Condensed Interim Consolidated Financial Statements for the period ended March 31, 2013

Contents

NOTIFICATION OF CONDENSED UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the condensed unaudited interim Consolidated Financial Statements for the three months ended March 31, 2013.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(in thousands of Canadian dollars, except share information)
(unaudited)

As at,	Note		**March 31, 2013**		December 31, 2012
Assets					
Current assets					
Cash and cash equivalents		**$**	**551**	$	1,727
Investments at fair value through profit or loss	17(e)		**2,328**		2,272
Trade and other receivables	17(a,f)		**3,807**		4,161
Current income tax receivable			**537**		689
Short term portion of Argent restricted trust units receivable	17(b)		**518**		254
Prepaid expenses			**220**		217
Notes receivable	17(d)		**342**		342
			8,303		9,662
Argent restricted trust units receivable	17(b)		**98**		92
Prepaid deposits			**554**		546
Investments at fair value through other comprehensive income			**6,597**		6,597
Intangible assets			**45,539**		45,539
Property and equipment			**1,655**		1,684
Deferred sales commissions	9		**1,432**		1,121
Total assets		**$**	**64,178**	$	65,241
Liabilities					
Current Liabilities					
Trade and other payables	17(a,f)	**$**	**1,341**	$	1,862
Provisions	13		**1,784**		2,706
Revolving line of credit	12		**1,600**		1,000
Term credit facility	12		**941**		1,396
			5,666		6,964
Convertible debentures	14		**34,598**		34,870
Deferred tax liabilities			**4,184**		4,028
			44,448		45,862
Shareholders' equity					
Share capital			**24,833**		24,121
Non-controlling interest			**102**		102
Treasury stock			**(641)**		(641)
Convertible debentures equity component			**5,838**		5,838
Contributed surplus			**5,201**		5,057
Retained deficit			**(10,686)**		(10,203)
Accumulated other comprehensive loss			**(4,917)**		(4,895)
			19,730		19,379
Total liabilities & shareholders' equity		**$**	**64,178**	$	65,241

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

Unaudited Consolidated Statements of Net and Comprehensive Income

(in thousands of Canadian dollars)
(unaudited)

For the period ended,	Note		**March 31, 2013**		March 31, 2012
Revenue					
Management fees	17(a)	**$**	**6,507**	$	6,159
Administration charges	17(b)		**769**		-
Total revenue			**7,276**		6,159
Expenses					
General and administrative			**4,547**		3,774
Product development			**101**		121
Share based compensation	15		**454**		633
Depreciation of property and equipment			**77**		52
Amortization of deferred sales commissions	9		**181**		93
Trailer fees			**453**		170
Commissions			**41**		39
Total operating expenses			**5,854**		4,882
Net gains on investments	6		**(305)**		(76)
Finance expense	7		**1,040**		1,050
Net income before tax for the year			**687**		303
Income tax expense					
Current taxes			**123**		394
Deferred taxes			**133**		332
Net income (loss) for the period		**$**	**431**	$	(423)
Other comprehensive (loss) income, net of tax on items that may be reclassified subsequently to net income:					
Change in fair value of investments, net of deferred taxes		**$**	**(22)**	$	(772)
Total comprehensive income (loss) for the period, net of tax		**$**	**409**	$	(1,195)
Net income per share					
Basic	10	**$**	**0.006**	$	(0.006)
Diluted	10	**$**	**0.006**	$	(0.006)

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

Unaudited Consolidated Statements of Changes in Equity

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

For the three months ended,	Note		**March 31, 2013**		March 31, 2012
Number of common shares outstanding					
Outstanding at the beginning of period			**72,400**		72,079
Stock options exercised	15		**811**		353
Shares repurchased & cancelled			**-**		(31)
Outstanding at end of period			**73,211**		72,401
Share capital					
Balance at beginning of period		**$**	**24,121**	$	23,702
Options exercised			**712**		250
Normal course issuer bid repurchases			**-**		(10)
Other			**-**		(4)
Balance at end of period		**$**	**24,833**	$	23,938
Non-controlling interest					
Balance at beginning of period		**$**	**102**	$	-
Income allocated to non-controlling interest			**-**		-
Balance at end of period		**$**	**102**	$	-
Treasury stock					
Balance at beginning and end of period		**$**	**(641)**	$	(869)
Convertible debentures equity component					
Balance at beginning and end of period		**$**	**5,838**	$	5,867
Contributed surplus					
Balance at beginning of period		**$**	**5,057**	$	3,345
Share based compensation expensed	15		**454**		633
Share based compensation exercised			**(310)**		(105)
Balance at end of period		**$**	**5,201**	$	3,873
Retained deficit					
Balance at beginning of period		**$**	**(10,203)**	$	(5,983)
Dividends paid	11		**(914)**		(723)
Normal course issuer bid repurchases			**-**		(39)
Net income (loss) for period			**431**		(423)
Balance at end of period		**$**	**(10,686)**	$	(7,168)
Accumulated other comprehensive loss					
Balance at beginning of period		**$**	**(4,895)**	$	(4,599)
Other comprehensive income (loss)			**(22)**		(772)
Balance at end of period		**$**	**(4,917)**	$	(5,371)
Total equity		**$**	**19,730**	$	20,270

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

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands of Canadian dollars)
(unaudited)

For the three months ended,	Note	**March 31, 2013**	March 31, 2012
Operating Activities			
Net income (loss) for the period		**$ 431**	$ (423)
Adjustments for non-cash items:			
Deferred income taxes		**133**	332
Interest expense	7	**582**	571
Depreciation of property and equipment		**77**	52
Amortization of deferred sales commissions		**181**	93
Accretion	7	**458**	474
Share based compensation	15	**454**	633
Gain (loss) on financial instruments		**(215)**	(44)
Income tax expense		**123**	394
		2,224	2,082
Change in non-cash working capital	8	**(1,249)**	(1,595)
		975	487
Income taxes paid		**28**	(915)
Net cash from operating activities		**1,003**	(428)
Investing Activities			
Property and equipment expenditures		**(49)**	(8)
Acquisition of financial assets		**-**	(850)
Proceeds from sale of financial assets		**159**	576
Deferred sales commissions paid	9	**(492)**	(322)
Change in non-cash working capital		**(121)**	-
Net cash used in investing activities		**(503)**	(604)
Financing Activities			
Proceeds from exercise of share options	15	**404**	146
Proceeds from revolving line of credit	12	**800**	-
Normal course issuer bid repurchases		**-**	(49)
Repayment of term credit facility	12	**(500)**	-
Repayment of revolving line of credit	12	**(200)**	(500)
Interest paid		**(1,266)**	(1,308)
Dividends paid	11	**(914)**	(723)
Net cash from (used in) financing activities		**(1,676)**	(2,434)
Change in cash and cash equivalents		**(1,176)**	(3,466)
Cash and cash equivalents, beginning of period		**1,727**	7,415
Cash and cash equivalents, end of period		**$ 551**	$ 3,949

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

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 March 31, 2013 and December 31, 2012, and for the periods ended March 31, 2013 and 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 May 6, 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*.

No restatement of financial statement line items was required as a result of the adoption of this policy.

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.

No restatement of financial statement line items was required as a result of the adoption of this policy.

Amendments

The Company has adopted the amendments to IAS 1. These amendments require the Company to seperately 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.

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 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 of 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"). 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 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 March 31, 2013 and December 31, 2012.

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

4. Determination of fair values (continued)

March 31, 2013	Carrying Amount	Fair Value	Fair value measurements using Level 1	Level 2	Level 3
Financial assets:					
Financial assets at fair value through profit or loss	$ 2,328	$ 2,328	$ 1,878	$ 450	$ -
Argent RTUs receivable	616	616	-	616	-
Financial assets at fair value through OCI	6,597	6,597	-	-	6,597
	$ 9,541	$ 9,541	$ 1,878	$ 1,066	$ 6,597

December 31, 2012	Carrying Amount	Fair Value	Fair value measurements using Level 1	Level 2	Level 3
Financial assets:					
Financial assets at fair value through profit or loss	$ 2,272	$ 2,272	$ 1,669	$ 603	$ -
Argent RTUs receivable	346	346	-	346	-
Financial assets at fair value through OCI	6,597	6,597	-	-	6,597
	$ 9,215	$ 9,215	$ 1,669	$ 949	$ 6,597

Level 1 Fair Value Measurements

Level 1 fair value measurements are based on unadjusted quoted bid 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.

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.

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

5. Capital management (continued)

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:

		March 31, 2013		December 31, 2012
Revolving line of credit	**$**	**1,600**	$	1,000
Term credit facility		**941**		1,396
Convertible debentures		**34,598**		34,870
Shareholders' equity		**19,730**		19,379
	$	**56,869**	$	56,645

Three of the Company's subsidiaries are subject to externally imposed capital requirements. Aston Hill Asset Management ("AHAM") and AHF Capital Partners Inc. ("AHFCP") are registered with the Canadian Securities Administrators as Investment Fund Managers ("IFM"). Aston Hill Securities Inc. ("Aston Hill Securities"), is registered with the Investment Industry Regulatory Organization of Canada ("IIROC"). AHAM and AHFCP are currently required to maintain minimum working capital of $100,000, plus $100,000 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 March 31, 2013, and December 31, 2012, the Company is in compliance with all externally imposed restrictions on capital.

6. Net losses (gains) on investments

		March 31, 2013		March 31, 2012
(Gain) loss on sale of				
financial assets through profit and loss	**$**	**(6)**	$	(44)
Increase in fair value of financial assets				
through profit and loss		**(209)**		(35)
Oil & gas property investment (income) loss		**2**		-
Interest and dividend income		**(86)**		(15)
Revaluation of obligation to redeem LPF shares		**-**		33
Other gains		**(6)**		(15)
Total net (gains) losses on investments	**$**	**(305)**	$	(76)

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

7. Finance expense

		March 31, 2013		March 31, 2012
Interest on convertible debentures	**$**	**523**	$	502
Interest on term credit facility		**36**		41
Other interest expense		**23**		28
Total interest expense		**582**		571
Accretion of convertible debentures (i)		**413**		413
Accretion of debt issuance costs on term credit facility		**45**		61
Foreign exchange gain		**-**		5
Net finance expense	**$**	**1,040**	$	1,050

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

8. Supplemental cash flow information

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

		March 31, 2013		March 31, 2012
Source/(use) of cash:				
Trade and other receivables	**$**	**354**	$	(90)
Argent restricted trust units receivable		**(270)**		-
Prepaid expenses and deposits		**(11)**		(163)
Trade and other payables		**(399)**		(15)
Provisions		**(923)**		(1,327)
	$	**(1,249)**	$	(1,595)

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

		March 31, 2013		March 31, 2012
Source/(use) of cash:				
Trade and other payables (i)	**$**	**(121)**	$	-

(i) Relates to amounts payable on acquisition of Citadel Securities Inc. (subsequently renamed Aston Hill Securities).

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

9. Deferred sales commissions

		Aston Hill mutual fund commissions
Gross balance at December 31, 2012		1,500
Sales commissions paid		492
Balance at March 31, 2013	**$**	**1,992**
Amortization:		
Balance at December 31, 2012		379
Amortization		181
Balance at March 31, 2013	**$**	**560**
Carrying amounts:		
December 31, 2012	$	1,121
March 31, 2013	**$**	**1,432**

10. Earnings per share

Basic earnings per share are calculated as follows:

		March 31, 2013		March 31, 2012
Net income (loss) for the period	**$**	**431**	$	(423)
Issued common shares at beginning of the period		**72,400**		72,626
Effect of share options exercised		**543**		189
Effect of NCIB transactions		**-**		(20)
Weighted average number of common shares - basic		**72,943**		72,795
Basic earnings (loss) per share	**$**	**0.006**	$	(0.006)

Diluted earnings per share are calculated as follows:

		March 31, 2013		March 31, 2012
Net income (loss) for the period	**$**	**431**	$	(423)
Weighted average number of common shares				
Weighted average number of common shares - basic		**72,943**		72,795
Effect of outstanding options		**957**		-
Effect of deferred equity plan		**895**		-
Effect of deferred deferred share unit plan for outside directors		**11**		-
Weighted average number of common shares - diluted		**74,806**		72,795
Diluted earnings (loss) per share	**$**	**0.006**	$	(0.006)

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

10. Earnings per share (continued)

As at March 31, 2013, the effect of 29,557,000 (March 31, 2012 – 27,825,000) shares issuable resulting from the Company's convertible debentures, nil (March 31, 2012 – 619,000) shares issuable resulting from the Company's Deferred Equity Plan, nil (March 31, 2012 – nil) shares issuable resulting from the Company's Deferred Share Unit Plan to Outside Directors, and nil (March 31, 2012 – 2,770,000) shares issuable resulting from the Company's Share Option Plan are 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.

11. Dividends

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

	March 31, 2013	December 31, 2012
Regular dividends paid	**$ 914**	$ 3,073

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

12. Credit facilities

Revolving line of credit	
Balance at December 31, 2012	$ 1,000
Drawdown of facility	800
Repayments	(200)
Balance at March 31, 2013	**$ 1,600**

Term credit facility	
Balance at December 31, 2012	$ 1,396
Repayments	(500)
Accretion	45
Balance at March 31, 2013	**$ 941**

As at March 31, 2013 the Company's borrowing on the term credit facility and revolving line of credit was at an effective interest rate of 4.2% (December 31, 2012 – 4.3%).

As at March 31, 2013, the Company had $1,000,000 (December 31, 2012 - $1,500,000) outstanding under its term credit facility (gross of unamortized debt issuance costs) and $1,600,000 (December 31, 2012 - $1,000,000) outstanding on the revolving line of credit. The Company's outstanding balance on the term credit facility will be paid in two $500,000 quarterly installments on April 30, 2013 and July 31, 2013.

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

13. Provisions

		Constructive Obligations
Outstanding, December 31, 2012	$	2,706
Provisions recorded during the period		728
Provisions settled during the period		(1,650)
Outstanding, March 31, 2013	**$**	**1,784**

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

14. Convertible debentures

The balance of debentures outstanding and changes in the liability component during the period ended March 31, 2013 was as follows:

Liability component:		
Balance at December 31, 2012	$	34,870
Accretion of discount		413
Interest accrued		522
Interest paid		(1,207)
Balance at March 31, 2013	**$**	**34,598**

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

15. Share based compensation

Share Option Plans

During the period ended March 31, 2013, the Company granted 1,163,000 options with a weighted average fair value of $1.32 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 March 31, 2013 and December 31, 2012 were estimated at the grant date using an option pricing model with the following weighted average assumptions:

	March 31, 2013	December 31, 2012
Risk free interest rate (%)	**1.33**	1.18
Expected life of the options (years)	**3.67**	3.51
Expected share price volatility (%)	**64.95**	94.86
Expected forfeiture rate (%)	**8.86**	9.01
Expected dividend yield (%)	**3.57**	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)

15. Share based compensation (continued)

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

	March 31, 2013		December 31, 2012	
	Number of Options	**Weighted Average Exercise Price**	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of year	**5,965**	**$ 1.16**	5,484	$ 0.90
Granted	**1,163**	**1.32**	1,965	1.43
Exercised	**(811)**	**0.50**	(894)	0.39
Forfeited	**(51)**	**1.30**	(493)	0.71
Expired	**(20)**	**1.55**	(96)	1.58
Outstanding, end of period	**6,246**	**$ 1.27**	5,966	$ 1.16
Exercisable, end of period	**2,630**	**$ 1.13**	2,421	$ 0.86

March 31, 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 - $0.28	138	$ -	0.33	-
$0.29 - $0.68	386	0.33	0.89	386
$0.69 - $1.08	793	0.76	1.87	793
$1.09 - $1.45	2,364	1.30	4.18	337
$1.46 - $1.74	2,100	1.55	3.41	959
$1.75 - $1.90	465	1.90	3.24	155
	6,246	**$ 1.27**	**3.27**	**2,630**

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)

15. Share based compensation (continued)

For the period ended March 31, 2013, the Share Option Plan made up $355,000 (March 31, 2012 - $574,000) of the total share based compensation expense for the period ended March 31, 2013.

Deferred Equity Plan

During the period ended March 31, 2013, the Company granted 275,000 (December 31, 2012 – 670,000) deferred shares with no exercise price and a weighted average remaining contractual life of nil years (December 31, 2012 – 2.06 years).

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

	March 31, 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 nil% was used when recording the Deferred Equity Plan portion of stock based compensation. This estimate is adjusted to the actual forfeiture rate.

For the period ended March 31, 2013, the Deferred Equity Plan made up $99,000 (March 31, 2012 - $59,000) of the total share based compensation expense.

There are 945,000 deferred shares that remain unvested as at March 31, 2013 (December 31, 2012 – 670,000).

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

15. 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 March 31, 2013, the DSUP made up $nil (March 31, 2012 - $nil) of the total share based compensation expense.

16. Commitments

Non-cancellable operating lease rentals are payable as follows:

	March 31, 2013	December 31, 2012
Less than one year	**$ 574**	$ 603
Between one and five years	**1,343**	1,420
More than five years	**233**	278
	$ 2,150	$ 2,301

The Company is also required to pay its proportionate share of operating and property tax costs for the rented premises. During the period ended March 31, 2013, the Company recorded $230,000 (March 2012 - $228,000) in office lease expenses. These amounts are included in general and administrative expenses in the income statement.

17. 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 March 31, 2013 is $985,000 (December 31, 2012 - $381,000). Other amounts due to funds under management recorded in accounts payable as at March 31, 2013, was $96,000 (December 31, 2012 - $358,000). For the period ended March 31, 2013 $3,480,000 (March 31, 2012 - $2,484,000) was recorded as revenue in respect of these management fees. In addition, for the period ended March 31, 2013, the Company absorbed $101,000 (March 31, 2012 - $121,000) of expenses incurred by funds under management.

b) As at March 31, 2013, the Company had accounts receivable of $879,000 (December 31, 2012 - $807,000) and Argent RTUs receivable of $616,000 (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 revenues for the period ended March 31, 2013 of $769,000 (March 31, 2012 - $nil) including $500,000 (March 31, 2012 - $nil) of administration fees and $269,000 (March 31, 2012 - $nil) of revenue related to Argent RTUs receivable. For the period ended March 31, 2013, the Company recorded $279,000 (March 31, 2012 - $nil) in overhead recoveries for shared overhead costs that have been reimbursed by Argent.

17. Related party transactions (continued)

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 March 31, 2013, the closing bid price for Argent per unit on the TSX was $10.44 (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 period ended March 31, 2013 $nil (March 31, 2012 - $304,000) was recorded as revenue.

d) Notes receivable as at March 31, 2013 of $342,000 (December 31, 2012 - $342,000) are promissory notes due from funds under management. The notes are receivable on demand and accrue interest at a rate of prime plus 1% (2012 - 1%) annually. Interest is calculated daily on the remaining balance and is receivable on a monthly basis on the last day of each month.

e) As at March 31, 2013, $453,000 (December 31, 2012 - $603,000) of the financial assets at fair value through profit or loss is related to holdings in the Company's funds under management. For the period ended March 31, 2013, $nil (March 31, 2012 - $32,000) of the net gains on investments recorded during the period was related to these investments in funds under the management of the Company.

f) As at March 31, 2013, $7,000 (December 31, 2013 - $7,000) of trade and other receivables and $67,000 (December 31, 2013 - $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.