Dear Shareholders

By all accounts, 2021 was a transformative year for our company. We transitioned the business to that of a Merchant Bank, grew our cash and marketable securities balance dramatically and launched a business from scratch that has now taken in more than $2 million in subscription proceeds. More importantly, we have substantial momentum as we continue to pivot the business and seek out acquisition opportunities.

As of the end of December, our company has in excess of $28.6 million of cash and net marketable securities with negligible debt (when excluding margin borrowings and short futures call options related to fully hedged call spreads). Based on current subscriber trends at KEDM, and a reasonable expectation for renewal rates, we believe that our company will be cash flow positive going forward (excluding one-time expenses). This means we now have a stable base to build upon and reinvest, without having to worry about how to fund operating losses—which is quite different from the first decade of our company's existence. We now have the time to stop, think, and act intelligently to create value—on our terms. While the pathway to today has been difficult, we now have the capital resources to take this business in many exciting directions. The last decade has been painful and frustrating, I am hopeful that the coming decade will be exciting and prosperous.

Our Future Direction:
In conjunction with Genevieve and our Board, we have looked at various go-forward operating models. I primarily see myself as an allocator of capital and believe that transitioning our company into a Merchant Bank makes the most sense in terms of a future business model. Becoming a Merchant Bank will allow us the flexibility to incubate various businesses, while simultaneously funding growth businesses that we own majority or minority stakes in. While my background is in public securities, there are regulatory and tax reasons why we cannot be a publicly traded vehicle composed primarily of non-controlling minority interests in public securities. Our expectation is that the composition of our balance sheet will migrate towards both minority and controlling positions in various businesses—public and private, where we can influence the outcome of events.

I believe we have many advantages as a Merchant Bank, particularly as I frequently encounter businesses in need of both capital and capital markets perspective. There are many gaps to arbitrage between public and private valuations, lowering costs of capital for businesses along the way, and I am excited to put this theory to practice.

Finally, I believe that a permanent capital vehicle such as our company, where our board and management control approximately 30% of the voting shares, gives us a unique advantage in allocating capital, as we can take a long-term view of our investments. Hopefully, this long-term view will attract unique investment opportunities, those that Private Equity, with their frequent re-selling of equity positions, miss out on. KEDM is our first internally funded business venture. We hope to acquire and grow from here.

We now segregate our business lines into three categories (Investment Properties, Subscription Business Products, and Corporate Division (which includes our investment portfolio).

Investment Properties:
The fourth quarter of 2021 continued to be difficult for our Mongolian property operations due to recurring periods of COVID-19 lock-downs and the inability of many of our tenants to manage their businesses. As a property company, we are only as successful as our tenants and when our tenants' businesses cannot operate, we are unable to collect the rent we are contractually owed. During the year we reported $679,091 (2020 - $756,283) of leasing revenue and $190,850 (2020 - $68,170) of other revenue (primarily 3rd party), offset by $759,100 (2020 - $860,936) of expenses in Mongolia. Unfortunately, we have zero visibility into the future trajectory of the economic crisis in Mongolia. Until businesses are allowed to operate without interference, we are likely to continue to report depressing returns from our Mongolian operations.

During the year, we purchased a mixed-use property in Puerto Rico for approximately $820,000 that we are in the process of renovating. We intend to use this property primarily for internal purposes, though we believe we can rent portions of the property to earn rental income.

Subscription Business Products:
KEDM, our subscription business, which tracks various Event-Driven strategies, successfully transitioned into a revenue producing product on July 1st. During the year, we recognized $944,411 of revenue at a very healthy margin. Throughout the year, recognized revenue and subscriber count continued to increase each month sequentially and has continued to increase since year-end. As of the date of this letter, we have taken in over CDN $2 million in subscription proceeds. We intend to aggressively invest resources to improve KEDM and increase the overall value proposition for subscribers. Additionally, given the reception to KEDM amongst readers, we intend to increase our marketing spend to grow the subscriber base. We believe that these two initiatives will reduce the short-term profitability of the subscription business; however, we intend to moderate spending so that the business remains profitable.

Given the reception to date for KEDM, we believe that there are ancillary services that we can launch and monetize, providing further value to KEDM subscribers. It is likely that these services will be a cost center as they are conceived and grown before monetization. To learn more about KEDM, go to www.KEDM.COM. Additionally, the company is considering acquiring other financial publications that would be complimentary to KEDM.

Corporate Division:
During the year, our corporate expenses increased primarily due to an increase in legal, corporate structuring and tax planning expenses. We expect this heightened level of expenses to continue into 2022. When we didn't expect our company to reach profitability, we didn't think much about the efficiency of our corporate and tax structure. Now that we have taxable income, we are reviewing our structure for optimization. Additionally, we anticipate that corporate expenses will increase in future quarters as we add staff to help grow our business—particularly related to business development activities and the marketing of KEDM.

Our public securities portfolio produced a $7,946,088 unrealized gain (2020 - $4,265,403 unrealized gain) and a $10,306,006 realized gain (2020 - $3,288,803 realized gain). I would like to caution you strongly that returns like we have recently experienced, are highly unlikely to be repeated in future quarters. Our portfolio is currently concentrated in investments in energy, uranium, and the housing sector. Additionally, we initiated a small position in a cryptocurrency named Monero. We view these investments as highly liquid alternatives to holding cash and we intend to liquidate various investments should we find additional businesses to launch or acquire stakes in.

Conclusion
2021 was transformative for our company. We have now incubated and launched KEDM with great success and expect it to become a rapidly growing revenue stream that we can build upon. Our public securities investments are paying off and we are now in a position to pivot the business model to a Merchant Bank model. We intend to scale up our staffing, target unique opportunities and continue to profitably diversify our company.

While we remain optimistic about Mongolia's long-term future, it remains mired in economic crisis. As a result, we remain focused on selling non-core property assets (particularly in office and re-development) so that we can diversify the company, while keeping our core portfolio and management team, so that we can pivot back to Mongolia when the economy returns to attractive growth rates.

Finally, I remain of the opinion that our shares are undervalued. During the year, the company used its increased liquidity to accelerate the rate of share purchases and re-purchased 3,311,500 shares under our Normal Course Issuer Bid (NCIB) at an average price of $0.65/share. At year end, our share count was 27,778,499 or 22% less than during our peak share-count in 2016. To date, the company has repurchased a total of 7,754,100 shares.

While we didn't always have much in the way of liquidity, we never stopped believing in ourselves and remained aggressive with our NCIB. We knew that eventually we'd find our footing.

We're excited for the future.
Sincerely,

Harris Kupperman
CEO