IMPERIAL EQUITIES INC.

DAWN OF A NEW ERA

ANNUAL REPORT 2020

Imperial Equities is a progressive company with an affinity for industrial, commercial and agricultural properties in its targeted Canadian markets.

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PRESIDENT'S REPORT

2020 Message from CEO, Sine Chadi

Years ago, as part of my pilot training, I learned about spatial disorientation, one of the most dangerous conditions that a pilot can encounter.

It is essentially an effect where your ability to interpret altitude or speed in relation to the ground is disrupted and it is especially dangerous when it's dark and you lose sight of the horizon. Reflecting on the last year in business brings this phenomenon to mind. In a year in which all signals on lift off were positive and clear, disorienting disruption came as COVID-19 nearly shut down the world, another round of low energy prices hit the Alberta economy, and a once in 200-year flood broke over the banks in Fort McMurray, impacting one of Imperial Equities' properties. There is no question it all tested our Company at its core.

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With no clear horizon to gain our bearings, we relied on our experience, flexibility and our Company's foundational strength.

We adapted our investment strategy, sustained and improved our relationships with our tenants, and protected our business position. And we managed to make all necessary moves without sacrificing or compromising the quality of service we deliver to our tenants or the overall quality of our asset base.

We performed through a great deal of uncertainty and absorbed some significant shocks in our 22nd year. By year-end, we had a clearer picture of business impacts, including positive conditions that we were able to use in our favour. As we embark on the dawn of a new era, we have a clearer view of opportunities ahead, even in what will likely continue as a challenging and most unusual time.

Our Company has always been managed with a careful hand, focused on ensuring stable operations through the year, and managing cash flows and debt in a viable manner that maximizes the value of our assets and does not compromise our growth or sustainability. Our success also relies on the strength of the tenant covenants we have in place. This year in particular, we worked extensively with tenants to help manage through short-term business interruption and to adapt business practices; the stability we maintained as a result is a testament to these efforts and to the strength of our tenant base overall. We continue to preserve and sustain our Company's interests in accordance with our core values and key strategic objectives so as not to compromise our ability to maintain high occupancy rates, carry out rigorous asset management and maximize returns over time.

We have remained consistent and steadfast in pursuing these goals even as we faced the departure of our long-term Chief Financial Officer (CFO) and on-boarding of a new Interim CFO. We expect to announce a permanent CFO early in our next fiscal year. We also hired a new Chief Operating Officer, who is improving our controls and processes in terms of our overall asset management approach, as well as supporting the strategic objectives of the Company more broadly.

We have also adapted our internal processes and those of our property management partners to implement rigorous public health standards and to ensure all of those who interact with our properties are equally vigilant and respectful of the practices of our tenants. Through continuous reinforcement, we have not had any COVID incidents in our Company or on any of our properties to date, and we maintained full operations throughout the year. We will continue these processes, following public health advice in the coming months even as we wait for vaccine roll-out.

> "We maintained an overall occupancy rate of 95.7% through the year, an outstanding achievement in a competitive and highly disruptive marketplace"

As of the end of this fiscal year, we were completing the restoration of a major asset in Fort McMurray which was impacted by the flood and left unusable for several months. The restoration was completed sufficient for the tenant to reoccupy the property just prior to this fiscal year-end. Almost five months of rent abatement at that property, combined with rent deferrals and tenant turnovers resulting from the pandemic and the economy, had a taxing impact on overall rental revenue.

The circumstances and uncertainty of the year did cause us to make the unfortunate decision to suspend our dividend, which had only been brought back in Q1 and Q2 of 2020. As we see conditions begin to stabilize, we will revisit this decision and likely reinstate it in Q1 2021.

Despite the challenges we faced, Imperial Equities remains firm in our resolve to expand our real estate portfolio, generating and efficiently managing cash flows, and creating value for our shareholders. We see a number of positive indicators at year-end, including reaching a notable milestone this year: exceeding one million square feet of leasable space. We maintained an overall occupancy rate of 95.7% through the year, an outstanding achievement in a competitive and highly disrupted marketplace. We completed three quality acquisitions and one key disposition, put new leases in place and moved several leases towards renewal, though most of these renewals will occur subsequent to year-end. A total of 161,171 square feet of new leases were put in place prior to year-end.

Throughout the year, I've reflected on the fundamental principles that govern our actions, and as we consider the changes and new circumstances that will still be ahead of us, these continue to be touchstones for us.

First, we must continue to be strong assessors of an ever more challenging marketplace. This includes considering potential investments that diversify our portfolio and strengthen our resilience to systematic risks. The Company does not have a single tenant that makes up 10% or more of its rental revenue, thus limiting a key risk. There will be changes to the marketplace ahead. We see many companies, including some within our tenant base, contemplating the best way to manage their property footprint. Our Company understands these developments and the options available to tenants and we work to anticipate our tenant's needs and to provide solutions that strengthen their positions and ours.

Second, managing through the market means an ongoing commitment to our focus on diversification, seeking investments and tenant relationships that serve an even wider range of industries, with a special focus on the agricultural sector. In the prior year, two new properties were acquired and are classified as Agricultural Division. They are aiding in the diversification of our portfolio, as we scale back our footprint from the retail, office and oil and gas sectors. We continue to develop these efforts and will pursue more activity in the year ahead. Our disposition of an Edmonton retail property for total proceeds of $9,350,000 has further supported this approach and limited our exposure in a year that has been highly tenuous for the retail sector.

Notwithstanding obstacles within a challenging year, we have grown our portfolio. We made three acquisitions this year, adding 149,773 square feet of leasable space, all with solid, long-term covenants in place. Two of the properties were sale leaseback transactions with a leading national supplier of industrial products and services. The third was the purchase of a property with a long-term lease in place with Canada's leading supplier of restaurant equipment.

Our actions this year helped mitigate impacts on our Company. We worked closely with tenants to restructure leases where required to help offset short-term impacts many were experiencing. Our efforts provided our tenants with some flexibility to support their ongoing operations and, in turn, ensured we had sufficient cash flow and liquidity. Income from operations overall was just slightly below Q4 2019, despite impacts from deferrals and those resulting from the Fort McMurray flood.

We have slowly started to move back into normal, although adapted, business operations. We have made good progress as of year-end on retaining leases and adding new revenue streams to our business. However, there is still much uncertainty ahead. The scale and duration of this crisis at home is amplified by our proximity to a major market that is far from stable. We cannot foresee how future events will unfold, so we will continue to move carefully, conservatively, as we assess our next moves, prioritizing stability and security above all.

Our ability to be adaptable supports our overall goal of generating consistent, long-term cash flows to support new growth. We expanded our portfolio this year even while making continuous adaptations. We maintained sufficient cash flows to meet our obligations and still managed to invest in our asset management program. We did this successfully through all of the disruptions of the past year, and without seeking any new payment terms from our lenders, even as we wait to receive payment deferrals that we have granted.

As we invest and negotiate mortgages and mortgage renewals, we continue to benefit from a low interest environment, brought about as the Bank of Canada responded to the pandemic crisis. The weighted average of the interest rates on our mortgages in 2020 was 3.29% (3.35% - September 2019). As the Bank of Canada responded to the crisis, we have been able to obtain some of the most competitive financing in our history, achieving significant savings for our Company over the duration of these mortgages. In October 2020, the Bank of Canada indicated that the low interest rate environment is likely to extend into 2023, as it assesses the longer-term impacts of the pandemic and its lingering scars on the economy.

As I write this report, there are some positive signals on the horizon. A vaccine roll out in 2021 will address our public health emergency, reduce the risk of further shut-downs, and allow our economy to stabilize. Today, though, we are very much in the midst of a strong second wave of the virus. While the pace and shape of the recovery of our national economy remains unknown, and while we cannot yet forego any of our public health diligence, we know we have the strength and adaptability to see us through.

As always, I am incredibly grateful to our investors, our tenants, and our people and partners who have all contributed to our success. I look forward to working with all of you in the months ahead. The dawn is still ahead of us, but as I reflect on all we have been through, I am reminded of a rather poignant quote from the epic poem The Tale of Kieu: “Thank heaven we are here today, to see the sun through parting fog and clouds.”

Sincerely,

Sine Chadi
President

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MD&A

MANAGEMENT'S DISCUSSION & ANALYSIS

for the year ending September 30, 2020

AS AT DECEMBER 2, 2020

The following Management's Discussion and Analysis ("MD&A") is intended to provide readers with an explanation of the performance of Imperial Equities Inc. ("Imperial" or "Imperial Equities" or the "Company") and its subsidiaries. This MD&A should be read in conjunction with the consolidated financial statements for the year ended September 30, 2020, and the related notes. Imperial Equities Inc. trades on the TSX Venture Exchange under the symbol "IEI". Additional information on the Company may be obtained by visiting www.sedar.com.

RESPONSIBILITY OF MANAGEMENT AND THE BOARD OF DIRECTORS

Management is responsible for the information disclosed in the MD&A and is also responsible to ensure that appropriate procedures and controls exist internally that will provide reasonable assurance regarding the reliability of the Company's financial reporting and its compliance with International Financial Reporting Standards ("IFRS"). In addition, the Company's Audit Committee and Board of Directors provide an oversight role for all public financial disclosures by the Company and have reviewed and approved this MD&A and the accompanying consolidated financial statements.

FORWARD-LOOKING INFORMATION

In our report to shareholders, Management may talk about the current economy and express opinions on future market conditions. This forward-looking information is based on Management's current assessments made based on internal expertise as well as the opinions of other professionals in this industry. While Management may consider these statements to be reasonably optimistic and favorable, the opinions and estimates of future trends are subject to risk and uncertainties. Readers are encouraged to read the risk factors identified in Note 20 of the consolidated financial statements and this MD&A. Any forward-looking statements in this report should not be relied upon as facts, as actual results may differ from estimates.

ADDITIONAL NON-IFRS MEASURES

Debt and unencumbered properties are non-IFRS financial measures and do not have any standardized meaning prescribed by IFRS and therefore may not be comparable to similar calculations reported by other Canadian issuers.

Securities regulators require that companies caution readers that earnings and other measures adjusted to a basis other than IFRS do not have standardized meanings and are unlikely to be comparable to similar measures used by other companies.

BUSINESS OVERVIEW

Based in Edmonton, Alberta, Imperial Equities is a publicly-traded company anchored by industrial, commercial, and agricultural properties in its targeted markets throughout Western Canada.

Annually, since operations began in 1998, Imperial Equities has achieved solid growth. The Board of Directors along with corporate Management are all vigorously and enthusiastically committed to the continued growth of the Company.

STRATEGIC DIRECTION

OUR VALUE STATEMENT

▸ **Imperial's team of professionals is dedicated and** motivated to grow its real estate portfolio and earn value for its shareholders. As a growth-focused company, Imperial has financed acquisitions largely through conventional mortgages. However, issuing new share capital may be considered at a future date to support the Company's growth objectives. Management believes in building value in the shares through a commitment to acquire and develop high-quality properties and gain capital appreciation to benefit the shareholders. As part of its strategy, Management would consider the disposition of a property where the Company believes it has maximized the potential of that property and its disposition would be beneficial to the Company.

Imperial's Board of Directors along with Management are focused on the real estate market throughout western Canada and are committed to continue building a strong portfolio of investment properties, through careful, strategic movement.

STRATEGIC GOALS

1

Acquire industrial, commercial, and agricultural properties in strategic locations for capital appreciation

2

Acquire fully occupied, single-tenant or multi-tenant industrial properties with long-term lease agreements and rental rates commensurate with the location

3

Finance acquisitions with the lowest available cost of capital

4

Achieve a defined rate of return on each asset

5

Maximize the revenue potential of each asset in its region

6

Dispose of older assets that may have reached their maximum earning potential to reduce the overall age of the properties in the portfolio

FOR SALE

7

Invest in the Community

KEY PERFORMANCE DRIVERS

Imperial Equities continues to engage a dedicated team of professionals to manage and oversee business activities.

During 2020, the Chief Financial Officer ("CFO") stepped down and remains as an advisor to the interim CFO, Azza Osman. Azza, a CPA and CIA, brings over 10 years of accounting, financial reporting, audit, and internal controls experience to Imperial. The Company also hired Patricia Misutka as Chief Operating Officer ("COO"). Patricia brings extensive experience as a corporate strategist to her role with Imperial. There is a strong Board of Directors with significant real estate experience to guide and assess the Company's strategy and investment decisions. This dedication and professional experience of Imperial's Management team has helped the Company achieve positive earnings every year the Company has been in business.

Management monitors the success of Imperial by measuring how well the Company delivers on its strategies and executes due diligence. This assessment will include the size of the tenant, the length of time they have been in business, their operations, and exposure to the industry in which they operate in. All these factors will be a part of our internal evaluation of the strength of their lease covenant. The Company's success is also impacted by external factors including the overall economic health of industries operating in the province of Alberta. Alberta is still largely reliant on the oil industry and the Company is careful to select tenants that are best able to weather an economic downturn. Another external factor is interest rates related to the financing of the properties. Investment properties are financed with conventional mortgages that can expose the Company to possible increases in interest rates, affecting operating income and cash flows. The Company, in the short-term, does not consider rising interest rates to have a significant impact on the operating cash flows. Any new commercial lease terms associated with new acquisitions and lease renewals will reflect changing market conditions including current interest rates and will be assessed on this basis.

STRATEGIC OBJECTIVES

1

Conduct comprehensive due diligence on all acquisitions, including evaluating the strength of the tenant(s) before entering into contracts

2

Maximize the revenue per property and secure long lease terms to reduce the turnover of tenants

3 Maintain high occupancy rates to recover carrying costs of the properties

4 Monitor the quality of tenants in the portfolio to reduce the risk of defaults on leases

5 Maintain the assets to high standards including structural, mechanical, and cosmetic to showcase the existing properties to prospective tenants or purchasers

6 Complete preventative maintenance on the properties to reduce operating costs and to maximize the longevity of the buildings

7 Ensure that maintenance on the properties is done to exacting standards involving monitoring the quality of work provided by business partners while ensuring costs are competitive

8 Maximize cash flow from operations to ensure funding for growth opportunities

9 Select mortgage terms that provide a low cost of capital and utilize debt leverage opportunities

10 Minimize higher rate short-term borrowings to reduce the cost of capital

KEY PERFORMANCE INDICATORS

	September 30, 2020	September 30, 2019
Investment Properties		
Total number of investment properties	37	35
Property acquisitions during the year	3	4
Property dispositions during the year	1	1
Raw land properties held for future development	9	9
Raw land properties under lease with tenants	5	5
Gross leasable area (GLA) square feet	1,022,864	889,298
Leasing Activities by Gross Leasable Area (GLA)		
Leases renewed	4,864	48,973
New tenant leases	161,717	87,177
GLA of leases expiring within twelve months	162,379	95,206
Space available for lease	51,320	32,762
Average lease term to maturity in years	4.03	4.08
Building occupancy	95.7%	96.3%
Property Operations		
% operating expense recoveries	79%	82%
Income from operations	$ 11,689,648	$ 12,504,230
Investment property improvements	$ 378,108	$ 475,141
Financing		
Debt to total assets ratio	56%	53%
Weighted average interest rates on mortgages	3.29%	3.35%

INVESTMENT PROPERTIES

Acquisitions during the year

- Wajax in Nisku, AB. 37,200 ft^2 acquired in December 2019
- Russell Hendrix in Edmonton, AB. 71,519 ft^2 acquired March 2020
- Wajax in Edmonton, AB. 41,054 ft^2 acquired in July 2020

Dispositions during the year

- The Company sold its Oliver Crossing property in central Edmonton, for total proceeds of $9,350,000 and a total gain of $171,200. The sale price was settled through cash and a vendor take-back mortgage ("VTB") of $8,000,000. The VTB bears interest at an annual rate of 2.5% with monthly interest payments due to the maturity date of July 21, 2021. The purchaser has an option to extend the mortgage for an additional year.

Raw land properties held for future development – unchanged from the prior year

- 12.9 acres in Strathcona County, AB
- 2.24 acres in NW Edmonton, AB
- 49.42 acres in Hanna, AB
- 3 acres in NW Edmonton, AB

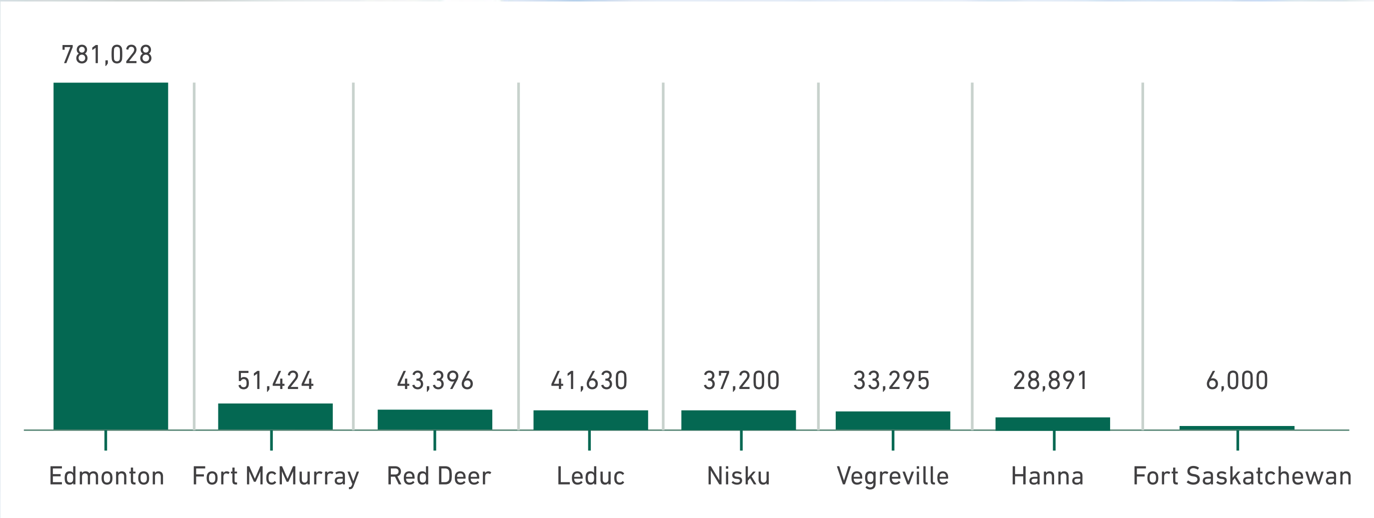
Raw land properties held for future development and under a lease with tenants in place – unchanged from the prior year

- 1.7 acres in SE Edmonton, AB under a lease with an existing tenant
- 1.71 acres in SE Edmonton, AB under a lease with an existing tenant
- 1.49 acres in SE Edmonton, AB under a lease with an existing tenant
- 2 acres in NW Edmonton, AB under a lease with an existing tenant
- 3 acres in NW Edmonton, AB under individual leases with five tenants

Gross leasable area (GLA) increased by net 133,566 square feet since September 30, 2019, with the following additions and disposition:

	ft^2
• Wajax building in Nisku, AB	37,200
• Russell Hendrix building in Edmonton, AB	71,519
• Wajax building in Edmonton, AB	41,054
	149,773
Less: sale of Oliver Crossing in Edmonton, AB	(16,207)
Total GLA at September 30, 2019	889,298
Total GLA at September 30, 2020	**1,022,864**

Alberta Property Portfolio - GLA by City (ft^2)

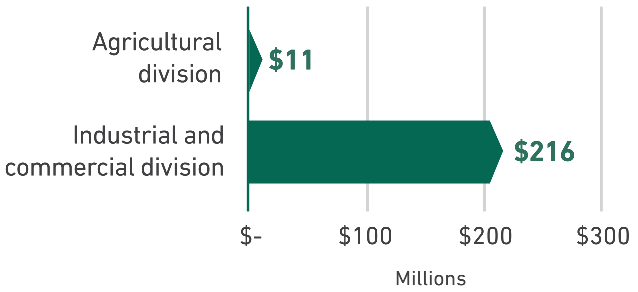


The Company has expanded its investment property holdings to locations outside of major cities and continues to explore opportunities in provinces across Canada.

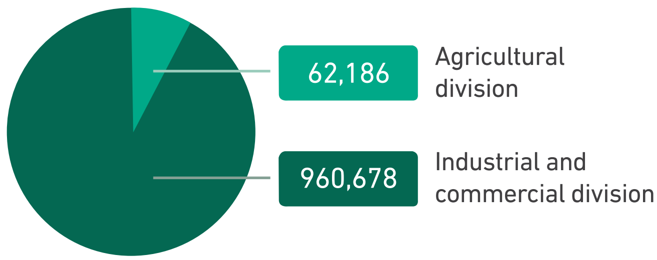
INVESTMENT PROPERTY DIVERSIFICATION

- During the prior year, the Company completed two property acquisitions that are now classified as the agricultural division.

Fair Value of Investment Property



Total Square Feet



The first agricultural property was a new build-to-suit project in Hanna, Alberta, that was completed in Q1 2019. The tenant, Cervus Equipment Corporation, is an international tenant that operates 63 heavy equipment and farm implement dealerships across Canada, Australia, and New Zealand.

The second agricultural property was acquired in Q3 2019 and is located in Vegreville, Alberta. The tenant, Rocky Mountain Equipment, is a multi-branch dealership primarily involved in sales and service of Case and New Holland brands of equipment.

The total annual combined rental revenue for these two properties is $936,392. The Company is working towards further acquisitions that will expand the agricultural division in Alberta and throughout the prairie provinces.

LEASING ACTIVITIES

New tenant leases ft²

• Wajax in Nisku, AB	37,200
• Russell Hendrix in Edmonton, AB	71,519
• Wajax in Edmonton, AB	41,054
• Floral Delivery in Edmonton, AB	11,944
	161,717

Total GLA of leases expiring in the next twelve months

Nine tenant leases are expiring during the next twelve months, totaling 162,379 ft². One of the nine tenants is in the process of renewing, six tenants have already renewed, and two tenants with a total of 45,624 ft² have leases that are not within the required notice as of year-end. The renewal process for each tenant will commence according to provisions in their lease agreement.

Space available for lease

- 20,818 ft² in one of the Company's multi-tenant buildings (under contract subsequent to year-end with an existing tenant)
- 4,907 ft² in a multi-tenant mixed-use building
- 25,595 ft² in a single tenant industrial building (under contract subsequent to year-end)

The Company continues to market all vacancies.

LEASE RETENTION

During the Current Year

Location	GLA	Expiring Rate/PSF*	Renewal Rate/PSF*	Renewal Term
Edmonton, Alberta	4,864	$ 11.85	$ 12.00	5 years
Edmonton, Alberta	25,590	$ 10.00	Vacated	-
Edmonton, Alberta	50,000	$ 8.40	$ 20,000/month	M to M
Edmonton, Alberta	4,907	$ 12.00	Vacated early	-
	85,361			

During the Prior Year

Location	GLA	Expiring Rate/PSF*	Renewal Rate/PSF*	Renewal Term
Edmonton, Alberta	22,939	$ 13.00	$ 13.65	5 years
Edmonton, Alberta	4,907	$ 10.60	$ 12.00	5 years
Edmonton, Alberta	21,127	$ 18.00	$ 18.00	5 years
	48,973			

**per square foot*

A tenant occupying 4,907 ft² in a multi-tenant mixed-use building vacated their lease early. Other leases that are expiring in the next twelve months are either under current negotiations or the leases are not within the notice period.

The performance drivers of the Company include ensuring a low turnover of tenants through lease retentions and maintaining high occupancy levels. During the prior year, three tenants renewed their leases for further five-year terms at higher rates or the same rate as the expiring terms. In prior years, the Company has been very successful in retaining the current tenant base upon lease expiries, however, there is now greater uncertainty surrounding the effects of the pandemic and low oil prices, which could have a negative effect on lease renewals. The two vacancies this year were not attributable to these factors.

LEASE TERMS

at September 30, 2020

SINGLE-TENANT BUILDINGS

Square Feet	Maturity Year
50,000	M to M
33,295	2020
52,890	2021
190,207	2022
75,151	2023
74,206	2024
26,400	2026
29,450	2027
188,149	2028
62,224	2029
41,054	2030
28,891	2038
851,917	

MULTI-TENANT BUILDINGS

Square Feet	Maturity Year
76,194	2020
3,000	2022
2,498	2023
21,127	2024
4,864	2025
11,944	2030
119,627	

Weighted Average Remaining Lease Terms:
Single-Tenant Buildings: 5.07 years
Multi-Tenant Buildings: 2.02 years
Total average lease term to maturity = 4.03 years

Total GLA of in-place leases	Available GLA for lease	Total GLA at September 30, 2020
971,544	**51,320**	**1,022,864**

The risk to the Company when a tenant does not renew a lease is for the Company to absorb the ongoing operating costs of vacant space. These costs include property taxes, insurance, utilities, and any maintenance items. If a single-tenant building becomes vacant, additional vacancy costs could include mortgage payments, if applicable. Management works closely with tenants to ensure retention rates remain high, primarily through responsive property management which ensures their leased space in the building, and the exterior parking lot and landscaping, are all well maintained.

One of the Company's goals is to maximize the revenue of each asset in its region. With the proper market analysis of comparative information, the Company has been able to negotiate lease rates that achieve its desired rate of return.

At September 30, 2020, the year-to-date occupancy is 95.7% (September 30, 2019 - 96.3%).

AVERAGE ANNUAL LEASE RATES

per City, per square foot, at September 30

	2020	2019
Edmonton, Alberta**	$ 10.31	$ 11.99
Red Deer, Alberta*	$ 25.80	$ 25.92
Fort Saskatchewan, Alberta*	$ 36.83	$ 35.40
Fort McMurray, Alberta**	$ 37.32	$ 43.26
Leduc, Alberta**	$ 10.99	$ 15.70
Hanna, Alberta	$ 19.17	$ 18.24
Nisku, Alberta	$ 13.00	$ -
Vegreville, Alberta	$ 7.18	$ 7.18

** Leases include a large land component which skews the average rate per square foot.*

*** Lease rate per square foot reflects COVID-19 rent deferrals at September 30,2020*

PROPERTY OPERATIONS

Year ending September 30,

	2020	2019
Property tax and insurance recoveries	$ 2,348,418	$ 2,444,428
Operating expense recoveries	1,123,839	908,825
	$ 3,472,257	**$ 3,353,253**
Total property operating expenses	$ 4,386,540	$ 4,093,678
% of property operating expense recoveries	**79%**	**82%**

▸ Property taxes, insurance, and operating expenses are budgeted annually and reconciled every 12 months on a tenant-by-tenant basis. All the Company's leases are triple net leases, which allows the landlord to recover all operating costs except for any structural repairs. Management decides how to treat the recovery from the tenant of expenses related to large maintenance items, so as not to impose hardship on the tenant's operations. In some cases, Management will amortize the expenditures over a period within the tenant's lease term. Some leases have lower management fees than other leases dependent upon the responsibility of performing maintenance remaining with the tenant or the landlord. Because of these variations, there will always be a percentage of operating expenses not recovered by the landlord in the current fiscal year. Historically, optimal recovery percentages have been in the range of 80%-86%.

Further affecting recoveries during fiscal 2020 is vacant space of 25,725 ft^2 in multi-tenant buildings, and 25,595 ft^2 in a single-tenant building that became vacant in Q3 2020. Additionally, some costs were not recoverable during a rent abatement period of 4.47 months for a property located in Fort McMurray that had substantial damage from the flood which took place in April 2020. These factors resulted in slightly lower recoveries than the historic range.

Typically, recovery percentages will vary each quarter depending on property taxes, utilities, snow removal, lawn care, and other seasonal expenditures. Management ensures operating expense recoveries are maximized for shareholders.

The current vacancies will put downward pressure on cash flows in addition to the current rent deferrals expected over the next several months. The deferrals are a direct result of the COVID-19 pandemic and the economic downturn in the oil & gas industry in Alberta.

Year ending September 30,	2020	2019
Income from operations for the year	**$ 11,689,648**	**$ 12,504,230**
Less: Interest on financing* during the year	4,294,644	4,048,009
Less: Principal instalments on mortgages, during the year	6,223,437	5,617,362
Funds available for property improvements and growth	$ 1,171,567	$ 2,838,859

Interest on financing includes capitalized interest and excludes interest income and amortization of deferred finance fees.

Income from operations is a measure of funds available to service the debt repayments on financing, provide cash for capital expenditures on the properties, and fund further growth.

The decrease in funds available for property improvements and growth has decreased from the prior year as a result of:

- Lower income from operations as a result of the rent abated in the building impacted by the Fort McMurray flood
- Increased interest in financing as a result of related party financing of $5,050,000 as well as interest on new mortgages
- Increased mortgage and principal payments related to current year investment property acquisitions

The Company, through third-party contractors, continues to ensure all properties are well-maintained in terms of maintenance, electrical, mechanical, structural, and cosmetic (which includes exterior maintenance of the buildings through painting, landscaping, parking lot striping, etc).

Year ending September 30,	2020	2019
Total property improvements	$ 378,108	$ 475,141

During Q1 2020, the Company made improvements to two parking lots by installing geotechnical fabric and resurfacing with concrete, as well as forming proper concrete retaining walls. One building received new overhead heaters and minor structural improvements. During Q2 2020, the Company replaced all unit heaters at two properties and completed a major upgrade to a fire alarm panel. During Q3, property improvements include design fees for new projects and continued interior and exterior maintenance on the buildings. Property improvements during the prior year included parking lot upgrades, energy-efficient mechanical components such as new rooftop HVAC units, new infrared heaters, and new boilers for specific locations.

The Company strives to provide high-quality service to the tenants by responding promptly to address any property maintenance issues. Maintaining equipment regularly improves the life of the equipment, keeps equipment running smoothly, and avoids major interruptions to the tenant's operations. The Company has a strong relationship with all tenants and will respond to maintenance issues promptly. Working with strong business partners that are familiar with the properties and tenants, the Company has enjoyed a very high quality of work while ensuring costs are very competitive.

The Company is continuing to convert all buildings to energy-efficient LED lighting in both the interior and exterior light fixtures. Also, energy-efficient heating, ventilating, and air conditioning units are being installed to replace outdated units. The impact of these improvements is the reduction of the operating costs to the tenants and the promotion of a greener environment through reduced emissions.

The Company's hands-on approach to maintaining its properties results in very high tenant retention with little turnover and shows a firm commitment by the Company to promote pride of ownership, which in turn will attract new prospective tenants and possible future build-to-suit opportunities.

> "Our ability to be adaptable supports our overall goal of generating consistent, long-term cash flows to support new growth"

FINANCING

▸ Debt, and unencumbered properties, are non-IFRS financial measures and do not have any standardized meaning prescribed by IFRS and therefore may not be comparable to similar calculations reported by other Canadian issuers.

Management considers the ratio of debt to assets to be useful for evaluating the leverage the Company may have on its investment properties to consider additional financing opportunities if any.

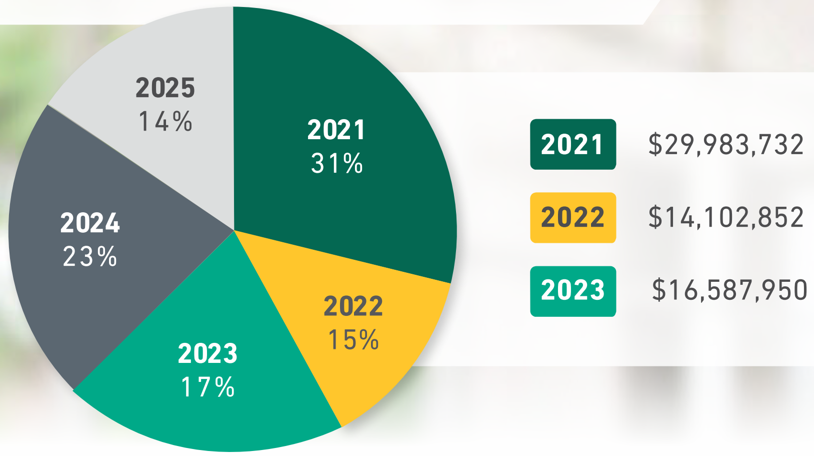
Year ending September 30,	2020	2019
Investment properties	**$ 226,944,468**	**$ 218,468,890**
Mortgages excluding transaction fees	96,820,176	88,740,115
Other financing	5,050,000	-
Bank operating facilities	26,275,887	26,353,212
Debt	**$ 128,146,063**	**$ 115,093,327**
Ratio of debt to assets	**56%**	**53%**

The Company continues to enjoy a good relationship with its lenders and has been able to renew mortgages as they come due and place new conventional financing on acquisitions. Unencumbered properties at September 30, 2020, have fair values of $17,599,849 (September 30, 2019 - $17,204,993).

▸ **Weighted average interest rates on the mortgages** have decreased to 3.29% at September 30, 2020, from 3.35% at September 30, 2019, with rates decreasing for new financing from the Company's lenders. During Q1 2020, the Company renewed two mortgages at their term dates. During Q2 2020, rates began to decrease and the Company received two new mortgages on the recent acquisitions at a significantly lower rate than previous mortgages.

"We have been able to obtain some of the most competitive financing in our history, achieving significant savings for our Company"

MORTGAGE MATURITIES



The following table details the mortgage activities during the current year.

Maturity Date	Rate	Principal Balance Sept. 30'19	Mortgages Advanced/ Assumed	Y-T-D Principal Payments	Principal Paid on Maturity	Principal Balance Sept 30'20
01-Jan-21	3.060%	$ 1,578,129		$ 168,237		$ 1,409,892
01-Jan-21	2.980%	3,485,483		262,734		3,222,750
01-Jan-21	2.980%	5,393,160		406,533		4,986,626
01-Apr-21	2.880%	5,581,728		412,337		5,169,392
01-Apr-21	2.948%	3,034,587		202,422		2,832,165
01-Oct-21	2.470%	6,086,078		605,500		5,480,578
01-Oct-21	2.470%	7,416,065		533,734		6,882,331
01-Feb-22	3.040%	5,794,009		390,532		5,403,477
01-Jun-22	2.730%	2,209,502		200,687		2,008,815
01-Dec-22	3.670%	3,728,639		223,062		3,505,577
01-Dec-22	3.671%	3,387,629		202,648		3,184,981
01-Feb-23	3.750%	2,044,271		119,746		1,924,526
01-Oct-23	3.950%	509,368		117,326		392,042
01-Oct-23	4.090%	6,014,888		323,340		5,691,548
01-Nov-23	4.330%	4,126,623		216,390		3,910,232
01-Dec-23	4.648%	4,919,773		250,170		4,669,603
01-Jan-24	4.330%	2,401,720		168,475		2,233,245
01-Jan-24	4.330%	1,906,127		133,710		1,772,416
01-Aug-24	3.330%	10,156,050		536,854		9,619,196
01-Nov-24	3.555%	8,966,286		456,464		8,509,822
01-Feb-25	3.420%	-	5,002,500	150,726		4,851,774
01-Apr-25	2.310%	-	5,301,000	123,931		5,177,069
01-Aug-25	2.837%	-	4,000,000	17,878		3,982,122
		$ 88,740,115	**$ 14,303,500**	**$6,223,437**	**$ -**	**$ 96,820,179**

All mortgages are secured by a first charge over the related investment property and a general assignment of rents, insurance, and site-specific goods and chattel paper.

The Company's two bank operating facilities are secured with specific revenue-producing properties and the other financing is unsecured.

03. ACTIVITY DURING THE YEAR

Imperial expanded its executive management team to include the position of **Chief Operating Officer**. The COO is tasked with strategic planning of the Company's long-term direction and operational structure, and the allocation of resources to support the Company's pursuit of an increased scale of operations and future overall growth. During Q4 2020, the CFO stepped down and remains as an advisor to the interim CFO.

The Company completed an agreement to **purchase a 37,200 ft^2 building situated on 2.82 acres** in Nisku, Alberta. The total purchase price was $6,670,000. The tenant, Wajax, signed a 10-year lease agreement, making this its second location with Imperial.

The Company completed an agreement to purchase a **71,519 ft^2 building situated on 2.97 acres** in west Edmonton, Alberta. The total purchase price was $7,068,000. The tenant, Russell Food Equipment Limited, has over 8 years remaining on a 10-year lease agreement.

The Company completed an agreement to **purchase two contiguous lots with two buildings totaling 41,054 ft^2 situated on 4.67 acres** in west Edmonton. The total purchase price was $5,360,000. The tenant, Wajax, signed a 10-year lease agreement, making this its third location with the Company.

The Company renewed one mortgage at its term date for a further five years and renewed another mortgage for a one-year term. Three new mortgages were obtained for financing on the new acquisitions in Nisku and Edmonton. Total mortgage **proceeds were $14,303,500.**

The Company completed an agreement to **sell one of its investment properties** for total gross proceeds of $9,350,000 including a Vendor Take-Back mortgage ("VTB") of $8,000,000. The VTB has a maturity date of July 21, 2021, with an option for the purchaser to extend the term by one additional year.

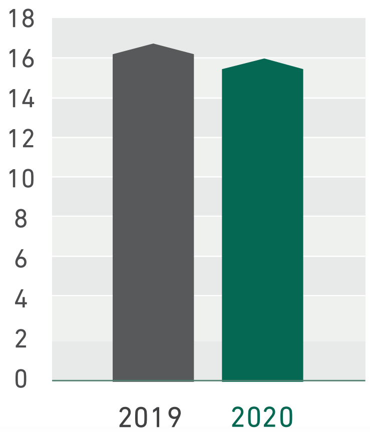
Due to the impact of COVID-19 on a number of the Company's tenants, rent deferrals were offered during the year amounting to $846,940. Of the deferrals provided, $199,406 were re-paid by tenants with the remaining balance receivable over the next several years up to and including fiscal year 2023. Subsequent to the year-end, additional deferrals were granted amounting to $184,786.

The Company **resumed payment of dividends** which had been suspended since January 2015. Total annual dividends of $.10 per common share and are payable quarterly at $.025 per share, were distributed in January 2020 and the second quarterly payment was distributed in April 2020. Subsequent to the Q2 2020 payment, the COVID-19 pandemic was causing economic uncertainty which threatened the Company's cashflows. Given this uncertainty, Imperial's Board of Directors decided to suspend the payment of dividends for the remainder of the fiscal year.

PERFORMANCE RESULTS

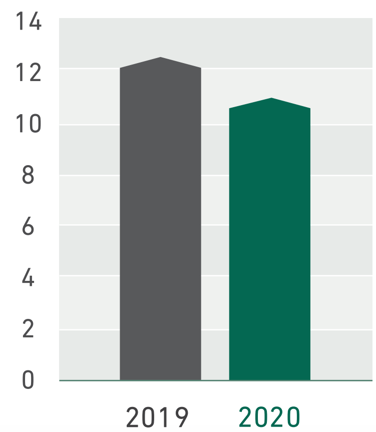
RENTAL REVENUE

$ (Millions)



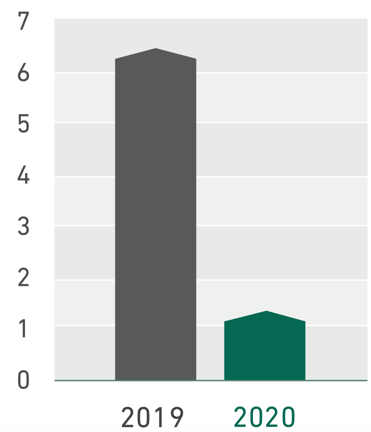
INCOME FROM OPERATIONS

$ (Millions)



NET INCOME

$ (Millions)



Rental revenue is lower during the current year due to the rent abatement amounting to $448,855, which was caused by the floods in Fort McMurray. During the current year, there were increased vacancies in our portfolio compared to the prior year which resulted in lower rental revenue.

The decrease in income from operations is directly correlated to the decrease in rental revenue during the current year. There were no unusual property operating expenses.

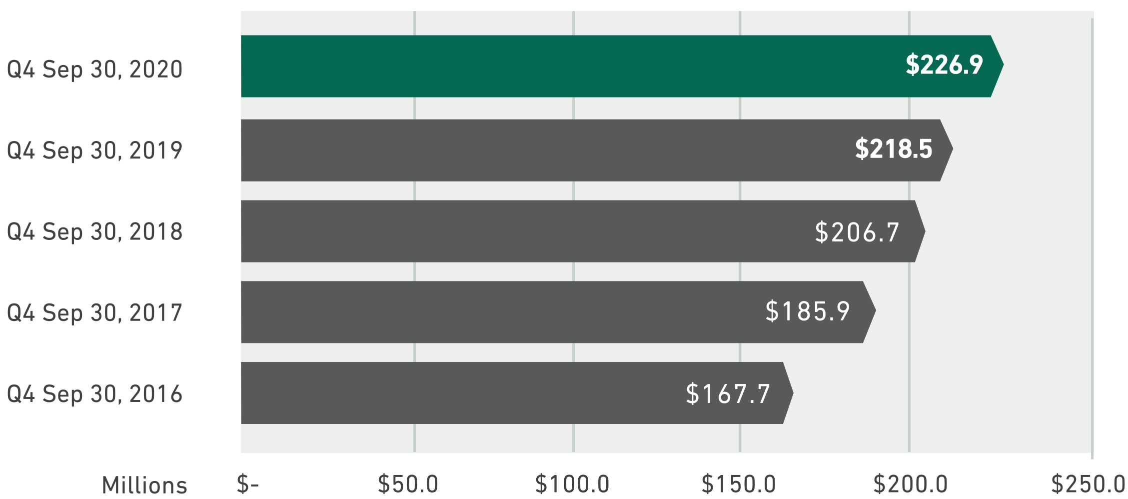
During 2020 the Company applied write-downs amounting to $2,930,537 on its investment properties where there are continued vacancies and the possibility of tenants not renewing their leases. Income before income tax was approximately $3.5 million lower than the previous year resulting from these write-downs as well as the decreased income from operations.

> "Our Company has always been managed with a careful hand, focused on ensuring stable operations, and managing cash flows and debt in a viable manner"

RESULTS OF OPERATIONS AND CASH FLOWS

During the year, a tenant occupying 4,907 ft^2 in a multi-tenant building vacated the space prior to the lease expiry. During Q3 2020, a tenant occupying 25,595 ft^2 in a single-tenant building vacated the space upon the lease expiry. Subsequent to year-end, the Company completed lease negotiations with a large national distributor for the entire 25,595 ft^2 building. A further vacant lease space of 20,818 ft^2 available in a multi-tenant industrial building brings the year-to-date occupancy to 95.7%. The Company is currently under conditional contract with an existing tenant and will likely have the 20,818 ft^2 leased in the next quarter.

FAIR MARKET VALUE OF INVESTMENT PROPERTIES



Valuation net gains or (losses) from investment property are the result of valuing the properties at market values at each reporting date. Values are estimated by Management using the actual annual contracted subsequent year revenue stream, less a vacancy, and structural reserve allowance, applying a capitalization rate to this normalized income, and deriving a fair value. Capitalization rates used to estimate fair market value consider many factors, including but not limited to: location, size of land, site coverage, strength of the tenant, term of the lease, lease rate, age of the building, size of the building, construction of the building and any unique features of the building. Given that not all industrial properties are the same, Management will apply these factors to each property in determining a capitalization rate. If a property has all favorable factors, the valuation will likely be calculated using the low end of the capitalization rate range.

Lower capitalization rates are applied to the Company's Class A buildings that have strong tenants, long-term leases and are typically newer construction. Higher capitalization rates apply to the Company's older buildings and take into consideration whether the property is multi-tenanted, the condition of the building, the strength of the tenants, the site coverage, and the location of the property.

At each reporting date, this calculation method is performed on all the investment properties except for the Oliver Crossing property, vacant land, and land under lease. Vacant land held for development is valued using Management's research of similar vacant lands that have been sold recently or are available for sale. Land under lease with tenants is valued at the fair value of similar vacant land in the area.

The Company continues to increase its investment property portfolio each year by acquiring properties with a view towards capital appreciation. Affecting operations for each quarter are the fair valuations of investment properties.

Net valuation gains (losses) per quarter:

2020 Q4	2020 Q3	2020 Q2	2020 Q1	2019 Q4	2019 Q3	2019 Q2	2019 Q1
$ (74,228)	$ (992,868)	$(1,953,004)	$ 89,563	**$1,103,099**	$ (148,530)	$ (33,127)	$(1,453,502)

When valuing the investment properties at fair value, all other inputs being equal, an increase in property revenue for the ensuing twelve months will have a positive impact on the fair values and a decrease in revenue will have a negative impact. When interest rates are low, investors are eager to expand their portfolios, creating a healthy, competitive environment in which to acquire property, which will keep the cap rates very competitive.

Management marginally increases the cap rates on some of the properties where the Company believes property values and lease rates have decreased as a result of a lower demand and owners eager to lease up vacant buildings. Some properties' cap rates were increased to maintain existing values, despite increased contracted revenue streams which would otherwise drive the value upwards.

INVESTMENT PROPERTY

CAP RATES

Location	September 30, 2020 Total GLA ft^2	September 30, 2020 Range Cap Rates	Rate Change	September 30, 2019 Total GLA ft^2	September 30, 2019 Range Cap Rates
Edmonton, Alberta	729,723	4.50% - 7.35%	↑	651,797	4.50% - 6.80%
Red Deer, Alberta	43,396	6.35%	↑	43,396	6.33%
Fort Saskatchewan, Alberta	6,000	6.41%	↔	6,000	6.41%
Fort McMurray, Alberta	51,424	6.14% - 6.50%	↑	51,424	6.14% - 6.33%
Leduc, Alberta	41,630	6.50%	↓	41,630	6.85%
Vegreville, Alberta	33,295	8.50%	↔	33,295	8.50%
Nisku, Alberta	37,200	6.50%	-	-	-
Hanna, Alberta	28,891	7.00%	↔	28,891	7.00%
	971,559			856,433	
Available for lease, Edmonton, Alberta	51,305			32,762	
Total GLA square feet	1,022,864			889,195	

Essential Energy Building | ***Red Deer, Alberta***

Cap rates continue to be evaluated on a property-by-property basis to ensure values reflect current market conditions.

During Q2 & Q3, four properties were lowered in value for total net valuation losses of $2,930,537 at September 30, 2020. Two buildings have uncertainties surrounding lease renewals, and two buildings have large vacancies that may take further time to lease-up. These losses were offset by minor gains on other properties in the portfolio.

At Q4 2019 there was an appreciation gain on vacant land that was valued at the market rate for similar land available for sale, and a revaluation gain was recorded on a mixed use building that was valued using the current cap rate for this type of property.

During Q1 2019, the Company lowered the values of two properties, which contributed significantly to the net valuation losses of $1,453,502. One property, from which a tenant occupying 32,762 ft^2 vacated after paying out its lease obligations, represents 34% of the square footage of the building. The Company made significant improvements to this space and began actively marketing the space. The decrease in value represented the lost revenue, carrying costs, and leasing costs. A tenant in the second property requested a reduction in its contracted lease rate for the remaining term of its lease. The lower revenue is reflected in a lower valuation of this property at that date.

Fair value losses will often occur during Q3 each year, being the result of items capitalized as building improvements that are performed in the summer months. The capitalized building improvements generally exceed any incremental fair value increase, and Management will make a negative adjustment to the property's carrying value to bring it to the fair value at the reporting date. Also, at Q3 each year, property taxes are capitalized to vacant land causing a negative revaluation to bring the values back to estimated market values.

The Company will adjust the cap rates upward on some properties because, if left unadjusted, the increase in contracted revenue for the next twelve months would cause fair value increases that likely are not indicative of current market values.

- **Income from operations** is lower in 2020 over 2019 largely due to the rent abatement relating to the property in Fort McMurray impacted by the flood in the spring of 2020. In the prior year accelerated rent increased the revenue reported by $900,000. This entry was due to a reversal of a loan impairment provision made in 2018.

- **Property operating expenses** are up this year due to an increase in acquisitions over the last twelve months as well as an increase in expenses incurred in restoring properties that were vacated during the year to leasable condition.

- **Finance costs** include interest on financing and amortization of deferred finance fees and are net of interest income. Interest on financing is higher at September 30, 2020, compared to September 30, 2019, due to additional mortgages, increased use of the bank credit facilities, and increased related party financing. The Company utilized its lines of credit and related-party financing to assist with new acquisitions and to temporarily provide cash for operations, impacted by COVID-19 rent deferrals, and the loss of revenue from a major flood in Fort McMurray, Alberta.

The most recent mortgage received in Q3 2020 reflected a decrease in the lending rates due to the significant drop in the prime rates offered by the major banks.

- **Amortization of right-of-use asset** refers to the head office lease space for the Company. Effective October 1, 2019, the Company has recorded a right-of-use asset and it will be amortized over the term of the lease on a straight-line basis.

- **Loss on short-term investments** is the accounting loss on the disposal of all the short-term investments during Q1 2020. In the prior year, the unrealized investment loss is the result of valuing the marketable securities at market prices at the reporting date.

Wajax Building | *Nisku, Alberta*

CHANGES IN CASH FLOWS

Cash provided by operating activities was $9,621,005 at Q4 2020 (Q4 2019 – $9,927,677). The Company continues to generate positive cash from operations each quarter to cover day-to-day expenditures and provide reserves for future opportunities. The cash flow from operations this Q3 & Q4 2020 was impacted by COVID-19 rent deferrals and the flood in Fort McMurray, AB. The cumulative rent deferred during the year was $846,940. The impact of the flood caused abated rent of $448,855. Beginning in Q4 2020 the Company has started to recover some of the deferred rents and some regular lease payments have resumed.

Cash used in investing activities was $18,583,594 (2019 – $14,222,649) as the Company completed three acquisitions in the current year for a total of $19,417,469. In the prior year, acquisitions totaled $11,514,213 and construction costs associated with the properties under development were $1,888,941. In Q4 of the current year, there was a disposition of investment property generating proceeds of $1,056,380.

Net cash provided by financing activities was $8,050,886 in 2020 compared to $2,986,774 in 2019. Mortgage proceeds were $14,303,500 (2019 - $19,600,000). Related party financing, net repayments, is $5,050,000 during the year (2019 - $4,020,000). During the current year, total dividends paid were $474,822 (2019 – Nil). Due to cash flow restrictions, the dividend payments were subsequently suspended for the remainder of the fiscal year.

At September 30, 2020, there was a **net decrease in cash** of $911,703 compared to a net decrease in cash at September 30, 2019 of $1,308,198.

CHANGES IN FINANCIAL POSITION

Investment properties include the fair value of the properties at the reporting date as valued by Management, including the unamortized balance of straight-line rent receivables, the unamortized balance of deferred leasing costs and the unamortized balance of tenant inducements if any. Changes since the fiscal year-end of September 30, 2019, are detailed below.

	Income Producing Properties	Held For Development	Total Investment Properties
Opening balance at September 30, 2019	$ 205,702,397	$ 12,766,493	**$ 218,468,890**
Additions:			
Property improvements and additions	378,108	-	**378,108**
Capitalized property taxes and other	-	144,603	**144,603**
Leasing commissions	258,806	-	**258,806**
Property acquisitions	19,417,469	-	**19,417,469**
Amortization of tenant inducements	(27,513)	-	**(27,513)**
Change in straight-line rental revenue	485,069	-	**485,069**
Sale of investment property	(8,885,177)	-	**(8,885,177)**
Revaluation losses, net	(2,421,433)	(509,104)	**(2,930,537)**
Amortization of deferred leasing commissions	(365,250)	-	**(365,250)**
Ending balance at September 30, 2020	$ 214,542,476	$ 12,401,992	**$ 226,944,468**

Property improvements include structural improvements, new HVAC units, new overhead heaters, parking lot improvements, upgrades to fire alarm panels, and project design fees. Leasing commissions were paid for new leases on the acquisitions in Nisku and Edmonton, Alberta.

- **Right-of-use asset** refers to the head office lease with payments made to a related party described in Note 4 of the consolidated financial statements. The asset was recorded at the present value of the lease payments to the term of the lease. The asset is amortized on a straight-line basis over the term of the lease.

- **Receivables** at the year-end were $264,875 (2019- $279,846). During the current year, the Company reinstated $100,000 of the receivable that was previously considered impaired (September 30, 2019 - $900,000). The reversal amount of $100,000 (September 30, 2019 - $900,000) was recorded as revenue. The Company also sold an investment property and entered into a Vendor Take-Back ("VTB") mortgage for $8,000,000. The VTB bears interest at an annual rate of 2.5% with interest-only payments payable monthly over a 12-month term maturing on July 21, 2021. The VTB can be prepaid in whole or in part without penalty and the purchaser has an option to extend for a further year. The VTB is carried at amortized cost.

- **Prepaid expenses and deposits** have a balance at September 30, 2020 of $758,094 (September 30, 2019 – $661,714), relating to property insurance premiums, security deposits with municipalities, and property taxes.

- **Mortgages** at September 30, 2020 have a balance of $96,820,179 (September 30, 2019 – $88,740,115). During the current year, one mortgage was renewed for a further five-year term and another mortgage was renewed for one year. Three new mortgages were obtained for acquisitions within this fiscal year which lowered the weighted average rate to 3.29% from 3.35% at 2019. There are currently five mortgages up for renewal in the next twelve months with combined principal balances of $17,620,825, which are shown as a current liability. Netted against mortgages on the consolidated statements of financial position is the balance of unamortized fees associated with new or renewed mortgages, totaling $236,556 at Q4 of 2020 (2019 – $242,080).

- **Other financing** at September 30, 2020 of $5,050,000 is due to related parties. The loans are unsecured and bear interest at an annual rate of 6%. Other financing was used to assist with the acquisitions in Nisku and Edmonton, Alberta, and also the temporary cash shortfall due to the COVID-19 rent deferrals.

- **Bank operating facilities** at September 2020 have a balance of $26,275,887 with two of the Company's major lenders (2019 - $26,353,212).

CREDIT FACILITIES

	September 30, 2020	September 30, 2019
Bank credit facilities	$ 26,467,000	$ 26,500,000
Amounts drawn on facilities	(26,275,887)	(26,353,212)
Available credit facilities	**$ 191,113**	**$ 146,788**

The Company currently has two credit facilities (each a "Line of Credit" or "LOC") with two of its major lenders.

1. An operating line of credit (LOC) with a limit of $13,467,000 (September 30, 2019 - a limit of $13,500,000).

   This LOC is used to assist with property acquisitions and general operations and has a balance at September 30, 2020, of $13,309,907 (September 30, 2019 - $13,372,362). The credit facility bears interest at prime plus 1% per annum (September 30, 2019 – prime plus 1% per annum) and is secured by specific revenue-producing properties with combined fair values of $36,939,597 (September 30, 2019, specific revenue-producing properties with combined fair values of $46,341,730). The Company pays a standby fee of .25% per annum (September 30, 2019 - .25% per annum) payable monthly on the undrawn portion of the facility. Specific covenants of this credit facility are that there be a minimum of 90% occupancy of the secured buildings and adherence to a margin formula as outlined below.

- Availability under the facility will be restricted to the lending value assigned to the properties which will be the lesser of: a) the level at which a Debt Service Coverage Ratio of 1.25 can be maintained, less the Prior Debt on the properties, (unchanged from September 30, 2019): or b) the level at which a Loan to Value Ratio of 70% can be maintained for the secured properties, over which the Lender holds a 1st mortgage and 60% for the secured properties over which the Lender holds a 2nd mortgage, less the prior debt on the properties (unchanged from September 30, 2019). For these secured properties, the loan to value is set at 70%, unchanged from the prior year.

Debt Service Coverage Ratio ("DSCR") is the net operating income, divided by the debt service.

- *Debt service* = annual principal and interest payments based on a 25-year amortization and an interest rate that is the greater of 4.5% (September 30, 2019 - 5.0%) or the Government of Canada Benchmark Bond Yields plus 225 basis points.

- *Net Operating Income* is stabilized operating income from the secured properties adjusted for normal operating expenses, common area maintenance expenses, property taxes, and other expenses that are not recovered from the tenants.

Loan to Value Ratio ("LTV") is the total debt on the secured properties divided by the current market value of the secured properties.

Loan Covenant Requirements:	Min. 90% Occupancy	DSCR 1.25	LTV 70%
September 30, 2020	Yes	2.75	73%
June 30, 2020	Yes	2.89	68%
March 31, 2020	Yes	2.89	68%
December 31, 2019	Yes	2.89	69%
September 30, 2019	Yes	2.89	69%

During Q4 2020, the Company sold a property that was included as security for the LOC. The lender released the property from the LOC which increased the LTV beyond 70%. The lender agreed to allow the increase with a provision that it is to be lowered to 70% within 18 months. To facilitate this, the operating limit will be reduced by $16,500 on the first of each month commencing August 1, 2020. At September 30, 2020, the lender approved the LTV to 73%.

2 An additional operating LOC with a limit of $13,000,000 (September 30, 2019 – a limit of $13,000,000).

This credit facility bears interest at prime plus .95% per annum (unchanged from September 30, 2019) and is secured by specific revenue-producing properties with combined fair values at September 30, 2020, of $70,548,383 (September 30, 2019 - $73,601,828).

There are no specific covenants or margin formulas for this line of credit. The balance on the credit facility at September 30, 2020 is $12,965,980 (September 30, 2019 - $12,980,850).

▸ **Lease liability** is the result of the adoption of IFRS 16 "Leases" at October 1, 2019. The Company has recorded a lease liability at the present value of the remaining lease payments for its head office leased space. The lease payments were discounted using the Company's incremental borrowing rate of 4.95% at October 1, 2019. Previously these payments were expensed as rent. A corresponding entry was made to a right-of-use asset which is amortized on a straight-line basis over the term of the lease.

▸ **Payables and accruals** are $1,335,226 at September 30, 2020 (September 30, 2019 – $800,176). The balance includes accrued interest on financing, prepaid rents from tenants, and trade payables. Also included is management compensation amounts payable of $100,000 (2019-nil).

SUMMARY OF CONSOLIDATED QUARTERLY RESULTS

	2020 Q4	2020 Q3	2020 Q2	2020 Q1	2019 Q4	2019 Q3	2019 Q2	2019 Q1
Revenue	**3,754,671**	4,285,825	4,037,197	3,998,495	**4,152,393**	4,273,657	4,150,537	4,021,321
Total Comprehensive Income	**870,508**	647,839	(1,636,200)	1,533,743	**4,393,990**	1,519,848	1,393,144	(886,496)
EPS-Basic	**0.09**	0.07	(0.17)	0.16	**0.46**	0.16	0.15	(0.09)
EPS-Diluted	**0.09**	0.07	(0.17)	0.16	**0.46**	0.16	0.15	(0.09)

QUARTERLY CHANGES IN REVENUE

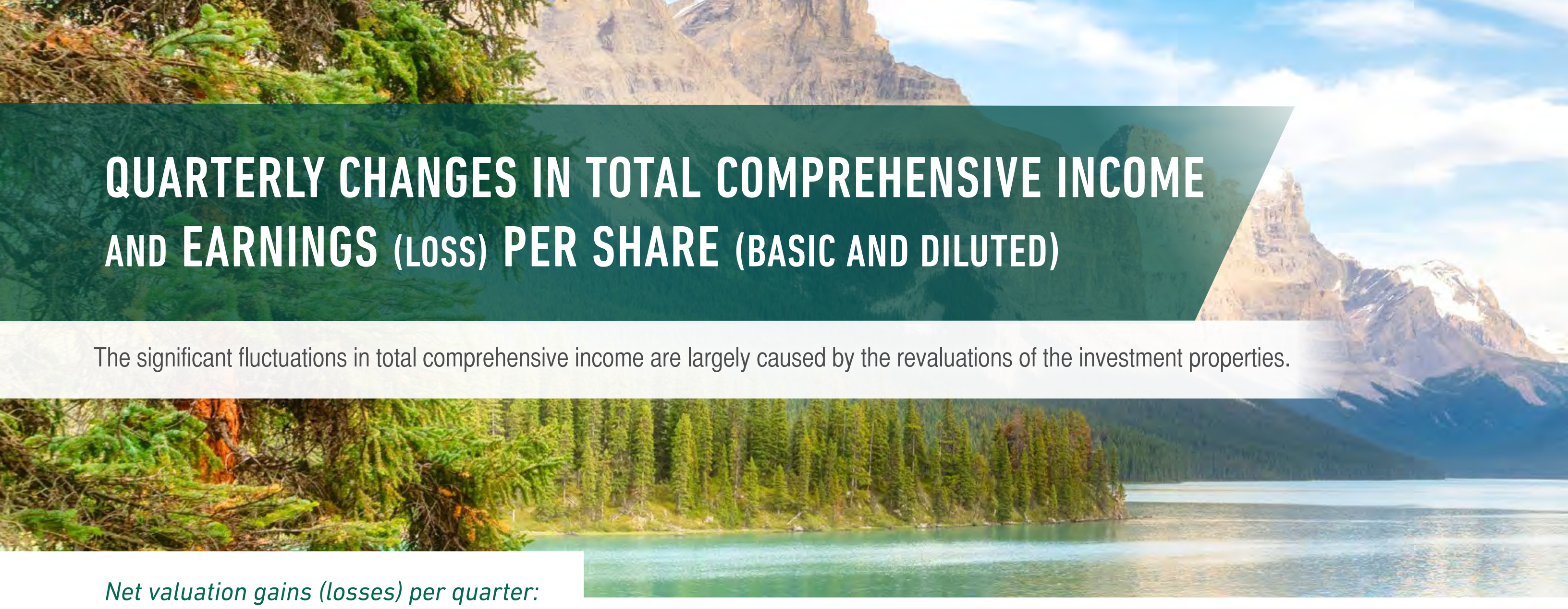
- The increase in revenue during Q2 and Q3 reflects additional revenue from new tenant leases in the new properties acquired during the year as well as new leases in previously vacated properties. Revenue is recorded on a straight-line basis over the terms of the leases so there are not typically large swings quarter to quarter. Although the Company accommodated several tenants with a deferral of their rent from the impact of COVID-19, because the revenue is straight-line over the term of the lease, the revenue will be not be affected quarter to quarter unless the tenant stops paying. In the latter half of Q3 and the majority of Q4 2020, revenue was negatively impacted by a severe flood in Fort McMurray Alberta that damaged one of the properties. The tenant's rent was abated until the cleanup and repairs allowed them to re-occupy the building and open their business in the last month of Q4 2020. Total rent abated was $448,855.

Fluctuations in revenue quarter-to-quarter will often be the result of one or more of the following:

- revenue generated from new leases
- amortization of tenant inducements
- increases due to the reconciliation of operating costs to budget at each Q4
- changes in straight-line revenue due to lease renewals, new leases, and rent deferrals

The Company reports straight-line revenue therefore, typically, quarterly changes in revenue are not material until new tenants begin paying rent.

> “We made three acquisitions this year, adding 149,773 square feet of leasable space, all with solid, long-term covenants in place.”



QUARTERLY CHANGES IN TOTAL COMPREHENSIVE INCOME AND EARNINGS (LOSS) PER SHARE (BASIC AND DILUTED)

The significant fluctuations in total comprehensive income are largely caused by the revaluations of the investment properties.

Net valuation gains (losses) per quarter:

2020 Q4	2020 Q3	2020 Q2	2020 Q1	2019 Q4	2019 Q3	2019 Q2	2019 Q1
$ (74,228)	$ (992,868)	$ (1,953,004)	$ 89,563	**$ 1,103,099**	$ (148,530)	$ (33,127)	$ (1,453,502)

- Q2 & Q3 2020 had four additional property write-downs; several parcels of vacant land were revalued to comparable land in the immediate area, and a building that was vacated at the end of Q2 2020, may be leased at a lower rate than the previous tenant. There are a number of leases due for renewal within the next 12 months which are likely to be renewed at a lower rate. This was reflected in the decrease in fair value of the related buildings.

Q4 2019 unrealized gains are net of small losses. The largest gains occurred on two properties: 3 acres of vacant land in west Edmonton, where land was revalued to market at Q4 2019 based on similar land values in the immediate area; and a multi-tenant building that is quasi retail and very much in demand in Edmonton, that was revalued based on similar properties available for sale or sold in the immediate area.

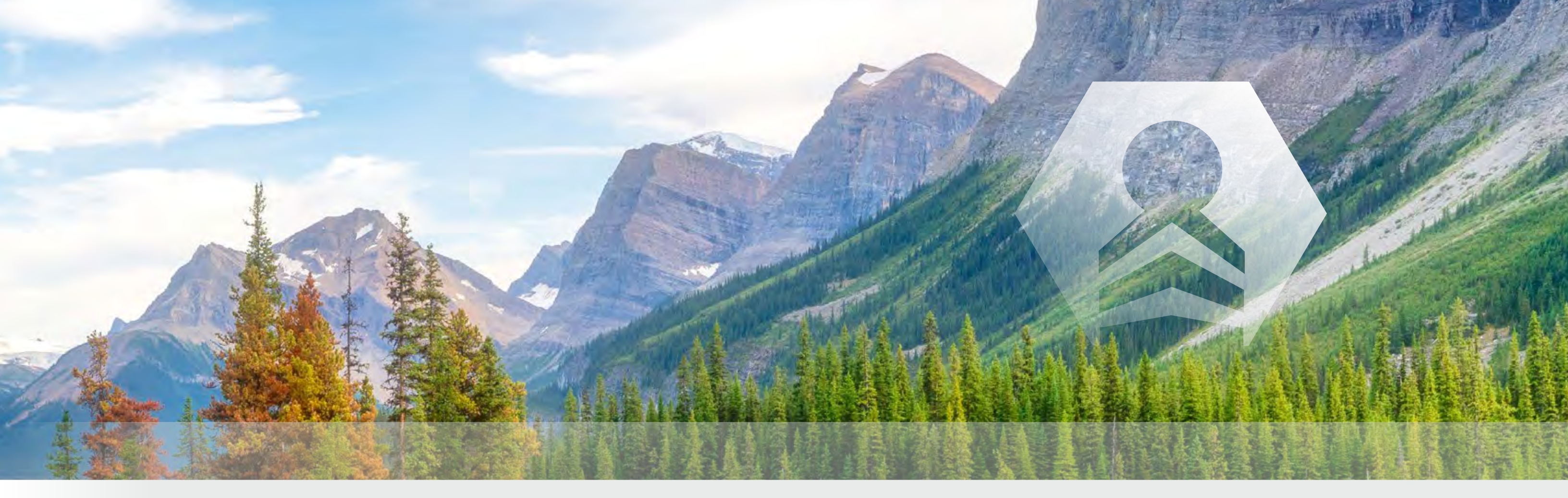
Q1 2019 unrealized losses reflect small gains and losses on all the properties where revaluing the properties to market values takes into consideration the amortization of straight-line rents and deferred leasing. Any amounts capitalized to the properties during the quarter will have a downward adjustment to the value, in order to maintain current market values. During Q1 2019, three properties had larger write-downs due to events that occurred after the year-end. A tenant vacated 32,762 ft^2 or 34% of a multi-tenant building. The lower value on this property reflects the loss in revenue and the costs to re-let the space. During the latter part of Q1 2019, a tenant requested some relief from their lease obligations. Management agreed to reduce their rent to the term of their lease. All other inputs remaining the same, the lower revenue from this lease caused a large decrease in the value of the property.

While a considerable number of properties had increases in the contracted revenue stream, which increases the value when applying a capitalization ("cap") rate, the Company has chosen to keep the values the same on some of the properties by adjusting some of the cap rates upward. Most of the values are adjusted slightly upward to offset the amortization of deferred charges, which includes straight-line rent, leasing fees, and tenant inducements if any.

At Q4 each year, budgeted occupancy costs are reconciled with actual costs, and, where possible, those additional costs are charged back to the tenants. This will typically have a positive impact on revenue for the fourth quarter.

Affecting fair values are changes in the contracted revenue to be received in the next twelve months, as well as changes in the balances of straight-line rent, deferred leasing, tenant inducements, capitalized expenditures, and changes to cap rates. These are inputs that contribute to the fair value increases or decreases of the investment properties.

The fluctuations in earnings per share figures are directly related to the operational activities described herein. There have been no significant changes to the outstanding shares in the last eight quarters.



OUTSTANDING SHARE DATA

▶ **The Company is authorized to issue an unlimited number** of common shares. Total issued and outstanding shares at Q4 2020 is 9,460,442 (Q4 2019 – 9,496,442). The Company's normal course issuer bid expired on September 2, 2020. During the current period, the Company purchased 41,900 shares for a total cost of $160,982. Of the repurchased shares, 36,000 were canceled with the excess cost of the purchase price over the cost of the shares of $123,984 charged to retained earnings. The remaining 9,200 shares are held in treasury until cancelled.

In the prior year, the Company purchased 90,500 shares for a total cost of $361,082. Of those shares, 87,200 were cancelled with a charge to retained earnings of $292,420. The remaining 3,300 shares were held in treasury until cancelled in the current year.

There are currently no options outstanding.

DIVIDENDS

▶ **The Company issued a press release on January 6, 2020,** announcing the declaration of a quarterly dividend of $.025 per share payable on January 31, 2020, to shareholders of record effective January 13, 2020. A second press release on April 8, 2020, announced the declaration of a quarterly dividend of $.025 per share payable on April 30, 2020, to shareholders of record effective April 17, 2020. Subsequent to the quarter ending, due to economic uncertainty brought about by COVID-19, the Board of Directors agreed to suspend the quarterly dividend payments for Q3 and Q4 2020. It is anticipated that quarterly dividends will resume in Q1 2021.

Dividend distribution is determined by the Board of Directors after evaluating the earnings of the Company and the overall outlook for the economy. Dividends are declared and paid based on the common shares owned at the record date. Shareholders are cautioned that past issuance of dividends by the Company does not guarantee that future dividends will be issued.

RELATED PARTY TRANSACTIONS

Paid to companies owned or controlled by a director, majority shareholder, and officer

▶ **Property management and maintenance fees** of $1,181,308 (2019 - $1,038,486) were paid to Sable Realty & Management Ltd. ("Sable"), a company controlled by Sine Chadi, a director and officer of the Company. Fees paid to Sable are pursuant to a contract with the Company to bill for the management and maintenance of its properties for a fee of 4% of rents collected. Maintenance performed by Sable's property management team is charged at rates of $85 per hour (2019 - $65 per hour) for labour, plus truck charges, equipment use, and parts charges. Sable provides its trucks, tools, and equipment to perform property maintenance. The Company recovers most of the management and maintenance fees from the tenants under their occupancy costs. Four leases have no management fee recoverable and the remaining leases have a provision for the recovery of 2%-5% of either minimum rent or rent (which would include minimum rent and operating expense recoveries). The percentage of management fees negotiated and collectible under the leases varies based on the amount of work undertaken by Management, as compared to the tenant, in maintaining the property.

▶ **Acquisition, disposition and leasing fees** in the aggregate of $557,937 (2019 – $298,669) were paid to North American Realty Corp. ("NARC"), a company controlled by Sine Chadi. The increase in the current year is due to the purchase of three investment properties, the disposition of one investment property, and the three new leases entered into during the current year.

▶ **Leased office space and parking** were paid to Sable in the aggregate amount of $149,095 (2019 - $100,200). Imperial Equities shares its head office space with the Sable head office. The increase in lease fees paid in the current year is due to additional space leased by the Company in the current year commencing March 1, 2020.

▸ **Fees for the Chief Financial Officer** of $293,333 (2019 – $200,000) were paid to Sable for the services provided by the Company's Chief Financial Officer who is not paid directly by the Company. The increase in the current year is due to a loyalty fee payable to the former CFO in consideration of years of service with the Company.

▸ **Rent collected from** Sable for commercial lease space was $88,414 (2019 – $22,104). Sable leases a 7,871 ft^2 building in Edmonton, Alberta from the Company.

▸ **Rent collected from** Sable Realty Corp., a company controlled by Sine Chadi, who is a director and officer of the Company, was $18,000 in 2020 (2019 - Nil). Sable Realty Corp. leased commercial space in one of the Company's multi-tenant buildings in Edmonton, Alberta.

Contracts with Sable and NARC have been in place since 1999 with no changes to the terms. They can be viewed on-line at <www.sedar.com>. These contracts and the associated fees and rates are reviewed quarterly by the Company's Board of Directors.

▸ **Charitable donations** were made to the Chadi Family Foundation, a private charitable foundation, of which Sine Chadi is a director. During the current year, the Board of Directors approved a charitable donation of $67,025 (2019 - $67,025).

The above transactions took place at amounts which, in Management's opinion, approximate normal commercial rates and terms and occurred in the normal course of operations. The transactions have been recorded at the exchange amount.

Paid to Directors

▸ Directors' fees paid for attending directors' meetings were $60,000 (2019 - $52,500). Fees per director per meeting are $2,500, unchanged from the prior year. The fees paid are measured at the exchange amount established and agreed to by the related parties. These transactions occurred in the normal course of operations.

Compensation to key Management personnel

▸ The Company's key Management personnel include President Sine Chadi, who is also a director and significant shareholder of the Company. The total compensation paid to Mr. Chadi in 2020 was $300,000 (2019 - $300,000). The Company's COO, Patricia Misutka, as well as the interim CFO, Azza Osman, were both hired in the current year and received compensation of $150,000 and $10,417 respectively.

Unsecured financing from directors and shareholders

▸ In the current year, $9,150,000 was received from shareholders; of which, $5,050,000 remains outstanding at September 30, 2020. Related party financing bears interest at an annual rate of 6% (2019 – 6%). The total interest at September 30, 2020 is $105,703.

In the prior year, a director and shareholder advanced the sum of $200,000 to the Company, which was repaid with interest of $1,184.

Unsecured financing from a company owned 100% by a director and major shareholder

▸ In the current year, $200,000 was received and repaid with interest of $2,268 at an annual rate of 6%.

In the prior year, financing received from North American Mortgage Corp. totaled $750,000 and was repaid with interest of $5,633 at an annual rate of 6%.

Unsecured financing from a company under common control

▸ In the prior year, financing of $5,070,000 was owed to a company that is under common control by Sine Chadi. The $5,070,000 was repaid in full during the prior year. Total interest paid was $19,287 calculated at an annual rate of 6%.

Seaboard Canada Building | *Edmonton, Alberta*

LIQUIDITY, CAPITAL RESOURCES, AND SOLVENCY

▸ **Income from operations or cash flows from operating activities is the primary source of liquidity measures to service debt** and fund planned expenditures for maintenance and capital improvements on the investment properties. Net income is not used as a liquidity measure, as it includes non-cash fair value changes on investment properties and fluctuations on mark-to-market short-term investments.

	2020	2019
Income from operations	**$ 11,689,648**	**$ 12,504,230**
Cash provided by operating activities	**$ 9,621,005**	**$ 9,927,677**

The Company continues to generate cash from operating activities to meet the requirements of ongoing property maintenance including capital improvements and to meet its debt financing requirements. The Company relies on the existing credit facilities to assist with short-term borrowing needs including funding a portion of property acquisitions. The Company has not breached any debt covenants without the consent of its lender, and maintains a healthy relationship with its current lenders.

The impact of COVID-19 on cash flows was felt during 2020 as the Company provided some rent deferrals to specific tenants. The months of April to September 2020 had cumulative rent deferrals of $846,940 of which repayments of $199,406 were made during the year. The recovery dates for the deferrals vary by tenant and commenced July 2020 with the last repayment set to be made over the initial terms of their leases. Due to COVID-19, $22,775 of rent was abated for two tenants during the year.

During Q3 2020 there was a severe flood in Fort McMurray, Alberta and as a result of the tenant's inability to remain open, $448,855 of rent was abated during this year. The tenant has resumed operations in the building and began paying full rent on September 15, 2020.

During the COVID-19 deferrals period as well as the rent abatements, the Company's lines of credit were drawn to their maximum and the Company relied on related-party financing to bridge the gap between revenue and expenses in the impacted period. Provided tenants can continue to meet their lease obligations, the cash flow from operations will increase over the next 20 months as the majority of rent deferral agreements begin to be repaid. At this date, the Company cannot predict the further outcome of the pandemic and the effects it may have on the cashflows and financing opportunities.

The Company primarily relies on its lenders to finance the majority cost of property acquisitions through conventional mortgage financing. Any further cash shortfalls are covered through related-party financing. The Company has been very successful to date with financing its acquisitions and does not foresee any long-term impediments to obtaining the required financing to continue growth and to satisfy short-term borrowing needs and obligations.

Investment properties that are unencumbered with debt are $17,599,810 at September 30, 2020. The ratio of debt to assets is 56% (2019- 53%), providing possible leverage opportunities in the future.

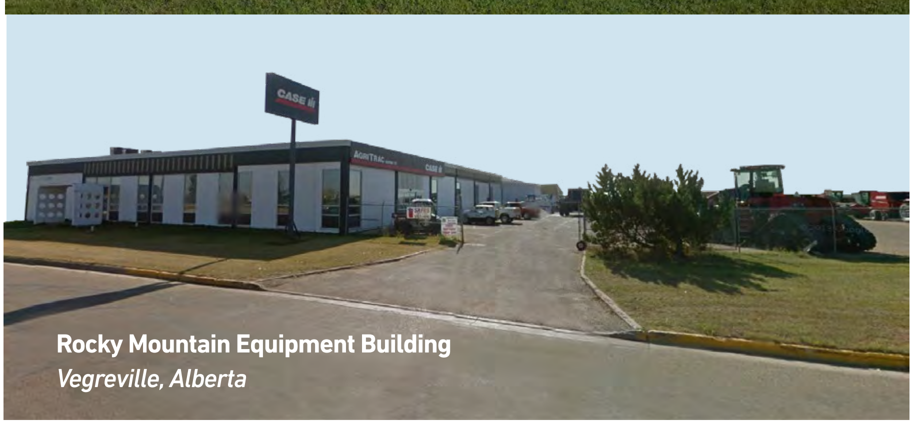
At September 30, 2020, five mortgages are due in the next twelve months with combined principal balances of $17,620,825 and shown as current liabilities. When mortgages are renewed, the Company may have the option of increasing the debt on a particular property, subject to the lender's approval, to provide increased capital. There is a risk to the Company that mortgages that are up for renewal may not be renewed or may not be renewed at the same rates and therefore the monthly principal and interest may change. Subsequent to the year end, the Company began the process of renewal on three of the mortgages.

Subsequent to the year ending, the Company completed an agreement to purchase a 0.312 acres Public Utility Lot ("PUL") adjacent to one of the Company's properties. The total purchase price was $93,600.

The Company has no other contractual commitments to purchase or sell assets, other than as disclosed above, and as disclosed in Note 23 of the consolidated financial statements.

> In the prior year, two Agricultural properties were acquired. They are aiding in the diversification of our portfolio, as we scale back our footprint from the retail, office and oil and gas sectors.

Cervus Equipment Building
Hanna, Alberta



Rocky Mountain Equipment Building
Vegreville, Alberta

CRITICAL ESTIMATES OF THE CURRENT ECONOMIC ENVIRONMENT AND OUTLOOK

The economic environment in which Imperial operates could be adversely affected by tenants challenged by unfavorable economic conditions, most recently the collapse in oil prices, and the effect of the COVID-19 pandemic.

The economic future is uncertain for every sector of the economy including real estate, but the hardest hit have been the office and retail sectors. Fortunately, the Company has little exposure to retail or office properties. Over 80% of the Company's tenants are large national and multi-national corporations with the potential to endure a downturn in the economy. While it is anticipated that continuing low oil prices will have an impact on the Alberta economy, the Company's tenants with exposure to the oil sector have thus far maintained their lease obligations and of these, only two tenants requested rent deferrals.

The Company has entered into rent deferral arrangements with certain tenants whose businesses have been impacted by COVID-19. It is not possible to forecast with certainty the duration and full scope of the impact of COVID-19 and so the Company may experience further issues with rent collection, occupancy rates, and capitalization rates that may affect the valuations of the investment properties. The full extent and duration of COVID-19 remain uncertain at this time.

During Q1 2020, an Edmonton-based tenant occupying a single-tenant building encompassing 50,000 ft^2 asked Management for some relief from its current lease obligations due to cash flow issues. The Company complied and in Q2 2020 this tenant vacated their premises before their lease expiry. There is currently a tenant occupying the space on a month to month basis. Also, during Q1 2020, a retail tenant occupying 4,907 ft^2 was unable to meet their lease obligations and vacated the premises. At Q2 2020 a tenant occupying a single-tenant building of 25,595 ft^2 vacated at the end of their lease term. By year-end, the total vacant space is 51,320 ft^2. These vacancies were not a result of the sharp drop in oil prices or the COVID-19 pandemic as these vacancies had occurred prior to these events.

Management is continuing its efforts to fully lease the remaining vacancies and ongoing negotiations could realize more than 60% of the vacant space leased out in the next quarter.

Financing from the Company's lenders is currently at lower rates than in the past few years which may provide an advantage for the Company when renewing mortgages or acquiring new mortgages on acquisitions. To date, the Company has been very successful with its financing requirements and diligently monitors risk factors when considering strategic plans.

RISKS

CORONAVIRUS RISK – ("COVID-19")

The impact of COVID-19 on companies continues to evolve rapidly and its future effects are uncertain, making it difficult to assess or predict the broad effects on industries and individual tenants. The actual impact will depend on many factors beyond the Company's control and knowledge. Management is responding to evolving events and planning for the uncertainties surrounding the effects of COVID-19 on the Company.

COVID-19 - IMPACT ON THE FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The impact of COVID-19 on the consolidated financial statements included a write-down on some of the Company's properties where there is now more uncertainty surrounding leasing vacant space and more uncertainty whether leases up for renewal in the next twelve months will be renewed. The write-downs affected the earnings per share on the consolidated statements of income. The cash flows from operations were negatively affected during the year by the rent deferrals provided to some tenants due to COVID-19.

In light of changing trends and the overall economic outlook, COVID-19 will impact the near future operating cash flows, the availability of cash through the current credit facilities, and potentially, the availability of related party financing to assist with short-term needs. In 2020, some of the Company's tenants requested some relief from rent obligations which was dealt with on a case by case basis. Fortunately, the Company has little exposure to retail or office tenants who have had to suspend operations during this pandemic. The Company's long-term financial impact will be affected if some tenants are not able to survive the crisis and subsequently vacate the property. Valuations on properties that are vacant will likely be lower and any mortgage renewals will become challenging. There is a possibility that the Company may not be able to renew mortgages as they come due as a result of vacancies.

Much of the rent relief offered is in the form of deferrals. Over the next several quarters, revenue from tenants that is deferred until 2021 and beyond will continue to impact the cashflows and affect the Company's liquidity.

COVID-19 - IMPACT ON CAPITAL AND FINANCIAL RESOURCES

▶ The Company's access to capital and funding sources, such as revolving credit facilities, new mortgages, and related party financing, has not changed during the year. The Company has begun the process of renewing three mortgages that are expiring in the next six months and intends to increase the leverage wherever possible. The Company has relied on related-party financing to assist with operations in the short term.

At this reporting date, the Company has no known uncertainties as it relates to the ability to service the current debt and other financial obligations. The operating cashflows for the year were materially impacted by the deferred revenue from tenant leases, however, the Company anticipates that it has access to the required short-term financing to bridge the gap until cashflows return to normal over the next year.

Portfolio of Tenants and Lease Roll-Over Risk

▶ One of the Company's internal performance drivers is to ensure the quality of the tenant base is strong. Most of the Company's tenants are large multi-national or national and are very likely to manage their operations sustainably during any economic turbulence. The Company does not have any tenant comprising 10% or more of its rental revenue thus limiting potential impacts from a single tenant.

Mix of Tenant Base	Institutional	Multi-National	National	Regional Large	Regional Medium	Local Small	Totals
% of Occupied GLA	7%	38%	36%	8%	3%	8%	100%
% of Annual Rental Revenue	3%	49%	33%	12%	1%	1%	100%

The Company's annual rental revenue is the 12-month revenue stream from contracted rents, also called Minimum Rent or Basic Rent in the Company's leases, and excludes revenues from property taxes and insurance, operating expense recoveries, and month-to-month leases.

The Company's real estate portfolio is predominately comprised of large single-tenant industrial buildings that are leased to multi-national and national tenants.

Most tenants have been with the Company for many years and the Company conducts due diligence on all prospective tenants. Notwithstanding the size of each tenant, the Company's risks involve losing tenants due to unforeseen circumstances and poor economic conditions.

The risk of vacancy of any leased space is the Company's ability to continue to meet the mortgage obligations on the property, as well as carrying costs including property taxes, utilities, and insurance. If in an extreme case a property became vacant, the carrying costs and mortgage payments if any could be paid for with existing cash flows from operations. At September 30, 2020 Imperial's occupancy rate is 95.7% year-to-date.

As with all the Company's past transactions, future opportunities will be evaluated through proper due diligence, assessment of industry conditions and geographical locations, and other external considerations.

▶ **Market values of the investment properties** can decrease if the demand for industrial properties lease space decreases and rental rates are reduced, or capitalization rates increase. The Company's exposure to the market value of its real estate assets affects mortgages up for renewal. Properties with mortgages that are maturing in the next 12 months will be externally appraised for their current market value if the lender requires. During the year, one mortgage was renewed for a further five-year term, another mortgage renewed for one year, and three new mortgages were obtained for the new acquisitions. A mortgage was obtained in Q3 for the third and final acquisition for this fiscal year.

Factors that influence market values of investment properties are the income generated from the property, demand, vacancy rates, term of the current lease, the strength of the current tenant, age of the building and location. Imperial is not aware of any obstacles at this date that would negatively affect its ability to refinance its buildings as the mortgages come due.

The total fair value of the investment properties at Q4 2020 is $226,944,468 which includes $17,599,810 of properties unencumbered with debt. The mortgages and bank operating facilities secured against specific properties total $123,096,063 or 54% of the investment properties. Management believes the amount of debt against the properties is low enough to absorb any decline in values and support our ability to refinance.

▸ **Lease rates** will likely adjust downward if the demand for comparable lease space decreases, which is expected in any economic downturn. As demand for lease space increases, so does the lease rate. Imperial is mindful of these risks. Management believes that any further leases that are up for renewal in the next twelve months will likely be renewed at the same rates, but the Company will be responsive to economic conditions. The current vacancies are taking longer than initially anticipated to lease-up, however the Company is working towards achieving its prior occupancy levels of 100%.

▸ **Interest rates** on mortgages that are up for renewal are currently at the lowest the Company has seen for several years. This bodes well for renewals and new mortgages on acquisitions as the Company will save significantly on interest costs while the rates are low. The Company tries to mitigate the risk of rising interest rates by fixing rates for longer terms and by minimizing its exposure to floating-rate financing. All mortgages have fixed rates.

ENVIRONMENTAL RISK

▸ The Company is subject to various federal, provincial, and municipal laws relating to the environment. To mitigate this risk, each newly acquired property and those currently owned by the Company have undergone a thorough Phase I Environmental Site Assessment (ESA) by a qualified environmental consultant. This ESA becomes a benchmark used in conjunction with the tenant leases, which include a section outlining environmental liability. The Company then conducts regular inspections of each property to ensure compliance.

CYBERSECURITY RISK

▸ Cybersecurity has been identified as a risk to the Company, promoting regular reviews of security measures to take appropriate steps to reduce this risk. While the Company is aware it cannot protect against all types of attacks and human error, Management has an adequate defense against the most common ones. Policies to protect the Company's data from a breach include the following:

- non-use of networks for sharing data; computer data is in locked offices with strictly limited access;
- strict username and password protection including frequently changing passwords which limits the access to company information;
- only use trusted software to execute on the operating system;
- regular updates of anti-virus software, web browsing and email security software, malware security software and firewalls;
- employee vigilance against suspicious emails and attachments;
- update to new operating systems as they are made available to reduce the risk of unintentional and intentional computer infection;
- automatic software updates to ensure software currency, and reduce the risks associated with out-of-date, vulnerable software; and
- use of physical external hard drives to backup the system daily.

The Company has not experienced any breach of its data to date, and it will continue to regularly use third-party IT consultants to provide advice on hardware and security options.

PLANNED EXPENDITURES

▸ **There are opportunities to purchase other properties** currently on the market. The Company continues to look at all opportunities and evaluate the best possible alternatives. Cash needed to fund an acquisition of property will be provided through cash flows from operations, available funds through current bank credit facilities, and securing long-term financing.

Related-party financing is available to the Company, generally on a short-term basis. Management tries to avoid related-party financing as the interest rate is higher than current bank credit facilities; however, Management will use this resource if necessary, as an interim measure until lower financing is put in place.

CRITICAL ACCOUNTING ESTIMATES
AND CHANGES IN ACCOUNTING POLICIES

Adoption of accounting standards

- The Company has adopted IFRS 16, "Leases" which introduces a single on-balance sheet recognition and measurement model for lessees, eliminating the distinction between operating and finance leases and requiring the recognition of a right-of-use asset and a lease liability at the commencement of all leases, except for short-term leases and leases of low value assets. The change in the definition of a lease mainly relates to the concept of control. IFRS 16 determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration. The Company has determined its previously classified operating lease falls under the new definition and a right-of-use asset and lease liability have been recognized at the date of adoption, being October 1, 2019. The Company has recorded a lease liability at the present value of the remaining lease payments, discounted at the Company's incremental borrowing rate. A right-of-use asset was measured at an amount equal to the lease liability. The Company has applied the modified retrospective approach and, therefore, the comparative information has not been restated.

In May 2020, the IASB issued an Amendment to IFRS 16, COVID-19-Related Rent Concessions. The amendment permits lessees not to assess whether particular COVID-19-related rent concessions are lease modifications and, instead, account for those rent concessions as if they were not lease modifications. In addition, the amendment to IFRS 16 provides specific disclosure requirements regarding COVID-19-related rent concessions. The amendment is effective for annual reporting periods beginning on or after June 1, 2020, with earlier application permitted including in financial statements not yet authorized for issue at May 28, 2020. The adoption of this amendment had no impact on the consolidated financial statements.

Under IFRS 16, lessor accounting remains largely unchanged, and the distinction between operating and finance leases is retained. The Company has assessed this standard and, consistent with IAS 15, leases with tenants will be accounted for as operating leases in the same manner as they are currently being reported.

In June 2017, the IASB issued IFRIC 23, Uncertainty over income tax treatments ("IFRIC 23"). IFRIC 23 clarifies application of recognition and measurement requirements in IAS 12, Income taxes when there is uncertainty over income tax treatments. IFRIC 23 is effective for annual reporting periods beginning on or after January 1, 2019 with early adoption permitted. IFRIC23 requires the Company to contemplate whether uncertain tax treatments should be considered separately or together as a group, based on which approach provides better predictions of the resolution, and to determine if it is probable that the tax authorities will accept the uncertain tax treatment or, if it is not probable that the uncertain tax treatment will be accepted, measure the uncertainty based on the most likely amount or expected value, depending on which method better predicts the resolution of the uncertainty. On October 1, 2019, the Company adopted this standard with no impact on its consolidated financial statements.

Future accounting standards

- IAS 1 *Presentation of Financial Statements* has been revised to incorporate amendments issued by the International Accounting Standards Board (IASB) in January 2020. The amendments clarify the criterion for classifying a liability as non-current relating to the right to defer settlement of the liability for at lease 12 months after the reporting period. The amendments are effective for annual reporting periods beginning on or after January 1, 2022. Earlier application is permitted. The adoption of this standard is not expected to have a material impact on the consolidated financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued and have future effective dates are either not applicable or are not expected to have a significant impact on the Company's consolidated financial statements.

(a) Critical judgments in applying accounting policies

- The following are the critical judgments, apart from those involving estimation uncertainty, in applying the Company's accounting policies and that have the most significant effect on the amounts in the consolidated financial statements:

(i) COVID-19

The COVID-19 pandemic has had a substantial impact on the economy in 2020. The uncertainty surrounding the pandemic has required significant judgement when measuring the investment properties at fair value, which requires assumptions about the market conditions. The long-term impact is unknown, and the Company has used judgement when assessing the collectability of outstanding tenant receivable balances.

(ii) Leases

The Company has commercial property leases on its investment property portfolio. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties and so accounts for the contracts with tenants as operating leases. In applying this policy, the Company makes judgements for the point in time at which revenue recognition under the lease commences.

The Company applies judgement in assessing whether an arrangement is, or contains, a lease in which the Company is a lessee, and in determining the lease term by considering the probability of an option being exercised to extend the term. Judgement was applied in determining the incremental borrowing rate and discount rate applied to the lease liability and right-of-use asset.

(iii) Investment property

The Company's accounting policies relating to investment property are described in Note 2 (b) of the consolidated financial statements. In applying this policy, judgment is applied in determining whether certain costs are additions to the carrying amount of the property to be capitalized and, for properties under development, identifying the point at which practical completion of the property occurs, and the directly attributable borrowing costs are included in the carrying value of the development property. Capitalization of expenses ceases to occur when the investment property is available for use. This judgement is applied when the property is substantially complete and is typically concurrent with occupancy. Judgment is also applied in determining the extent and frequency of independent appraisals.

In the normal course of operations, the Company acquires investment properties. At the time of the acquisition, the Company considers whether the acquisition represents the acquisition of a business or a group of assets and liabilities. All acquisitions of investment properties acquired to date by the Company have been determined to be asset acquisitions.

(iv) Income tax

The Company follows the asset/liability method for calculating deferred income taxes. Tax interpretations, regulations, and legislation in the various jurisdictions in which the Company operates are subject to change. As such, income taxes are subject taxable earnings. Assessing the recoverability of deferred income tax assets requires the Company to make significant estimates related to the expectations of future cash flows from operations and the application of existing tax laws in each jurisdiction.

(b) Critical accounting estimates and assumptions

The Company makes estimates and assumptions that affect carrying amounts of assets and liabilities, disclosure of contingent assets and liabilities and the reported amount of earnings for the period. Actual results could differ from estimates. The estimates and assumptions that are critical to the determination of the amounts reported in the consolidated financial statements relate to the following:

Investment properties

The choice of the valuation method for fair valuing and the critical estimates and assumptions underlying the valuation of investment properties and investment properties under construction are set out in Note 3 in the consolidated financial statements.

Significant estimates used in determining the fair value of the investment properties include capitalization rates and normalized net operating income (which is influenced by the inflation rate, interest rates, vacancy rates, structural reserves, and standard costs) of the property, using property-specific capitalization rates.

Investment property under construction is also valued at fair value, unless such value cannot be reliably determined. In the exceptional case when a fair value cannot be reliably determined, such property is recorded at cost. The fair value of investment property under construction is determined using either the discounted cash flow method or the residual method.

The determination of the fair value of investment property requires the use of estimates such as future cash flows from assets and capitalization rates applicable to those assets. In addition, development risks (such as construction and leasing risks) are also taken into consideration when determining the fair value of investment property under construction. These estimates are based on local market conditions existing at the reporting date. In arriving at estimates of market values, Management used their market knowledge and professional judgement and did not rely solely on historical transaction comparables. In estimating the fair values of investment property in these circumstances, there is more uncertainty than which exists in a more active market. The critical estimates and assumptions underlying the valuation of investment properties and developments are set out in Note 3.

Income taxes

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to taxable income and expense already recorded.

MEASURES NOT IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Throughout the MD&A, Management will use measures that will include debt and unencumbered investment properties. These measures do not have any standardized meaning prescribed by IFRS and may not be comparable to similar calculations presented by other issuers. Different issuers may use the same term(s) to refer to different calculations or may vary the definitions of a particular term from one period to another period. Securities regulators require that companies caution readers that earnings and other measures adjusted to a basis other than IFRS do not have standardized meanings and are unlikely to be comparable to similar measures used by other companies.

DISCLOSURE CONTROLS AND PROCEDURES

Risks Associated with Disclosure Controls and Procedures & Internal Control over Financial Reporting

- The Company's major weakness in internal controls and procedures has always been the lack of segregation of duties in the accounting department. The potential impact of a material weakness in internal controls on the financial statements would be the possibility of a material misstatement going undetected. Management is responsible for the existence and effectiveness of systems, controls, and procedures to ensure that information used internally by Management and disclosed externally is reliable and timely. Management has initiated measures to mitigate such material weakness with the addition of new staff to segregate duties.

The Company is a Venture Issuer and is not required to certify the design and evaluation of the disclosure controls and procedures and internal control over financial reporting, and has not completed such an evaluation. There are inherent limitations on the ability of the certifying officers to design and implement on a cost-effective basis DC&P and ICFR for the Company, and therefore there may be additional risks to the quality, reliability, transparency, and timeliness of and annual filings and other reports provided under securities legislation.

In addition to performing the accounting and reporting functions of the Company, the CFO also provides accounting functions to numerous other private companies owned and operated by the CEO. There is the potential for conflict of interest regarding related-party transactions. All related-party transactions are disclosed each quarter and the Audit Committee is provided with comparable figures for fees charged by other companies.

All proposed acquisitions are discussed at the Audit Committee stage. Once all internal conditions are met, an independent appraisal is ordered. Upon the successful closing of the transaction, acquisition fees charged by the asset manager, a related party, are disclosed to the Audit Committee. The Audit Committee provides oversight of financial statements and the MD&A released to the public on a quarterly basis.

The Company cannot guarantee that controls and procedures in place will prevent all errors or misstatements.

OFF-BALANCE SHEET ARRANGEMENTS

- The Company has no off-balance sheet arrangements to report.

04.

PROPERTY PERFORMANCE

2020

ALS
BUILDING

- 9450 – 17 Avenue, Edmonton, AB
- Acquired by Imperial Equities: 2018
- 3.78 Acres of land
- 29,450 Total square feet

2020 PROPERTY DETAILS

Located just south of 23 Avenue and Parsons Road (99 Street) and just metres away from the incredibly popular South Edmonton Common, Canada's largest retail power centre, is the ALS Building. Positioned prominently in the Edmonton Research Park, the ALS Building is situated on 3.78 acres of beautifully landscaped land with ample paved parking and easy access to anywhere in the city.

Construction of this 29,450 ft^2 single occupant industrial/office building was completed in 2004. Markedly, a state-of-the-art laboratory facility that is constructed using a steel superstructure and a combination of precast concrete, decorative split faced block, stucco and a liberal amount of glazing. The 12,225 ft^2 office component which is situated on one level, features exceptionally high-quality finishes with a workmanship to match. The 17,225 ft^2 of built out laboratory space incorporates a host of specifically technical work stations and equipment that will rival any laboratory on the globe.

The highly advanced air handling systems maintain a sterile environment fitting for the operations of ALS. The building is fully sprinklered and powered by a 1200 amp 600 volt electrical service.

MEET THE TENANT

ALS Canada Ltd. – The ALS laboratory in Edmonton is a premier full-service organic, inorganic, and industrial hygiene laboratory in Western Canada. As one of the largest laboratories in the ALS Global network, the Edmonton location has been delivering reliable testing services with unsurpassed quality for more than 30 years. Clients include successful organizations across the globe in all sectors of oil and gas industry, government, and consulting and engineering.

As one of the largest environmental laboratory networks in the world, ALS has the resources and expertise to meet the analytical needs of any project. ALS provides a full range of environmental testing services, specializing in the analysis of air, soil, sediment, water, and much more. Experienced experts at ALS are ready to provide the reliable data that helps clients make informed decisions about projects.

ALS Canada along with its parent, ALS Global, take great pride in providing personalized solutions and services to each and every one of its clients while maintaining core values of efficiency, safety, and diversity in the workplace.

780-413-5227 | alsglobal.com | TSX:ALS

CANADIAN BOTTLED WATER BUILDING

- 7115 Girard Road Edmonton, AB
- Acquired by Imperial Equities: 2002
- 2 Acres of land
- 50,000 Total square feet

2020 PROPERTY DETAILS

Canadian Bottled Water Building - is situated on a 2 acre site in one of Edmonton's most sought after industrial areas. Situated just east of 75 Street and the very popular Argyll Road, its location is strategic given its ease of access and proximity to most major arterial roadways and truck routes.

Developed in 1982 this 50,000 ft^2 concrete block building is ideally suited for manufacturing and distribution. Extensive upgrades to Health Canada standards has enhanced its appearance as well as its functionality. Some notable upgrades include new 1200 amp power service, state of the art fire suppression and fire alarm systems. The property is fully paved with both dock and grade loading and has a generous energized parking lot. With 7,500 ft^2 of office and 42,500 ft^2 of production space, the building is ideally suited for its current occupant.

MEET THE TENANT

Canadian Bottled Water - is an Edmonton based state of the art bottling company supplying the private label market throughout Canada. With a total of 11 production lines and the ability to bottle 720,000 bottles per day, production begins with PET resin and ends with a filled, great tasting bottle of water.

The company is rapidly expanding with sights set on continued growth and expansion in the international market, namely the United States and China. Products include various sizes of reverse osmosis bottled water, bottled spring water, bottled soda pop, bottled carbonated water, and specialized production of caps and bottle molds when desired. Sizes include 350 ml up to 18.9 L bottles.

With their state of the art facilities, the company has the flexibility to produce privately labelled products and also offers the ability to create a bottle design entirely specific to suit a customer's needs. Biodegradable bottles are available to the consumer and unlike any other in the industry. Canadian Bottled Water's biodegradable products require no sunlight or oxygen to degrade in landfills, making them completely biodegradable.

THE CAPITAL BUSINESS PARK

2020 PROPERTY DETAILS

Located along one of Edmonton's busiest industrial roadways is the Capital Business Park. Acquired in 1999 this 4.1 acre property had several buildings on the site and the acquisition accommodated one tenant that required only one building but did not require the entire site. For Imperial Equities, an acquisition of this type of property was fundamental to its growing portfolio. Any residual lands would be land banked for any future development opportunities.

One of the buildings and approximately one acre of land was leased out to an equipment rental company and in 2006 Imperial undertook to renovate the 10,758 ft^2 building to a high standard. The transformation began with a complete exterior upgrade that consisted of a new roof, siding, landscaping and yard surfacing. The interior renovations have features such as a new sliding glass door entry system that leads to the 5,000 square foot showroom and climate controlled office area. A large repair and service shop includes a high pressure wash bay that allows for the cleaning of returned equipment.

In early 2011 Imperial was asked to prepare a lease proposal for a 3 acre land component and a new 17,653 ft^2 building designed specifically for the waterworks division of EMCO Corporation. Imperial engaged its team of consultants that included architects, structural, mechanical, electrical and civil engineers to dialogue with EMCO to create an office, showroom and warehouse facility. The consultation process culminated in an attractive eye-catching design and a construction method that is state of the art. The building is constructed with insulated tilt-up concrete panels that are developed in a climate controlled environment then transported and erected on site. The office and showroom consists of over 5,000 ft^2 with the office portion being a two storey contemporary design with the latest in energy efficient components.

- 15730/40 – 118 Avenue Edmonton, AB
- Acquired by Imperial Equities: 1999
  Build to Suit: 2012
- 4.10 Acres of land
- 28,411 Total square feet

MEET THE TENANTS

▸ **EMCO Corporation -** is one of Canada's largest integrated distributors of products for the construction industry. EMCO offers products in the distinct categories of plumbing and heating, waterworks, industrial, oilfield supply and HVAC (heating, ventilation and air conditioning). EMCO strives to satisfy the needs of its customers with a focused product assortment, transported and sold through an extensive network of branches, distribution warehouses and showrooms across Canada.

Since 1906 EMCO Waterworks has been serving Edmonton's burgeoning construction industry. EMCO Waterworks specializes in distributing vital construction materials such as PVC pipes, fittings, valves, hydrants, geosynthetics, septic and irrigation products.

780-447-4800 | emcoltd.com

▸ **Ahern Equipment of Canada -** Headquartered in Las Vegas, Nevada, Ahern Rentals is a family-owned business which started from humble beginnings in 1953. Through organic growth, Ahern Rentals is today the largest independent rental company in North America, with 94 locations.

Ahern Rentals has over 54,000 pieces of equipment in the fleet, and serves customers in many sectors, including construction, industrial, residential, utilities, municipalities, conventions, and entertainment & events. The company specializes in high reach equipment, which permits the safe lifting of people or materials to work at height, and offers one of the largest selections in the industry.

Based on their family values, Ahern Rentals is committed to building relationships and takes pride in listening and responding to their customers' needs.

780-467-0600 | ahern.com

CENTRAL

DISTRIBUTION BUILDING

2020 PROPERTY DETAILS

Imperial's largest building is this 101,923 ft^2 concrete block building situated on 3.83 acres in Edmonton's Hudson's Bay Reserve area. Located close to downtown and the former city centre airport, the property consists of one whole city block and is fully leased to three different distribution type tenants.

The Central Distribution Building is situated in a very central part of Edmonton that allows each tenant easy access to a large potential client base.

The area serves as an excellent location for a distribution or light industrial tenant and will continue to generate income for our Company but more importantly it has great future redevelopment potential. Imperial will continue to bank land in the new Blatchford redevelopment area, formerly known as the city centre airport area.

MEET THE TENANTS

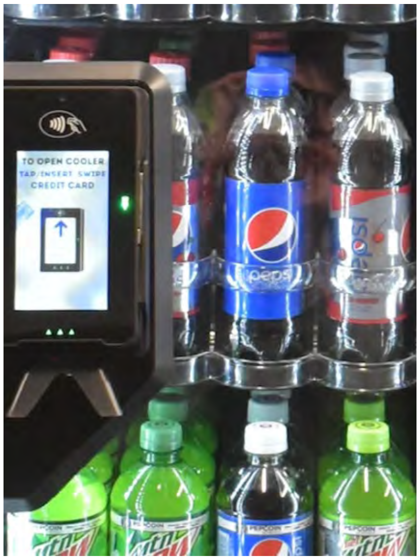
Amre Supply Co Ltd. - is a supplier of parts, tools, equipment and fixtures for contractors and property operators. With 12 locations in major Canadian cities, Amre carries original factory specified parts that are engineered specifically for their appliances, plumbing, heating or cooling equipment. Amre also inventories many hard to find or no longer available parts for brands that are engineered to original specifications by quality manufacturers. With a team of experienced employees Amre Supply has the reputation of being Canada's Parts Professionals.

780-426-2673 | amresupply.com

RAL

ON BUILDING

- 11415 – 120 Street Edmonton, AB
- Acquired by Imperial Equities: 2005
- 3.83 Acres of land
- 101,923 Total square feet



MEET THE TENANTS

Canteen Canada - For almost 90 years, Canteen has pioneered the vending industry. From factories to schools, and offices to healthcare facilities, Canteen is always there with just the right food or drink to keep Canadians on the move. Canteen is a member of Compass Group Canada, the national leader in food service management and support services, serving over 10 million meals a day in award-winning restaurants, corporate cafes, hospitals, schools, arenas, museums and other sites. Canteen provides on-demand retail and food service, market, dining, vending and coffee through easy to access and pay vending machines. With 42 years' experience, Canteen is a market leader, offering the latest in wireless inventory control and other innovations to create the places, moments and opportunities for Canadians to access a quick, convenient break. Canteen Canada acquired Brazilian Canadian Coffee in 2020 and moved into the Company's existing space within the Central Distribution Building, integrating the office coffee and food service company into Canteen Canada's broad product and service offerings.

780-435-3551 | canteencanada.com

Edmonton Floral Delivery - has served the Edmonton region for more than 50 years. The company specializes in deliveries of refrigerated products and offers flower-shop pick-ups and deliveries, greenhouse and wholesale deliveries and cross dock. It is part of the Profloral Express distribution network, which works to expedite shipments of food products, cut flowers and live plants across Western Canada and the Western United States (Washington, Oregon, and California).

780-448-2600 | edmontonfloral.ca

CERVUS
EQUIPMENT BUILDING

- 302 Pioneer Trail South, Hanna, AB
- Developed by Imperial Equities: 2018
- 16.5 Acres of land
- 28,891 Total square feet

2020 PROPERTY DETAILS

Located in the heart of Alberta's breadbasket is the town of Hanna. With a vast agricultural drawing area and a limited supply of existing buildings in town, Imperial undertook to develop a large new commercial building that would accommodate a John Deere dealership for decades to come. Imperial acquired a 66.75 acre parcel of land at the southern boundary of the town. The property which was specifically chosen, afforded exceptional access to and from all major thoroughfares and its location provided incredible exposure for any business. A 16.5 acre parcel was subdivided and rezoned to allow for the new development.

Construction of two separate buildings were completed in 2018. The main dealership building is 24,847 ft^2 and an ancillary building of 4,044 ft^2 for a total of 28,891 ft^2. Both buildings were constructed using a steel superstructure and a combination of concrete, stucco and metal siding to complete the exterior finish. The main floor of the dealership building features several offices and a large show room. The second level is designed as a mezzanine level that features several offices and meeting rooms. The 16,000 ft^2 of built out shop space incorporates 10 technical work stations complete with equipment that will accommodate the repair of any agricultural implement.

MEET THE TENANT

Cervus Equipment Corporation - is a world-leading equipment dealer, powered by iconic brands and passionate people. With dealerships across Canada, New Zealand and Australia, Cervus is a global team with one shared purpose. Cervus' mission is to enable its customers' success by providing practical and reliable equipment solutions and support. John Deere, Peterbilt, JLG, Clark, Doosan & Sellick, these are the names that stand for quality and performance. Cervus is proud to grow alongside these icons, delivering the quality and innovation customers have demanded for decades and even centuries.

Since 1837, John Deere has delivered proven products of superior quality built on a tradition of integrity. John Deere is a world leader in providing advanced products and services and is committed to the success of customers whose work is linked to the land.

Cervus operates in 64 locations and in 3 different countries and is committed to continuing strong, sustainable growth strategies for years to come.

403-854-3334 | cervusequipment.com | TSX:CERV

COPPERTONE I
BUILDING

- Coppertone Industrial Common
  15103 – 121A Avenue Edmonton, AB
- Developed by Imperial Equities: 2004
- 2.34 Acres of land
- 22,939 Total square feet

2020 PROPERTY DETAILS

Imperial and its consultants planned an architecturally designed site and building according to requirements and specifications of the tenant. The high quality facility was completed as agreed upon and delivered precisely on time. Gescan proudly took occupancy of its new premises in July of 2004.

The 2.34 acre site for the development was a portion of the 11.06 acre block of industrial lands in Edmonton's westend industrial corridor, part of Coppertone Industrial Common. The facility includes a 4,700 ft^2 2 storey office component with the balance of the building being a 22,939 ft^2, 28 foot high, state of the art warehousing facility. Amenities include enhanced mechanical systems, a fully paved and landscaped site, customer parking, both dock and grade loading along with a secured storage yard area.

The building is a rectangular pre-engineered clear span, fully insulated metal building and is finished in a copper colored exterior cladding. The office portion features a curtain wall window treatment of anodized smoke grey colored glazing. A first class addition to the Imperial portfolio!

MEET THE TENANT

Gescan - is a leader in the distribution of electrical supplies and equipment with 26 branches in the Alberta and prairie region. Gescan forms part of Sonepar Canada and Sonepar worldwide. Sonepar has sales of over $10 billion in the electrical distribution industry with a large presence in Europe, North America, South America, and Asia. As part of Sonepar Canada and one of the largest electrical distribution networks, Gescan has put together a unique blend of people, products, and partners to help customers with their electrical product and service needs.

780-455-7171 | gescan.com

COPPERTONE II
BUILDING

- Coppertone Industrial Common
12015 – 152 Street Edmonton, AB
- Developed by Imperial Equities: 2012
- 5.13 Acres of land
- 21,801 Total square feet

2020 PROPERTY DETAILS

Developed as part of Imperial's Coppertone Industrial Common, this architectural design winning building is situated on 5.13 acres. With over 21,000 ft^2 of floor area this specialty building features 1,721 ft^2 of prime office space and 20,080 ft^2 of unobstructed clearspan warehouse.

Construction of the building is considered a "conventional build" with a steel superstructure. The first 8 feet of walls of the entire warehouse component are of a split faced concrete block. Above the concrete block and towering up to 30' in height are prefinished insulated panels. Imperial's team of consultants worked with Norwesco's consultants to create this building that will serve the tenant's needs for decades to come.

The building design ties in with the theme of the Coppertone Industrial Common that creates the appearance of being an Imperial Equities built building.

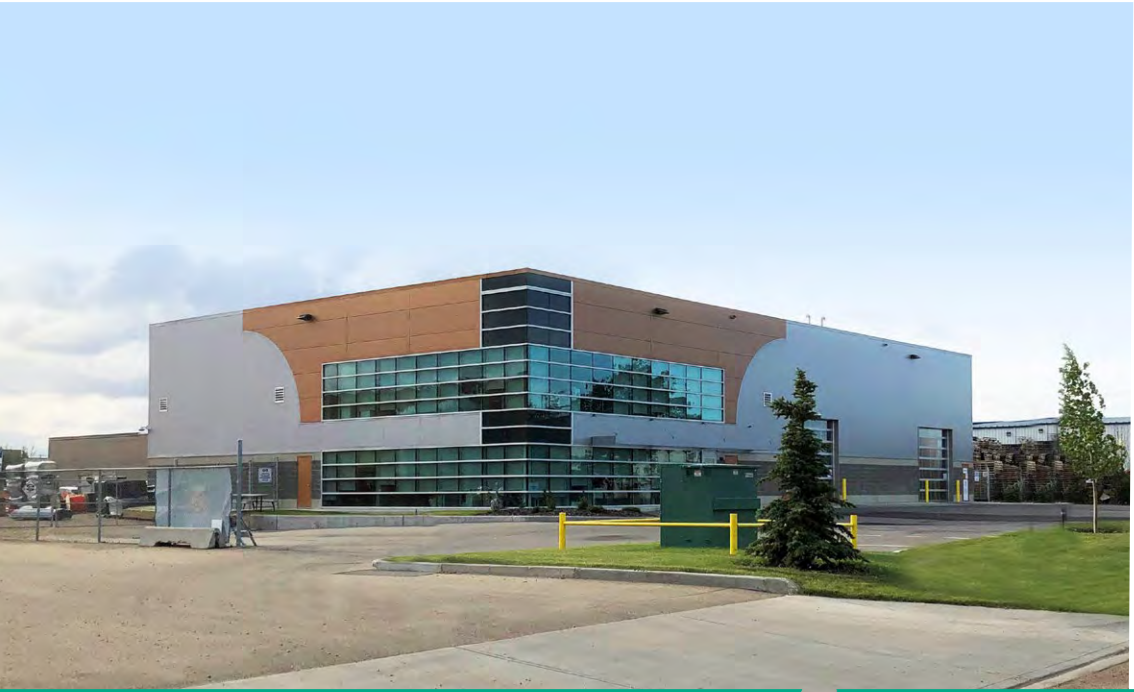
MEET THE TENANT

Norwesco Inc. - is North America's leading manufacturer of proprietary rotationally moulded polyethylene tanks for agricultural, water, closed-top industrial, and below ground septic and cistern applications. Founded in 1939 in St. Paul, Minnesota, Norwesco now operates 14 plants throughout the United States and Canada and is the world's largest supplier of rotationally moulded tanks. Rotational moulding is an efficient and effective process for moulding hollow, complex and vertical shapes. The process uses heat to melt and fuse plastic resin in a closed mould, without utilizing pressure. All of Norwesco's equipment has been customized to improve the speed and efficiency of the manufacturing process.

780-474-7440 | norwescocanada.com

COPPERTONE III
BUILDING

- Coppertone Industrial Common
  11921 – 152 Street, Edmonton, AB
- Developed by Imperial Equities: 2018
- 1.25 Acres of land
- 12,124 Total square feet



2020 PROPERTY DETAILS

▸ **Within** Imperial's Coppertone Industrial Common is a cluster of first-rate service and industrial buildings with one common theme. Each of our buildings share a copper facade that creates a look of quality that stands head and shoulders above anything in the immediate area and more notably they are immediately identified as an Imperial Equities' property. The newest addition to Coppertone Industrial Common is our Coppertone III property.

Developed by Imperial Equities in 2018 this innovative 12,124 ft^2 building has incorporated many of the LEEDS building standards and is situated on 1.25 acres of completely serviced and surfaced land. The ultra modern 3,500 ft^2 office component is positioned on 2 levels and features two separate stairwells each with exterior access. The warehouse/shop boasts elements that will rival most LEEDS certified buildings with fully automated LED lighting, energy efficient mechanical systems and even a built-in oil separator.

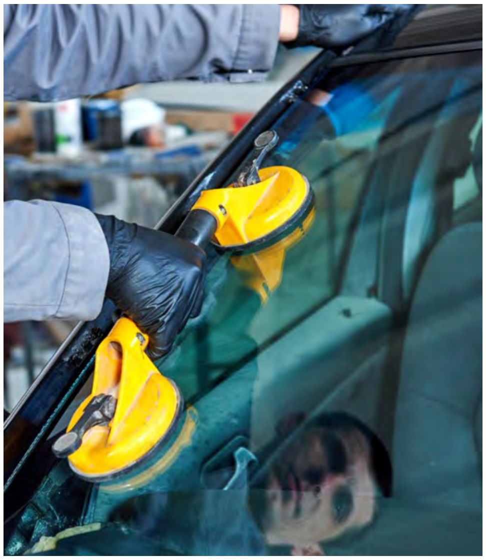
MEET THE TENANT

▸ **Ledcor Group -** is a diversified construction company with teams of people who are proven in their industries. They work to design, build, transport, operate and maintain projects all over North America. They believe that projects are about more than concrete and steel. They are about people and the power of partnerships with employees, communities, contractors and clients.

Ledcor believes in building trust in the places where they do business—whether that's by engaging honestly, by giving back, by putting safety first, or by looking for smarter, more sustainable ways to get the job done right.

ledcor.com

COPPERTONE VII
BUILDING



2020 PROPERTY DETAILS

The Coppertone VII Building is a true gem that is situated along 149 Street in Edmonton, Alberta and bookends the easterly boundary of our Coppertone Industrial Common, which has become one of northwest Edmonton's desired locations. The building is sited on 2.82 acres of prime commercial/industrial real estate with considerable frontage along the highly utilized 149 Street in northwest Edmonton. The Property has excellent curb appeal and superb exposure to one of Edmonton's most travelled thoroughfares.

Built in 1999, this aesthetically pleasing multi-tenant building features a great mix of leasable space including service, retail, distribution and office. All service bays include rear grade loading with ample maneuverability as well as electrified staff parking. The building also features two dock loading doors that will offer any tenant the flexibility to deal with any logistics requirements.

Construction of this 48,776 ft^2 building is of a high quality steel superstructure that is dressed up with a variety of decorative concrete block that will immediately draw your eye to the property. The front facade is guarded by large concrete pillars that support a decorative metal frame and screen that serve as a sign band for the building. The entire property is meticulously landscaped and vehicular traffic areas are completely surfaced with concrete and asphalt. The location of Coppertone VII is strategic to Imperial's long term goal of creating an attractive and functional industrial area in northwest Edmonton.

MEET THE TENANTS

LDI Commercial Kitchen Repair Ltd. - began its full service commercial kitchen and repair in Calgary, Alberta in 1990. Services range from gas, electrical, refrigeration, steam, installations and removal and disposal of equipment. LDI also provides a planned maintenance program on their equipment.

In 2012 the company expanded to northern Alberta with an Edmonton location to better serve their clients. In 2016 the company further expanded to British Columbia with a location in Vancouver Island. With 18 technicians within Alberta and BC and thousands of parts in stock, LDI is ready to service their clients.

780-455-0451 | lditechs.com

Battery World - is a supplier of thousands of battery types ranging from hearing aids to RV batteries. Their experience with an extensive and eclectic array of batteries has surprised many. If they don't have it chances are that they will know where to find it.

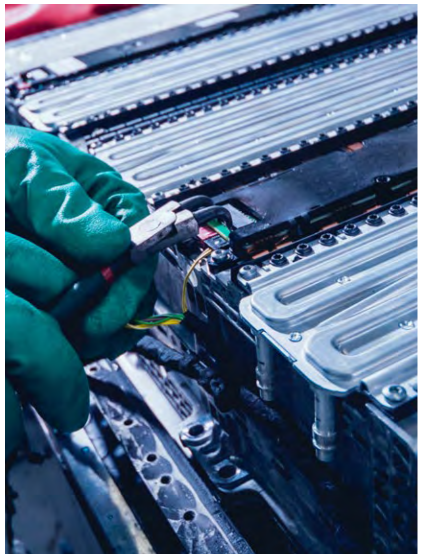
780-415-5626 | batteryworld.net

Coppertone Industrial Common
12004/40 - 149 Street, Edmonton, AB

Acquired by Imperial Equities: 2017

2.82 Acres of land

48,776 Total square feet



MEET THE TENANTS

Uniglassplus/Ziebart - are the trusted professionals for auto glass, accessories, and Ziebart servicing the Edmonton community out of this location since 2010. The team at Uniglassplus/Ziebart have extensive experience in windshield repair and replacement, remote starter installs and vehicle protection. The company offers professional detailing services to restore and protect your car's shine with Diamond Gloss, paint protection film, undercoating and rust protection services. The facility is first-rate, and the owners pride themselves on exceptional customer care.

780-448-9374 | uniglassplus.com

Fifendekel Pie Shop Cafe - is a family owned and operated soup and sandwich business based in Edmonton. The restaurant prides itself on serving the freshest and best quality lunch in the city. Well known for their freshly made saskatoon, blueberry and flapper pies, Fifendekel can satisfy your every craving! Catering and delivery services for business luncheons and meetings are also available.

780-465-4444 | fifendekel.com

Magnacharge Battery Corporation - is one of Canada's leaders in battery wholesale and distribution. The company focuses on providing the highest quality batteries, chargers, accessories, additional parts, and components needed to keep your equipment running well. The environmental program places a strong emphasis on green sustainability by providing a full battery recycling program.

780-452-2863 | magnacharge.com

Farm Credit Canada - is Canada's leading agricultural service provider that provides financing and other services to primary producers, agri-food operations and agribusinesses that offer inputs or add value to agriculture. Farm Credit is a financially self-sustaining federal Crown corporation reporting to Parliament through the minister of Agriculture and Agri-Food.

780-495-4446 | fcc.ca

COPPERTONE VIII
BUILDING

Coppertone Industrial Common
12212 – 152 Street, Edmonton, AB

Acquired by Imperial Equities: 2016

1.84 Acres of land

7,266 Total square feet

2020 PROPERTY DETAILS

Located in the highly established Mitchell Industrial district of northwest Edmonton, our Coppertone VIII building is situated on 1.84 acres of prime industrial property. This single tenant property has a remarkably functional building that features a perfect amount of office space in proportion to the warehouse space. Construction of this 7,266 ft^2 building is of a high quality steel superstructure with a combination of precast concrete and metal insulated panels. The 2,100 ft^2 office component is largely on ground level and several offices and a generous boardroom on the mezzanine level. The 5,166 ft^2 warehouse is a clear span, open space with a 21' ceiling height. The property is fully serviced with all amenities and is entirely chain link fenced. The entire yard is professionally graded, paved and accessed by 2 large gates allowing for a drive in and drive out scenario for large trucks. The property is near Imperial's Coppertone Industrial Common and as such has been renamed to Coppertone VIII.

The Coppertone Industrial Common is very well situated in northwest Edmonton with excellent access to all major thoroughfares, including the Yellowhead Trail, the Whitemud Drive and the Anthony Henday. Corporations that have established long term tenures within the Coppertone Industrial Common include Gescan, Norwesco and Farm Credit Canada.

MEET THE TENANT

Frontier Waterworks & Pump Supply - is a division of JBW Pipe & Supply Ltd., a large regional company headquartered in Calgary, Alberta. Frontier is one of western Canada's leading wholesale distributors of waterworks, pumping and industrial products, hydronic heating equipment, HVAC equipment, pipe, plumbing and heating products, with six Alberta and two Saskatchewan locations.

Frontier is partnered with AD – a $31 billion buying and marketing group comprised of local independent distributors spanning seven industries in the construction and industrial product markets. Together, AD members are bigger than any national chain, outpace overall industry growth, and are the unquestioned leaders when it comes to new product introductions, customer service and market innovations. Frontier's relationship with AD positively impacts the value they deliver to their customers and the benefits they provide to their people.

Frontier has a strong commitment to the Alberta and Saskatchewan marketplaces with competitive pricing and selection as well as exceptional customer service.

780-643-8787 | frontiersupply.ca

DAY & ROSS
CROSSDOCK FACILITY

- 11727 – 178 Street, Edmonton, AB
- Acquired by Imperial Equities: 2002
- 4.79 Acres of land
- 22,594 Total square feet

2020 PROPERTY DETAILS

▸ **Situated on 4.79 acres** in the Armstrong Industrial area of northwest Edmonton is the Day and Ross Crossdock facility. The 22,594 ft^2 building is a purpose built crossdock that allows for the easy movement and distribution of freight from one tractor trailer to another. Crossdock buildings in Edmonton are very much in demand and a necessity for companies such as Day and Ross.

This facility is very well located in Edmonton along 178 Street with easy access to the major thoroughfares such as the Yellowhead Trail and Anthony Henday. The building consists of an office area comprised of 2,594 ft^2 at the north end and the balance being 20,000 ft^2 of crossdock and warehousing space. The building is situated tight along the east boundary of the lot leaving the vast majority of the land to be used for truck and other vehicular manoeuvrability.

MEET THE TENANT

▸ **Day and Ross -** is a comprehensive national carrier with complete LTL (less than truckload) & TL (truckload) coverage within Canada and between Canada, the USA and Mexico. With over 60 years of service, Day & Ross has fine-tuned their operations to meet the varied needs of Canadian shippers from Newfoundland to British Columbia, and all points in between. Headquartered in Hartland, New Brunswick, Day & Ross is recognized as one of Canada's only true National carriers serving all 10 provinces direct with LTL and TL service anywhere in Canada, and to and from the United States through a strategic alliance with an exclusive U.S. marketing partner as well as scheduled TL operations to and from Mexico.

Launched by Maritimers Elbert Day and Walter Ross, Day & Ross started with one truck hauling potatoes from New Brunswick to Quebec. Today, Day & Ross hauls more than just potatoes – the company has grown to include over 1,200 power units, 2,000 trailers and more than 8,000 dedicated and experienced employees and owner-operators located in terminals and other facilities across Canada.

dayross.com

DERRICK BUILDING

- 3403 – 74 Avenue, Edmonton, AB
- Acquired by Imperial Equities: 2017
- 3.76 Acres of land
- 34,404 Total square feet

2020 PROPERTY DETAILS

The Derrick Building is located along the highly desirable 34 Street in southeast Edmonton's established Weir Industrial district. The property consists of 3.76 acres of serviced industrial land and is situated at the southwest corner of 34 Street and 74 Avenue. The large rectangular site affords excellent exposure onto 34 Street and is easily accessed by surrounding arterials including Sherwood Park Freeway, Whitemud Drive and Edmonton's newest ring road, the Anthony Henday.

Construction of this 34,404 ft^2 single occupant industrial building is of a high quality steel superstructure with a combination of metal cladding and a brick facade throughout the front office area. The 11,000 ft^2 office component is built on two levels and features high quality finishes and workmanship. The 23,400 ft^2 shop features an abundance of grade doors, a total of 5 overhead cranes with individual craneways and driven by a 1,200 amp power service. Originally constructed in 1993, the Derrick Building has undergone major additions, renovations and upgrades in 2006 and in 2016 the building was completely renovated and updated to comply with all current building codes. The building is fully sprinklered and has a large paved parking lot with 60 energized parking stalls. The property is fully serviced, fenced and landscaped.

MEET THE TENANT

Derrick Disposal - a division of Integrity Waste Solutions, is a locally owned and operated business which provides waste services to Edmonton's booming construction industry. The company has been in business for 6 years and was originally named Derrick Fencing and Port-a-Potty. At inception, the company operated under the umbrella company Derrick Concrete with only 5 employees. Today Derrick Disposal has grown to 45 full time employees and offers a range of construction services such as front load, roll off, hydrovac, septic and water services. Derrick Disposal is also a supplier of temporary fencing, waste bin rentals and portable and heated toilet rentals to construction sites in the Edmonton region.

As a service leader in the industry, Derrick Disposal's competitive edge is their ability to offer a wide range of services to allow customers a 'One Stop Shop'. As one of the major players in the City of Edmonton, Derrick Disposal can keep pricing competitive while maintaining the highest level of delivery services to their clients. Derrick Disposal boasts an excellent staff with years of knowledge and expertise in the construction service industry led by an active owner with over 35 years of industry experience.

780-437-5000 | derrickdisposal.net

DYNOMAX
BUILDING

- 7501 - 42 Street, Leduc, AB
- Acquired by Imperial Equities: 2018
- 3.81 Acres of land
- 41,630 Total square feet

2020 PROPERTY DETAILS

The Dynomax Building is located in the newly developed and highly desirable industrial corridor connecting Nisku with the city of Leduc, Alberta. The property consists of 3.81 acres of serviced industrial land and is situated at the northeast corner of the intersection which affords access to and from 2 major thoroughfares. The large rectangular site has excellent exposure and is easily accessed by surrounding arterials including the QE II highway.

Construction of this 41,630 ft^2 single occupant industrial building was completed in 2014. Distinctly, a first-class building constructed using a steel superstructure and a combination of concrete block, stucco, and metal cladding. The 8,030 ft^2 office component which is situated on one level, features exceptionally high-quality finishes with a workmanship to match. The exterior of the office component incorporates quality features such as an abundance of large windows, decorative rock and a stucco facade.

The shop/warehouse areas comprise a total of 33,600 ft^2 with all the latest in engineering technology, including an in-floor water recycling system. There are 8 five-ton cranes on 4 individual craneways, all powered by a 1600 amp service. The components of the mechanical systems that include heating, air conditioning and make up air are all state of the art. The building is fully sprinklered and has a large paved parking lot with an abundance of energized parking stalls. The property is fully serviced, fenced and beautifully landscaped.

MEET THE TENANT

Dynomax Drilling Tools Inc. – A supplier of leading performance drilling products engineered for the oil and gas industry that provides high value products and services for vertical, directional and horizontal drilling operations worldwide. With the guidance of industry leaders Dynomax has been designing, testing and producing high-performance downhole drilling tools and components for oilfield exploration and development. Beginning with just a small team, they've grown to comprise global representation with operations in Canada, the United States, the Netherlands and the United Arab Emirates.

780-986-3070 | dynomaxdrillingtools.com

EPCOR
BUILDING

- 6005 – 72A Avenue Edmonton, AB
- Developed by Imperial Equities: 2008
- 7.66 Acres of land
- 58,393 Total square feet

2020 PROPERTY DETAILS

Located in the Davies Industrial East business park of Edmonton, this 58,393 ft^2 specialty building is comprised of 25,520 ft^2 of office and 32,873 ft^2 of warehouse. The building is situated on 7.66 acres on the south side of 72 A Avenue just east of 67 Street. Imperial completed this build to suit project in July 2008.

The building features a two storey curtain wall finish with the balance of the exterior walls of split face concrete block and acrylic stucco. It is barrier free and all areas are wheelchair accessible. The interior features include two full floors of office, state of the art lighting and a fire supression system. The 2nd floor offices are accessed by elevator or by the feature staircase leading to an open area that overlooks the entire main reception. The warehouse features include extensive craneways and state of the art electrical and mechanical systems. The storage yard is a 4 acre fenced and compacted compound with concrete grey beams that ensure safety and stability of the extensive pallet racking system.

MEET THE TENANT

EPCOR - through its wholly owned subsidiaries, builds, owns and operates electrical, natural gas and water transmission and distribution networks, water and wastewater treatment facilities, sanitary and stormwater systems, and infrastructure in Canada and the United States. The Company also provides electricity, natural gas and water products and services to residential and commercial customers. EPCOR, headquartered in Edmonton, is an Alberta Top 70 employer.

epcor.ca

ESSENTIAL ENERGY
BUILDING

- 77 Queensgate Crescent Red Deer, AB
- Acquired by Imperial Equities: 2014
- 10 Acres of land
- 43,396 Total square feet

2020 PROPERTY DETAILS

Developed in the Red Deer's modish business park this 43,396 ft^2 building is situated on 10 acres of prime real estate. The Queens Business Park, newly created by the city of Red Deer, is positioned at the junction of highways 11A and the Queen Elizabeth II and has become the desired location among corporations catering to the energy sector.

Designed in conjunction with the tenant, construction of the Essential Energy Building was completed in February 2014. This industrial tilt up concrete building is architecturally pleasing as well as state of the art. It employs a hydronic in-floor heating system throughout the building including the heating required for the large repair bays as well as the equipment wash bay. All 10,000 ft^2 of office area is improved and climate controlled.

Two 10 ton overhead cranes free span the entire repair bays providing easy access for loading or unloading anywhere in the warehouse. The perimeter of the building has a large concrete apron and asphalt surfacing for automobile parking. The storage yard consisting of approximately 8 acres is completed with a clay and gravel base with geotechnical fabric covered with a further 12 inches of gravel thus creating a yard that will withstand any large loads placed on it. The entire site is chain link fenced and access is provided through several 40 foot cantilever gates with electronic openers.

MEET THE TENANT

Essential Energy Services Ltd. - is a growth oriented, dividend paying corporation that provides oilfield services to producers in western Canada for new drilling activity as well as for producing wells. Essential Energy serves the energy sector throughout western Canada and the U.S. through several complementary divisions that include coil well service, service rigs and downhole tools and rentals.

Essential Coil Well Service, operates one of Canada's largest coil tubing well service fleet in Canada providing coil services to producers in the Western Canadian Sedimentary Basin and in the U.S. The new Generation III and IV masted coil tubing rigs are well-suited to complete longer, deeper and more complex wells.

Essential Well Service, operates its service rigs from six locations across western Canada. Service rigs are used to repair, re-complete and stimulate existing oil and natural gas wells and perform completion work on new wells.

Tryton Tool Service, has been successful in helping its clients complete vertical and horizontal wells using well established conventional products as well as its proven Multi-Stage Frac Systems – both open hole and cemented-in systems. It offers sales and rentals from service centres in western Canada, and U.S, and a Warehouse/Distribution centre based out of Edmonton, Alberta.

403-263-6778 | essentialenergy.ca | TSX:ESN

MASTER GROUP
BUILDING

- 11418 – 120 Street Edmonton, AB
- Acquired by Imperial Equities: 2004
- 1.58 Acres of land
- 25,595 Total square feet

2020 PROPERTY DETAILS

This well-located industrial warehouse building in north-central Edmonton was specifically chosen to be the new location for the Master Group and Soper's Supply. The tenant, a large national company, wanted to expand its footprint in Alberta which consequently resulted in a long-term tenancy arrangement with Imperial. The tenant required certain upgrades and finishes to suit their business needs which Imperial undertook to complete. The property is comprised of a 1.58 acre site together with a 25,595 ft^2 building. The premises were architecturally designed with a configuration of 10,000 square feet of sales and administration areas including built to suit offices, training room and staff areas. The building received an exterior facelift and improvements to the base building, roof, mechanical, electrical, plumbing, entrances, windows, warehouse, parking lot, site, landscaping and loading areas. The building boasts a sophisticated mechanical layout to showcase the products of the tenant and features fully air-conditioned warehouse areas.

MEET THE TENANT

Master Group - Founded in 1952, Master Group is the oldest and largest independent distributors in the air conditioning, refrigeration, ventilation and heating fields in Canada, serving the residential, commercial and industrial sectors. Master Group has been named one of Canada's best-managed companies since 2010 and is the largest HVAC/R distributor in Canada. Master Group holds over 1000 product lines in inventory and has exclusive Western Canadian distribution rights for YORK residential ducted systems and commercial rooftops, as well as for Fujitsu AirStage VRF commercial products. Master Group provides value to its customers by integrating products and services and providing optimal HVAC-R solutions. Master Group has 44 branches and 4 distributions centres across Canada and has been expanding rapidly in Western Canada, expanding its national network with new locations and acquisitions, including the 2020 acquisition of Alberta-based Soper's Supply.

780-670-1300 | www.master.ca

NAIT

DISTRIBUTION BUILDING

- 11311 – 120 Street Edmonton, AB
- Acquired by Imperial Equities: 2005
- 3.37 Acres of land
- 70,660 Total square feet

2020 PROPERTY DETAILS

Located in the heart of Hudson's Bay Reserve area and near the fringe of downtown Edmonton, this 70,660 ft^2 building is situated on 3.37 acres, encompassing a whole city block. Features include 13,000 ft^2 of premium office space, natural lighting in the warehouse with dock and grade loading.

The tenant, Northern Alberta Institue of Technology (NAIT) has occupied the building for over 30 years. The building continues to serve NAIT with offices, avionics class space, equipment maintenance and warehousing. Imperial was fortunate to acquire a great building in the heart of Edmonton that will serve NAIT for many years to come.

This type of property will continue to generate income for our Company but more importantly it has great future redevelopment potential. Imperial will continue to bank land in the city centre airport area. The area serves as an excellent location for distribution for a light industrial tenant.

MEET THE TENANT

The Northern Alberta Institute of Technology (NAIT) - is a leader in Canadian technical education. As Alberta's non-university post-secondary institute, NAIT provides full-time and part-time career education programs which focus primarily on technical training in business, health sciences, information Management and communications, engineering technologies, industrial technologies, and a wide variety of trades. NAIT offers more than 170 programs leading to one-year certificates, two-year diplomas, four-year applied degrees or apprenticeship certification as well as over 1200 Continuing Education courses.

With an annual budget of over $370 million NAIT's financial impact creates a ripple effect throughout the province, creating jobs and opportunities. In the final analysis, the economic impact NAIT exerts on the economy of Edmonton alone approaches $1.7 billion annually.

nait.ca

ROCKY MOUNTAIN
EQUIPMENT BUILDING

- 6425 – 55 Avenue, Vegreville, AB
- Acquired by Imperial Equities: 2019
- 5.89 Acres of land
- 33,295 Total square feet

2020 PROPERTY DETAILS

The Rocky Mountain Equipment Building is located in the heart of the town of Vegreville, Alberta. The property consists of 5.89 acres of serviced industrial land and is situated along 55 Avenue, which provides for easy access to and from 2 major thoroughfares being the Yellowhead Highway and Highway 16A. The large square site is all level, fully fenced and has a completely hard surfaced parking lot.

There are four buildings on the site totaling 33,295 ft^2 and each serve a specific purpose for the operations of Rocky Mountain Equipment (RME). The main building is 25,775 ft^2 and serves as a show room, parts room, general offices and a modern service centre, all on one level. Construction is a combination of concrete block, stucco, and metal cladding all wrapping a steel superstructure. The building is fully sprinklered, fire monitored and includes mechanical systems such as HVAC combined with a hot water heating system all powered by an 800 amp electrical service.

A newer 5,440 ft^2 service shop is located facing the rear of the main building. There are 10 large overhead grade doors that access 10 service bays that serve as overflow during peak farming seasons. The remaining two buildings on site serve as parts and merchandise storage.

MEET THE TENANT

Rocky Mountain Equipment (RME) - is a consolidator of agriculture and construction equipment dealerships, primarily focused around the CNH (Case-New Holland) brands. RME is the largest independent dealer of Case IH and Case Construction equipment in Canada, and the second largest in the world. RME's business employs nearly 800 people directly and serves tens of thousands more customers and their employees. Operating 36 dealerships across Alberta, Saskatchewan and Manitoba as well as customers radiating beyond those three provinces, RME's goal is to bring professional, stable, and dependable equipment partnerships to its customers.

The RME dealership network has continued to grow since 2007 and the search for acquisition opportunities continues. The RME vision is to become a North American industry leader through being a dependable equipment partner for our customers.

780-632-6677 | rockymtn.com

RUSSELL HENDRIX
BUILDING

- 11931 – 145 Street, Edmonton, AB
- Acquired by Imperial Equities: 2020
- 2.97 Acres of land
- 71,519 Total square feet

2020 PROPERTY DETAILS

▸ **Located** in Edmonton's Dominion Industrial area, this property is 100% leased and currently serves as a distribution warehouse for a major supplier of foodservice equipment and supplies that serves much of its Western Canadian market from this location. Complementary to its purpose as a distribution centre is its location, close to major transportation links including 149 street, 118 Avenue, and Yellowhead Trail, a major thoroughfare.

The fully fenced and paved property features 71,519 ft^2 of leasable concrete-block building on a 2.97-acre site. It primarily consists of a large, open, distribution warehouse (65,381 ft^2) with 12 dock level overhead doors, full interior sprinklers and LED lighting throughout. The building has clear ceiling heights of 21 feet under deck. It also includes approximately 6,000 square feet of demised office space. Though the building was originally constructed in 1972, a strong maintenance and replacement program has given it an effective age of approximately 10 years. Recent maintenance has included new mechanical systems throughout along with a new roof membrane.

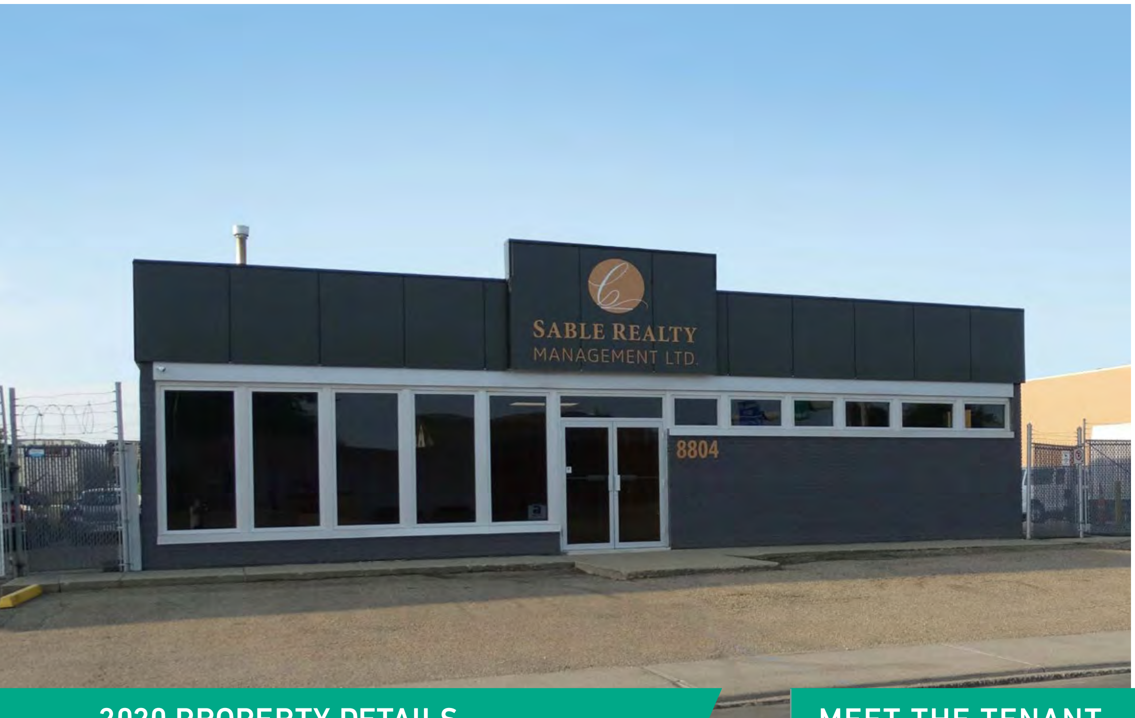
MEET THE TENANT

▸ **Russell Hendrix -** is Canada's largest supplier of equipment and supplies for the foodservice industry. The company, which is headquartered in Brockville, Ontario, was formed through a merger of two long-standing industry leaders, Russell Food Equipment and Hendrix Hotel and Restaurant Supply and represents more than half a century of experience. The company offers both equipment and smallwares, combined with design, sales, installation, custom fabrication, and parts and service departments, to complete a full service offering to its customers.

russellhendrix.com

SABLE
BUILDING

- 8804 Yellowhead Trail, Edmonton, AB
- Acquired by Imperial Equities: 2018
- 0.35 Acres of land
- 7,871 Total square feet



2020 PROPERTY DETAILS

▸ **Located** along one of Edmonton's busiest thoroughfares in northeast Edmonton, the Sable Building achieves tremendous exposure given its south facing facade overlooking the Yellowhead Trail. In 2019, Imperial undertook to completely renovate the property with all new modern components and most prerequisites required to be included in a LEED certified project.

The 7,813 ft^2 masonry building comprises a large office, warehouse/shop, break room, storage room, and a 500 ft^2 mezzanine. The office component features an abundance of built in teak cabinetry with granite tops that are accentuated by the high gloss epoxy finished walkways and carpet tile flooring throughout. The warehouse/shop incudes features such as a large purpose-built wash bay with a retractable curtain system and ample power including 3 phase power. The entire building has new LED lighting and is secured with a camera system that covers every part of the interior and the exposed areas of the exterior.

The large rectangular site is all level, fully fenced and is hard surfaced throughout.

MEET THE TENANT

▸ **Sable Realty & Management Ltd (Sable) -** is a property management company focused on only one client – Imperial Equities Inc. Established in 1991, Sable began operations in Edmonton, Alberta and has operated throughout Alberta for many years before taking on the exclusive property management role for Imperial Equities.

Today, Sable employs a full range of maintenance personnel that can manage almost every discipline and aspect of property care. Along with over 40 different industry partners, Sable can handle the management of any size property anywhere across Alberta and western Canada.

780-457-5445

SEABOARD CANADA
BUILDING

- 4737 – 97 Street, Edmonton, AB
- Acquired by Imperial Equities: 2016
- 6.8 Acres of land
- 75,000 Total square feet

2020 PROPERTY DETAILS

Located in the highly established Papachase Industrial district of south Edmonton, the Seaboard Canada Building is situated on 6.8 acres of prime property. Bordered by major thoroughfares, the property has excellent access to surrounding arterials including Gateway Boulevard/Calgary Trail, Whitemud Drive and Edmonton's newest ring road, the Anthony Henday. Construction of this 75,000 ft^2 manufacturing facility is of a high quality steel superstructure with a combination of concrete block and metal insulated panels. The 10,000 ft^2 office component is built on two levels and features a large curtainwall front entry that immediately draws your eye to the property. The 65,000 ft^2 shop features dock and grade loading doors, a total of 14 cranes driven by a 1600 amp power service. Originally constructed in 1981 and expanded in 1991, the Seaboard Building has undergone major renovations and upgrades in 2015. The fully paved parking lot is located all along the popular 97 Street and features 118 generous sized and energized parking stalls. The property has wonderful curb appeal and is fully serviced, fenced and landscaped.

MEET THE TENANT

Seaboard Canada - Is a subsidiary of Weir Group PLC, who are headquartered in Glasgow Scotland. With operations in over 70 countries, Weir's comprehensive global manufacturing and service center network has positioned the company to number 1 in frac pumps, centrifugal slurry pumps, flow controls & high pressure grinder rollers. The Seaboard Building in Edmonton, Alberta is the headquarters for Seaboard Canada's Canadian operations. It is the primary manufacturing facility that delivers cost effective wellhead product solutions and pressure control equipment for a variety of applications and pressure ratings. Services provided by Seaboard Canada include the rental of frac trees and support equipment to meet high performance drilling and production needs. The program includes a full complement of equipment and services for per-day or campaign rentals. Field services include installation, on-site testing, maintenance, removal, refurbishment, torque and testing services which allows customers to reduce inventory conveniently and affordably without reducing production potential.

780-438-1122 | weiroilandgas.com

SKYWAY CANADA
BUILDING

- 7303 – 36 Street, Edmonton, AB
- Acquired by Imperial Equities: 2017
- 2.19 Acres of land
- 24,855 Total square feet

2020 PROPERTY DETAILS

The Skyway Canada Building is located at the core of southeast Edmonton's established Weir Industrial district. The property consists of 2.19 acres of serviced industrial land with a 24,855 ft^2 industrial building. The large rectangular site is situated at the corner of 36 Street and 73 Avenue and provides effortless access onto 34 Street which connects to surrounding arterials including Sherwood Park Freeway, Whitemud Drive and Edmonton's newest ring road, the Anthony Henday.

The Skyway building is archetypical of the industrial fabrication facilities that exist on the landscape of any industrial area. The long rectangular shaped building has 30 foot ceilings and is constructed of pre-engineered steel with a band of translucent wall panels along the underside of the roof overhang. These translucent panels allow for natural lighting throughout the interior of the building. The fully sprinklered building also includes features such as in slab floor heating along with several wall to wall radiant tubes. There are 3 bridge cranes ranging in size from 10 – 50 tons and a craneway that spans the entire length of the building. The property is fully serviced and all fenced.

MEET THE TENANT

Skyway Canada - is one of the country's leading providers of scaffold, shoring, fireproofing, insulation and rope access solutions. Experience and expertise in the design, engineering, delivery and maintenance of Skyway's systems has set the highest industry standards for quality and safety.

Skyway Canada has been safely supporting its customers since 1967. The company, which is Canadian owned and operated, has 190 full-time employees and averages 800 employees in the field, with Branches in Toronto, Sarnia, Thunder Bay, Edmonton, Calgary, Whitecourt and Pouce Coupe. Skyway operates under the Skyhigh name in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Quebec and has branches in Calgary, Edmonton, Saskatoon, Bolton, and Montreal.

780-417-8007 | skycan.ca

TEAM INDUSTRIAL
BUILDING

- 2507 – 84 Avenue Edmonton, AB
- Acquired by Imperial Equities: 2001
- 4.0 Acres of land
- 33,500 Total square feet

2020 PROPERTY DETAILS

Situated on a four acre site, this building is a single tenant custom constructed industrial building measuring 33,500 ft^2. The building contains two concrete bunkers with 36-inch concrete walls and doors which allow the company to do non-destructive testing on-site. The specialty building is the only one of its kind in the Pacific Northwest. Located along the Sherwood Park freeway this property has excellent exposure as well as easy access to all major thoroughfares in Edmonton's southeast industrial corridor.

Given the highly specialized features of the building and the presence of a stable, long-term tenant, Imperial has enjoyed steady returns on the property and has achieved a growing equity position.

MEET THE TENANT

Team Industrial Services - was founded in 1973 and is a leading provider of specialty industrial services that are required in maintaining high temperature, high pressure piping systems and vessels utilized extensively in the refining, petrochemical, power, pipeline and other heavy industries. The aerospace and automotive industries also rely on Team's inspection services. Team has the largest North American service network in its industry, with more than 100 locations across the continent. The 3,400 employees at Team have provided it with the largest North American market share in its industry, and have created a strong heritage of profitable, organic growth. Team also serves the international market through both its own international subsidiaries, and through licensed arrangements in 20 countries.

780-417-7777 | teamindustrialservices.com | NASDAQ:TISI

UNITED RENTALS
FORT MCMURRAY

- 140 TaigaNova Crescent, Fort McMurray, AB
- Developed by Imperial Equities: 2011
- 5.4 Acres of land
- 26,400 Total square feet

2020 PROPERTY DETAILS

Along Highway 63 on the north end of Fort McMurray lies the TaigaNova Eco- Industrial Park. Developed as a showcase industrial development in Fort McMurray, Alberta, it is a highly efficient Eco-Industrial Park that uses green infrastructure and innovative sustainable design approaches resulting in a higher quality industrial development. Imperial Equities is proud to be one of the first developers to begin construction in the Eco Park.

In January 2010 Imperial completed a long term lease arrangement with Rental Services Corporation (subsequently sold to United Rentals) and soon after finalised the purchase of a 5.4 acre lot. Construction of the 26,400 ft^2 building began in September 2010. The building is a precast concrete tilt up structure that has incorporated many green friendly features aimed at reducing the amount of natural resources buildings consume both during and after construction is completed.

More than 10% of the entire site is landscaped with mostly native vegetation such as birch, poplar and spruce trees as well as many native shrubs. The balance of the yard area is concrete that is sloped to collect the surface water which is directed to the storm water retention pond. Water from the pond can be used for watering the landscaping throughout the summer months. The 2 storey office component features a curtain wall glass facade that will allow a great deal of natural light while keeping a controlled environment throughout summer and winter.

MEET THE TENANT

United Rentals ("UR") - United Rentals, Inc. is the largest equipment rental company in the world. The company has an integrated network of 1,180 rental locations in North America and 11 in Europe. In North America, the company operates in 49 states and every Canadian province. The company's approximately 18,800 employees serve construction and industrial customers, utilities, municipalities, homeowners and others. The company offers approximately 3,800 classes of equipment for rent with a total original cost of $14.5 billion. United Rentals is a member of the Standard & Poor's 500 Index, the Barron's 400 Index and the Russell 3000 Index® and is headquartered in Stamford, Conn. Additional information about United Rentals is available at unitedrentals.com.

780-743-9555 | unitedrentals.com | NYSE:URI

UNITED RENTALS
FORT SASKATCHEWAN

- 11141 – 89 Avenue Fort Saskatchewan, AB
- Acquired by Imperial Equities: 2008
- 2.3 Acres of land
- 6,000 Total square feet

2020 PROPERTY DETAILS

- **Just minutes northeast** of Edmonton and anchored by the city of Fort Saskatchewan lies Alberta's Heartland. This prime industrial area has been identified for the development of complimentary industries to the oil sands such as refineries and upgraders.

This 2.3 acre property fronts highway 15 on the corner of 112 Street in Fort Saskatchwan, Alberta. The building is a 6,000 ft^2 concrete block structure that was completely renovated in 2008. The interior features include a showroom and a bank of offices. The shop features 3 repair bays and a complete wash bay. The entire yard is fenced and paved allowing for easy movement of equipment throughout.

MEET THE TENANT

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780-743-9555 | unitedrentals.com | NYSE:URI

WAJAX

EDMONTON

- 17604 – 105 Avenue, Edmonton, AB
- Acquired by Imperial Equities: 2020
- 4.67 Acres of land
- 41,054 Total square feet

2020 PROPERTY DETAILS

The Wajax Edmonton property is located within the busy McNamara Industrial Neighbourhood in Northwest Edmonton. The site has easy access to 170 street, Edmonton's busiest North-South roadway, and is proximate to 107 Avenue, a major east-west connector. Both major roadways are also equidistant to Edmonton's ring road, the Anthony Henday.

The site consists of two separate and contiguous properties totalling 4.67 acres. Each property has a fully functional building on site with a combined leasable area of 41,054 ft^2. The main building includes two stories of office space and more than 20,000 ft^2 of service bays with 16 large overhead doors. The second building is a steel frame superstructure with concrete walls and contains 10,612 ft^2 of service and warehouse space with four large overhead doors. Both buildings are equipped with heavy power, multiple crane-ways, overhead cranes and jib cranes. The site is fully fenced, landscaped and features both paved parking and a compacted, graveled storage yard.

MEET THE TENANT

Wajax - As a leading industrial products and service provider, Wajax has been serving major Canadian industries for well over a century and a half. As one of the oldest businesses in Canada, Wajax has played an active role in the development of the country's infrastructure. Its roots trace back to 1858 when B.J. Coghlin opened a blacksmith shop in Montreal. The business continued to grow steadily in manufacturing and in 1954 it acquired its first mobile equipment subsidiary – a manufacturer of portable pressure pumps by Watson Jack & Co. Limited. With that the brand "Wajax" was born.

Today, Wajax operates more than 100 branches across Canada and represents a wide range of leading world-wide manufacturers. The company continues to expand and acquire additional and highly specialized companies to service the construction, industrial/commercial, transportation, the oil sands, forestry, oil and gas, metal processing, and mining market sectors.

1-877-469-2529 | wajax.com | TSX:WJX

WAJAX
FORT MCMURRAY

205 MacAlpine Crescent, Fort McMurray, AB
Acquired by Imperial Equities: 2014
6 Acres of land
25,024 Total square feet

2020 PROPERTY DETAILS

Located near the southern limits of Fort McMurray and along the eastern side of highway 63, lies the Mackenzie Industrial Park. Matured and fully developed, this industrial area of Fort McMurray has played an integral part of the development of the region. Prominently located within the Park is the state of the art and architecturally pleasing Wajax Building. Situated on 6 acres of prime industrial property, the site provides easy access and exposure to and from the two main thoroughfares.

Construction of the Wajax Building was completed in February 2014 with immediate occupancy. The new 25,024 ft^2 building has a structural steel frame with prefinished exterior metal insulated wall panels. The main reception and office area features a central open staircase accessing its second level that overlooks the rear shop areas. The warehouse/shop areas have a ceiling height of 32 feet to underside of the steel trusses that easily accommodates the four 20 ton cranes. Also included is a roof mounted exhaust and fume extraction system including flexible pipes to supply eight bays. This system is interlocked with a roof mounted makeup air unit.

The building has both dock and grade loading with drive in and drive through capability. The perimeter has a 20 foot concrete apron and surfaced and energized car parking for 26 employee and customer parking. The yard is fully compacted utilizing 12 inches of crushed stone with geotextile fabric between the subgrade and stone. It is completely fenced and meticulously landscaped as well as several concrete equipment display pads along MacAlpine Crescent.

MEET THE TENANT

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1-877-469-2529 | wajax.com | TSX:WJX

WAJAX
NISKU

- 1403 – 5th Street, Nisku, AB
- Acquired by Imperial Equities: 2019
- 2.82 Acres of land
- 37,200 Total square feet

2020 PROPERTY DETAILS

▸ **The Wajax Building is** located within the Nisku Business Park, one of North America's leading industrial manufacturing and service areas. Nisku Park is a well-developed and mature industrial park and centre of manufacturing activity for Northern Alberta and the Edmonton Metropolitan Region. The area is strategically located, proximate to the QE2 highway and the Edmonton International Airport.

The property consists of 2.82 acres with a 37,200 ft^2 single-tenant industrial building originally constructed in 1996. The building is a structural steel frame/concrete block building with a decorative front facade. The building includes 11,600 ft^2 of office space located over two floors with open office areas and perimeter offices and boardroom areas. The 25,600 ft^2 of warehouse and shop space which consists of mainly open workspace, insulated metal walls/ceilings and craneways supporting four bridge cranes. The site is fully fenced landscaped and has an abundance of paved and energized vehicle parking stalls.

MEET THE TENANT

▸ **Wajax -** As a leading industrial products and service provider, Wajax has been serving major Canadian industries for well over a century and a half. As one of the oldest businesses in Canada, Wajax has played an active role in the development of the country's infrastructure. Its roots trace back to 1858 when B.J. Coghlin opened a blacksmith shop in Montreal. The business continued to grow steadily in manufacturing and in 1954 it acquired its first mobile equipment subsidiary – a manufacturer of portable pressure pumps by Watson Jack & Co. Limited. With that the brand "Wajax" was born.

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1-877-469-2529 | wajax.com | TSX:WJX

LAND FOR DEVELOPMENT

NE corner of 17 Street & 90 Avenue, Edmonton, AB

12.9 ACRES

2020 PROPERTY DETAILS

▸ **Located** along 17 Street in Edmonton's southeast industrial district is the Lauren Industrial Park. Conveniently situated just off the Sherwood Park Freeway with several access points to Edmonton's ring road, the Anthony Henday. This 12.9 acre site is the last undeveloped property in Lauren Industrial and is fully serviced and ready for development.

The site is a large square shaped parcel with excellent exposure. It is gently sloping with a hard clay base and gravel surface that is conducive to heavy truck or equipment usage. Access to the site is off 90th Avenue. A conceptual building plan has been created and can easily be altered to suit the needs of a prospective tenant. Imperial has land banked this property and is looking for a build to suit opportunity to develop the site.

14420 – 112 Avenue, Edmonton, AB

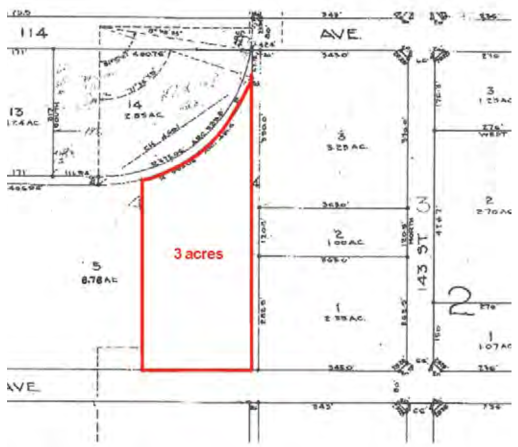
3.0 ACRES

2020 PROPERTY DETAILS

▸ **Conveniently** located between 142 Street and 149 Street in central west Edmonton this 3 acre parcel of land has all the attributes for a classic build to suit building for any type of business. The site, in the heart of the highly desirable Huff Bremner Industrial area, affords easy access to and from any of the major thoroughfares in Edmonton. Its connectivity to arterial roadways permitting truck traffic renders this site one of the more attractive locations anywhere in the city.

The property is largely rectangular in shape and is flat, fully fenced, serviced and compacted sufficient to allow the heaviest of loads. The site is electrified and features a large number of individual electrical plugs specifically designed for large transport truck usage. The enhancements that have been made to the site will certainly mitigate time and costs toward the future development of this site.

Acquiring and retaining raw lands in strategic locations for future development has long been part of Imperial's strategy. This site is a textbook example of a holding property that will facilitate a future build to suit opportunity in one of the most desired industrial areas of Edmonton.



3503 – 74 Avenue, Edmonton, AB

1.70 ACRES

2020 PROPERTY DETAILS

▶ **Nestled** in the highly desirable Weir Industrial area of southeast Edmonton is this 1.70 acre site. The site is conveniently located with easy access from the popular 34 Street SE which connects to arterial roadways permitting truck traffic to anywhere in the city. The property is one of 5 contiguous properties owned by Imperial Equities in the 34 Street SE industrial corridor.

This corner lot is square in shape and is fully fenced, serviced and compacted sufficient to allow the heaviest of loads. Accessed off of 74 Avenue, the site features an extra wide approach with remote opening and locking gates. The enhancements that have been made to the site will certainly mitigate time and costs toward the future development of this site.

Acquiring and retaining raw lands in strategic locations for future development has long been part of Imperial's strategy. This site is a textbook example of a holding property that will facilitate a future build to suit opportunity in one of the most desired industrial areas of Edmonton.

7335 – 36 Street, Edmonton, AB

1.71 ACRES

2020 PROPERTY DETAILS

▶ **Nestled** in the highly desirable Weir Industrial area of southeast Edmonton is this 1.71 acre site. The site is conveniently located with easy access from the popular 34 Street SE which connects to arterial roadways permitting truck traffic to anywhere in the city. The property is one of 5 contiguous properties owned by Imperial Equities in the 34 Street SE industrial corridor.

The property is square in shape and is fully fenced, serviced and compacted sufficient to allow the heaviest of loads. The enhancements that have been made to the site will certainly mitigate time and costs toward the future development of this site.

Acquiring and retaining raw lands in strategic locations for future development has long been part of Imperial's strategy. This site is a textbook example of a holding property that will facilitate a future build to suit opportunity in one of the most desired industrial areas of Edmonton.

3603 – 73 Avenue, Edmonton, AB

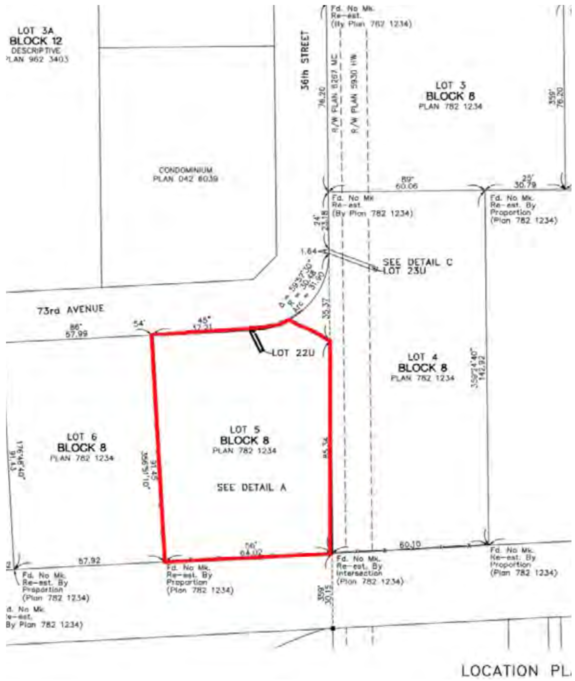
1.49 ACRES

2020 PROPERTY DETAILS

- **Located** in the highly desirable Weir Industrial area of southeast Edmonton is this 1.49 acre site. The site is conveniently located with easy access from the popular 34 Street SE which connects to arterial roadways permitting truck traffic to anywhere in the city. The property is one of 5 contiguous properties owned by Imperial Equities in the 34 Street SE industrial corridor.

The property is practically square in shape and is fully fenced, serviced and compacted sufficient to allow the heaviest of loads. The enhancements that have been made to the site will certainly mitigate time and costs toward the future development of this site.

Acquiring and retaining raw lands in strategic locations for future development has long been part of Imperial's strategy. This site is a textbook example of a holding property that will facilitate a future build to suit opportunity in one of the most desired industrial areas of Edmonton.



15003 – 121 A Avenue, Edmonton, AB

2.24 ACRES

2020 PROPERTY DETAILS

- **Located** along 121A Avenue in the Mitchell Industrial area of Edmonton's northwest district is this 2.24 acre property with exposure to the very busy 149 Street thoroughfare. The site is rectangular in shape for the most part and has a triangular shape at the southern most boundary and is ready for development. Access to the property is off of 121 A Avenue and all services are available and at the property line.

Imperial has land banked this site and is actively pursuing a build to suit opportunity to commence development. As part of Imperial's Coppertone Industrial Common any new building development on this site will incorporate the desirable copper cladding that is common to the area.

05.

FINANCIAL STATEMENTS

2020

Grant Thornton LLP
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Independent Auditor's Report

To the Shareholders of
Imperial Equities Inc.

Opinion
We have audited the consolidated financial statements of Imperial Equities Inc. ("the Company"), which comprise the consolidated statements of financial position as at September 30, 2020, and September 30, 2019 and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at September 30, 2020 and September 30, 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion
We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon
Management is responsible for the other information. The other information comprises the Management Discussion and Analysis but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs), and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Grant Thornton

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Heather Murk.

Edmonton, Canada

Grant Thornton LLP

December 2, 2020

Chartered Professional Accountants

IMPERIAL EQUITIES INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
At September 30,

	Notes	2020	2019
Assets			
Investment properties	3	226,944,468	218,468,890
Mortgage receivable	3	8,000,000	-
Right-of-use asset	4	812,719	-
Total non-current assets		**235,757,187**	**218,468,890**
Loan receivable	5	-	728,063
Receivables	5	264,875	279,846
Prepaid expenses and deposits	7	758,094	661,714
Short term investments	6	-	276,000
Cash and cash equivalents		123,619	1,035,322
Total current assets		**1,146,588**	**2,980,945**
Total Assets		**236,903,775**	**221,449,835**
Liabilities			
Mortgages	8	73,547,237	72,647,419
Lease liability	10	722,282	-
Security deposits		637,507	558,030
Deferred taxes	13 (b)	13,346,081	12,901,426
Total non-current liabilities		**88,253,107**	**86,106,875**
Current portion of mortgages	8	23,036,386	15,850,616
Current portion of lease liability	10	139,040	-
Other financing	22 (b)	5,050,000	-
Bank operating facilities	9	26,275,887	26,353,212
Payables and accruals	11	1,335,226	800,176
Income taxes payable		552,393	857,306
Total current liabilities		**56,388,932**	**43,861,310**
Total Liabilities		**144,642,039**	**129,968,185**
Equity			
Issued share capital	16 (a)	5,925,098	5,962,095
Retained earnings		86,336,638	85,519,555
Total Equity		**92,261,736**	**91,481,650**
Total Equity and Liabilities		**236,903,775**	**221,449,835**

Guarantees, contingencies, and commitments (Note 19)
Post-reporting date events (Note 23)

See accompanying notes to the consolidated financial statements.

IMPERIAL EQUITIES INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
Years ending September 30,

	Notes	2020	2019
Rental revenue	15, 18	16,076,188	16,597,908
Property operating expenses	15	(4,386,540)	(4,093,678)
Income from operations		11,689,648	12,504,230
Finance costs	12	(4,342,156)	(4,055,610)
Administration expenses		(1,642,430)	(1,564,127)
Amortization of deferred leasing	3	(365,250)	(298,272)
Gain (loss) on sale of investment property	3	171,200	(76,791)
Amortization of right-of-use asset	4	(150,041)	-
Loss on short term investments	6	(17,494)	(97,500)
Valuation net losses from investment property	3	(2,930,537)	(532,060)
Income before income tax		2,412,940	5,879,870
Income tax (expense) recovery	13 (a)	(997,050)	540,616
Net income and comprehensive income		1,415,890	6,420,486
Earnings per share basic and diluted	17	0.15	0.67

See accompanying notes to the consolidated financial statements.

IMPERIAL EQUITIES INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
Years ending September 30,

	Number of shares	Capital stock	Contributed surplus	Retained earnings	Total
October 1, 2019	9,496,442	$ 5,962,095	$ -	$ 85,519,555	$ 91,481,650
Shares repurchased, held in treasury	-	(28,044)	-	-	(28,044)
Shares cancelled during the year	(36,000)	(8,953)	-	(123,985)	(132,938)
Dividends paid	-	-	-	(474,822)	(474,822)
Net earnings	-	-	-	1,415,890	1,415,890
Balance September 30, 2020	9,460,442	$ 5,925,098	$ -	$ 86,336,638	$ 92,261,736

	Number of shares	Capital stock	Contributed surplus	Retained earnings	Total
October 1, 2018	9,583,642	$ 6,030,758	$ 593,750	$ 78,797,739	$ 85,422,247
Shares repurchased during the year	-	(13,727)	-	-	(13,727)
Shares cancelled during the year	(87,200)	(54,936)	-	(292,420)	(347,356)
Expired stock options	-	-	(593,750)	593,750	-
Net earnings	-	-	-	6,420,486	6,420,486
Balance September 30, 2019	9,496,442	$ 5,962,095	$ -	$ 85,519,555	$ 91,481,650

See accompanying notes to the consolidated financial statements.

IMPERIAL EQUITIES INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years ending September 30,

	Notes	2020	2019
Operating activities			
Net income from operations		1,415,890	6,420,486
Finance costs		4,342,156	4,055,610
Items not affecting cash:			
Non-cash accelerated rent adjustment		(100,000)	(900,000)
Amortization of right-of-use asset		150,041	-
Amortization of tenant inducements		27,513	4,586
Amortization of deferred leasing commissions		365,250	298,272
Fair value losses on investment properties		2,930,537	532,060
Loss on short term investments		17,494	97,500
(Gain) loss on sale of investment property		(171,200)	76,791
Straight-line rental revenue		(485,069)	94,359
Deferred income taxes		444,657	(1,397,922)
Leasing commissions		(258,806)	(220,020)
Net change in operating working capital	14	942,542	865,955
Cash provided by operating activities		9,621,005	9,927,677
Investing activities			
Purchase of investment properties		(19,417,469)	(11,514,213)
Completed property under development		-	(1,888,941)
Improvements and additions to investment properties		(522,711)	(608,014)
Payment of tenant inducements		-	(137,565)
Net proceeds on sale of short-term investments		258,486	-
Net cash proceeds on sale of investment property		1,056,380	1,604,535
Net change in investing working capital	14	41,720	(1,678,451)
Cash used in investing activities		(18,583,594)	(14,222,649)
Financing activities			
Proceeds from new mortgages		14,303,500	19,600,000
Repayment of mortgages on maturity		-	(10,168,734)
Repayment of mortgages through principal instalments		(6,223,437)	(5,617,362)
Repayment of mortgage on sale of investment property		-	(743,021)
Restricted cash held in guaranteed investment certificates		-	400,000
Amortization of deferred finance fees		95,633	97,435
Fees associated with new or renewed mortgages		(90,108)	(97,332)
Advances from other financing		9,350,000	2,000,000
Repayment of other financing		(4,300,000)	(6,020,000)
Finance costs		(4,342,156)	(4,055,610)
Principal repayments on lease liability		(101,438)	-
Purchase of common shares for cancellation		(160,982)	(361,082)
Dividends paid		(474,822)	-
Net (repayment) advances on bank operating facilities		(77,326)	7,895,540
Net change in financing working capital	14	72,022	56,940
Cash provided by financing activities		8,050,886	2,986,774
Decrease in cash and cash equivalents		(911,703)	(1,308,198)
Cash and cash equivalents, beginning of year		1,035,322	2,343,520
Cash and cash equivalents, end of year		123,619	1,035,322

See accompanying notes to the consolidated financial statements

1. Description of the Company

Imperial Equities Inc. ("the Company") was incorporated in Edmonton, Alberta, Canada. The registered and operating office of the Company is 2151, 10060 Jasper Avenue, Edmonton, Alberta T5J 3R8. The Company's operations consist of the acquisition, development, and redevelopment of commercial and industrial properties primarily in Edmonton and throughout Alberta. All the operations of Imperial Equities Inc. are conducted in Canadian funds. The Company's common shares trade on the TSX Venture Exchange (TSXV) under the symbol "IEI". These consolidated financial statements include the Company and its wholly-owned subsidiaries, Imperial Equities Properties Ltd. ("IEPL"), Imperial One Limited, Imperial Two Limited, Imperial Three Limited, Imperial Four Limited, Imperial Five Limited, Imperial Six Limited, Imperial Seven Limited, and Imperial Eight Limited.

2. Significant accounting policies

(a) Statement of compliance, the basis of presentation and consolidation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

The consolidated financial statements have been prepared on a historical cost basis, except for investment properties and certain financial instruments that have been measured at fair value. These consolidated financial statements are prepared on a going concern basis and are presented in Canadian dollars, which is the Company's functional currency.

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, which are the entities over which the Company has control. The Company controls the entity when the Company is exposed to or has rights to variable returns from its involvement with the entity and can affect those returns. All significant intercompany balances and transactions have been eliminated.

(b) Investment properties

Investment properties are comprised of acquired commercial properties, developed commercial properties, and properties under development or re-development, held to earn rental income or for capital appreciation or both.

Investment properties

Investment properties are measured initially at cost including transaction costs. Transaction costs include various professional fees, initial leasing commissions, and other costs to bring the property to the condition necessary for it to be capable of operating. The carrying amount also includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met. After initial recognition, investment properties are stated at fair value. Related fair value gains and losses arising from changes in the fair values are recorded in the consolidated statements of comprehensive income in the period in which they arise.

The carrying value of investment properties also includes straight-line rent receivable, tenant incentives, and leasing commissions.

Tenant incentives are inducements given to prospective tenants to move into the properties or to existing tenants to extend the lease term. The net book value of tenant incentives is included in the carrying value of the investment properties and are deducted from rental revenue on a straight-line basis over the term of the tenant's lease.

Investment properties are derecognized when it has been disposed of or permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of investment property are recognized in the consolidated statements of comprehensive income in the period of retirement or disposal. Gains or losses on the disposal of investment properties are determined as the difference between net disposal proceeds and the carrying value of the asset in the previous reporting period financial statements.

Transfers are made from investment properties when, and only when, there is a change in use, evidenced by commencement of re-development or development with a view to sale. Investment properties are reclassified to “Investment properties held for sale” when the criteria set out in IFRS 5 “Non-Current Asset Held for Sale and Discontinued Operations” are met (Note 2(e)). If the investment property is not sold and the criteria are no longer met, the investment property is no longer classified as “Investment properties held for sale.”

Vacant land owned by the Company is held for capital appreciation or future development and treated as investment property.

Investment properties under development

The cost of properties under development includes direct development costs, realty taxes, and borrowing costs directly attributable to the development. Investment properties under development are measured at fair value at each reporting date and any gains or losses are recognized in the consolidated statements of comprehensive income. If the fair value of investment properties under development is not reliably determinable, but the Company expects the fair value of the properties to be reliably determinable when construction is complete, it measures those investment properties under development at cost until either the fair value becomes reliably determinable, or construction is completed (whichever is earlier).

Borrowing costs related to properties under development

Borrowing costs associated with direct expenditures on properties under development are capitalized. Where borrowings are associated with specific developments, the amount capitalized is the gross cost incurred on those borrowings less any investment income arising on their temporary investment. Borrowing costs are capitalized from the commencement of the development until substantially all the activities necessary to prepare the qualifying asset for its intended use or sale, are complete. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs along with amortization of deferred finance fees, and net of interest income.

(c) Business combinations

In accordance with IFRS 3 – Business Combinations (“IFRS 3”), the acquisition of an asset or group of assets is recorded as a business combination if the assets acquired and the liabilities assumed constitute a business. A business is defined as an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing goods or services to customers, generating investment income (such as dividends or interest), or generating other income from ordinary activities. Building and other asset acquisitions, which meet the above definition of a business, are recorded as business combinations and the acquisition method of accounting for these transactions is applied. Building and other asset acquisitions which do not meet the above definition of a business are recorded as an asset addition. There are no acquisitions that meet the definition of a business in the current or comparative year.

(d) Impairment of assets

At the end of each reporting period, assets, other than those identified in the standards as not being applicable to IAS 36 – Impairment of Assets such as investment properties recorded at fair value, are assessed for any indication of impairment. Should any indication of impairment exist, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at the cash-generating unit level. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise, they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is defined as the higher of an asset’s “fair value less costs of disposal” and its “value-in-use”. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimate of future cash flows have not been adjusted.

Where the carrying amount of an asset exceeds the recoverable amount determined, an impairment loss is recognized in the consolidated statements of comprehensive income. Should this impairment loss be determined to have reversed in a future period, a reversal of the impairment loss is recorded in the consolidated statements of comprehensive income. However, the reversal of an impairment loss will not increase the carrying amount that would have been determined had no impairment loss been recognized.

(e) Investment property held for sale

Investment property is categorized as held for sale where the property is available for sale in its present condition and the sale is highly probable. For this purpose, a sale is highly probable: (a) if management is committed to a plan to achieve the sale, (b) there is an active program to find a buyer, (c) the property is being actively marketed at a reasonable price, (d) the sale is anticipated to be completed within one year from the date of classification, and (e) it is unlikely there will be changes to the plan. Where a property is acquired with a view to resale, it is classified as held for sale if the disposal is expected to take place within one year of the acquisition and it is highly likely that the other conditions referred to above will be met within a brief period following the acquisition. Retrospective application is not required; therefore, comparative figures will not be adjusted to reflect property held for sale. On reclassification to or from investment property held for sale, investment property that is measured at fair value continues to be so measured.

(f) Leases

As outlined in section (q), the Company adopted IFRS 16 – Leases ("IFRS 16") on October 1, 2019. As a result of adopting IFRS 16, the Company's accounting policy for leases is described below.

The Company as a Lessee

The Company assesses whether a contract is, or contains, a lease at the inception of the contract. The Company recognizes a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets. For these leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. The incremental borrowing rate is defined as the rate of interest that the lessee would have to pay to borrow over a similar term and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease payments included in the measure of the lease liability comprise:

- Fixed payments (including in-substance fixed payments), less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of the debt instrument or where appropriate, a shorter period, to the net carrying amount on initial recognition.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a change in the assessment, of exercise of an option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- The lease payments change due to changes in an index or a rate change in expected payment under a guaranteed residual value, in which cases, the lease liability is remeasured by discounting the revised lease payments using the initial discount rate; or
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case, the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses (for right-of-use assets which are considered property, plant, and equipment). Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The Company applied IAS 36 to determine whether a right-of-use asset is impaired.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments and are included in operating expenses in the consolidated statements of comprehensive income.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has used this practical expedient on its contract for office space which contains both lease and non-lease components.

The Company as a Lessor

The Company enters into lease agreements as a lessor with respect to its investment properties. Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. As the Company has retained substantially all of the risks and benefits of ownership of its investment properties, it accounts for leases with its tenants as operating leases. As operating leases, lease payments are recognized as revenue when the tenant has a right to use the leased asset. The leased asset is recognized in the consolidated statement of financial position according to the nature of the underlying asset.

(g) Segment reporting

Operating segments are defined as components of the Company for which separate financial information is available and is evaluated by the chief operating decision-maker ("CODM") in allocating resources and assessing performance. The CODM is the President and Chief Executive Officer who has determined there are two reportable segments, an agricultural division, and an industrial/retail division. All the Company's operations are solely in Canada and are under one business, commercial real estate. The CODM and the board of directors will evaluate the performance of the segments based on income from operations and have set a predetermined level of resources to be allocated to the growth of the agricultural division.

(h) Income tax

Income tax expense is comprised of current and deferred taxes. Current and deferred tax is recognized in net income except to the extent that it relates to a business combination, or items recognized directly in equity or other comprehensive income.

Current income taxes including any adjustments to tax payable in respect of previous years are recognized and measured at the amount expected to be recovered from or payable to the taxation authorities based on the tax rates that are enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and liabilities are recognized for temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases using the tax rates that are expected to apply in the period in which the deferred tax asset or liability is expected to settle, based on the laws that have been enacted or substantively enacted by the reporting date. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable income nor the accounting income. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable income will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and reduced accordingly to the extent that it is no longer probable that they can be utilized.

(i) Provisions

Provisions are recognized when the Company has a present legal or constructive obligation because of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses. Provisions are measured at the present value of the best estimate of the consideration required to settle the obligation using a discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. Provisions are re-measured at each balance sheet date using the current discount rate. The increase in the provision due to the passage of time is recognized as interest expense.

(j) Revenue recognition

Contracted rental revenue is recognized and measured in accordance with IFRS 16 *Leases*. Revenue commences when a tenant has a right to occupy the leased asset. Base rents or minimum rents in lease contracts are recognized on a straight-line basis over the term of the lease; a straight-line rent receivable, which is included in the carrying amount of investment property, is recorded for the difference between the rental revenue recorded and the contractual amount received. The Company has retained substantially all the risks and benefits of ownership of its investment properties and therefore accounts for leases with its tenants as operating leases.

Rental revenue includes recoveries of property taxes, insurance, and operating expenses. Operating expense recoveries from tenants are providing a service to the tenant and therefore are non-lease components. IFRS 15 *Revenue from Contracts with Customers* requires revenue recognized from non-lease components to be disclosed separately from other sources of revenue. Operating expense recoveries are recognized over time for services rendered in the period they are earned. The recoveries are included gross of the related costs in revenue, as management considers that the Company acts as principal in this respect. Some of the Company’s leases allow the tenant to pay property taxes directly to the municipality. When the tenant chooses this option, the Company does not recognize any revenue recovery or expense related to those property taxes. Rental revenue also includes accelerated rent adjustments that occur when the Company agrees to allow a tenant to terminate their lease in advance of the contractual lease term. The proceeds of the negotiated rent adjustment are recognized in income when it is receivable, and there is no ongoing contractual obligation.

Incentives for lessees to enter into lease agreements are spread evenly over the lease term, even if the payment is not made on such basis. The lease term is the non-cancellable period of the lease.

When management determines the collectability of revenue under a lease is not reasonably assured, revenue is no longer recorded.

A property is regarded as sold when the significant risks and returns have been transferred to the buyer, which is normally on an unconditional exchange of contracts. For conditional exchanges, sales are recognized only when all the significant conditions are satisfied.

(k) Fair value measurements

The Company measures certain non-financial assets such as investment property at fair value at the end of each reporting period. Fair values of financial instruments measured at amortized cost are disclosed in the notes to the consolidated financial statements.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability
  or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The Company must be able to access the principal or the most advantageous market at the measurement date.
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability if market participants act in their economic best interest. A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which enough data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(l) Financial instruments

Financial assets are recognized when the Company becomes a party to the contractual provisions of the financial instruments. Financial assets are derecognized when the contractual rights to the cash flow from the financial asset expire or when the financial asset and all substantial risks and rewards are transferred. For financial assets, the Company applies the general approach to recognize impairment losses which require losses to be recognized from possible defaults in the next twelve months. Short term investments are initially recognized at fair value and subsequently measured at fair value through profit and loss.

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instruments and they are derecognized when they are extinguished, discharged, canceled, or expire.

Classification and measurement

Financial assets are classified and measured based on three categories: amortized cost, fair value through other comprehensive income (FVOCI), and fair value through profit and loss (FVTPL). Financial liabilities are classified and measured in two categories: amortized cost or FVTPL.

The following summarizes the Company's classification and measurement of financial assets and liabilities:

	Classification and Measurement
Financial Assets	
Cash and cash equivalents	Amortized cost
Short term investments	FVTPL
Tenant receivables	Amortized cost
Mortgage and loan receivable	Amortized cost
Financial Liabilities	
Bank operating facilities	Amortized cost
Payables and accruals	Amortized cost
Lease liability	Amortized cost
Other financing	Amortized cost
Mortgages	Amortized cost
Security deposits	Amortized cost

The Company does not have any derivatives embedded in financial or non-financial contracts.

(m) Cash and cash equivalents

Cash and cash equivalents include cash and short-term investments with original maturities of three months or less.

(n) Normal course issuers bid

Common shares purchased under the normal course issuer bid ("NCIB") are acquired at market value. The transaction reduces the number of common shares outstanding and the transaction value, including costs, reduces capital stock at the adjusted cost base of the shares repurchased with the remaining transaction value charged to retained earnings. For shares acquired and not canceled, the transaction value, including costs, reduces capital stock.

(o) Critical judgments in applying accounting policies

The following are the critical judgments, apart from those involving estimation uncertainty, in applying the Company's accounting policies and that have the most significant effect on the amounts in the consolidated financial statements:

(i) **COVID-19**

The COVID-19 coronavirus has had a substantial impact on the economy in 2020. The uncertainty surrounding the pandemic has required significant judgement when measuring the investment properties at fair value, which requires assumptions about the market conditions. The long-term impact is unknown and the Company has used judgement when assessing the collectability of outstanding tenant receivable balances.

(ii) Leases

The Company has commercial property leases on its investment property portfolio. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties and so accounts for the contracts with tenants as operating leases. In applying this policy, the Company makes judgments concerning the point in time at which revenue recognition under the lease commences.

The Company applies judgement in assessing whether an arrangement is, or contains, a lease in which the Company is a lessee, and in determining the lease term by considering the probability of an option being exercised to extend the term. Judgement was applied in determining the incremental borrowing rate and discount rate applied to the lease liability and right-of-use asset.

(iii) Investment properties

The Company's accounting policies relating to investment properties are described in Note 2(b). In applying this policy, judgment is applied in determining whether certain costs are additions to the carrying amount of the property to be capitalized and, for properties under development, identifying the point at which practical completion of the property occurs and the directly attributable borrowing costs are included in the carrying value of the development property. Capitalization of expenses ceases to occur when the property under development is available for use. This judgment is applied when the property is substantially complete and is sometimes concurrent with occupancy.

In the normal course of operations, the Company acquires investment properties. At the time of the acquisition, the Company considers whether the acquisition represents the acquisition of a business or a group of assets and liabilities. All acquisitions of investment properties acquired to date by the Company have been determined to be asset acquisitions.

(iv) Classification of tenant incentives

Payments are sometimes made to, or on behalf of, tenants of our commercial properties when new leases are signed. When the payments add future value to the space independent of the lease in place, such costs are capitalized to the investment property. If the costs incurred are specific to the lessee, and do not have stand-alone value, these costs are treated as tenant incentives and amortized on a straight-line basis to revenue over the lease term in accordance with SIC 15, Operating leases – incentives.

(v) Income tax

The Company follows the asset/liability method for calculating deferred income taxes. Tax interpretations, regulations, and legislation in the various jurisdictions in which the Company operates are subject to change. As such, income taxes are subject to measurement uncertainty. Deferred income tax assets are assessed by management at the end of the reporting period to determine the likelihood that they will be realized from future taxable earnings. Assessing the recoverability of deferred income tax assets requires the Company to make significant estimates related to the expectations of future cash flows from operations and the application of existing tax laws in each jurisdiction.

(p) Critical accounting estimates and assumptions

The Company makes estimates and assumptions that affect carrying amounts of assets and liabilities, disclosure of contingent assets and liabilities, and the reported amount of earnings for the period. Actual results could differ from estimates. The estimates and assumptions that are critical to the determination of the amounts reported in the consolidated financial statements relate to the following:

(i) Investment properties

The choice of valuation method and the critical estimates and assumptions underlying the calculation of the fair value of investment properties and investment properties under development is set out in Note 3.

Significant estimates used in determining the fair value of the investment properties include capitalization rates and normalized net operating income (which is influenced by the inflation rate, vacancy rates, and standard costs) by individual properties, using property-specific capitalization rates.

Investment property under development is valued at cost until either the fair value becomes reliably determinable, or construction is completed (whichever is earlier).

The determination of the fair value of investment property requires the use of estimates such as future cash flows from assets and capitalization rates applicable to those assets. In addition, development risks (such as construction and leasing risks) are also taken into consideration when determining the fair value of investment property under development. These estimates are based on local market conditions existing at the reporting date. In arriving at estimates of market values, management used their market knowledge and professional judgment and did not rely solely on historical transaction comparables. In these circumstances, there is more uncertainty than which exists in a more active market in estimating the fair values of investment property. The critical estimates and assumptions underlying the valuation of investment properties and developments are set out in Note 3.

(ii) Income taxes

Uncertainties exist concerning the interpretation of complex tax regulations and the amount and timing of future taxable income. Differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to taxable income and expense already recorded.

(iii) Stock-based compensation

The Company uses the Black-Scholes Option Pricing Model for valuing its stock options to employees and directors at the date of issue. Management uses estimates of the expected life, the risk-free rate, expected volatility, and expected forfeiture rate when calculating the value of the options issued. These estimates may vary from the actual expense incurred.

(q) Adoption of accounting standards

(i) IFRS 16- Leases ("IFRS 16")

Effective October 1, 2019, the Company has applied IFRS 16. IFRS 16 introduces new requirements with respect to lease accounting. It introduces significant changes to the lessee accounting by removing the distinction between operating and finance leases and requiring the recognition of a right-of-use asset and a lease liability at the commencement of all leases, except for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. The impact of the adoption of IFRS 16 on the Company's financial statements is described below. The Company has applied IFRS 16 using the modified retrospective approach, and therefore, the comparative information has not be restated.

Impact from the new definition of a lease

The change in the definition of a lease mainly relates to the concept of control. IFRS 16 determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration. The Company assessed all contracts in place on October 1, 2019 to determine if they were, or were not, a lease.

Impact on Lessee Accounting – Former Operating Leases

IFRS 16 changes how the Company accounts for leases previously classified as operating leases under IAS 17- Leases ("IAS 17"), which were off-balance-sheet.

At transition, lease liabilities, arising from previously recorded operating leases, were measured at the present value of the remaining lease payments, discounted at the Company's incremental borrowing rate as at October 1, 2019. Right-of-use assets were measured at an amount equal to the lease liability.

The Company used the following practical expedients when applying IFRS

- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term or for leases of low-value assets.

- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

On transition to IFRS 16, the Company also elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and International Financial Reporting Interpretations Committee IFRIC 4 – Determining whether an Arrangement contains a Lease, were not reassessed for whether there is a lease. Therefore, the definition of a lease under IFRS 16 was only applied to contracts entered into or changed on or after October 1, 2019.

The following table shows the impact of adopting IFRS 16 on the Company's consolidated statement of comprehensive income:

		Year Ended September 30, 2020
Reduced operating expenses	$	(184,011)
Increased financing costs		47,657
Increased depreciation on right-of-use assets		150,041
Net increase in expenses with adopting IFRS 16	$	13,687

In May 2020, the IASB issued an Amendment to IFRS 16, COVID-19-Related Rent Concessions. The amendment permits lessees not to assess whether particular COVID-19-related rent concessions are lease modifications and, instead, account for those rent concessions as if they were not lease modifications. In addition, the amendment to IFRS 16 provides specific disclosure requirements regarding COVID-19-related rent concessions. The amendment is effective for annual reporting periods beginning on or after June 1, 2020, with earlier application permitted including in financial statements not yet authorized for issue at May 28, 2020. The adoption of this amendment had no impact on the consolidated financial statements.

Under IFRS 16, lessor accounting remains largely unchanged, and the distinction between operating and finance leases is retained. The Company has assessed this standard and consistent with IFRS 15, leases with tenants will be accounted for as operating leases in the same manner they are currently being reported.

(ii) IFRIC 23 – Uncertainty over income tax treatments ("IFRIC 23")

In June 2017, the IASB issued IFRIC 23. IFRIC 23 clarifies the application of recognition and measurement requirements in IAS 12, Income taxes when there is uncertainty over income tax treatments. IFRIC 23 is effective for annual reporting periods beginning on or after January 1, 2019, with early adoption permitted. IFRIC 23 requires the Company to contemplate whether uncertain tax treatments should be considered separately or together as a group, based on which approach provides better predictions of the resolution, and to determine if it is probable that the tax authorities will accept the uncertain tax treatment or, if it is not probable that the uncertain tax treatment will be accepted, measure the uncertainty based on the most likely amount or expected value, depending on which method better predicts the resolution of the uncertainty. On October 1, 2019, the Company adopted this standard with no impact on its consolidated financial statements.

Future accounting standards

IAS 1 *Presentation of Financial Statements* has been revised to incorporate amendments issued by the International Accounting Standards Board (IASB) in January 2020. The amendments provide a more general approach to the presentation of liabilities as current or non-current based on contractual arrangements in place at the reporting date. The amendments specify that the rights and conditions existing at the end of the reporting period are relevant in determining whether the Company has a right to defer settlement of a liability by at least twelve months; provide that management's expectations are not a relevant consideration as to whether the Company will exercise its rights to defer settlement of a liability; and clarify when a liability is considered settled. On July 15, 2020, the IASB issued a deferral of the effective date for the new guidance by one year to annual reporting periods beginning on or after January 1, 2023, and is to be applied retrospectively. The Company has not yet determined the impact of these amendments on its consolidated financial statements.

3. Investment properties

	Income Producing Properties	Properties Under Development	Held For Development	Total Investment Properties
Opening balance at September 30, 2019	$ 205,702,397	$ -	$ 12,766,493	**$ 218,468,890**
Additions:				
Property improvements and additions	378,108	-	-	**378,108**
Capitalized property taxes and other	-	-	144,603	**144,603**
Leasing commissions	258,806	-	-	**258,806**
Property acquisitions	19,417,469	-	-	**19,417,469**
Amortization of tenant inducements	(27,513)	-	-	**(27,513)**
Change in straight-line rental revenue	485,069	-	-	**485,069**
Sale of investment property	(8,885,177)	-	-	**(8,885,177)**
Revaluation losses, net	(2,421,433)	-	(509,104)	**(2,930,537)**
Amortization of deferred leasing commissions	(365,250)	-	-	**(365,250)**
Ending balance at September 30, 2020	**$ 214,542,476**	**$ -**	**$ 12,401,992**	**$ 226,944,468**

	Income Producing Properties	Properties Under Development	Held For Development	Total Investment Properties
Opening balance at September 30, 2018	$ 186,853,753	$ 9,340,565	$ 10,516,418	**$ 206,710,736**
Additions:				
Property improvements and additions	475,141	-	-	**475,141**
Capitalized property taxes and other	-	-	132,873	**132,873**
Construction costs	-	1,888,941	-	**1,888,941**
Leasing commissions	220,020	-	-	**220,020**
Property acquisitions	9,834,476	-	1,679,737	**11,514,213**
Tenant inducements, net of amortization	132,982	-	-	**132,982**
Change in straight-line rental revenue	(94,359)	-	-	**(94,359)**
Sale of investment property	(1,681,325)	-	-	**(1,681,325)**
Transfer to (from)	11,229,506	(11,229,506)	-	**-**
Revaluation gains (losses), net	(969,525)	-	437,465	**(532,060)**
Amortization of deferred leasing commissions	(298,272)	-	-	**(298,272)**
Ending balance at September 30, 2019	**$ 205,702,397**	**$ -**	**$ 12,766,493**	**$ 218,468,890**

Valuation methodology and processes

The fair value of investment properties at each reporting period is determined internally by management using assumptions and market information obtained from industry professionals and qualified external appraisers. Management uses inputs from external appraisers as additional sources of information when recording property-specific attributes. Investment properties carried at fair value are categorized by level according to the significance of the inputs used in making the measurements. As the fair value of investment properties is determined with significant unobservable inputs, the investment properties are typically classified as Level 3 assets. The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

Management's primary internal valuation model is based on a capitalization of the forecasted normalized net operating income approach. The Company determines the forecasted normalized net operating income using a one-year income forecast for each property based on current in-place rents and assumptions about occupancy, structural and vacancy reserves, less cash outflows expected to operate and manage each property within the portfolio. Capitalization rates used to estimate fair market value consider many factors including but not limited to; the location of the property, the size of the land parcel, site coverage, the quality and strength of tenants, whether lease rates are over or under current market rates, demand for the type and use of the property, the age of the building, any special use characteristics of the building or area, whether it is single-tenant or multi-tenanted and vacancy rates in the area. Market information related to the external sale of similar buildings within a similar geographic location is also taken into consideration.

Land held for development with holding income is valued based on sale data within the market area.

The Company's executive management team is responsible for determining fair value measurements including verifying all major inputs included in the valuation. Management, along with the Audit Committee, discusses the valuation process and key inputs every quarter.

The key level 3 valuation metrics for the investment properties are set out below.

	September 30, 2020	September 30, 2019
Range of capitalization rates applied to investment properties	4.50% - 8.50%	4.50% - 8.50%
Fair values of properties where cap rates were applied	$ 210,631,766	$ 193,391,689
Weighted average cap rates	6.36%	6.27%
Fair value impact of increasing average cap rate by 0.25%	$ (7,960,123)	$ (7,417,369)
Fair value impact of a 1% decrease in net operating income	$ (2,093,904)	$ (1,933,930)
Land held for development		
Average price per acre of land	$ 157,274	$ 163,349
Number of acres	64.55	64.55
Total fair values	$ 10,152,036	$ 10,516,497
Impact of a 10% change in average price per acre	$ 1,015,204	$ 1,051,650
Land under lease agreements with tenants		
Number of acres leased	7.90	7.90
Average price per acre	$ 779,837	$ 779,837
Total fair values of leased land	$ 6,160,710	$ 6,160,710
Impact of a 10% change in average price per acre	$ 616,071	$ 616,071

Included in the carrying amount of investment properties are the following:

	September 30, 2020	September 30, 2019
Straight line rent receivable	$ 2,385,884	$ 1,453,543
Tenant inducements	105,467	132,979
Leasing commissions	1,447,956	1,554,400
	$ 3,939,307	$ 3,140,922

All the above are amortized over the terms of the respective leases.

During Q4 2020, the Company disposed of an investment property for total sale proceeds of $9,350,000 creating a gain on the sale of $171,200. The Company entered into a vendor take back ("VTB") mortgage for $8,000,000. The VTB bears interest at an annual rate of 2.5% with monthly interest payments due to the maturity date of July 21, 2021. The VTB can be prepaid in whole or in part without penalty. The purchaser has an option to extend the mortgage for a further year. The VTB is carried at amortized cost.

4. Right-of-use asset

The following table presents the change in the balance of the Company's right-of-use asset which is its office lease:

	September 30, 2020	September 30, 2019
Opening balance	$ -	$ -
Adoption of IFRS 16 (Note 2)	962,760	-
Amortization expense	(150,041)	-
Balance, end of year	**$ 812,719**	**$ -**

5. Receivables and loan receivable

	September 30, 2020	September 30, 2019
Loan receivable, net, beginning of year	$ 728,063	$ 1,009,825
Reversal of provision for impairment	100,000	900,000
Principal payments received	(828,063)	(1,181,762)
Loan receivable, end of the year	**$ -**	**728,063**
Receivables	248,208	277,965
Accrued interest	16,667	4,140
Other	-	7,741
Provision for impairment	-	(10,000)
Receivables net, end of year	**$ 264,875**	**$ 279,846**

During the current year, the Company reinstated $100,000 of the receivable that was previously considered impaired (September 30, 2019 - $900,000). The reversal amount of $100,000 (September 30, 2019 - $900,000) was recorded as revenue.

Tenant receivables at September 30, 2020, and 2019, include occupancy costs which are reconciled at each year-end and subsequently collected.

6. Short – term investments

Short-term investments are common shares that were disposed of on the open market during the current year. Total net proceeds from the sale were $258,486 creating an accounting loss on disposal of $17,494.

7. Prepaid expenses and deposits

	September 30, 2020	September 30, 2019
Prepaid operating expenses	$ 707,215	$ 610,775
Deposits in trust	9,360	-
Security deposits with municipalities	41,519	50,939
Total prepaid expenses and deposits	**$ 758,094**	**$ 661,714**

Prepaid operating expenses are insurance and property taxes.

8. Mortgages

	Maturity	Rate	September 30, 2020	September 30, 2019
*	January 1, 2021	3.060%	$ 1,409,892	$ 1,578,129
*	January 1, 2021	2.980%	3,222,750	3,485,483
*	January 1, 2021	2.980%	4,986,626	5,393,160
*	April 1, 2021	2.880%	5,169,392	5,581,728
*	April 1, 2021	2.948%	2,832,165	3,034,587
	October 1, 2021	2.470%	5,480,578	6,086,078
	October 1, 2021	2.470%	6,882,331	7,416,065
	February 1, 2022	3.040%	5,403,477	5,794,009
	June 1, 2022	2.730%	2,008,815	2,209,502
	December 1, 2022	3.670%	3,505,577	3,728,639
	December 1, 2022	3.671%	3,184,981	3,387,629
	February 1, 2023	3.750%	1,924,526	2,044,271
	October 1, 2023	3.950%	392,042	509,368
	October 1, 2023	4.090%	5,691,548	6,014,888
	November 1, 2023	4.330%	3,910,232	4,126,623
	December 1, 2023	4.648%	4,669,603	4,919,773
	January 1, 2024	4.300%	2,233,245	2,401,720
	January 1, 2024	4.300%	1,772,416	1,906,127
	August 1, 2024	3.300%	9,619,196	10,156,050
	November 1, 2024	3.555%	8,509,822	8,966,286
	February 1, 2025	3.420%	4,851,774	-
	April 1, 2025	2.310%	5,177,069	-
	August 1, 2025	2.837%	3,982,122	-
	Total mortgages		$ 96,820,179	$ 88,740,115
	Less: current portion of principal payments		(23,036,386)	(15,850,616)
	Less: balance of unamortized finance fees		(236,556)	(242,080)
			$ 73,547,237	**$ 72,647,419**
	Weighted average rate		**3.29%**	**3.35%**

*Mortgages due in the next twelve months

All the above mortgages are repayable in blended monthly payments of interest and principal. The security pledged for each mortgage is limited to the related investment property.

9. Bank operating facilities

	September 30, 2020	September 30, 2019
Bank operating facilities	**$ 26,275,887**	**$ 26,353,212**

The Company has two credit facilities set out as follows:

1) One operating line of credit (LOC) with a limit of $13,467,000 (September 30, 2019 - a limit of $13,500,000).

   This LOC is used to assist with property acquisitions and general operations and has a balance at September 30, 2020, of $13,309,907 (September 30, 2019 - $13,372,362). The credit facility bears interest at prime plus 1% per annum (September 30, 2019 – prime plus 1% per annum) and is secured by specific revenue-producing properties with combined fair values of $36,939,597 (September 30, 2019, specific revenue-producing properties with combined fair values of $46,341,730). The Company pays a standby fee of .25% per annum (September 30, 2019 - .25% per annum) payable monthly on the undrawn portion of the facility. Specific covenants of this credit facility are that there be a minimum of 90% occupancy of the secured buildings and adherence to a margin formula as outlined below.

- Availability under the facility will be restricted to the lending value assigned to the properties which will be the lesser of: a) the level at which a Debt Service Coverage Ratio of 1.25 can be maintained, less the Prior Debt on the properties, (unchanged from September 30, 2019): or b) the level at which a Loan to Value Ratio of 70% can be maintained for the secured properties, over which the Lender has a 1st mortgage and 60% for the secured properties over which the Lender holds a 2nd mortgage, less the prior debt on the properties (unchanged from September 30, 2019). For these secured properties, the loan to value is set at 70%, unchanged from the prior year.

Debt Service Coverage Ratio ("DSCR") is the net operating income, divided by the debt service.

- *Debt service* = annual principal and interest payments based on a 25-year amortization and an interest rate that is the greater of 4.5% (September 30, 2019 - 5.0%) or the Government of Canada Benchmark Bond Yields plus 225 basis points.

- *Net Operating Income* is stabilized operating income from the secured properties adjusted for normal operating expenses, common area maintenance expenses, property taxes, and other expenses that are not recovered from the tenants.

Loan to Value Ratio ("LTV") is the total debt on the secured properties divided by the current market value of the secured properties.

Loan Covenant Requirements:	**Min. 90% Occupancy**	**DSCR 1.25**	**LTV 70%**
September 30, 2020	Yes	2.75	73%
June 30, 2020	Yes	2.89	68%
March 31, 2020	Yes	2.89	68%
December 31, 2019	Yes	2.89	69%
September 30, 2019	Yes	2.89	69%

During Q4 2020, the lender removed the sold property from the secured property which increased the LTV beyond 70%. The lender agreed to allow the increase with a provision that it is to be lowered to 70% within 18 months. To facilitate this, the operating limit will be reduced by $16,500 on the first of each month commencing August 1, 2020. At September 30, 2020, the lender approved the LTV to 73%.

2) A second operating LOC with a limit of $13,000,000 (September 30, 2019 – a limit of $13,000,000).

   This credit facility bears interest at prime plus .95% per annum (unchanged from September 30, 2019) and is secured by specific revenue-producing properties with combined fair values at September 30, 2020, of $70,548,383 (September 30, 2019 - $73,601,828).

There are no specific covenants or margin formulas for this line of credit. The balance on the credit facility at September 30, 2020 is $12,965,980 (September 30, 2019 - $12,980,850).

10. Lease liability

The following table presents the change in the balance of the Company's lease liability:

	September 30, 2020	September 30, 2019
Opening balance	$ -	$ -
Adoption of IFRS 16 (Note 2)	962,760	-
Lease payments	(149,095)	-
Interest	47,657	-
Balance, end of year	**$ 861,322**	**$ -**
Current portion	$ 139,040	$ -
Non-current portion	722,282	-
	$ 861,322	**$ -**
Incremental borrowing rate	4.95%	

Estimated future principal payments required to meet the lease liability as at September 30, 2020, are as follows:

12 months ending September 30, 2021	$ 139,040
12 months ending September 30, 2022	144,247
12 months ending September 30, 2023	151,387
12 months ending September 30, 2024	158,881
12 months ending September 30, 2025	166,746
Thereafter	101,021
Total	**$ 861,322**

11. Payables and accruals

	September 30, 2020	September 30, 2019
Trade payables	$ 301,366	$ 98,659
Accrued loan interest	357,691	245,670
Current portion of tenant security deposits	91,350	47,068
Accrued liabilities	316,693	162,309
Prepaid rents	268,126	246,470
Total payables and accruals	**$ 1,335,226**	**$ 800,176**

Trade payables include commissions payable on acquisitions and leasing fees. Prepaid rents from tenants largely relate to rent due on the first of the following month, and the balance represents rents paid in advance which are recognized in revenue over the applicable months. Accrued liabilities include management compensation payable of $100,000 (September 30, 2019 – nil) and the balance relates to occupancy costs due to tenants. The carrying value of payables and accruals approximates fair value due to their short-term maturity.

12. Finance costs

The components of finance costs are as follows:

	September 30, 2020	September 30, 2019
Interest on mortgages	$ 3,059,666	$ 3,018,716
Interest on bank operating facilities	1,079,350	1,022,476
Interest on other unsecured financing	107,971	6,817
Interest on lease obligations	47,657	-
Amortization of deferred finance fees	95,633	97,435
Interest income	(48,121)	(89,834)
	$ 4,342,156	**$ 4,055,610**

13. Income taxes

a) Provision for income taxes

Components of income tax expense (recovery)

	September 30, 2020	September 30, 2019
Current tax expense	$ 552,393	$ 857,306
Deferred tax expense (recovery)		
Origination and reversal of temporary differences	447,417	(1,400,682)
Change in unrecognized temporary differences	(2,760)	2,760
	$ 997,050	**$ (540,616)**

The actual income tax provision differs from the expected amount calculated by applying Canadian combined federal and provincial corporate tax rates to income before tax. Income tax rates decreased from 26.75% in 2019, to 24.75% in 2020 due to decreases in provincial rates. These differences result from the following:

	2020	2019
Income before income taxes	$ 2,412,940	$ 5,879,870
Expected income tax expense at 24.75% (2019 – 27.00%)	$ 597,203	$ 1,572,865
Increase (decrease) resulting from:		
Non-taxable items	(162,962)	5,809
Change in unrecognized temporary differences	(2,760)	2,760
Tax rate differentials and tax rate changes	565,569	(2,122,050)
	$ 997,050	**$ (540,616)**

b) Deferred taxes

Deferred tax assets are attributable to the following:

	September 30, 2020	September 30, 2019
Financing fees	$ -	$ 313
Lease liability	198,104	-
Capital losses	4,774	-
Donations	43,484	27,378
Deferred tax assets	246,362	27,691
Offset of tax	(246,362)	(27,691)
Net deferred tax assets	**$ -**	**$ -**

Deferred tax liabilities are attributable to the following:	September 30, 2020	September 30, 2019
Straight-line rent receivable	$ 548,753	$ 334,315
Investment properties	11,830,656	12,236,412
Finance fees	7,029	878
Deferred leasing	333,030	357,512
Right-of-use asset	186,926	-
Capital gain reserve	686,051	-
Deferred tax liabilities	13,592,445	12,929,117
Offset of tax	(246,362)	(27,691)
Net tax liabilities	**$ 13,346,083**	**$ 12,901,426**

$30,273,649 (September 30, 2019 - $30,273,649) related to investments in certain subsidiaries was not recognized because it was not probable that the temporary difference will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilized.

14. Supplemental consolidated cash flow information

	September 30, 2020	September 30, 2019
Net change in operating working capital		
Decrease (increase) in receivables	$ 14,973	$ (37,054)
Decrease in loans receivable	828,063	1,181,762
Increase in prepaid expenses and deposits	(87,020)	(107,768)
Increase (decrease) in payables and accruals	411,947	(59,190)
Decrease in income taxes payable	(304,912)	(58,171)
Increase (decrease) in security deposits	79,491	(53,624)
	$ 942,542	**$ 865,955**
Net change in investing working capital		
(Increase) decrease in deposits in trust for property acquisitions	$ (9,360)	$ 665,000
Increase (decrease) in payables and accruals	51,080	(2,343,451)
	$ 41,720	**$ (1,678,451)**
Net change in financing working capital		
Increase in accrued interest payable	**$ 72,022**	**$ 56,940**
Interest paid	$ 3,369,208	$ 4,084,236
Income taxes paid	$ 905,468	$ 915,370

Non-cash transactions	**September 30, 2020**
Adoption of IFRS 16 (Note 2)	
Right-of-use asset	$ 962,760
Lease liability	$ 962,760
Mortgage receivable	$ 8,000,000

September 30,	Agricultural Division		Industrial Dvision		Corporate		CONSOLIDATED	
	2020	2019	**2020**	2019	**2020**	**2019**	**2020**	**2019**
Rental revenue, contractual amount	**$ 788,516**	$ 505,613	**$ 11,257,859**	$ 11,755,780	**$ -**	**$ -**	**$ 12,046,375**	$ 12,261,393
Property tax and insurance recoveries	**82,063**	62,098	**2,266,355**	2,382,330	**-**	**-**	**2,348,418**	2,444,429
Operating expense recoveries	**12,547**	11,414	**1,111,292**	897,411	**-**	**-**	**1,123,839**	908,825
Accelerated rent adjustment	**-**	-	**100,000**	1,082,207	**-**	-	**100,000**	1,082,207
Amortization of tenant inducements	**-**	-	**(27,513)**	(4,586)	**-**	-	**(27,513)**	(4,586)
Straight-line rental revenue	**53,265**	62,981	**431,804**	(157,340)	**-**	-	**485,069**	(94,359)
Rental revenue	**936,391**	642,106	**15,139,797**	15,955,802	**-**	-	**16,076,188**	16,597,908
Property operating expenses								
Property taxes and insurance	**(84,010)**	(62,098)	**(2,596,327)**	(2,382,330)	**-**	-	**(2,680,337)**	(2,444,428)
Operating expenses								
Repairs and maintenance	**(13,899)**	(2,139)	**(899,229)**	(836,816)	**-**	-	**(913,128)**	(838,954)
Management fees	**(35,309)**	(22,564)	**(606,612)**	(672,992)	**-**	-	**(641,921)**	(695,556)
Utilities	**-**	-	**(151,154)**	(114,740)	**-**	-	**(151,154)**	(114,740)
subtotals	**(133,218)**	(86,801)	**(4,253,322)**	(4,006,877)	**-**	-	**(4,386,540)**	(4,093,678)
Income from operations	**803,173**	555,305	**10,886,475**	11,948,925	**-**	-	**11,689,648**	12,504,230
Finance costs								
Interest on mortgages	**(221,253)**	(174,627)	**(2,838,413)**	(2,844,089)	**-**	-	**(3,059,666)**	(3,018,716)
Interest on bank operating facilities	**-**	-	**-**	-	**(1,079,350)**	(1,022,476)	**(1,079,350)**	(1,022,476)
Interest on other unsecured financing	**-**	-	**-**	-	**(107,971)**	(6,817)	**(107,971)**	(6,817)
Interest on lease obligations	**-**	-	**-**	-	**(47,657)**	-	**(47,657)**	-
Amortization of deferred finance fees	**(6,030)**	(6,031)	**(89,603)**	(91,404)	**-**	-	**(95,633)**	(97,435)
Capitalized interest	**-**	-	**-**	-	**-**	-	**-**	-
Interest income	**-**	-	**-**	-	**48,121**	89,834	**48,121**	89,834
subtotals	**(227,283)**	(180,658)	**(2,928,016)**	(2,935,493)	**(1,186,857)**	(939,459)	**(4,342,156)**	(4,055,610)
Administration expenses	**-**	-	**-**	-	**(1,642,431)**	(1,564,127)	**(1,642,431)**	(1,564,127)
Amortization of deferred leasing	**(12,838)**	(10,698)	**(352,412)**	(287,574)	**-**	-	**(365,250)**	(298,272)
Amortization of right-of-use asset	**-**	-	**-**	-	**(150,041)**	-	**(150,041)**	-
Unrealized gains (losses) on short term investments	**-**	-	**-**	-	**(17,494)**	(97,500)	**(17,494)**	(97,500)
Gain (loss) on the sale of investment property	**-**	-	**171,200**	(76,791)	**-**	-	**171,200**	(76,791)
Valuation net gains (losses) from investment property	**84,002**	197,503	**(3,014,539)**	(729,563)	**-**	-	**(2,930,537)**	(532,060)
Income (loss) before income tax	**647,054**	561,452	**4,762,708**	7,919,504	**(2,996,822)**	(2,601,086)	**2,412,940**	5,879,870
Income tax (expense) recovery	**(160,146)**	150,188	**(1,178,770)**	(2,118,467)	**341,866**	2,508,895	**(997,050)**	540,616
Net income (loss) and total comprehensive income (loss) for the year	**$ 486,909**	$ 711,640	**$ 3,583,938**	$ 5,801,037	**$ (2,654,956)**	$ (92,191)	**$ 1,415,890**	$ 6,420,486
Investment properties	**$ 10,558,954**	$ 10,399,824	**$ 216,385,514**	$ 208,069,066			**$ 226,944,468**	$ 218,468,890
Mortgages	**$ 4,669,603**	$ 4,919,773	**$ 92,150,576**	$ 83,820,342			**$ 96,820,179**	$ 88,740,115
Additions to investment properties	**$ 34,741**	$ -	**$ 19,905,439**	$ 608,014			**$ 19,940,180**	$ 14,011,168

16. Share capital

a) The Company has unlimited authorized common share capital.

	September 30, 2020	September 30, 2019
Number of shares issued		
Balance beginning of year	9,496,442	9,583,642
Shares cancelled	(36,000)	(87,200)
Ending number of shares	**9,460,442**	**9,496,442**
Capital stock		
Balance beginning of year	$ 5,962,095	$ 6,030,758
Shares held in treasury	(28,044)	(13,727)
Shares cancelled during the period	(8,953)	(54,936)
Ending capital stock	**$ 5,925,098**	**$ 5,962,095**

The Company received approval from the TSX Venture Exchange to purchase up to 479,182 common shares representing 5% of the outstanding shares under a normal course issuer bid ("NCIB") that expired September 2, 2020. During the current year, the Company repurchased 41,900 shares for $160,982. A total of 36,000 shares were canceled during the period with the excess purchase price over the cost of the shares of $123,985, being charged to retained earnings. There remain 9,200 shares held in treasury until canceled.

During the prior year, 90,500 shares were repurchased for $361,082. Of the shares repurchased, 87,200 were canceled and the excess purchase price over the cost of the shares of $292,420 was charged to retained earnings. The remaining 3,300 shares for $13,727 were held in treasury until canceled during the current year.

17. Earnings per share

The following are the weighted average number of shares outstanding:

	September 30, 2020	September 30, 2019
Net income and comprehensive income	$ 1,415,890	$ 6,420,486
Weighted average shares outstanding – basic and diluted	9,471,776	9,554,980
Earnings per share – basic and diluted	**$ .15**	**$ .67**

18. Rental revenue

The Company leases its commercial properties under operating leases with terms between 2 and 17 years. Some leases have options to extend for further five-year terms and a few leases are month to month.

a) Rental revenue

	September 30, 2020	September 30, 2019
Rental revenue, contractual amount	$ 12,046,375	$ 12,261,393
Property tax and insurance recoveries	2,348,418	2,444,428
Operating expense recoveries	1,123,839	908,825
Accelerated rent adjustment	100,000	1,082,207
Amortization of tenant inducements	(27,513)	(4,586)
Straight-line rental revenue	485,069	(94,359)
Rental revenue on statements of comprehensive income	**$ 16,076,188**	**$ 16,597,908**

The accelerated rent adjustment in the prior year relates to a tenant that was granted early termination of their lease. Straight-line rental revenue includes rent deferrals during the year for numerous tenants that requested rent relief due to COVID-19. The deferred rent will be repaid after September 30, 2020.

Future contracted minimum rent receivable from non-cancellable tenant operating leases is as follows:

	September 30, 2020	September 30, 2019
No later than one year	$ 13,018,734	$ 12,599,688
2 – 5 years	36,165,839	36,258,373
Over 5 years	26,414,370	24,404,330
	$ 75,598,943	**$ 73,262,391**

The month to month tenant revenue is not included in the above figures. The future contracted minimum rent receivable could be negatively impacted by a tenant having financial difficulties and being unable to meet their rent obligations. The future rent receivable assumes all tenants will honor the financial obligations of their leases, to the terms of their leases, with no defaults or variations in the contracted amounts.

19. Guarantees, contingencies, and commitments

a) In the normal course of operations, the Company and its subsidiaries execute agreements that provide for indemnification and guarantees to third parties, such as engagement letters with advisors and consultants, and service agreements. The Company has also agreed to indemnify its directors and certain of its officers and employees in accordance with the Company's bylaws. Certain agreements do not contain any limits on the Company's liability and, therefore, it is not possible to estimate the Company's potential liability under these indemnities, and as such, no provision has been included in these financial statements. Further, the Company maintains insurance policies that may provide coverage against certain claims under these indemnities.

b) The Company maintains insurance on its properties. The all-risk property insurance includes replacement cost and rental value coverage (including coverage for the perils of flood and earthquake).

c) The Company has contracts in place with related parties to provide property management and asset management. Both contracts have been in place since 1999 and have been renewed on an annual basis with no changes to the terms. Further information can be found in the Related Party Transactions in Note 22.

20. Capital risk management

The Company defines capital that it manages as the aggregate of its equity and interest-bearing debt. The Company's objectives when managing capital are to ensure that the Company will continue as a going concern so that it can sustain daily operations and provide adequate returns to its shareholders. The Company is subject to risks associated with debt financing, including the possibility that existing mortgages may not be refinanced, or may not be refinanced on as favorable terms or with interest rates as favorable as those of the existing debt. The Company mitigates these risks by its continued efforts to stagger the maturity profile of its long-term debt, enhance the value of its real estate properties, and maintain high occupancy levels. The Company manages its capital structure and adjusts it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

	September 30, 2020	September 30, 2019
Mortgages	$ 96,820,179	$ 88,740,115
Lease liability	861,322	-
Bank operating facilities	26,275,887	26,353,212
Other financing	5,050,000	-
Total debt financing	129,007,388	115,093,327
Equity	92,261,736	91,481,650
Total capital	**$ 221,269,124**	**$ 206,574,977**

21. Financial instruments

	September 30, 2020	September 30, 2019
Financial assets		
Cash and cash equivalents	$ 123,619	$ 1,035,322
Short term investments	-	276,000
Loan receivable	-	728,063
Receivables, net of provisions	264,875	279,846
Mortgage receivable	8,000,000	-
	$ 8,388,494	**$ 2,319,231**
Financial liabilities		
Bank operating facilities	$ 26,275,887	$ 26,353,212
Payables and accruals	1,335,226	800,176
Other financing	5,050,000	-
Lease liability	861,322	-
Security deposits	728,855	558,030
Mortgages	96,820,179	88,740,115
	$ 131,071,469	**$ 116,451,533**

The carrying value of cash and cash equivalents, receivables, bank operating facilities, other financing, payables and accruals, and security deposits approximate their fair value because of the near-term maturity of those instruments. The fair value of short-term investments in the prior year is a level 1 measurement valued at the quoted market price. The fair value of mortgages payable is a level 2 measurement and is based on discounted future cash flows using rates that reflect observable current market rates for similar investments with similar terms and conditions. The estimated fair value of mortgages payable as at September 30, 2020 is $98,065,439 (September 30, 2019 - $88,682,977). These estimates are subjective as current interest rates are selected from a range of potentially acceptable rates and accordingly, other fair value estimates are possible. The interest rate used for this calculation is 2.837% (September 30, 2019 – 3.555%).

The Company’s activities expose it to risks arising from financial instruments including credit risk, interest rate risk, and liquidity risk, and most recently, the risk associated with the coronavirus. Management reviews these risks on an ongoing basis to ensure that the risks are appropriately managed.

Credit risk

The Company is exposed to credit risk equivalent to the balance of its tenant receivables of $264,875 at September 30, 2020 (September 30, 2019 - $279,846), and cash and cash equivalents of $123,619 (September 30, 2019 - $1,035,322). Credit risk on tenant receivables arises from the possibility that tenants may experience financial difficulty and be unable to fulfill their lease commitments. The Company mitigates the risk of credit loss with a policy of credit assessment for all new lessees and by limiting its exposure to any one tenant. For tenant accounts receivable, the Company applies the general approach to recognize expected credit losses (“ECL”) in the next twelve months. Management uses historical credit losses adjusted for current and forward-looking information which may affect the ability of the customers to settle receivables. Historically the Company has very little credit losses as most tenants have been able to meet their financial obligations. At September 30, 2020 there is no loss provision for tenant receivables (September 30, 2019 - $10,000).

Accounts receivable are written off when there is no reasonable expectation of recovery. During the year, an amount of $39,330 was written off for one tenant who leased space in an investment property that was sold during the year.

During the current year the Company entered into a mortgage receivable for an investment property sold during the year. The term date of the mortgage is July 21, 2021. The Company expects to receive payment in full on the maturity date. No provision has been made for this mortgage.

Credit risk associated with cash and cash equivalents is mitigated through the Company holding cash and cash equivalents with reputable financial institutions.

Interest rate risk
The Company's exposure to interest rate risk relates to its short-term floating interest rates on bank operating facilities. The required cash flow to service the debt will fluctuate because of the changing prime interest rate. The balance on the bank operating facilities at September 30, 2020 is $26,275,887 (September 30, 2019 - $26,353,212). Under the assumption any balance of the debt is outstanding for a further one year; a 1% increase in the prime rate would have a negative impact on the future annual earnings of the Company of $262,276 (September 30, 2019 - $263,532). The Company minimizes its exposure to interest rate risk to the extent that all mortgages except one have fixed rates with terms of five years. One mortgage was renewed during the year at a fixed rate for a further one-year term.

Liquidity risk
Liquidity risk is the risk that the Company may not have cash available to satisfy financial liabilities as they become due. The Company's objective related to liquidity risk is to effectively manage cash flows to minimize the exposure that the Company will not be able to meet its obligations associated with financial liabilities. The Company actively monitors its financing obligations and cash and cash equivalents to ensure that it has enough available funds to meet current and foreseeable future financial requirements at a reasonable cost. Management manages its liquidity risk with the use of the lines of credit available to the Company as well as short term financing from related parties and private parties. Management estimates that cash flows from operating activities will provide enough cash requirements to cover normal operating and budgeted expenditures.

During the current year, the Company renewed one mortgage for a further five - year term, and one mortgage was renewed for one year. Three new mortgages were received for the new acquisitions during the year, all with fixed rate five-year terms.

During Q1 2020, the Company received a temporary increase of $1,900,000 to the limit on one of the Company's bank operating facilities. This increase facilitated the purchase of investment property during Q1 2020. Subsequent to Q1 2020, conventional mortgage financing was placed on the new acquisition and the line of credit was reduced.

At September 30, 2020, the Company exceeded the loan to value ratio on one of the bank operating facilities as an investment property that was sold during the year increased the ratio beyond the limit. The lender approved the ratio at September 30, 2020. The Company anticipates it will require related party financing to meet its current future obligations until mortgages that are up for renewal can possibly provide further funds through the use of equity in the related properties.

Contractual obligations at September 30, 2020

	1 year	**2-3 years**	**4-5 years**	**> 5 years**	**Total**
Gross mortgage payments	$ 25,830,070	$ 36,200,538	$ 42,376,947	$ -	$ 104,407,555
Payables and accruals	1,335,226	-	-	-	1,335,226
Lease liability	181,675	360,000	360,000	75,000	976,675
Security deposits	91,350	176,563	-	460,942	728,855
	27,438,321	36,737,101	42,736,947	535,942	107,448,311
Other financing	5,050,000	-	-	-	5,050,000
Operating facilities	26,275,887	-	-	-	26,275,887
	$ 58,964,208	**$ 36,737,101**	**$ 42,736,947**	**$ 535,942**	**$ 138,774,198**

Contractual obligations at September 30, 2019

	1 year	2-3 years	4-5 years	> 5 years	Total
Gross mortgage payments	$ 18,437,048	$ 44,360,063	$ 33,410,035	$ -	$ 96,207,146
Payables and accruals	800,176	-	-	-	800,176
Security deposits	47,069	200,454	32,538	325,037	605,098
	19,284,293	44,560,517	33,442,573	325,037	97,612,420
Operating facilities	26,353,212	-	-	-	26,353,212
	$ 45,637,505	**$ 44,560,517**	**$ 33,442,573**	**$ 325,037**	**$ 123,965,632**

COVID-19 risk

The impact of COVID-19 on companies continues to evolve rapidly and its future effects are uncertain, making it difficult to assess or predict the broad effects on industries and individual tenants. The actual impact will depend on many factors beyond the Company's control and knowledge. Management is responding to evolving events and planning for the uncertainties surrounding the effects of COVID-19 on the Company.

COVID-19 - impact on the financial condition and results of operations

The impact of COVID-19 on the consolidated financial statements included a write-down on some of the Company's properties where there is now more uncertainty surrounding leasing vacant space and more uncertainty whether leases up for renewal in the next twelve months will be renewed. The write-downs affected the earnings per share on the consolidated statements of income. The cash flows from operations were negatively affected during the year by the rent deferrals provided to some tenants due to COVID-19.

In light of changing trends and the overall economic outlook, COVID-19 will impact the near future operating cash flows, the availability of cash through the current credit facilities, and potentially, the availability of related party financing to assist with short-term needs. In 2020, some of the Company's tenants requested some relief from rent obligations which was dealt with on a case by case basis. Fortunately, the Company has little exposure to retail tenants who have had to suspend operations during this pandemic.

The Company's long-term financial impact will be determined if some tenants are not able to survive the crisis and subsequently vacate the property. Valuations on properties that are vacant will no doubt be lower, and any mortgage renewals will become challenging. There is a possibility that the Company may not be able to renew mortgages as they come due as a result of vacancies.

Much of the rent relief offered is in the form of deferrals. Over the next few quarters, revenue from tenants that is deferred until 2021 and beyond will continue to impact the cashflows and affect the Company's liquidity.

COVID-19 - impact on capital and financial resources

The Company's access to capital and funding sources, such as revolving credit facilities, new mortgages, and related party financing has not changed during the year. The Company has begun the process of renewing three mortgages that are expiring in the next six months intending to leverage any available equity. The Company has relied on related-party financing to assist with operations in the short term.

At this reporting date, the Company has no known uncertainties as it relates to the ability to service the current debt and other financial obligations. The operating cashflows for the year were materially impacted by the deferred revenue from tenant leases, however, the Company anticipates that it has access to the required short-term financing to bridge the gap until cashflows return to normal over the next year.

Impact of the flood in Fort McMurray, Alberta

During Q3 2020, Fort McMurray suffered the impact of a two hundred-year flood which caused damage and loss of rental revenue from one of the Company's buildings within the city. Total rent abated in Q3 and Q4 2020 was $448,520.

22. Related party transactions

The following are the related party transactions of the Company.

a) *Management agreements*

Sable Realty & Management Ltd. provides property management services to Imperial Equities Inc. The company is controlled by the President and CEO of the Company, Sine Chadi. North American Realty Corp. is also controlled by Mr. Chadi and provides asset management services to the Company.

Fee structure

Payments to Sable Realty & Management Ltd.:

Property management	4% of gross rents paid plus a flat fee for ground maintenance on certain properties
Property maintenance	$85/hour (Prior year $65/hour) for labour plus charges for truck, equipment, and parts
Project fees	large scale improvements to tenant space are negotiated at the time services are requested

Payments to North American Realty Corp.:

Leasing	6% of the value of new leases for the first five years plus 3% of the value of the leases that extend from six years to a maximum of ten years 3% of the value of lease renewals to a maximum of five years
Acquisitions	1% of the purchase price of the property
Dispositions	3% of the sale price of investment property

Payments for the year ending September 30,	**2020**	**2019**
Property management and maintenance fees	$ 1,181,308	$ 1,038,486
Project fees	-	101,140
Acquisition fees	190,980	113,250
Disposition fees	140,250	51,300
Leasing fees	226,707	134,119
Total payments	**$ 1,739,245**	**$ 1,438,295**
Amounts payable at September 30,	**$ 227,586**	**$ 3,245**

b) *Other related party transactions*

i) Payments made to (received from) Sable Realty & Management Ltd.

	2020	**2019**
Leased office space and parking	$ 149,095	$ 100,200
Fees for the Chief Financial Officer	293,333	200,000
Rent at Sable Centre	(88,414)	(22,104)
Net payments for the year	**$ 354,014**	**$ 278,096**

ii) Sable Realty Corp. a company controlled by Sine Chadi leased space at one of the Company's commercial properties that was sold during the current year. The total lease revenue received by the Company was $18,000 (September 30, 2019 – Nil). During the current year, Sable Realty Corp.

was paid a lease commission fee of $16,050 for a new tenant lease at one of the Company's multi tenant buildings (September 30, 2019 – Nil).

iii) Directors are paid a fee for attending directors' meetings. The fees are measured at the exchange amount established and agreed to by the related parties. These transactions occurred in the normal course of operations. Total fees paid for the year were $60,000 (2019 – $52,500).

iv) Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity. The Company's key management personnel include President Sine Chadi, who is also a director of the Company, and the Chief Operating Officer, Patricia Misutka, and the Director of Finance, Azza Osman.

Year ending September 30,	2020	2019
Sine Chadi	$ 300,000	$ 300,000
Patricia Misutka	150,000	-
Azza Osman	8,823	-
	$ 458,823	**$ 300,000**

v) Chadi Family Foundation is a private charitable foundation of which Sine Chadi is a Trustee. Imperial's board of directors approved a donation to the foundation for $67,025 (2019- $67,025).

vi) Other financing, unsecured

Related Parties	Balance 1-Oct-19	Advances	Repayments	Balance 30-Sep-20
Jamel Chadi, Shareholder[1]	$ -	$ 6,100,000	$ (4,100,000)	$ 2,000,000
Sine Chadi, Shareholder[1]	-	1,550,000	-	1,550,000
NAMC[2]	-	200,000	(200,000)	-
Diane Buchanan, Shareholder[1]		1,500,000	-	1,500,000
Total	**$ -**	**$ 9,350,000**	**$ (4,300,000)**	**$ 5,050,000**

Related Parties	Balance 1-Oct-18	Advances	Repayments	Balance Sep 30'19
NAMC[2]	$ -	$ 750,000	$ (750,000)	$ -
Sine Chadi, Shareholder[1]	-	200,000	(200,000)	-
Imperial Land Corp.[3]	4,020,000	1,050,000	(5,070,000)	-
Total	**$ 4,020,000**	**$ 2,000,000**	**$ (6,020,000)**	**$ -**

1. Loans received from shareholders bear interest at an annual rate of 6%. Total interest paid during the year was $105,703. In the prior year, loans repaid to shareholders totaling $6,020,000 were repaid with interest at an annual rate of 6%. Total interest paid at September 30, 2019, was $5,633.

2. North American Mortgage Corp. ("NAMC") is controlled by Mr. Sine Chadi, President of the Company. Total interest paid in the current year at an annual rate of 6% was $2,268 (September 30, 2019 - $5,633).

3. Imperial Land Corp. is controlled by Mr. Sine Chadi, President of the Company. Total interest paid in the prior year at an annual rate of 6% was $19,287.

All related party financing is unsecured with no specified dates of repayment and therefore are due on demand. The fair value of the related party loans at the reporting dates approximates their carrying value as the amounts are due on demand.

23. Post-reporting date events

Subsequent to the year ending, the Company completed an agreement to purchase a 0.312 acres public utility lot adjacent to one of the Company's properties. The total purchase price was $93,600.

Subsequent to the year ending, the Company agreed to additional rent deferrals for two tenants affected by the current oil and gas environment. Repayment of the deferrals is expected to occur in 2021 through 2023.

24. Authorization of the consolidated financial statements

The consolidated financial statements for the year ending September 30, 2020 (including comparatives) were authorized for issue by the Board of Directors on December 2, 2020.

Signed "Sine Chadi", Director *Signed "Kevin Lynch",* Director

BOARD OF DIRECTORS

06.

SINE CHADI / CEO & Chairman of the Board

Sine is the founder of Imperial Equities Inc. and has been the principal driver of its growth and development, overseeing all day-to-day aspects of the Corporation's development and management.

▶ Sine has worked in the real estate and development industries for more than 40 years. He is the owner of several companies involved in real estate sales, asset management, property management and mortgage financing. Sine was also elected to the Alberta Legislature in 1993, where he served until 1997 in the Alberta Liberal Caucus, as Chair of the Edmonton Caucus, Finance critic, Economic Development and Trade critic and the Science and Technology critic as well as a member of the Public Accounts Committee.

Sine is a prominent community leader who has actively and financially supported many community groups and charities. He was fundraising chair of a recent $7 million campaign for the Glenrose Rehabilitation Hospital Foundation, where he also served as a Board Member for many years. The Chadi Family Foundation, of which Sine is Chair, made a lead donation of $1 million to the Glenrose Hospital Foundation's Capital Campaign in 2018. He currently serves a Director of the Parkinson Association of Alberta, and of the Gordon and Diane Buchanan Family Foundation. He has also served on the Board of the Capital Care Foundation and continues to financially support the organization. Sine is a renowned philanthropist and fundraiser in the Edmonton area, donating and raising millions of dollars on behalf of a myriad of organizations. He has received numerous awards for his business achievements and community involvement including being recognized as a Finalist for Ernst & Young's Entrepreneur of the Year (2008), a recipient of the Queen Elizabeth Golden Jubilee Medal (2002), Alberta Centennial Medal (2005) and the Queen Elizabeth II Diamond Jubilee Medal (2012). Sine was inducted to the City of Edmonton Hall of Fame (2013).

DIANE BUCHANAN / Director

Diane has worked in the real estate industry and the Edmonton business community for more than 30 years.

▶ She is the former CEO of Advanced Panel Products Ltd. and a former real estate agent who owned several real estate brokerages and has developed several real estate properties including the Union Bank Inn, a 4-star hotel in downtown Edmonton. Diane is also the CEO of Yorkshire Equities and Chair of the Gordon and Diane Buchanan Family Foundation, which has donated more than $15 million to charitable causes to date.

Diane also developed the Buchanan Centre, a world-class wellness centre for Albertans impacted by Parkinson's disease. She continues to lead the development of an endowment fund to ensure Centre sustainability. Diane's community leadership was recognized in 2019 by being named to the City of Edmonton Hall of Fame. She has also been an active Rotarian for many years and is a member of the Royal Alexandra Hospital Foundation Board, a founding member of the Lois Hole Hospital for Women Foundation, and a volunteer/event organizer for the Edmonton Humane Society, as well as a ongoing supporter of multiple community and arts organizations.

KEVIN L. LYNCH / Director

Kevin is a partner with Bennett Jones in its Edmonton office.

In his legal practice, he acts for corporations, financial institutions and private equity firms in mergers and acquisitions, financings, commercial real estate financings and corporate/commercial matters. An active member of the community, Kevin has previously volunteered for sports organizations, school boards, condominium boards, and has assisted with fund raising for hospital foundations. More recently he has been actively involved in campaigns to increase the awareness of the life-giving gift that is organ donation.

DAVID MAJESKI / Director

Dave retired from the Royal Bank of Canada in 2015 after 47 years of continuous service.

He enjoyed a diverse career that included branch network and operations, human resources and commercial markets. Most recently he was the Vice President Real Estate and Construction Services in Edmonton and the market lead for Red Deer North which included north eastern British Columbia and the Territories. Dave is a graduate of the Institute of Corporate Directors – Rotman Directors Education Program. He is an active community supporter and serves on a number of not for profit boards and associations including the Edmonton Police Foundation. In 2013, Dave was awarded an Honorary Bachelor Degree by MacEwan University and in 2015 he was inducted into the City of Edmonton Hall of Fame for his outstanding community service.

SUSAN GREEN / Director

Susan is an experienced board director with demonstrated success on public, private and not-for-profit sector boards.

Susan is a director on both the Canada Revenue Board of Management and the Great Western Brewing Company Ltd. She was chair of the Alberta Liquor and Gaming Commission and was a director, officer and owner of Guardian Chemicals Inc. She served as Vice President of External Relations at the University of Alberta and previously held senior executive leadership roles at the Alberta Cancer Board, the Alberta Cancer Foundation and the Government of Alberta. She is presently serving/has served on or as chair on the executive committee of provincial, national and international organizations such as Habitat for Humanity, Crossroads International, Peter Lougheed Leadership College, Pearson College of the Pacific, the Rotary Club of Edmonton Glenora, Edzimkulu: A Society for Children with AIDS in South Africa and the Lieutenant Governor of Alberta Arts Awards Foundation. She holds an honours Bachelor of Arts degree from the University of Alberta, certificates from the Banff School of Advanced Management, the Niagara Institute, the Foundation of Administrative Justice and has her designation from the Institute of Corporate Directors. She is the recipient of Daughter of the Year Award 2017, an Honorary Degree from MacEwan University (2014), the Queen's Diamond Jubilee Award (2013), Global Woman of Vision (2006), the Alberta Centennial Medal (2005) and VentureMagazine's 2016 Top 50.

DR. ROBERT WESTBURY / Director

Dr. Westbury has devoted countless hours of his time as an organizer, fundraiser and champion of many laudable causes.

He has volunteered for numerous organizations, including the Citadel Theatre, the United Way, Kids Kottage, Edmonton Northlands, Kids with Cancer, and the Edmonton Homeless Commission, to name only a fraction. He has received multiple honours for career achievements including being named to the Order of Canada and the Alberta Order of Excellence, and receiving the Queen's Jubilee Medal, the Alberta Centennial Medal, the Alberta Star of the Millennium Volunteer Award and the Queen's Diamond Jubilee Medal. He has been inducted into the City of Edmonton's Community Service Hall of Fame. Dr. Westbury holds Bachelor degrees in Arts and Education, a Graduate Diploma in Administration, a Masters of Education Degree, his PhD and an honorary Doctor of Laws. After beginning his career as an educator, he shifted his focus more than once and is currently TELUS' Chief Advisor, Capital Region Relations & Innovation.

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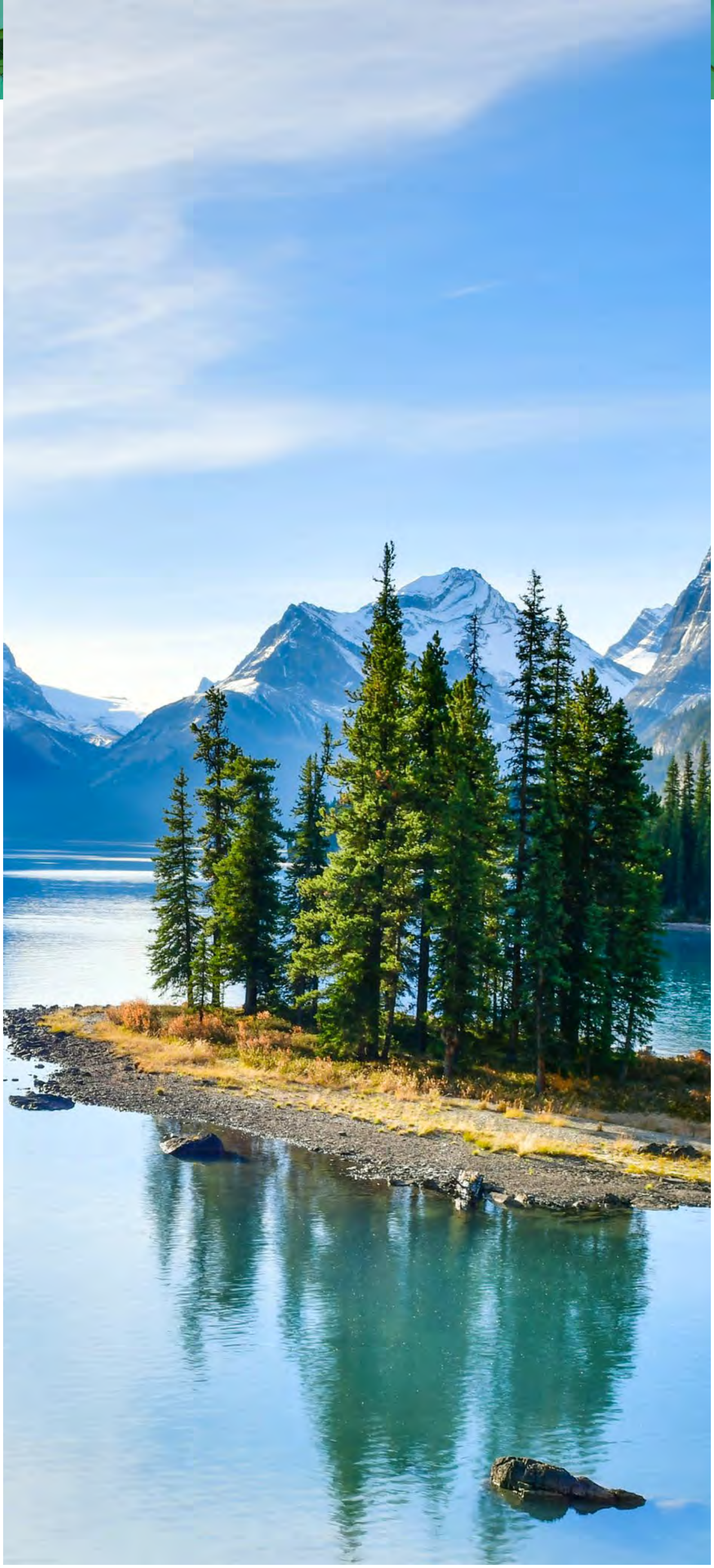
ANNUAL MEETING

Date: March 18, 2021
Time: 2:00 pm
Meeting will be held solely by means of remote communication via webcast at: https://bit.ly/38XUpDP



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