
		$	**40,213**	$	19,277
Total liabilities & shareholders' equity		**$**	**97,460**	$	65,241

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

Consolidated Statements of Net and Comprehensive Income

(in thousands of Canadian dollars)
(unaudited)

		For the three month periods ended,		*For the nine month periods ended,*	
	Note	**September 30, 2013**	September 30, 2012	**September 30, 2013**	September 30, 2012
Revenue					
Management fees	19(a)	**$ 8,453**	$ 5,834	**$ 21,922**	$ 17,770
Administration charges	19(b)	**723**	361	**2,216**	361
		$ 9,176	$ 6,195	**$ 24,138**	$ 18,131
Expenses					
General and administrative		**$ 5,479**	$ 3,597	**$ 14,466**	$ 11,253
Product development		**117**	269	**557**	522
Share based compensation	17	**430**	564	**1,366**	1,828
Depreciation of property and equipment		**70**	171	**264**	318
Amortization of deferred sales commissions	10	**277**	104	**702**	308
Trailer fees		**748**	296	**1,823**	670
Commissions		**54**	35	**133**	108
Total operating expenses		**$ 7,175**	$ 5,036	**$ 19,311**	$ 15,007
Net (gains) losses on investments	7	**$ (129)**	$ (942)	**$ (489)**	$ (1,011)
Finance expense	8	**1,041**	1,052	**3,132**	3,158
Net income (loss) before tax for the period		**$ 1,089**	$ 1,049	**$ 2,184**	$ 977
Income tax expense (recovery)					
Current taxes		**355**	128	**442**	1,072
Deferred taxes		**291**	126	**541**	(258)
Net income (loss) for the period		**$ 443**	$ 795	**$ 1,201**	$ 163
Net income (loss) to non-controlling interest		**85**	-	**81**	-
Net income (loss) to controlling interest		**$ 358**	$ 795	**$ 1,120**	$ 163
Other comprehensive income (loss):					
Net change in fair value of investments through other comprehensive income		**$ 297**	$ 587	**$ 854**	$ (295)
Deferred tax on net change in fair value of investments through other comprehensive income		**(44)**	(126)	**(127)**	(143)
Other comprehensive (loss) income for the period, net of tax		**$ 253**	$ 461	**$ 727**	$ (438)
Total comprehensive income (loss) for the period		**$ 611**	$ 1,256	**$ 1,847**	$ (275)
Net income per share					
Basic	11	**$ 0.004**	$ 0.011	**$ 0.015**	$ 0.002
Diluted	11	**$ 0.004**	$ 0.011	**$ 0.014**	$ 0.002

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

Consolidated Statements of Changes in Equity

(in thousands of Canadian dollars. Share information in thousands)

(unaudited)

For the nine months ended,	Note		**September 30, 2013**		September 30, 2012
Number of common shares outstanding					
Outstanding at the beginning of period			**72,400**		72,626
Shares issued in public offering	16		**15,300**		-
Stock options exercised	17		**1,062**		641
Shares repurchased & cancelled			**-**		(311)
Shares repurchased & held in treasury			**(89)**		(558)
Outstanding at end of period			**88,673**		72,398
Share capital					
Balance at beginning of period		**$**	**24,121**	$	23,702
Cash received on public offering			**21,420**		-
Share issue costs	16		**(1,361)**		-
Options exercised			**786**		517
Normal course issuer bid repurchases			**-**		(103)
Other			**270**		(15)
Balance at end of period		**$**	**45,236**	$	24,101
Treasury stock					
Balance at beginning of period		**$**	**(641)**	$	(869)
Shares repurchased and held in treasury			**(111)**		(14)
Balance at end of period		**$**	**(752)**	$	(883)
Convertible debentures equity component					
Balance at beginning of period		**$**	**5,838**	$	5,856
Equity portion allocated from issuance in the period			**-**		5
Normal course issuer bid repurchases			**-**		(3)
Change in future income tax			**-**		33
Balance at end of period		**$**	**5,838**	$	5,891
Contributed surplus					
Balance at beginning of period		**$**	**5,057**	$	3,345
Share based compensation expensed	17		**1,366**		1,828
Share based compensation exercised			**(343)**		(219)
Balance at end of period		**$**	**6,080**	$	4,954
Retained deficit					
Balance at beginning of period		**$**	**(10,203)**	$	(5,983)
Restatement of prior period retained earnings			**-**		(4)
Dividends paid	12		**(2,938)**		(2,167)
Normal course issuer bid repurchases			**-**		(320)
Net income (loss) for period			**1,120**		163
Balance at end of period		**$**	**(12,021)**	$	(8,311)
Accumulated other comprehensive loss					
Balance at beginning of period		**$**	**(4,895)**	$	(4,599)
Other comprehensive income (loss)			**727**		(438)
Balance at end of period		**$**	**(4,168)**	$	(5,037)
Total equity		**$**	**40,213**	$	20,715

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

Consolidated Statements of Cash Flows

(in thousands of Canadian dollars)
(unaudited)

For the nine months ended,	Note		**September 30, 2013**		September 30, 2012
Operating Activities					
Net income (loss) for the period		**$**	**1,201**	$	163
Adjustments for non-cash items:					
Deferred income taxes			**541**		(258)
Interest expense	8		**1,781**		1,726
Depreciation of property and equipment			**264**		317
Amortization of deferred sales commissions			**702**		308
Accretion	8		**1,349**		1,423
Share based compensation	17		**1,366**		1,828
Gain (loss) on financial instruments			**(206)**		(842)
Other non-cash gains/losses			**15**		4
Income tax expense			**442**		1,072
		$	**7,455**	$	5,741
Change in non-cash working capital	9		**1,030**		57
		$	**8,485**	$	5,798
Income taxes paid (received)			**355**		(1,502)
Net cash from (used in) operating activities		**$**	**8,840**	$	4,296
Investing Activities					
Property and equipment expenditures		**$**	**(83)**	$	(1,223)
Acquisition of financial assets			**(107)**		(1,960)
Proceeds from sale of capital assets			**284**		-
Proceeds from sale of financial assets			**242**		523
Deferred sales commissions paid	10		**(1,462)**		(885)
Change in non-cash working capital			**(121)**		-
Corporate acquisition, net of cash	6		**(16,372)**		-
Net cash from (used in) investing activities		**$**	**(17,619)**	$	(3,545)
Financing Activities					
Issuance of equity instruments	16	**$**	**21,420**	$	-
Share issue costs	16		**(1,361)**		-
Issuance of non-controlling interest			**10**		-
Proceeds from exercise of share options	17		**445**		299
Settlement of debenture			**-**		(250)
Normal course issuer bid repurchases			**-**		(444)
Subscriptions receivable for subsidiary			**-**		98
Shares repurchased and held in treasury			**-**		(15)
Proceeds from revolving line of credit	13		**2,964**		-
Repayment of term credit facility	13		**(1,500)**		(1,500)
Repayment of revolving line of credit	13		**(3,964)**		-
Purchase of treasury stock			**(111)**		-
Interest paid	15		**(2,568)**		(2,600)
Dividends paid	12		**(2,938)**		(2,167)
Net cash from (used in) financing activities		**$**	**12,397**	$	(6,579)
Change in cash and cash equivalents		**$**	**3,618**	$	(5,828)
Cash and cash equivalents, beginning of period			**2,330**		8,162
Cash and cash equivalents, end of period		**$**	**5,948**	$	2,334

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

For the periods ended September 30, 2013 and 2012
(tabular amounts are in thousands of Canadian dollars except share and per share information)
(unaudited)

1. Reporting Entity

Aston Hill Financial Inc. (the "Company" or "Aston Hill") is incorporated under the laws of the Province of Alberta, Canada and is a company domiciled in Canada. The unaudited condensed interim consolidated financial statements ("interim consolidated financial statements") of the Company as at September 30, 2013 and December 31, 2012, and for the periods ended September 30, 2013 and September 30, 2012 comprise the Company and its wholly-owned and majority-owned subsidiaries. The principal business of Aston Hill is the management, marketing, distribution and administration of mutual funds, closed-end funds, private equity funds, hedge funds, segregated institutional funds, as well as oil and gas property management and other fee-based investment products for Canadian investors.

The head office, principal address and registered and records office of the Company are located at Suite 500, 321 - 6th Avenue SW, Calgary, Alberta, T2P 3H3.

These interim consolidated financial statements were approved and authorized for issuance by the Board of Directors on November 7, 2013.

2. Basis of Preparation

Statement of compliance:

These interim consolidated financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") and in accordance with International Accounting Standards ("IAS") 34, *Interim Financial Reporting*.

The accounting policies applied in these interim consolidated financial statements are the same as those applied in the Company's annual consolidated financial statements for the year ended December 31, 2012, except as described in the notes to the interim financial statements.

The interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2012.

3. Significant accounting policies

New standards adopted:

The following standards and amendments have been adopted as of January 1, 2013:

<u>IFRS 10 – Consolidation</u>

IFRS 10, *Consolidated Financial Statements* ("IFRS 10"), requires an entity to consolidate an investee when it has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12, *Consolidation - Special Purpose Entities,* and parts of IAS 27, *Consolidated and Separate Financial Statements*.

As a result of this adoption, the December 31, 2012 balance sheet adjusted to reclassify $604,000 of seed capital in Aston Hill's proprietary funds from investments at fair value through income or loss to cash and cash equivalents. This reclassification entry was required to recognize the that these funds are now required to be consolidated with Aston Hill's financial results in accordance with the new consolidation guidelines under IFRS 10.

3. Significant accounting policies (continued)

IFRS 13 - Fair Value Measurement

IFRS 13, *Fair Value Measurement*, is a comprehensive standard for fair value measurement and disclosure for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and does not always reflect a clear measurement basis or consistent disclosures. In accordance with IFRS 13, the Company has changed its accounting policy to value marketable securities according to their close price.

No material restatement of financial statement line items was required as a result of the adoption of this policy. Additional disclosures were required in the interim financial statements as a result of this adoption.

Amendments

The Company has adopted the amendments to IAS 1. These amendments require the Company to separately group other comprehensive income items by those that will be reclassified subsequently to profit or loss and those that will not be reclassified.

The Company has reclassified comprehensive income items of the comparative period as a result of this adoption. These changes did not result in any adjustments to other comprehensive income or comprehensive income.

4. Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Regular way purchases and sales of financial assets are accounted for on a trade-date basis. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

a) Financial assets and liabilities at fair value through profit or loss:

Non-derivative financial assets and liabilities at fair value through profit or loss are classified as, and reported at, fair value through profit or loss. The fair value of a financial instrument is the amount of consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act. In order to recognize the time value mechanics of money on the forward purchase contract liability, it has been discounted at a risk free rate of interest. The risk free rate of interest is based on Canada savings bonds with a similar useful life to the obligation being discounted.

b) Financial assets at fair value through other comprehensive income:

The Company's investment in Journey Energy Inc. (formerly Sword Energy Inc.) is a financial asset reported at fair value through other comprehensive income. The fair value of a financial instrument is the amount of consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act. Estimated fair value is determined on the basis of the expected realizable value of the investments if they were disposed of in an orderly fashion over a reasonable period of time. The Company uses estimation techniques to determine fair value which include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another financial instrument that is substantially the same, discounted cash flow analysis, multiple earnings analysis, and reserve based valuations.

4. Determination of fair values (continued)

c) Convertible debentures:

The Company has convertible debenture obligations outstanding, of which a liability component has been classified as a financial liability at amortized cost. The convertible debentures have fixed interest rates which differ from the market interest rate available to the Company which resulted in an adjustment to fair value being required at initial recognition. The fair value of the convertible debentures at initial recognition was determined based on discounted cash flows assuming no future conversions and continuation of current interest and principal payments as well as taking into consideration the current public trading activity of such debentures. The Company applied a discount rate of 10% considering current available market information, assumed credit adjustments, and various terms to maturity.

The fair value at recognition of the equity component of the convertible debenture was determined using the residual method in which the difference between the face value of the instrument and the fair value of the debt is allocated as the fair value of the equity component.

d) Share based compensation:

The fair value of employee share based compensation is measured using a Black-Scholes option pricing model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behavior), expected dividends, and the risk-free interest rate (based on government bonds).

e) Restricted Trust Units receivable:

Argent RTUs granted to the Company have been issued in accordance with the Company's administrative services contract with Argent Energy Trust ("Argent") (note 19b). The units issued pursuant to Argent's RTU plan are not considered equity based payments as the IAS 32 "Puttable Instrument" exemption does not extend to unit based payments made by a Trust. The instrument is classified at fair value through profit or loss. The grant date fair value of Argent RTUs are determined by fair value models as deemed appropriate by the Company. The Company is required to re-determine the fair value of the balance receivable relating to the Agent RTUs at the end of each reporting period and record any changes in fair value through the income statement.

f) Summary of fair values:

The following tables provide fair value measurement information for financial assets and liabilities recorded at fair value as of September 30, 2013 and December 31, 2012.

For the periods ended September 30, 2013 and 2012
(tabular amounts are in thousands of Canadian dollars except share and per share information)
(unaudited)

4. Determination of fair values (continued)

	Carrying	Fair	**Fair value measurements using**		
September 30, 2013	Amount	Value	Level 1	Level 2	Level 3
Financial assets:					
Investments at fair value through profit or loss	$ 1,725	$ 1,725	$ 1,722	$ 3	$ -
Argent RTUs receivable	277	277	-	277	-
Financial assets at fair value through OCI	7,451	7,451	-	-	7,451
Financial liabilities:					
Forward purchase contract liability	(3,930)	(3,930)	-	(3,930)	-
	$ 5,523	$ 5,523	$ 1,722	$ (3,650)	$ 7,451

	Carrying	Fair	**Fair value measurements using**		
December 31, 2012	Amount	Value	Level 1	Level 2	Level 3
Financial assets:					
Investments at fair value through profit or loss	$ 1,669	$ 1,669	$ 1,652	$ 17	$ -
Argent RTUs receivable	346	346	-	346	-
Financial assets at fair value through OCI	6,597	6,597	-	-	6,597
	$ 8,612	$ 8,612	$ 1,652	$ 363	$ 6,597

Level 1 Fair Value Measurements

Level 1 fair value measurements are based on unadjusted quoted close prices in active markets for identical assets or liabilities.

Level 2 Fair Value Measurements

Level 2 fair value measurements are based on inputs other than quoted prices within level 1 that are observable for the asset or liability either directly or indirectly.

Level 3 Fair Value Measurements

Level 3 fair value measurements are based on unobservable market information. The level 3 fair value measurements pertain to the Company's valuation of its equity instruments at fair value through other comprehensive income. Details of Level 3 fair measurements are as follows:

- Fair value is calculated using recent arm's length transactions, or prevailing market rates for instruments with similar characteristics, or internal and external valuation models, such as discounted cash flow analysis, net asset value, or the multiple earnings valuation approach.

Level 3 investments consist of shares in Journey Energy Inc. The following table reconciles the Company's Level 3 fair value measurements for the period ended September 30, 2013:

Balance at December 31, 2012	**$**	**6,597**
Increase in fair value during the period		854
Balance at September 30, 2013	**$**	**7,451**

(tabular amounts are in thousands of Canadian dollars except share and per share information)

5. Capital management

The Company's capital management objective is to maximize shareholder returns while ensuring that the Company is capitalized in a manner which appropriately supports regulatory requirements, financial obligations, debt covenants, working capital needs and business expansion. The Company's capital management practices are focused on preserving the quality of its financial position by maintaining a solid capital base.

Capital of the Company is comprised of shareholders' equity, its revolving line of credit, term credit facility and convertible debentures. The Company's capital is primarily utilized in its ongoing business operations to support working capital requirements and long-term investments made by the Company, business expansion and other strategic objectives. There were no changes in the Company's approach to capital management during the period. The Company's capital consists of the following:

	September 30, 2013	December 31, 2012
Revolving line of credit	**$ -**	$ 1,000
Term credit facility	**-**	1,396
Convertible debentures	**35,321**	34,870
Shareholders' equity	**40,213**	19,379
	$ 75,534	$ 56,645

Four of the Company's subsidiaries are subject to externally imposed capital requirements. Aston Hill Asset Management ("AHAM"), Aston Hill Capital Markets ("AHCM") and AHF Capital Partners Inc. ("AHFCP") are registered with the Canadian Securities Administrators as Investment Fund Managers. Aston Hill Securities Inc. ("Aston Hill Securities") is a broker dealer registered with the Investment Industry Regulatory Organization of Canada ("IIROC"). AHAM and AHFCP are each currently each required to maintain minimum working capital of $100,000, plus $100,000 deductible under their bonding insurance policy. AHCM is required to maintain a minimum working capital of $100,000, plus $25,000 deductible under their bonding insurance policy. Aston Hill Securities is required to maintain a prescribed minimum level of Risk-Adjusted Capital of $250,000 in accordance with such requirements as IIROC may from time to time prescribe. In the event of non-compliance, these subsidiaries are required to file additional financial information and to review their policies and procedures for compliance with securities law and to file a compliance report.

At September 30, 2013, and December 31, 2012, the Company and its' subsidiaries are in compliance with all externally imposed restrictions on capital.

6. Business combinations

On July 15, 2013, the Company completed a share purchase agreement to acquire an 80% ownership interest in Connor, Clark and Lunn Capital Markets Inc. ("CC&LCM"). CC&LCM is a Canadian structured financial products investment firm which focuses on creating and managing closed end investment funds. CC&L CM was renamed Aston Hill Capital Markets Inc. (AHCM) upon closing of the acquisition.

On August 15, 2013, the Company closed this acquisition and acquired 80% of the issued and outstanding equity of CC&LCM for cash consideration of $16,400,000, as well as entered into a forward purchase contract to purchase the remaining 20% of CC&LCM for $4,100,000.

(tabular amounts are in thousands of Canadian dollars except share and per share information)

6. Business combinations (continued)

The fair values of CC&LCM's assets acquired and liabilities assumed are as follows:

Net Assets Acquired		
Working capital, net of cash acquired	$	117
Intangible assets		27,505
Deferred income tax liability		(7,151)
Total net assets acquired	**$**	**20,471**

Intangible assets acquired primarily represent CC&LCM's fund management contracts. These contracts grant the Company the ability (and legal rights) to market, sell and manage those accounts. These contracts represent an expected future economic benefit that will flow to Aston Hill as a result of this business combination. The value of this intangible asset has been calculated as the excess of the value paid to purchase CC&LCM less the fair value of other assets acquired.

The forward purchase contracts that were concurrently entered into as part of this business acquisition constitutes a put and call agreement in which Aston Hill holds the right to acquire, and the former shareholders of CC&LCM hold the right to sell, the remaining 20% ownership of CC&LCM that was not acquired in the business combination. The forward purchase contract may be exercised by either party on or after their exercise dates or within 30 days following any take-over bid announcement for Aston Hill. The exercise date for the forward purchase contract relating to 17.06% of the 20% remaining non-controlling interest is August 16, 2016. The exercise date for the forward purchase contract for the remaining 2.94% of the non-controlling interest is August 16, 2018. In order to recognize the time value mechanics of money on these financial liabilities, the forward purchase contracts have been discounted at applicable risk free interest rates of 1.72% for the 2.94% non-controlling interest and 1.24% for the 17.06% non-controlling interest. The risk free rates of interest are based on Canada savings bonds with similar useful lives.

The Income Statement for the three and nine month periods ended September 30, 2013, includes the results of operations of AHCM for the period following the close of the transaction on August 15, 2013. Revenue for the three and nine month periods ended September 30, 2013, includes $1,336,000 of management fee revenue generated from the assets acquired since the closing date. Net income before income taxes for three and nine month periods ended September 30, 2013, from this acquisition were $473,000. If the assets had been acquired on January 1, 2013, revenue for the three and nine months ended September 30, 2013, would have increased by $823,000 and $4,154,000, respectively, and net income before income taxes would have increased by $1,314,000 and $3,561,000, respectively. This pro-forma information is not necessarily indicative of the financial position or results of operations that would have resulted had the relevant transaction taken place at the beginning of the year. The Company incurred approximately $86,000 in legal and advisory fees related to this transaction, which have been recorded in general and administrative expenses on the Income Statement for the three and nine months ended September 30, 2013.

The Company continues to gather information about the assets and liabilities acquired for purposes of recognizing the fair value of the assets and liabilities acquired, and accordingly, the purchase accounting is incomplete as of the date of authorization of these financial statements. The completion of the purchase price allocation may result in further adjustments.

For the periods ended September 30, 2013 and 2012

(tabular amounts are in thousands of Canadian dollars except share and per share information)

(unaudited)

7. Net losses (gains) on investments

	For the three month periods ended,		For the nine month periods ended,	
	September 30, 2013	September 30, 2012	**September 30, 2013**	September 30, 2012
Loss (gain) on sale of				
financial assets through profit and loss	**$ (43)**	$ (78)	**$ (46)**	$ (84)
Decrease (increase) in fair value of				
financial assets through profit and loss	**7**	(744)	**(160)**	(758)
Oil & gas property investment (income) loss	**(1)**	-	**1**	2
Interest and dividend income	**(72)**	(16)	**(238)**	(40)
Return of capital	**-**	(100)	**-**	(100)
Revaluation of the obligation to redeem LPF shares	**-**	2	**-**	-
Other gains	**(20)**	(6)	**(46)**	(31)
Total net (gains) losses on investments	**$ (129)**	$ (942)	**$ (489)**	$ (1,011)

8. Finance expense

	For the three month periods ended,		For the nine month periods ended,	
	September 30, 2013	September 30, 2012	**September 30, 2013**	September 30, 2012
Interest on convertible debentures	**$ 562**	$ 541	**$ 1,626**	$ 1,578
Interest on term credit facility	**-**	16	**22**	91
Interest on revolving line of credit	**7**	-	**44**	-
Other interest expense	**37**	12	**89**	57
Total interest expense	**606**	569	**1,781**	1,726
Accretion of convertible debenture discount [i]	**413**	413	**1,239**	1,240
Accretion of debt issuance costs	**13**	61	**104**	183
Accretion of forward purchase contract	**6**		**6**	
Foreign exchange gain	**3**	9	**2**	9
Net finance expense	**$ 1,041**	$ 1,052	**$ 3,132**	$ 3,158

(i) Accretion of convertible debentures includes accretion of debt issuance costs and accretion of the equity component of the convertible debentures into debt.

(tabular amounts are in thousands of Canadian dollars except share and per share information)

9. Supplemental cash flow information

Changes in non-cash working capital from operating activities is comprised of:

	September 30, 2013	September 30, 2012
Source/(use) of cash:		
Trade and other receivables	**$ (380)**	$ (280)
Argent restricted trust units receivable	**69**	-
Prepaid expenses	**156**	75
Notes receivable	**342**	35
Prepaid deposits	**(26)**	-
Trade and other payables	**1,300**	392
Provisions	**(431)**	(165)
	$ 1,030	$ 57

10. Deferred sales commissions

	Aston Hill mutual fund commissions
Gross balance at December 31, 2012	$ 1,500
Sales commissions paid	1,462
Balance at September 30, 2013	**$ 2,962**
Amortization:	
Balance at December 31, 2012	$ 379
Amortization	702
Balance at September 30, 2013	**$ 1,081**
Carrying amounts:	
December 31, 2012	$ 1,121
September 30, 2013	**$ 1,881**

Commissions paid on sales of deferred sales charge mutual funds represent commissions paid by the Company to brokers and dealers, and are recorded on the trade date of the sale of the applicable mutual fund product. Deferred sales commissions are amortized over the expected investment period of 36 months on a straight-line basis from the date recorded. When redemptions occur, the actual investment period is shorter than expected, and the unamortized deferred sales commission related to the original investment in the mutual funds is charged to net income and included in the amortization of deferred sales commissions.

(tabular amounts are in thousands of Canadian dollars except share and per share information)

11. Earnings per share

Basic earnings per share are calculated as follows:

	For the three month periods ended,		*For the nine month periods ended,*	
	September 30, 2013	September 30, 2012	**September 30, 2013**	September 30, 2012
Net income (loss) for the period	**$ 358**	$ 795	**$ 1,120**	$ 163
Issued common shares at beginning of the period	**73,281**	72,934	**72,400**	72,626
Effect of share options exercised	**96**	7	**800**	423
Effect of public offering	**7,650**	-	**2,578**	-
Effect of normal course issuer bid transactions	**-**	(10)	**-**	(156)
Weighted average number of common shares - basic	**81,027**	72,931	**75,778**	72,893
Basic earnings per share	**$ 0.004**	$ 0.011	**$ 0.015**	$ 0.002

Diluted earnings per share are calculated as follows:

	For the three month periods ended,		*For the nine month periods ended,*	
	September 30, 2013	September 30, 2012	**September 30, 2013**	September 30, 2012
Net income (loss) for the period	**$ 358**	$ 795	**$ 1,120**	$ 163
Weighted average number of common shares - basic	**81,027**	72,931	**75,778**	72,893
Effect of outstanding options	**1,576**	1,587	**1,707**	1,592
Weighted average number of common shares - diluted	**82,603**	74,518	**77,485**	74,485
Diluted earnings per share	**$ 0.004**	$ 0.011	**$ 0.014**	$ 0.002

For the three and nine months ended September 30, 2013, the effect of 32,149,000 (September 30, 2012 – 29,324,000) and 30,456,000 (September 30, 2012 – 30,375,000) shares issuable resulting from the Company's convertible debenture is excluded from diluted earnings per share as the effect is anti-dilutive.

The average market value of the Company's shares for purposes of calculating the dilutive effect of share options was based on quoted market prices for the period that the options were outstanding.

For the periods ended September 30, 2013 and 2012
(tabular amounts are in thousands of Canadian dollars except share and per share information)
(unaudited)

12. Dividends

The following dividends have been charged directly to retained deficit during the period ended:

	September 30, 2013	December 31, 2012
Regular dividends paid	**$ 2,938**	$ 3,073

Regular dividends were paid on August 14, 2013, May 13, 2013, March 8, 2013, December 7, 2012, August 21, 2012, May 22, 2012, and March 9, 2012.

13. Credit facilities

Term credit facility		
Balance at December 31, 2012	$	1,396
Repayments		(1,500)
Accretion		104
Balance at September 30, 2013	**$**	**-**

Revolving line of credit		
Balance at December 31, 2012	$	1,000
Drawdown of facility		2,964
Repayments		(3,964)
Balance at September 30, 2013	**$**	**-**

As at September 30, 2013 the Company's borrowing on the Term Credit Facility and revolving line of credit was at an effective interest rate of 4.3% (December 31, 2012 – 4.3%).

As at September 30, 2013, the Company had $nil (December 31, 2012 - $1,500,000) outstanding under its Term Credit Facility (gross of unamortized debt issuance costs) and $nil (December 31, 2012 - $1,000,000) outstanding on the revolving line of credit.

On July 29, 2013, the Company repaid and terminated the Term Credit Facility, and renewed the revolving line of credit for two years. The revolving line of credit as of July 29, 2013, has a borrowing base of $6,000,000.

14. Provisions

		Constructive Obligations
Outstanding, December 31, 2012	$	2,706
Provisions recorded during the period		2,275
Provisions settled during the period		(2,706)
Outstanding, September 30, 2013	**$**	**2,275**

The provisions for constructive obligations relate to the Company's annual obligation to award short term incentive payments to Aston Hill employees.

(tabular amounts are in thousands of Canadian dollars except share and per share information)

15. Convertible debentures

The balance of debentures outstanding and changes in the liability component during the period ended September 30, 2013 was as follows:

Liability component:		
Balance at December 31, 2012	$	34,870
Accretion of discount		1,239
Interest paid		(2,568)
Interest accrued		1,780
Balance at September 30, 2013	**$**	**35,321**

There were no conversions of convertible debentures during the periods ended September 30, 2013, or December 31, 2012.

16. Share capital

On August 15, 2013, the Company issued 15,300,000 shares at a price of $1.40 per share in a public offering as part of a bought deal financing to acquire CC&L CM. Gross proceeds of this public offering totaled $21,420,000. $1,361,000 of share issue costs was incurred to complete this offering.

17. Share based compensation

Share Option Plans

During the nine month period ended September 30, 2013, the Company granted 1,758,000 options with a weighted average fair value of $1.34 per share. During the year ended December 31, 2012, the Company granted 1,965,000 options with a weighted average fair value of $1.43 per share. The fair value of the options granted during the periods ended September 30, 2013 and December 31, 2012 were estimated at the grant date using an option pricing model with the following weighted average assumptions:

	September 30, 2013	December 31, 2012
Risk free interest rate (%)	**1.31**	1.18
Expected life of the options (years)	**3.47**	3.51
Expected share price volatility (%)	**60.62**	94.86
Expected forfeiture rate (%)	**9.12**	9.01
Expected dividend yield (%)	**3.60**	2.79

Volatility was determined based on historical share transaction data. Estimated forfeiture rate is adjusted to actual when forfeitures occur.

(tabular amounts are in thousands of Canadian dollars except share and per share information)

17. Share based compensation (continued)

A summary of the status of the Company's share option plans as at September 30, 2013 and December 31, 2012 and the changes during the periods then ended, is as follows:

	September 30, 2013		December 31, 2012	
	Number of Options	**Weighted Average Exercise Price**	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of year	**5,966**	**$ 1.16**	5,484	$ 0.90
Granted	**1,758**	**1.34**	1,965	1.43
Exercised	**(1,063)**	**0.42**	(894)	0.39
Forfeited	**(83)**	**1.36**	(493)	0.71
Expired	**(20)**	**1.55**	(96)	1.58
Outstanding, end of period	**6,558**	**$ 1.32**	5,966	$ 1.16
Exercisable, end of period	**2,989**	**$ 1.21**	2,421	$ 0.86

September 30, 2013

Range of exercise prices	Number of Options Outstanding	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	Number of Options Vested
$0.00 - $0.68	272	$ 0.32	0.48	272
$0.69 - $1.08	793	0.76	1.37	793
$1.09 - $1.45	2,928	1.32	2.64	622
$1.46 - $1.74	2,100	1.55	2.74	992
$1.75 - $1.90	465	1.90	2.82	310
	6,558	**$ 1.32**	**2.16**	**2,989**

December 31, 2012

Range of exercise prices	Number of Options Outstanding	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	Number of Options Vested
$0.00 - $0.28	144	$ -	0.59	-
$0.29 - $0.68	956	0.36	0.90	955
$0.69 - $1.08	1,040	0.76	2.11	668
$1.09 - $1.45	1,221	1.29	3.83	337
$1.46 - $1.74	2,120	1.55	3.62	299
$1.75 - $1.90	485	1.90	3.46	162
	5,966	**$ 1.16**	**2.88**	**2,421**

(tabular amounts are in thousands of Canadian dollars except share and per share information)

17. Share based compensation (continued)

For the three and nine months ended September 30, 2013, the share option plan comprised $322,000 (September 30, 2012 - $488,000) and $1,031,000 (September 30, 2012 - $1,605,000), respectively, of the total share based compensation expense.

Deferred Equity Plan

During the nine month period ended September 30, 2013, the Company granted 275,000 (December 31, 2012 – 670,000) deferred shares with no exercise price.

A summary of the status of the Company's deferred equity plan as at September 30, 2013, and December 31, 2012 and the changes during the periods then ended, is as follows:

	September 30, 2013		
	Number of Deferred shares	Weighted Average Exercise Price	Number of Deferred shares Vested
Outstanding, beginning and end of period	**670**	**$ -**	**-**
Granted	**275**	**$ -**	**-**
Outstanding, end of period	**945**	**$ -**	**-**
Exercisable, end of period	**-**	**$ -**	**-**

	December 31, 2012		
	Number of Deferred shares	Weighted Average Exercise Price	Number of Deferred shares Vested
Outstanding, beginning of period	**25**	**$ -**	**-**
Granted	**670**	**$ -**	**-**
Forfeited	**(25)**	**$ -**	**-**
Outstanding, end of period	**670**	**$ -**	**-**
Exercisable, end of period	**-**	**$ -**	**-**

A forfeiture rate of 3.58% was used when recording the Deferred Equity Plan portion of stock based compensation. This estimate is adjusted to the actual forfeiture rate. The ending units under the deferred equity plan have a remaining expected life of 3.00 years (December 31, 2012 - 2.06).

For the three and nine months ended September 30, 2013, the deferred equity plan comprised $107,000 (September 30, 2012 - $76,000) and $335,000 (September 30, 2012 - $208,000), respectively, of the total share based compensation expense.

As at September 30, 2013, there are 945,000 (December 31, 2012 – 670,000) deferred shares that remain unvested.

(tabular amounts are in thousands of Canadian dollars except share and per share information)

17. Share based compensation (continued)

Deferred Share Unit Plan for Outside Directors

As units in the Deferred Share Unit Plan ("DSUP") vest on the grant date, the amount paid by the Company for units under this plan are expensed as incurred, and are held in treasury until redeemed by the plan's participant. For the period ended September 30, 2013, the DSUP made up $24,000 (September 30, 2012 - $15,000) of the total share based compensation expense.

18. Commitments and contingencies

Non-cancellable operating lease rentals are payable as follows:

	September 30, 2013	December 31, 2012
Less than one year	**$ 701**	$ 603
Between one and five years	**2,474**	1,420
More than five years	**1,390**	278
	$ 4,565	$ 2,301

The Company is also required to pay its proportionate share of operating and property tax costs for the rented premises. During the three and nine month periods ended September 30, 2013, the Company recorded $317,000 (September 30, 2012 - $246,000) and $762,000 (September 30, 2012 - $727,000), respectively, in office lease expenses. These amounts are included in general and administrative expenses in the income statement.

The Company is involved with legal actions, which have occurred in the ordinary course of operations. Management is of the opinion that losses, if any, arising from such legal actions would not have a material effect on these financial statements.

19. Related party transactions

In addition to those disclosed elsewhere in the financial statements, the Company had the following related party transactions:

a) The Company's wholly owned subsidiaries receive management fees and sub-advisory fees and pay for expenses incurred by its various funds under management. These expenses are then charged back to the funds and are recovered under non-interest bearing, normal credit terms in accordance with terms of the funds. Management fees, sub-advisory fees and other amounts due from funds under management and included in accounts receivable at September 30, 2013 is $2,432,000 (December 31, 2012 - $381,000). Other amounts due to funds under management recorded in accounts payable as at September 30, 2013, was $234,000 (December 31, 2012 - $358,000). For the three and nine month periods ended September 30, 2013, $5,541,000 (September 30, 2012 - $2,941,000) and $13,240,000 (September 30, 2012 - $9,016,000,000), respectively, was recorded as revenue in respect of these management fees. In addition, for the three and nine month periods ended September 30, 2013, the Company absorbed $117,000 (September 30, 2012 - $269,000) and $557,000 (September 30, 2012 - $522,000), respectively, of expenses incurred by funds under management.

19. Related party transactions (continued)

b) As at September 30, 2013, the Company had accounts receivable of $1,151,000 (December 31, 2012 - $807,000) and Argent RTUs receivable of $278,000 (December 31, 2012 - $346,000) from Argent Energy Trust ("Argent"), a company under common management. The Company has an Administrative Services Contract (the "Contract") in which the Company has recorded administration charges for the three and nine month periods ended September 30, 2013 of $500,000 (September 30, 2012 - $175,000) and $1,500,000 (September 30, 2012 - $175,000), respectively. For the three and nine months ended September 30, 2013, $223,000 (September 30, 2012 - $186,000) and $716,000 (September 30, 2012 - $186,000), respectively, of revenue related to Argent RTUs receivable. On August 10, 2013, the Company was paid $784,000 to settle the first vested tranche of RTUs receivable. For the three and nine month periods ended September 30, 2013, the Company recorded $596,000 (September 30, 2012 - $1,080,000,000) and $1,274,000 (September 30, 2012 - $1,411,000) in overhead recoveries for shared overhead costs that have been reimbursed by Argent.

   On August 10, 2012, 210,000 Argent RTUs were granted with a par value of $10.00 per unit to the Company for services rendered under the contract. As at September 30, 2013, the closing bid price for Argent per unit on the TSX was $10.13 (December 31, 2012 - $9.21).

c) Until termination of a management agreement on April 20, 2012, the Company managed a private oil and gas company. In conjunction with this management agreement, the Company was paid a quarterly management fee. For the three and nine month periods ended September 30, 2013 $nil (September 30, 2012 - $nil) and $nil (September 30, 2012 - $351,000), respectively, was recorded as revenue.

d) During the nine months ended September 30, 2013, $342,000 of promissory notes due from funds under management were received in full. As at September 30, 2013, $nil (December 31, 2012 - $342,000) in promissory notes due from funds under management were outstanding. The notes at December 31, 2012 were receivable on demand and accrued interest at a rate of prime plus 1% annually.

e) As at September 30, 2013, $11,000 (December 31, 2012 - $7,000) of trade and other receivables and $91,000 (December 31, 2012 - $nil) of trade and other payables related to amounts related to RJT Capital Inc., a company which owns 49% of the outstanding shares of a subsidiary of the Company.

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

20. Subsequent events

On October 16, 2013, the Company renewed its notice of intention to make a normal course issuer bid for a portion of its common shares and 6% extendible convertible unsecured subordinated debentures. The Company intends to acquire up to 5,412,000 common shares and $4,014,000 principle amount of convertible debentures in the 12 month period commencing October 18, 2013 and ending on October 17, 2014 which represents 10% of the public float of outstanding and common shares and convertible debentures.

On October 24, 2013, the Company received TSX approval to issue 1,304,844 shares at $1.40 per share from treasury in connection with an investment advisor's employment agreement and the related acquisition of assets under administration.