UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q/A
Amendment No. 1

☒ Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended **March 31, 2021**

OR

☐ Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from ____________ to ____________.

Commission File Number **0-13928**

U.S. GLOBAL INVESTORS, INC.
(Exact name of registrant as specified in its charter)

Texas (State or other jurisdiction of incorporation or organization)	**74-1598370** (IRS Employer Identification No.)
7900 Callaghan Road **San Antonio, Texas** (Address of principal executive offices)	**78229** (Zip Code)

(210) 308-1234
(Registrant's telephone number, including area code)

Not Applicable
(Former name, former address, and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Class A common stock, $0.025 par value per share	GROW	NASDAQ Capital Market

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☐ No ☒

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☐ No ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filer ☒	Smaller reporting company ☒
	Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

On November 5, 2021, there were 13,866,913 shares of Registrant's class A nonvoting common stock issued and 12,955,307 shares of Registrant's class A nonvoting common stock issued and outstanding; no shares of Registrant's class B nonvoting common shares outstanding; and 2,068,635 shares of Registrant's class C voting common stock issued and outstanding.

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EXPLANATORY NOTE

Restatement of Unaudited Consolidated Financial Statements

We have restated our unaudited consolidated financial statements for the three and nine months ended March 31, 2021, in order to adjust certain fair value measurements related to our investments in HIVE Blockchain Technologies, Ltd. (“HIVE”). For a discussion of the HIVE valuation, the adjusted fair value measurements, and the impact of the restatement adjustments on the unaudited consolidated financial statements for the third quarter of fiscal 2021, see Note 2 of Notes to Consolidated Financial Statements included in Part I, Item 1 — Financial Statements. We also identified other adjustments described in Note 2 that we have corrected as part of this restatement.

Internal Control Over Financial Reporting

Management reassessed its evaluation of the effectiveness of the Company’s internal control over financial reporting as of March 31, 2021, and concluded that a deficiency in the design and operating effectiveness of the internal controls represented a material weakness in the internal control over financial reporting and, therefore, the Company did not maintain effective internal control over financial reporting as of March 31, 2021. For a description of the material weakness identified by management and management’s plan to remediate the material weakness, see Part I, Item 4 — Controls and Procedures.

Amended Reports

This Amended Quarterly Report on Form 10-Q/A does not reflect events occurring after the original filing date of May 7, 2021, and does not modify or update disclosures in the original filing that may have been affected by subsequent events, except for the effects of the restatement described in Note 2 of Notes to Consolidated Financial Statements included in Part I, Item 1 — Financial Statements. Other disclosures not affected by the restatement are unchanged and reflect the disclosures made at the time of original filing.

This Amended Quarterly Report on Form 10-Q/A reflects amendments to the following items:

- Part I, Item 1 — Financial Statements
- Part I, Item 2 — Management's Discussion and Analysis of Financial Condition and Results of Operations
- Part I, Item 3 — Quantitative and Qualitative Disclosures about Market Risk
- Part I, Item 4 — Controls and Procedures
- Part II, Item 6 — Exhibits

The Company's Chief Executive Officer and Chief Financial Officer are providing currently dated certifications in connection with this Amended Quarterly Report on Form 10-Q/A. See Exhibits 31.1 and 32.1.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

U.S. GLOBAL INVESTORS, INC.
CONSOLIDATED BALANCE SHEETS

Assets *(dollars in thousands)*	March 31, 2021 (unaudited) As Restated	June 30, 2020
Current Assets		
Cash and cash equivalents	$ 9,479	$ 1,936
Restricted cash	1,000	1,025
Investments in securities at fair value	6,322	6,322
Accounts and other receivables	2,645	974
Prepaid expenses	430	285
Total Current Assets	19,876	10,542
Net Property and Equipment	1,388	1,506
Other Assets		
Investments in equity securities at fair value, non-current	16,939	5,142
Investments in available-for-sale debt securities at fair value	23,927	-
Other investments	2,940	1,283
Investments in held-to-maturity debt securities	1,000	-
Equity method investments	596	158
Right of use assets	56	93
Other assets, non-current	100	92
Total Other Assets	45,558	6,768
Total Assets	$ 66,822	$ 18,816
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts payable	$ 72	$ 29
Accrued compensation and related costs	747	360
Dividends payable	226	113
Lease liability, short-term	52	50
Other accrued expenses	1,226	1,015
Taxes payable	3,472	-
Note payable, current	-	442
Total Current Liabilities	5,795	2,009
Long-Term Liabilities		
Deferred tax liability	5,897	-
Lease liability, long-term	4	43
Total Long-Term Liabilities	5,901	43
Total Liabilities	11,696	2,052
Commitments and Contingencies (Note 14)		
Shareholders' Equity		
Common stock (class A) - $0.025 par value; nonvoting; authorized, 28,000,000 shares; issued, 13,866,913 shares at March 31, 2021, and June 30, 2020	347	347
Common stock (class B) - $0.025 par value; nonvoting; authorized, 4,500,000 shares; no shares issued	-	-
Convertible common stock (class C) - $0.025 par value; voting; authorized, 3,500,000 shares; issued, 2,068,635 shares at March 31, 2021, and June 30, 2020	52	52
Additional paid-in-capital	15,628	15,623
Treasury stock, class A shares at cost; 883,326 shares and 855,432 shares at March 31, 2021, and June 30, 2020, respectively	(2,051)	(1,879)
Accumulated other comprehensive income (loss), net of tax	11,840	(4)
Retained earnings	29,310	2,625
Total Shareholders' Equity	55,126	16,764
Total Liabilities and Shareholders' Equity	$ 66,822	$ 18,816

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

U.S. GLOBAL INVESTORS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

(dollars in thousands, except per share data)	Nine Months Ended March 31, 2021 As Restated	Nine Months Ended March 31, 2020	Three Months Ended March 31, 2021 As Restated	Three Months Ended March 31, 2020
Operating Revenues				
Advisory fees	$ 14,168	$ 2,477	$ 6,304	$ 875
Administrative services fees	153	128	51	39
	14,321	2,605	6,355	914
Operating Expenses				
Employee compensation and benefits	5,642	2,060	1,442	715
General and administrative	4,066	2,440	1,528	1,091
Advertising	162	111	44	37
Depreciation and amortization	147	152	49	50
	10,017	4,763	3,063	1,893
Operating Income (Loss)	4,304	(2,158)	3,292	(979)
Other Income (Loss)				
Investment income (loss)	30,124	(3,922)	8,424	(441)
Income (loss) from equity method investments	420	(146)	(64)	(91)
Gain on forgiveness of PPP loan	444	-	-	-
Other income	92	90	33	29
	31,080	(3,978)	8,393	(503)
Income (Loss) from Continuing Operations Before Income Taxes	35,384	(6,136)	11,685	(1,482)
Provision for Income Taxes				
Tax expense (benefit)	8,172	(174)	3,078	75
Income (Loss) from Continuing Operations	27,212	(5,962)	8,607	(1,557)
Discontinued Operations				
Loss from discontinued operations of investment management services in Canada before income taxes	-	(338)	-	(85)
Tax benefit	-	-	-	-
Loss from Discontinued Operations	-	(338)	-	(85)
Net Income (Loss)	27,212	(6,300)	8,607	(1,642)
Less: Net Loss Attributable to Non-Controlling Interest from Discontinued Operations	-	(118)	-	(30)
Net Income (Loss) Attributable to U.S. Global Investors, Inc.	$ 27,212	$ (6,182)	$ 8,607	$ (1,612)
Earnings Per Share Attributable to U.S. Global Investors, Inc.				
Basic Net Income (Loss) per Share				
Income (loss) from continuing operations	$ 1.81	$ (0.40)	$ 0.57	$ (0.11)
Loss from discontinued operations	$ -	$ (0.01)	$ -	$ -
Net income (loss)	$ 1.81	$ (0.41)	$ 0.57	$ (0.11)
Diluted Net Income (Loss) per Share				
Income (loss) from continuing operations	$ 1.81	$ (0.40)	$ 0.57	$ (0.11)
Loss from discontinued operations	$ -	$ (0.01)	$ -	$ -
Net income (loss)	$ 1.81	$ (0.41)	$ 0.57	$ (0.11)
Basic weighted average number of common shares outstanding	15,075,064	15,127,118	15,061,818	15,121,950
Diluted weighted average number of common shares outstanding	15,075,795	15,127,118	15,062,988	15,121,950

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

U.S. GLOBAL INVESTORS, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)

	Nine Months Ended March 31,		Three Months Ended March 31,	
	2021	2020	2021	2020
(dollars in thousands)	As Restated (See Note 2)		As Restated (See Note 2)	
Net Income (Loss) Attributable to U.S. Global Investors, Inc.	$ 27,212	$ (6,182)	$ 8,607	$ (1,612)
Other Comprehensive Income (Loss), Net of Tax:				
Unrealized gains on available-for-sale securities arising during period	12,262	-	12,262	-
Less: reclassification adjustment for gains included in net income	(436)	-	(436)	-
Net change from available-for-sale investments, net of tax	11,826	-	11,826	-
Foreign currency translation adjustment	18	311	6	310
Other Comprehensive Income	11,844	311	11,832	310
Comprehensive Income (Loss)	39,056	(5,871)	20,439	(1,302)
Less: Comprehensive Income Attributable to Non-Controlling Interest	-	114	-	114
Comprehensive Income (Loss) Attributable to U.S. Global Investors, Inc.	$ 39,056	$ (5,985)	$ 20,439	$ (1,416)

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

U.S. GLOBAL INVESTORS, INC.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (UNAUDITED)

(dollars in thousands)	Common Stock (class A)	Common Stock (class C)	Additional Paid-in Capital	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Non-Controlling Interest	Total
Balance at June 30, 2020 (13,866,913 shares of class A; 2,068,635 shares of Class C)	$ 347	$ 52	$ 15,623	$ (1,879)	$ (4)	$ 2,625	$ -	$ 16,764
Purchases of 35,996 shares of Common Stock (class A)	-	-	-	(189)	-	-	-	(189)
Issuance of stock under ESPP of 802 shares of Common Stock (class A)	-	-	2	2	-	-	-	4
Dividends declared	-	-	-	-	-	(527)	-	(527)
Stock bonuses	-	-	3	15	-	-	-	18
Stock-based compensation expense	-	-	-	-	-	-	-	-
Other comprehensive income, net of tax (as restated)	-	-	-	-	11,844	-	-	11,844
Net income (as restated)	-	-	-	-	-	27,212	-	27,212
Balance at March 31, 2021 (13,866,913 shares of class A; 2,068,635 shares of Class C) (as restated)	$ 347	$ 52	$ 15,628	$ (2,051)	$ 11,840	$ 29,310	$ -	$ 55,126

(dollars in thousands)	Common Stock (class A)	Common Stock (class C)	Additional Paid-in Capital	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Non-Controlling Interest	Total
Balance at June 30, 2019 (13,866,751 shares of class A; 2,068,797 shares of class C)	$ 347	$ 52	$ 15,646	$ (1,888)	$ (206)	$ 7,761	$ 467	$ 22,179
Purchases of 72,820 shares of Common Stock (class A)	-	-	-	(74)	-	-	-	(74)
Issuance of stock under ESPP of 1,286 shares of Common Stock (class A)	-	-	(1)	3	-	-	-	2
Conversion of 60 shares of class C common stock for class A common stock	-	-	-	-	-	-	-	-
Dividends declared	-	-	-	-	-	(341)	-	(341)
Stock bonuses	-	-	(3)	6	-	-	-	3
Stock-based compensation expense	-	-	(6)	-	-	-	-	(6)
Deconsolidation of non-controlling interest	-	-	-	-	-	-	(463)	(463)
Other comprehensive income, net of tax	-	-	-	-	197	-	114	311
Net loss	-	-	-	-	-	(6,182)	(118)	(6,300)
Balance at March 31, 2020 (13,866,811 shares of class A; 2,068,737 shares of class C)	$ 347	$ 52	$ 15,636	$ (1,953)	$ (9)	$ 1,238	$ -	$ 15,311

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

U.S. GLOBAL INVESTORS, INC.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (CONTINUED) (UNAUDITED)

(dollars in thousands)	Common Stock (class A)	Common Stock (class C)	Additional Paid-in Capital	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Non-Controlling Interest	Total
Balance at December 31, 2020 (13,866,913 shares of class A; 2,068,635 shares of class C)	$ 347	$ 52	$ 15,627	$ (1,925)	$ 8	$ 21,003	$ -	$ 35,112
Purchases of 19,900 shares of Common Stock (class A)	-	-	-	(127)	-	-	-	(127)
Issuance of stock under ESPP of 227 shares of Common Stock (class A)	-	-	1	1	-	-	-	2
Dividends declared	-	-	-	-	-	(300)	-	(300)
Stock bonuses	-	-	-	-	-	-	-	-
Deconsolidation of non-controlling interest	-	-	-	-	-	-	-	-
Other comprehensive income, net of tax (as restated)	-	-	-	-	11,832	-	-	11,832
Net income (as restated)	-	-	-	-	-	8,607	-	8,607
Balance at March 31, 2021 (13,866,913 shares of class A; 2,068,635 shares of Class C) (as restated)	$ 347	$ 52	$ 15,628	$ (2,051)	$ 11,840	$ 29,310	$ -	$ 55,126

(dollars in thousands)	Common Stock (class A)	Common Stock (class C)	Additional Paid-in Capital	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Non-Controlling Interest	Total
Balance at December 31, 2019 (13,866,811 shares of class A; 2,068,737 shares of class C)	$ 347	$ 52	$ 15,638	$ (1,888)	$ (205)	$ 2,964	$ 379	$ 17,287
Purchases of 69,420 shares of Common Stock (class A)	-	-	-	(68)	-	-	-	(68)
Issuance of stock under ESPP of 553 shares of Common Stock (class A)	-	-	(1)	1	-	-	-	-
Dividends declared	-	-	-	-	-	(114)	-	(114)
Stock bonuses	-	-	(1)	2	-	-	-	1
Deconsolidation of non-controlling interest	-	-	-	-	-	-	(463)	(463)
Other comprehensive income, net of tax	-	-	-	-	196	-	114	310
Net loss	-	-	-	-	-	(1,612)	(30)	(1,642)
Balance at March 31, 2020 (13,866,811 shares of class A; 2,068,737 shares of class C)	$ 347	$ 52	$ 15,636	$ (1,953)	$ (9)	$ 1,238	$ -	$ 15,311

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

U.S. GLOBAL INVESTORS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

	Nine Months Ended March 31,	
	2021	2020
(dollars in thousands)	As Restated	As Restated
Cash Flows from Operating Activities:		
Net income (loss)	$ 27,212	$ (6,300)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	147	152
Net recognized loss on disposal of fixed assets	7	-
Net recognized gain on securities	(15,506)	-
Amortization of premium on debt securities	83	-
Accretion of discount on debt securities	(552)	-
Unrealized (gains) losses on securities	(13,676)	3,995
Investment basis adjustment	27	(49)
Gain on disposal of Galileo	-	(151)
Net (income) loss from equity method investment	(420)	146
Net loss from discontinued operations, net of tax	-	338
Foreign currency transaction loss	-	228
Provision for deferred taxes	2,753	(139)
Stock bonuses	18	3
PPP loan forgiveness	(444)	-
Changes in operating assets and liabilities:		
Accounts receivable and other receivables	(1,671)	108
Prepaid expenses and other assets	(117)	(148)
Accounts payable and accrued expenses	4,079	456
Total adjustments	(25,272)	4,939
Net cash provided by (used in) operating activities	1,940	(1,361)
Cash Flows from Investing Activities:		
Purchase of property and equipment	(36)	-
Purchase of investments in securities at fair value, non-current	(5,988)	-
Purchase of other investments	(665)	(75)
Purchase of held-to-maturity investments	(1,000)	-
Purchase of available-for-sale investments	(9,147)	-
Proceeds from sale of Galileo	-	746
Proceeds on sale of current investments	-	1,712
Proceeds on sale of non-current investments	22,355	-
Proceeds from maturity of corporate bonds	658	-
Return of capital on investments	-	10
Net cash provided by investing activities	6,177	2,393
Cash Flows from Financing Activities:		
Issuance of common stock	4	2
Repurchases of common stock	(189)	(74)
Dividends paid	(414)	(340)
Net cash used in financing activities	(599)	(412)
Net increase in cash, cash equivalents, and restricted cash	7,518	620
Beginning cash, cash equivalents, and restricted cash	2,961	2,491
Ending cash, cash equivalents, and restricted cash	$ 10,479	$ 3,111
Supplemental Disclosures of Cash Flow Information		
Cash paid for income taxes	$ 1,902	$ -

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE 1. BASIS OF PRESENTATION

U.S. Global Investors, Inc. (the “Company” or “U.S. Global”) has prepared the consolidated financial statements pursuant to accounting principles generally accepted in the United States of America (“U.S. GAAP”) and the rules and regulations of the United States Securities and Exchange Commission (“SEC”) that permit reduced disclosure for interim periods. The financial information included herein reflects all adjustments (consisting solely of normal recurring adjustments), which are, in management’s opinion, necessary for a fair presentation of results for the interim periods presented. The Company has consistently followed the accounting policies set forth in the notes to the consolidated financial statements in the Company’s Form 10-K for the fiscal year ended June 30, 2020.

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, U.S. Global Investors (Bermuda) Limited, U.S. Global Investors (Canada) Limited (“USCAN”), and U.S. Global Indices, LLC, and its 65 percent interest in Galileo Global Equity Advisors Inc. (“Galileo”) through March 2, 2020.

Effective March 2, 2020, the Company sold its shares in Galileo back to Galileo. Through the date of sale, Galileo was consolidated with the operations of the Company. Frank Holmes, CEO, and Lisa Callicotte, CFO, served as directors of Galileo through March 2, 2020. See Note 3 below for further information. Results of operations of Galileo through the date of sale are presented in the consolidated financial statements as discontinued operations.

The novel coronavirus 19 (“COVID-19”) pandemic presents ongoing significant economic and societal disruption and market volatility, which have known and yet to be seen impacts to the Company’s business and operating environment driven by significant volatility in the financial markets. There are no reliable estimates of how long the pandemic will last, how many people are likely to be affected by it, or its impact on the overall economy.

To limit the spread of COVID-19, governments have taken various actions including the issuance of stay-at-home orders and social distancing guidelines, causing some businesses to suspend operations, disrupting the global supply chain, and creating a reduction in demand for many products. This has negatively affected global financial markets. Assets under management (“AUM”) are the primary source of the Company’s revenues. Revenues and net income are significantly affected by investment performance and the total value and composition of AUM. These factors, in turn, are largely determined by overall investment market performance and investor activity.

Should the negative effect on global financial markets continue for an extended period, there could be an adverse material financial impact on the Company’s results of operations, cash flows and financial position resulting from reduced revenues earned on AUM and returns on corporate investments. At this time, the Company cannot reasonably estimate the future impact, given the uncertainty over the duration and severity of the economic crisis.

There are two primary consolidation models in U.S. GAAP, the variable interest entity (“VIE”) and voting interest entity models. The Company’s evaluation for consolidation includes whether entities in which it has an interest or from which it receives fees are VIEs and whether the Company is the primary beneficiary of any VIEs identified in its analysis. A VIE is an entity in which either (a) the equity investment at risk is not sufficient to permit the entity to finance its own activities without additional financial support or (b) the group of holders of the equity investment at risk lack certain characteristics of a controlling financial interest. The primary beneficiary is the entity that has the obligation to absorb a majority of the expected losses or the right to receive the majority of the residual returns and consolidates the VIE on the basis of having a controlling financial interest.

The Company holds variable interests in, but is not deemed to be the primary beneficiary of, certain funds it advises, specifically, certain funds in U.S. Global Investors Funds (“USGIF” or the “Funds”). The Company’s interests in these VIEs consist of the Company’s direct ownership therein and any fees earned but uncollected. See further information about these funds in Notes 4 and 5. In the ordinary course of business, the Company may choose to waive certain fees or assume operating expenses of the funds it advises for competitive, regulatory or contractual reasons (see Note 5 for information regarding fee waivers). The Company has not provided financial support to any of these entities outside the ordinary course of business. The Company’s risk of loss with respect to these VIEs is limited to the carrying value of its investments in, and fees receivable from, the entities. The Company does not consolidate these VIEs because it is not the primary beneficiary. The Company’s total exposure to unconsolidated VIEs, consisting of the carrying value of investment securities and receivables for fees, was $7.2 million at March 31, 2021, and $7.0 million at June 30, 2020.

Since the Company is not the primary beneficiary of the above funds it advises, the Company evaluated if it should consolidate under the voting interest entity model. Under the voting interest model, for legal entities other than partnerships, the usual condition for control is ownership, directly or indirectly, of more than 50 percent of the outstanding voting shares over an entity. The Company does not have control of any of the above funds it advises; therefore, the Company does not consolidate any of these funds.

The Company currently holds a variable interest in a fund organized as a limited partnership advised by Galileo, but this entity does not qualify as a VIE. Since it is not a VIE, the Company evaluated if it should consolidate it under the voting interest entity model. Under the voting interest model, for legal entities other than partnerships, the usual condition for control is ownership, directly or indirectly, of more than 50 percent of the outstanding voting shares over an entity. The Company does not have control of the entity and therefore, does not consolidate it. However, the Company was considered to have the ability to exercise significant influence. Thus, the investment has been accounted for under the equity method of accounting. See further information about this investment in Note 4.

All significant intercompany balances and transactions have been eliminated in consolidation. Certain amounts have been reclassified for comparative purposes. Certain quarterly amounts may not add to the year-to-date amount due to rounding. The results of operations for the nine months ended March 31, 2021, are not necessarily indicative of the results the Company may expect for the fiscal year ending June 30, 2021 ("fiscal 2021"), particularly in light of COVID-19 and its effects on the U.S. and global economies.

The unaudited interim financial information in these condensed financial statements should be read in conjunction with the consolidated financial statements contained in the Company's annual report.

Recent Accounting Pronouncements

In June 2016, the FASB issued ASU 2016-13, Financial Instruments – Credit Losses (Topic 326), Measurement of Credit Losses on Financial Instruments, and has subsequently issued several amendments (collectively, "ASU 2016-13"). ASU 2016-13 adds to U.S. GAAP an impairment model (known as the current expected credit loss model) that is based on expected losses rather than incurred losses. Under the new guidance, an entity recognizes as an allowance its estimate of expected credit losses. ASU 2016-13 will be effective for smaller reporting companies, including U.S. Global, for fiscal years beginning after December 15, 2022. Earlier application is permitted only for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. The Company is currently evaluating the potential impact of this standard on its consolidated financial statements.

In April 2019, the FASB issued ASU 2019-04, Codification Improvements to Topic 326, Financial Instruments – Credit Losses, ("ASU 2019-04"). ASU 2019-04 clarifies areas of guidance related to the recently issued standards on credit losses (Topic 326). The standard follows the effective dates of the previously issued ASUs, unless an entity has already early adopted the previous ASUs, in which case the effective date will vary according to each specific ASU adoption. The new guidance in ASU 2019-04 on recognizing and measuring financial instruments will be effective for smaller reporting companies, including U.S. Global, for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. If an entity has adopted all of the amendments to ASU 2016-01, it is permitted to early adopt the new guidance. The Company is currently evaluating the potential impact of this standard on its consolidated financial statements.

In December 2019, the FASB issued ASU 2019-12, Simplifying the Accounting for Income Taxes ("ASU 2019-12"). ASU 2019-12 enhances and simplifies various aspects of the income tax accounting guidance. The amendments in ASU 2019-12 are effective for public business entities for fiscal years beginning after December 15, 2020, including interim periods therein. Early adoption of the standard is permitted. The Company is currently evaluating the potential impact of this standard on its consolidated financial statements.

NOTE 2: RESTATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

Subsequent to the filing of our Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2021, management identified certain restatements and other immaterial revisions.

Fair Value Restatements

In January 2021, the Company purchased corporate investments that consisted of unsecured convertible debentures and purchase warrants. As a result of additional analysis of the fair value of these corporate investments, the purchase price of the corporate investments was reallocated to the unsecured convertible debentures and purchase warrants at the acquisition date, and the fair value of the unsecured convertible debentures was understated by $7.5 million, and the fair value of purchase warrants was overstated by $1.7 million at March 31, 2021. The impact of these corrections to previously reported financial statements is an increase in employee compensation and benefits expense of $60,000, a decrease to investment income of $7.1 million, a decrease to net income of $5.6 million, a decrease in basic and diluted earnings per share of $0.37, and an increase in other comprehensive income net of tax of $10.1 million for the three and nine months ended March 31, 2021. The impact to the balance sheet is a net increase in investments of $5.8 million, a net increase in liabilities of $1.2 million, and an increase in equity of $4.5 million. As a result of this, Note 4 has been updated to include disclosures related to level 3 measurements.

Other Immaterial Revisions

The Company was granted forgiveness of its Paycheck Protection Program ("PPP") loan and accrued interest totaling $444,000 in the quarter ended December 31, 2020. The Company recorded the extinguishment of debt related to the forgiveness as other operating revenue instead of other income in both the December 31, 2020, and the March 31, 2021, financial statements. This revision has no impact on net income or earnings per share and was deemed immaterial. Since the Company is restating the March 31, 2021, Form 10-Q, the reclassification of the PPP loan forgiveness is included in the restated Form 10-Q/A. For the quarter and nine months ended March 31, 2021, the line-item other operating revenue was removed, and the line-item gain on forgiveness of PPP loan was added to other income. For comparative purposes, the unaudited interim financial statements for the quarter and six months ended December 31, 2020 will include the reclassification when presented.

In addition, the Company recorded changes in the fair value of investment securities and sales of short-term investments within “Changes in operating assets and liabilities” on the statement of cash flows in prior periods instead of within “Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities” and “Cash flows from investing activities,” respectively. These revisions had no impact on net income or earnings per share and were deemed immaterial. Since the Company is restating the March 31, 2021, Form 10-Q, the revisions are included in the restated Form 10-Q/A. Accordingly, the line-item “Investment securities” was removed, and the balances were reclassified to unrealized investment (gains) losses on securities and proceeds on sales of current investments. For comparative purposes, the unaudited interim financial statements of prior periods will include the reclassification when presented. For the quarter ended September 30, 2020, ($994,000) will be reclassified from investment securities to unrealized investment gains on securities. For the six months ended December 31, 2020, ($6.5 million) will be reclassified from investment securities to unrealized investment gains on securities.

Impact of Restatement Adjustments on Unaudited Quarterly Financial Statements

The effects of the restatement on our unaudited consolidated financial statements as of and for the three and nine months ended March 31, 2021, and on our unaudited statement of cash flows for the nine months ended March 31, 2020, are set forth as follows.

CONSOLIDATED BALANCE SHEETS

Assets *(dollars in thousands)*	March 31, 2021 (unaudited) As Previously Reported	 Restatement Adjustments	 As Restated
Current Assets			
Cash and cash equivalents	$ 9,479	$ -	$ 9,479
Restricted cash	1,000	-	1,000
Investments in securities at fair value	6,322	-	6,322
Accounts and other receivables	2,645	-	2,645
Prepaid expenses	430	-	430
Total Current Assets	19,876	-	19,876
Net Property and Equipment	1,388	-	1,388
Other Assets			
Investments in equity securities at fair value, non-current	18,635	(1,696)	16,939
Investments in available-for-sale debt securities at fair value	16,470	7,457	23,927
Other investments	2,940	-	2,940
Investments in held-to-maturity debt securities	1,000	-	1,000
Equity method investments	596	-	596
Right of use assets	56	-	56
Other assets, non-current	100	-	100
Total Other Assets	39,797	5,761	45,558
Total Assets	$ 61,061	$ 5,761	$ 66,822
Liabilities and Shareholders' Equity			
Current Liabilities			
Accounts payable	$ 72	$ -	$ 72
Accrued compensation and related costs	692	55	747
Dividends payable	226	-	226
Lease liability, short-term	52	-	52
Other accrued expenses	1,221	5	1,226
Taxes payable	3,515	(43)	3,472
Note payable, current	-	-	-
Total Current Liabilities	5,778	17	5,795
Long-Term Liabilities			
Deferred tax liability	4,681	1,216	5,897
Lease liability, long-term	4	-	4
Total Long-Term Liabilities	4,685	1,216	5,901
Total Liabilities	10,463	1,233	11,696
Commitments and Contingencies			
Shareholders' Equity			
Common stock (class A) - $0.025 par value; nonvoting; authorized, 28,000,000 shares; issued, 13,866,913 shares at March 31, 2021, and June 30, 2020	347	-	347
Common stock (class B) - $0.025 par value; nonvoting; authorized, 4,500,000 shares; no shares issued	-	-	-
Convertible common stock (class C) - $0.025 par value; voting; authorized, 3,500,000 shares; issued, 2,068,635 shares at March 31, 2021, and June, 30, 2020	52	-	52
Additional paid-in-capital	15,628	-	15,628
Treasury stock, class A shares at cost; 883,326 shares and 855,432 shares at March 31, 2021, and June 30, 2020, respectively	(2,051)	-	(2,051)
Accumulated other comprehensive income (loss), net of tax	1,695	10,145	11,840
Retained earnings	34,927	(5,617)	29,310
Total Shareholders' Equity	50,598	4,528	55,126
Total Liabilities and Shareholders' Equity	$ 61,061	$ 5,761	$ 66,822

CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

	Nine Months Ended March 31, 2021				Three Months Ended March 31, 2021		
(dollars in thousands, except per share data)	As Previously Reported	Restatement Adjustments	Other Immaterial Revisions	As Restated	As Previously Reported	Restatement Adjustments	As Restated
Operating Revenues							
Advisory fees	$ 14,168	$ -	$ -	$ 14,168	$ 6,304	$ -	$ 6,304
Administrative services fees	153	-	-	153	51	-	51
Other operating revenue	444	-	(444)	-	-	-	-
	14,765	-	(444)	14,321	6,355	-	6,355
Operating Expenses							
Employee compensation and benefits	5,582	60	-	5,642	1,382	60	1,442
General and administrative	4,066	-	-	4,066	1,528	-	1,528
Advertising	162	-	-	162	44	-	44
Depreciation and amortization	147	-	-	147	49	-	49
	9,957	60	-	10,017	3,003	60	3,063
Operating Income (Loss)	4,808	(60)	(444)	4,304	3,352	(60)	3,292
Other Income (Loss)							
Investment income	37,205	(7,081)	-	30,124	15,505	(7,081)	8,424
Income (loss) from equity method investments	420	-	-	420	(64)	-	(64)
Gain on forgiveness of PPP loan	-	-	444	444	-	-	-
Other income	92	-	-	92	33	-	33
	37,717	(7,081)	444	31,080	15,474	(7,081)	8,393
Income from Continuing Operations Before Income Taxes	42,525	(7,141)	-	35,384	18,826	(7,141)	11,685
Provision for Income Taxes							
Tax expense (benefit)	9,696	(1,524)	-	8,172	4,602	(1,524)	3,078
Net Income	32,829	(5,617)	-	27,212	14,224	(5,617)	8,607
Net Income Attributable to U.S. Global Investors, Inc.	$ 32,829	$ (5,617)	$ -	$ 27,212	$ 14,224	$ (5,617)	$ 8,607
Earnings Per Share Attributable to U.S. Global Investors, Inc.							
Basic Net Income per Share	$ 2.18	$ (0.37)	$ -	$ 1.81	$ 0.94	$ (0.37)	$ 0.57
Diluted Net Income per Share	$ 2.18	$ (0.37)	$ -	$ 1.81	$ 0.94	$ (0.37)	$ 0.57
Basic weighted average number of common shares outstanding	15,075,064			15,075,064	15,061,818		15,061,818
Diluted weighted average number of common shares outstanding	15,075,795			15,075,795	15,062,988		15,062,988

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)

	Nine Months Ended March 31, 2021			Three Months Ended March 31, 2021		
(dollars in thousands)	As Previously Reported	Restatement Adjustments	As Restated	As Previously Reported	Restatement Adjustments	As Restated
Net Income (Loss) Attributable to U.S. Global Investors, Inc.	$ 32,829	$ (5,617)	$ 27,212	$ 14,224	$ (5,617)	$ 8,607
Other Comprehensive Income, Net of Tax:						
Unrealized gains on available-for-sale securities arising during period	1,681	10,581	12,262	1,681	10,581	12,262
Less: reclassification adjustment for gains included in net income	-	(436)	(436)	-	(436)	(436)
Net change from available-for-sale securities, net of tax	1,681	10,145	11,826	1,681	10,145	11,826
Foreign currency translation adjustment	18	-	18	6	-	6
Other Comprehensive Income	1,699	10,145	11,844	1,687	10,145	11,832
Comprehensive Income Attributable to U.S. Global Investors, Inc.	$ 34,528	$ 4,528	$ 39,056	$ 15,911	$ 4,528	$ 20,439

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (UNAUDITED)

Balance at March 31, 2021 *(dollars in thousands)*	As Previously Reported	Restatement Adjustments	As Restated
Accumulated Other Comprehensive Income (Loss)	$ 1,695	$ 10,145	$ 11,840
Retained Earnings	$ 34,927	$ (5,617)	$ 29,310
Total	$ 50,598	$ 4,528	$ 55,126

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

	Nine Months Ended March 31, 2021			
(dollars in thousands)	As Previously Reported	Restatement Adjustments	Other Immaterial Revisions	As Restated
Cash Flows from Operating Activities:				
Net income (loss)	$ 32,829	$ (5,617)	$ -	$ 27,212
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	147	-	-	147
Net recognized loss on disposal of fixed assets	7	-	-	7
Net recognized gain on securities	(15,506)	-	-	(15,506)
Amortization of premium on debt securities	-	83	-	83
Accretion of discount on debt securities	-	(552)	-	(552)
Unrealized investment (gains) losses on securities	-	7,550	(21,226)	(13,676)
Investment basis adjustment	27	-	-	27
Gain on disposal of Galileo	-	-	-	-
Net (income) loss from equity method investment	(420)	-	-	(420)
Net loss from discontinued operations, net of tax	-	-	-	-
Foreign currency transaction loss	-	-	-	-
Provision for deferred taxes	4,234	(1,481)	-	2,753
Stock bonuses	18	-	-	18
PPP loan forgiveness	(444)	-	-	(444)
Changes in operating assets and liabilities:				
Accounts receivable and other receivables	(1,671)	-	-	(1,671)
Prepaid expenses and other assets	(117)	-	-	(117)
Investment securities	(21,226)	-	21,226	-
Accounts payable and accrued expenses	4,062	17	-	4,079
Total adjustments	(30,889)	5,617	-	(25,272)
Net cash provided by operating activities	1,940	-	-	1,940
Cash Flows from Investing Activities:				
Purchase of property and equipment	(36)	-	-	(36)
Purchase of investments in securities at fair value, non-current	(135)	(5,853)	-	(5,988)
Purchase of other investments	(665)	-	-	(665)
Purchase of held-to-maturity investments	(1,000)	-	-	(1,000)
Purchase of available-for-sale investments	(15,000)	5,853	-	(9,147)
Proceeds from sale of Galileo	-	-	-	-
Proceeds on sale of non-current investments	22,355	-	-	22,355
Proceeds from maturity of corporate bonds	658	-	-	658
Return of capital on investments	-	-	-	-
Net cash provided by investing activities	6,177	-	-	6,177
Cash Flows from Financing Activities:				
Issuance of common stock	4	-	-	4
Repurchases of common stock	(189)	-	-	(189)
Dividends paid	(414)	-	-	(414)
Net cash used in financing activities	(599)	-	-	(599)
Net increase in cash, cash equivalents, and restricted cash	7,518	-	-	7,518
Beginning cash, cash equivalents, and restricted cash	2,961	-	-	2,961
Ending cash, cash equivalents, and restricted cash	$ 10,479	$ -	$ -	$ 10,479
Supplemental Disclosures of Cash Flow Information				
Cash paid for income taxes	$ 1,902			$ 1,902

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED) (CONTINUED)

	Nine Months Ended March 31, 2020		
(dollars in thousands)	As Previously Reported	Other Immaterial Revisions	As Restated
Cash Flows from Operating Activities:			
Net loss	$ (6,300)	$ -	$ (6,300)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	152	-	152
Unrealized investment losses on securities	-	3,995	3,995
Investment basis adjustment	(49)	-	(49)
Gain on disposal of Galileo	(151)	-	(151)
Net loss from equity method investment	146	-	146
Net loss from discontinued operations, net of tax	338	-	338
Foreign currency transaction loss	228	-	228
Provision for deferred taxes	(139)	-	(139)
Stock bonuses	3	-	3
Changes in operating assets and liabilities:			
Accounts receivable and other receivables	108	-	108
Prepaid expenses and other assets	(148)	-	(148)
Investment securities	5,707	(5,707)	-
Accounts payable and accrued expenses	456	-	456
Total adjustments	6,651	(1,712)	4,939
Net cash provided by (used in) operating activities	351	(1,712)	(1,361)
Cash Flows from Investing Activities:			
Purchase of other investments	(75)	-	(75)
Proceeds from sale of Galileo	746	-	746
Proceeds on sale of current investments	-	1,712	1,712
Return of capital on investments	10	-	10
Net cash provided by investing activities	681	1,712	2,393
Cash Flows from Financing Activities:			
Issuance of common stock	2	-	2
Repurchases of common stock	(74)	-	(74)
Dividends paid	(340)	-	(340)
Net cash used in financing activities	(412)	-	(412)
Net increase in cash, cash equivalents, and restricted cash	620	-	620
Beginning cash, cash equivalents, and restricted cash	2,491	-	2,491
Ending cash, cash equivalents, and restricted cash	$ 3,111	$ -	$ 3,111

NOTE 3. DISCONTINUED OPERATIONS

USCAN entered into a binding letter of intent dated December 30, 2019, with Galileo whereby Galileo, pursuant to a capital restructuring, agreed to repurchase all of its common shares owned by USCAN for $1.0 million (Canadian). The transaction was subject to the approval of Canadian securities regulatory authorities and to the satisfaction of other closing conditions. The transaction closed effective March 2, 2020. Proceeds of approximately $746,000 were received (the equivalent of $1.0 million Canadian on the closing date of sale), and a realized gain of approximately $151,000 was recorded. In addition, approximately $228,000 in foreign currency loss was released from accumulated other comprehensive income (loss) into fiscal year 2020 loss upon closing the sale.

After the transaction, the Company has not and will not have continuing involvement with the operations of Galileo, except for an equity method investment in a fund managed by Galileo. See further information on this equity method investment in Note 4, Investments.

The results of Galileo through the March 2, 2020, closing date are reflected as “discontinued operations” in the Consolidated Statements of Operations and are therefore, excluded from continuing operations results. Comparative periods shown in the Consolidated Financial Statements have been adjusted to conform to this presentation. Operations of Galileo had previously been presented as the separate business segment of Investment Management Services – Canada.

There were no assets or liabilities classified as discontinued operations at March 31, 2021, or June 30, 2020.

The components of income (loss) from discontinued operations were as follows. Note that are no amounts in the current fiscal year as the sale closed March 2, 2020.

	Nine Months Ended March 31,		Three Months Ended March 31,	
(dollars in thousands)	**2021**	**2020**	**2021**	**2020**
Revenues				
Advisory fees	$ -	$ 235	$ -	$ 50
Expenses				
Employee compensation and benefits	-	77	-	23
General and administrative	-	508	-	125
Depreciation and amortization	-	6	-	1
	-	591	-	149
Other Income (Loss)				
Investment income	-	24	-	21
Other loss	-	(6)	-	(7)
	-	18	-	14
Loss from discontinued operations of investment management services in Canada before income taxes	-	(338)	-	(85)
Tax expense (benefit)	-	-	-	-
Loss from discontinued operations of investment management services in Canada	-	(338)	-	(85)
Less: net loss attributable to non-controlling interest from discontinued operations	-	(118)	-	(30)
Net loss attributable to U.S. Global Investors, Inc. from discontinued operations of investment management services in Canada	$ -	$ (220)	$ -	$ (55)

Galileo provides advisory services for clients in Canada and receives advisory fees based on the net asset values of the clients. Galileo may also receive performance fees from certain clients when market appreciation or realized net gains exceeds established benchmarks. Performance fees, which were included in advisory fees in the table above if applicable, were recognized when it was determined that they were no longer probable of significant reversal. Galileo recorded no performance fees from these clients in fiscal year 2020. Galileo may, at its discretion, waive and absorb some of its clients' operating expenses. The amount of fund expenses waived and absorbed was $19,000 and $39,000 the three and nine months ended March 31, 2020, respectively.

Galileo had leases for office equipment and facilities. See further information on these leases in Note 7, Leases.

NOTE 4. INVESTMENTS

As of March 31, 2021, the Company held investments in securities at fair value totaling approximately $47.2 million with a cost basis of approximately $24.2 million. The fair value of these investments is 70.6 percent of the Company's total assets at March 31, 2021. In addition, the Company held other investments of approximately $2.9 million, held-to-maturity debt investments of $1.0 million, and investments of approximately $596,000 accounted for under the equity method of accounting.

Investments in equity securities with readily determinable fair values are carried at fair value, and changes in unrealized gains or losses are reported in current period earnings.

Investments in debt securities are classified on the acquisition dates and at each balance sheet date. Debt securities classified as held-to-maturity are carried at amortized cost, reflecting the ability and intent to hold the securities to maturity. Debt securities classified as trading are acquired with the intent to sell in the near term and are carried at fair value with changes reported in earnings. All other debt securities are classified as available-for-sale and are carried at fair value.

Investment gains and losses on available-for-sale debt securities are recorded when the securities are sold, as determined on a specific identification basis, and recognized in current period earnings. Changes in unrealized gains are reported net of tax in accumulated other comprehensive income (loss). For debt securities in an unrealized loss position, a loss in earnings is recognized for the excess of amortized cost over fair value if the Company intends to sell before the price recovers. Otherwise, the Company evaluates as of the balance sheet date whether the unrealized losses are attributable to credit losses or other factors. The severity of the decline in value, creditworthiness of the issuer and other relevant factors are considered. The portion of unrealized loss the Company believes is related to a credit loss is recognized in earnings, and the portion of the unrealized loss that the Company believes is not related to a credit loss is recognized in other comprehensive income.

Other investments consist of equity investments in entities over which the Company is unable to exercise significant influence and which do not have readily determinable fair values. For these securities, the Company generally elects to value using the measurement alternative, under which such securities are measured at cost, less impairment, plus or minus observable price changes for identical or similar securities of the same issuer with such changes recorded in investment income (loss). See further information about these investments in a separate section of this note.

The cost basis of investments is adjusted for amortization of premium or accretion of discount on debt securities held or the recharacterization of distributions from investments in partnerships.

The following details the components of the Company's equity investments recorded at fair value as of March 31, 2021, and June 30, 2020.

	March 31, 2021 As Restated (See Note 2)		
(dollars in thousands)	**Cost**	**Unrealized Gains (Losses)**	**Fair Value**
Equity securities at fair value			
Equities - International	$ 8,000	$ 8,085	$ 16,085
Equities - Domestic	45	(45)	-
Mutual funds - Fixed income	6,313	9	6,322
Mutual funds - Global equity	929	(75)	854
Mutual funds - Domestic equity	-	-	-
Total equity securities at fair value	$ 15,287	$ 7,974	$ 23,261

	June 30, 2020		
(dollars in thousands)	**Cost**	**Unrealized Gains (Losses)**	**Fair Value**
Equity securities at fair value			
Equities - International	$ 5,641	$ (1,162)	$ 4,479
Equities - Domestic	45	(45)	-
Mutual funds - Fixed income	6,313	9	6,322
Mutual funds - Global equity	-	-	-
Mutual funds - Domestic equity	929	(266)	663
Total equity securities at fair value	$ 12,928	$ (1,464)	$ 11,464

Included in the preceding table was $7.2 million and $7.0 million as of March 31, 2021, and June 30, 2020, respectively, at fair value invested in USGIF.

Debt Investments

The following details the components of the Company's debt investments as of March 31, 2021. The Company did not have any debt investments at June 30, 2020.

	March 31, 2021 As Restated (See Note 2)			
(dollars in thousands)	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
Available-for-sale - Convertible debentures	$ 8,957	$ 14,970	$ -	$ 23,927

	March 31, 2021 As Restated (See Note 2)			
(dollars in thousands)	Amortized Cost	Unrealized Gains	Unrealized Losses	Net Carrying Amount
Held-to-maturity - Debentures	$ 1,000	$ -	$ -	$ 1,000

Investments in debt securities classified as held-to-maturity are carried at amortized cost, which approximates fair value. The net carrying amount and estimated fair value of debt securities at March 31, 2021, are summarized below by contractual maturity dates. Actual maturities may differ from final contractual maturities due to principal repayment installments or prepayment rights held by issuers.

	March 31, 2021 As Restated (See Note 2)		
(dollars in thousands)	Convertible debentures (1)	Due after five years through ten years	Total
Net Carrying Amount	$ 8,957	$ 1,000	$ 9,957
Fair Value	$ 23,927	$ 1,000	$ 24,927

1 Principal payments are due quarterly.

Fair Value Hierarchy

ASC 820, *Fair Value Measurement and Disclosures*, defines fair value as 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. ASC 820 establishes a hierarchy that prioritizes inputs to valuation techniques used to measure fair value and requires companies to disclose the fair value of their financial instruments according to a fair value hierarchy (i.e., Levels 1, 2, and 3 inputs, as defined below). The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs.

Financial instruments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 – Inputs represent unadjusted quoted prices for identical assets exchanged in active markets.

Level 2 – Inputs include directly or indirectly observable inputs (other than Level 1 inputs) such as quoted prices for similar assets exchanged in active or inactive markets; quoted prices for identical assets exchanged in inactive markets; other inputs that may be considered in fair value determinations of the assets, such as interest rates and yield curves; and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Inputs include unobservable inputs used in the measurement of assets. The Company is required to use its own assumptions regarding unobservable inputs because there is little, if any, market activity in the assets and it may be unable to corroborate the related observable inputs. Unobservable inputs require management to make certain projections and assumptions about the information that would be used by market participants in valuing assets.

The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the financial instrument. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with the investing in those securities. Because of the inherent uncertainties of valuation, the values reflected may materially differ from the values received upon actual sale of those investments.

The Company has established a Proprietary Valuation Committee (the "Committee") to administer and oversee the Company's valuation policies and procedures, which are approved by the Board of Directors, and to perform a periodic review of valuations provided by independent pricing services.

For actively traded securities, the Company values investments using the closing price of the securities on the exchange or market on which the securities principally trade. If the security is not traded on the last business day of the quarter, it is generally valued at the mean between the last bid and ask quotation. The fair value of a security that has a restriction is based on the quoted price for an otherwise identical unrestricted instrument that trades in a public market, adjusted for the estimated effect of the restriction. Mutual funds, which include open- and closed-end funds and exchange-traded funds, are valued at net asset value or closing price, as applicable.

For common share purchase warrants not traded on an exchange, the estimated fair value is determined using the Black-Scholes option-pricing model. This sophisticated model utilizes a number of assumptions in arriving at its results, including the estimated life of the warrant, the risk-free interest rate, and the volatility of the underlying common stock. The Company may change the assumption of the risk-free interest rate and utilize the yield curve for instruments with similar characteristics, such as credit ratings and jurisdiction, or change the expected volatility. The effects of changing any of the assumptions or factors employed by the Black-Scholes model may result in a significantly different valuation for the warrants. The fair value of common share purchase warrants that have restrictions are adjusted for the restriction.

Certain convertible debt securities not traded on an exchange are valued by an independent pricing service using a binomial lattice model based on factors such as yield, quality, maturity, coupon rate, type of issuance, individual trading characteristics of the underlying common shares and other market data. The model utilizes a number of assumptions in arriving at its results. The effects of changing any of the assumptions or factors utilized in the binomial lattice model, including expected volatility, credit adjusted discount rates, and discounts for lack of marketability, may result in a significantly different valuation for the securities.

For other securities included in the fair value hierarchy with unobservable inputs, the Committee considers a number of factors in determining a security's fair value, including the security's trading volume, market values of similar class issuances, investment personnel's judgment regarding the market experience of the issuer, financial status of the issuer, the issuer's management, and back testing, as appropriate. The fair values may differ from what may have been used had a broader market for these securities existed. The Committee reviews inputs and assumptions and reports material items to the Board of Directors. Securities which do not have readily determinable fair values are also periodically reviewed by the Committee.

The following summarizes the major categories of investments with fair values adjusted on a recurring basis as of March 31, 2021, and June 30, 2020, with fair values shown according to the fair value hierarchy.

	March 31, 2021 As Restated (See Note 2)			
(dollars in thousands)	**Quoted Prices** (Level 1)	**Significant Other Inputs** (Level 2)	**Significant Unobservable Inputs** (Level 3)	**Total**
Investments carried at fair value on a recurring basis:				
Investments in equity securities:				
Equities - International	$ 5,133	$ -	$ 10,952	$ 16,085
Equities - Domestic	-	-	-	-
Mutual funds - Fixed income	6,322	-	-	6,322
Mutual funds - Global equity	854	-	-	854
Mutual funds - Domestic equity	-	-	-	-
Total investments in equity securities:	$ 12,309	$ -	$ 10,952	$ 23,261
Investments in debt securities:				
Available-for-sale - Convertible debentures	-	-	23,927	23,927
Total investments carried at fair value on a recurring basis:	$ 12,309	$ -	$ 34,879	$ 47,188

(dollars in thousands)	June 30, 2020 Quoted Prices (Level 1)		Significant Other Inputs (Level 2)		Significant Unobservable Inputs (Level 3)		Total	
Investments carried at fair value on a recurring basis:								
Investments in equity securities:								
Equities - International	$	4,447	$	32	$	-	$	4,479
Equities - Domestic		-		-		-		-
Mutual funds - Fixed income		6,322		-		-		6,322
Mutual funds - Global equity		-		-		-		-
Mutual funds - Domestic equity		663		-		-		663
Total investments in equity securities:	$	11,432	$	32	$	-	$	11,464
Investments in debt securities:								
Available-for-sale - Convertible debentures		-		-		-		-
Total investments carried at fair value on a recurring basis:	$	11,432	$	32	$	-	$	11,464

As of March 31, 2021, approximately 26 percent, 0 percent, and 74 percent of the Company's financial assets carried at fair value on a recurring basis were classified in the fair value hierarchy as Level 1, Level 2, and Level 3, respectively. As of June 30, 2020, approximately 100 percent of the Company's financial assets carried at fair value on a recurring basis were classified in the fair value hierarchy as Level 1. The following table is a reconciliation of investments recorded at fair value for which unobservable inputs (Level 3) were used in determining fair value as of March 31, 2021.

Changes in Level 3 Assets Measured at Fair Value on a Recurring Basis

(dollars in thousands)	Three and Nine Months Ended March 31, 2021 — Investments in equity securities As Restated (See Note 2)		Investments in debt securities As Restated (See Note 2)	
Beginning Balance	$	-	$	-
Purchases		5,853		9,147
Sales		-		-
Principal payment proceeds		-		(658)
Amortization of premium (investment income)		-		(83)
Total gains or losses (realized/unrealized)				
Included in earnings (investment income)		5,099		552
Included in Accumulated Other Comprehensive Income (other)		-		14,969
Transfers into Level 3		-		-
Transfers out of Level 3		-		-
Ending Balance	$	10,952	$	23,927

During the three months ended March 31, 2021, the Company purchased convertible securities of HIVE Blockchain Technologies Ltd. ("HIVE"), a company that is headquartered and traded in Canada with cryptocurrency mining facilities in Iceland, Sweden, and Canada, for $15.0 million. The convertible securities are comprised of 8.0% interest-bearing unsecured convertible debentures, payable in quarterly installments with a final maturity in January 2026, and 5 million common share purchase warrants in the capital of HIVE. The principal amount of each debenture is convertible into common shares in the capital of HIVE at a conversion rate of $2.34, and the remaining principal amount is $14.3 million as of March 31, 2021. Each whole warrant, expiring in January 2024, entitles the Company to acquire one common share at a price of $3.00 (Canadian). Cryptocurrency markets and related securities have been, and are expected to continue to be, volatile. There has been significant volatility in the market price of HIVE, which has materially impacted the value of the investments included on the balance sheet, unrealized gain recognized in investment income (loss), and unrealized gain recognized in other comprehensive income (loss). The investments did not represent ownership in HIVE as of March 31, 2021. The securities are subject to Canadian securities regulations. Frank Holmes serves on the board as non-executive chairman of HIVE and held shares and options at March 31, 2021. Effective August 31, 2018, Mr. Holmes was named Interim Executive Chairman of HIVE while a search for a new CEO is undertaken.

The Company recorded the warrants at the estimated fair value of $5.9 million on purchase date. The debentures were recorded at the estimated fair value of $16.0 million on purchase date, and an unrealized gain of $6.9 million was recognized in other comprehensive income (loss), which will be realized in investment income (loss) ratably using the effective interest method until maturity, conversion, or other disposition. During the three months ended March 31, 2021, $552,000 was realized in investment income (loss).

The Company currently considers the related fair value measurements to contain Level 3 inputs. The following is quantitative information as of March 31, 2021, with respect to the securities measured and carried at fair value on a recurring basis with the use of significant unobservable inputs (Level 3):

	March 31, 2021 As Restated (See Note 2)				
(dollars in thousands)	Fair Value		Principal Valuation Techniques	Unobservable Inputs	
Investments in debt securities:					
Available-for-sale - Convertible debentures	$	23,927	Binomial lattice model		
				Volatility	44.3%
				Credit Adjusted Discount Rate	1.8%
				Discount for Lack of Marketability	5.0%
Investments in equity securities:					
Common share purchase warrants	$	10,952	Options pricing model		
				Volatility	72.3%
				Discount for Lack of Marketability	5.0%

During the nine months ended March 31, 2021, the Company sold its investment of 10 million common shares in HIVE. The cost of the 10 million shares was $2.4 million. In fiscal year 2019, the Company adopted ASU 2016-01 Recognition and Measurement of Financial Assets and Financial Liabilities ("ASU 2016-01") and its amendments. On July 1, 2018, the Company reclassified $3.2 million of unrealized gains related to its investment in HIVE from Accumulated Other Comprehensive Income (Loss) into Retained Earnings. Therefore, when the HIVE investment was sold, the amount included in realized gains on sales of fair valued securities was the proceeds of $20.6 million, less the cost of $2.4 million and the ASU 2016-01 reclassified unrealized gains of $3.2 million, or $15.0 million.

The Company has an investment in Thunderbird Entertainment Group Inc. ("Thunderbird"), a company headquartered and traded in Canada, at a cost of $1.5 million. The investment was valued at approximately $4.4 million and $1.2 million at March 31, 2021, and June 30, 2020, respectively, and was classified as Level 1 in the fair value hierarchy. The Company's ownership of Thunderbird was approximately 2.4 percent as of March 31, 2021. Frank Holmes served on the board of this company as a director from June 2014 to March 2021.

The Company has an investment in GoldSpot Discoveries Corp. ("GoldSpot"), a technology company headquartered and traded in Canada which leverages machine learning in natural resource exploration, at a cost of $514,000. During the three and nine months ended March 31, 2021, the Company recorded realized gains on sales of fair valued securities of $538,000 and $570,000 respectively, from sales of GoldSpot. The investment was valued at approximately $542,000 at March 31, 2021, and was classified as Level 1 in the fair value hierarchy. The investment was valued at approximately $806,000 at June 30, 2020, of which $774,000 was classified as Level 1 and $32,000 was classified as Level 2 in the fair value hierarchy. The portion of the investment classified in Level 2 was restricted for resale due to escrow and regulatory provisions; its valuation was based on the quoted market price adjusted for the restriction on resale. The remaining shares in escrow were released in August 2020. The Company's ownership of GoldSpot was approximately 1.8 percent and 7.3 percent as of March 31, 2021, and June 30, 2020, respectively. Holmes served on the board of this company as director from February 2019 to June 2020 and as independent chairman from February 2019 to May 2020 and held common stock and options at March 31, 2021.

Other Investments

The carrying value of equity securities without readily determinable fair values was approximately $2.9 million and $1.3 million as of March 31, 2021, and June 30, 2020, respectively. The Company has elected to value these investments using the measurement alternative, under which such securities are measured at cost, less impairment, if any. If the Company identifies observable price changes for identical or similar securities of the same issuer, the equity security is measured at fair value as of the date the observable transaction occurred, with such changes recorded in investment income (loss).

The carrying value of equity securities without readily determinable fair values has been adjusted as follows:

	Nine Months Ended March 31,				Three Months Ended March 31,			
(dollars in thousands)	2021		2020		2021		2020	
Carrying amount, beginning of period	$	1,283	$	1,404	$	1,385	$	1,488
Adjustments:								
Purchases		665		75		440		75
Impairments		(6)		-		(6)		-
Other downward adjustments		(158)		(124)		(35)		(108)
Upward adjustments		1,156		163		1,156		63
Carrying amount, end of period	$	2,940	$	1,518	$	2,940	$	1,518

A total of four securities were remeasured at various dates during the three and nine months ended March 31, 2021, with carrying amounts totaling $1.7 million and $470,000, classified as Level 2 and Level 3, according to the fair value hierarchy, respectively. There were impairment adjustments to one security totaling $6,000 during the three and nine months ended March 31, 2021. Cumulative impairment adjustments to all equity securities without readily determinable fair values total $542,000 since their respective acquisitions through March 31, 2021. The cumulative amount of other downward adjustments, which include return of capital distributions and observable price changes, is $935,000, which includes $35,000 and $158,000 for the three and nine months ended March 31, 2021, respectively. The cumulative amount of upward adjustments, which primarily consist of observable price changes, is $1.9 million, which includes $1.2 million for the three and nine months ended March 31, 2021.

Investments Classified as Equity Method

Investments classified as equity method consist of investments in companies in which the Company is able to exercise significant influence but not control. Under the equity method of accounting, the investment is initially recorded at cost, then the Company's proportional share of investee's underlying net income or loss is recorded as a component of "other income (loss)" with a corresponding increase or decrease to the carrying value of the investment. Distributions received from the investee reduce the Company's carrying value of the investment. These investments are evaluated for impairment if events or circumstances arise that indicate that the carrying amount of such assets may not be recoverable.

During fiscal years 2020 and 2021, the Company had an equity method investment in Galileo New Economy Fund LP (previously known as Galileo Technology and Blockchain LP), a Canadian limited partnership managed by Galileo. The Company owns approximately 22.2 percent of the LP as of March 31, 2021, and the Company is considered to have the ability to exercise significant influence. Thus, the investment is accounted for under the equity method of accounting. Included in other income (loss) for the three and nine months ended March 31, 2021, is ($64,000) and $420,000 of equity method income (loss) for this investment. Included in other income (loss) for the three and nine months ended March 31, 2020, is ($91,000) and ($146,000) of equity method loss for this investment. The Company's investment in the LP had a carrying value of approximately $596,000 and $158,000 at March 31, 2021, and June 30, 2020, respectively. Frank Holmes also directly held an investment in the LP as of March 31, 2021. This investment has a concentration in technology and blockchain companies, which may result in volatility in its valuation.

Investment Income (Loss)

Investment income (loss) from the Company's investments includes:

- realized gains and losses on sales of securities;
- realized gains and losses on principal payment proceeds;
- unrealized gains and losses on securities at fair value;
- realized foreign currency gains and losses;
- other-than-temporary impairments on available-for-sale debt securities;
- impairments and observable price changes on equity investments without readily determinable fair values; and
- dividend and interest income.

The following summarizes investment income (loss) reflected in earnings from continuing operations:

(dollars in thousands)	Nine Months Ended March 31, 2021 As Restated (See Note 2)	Nine Months Ended March 31, 2020	Three Months Ended March 31, 2021 As Restated (See Note 2)	Three Months Ended March 31, 2020
Investment Income (Loss)				
Unrealized gains (losses) on fair valued securities	$ 12,556	$ (3,995)	$ 5,983	$ (342)
Unrealized gains (losses) on equity securities without readily determinable fair values	1,025	-	1,138	(100)
Realized gains on sales of fair valued securities	15,606	-	563	-
Realized gains on principal payment proceeds	552	-	552	-
Realized gain on sale of subsidiary	-	151	-	151
Realized foreign currency gains (losses)	164	(234)	(12)	(234)
Impairments in equity securities without readily determinable fair values	(6)	-	(6)	-
Dividend and interest income	227	156	206	84
Total Investment Income (Loss)	$ 30,124	$ (3,922)	$ 8,424	$ (441)

The three and nine months ended March 31, 2021, included approximately $7.1 million and $13.6 million of net unrealized gains recognized on equity securities still held at March 31, 2021.

Investment income (loss) can be volatile and varies depending on market fluctuations, the Company's ability to participate in investment opportunities, and timing of transactions. The Company expects that gains and losses will continue to fluctuate in the future.

NOTE 5. INVESTMENT MANAGEMENT AND OTHER FEES

The following table presents operating revenues disaggregated by performance obligation:

	Nine Months Ended March 31,		Three Months Ended March 31,	
	2021	2020	2021	2020
(dollars in thousands)	As Restated (See Note 2)		As Restated (See Note 2)	
USGIF advisory fees	$ 2,781	$ 2,413	$ 978	$ 753
USGIF performance fees earned (paid)	280	(391)	156	(79)
ETF advisory fees	11,107	455	5,170	201
Total Advisory Fees	14,168	2,477	6,304	875
USGIF administrative services fees	153	128	51	39
Total Operating Revenue	$ 14,321	$ 2,605	$ 6,355	$ 914

The Company serves as investment adviser to USGIF and receives a fee based on a specified percentage of average assets under management. The advisory agreement for the equity funds within USGIF provides for a base advisory fee that is adjusted upwards or downwards by 0.25 percent when there is a performance difference of 5 percent or more between a fund's performance and that of its designated benchmark index over the prior rolling 12 months.

The Company has agreed to contractually limit the expenses of the Near-Term Tax Free Fund and the Global Luxury Goods Fund through April 2022. The Company has voluntarily waived or reduced its fees and/or agreed to pay expenses on the remaining USGIF funds. These caps will continue on a voluntary basis at the Company's discretion. The aggregate fees waived and expenses borne by the Company for USGIF for the three and nine months ended March 31, 2021, were $153,000 and $554,000, respectively, compared with $141,000 and $407,000, respectively, for the corresponding period in the prior fiscal year. Management cannot predict the impact of future waivers due the number of variables and the range of potential outcomes.

The Company receives administrative service fees from USGIF based on an annual rate of 0.05 percent of average daily net assets of each fund.

The Company also serves as investment advisor to two exchange-traded funds (ETFs): U.S. Global Jets ETF (ticker JETS) and U.S. Global GO GOLD and Precious Metal Miners ETF (ticker GOAU). The Company receives a unitary management fee of 0.60 percent of average net assets and has agreed to bear all expenses of the ETFs.

As of March 31, 2021, the Company had $2.5 million in receivables from fund clients, of which $400,000 was from USGIF and $2.1 million from the ETFs. As of June 30, 2020, the Company had $869,000 in receivables from fund clients, of which $187,000 was from USGIF and $682,000 from the ETFs.

NOTE 6. RESTRICTED CASH

Restricted cash represents cash invested in a money market account as collateral for credit facilities that is not available for general corporate use. A reconciliation of cash, cash equivalents, and restricted cash reported from the consolidated balance sheets to the statements of cash flows is shown below:

(dollars in thousands)	March 31, 2021	June 30, 2020
Cash and cash equivalents	$ 9,479	$ 1,936
Restricted cash	1,000	1,025
Total cash, cash equivalents, and restricted cash	$ 10,479	$ 2,961

NOTE 7. LEASES

The Company has lease agreements on a continuing operations basis for office equipment that expire in fiscal year 2022. Lease expense included in continuing operations totaled $39,000 and $116,000 for the three and nine months ended March 31, 2021, and $39,000 and $115,000 for the three and nine months ended March 31, 2020, respectively.

The Company's former subsidiary Galileo, which is classified as discontinued operations as described in Note 3, had lease agreements for office equipment and for office facilities. Lease expense included in discontinued operations totaled $14,000 and $74,000 for the three and nine months ended March 31, 2020.

For continuing operations, the components of lease expense included in general and administrative expense on the Consolidated Statements of Operations and qualitative information concerning the Company's operating leases were as follows:

	Nine Months Ending March 31,		Three Months Ending March 31,	
(dollars in thousands)	2021	2020	2021	2020
Operating lease cost	$ 40	$ 39	$ 13	$ 13
Short-term lease cost	76	76	26	26
Total lease cost	$ 116	$ 115	$ 39	$ 39
Cash paid for amounts included in measurement of lease liabilities:				
Operating cash flows from operating leases	$ 40	$ 39	13	$ 13
Right-of-use assets obtained in exchanged for:				
Net operating lease liabilities	$ -	$ 141	-	-
Weighted-average remaining lease term (in years)	1.08	2.08		
Weighted-average discount rate	4.11%	4.11%		

Maturities of lease liabilities from continuing operations as of March 31, 2021, are as follows:

(dollars in thousands) **Fiscal Year**	**Operating Leases**
2021 (excluding the nine months ended March 31, 2021)	$ 13
2022	44
Total lease payments	57
Less imputed interest	(1)
Total	$ 56

The Company is the lessor of certain areas of its owned office building under operating leases expiring in various years through fiscal year 2023. At the commencement of an operation lease, no income is recognized; subsequently, lease payments received are recognized on a straight-line basis. Lease income included in other income on the Consolidated Statements of Operations for the three and nine months ended March 31, 2021, was $23,000 and $69,000, respectively. Lease income included in other income on the Consolidated Statements of Operations for the three and nine months ended March 31, 2020, was $23,000 and $64,000, respectively. The cost of obtaining lessor contracts, which is included in other assets on the Consolidated Balance Sheets, was $5,000 and $7,000 at March 31, 2021, and June 30, 2020, respectively.

A summary analysis of annual undiscounted cash flows to be received on leases as of March 31, 2021, is as follows:

(dollars in thousands) **Fiscal Year**	**Operating Leases**
2021 (excluding the nine months ended March 31, 2021)	$ 24
2022	81
2023	34
Total lease payments	$ 139

The Company may terminate the building leases with one hundred eighty days written notice if it sells the property. If the Company terminates the lease, the Company will pay the tenant a termination fee of the lesser of six months of the base monthly rent or the base monthly rent times the number of months remaining in the initial term.

NOTE 8. BORROWINGS

The Company has access to a $1 million credit facility for working capital purposes. The credit agreement requires the Company to maintain certain covenants; the Company has been in compliance with these covenants during the current fiscal year. The credit agreement will expire on May 31, 2021, and the Company intends to renew annually. The credit facility is collateralized by $1 million at March 31, 2021, shown as restricted cash on the balance sheet, held in deposit in a money market account at the financial institution that provided the credit facility. As of March 31, 2021, the credit facility remains unutilized by the Company.

Effective April 12, 2020, the Company was approved for a loan of approximately $442,000 under the Paycheck Protection Program ("PPP") under the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"). The Company has under 25 employees and is considered a small business.

The Company has been granted forgiveness of the entire PPP loan and any accrued interest. Included in Other Income (Loss) for the nine months ended March 31, 2021, the Company recognized a gain on extinguishment of debt, including interest, of $444,000.

NOTE 9. STOCKHOLDERS' EQUITY

Payment of cash dividends is within the discretion of the Company's board of directors and is dependent on earnings, operations, capital requirements, general financial condition of the Company, and general business conditions. A monthly dividend of $0.0025 per share was paid during fiscal year 2020 and for July 2020 through January 2021. A monthly dividend of $0.0050 per share was paid for February 2021 through March 2021, and as of March 31, 2021, is authorized through June 2021, at which time it will be considered for continuation.

The Company has a share repurchase program, approved by the Board of Directors, authorizing the Company to annually purchase up to $2.75 million of its outstanding common shares, as market and business conditions warrant, on the open market in compliance with Rule 10b-18 of the Securities Exchange Act of 1934 through December 31, 2021. The repurchase program has been in place since December 2012, and the Board of Directors has annually renewed the repurchase program each calendar year. The acquired shares may be used for corporate purposes, including shares issued to employees in the Company's stock-based compensation programs. For the three and nine months ended March 31, 2021, the Company repurchased 19,900 and 35,996 class A shares using cash of $127,000 and $189,000, respectively. For the three and nine months ended March 31, 2020, the Company repurchased 69,420 and 72,820 class A shares using cash of $68,000 and $74,000, respectively.

The Company's stock option plans provide for the granting of class A shares as either incentive or nonqualified stock options to employees and non-employee directors. Options are subject to terms and conditions determined by the Compensation Committee of the Board of Directors. There were 2,000 options outstanding and exercisable at March 31, 2021, at a weighted average exercise price of $2.74. There were no options granted, forfeited, or exercised for the three or nine months ended March 31, 2021. There were no options granted, forfeited, or exercised for the three months ended March 31, 2020. There were 2,000 options forfeited and no options granted or exercised during the nine months ended March 31, 2020.

Stock-based compensation expense is measured at the grant date based on the fair value of the award, and the cost is recognized as expense ratably over the award's vesting period. There was no stock-based compensation expense for the three and nine months ended March 31, 2021, or 2020. As of March 31, 2021, and 2020, there was no unrecognized share-based compensation cost related to share-based awards granted under the plans.

NOTE 10. EARNINGS PER SHARE

The basic earnings per share ("EPS") calculation excludes dilution and is computed by dividing net income by the weighted average number of common shares outstanding for the period. Diluted EPS reflects the potential dilution of EPS that could occur if options to issue common stock were exercised.

The following table sets forth the computation for basic and diluted EPS:

	Nine Months Ended March 31,		Three Months Ended March 31,	
	2021	2020	2021	2020
(dollars in thousands, except per share data)	As Restated (See Note 2)		As Restated (See Note 2)	
Income (Loss) from Continuing Operations	$ 27,212	$ (5,962)	$ 8,607	$ (1,557)
Loss from Discontinued Operations	-	(338)	-	(85)
Less: Net Loss Attributable to Non-Controlling Interest from Discontinued Operations	-	(118)	-	(30)
Net Loss Attributable from Discontinued Operations to U.S. Global Investors, Inc.	-	(220)	-	(55)
Net Income (Loss) Attributable to U.S. Global Investors, Inc.	$ 27,212	$ (6,182)	$ 8,607	$ (1,612)
Weighted average number of outstanding shares				
Basic	15,075,064	15,127,118	15,061,818	15,121,950
Effect of dilutive securities				
Employee stock options	731	-	1,170	-
Diluted	15,075,795	15,127,118	15,062,988	15,121,950
Earnings Per Share Attributable to U.S. Global Investors, Inc.				
Basic Net Income (Loss) per Share				
Income (loss) from continuing operations	$ 1.81	$ (0.40)	$ 0.57	$ (0.11)
Loss from discontinued operations	$ -	$ (0.01)	$ -	$ -
Net income (loss)	$ 1.81	$ (0.41)	$ 0.57	$ (0.11)
Diluted Net Income (Loss) per Share				
Income (loss) from continuing operations	$ 1.81	$ (0.40)	$ 0.57	$ (0.11)
Loss from discontinued operations	$ -	$ (0.01)	$ -	$ -
Net income (loss)	$ 1.81	$ (0.41)	$ 0.57	$ (0.11)

The diluted EPS calculation excludes the effect of stock options when their exercise prices exceed the average market price for the period. For the three and nine months ended March 31, 2021, no employee stock options were excluded from diluted EPS. For the three and nine months ended March 31, 2020, employee stock options for 2,000 were excluded from diluted EPS.

During the nine months ended March 31, 2021, and 2020, the Company repurchased class A shares on the open market. Upon repurchase, these shares are classified as treasury shares and are deducted from outstanding shares in the earnings per share calculation.

NOTE 11. INCOME TAXES

The Company and its non-Canadian subsidiaries file a consolidated U.S. federal income tax return. USCAN and Galileo file separate tax returns in Canada. See income tax information for Galileo in Note 3, Discontinued Operations. Provisions for income taxes include deferred taxes for temporary differences in the bases of assets and liabilities for financial and tax purposes resulting from the use of the liability method of accounting for income taxes.

For U.S. federal income tax purposes at March 31, 2021, the Company has no U.S. federal net operating loss carryovers. The Company has capital loss carryovers of $8,000 expiring in fiscal year 2023. The Company has no charitable contribution carryovers at March 31, 2021.

For Canadian income tax purposes, USCAN has no net operating loss carryovers and no capital loss carryovers.

A valuation allowance is provided when it is more likely than not that some portion of the deferred tax amount will not be realized. At June 30, 2020, a valuation allowance of $2.8 million was included to fully reserve for net operating loss carryovers, other carryovers and certain book/tax differences in the balance sheet. There was no valuation allowance included at March 31, 2021. In assessing the valuation allowance, the Company considered, among other matters, the nature, frequency and severity of recent losses, forecast of future profitability, and the duration of statutory carry back and carry forward periods.

NOTE 12. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The following table presents the change in accumulated other comprehensive income (loss) ("AOCI") by component:

	Nine Months Ended March 31,		Three Months Ended March 31,	
	2021	2020	2021	2020
(dollars in thousands)	As Restated (See Note 2)		As Restated (See Note 2)	
Beginning Balance	$ (4)	$ (206)	$ 8	$ (205)
Unrealized gains on available-for-sale securities arising during period, net of tax [1]	12,262	-	12,262	-
Amount reclassified from AOCI, net of tax [2]	(436)	-	(436)	-
Foreign currency translation adjustment, net of tax [3]	18	197	6	196
Ending Balance	$ 11,840	$ (9)	$ 11,840	$ (9)

[1] *Amounts include tax expense of $3.3 million for both year-to-date and quarter-ending March 31, 2021.*
[2] *Amounts include tax expense of $116,000 for both year-to-date and quarter-ending March 31, 2021.*
[3] *Amounts include no tax expense or benefit.*

NOTE 13. FINANCIAL INFORMATION BY BUSINESS SEGMENT

The Company operates principally in two business segments on a continuing operations basis: providing investment management services to USGIF and ETF clients; and investing for its own account in an effort to add growth and value to its cash position. The former segment of investment management services in Canada is discussed in Note 3, Discontinued Operations. The following schedule details total revenues and income for continuing operations by business segment:

(dollars in thousands)	Investment Management Services	Corporate Investments	Consolidated
Nine months ended March 31, 2021 As restated (See Note 2)			
Net operating revenues	$ 14,321	$ -	$ 14,321
Investment income	$ -	$ 30,124	$ 30,124
Income from equity method investments	$ -	$ 420	$ 420
Gain on forgiveness of PPP loan	$ 444	$ -	$ 444
Other income	$ 92	$ -	$ 92
Income from continuing operations before income taxes	$ 6,842	$ 28,542	$ 35,384
Depreciation and amortization	$ 147	$ -	$ 147
Gross identifiable assets at March 31, 2021	$ 11,530	$ 55,292	$ 66,822
Deferred tax asset			$ -
Consolidated total assets at March 31, 2021			$ 66,822
Nine months ended March 31, 2020			
Net operating revenues	$ 2,605	$ -	$ 2,605
Investment loss	$ -	$ (3,922)	$ (3,922)
Loss from equity method investments	$ -	$ (146)	$ (146)
Other income	$ 90	$ -	$ 90
Loss from continuing operations before income taxes	$ (1,884)	$ (4,252)	$ (6,136)
Depreciation and amortization	$ 143	$ 9	$ 152
Three months ended March 31, 2021 As restated (See Note 2)			
Net operating revenues	$ 6,355	$ -	$ 6,355
Investment income	$ -	$ 8,424	$ 8,424
Loss from equity method investments	$ -	$ (64)	$ (64)
Other income	$ 33	$ -	$ 33
Income from continuing operations before income taxes	$ 3,379	$ 8,306	$ 11,685
Depreciation and amortization	$ 49	$ -	$ 49
Three months ended March 31, 2020			
Net operating revenues	$ 914	$ -	$ 914
Investment loss	$ -	$ (441)	$ (441)
Loss from equity method investments	$ -	$ (91)	$ (91)
Other income	$ 29	$ -	$ 29
Loss from continuing operations before income taxes	$ (883)	$ (599)	$ (1,482)
Depreciation and amortization	$ 47	$ 3	$ 50

Net operating revenues from investment management services includes operating revenues from USGIF of $1.2 million and $3.2 million, respectively, for the three and nine months ended March 31, 2021, and $713,000 and $2.2 million, respectively, for the three and nine months ended March 31, 2020. Net operating revenues from investment management services also include operating revenues from ETF clients of $5.2 million and $11.1 million, respectively, for the three and nine months ended March 31, 2021, and $201,000 and $455,000, respectively, for the three and nine months ended March 31, 2020.

NOTE 14. CONTINGENCIES AND COMMITMENTS

The Company continuously reviews investor, employee, and vendor complaints, and pending or threatened litigation. The likelihood that a loss contingency exists is evaluated through consultation with legal counsel, and a loss contingency is recorded if probable and reasonably estimable.

During the normal course of business, the Company may be subject to claims, legal proceedings, and other contingencies. These matters are subject to various uncertainties, and it is possible that some of these matters may be resolved unfavorably. The Company establishes accruals for matters for which the outcome is probable and can be reasonably estimated. Management believes that any liability in excess of these accruals upon the ultimate resolution of these matters will not have a material adverse effect on the consolidated financial statements of the Company.

As of March 31, 2021, the Board has authorized a monthly dividend of $0.0050 per share through June 2021, at which time it will be considered for continuation by the Board. Payment of cash dividends is within the discretion of the Company’s Board of Directors and is dependent on earnings, operations, capital requirements, general financial condition of the Company, and general business conditions. As of March 31, 2021, the total amount of cash dividends expected to be paid to class A and class C shareholders from April to June 2021 is approximately $226,000.

The outbreak of the COVID-19 pandemic and the resulting actions to control or slow the spread has had a significant detrimental effect on the global and domestic economies and financial markets. The Company continues to monitor the impact of COVID-19, but at the date of this report it is too early to determine the full impact this virus may have on the financial markets and economy. Should this emerging macro-economic risk continue for an extended period, there could be an adverse material financial impact to our business and investments, including a material reduction in our results of operations.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

U.S. Global Investors, Inc. (the "Company" or "U.S. Global") has made forward-looking statements concerning the Company's performance, financial condition, and operations in this report. The Company from time to time may also make forward-looking statements in its public filings and press releases. Such forward-looking statements are subject to various known and unknown risks and uncertainties and do not guarantee future performance. Actual results could differ materially from those anticipated in such forward-looking statements due to a number of factors, some of which are beyond the Company's control, including: (i) the volatile and competitive nature of the investment management industry, (ii) changes in domestic and foreign economic conditions, including significant economic disruptions from COVID-19 and the actions taken in connection therewith, (iii) the effect of government regulation on the Company's business, and (iv) market, credit, and liquidity risks associated with the Company's investment management activities. Due to such risks, uncertainties, and other factors, the Company cautions each person receiving such forward-looking information not to place undue reliance on such statements. All such forward-looking statements are current only as of the date on which such statements were made.

FACTORS AFFECTING OUR BUSINESS

Since the beginning of 2020, the rapid spread of the global COVID-19 outbreak and actions taken in response have had a significant detrimental effect on the global and domestic economies and financial markets. Market declines affect the Company's assets under management, and thus its revenues and also the valuation of the Company's corporate investments. It is too early to determine the long-term impact of current circumstances on the Company's business. Should this emerging macro-economic risk continue for an extended period, there could be an adverse material financial impact to the Company's business and investments, including a material reduction in its results of operations.

COVID-19-related circumstances (e.g., remote work arrangements) have not adversely affected the Company's ability to maintain operations, including financial reporting systems, internal controls over financial reporting, and disclosure controls and procedures.

BUSINESS SEGMENTS

The Company, with principal operations located in San Antonio, Texas, manages two business segments on a continuing operations basis: (1) the Company offers a broad range of investment management products and services to meet the needs of individual and institutional investors, and (2) the Company invests for its own account in an effort to add growth and value to its cash position.

The following is a brief discussion of the Company's business segments included in continuing operations.

Investment Management Services

The Company generates operating revenues from managing and servicing U.S. Global Investors Funds ("USGIF" or the "Funds"). These revenues are largely dependent on the total value and composition of assets under its management. Fluctuations in the markets and investor sentiment directly impact the asset levels of the Funds, thereby affecting income and results of operations. Detailed information regarding the Funds managed by the Company within USGIF can be found on the Company's website, www.usfunds.com, including the prospectus and performance information for each Fund. The mutual fund shareholders in USGIF are not required to give advance notice prior to redemption of shares in the Funds.

The Company provides advisory services for two exchange-traded fund ("ETF") clients and receives monthly advisory fees based on the net asset values of the funds. Information on the ETFs can be found at www.usglobaletfs.com, including the prospectus, performance, and holdings. The ETFs' authorized participants are not required to give advance notice prior to redemption of shares in the ETFs, and the ETFs do not charge a redemption fee.

At March 31, 2021, total assets under management, including USGIF and ETF clients, were approximately $4.6 billion versus $665.1 million at March 31, 2020, an increase of $3.9 billion, or 592.4 percent. During the nine months ended March 31, 2021, average assets under management, including USGIF and ETF clients, were $3.0 billion versus $518.7 million during the nine months ended March 31, 2020. Total assets under management as of period-end at March 31, 2021, including USGIF and ETF clients, were $4.6 billion versus $1.7 billion at June 30, 2020, the Company's prior fiscal year end, an increase of 2.9 billion, or 168.7 percent.

The increase in assets under management as of March 31, 2021, compared to March 31, 2020, is primarily due to inflows into ETF clients, primarily the U.S. Global Jets ETF ("Jets ETF"). Inflows into the Jets ETF, resulting in an increase in assets, accelerated starting in the latter part of March 2020 and continuing through March 2021. The Jets ETF invests in airline-related stocks, including global airline carriers, airport operators and aircraft manufacturers. While global financial markets have experienced declines and volatility, including stocks in which the Jets ETF invests, this ETF has attracted inflows.

The following tables summarize the changes in assets under management for USGIF for the nine months ended March 31, 2021, and 2020:

	Changes in Assets Under Management					
	Three Months Ended March 31,					
	2021			2020		
(dollars in thousands)	Equity	Fixed Income	Total	Equity	Fixed Income	Total
Beginning Balance	$ 427,794	$ 82,024	$ 509,818	$ 355,269	$ 85,742	$ 441,011
Market appreciation (depreciation)	(24,074)	(234)	(24,308)	(108,964)	169	(108,795)
Dividends and distributions	-	(98)	(98)	-	(226)	(226)
Net shareholder redemptions	(2,116)	(2,255)	(4,371)	(9,442)	(4,213)	(13,655)
Ending Balance	$ 401,604	$ 79,437	$ 481,041	$ 236,863	$ 81,472	$ 318,335
Average investment management fee	0.95%	0.00%	0.79%	0.96%	0.00%	0.76%
Average net assets	$ 417,345	$ 81,905	$ 499,250	$ 315,360	$ 84,744	$ 400,104

	Changes in Assets Under Management					
	Nine Months Ended March 31,					
	2021			2020		
(dollars in thousands)	Equity	Fixed Income	Total	Equity	Fixed Income	Total
Beginning Balance	$ 343,214	$ 82,683	$ 425,897	$ 334,684	$ 90,921	$ 425,605
Market appreciation (depreciation)	66,319	120	66,439	(65,640)	898	(64,742)
Dividends and distributions	(16,243)	(316)	(16,559)	(2,973)	(829)	(3,802)
Net shareholder purchases (redemptions)	8,314	(3,050)	5,264	(29,208)	(9,518)	(38,726)
Ending Balance	$ 401,604	$ 79,437	$ 481,041	$ 236,863	$ 81,472	$ 318,335
Average investment management fee	0.92%	0.00%	0.76%	0.97%	0.01%	0.77%
Average net assets	$ 402,921	$ 83,881	$ 486,802	$ 329,784	$ 87,966	$ 417,750

As shown above, USGIF period-end assets under management were higher at March 31, 2021, compared to March 31, 2020. Average net assets for the three and nine months in the current fiscal year were higher than the same periods in the previous fiscal year for equity funds and in total, while average net assets for fixed income funds were lower than the same periods in the prior fiscal year. Both the fixed income and equity funds had net market depreciation for the three months ended March 31, 2021, and net market appreciation for the nine months ended March 31, 2021, primarily in the gold and natural resources funds. The equity funds had net market depreciation for the three and nine months ended March 31, 2020, while the fixed income funds had net market appreciation for the same periods. A significant portion of the dividends and distributions shown above were reinvested and included in net shareholder purchases (redemptions). There were net shareholder redemptions for the equity funds for the three months ended March 31, 2021, and net shareholder purchases for the nine months ended March 31, 2021. There were net shareholder redemptions for the fixed income funds for the three and nine months ended March 31, 2021. For the three and nine months ended March 31, 2020, there were net shareholder redemptions for both the equity and fixed income funds.

The average annualized investment management fee rate (total advisory fees, excluding performance fees, as a percentage of average assets under management) was 79 and 76 basis points for the three and nine months ended March 31, 2021, respectively, and 76 and 77 basis points for the same periods in the prior year. The average investment management fee for the equity funds was 95 and 92 basis points for the three and nine months ended March 31, 2021, and 96 and 97 basis points for the same periods in the prior year. The Company has agreed to contractually or voluntarily limit the expenses of the Funds. Therefore, the Company waived or reduced its fees and/or agreed to pay expenses of the Funds. The decline in the average investment management fee rate for the equity funds was due to fee waivers. Also, due to fee waivers, the average investment management fee for the fixed income funds was nil for the three and nine months ended March 31, 2021, and nil and 1 basis point for the same periods in the prior year, respectively.

Investment Activities

Management believes it can more effectively manage the Company's cash position by broadening the types of investments used in cash management and continues to believe that such activities are in the best interest of the Company. The Company's investment activities are reviewed and monitored by Company compliance personnel, and various reports are provided to certain investment advisory clients. Written procedures are in place to manage compliance with the code of ethics and other policies affecting the Company's investment practices. This source of revenue does not remain consistent and is dependent on market fluctuations, the Company's ability to participate in investment opportunities, and timing of transactions.

As of March 31, 2021, the Company held investments carried at fair value of approximately $47.2 million and a cost basis of approximately $24.2 million. The fair value of these investments is approximately 70.6 percent of the Company's total assets. In addition, the Company held other investments which do not have readily determinable fair values of approximately $2.9 million, held-to-maturity debt investments of $1.0 million, and investments accounted for under the equity method of accounting of $596,000.

Investments carried at fair value were approximately $47.2 million at March 31, 2021, compared to approximately $11.5 million at June 30, 2020, the Company's prior fiscal year end, which is an increase of approximately $35.7 million. See Note 4, Investments, to the Consolidated Financial Statements of this Quarterly Report on Form 10-Q/A, for further information regarding investment activities.

RESULTS OF OPERATIONS – **Three months ended March 31, 2021, and 2020**

The Company posted net income attributable to U.S. Global Investors, Inc. of $8.6 million ($0.57 per share) for the three months ended March 31, 2021, compared with a net loss attributable to U.S. Global Investors, Inc. of $1.6 million ($0.11 per share loss) for the three months ended March 31, 2020, a positive change of approximately $10.2 million. The change is primarily due to operating income and realized and unrealized investment gains in the current quarter compared to operating loss and unrealized investment losses in the same quarter last year, as discussed further below.

Operating Revenues

Total consolidated operating revenues for the three months ended March 31, 2021, increased $5.4 million, or 595.3 percent, compared with the three months ended March 31, 2020. This increase was primarily attributable to the following:

- Advisory fees increased by $5.4 million, or 620.5 percent, primarily as a result of higher average assets under management in the ETFs and performance fees received versus paid out. Advisory fees are comprised of two components: base management fees and performance fees.

    - Base management fees increased $5.2 million. The majority of this increase was from ETF unitary management fees, which increased $5.0 million as the result of an increase in ETF average assets under management, primarily for the Jets ETF. Inflows into the Jets ETF accelerated from the latter part of March 2020 and continued through March 2021, resulting in an increase in assets. The Jets ETF invests in airline-related stocks, including global airline carriers, airport operators and aircraft manufacturers. Base fees for USGIF increased by $225,000, primarily as a result of higher average assets under management.

    - Performance fees for USGIF received in the current period were $156,000 compared to $79,000 in fees paid out in the corresponding period in the prior year, a positive change of $235,000. The performance fee, which applies to the USGIF equity funds only, is a fulcrum fee that is adjusted upwards or downwards by 0.25 percent when there is a performance difference of 5 percent or more between a fund's performance and that of its designated benchmark index over the prior rolling 12 months.

Operating Expenses

Total consolidated operating expenses for the three months ended March 31, 2021, increased $1.2 million, or 61.8 percent, compared with the three months ended March 31, 2020. The increase in operating expenses was primarily attributable to an increase in employee compensation of $727,000, or 101.7 percent, primarily due to increased bonuses related to positive company and fund performance, and an increase in general and administrative expenses of $437,000, or 40.1 percent, primarily due to higher ETF expenses related to the increase in ETF assets.

Other Income (Loss)

Total consolidated other income for the three months ended March 31, 2021, was $8.4 million, compared to total other loss of $503,000 for the three months ended March 31, 2020, a positive change of $8.9 million. This change was primarily due to the following factors:

- Investment income was $8.4 million for the three months ended March 31, 2021, compared to investment loss of $441,000 for the three months ended March 31, 2020, a positive change of approximately $8.9 million. This included realized and unrealized gains on fair value securities of $1.1 million and $6.0 million, respectively, in the current period. The same quarter in the prior year had no realized gains and unrealized losses of $342,000 on fair value securities. The change in unrealized gain (loss) was due to an increase in market value of fair value securities. See further discussion of investments in Note 4, Investments, to the Consolidated Financial Statements of this Quarterly Report on Form 10-Q/A.

Provision for Income Taxes

A tax expense from continuing operations of $3.1 million was recorded for the three months ended March 31, 2021, compared to tax expense of $75,000 for the three months ended March 31, 2020. The tax expense in the current period was primarily the result of operating income, realized gain on sale of securities, and unrealized gains on securities. The tax expense in the same quarter in the prior year was primarily the result of increasing the valuation allowance to fully reserve for deferred tax assets.

Income (Loss) from Discontinued Operations

Income (loss) from discontinued operations represents results of the Company's subsidiary Galileo, which was sold on March 2, 2020. Loss from discontinued operations, net of tax, was $85,000 for the three months ended March 31, 2020. See Note 3, Discontinued Operations, to the Consolidated Financial Statements of this Quarterly Report on Form 10-Q/A for further information on this transaction and the results from Galileo operations.

RESULTS OF OPERATIONS – **Nine months ended March 31, 2021, and 2020**

The Company posted a net income attributable to U.S. Global Investors, Inc. of $27.2 million ($1.81 per share) for the nine months ended March 31, 2021, compared to a net loss attributable to U.S. Global Investors, Inc. of $6.2 million ($0.41 loss per share) for the nine months ended March 31, 2020, a positive change of approximately $33.4 million. The change is primarily due to operating income and realized and unrealized investment gains in the current period compared to operating loss and unrealized investment losses in the same period last year, as discussed further below.

Operating Revenues

Total consolidated operating revenues for the nine months ended March 31, 2021, increased $11.7 million, or 449.8 percent, compared with the nine months ended March 31, 2020. This increase was primarily attributable to the following:

- Advisory fees increased by $11.7 million, or 472.0 percent, primarily as a result of higher average assets under management and an increase in performance fees received. Advisory fees are comprised of two components: a base management fee and a performance fee.
    - Base management fees increased $11.0 million. The majority of this increase was from ETF unitary management fees, which increased $10.7 million as the result of an increase in ETF average assets under management, primarily for the Jets ETF. Inflows into the Jets ETF accelerated starting in the latter part of March 2020 and continuing through March 2021, resulting in an increase in assets. The Jets ETF invests in airline-related stocks, including global airline carriers, airport operators and aircraft manufacturers. Base fees for USGIF increased by $368,000, primarily as a result of higher average assets under management.
    - Performance fees for USGIF received in the current period were $280,000 compared to $391,000 in fees paid out in the corresponding period in the prior year, a positive change of $671,000. The performance fee, which applies to the USGIF equity funds only, is a fulcrum fee that is adjusted upwards or downwards by 0.25 percent when there is a performance difference of 5 percent or more between a fund's performance and that of its designated benchmark index over the prior rolling 12 months.

Operating Expenses

Total consolidated operating expenses for the nine months ended March 31, 2021, increased $5.3 million, or 110.3 percent, compared with the nine months ended March 31, 2020. The increase in operating expenses was primarily attributable to an increase in employee compensation of $3.6 million, or 173.9 percent, primarily due to increased bonuses related to realized investment gains and positive company and fund performance, and an increase in general and administrative expenses of $1.6 million, or 66.6 percent, primarily due to higher ETF expenses and business development costs related to the increase in ETF assets.

Other Income (Loss)

Total consolidated other income (loss) for the nine months ended March 31, 2021, had a positive change of $35.1 million, compared with total other loss for the nine months ended March 31, 2020. The positive change was primarily due to the following factors:

- There was investment income of $30.1 million for the nine months ended March 31, 2021, compared to an investment loss of $3.9 million for the nine months ended March 31, 2020, a positive change of approximately $34.0 million. This included realized and unrealized gains on fair value securities of $16.2 million and $12.6 million, respectively, in the current period, compared to the same period in the prior year, which had unrealized losses of $4.0 million. During the nine months ended March 31, 2021, the Company sold its investment in HIVE, resulting in $15.0 million of the realized gains being included in investment income. The change in unrealized gain (loss) was due to an increase in market value of fair value securities versus losses in the previous period. See further discussion of investments in Note 4, Investments, to the Consolidated Financial Statements of this Quarterly Report on Form 10-Q/A.

- Gain on forgiveness of PPP loan for the nine months ended March 31, 2021, was $444,000, due to extinguishment of debt related to forgiveness of the PPP loan and accrued interest. See further information on the PPP loan in Note 8, Borrowings, to the Consolidated Financial Statements of this Quarterly Report on Form 10-Q/A.

Provision for Income Taxes

A tax expense from continuing operations of $8.2 million was recorded for the nine months ended March 31, 2021, compared to tax benefit of $174,000 for the nine months ended March 31, 2020. The tax expense in the current period was primarily the result of operating income, realized gain on sale of securities, and unrealized gains on securities. The tax benefit in the same period in the prior year was primarily the result of a decrease in valuation of certain investments, which decreased the related deferred tax liability.

Income (Loss) from Discontinued Operations

Income (loss) from discontinued operations represents results of the Company's subsidiary Galileo, which was sold on March 2, 2020. Loss from discontinued operations, net of tax, was $338,000 for the nine months ended March 31, 2020. See Note 3, Discontinued Operations, to the Consolidated Financial Statements of this Quarterly Report on Form 10-Q/A for further information on this transaction and the results from Galileo operations.

LIQUIDITY AND CAPITAL RESOURCES

At March 31, 2021, the Company had net working capital (current assets minus current liabilities) of approximately $14.1 million and a current ratio (current assets divided by current liabilities) of 3.4 to 1. With approximately $9.5 million in cash and cash equivalents, and approximately $12.3 million in securities recorded at fair value, excluding convertible securities and warrants, the Company has adequate liquidity to meet its current obligations.

Effective April 12, 2020, the Company was approved for a loan of approximately $442,000 under the Paycheck Protection Program ("PPP") under the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"). The Company has under 25 employees and is considered a small business. The Company has been granted forgiveness of the entire PPP loan and any accrued interest.

The Company also has access to a $1 million credit facility for working capital purposes. The credit agreement requires the Company to maintain certain covenants; the Company has been in compliance with these covenants during the current fiscal year. The credit agreement will expire on May 31, 2021, and the Company intends to renew annually. The credit facility is collateralized by $1 million at March 31, 2021, held in deposit in a money market account at the financial institution that provided the credit facility. As of March 31, 2021, the credit facility remains unutilized by the Company.

The rapid spread of the global COVID-19 outbreak and actions taken in response have had a significant detrimental effect on the global and domestic economies and financial markets. Market declines affect the Company's assets under management, and thus its revenues and also the valuation of the Company's corporate investments. It is early to determine the long-term impact of current circumstances on the Company's business. Should this emerging macro-economic risk continue for an extended period, there could be an adverse material financial impact to the Company's business and investments, including a material reduction in its results of operations.

The investment advisory and administrative services contracts between the Company and USGIF have been renewed through September 2022. The investment advisory contracts between the Company and the ETFs expire in September 2022.

The primary cash requirements are for operating activities. The Company also uses cash to purchase investments, pay dividends and repurchase Company stock. The cash outlays for investments and dividend payments are discretionary, and management or the Board may discontinue as deemed necessary. The stock repurchase plan is approved through December 31, 2021, but may be suspended or discontinued at any time. Cash and securities at fair value, excluding convertible securities and warrants, of approximately $21.8 million are available to fund current activities. Management believes current cash reserves, investments, and financing available will be sufficient to meet foreseeable cash needs for operating activities.

CRITICAL ACCOUNTING ESTIMATES

For a discussion of other critical accounting policies that the Company follows, please refer to the notes to the consolidated financial statements included in the Annual Report on Form 10-K for the year ended June 30, 2020.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The effects of the global COVID-19 pandemic are still evolving. There has been an adverse effect on global and domestic financial markets, which may continue for an undetermined period. This may adversely affect assets under management and thus the Company's revenues and operating results. Market declines also affect the valuation of the Company's corporate investments, which also adversely affects the Company's balance sheet and results of operations.

Investment Management and Administrative Services Fees

Revenues are generally based upon a percentage of the market value of assets under management in accordance with contractual agreements. Accordingly, fluctuations in the financial markets have a direct effect on the Company's operating results. A portion of assets under management have exposure to international markets, which may experience volatility. In addition, fluctuations in interest rates may affect the value of assets under management in fixed income funds.

Performance Fees

USGIF advisory fees are comprised of two components: a base management fee and a performance fee. The performance fee is a fulcrum fee that is adjusted upwards or downwards by 0.25 percent when there is a performance difference of 5 percent or more between a fund's performance and that of its designated benchmark index over the prior rolling 12 months.

As a result, the Company's revenues are subject to volatility beyond market-based fluctuations discussed in the investment management and administrative services fees section above. For the three and nine months ended March 31, 2021, the Company realized an increase in its USGIF base advisory fee of $156,000 and $280,000, respectively, due to these performance adjustments. For the three and nine months ended March 31, 2020, the Company realized a decrease in its USGIF base advisory fee of $79,000 and $391,000, respectively, due to these performance adjustments.

Corporate Investments

The Company's Consolidated Balance Sheets includes assets whose fair value is subject to market risks. Due to the Company's investments in securities recorded at fair value, price fluctuations represent a market risk factor affecting the Company's consolidated financial position. The carrying values of investments subject to price risks are based on quoted market prices or, if not actively traded, management's estimate of fair value as of the balance sheet date. Market prices fluctuate, and the amount realized in the subsequent sale of an investment may differ significantly from the reported market value.

The Company's investment activities are reviewed and monitored by Company compliance personnel, and various reports are provided to certain investment advisory clients. Written procedures are in place to manage compliance with the code of ethics and other policies affecting the Company's investment practices.

The table below summarizes the Company's price risks in equity securities recorded at fair value as of March 31, 2021, and shows the effects of a hypothetical 25 percent increase and a 25 percent decrease in market prices.

(dollars in thousands)	**Fair Value at March 31, 2021 As Restated (See Note 2)**	**Hypothetical Percentage Change**	**Estimated Fair Value After Hypothetical Price Change**	**Estimated Increase (Decrease) in Net Income (Loss) (1)**
Equity securities at fair value [2]	$ 23,261	25% increase	$ 29,076	$ 4,594
		25% decrease	$ 17,446	$ (4,594)

[1] *The estimated increase (decrease) is after income taxes at the statutory rate in effect as of the balance sheet date.*

[2] *Unrealized and realized gains and losses are included in earnings in the Consolidated Statements of Operations.*

The selected hypothetical changes do not reflect what could be considered best- or worst-case scenarios. Results could be significantly different due to both the nature of markets and the concentration of the Company's investment portfolio.

The effects of the global COVID-19 pandemic are still evolving. There has been an adverse effect on global and domestic financial markets, which may continue for an undetermined period. This not only adversely affects the Company's assets under management but also the valuation of the Company's corporate investments.

A significant portion of the equity securities recorded at fair value in the above table is an investment in HIVE Blockchain Technologies Ltd. ("HIVE") common share purchase warrants, which was valued at $11.0 million at March 31, 2021, with the use of significant unobservable inputs (Level 3). HIVE is discussed in more detail in Note 4, Investments, to the Consolidated Financial Statements of the Quarterly Report on Form 10-Q/A. HIVE is a company that is headquartered and traded in Canada with cryptocurrency mining facilities in Iceland, Sweden, and Canada. Cryptocurrency markets and related securities have been, and are expected to continue to be, volatile, and may be influenced by a wide variety of factors, including speculative activity. Cryptocurrency mining companies face a variety of risks, including, but not limited to, environmental concerns, regulatory factors, and heightened risks of cybersecurity attacks for which there may be no source of recovery. There is potential for significant volatility in the market price of HIVE, which could materially impact the investment's value included on the balance sheet and unrealized gain (loss) recognized in investment income.

The Company also has a significant investment in HIVE convertible debentures, which was valued at $23.9 million at March 31, 2021, with the use of significant unobservable inputs (Level 3). As noted above, there is potential for significant volatility in the market price of HIVE, which could materially impact the investment's value included on the balance sheet. The convertible debentures are classified as available-for-sale debt securities, for which changes in unrealized gains and losses are reported net of tax in accumulated other comprehensive income, except for declines in fair value determined to be other than temporary, which would be reflected in the Company's earnings.

The Company also has an equity method investment in Galileo New Economy Fund LP in the amount of $596,000 at March 31, 2021, which has investments in the technology and cryptocurrency mining industries. As noted above, exposure to cryptocurrency industry may result in volatility in the valuation of this fund. Under the equity method, the Company's proportional share of the fund's net income or loss, which primarily consists of realized and unrealized gains and losses on investments offset by fund expenses, is recognized in the Company's earnings. The potential significant volatility in the valuation of the fund's investments could cause the fund's net income or loss to vary significantly from period to period, which in turn would be reflected in the Company's earnings.

Foreign currency risk

A portion of cash and certain corporate investments, including the Company's equity method investment, are held in foreign currencies, primarily Canadian. Adverse changes in foreign currency exchange rates would lower the value of those cash accounts and corporate investments. Certain assets under management also have exposure to foreign currency fluctuations in various markets, which could impact their valuation and thus the revenue received by the Company.

ITEM 4. CONTROLS AND PROCEDURES

An evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures as of March 31, 2021, was conducted under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded at that time that the disclosure controls and procedures were effective as of March 31, 2021.

In connection with the preparation of this Amended Quarterly Report on Form 10-Q/A, a reevaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures as of March 31, 2021, was conducted under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer. Based on that reevaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were not effective as of March 31, 2021, due to the existence of the material weaknesses in internal control over financial reporting described below (which we view as an integral part of our disclosure controls and procedures). Based on the completion of the fair value remeasurements, we believe that the unaudited interim consolidated financial statements included in this Amended Quarterly Report on Form 10-Q/A fairly present, in all material respects, our financial position, results of operations and cash flows as of the date, and for the period, presented, in conformity with U.S. GAAP.

Management identified a deficiency in the design and operating effectiveness of the Company's internal controls as of March 31, 2021, that represents a material weakness in our internal control over financial reporting. The deficiency is the result of inadequate design and implementation of internal controls to identify complex investments requiring specialized valuation expertise. Specifically, the Company's controls over valuation procedures did not address valuation methodologies for hybrid financial instruments that led to the restatement of previously issued financial statements.

Management is in the process of designing and implementing remediation efforts intended to address the material weakness discussed above. These remediation efforts will be focused on amending the Company's valuation procedures to include the use of a binomial lattice model and/or independent pricing service to value these types of complex investments. The valuation procedures are to be reviewed and approved by the Company's Board of Directors. Management, under the supervision of the Audit Committee, will develop a comprehensive remediation plan, including a detailed plan and timetable for implementation, and will report regularly to the Audit Committee regarding the status of the implementation activities. The Company held one hybrid financial instrument as of the date, and for the period, presented, that has been remeasured by an independent pricing service using a binomial lattice model.

There has been no change in the Company's internal control over financial reporting that occurred during the three months ended March 31, 2021, that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting, as the material weakness described above had not yet been identified by management.

Inherent Limitations on Internal Controls

Notwithstanding the foregoing, management does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent or detect all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system will be met. Limitations inherent in any control system include the following:

- Judgments in decision-making can be faulty, and control and process breakdowns can occur because of simple errors or mistakes.
- Controls can be circumvented by individuals, acting alone or in collusion with others, or by management override.
- The design of any system of controls is based in part on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.
- Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with associated policies or procedures.
- The design of a control system must reflect the fact that resources are constrained, and the benefits of controls must be considered relative to their costs.

Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected.

PART II. OTHER INFORMATION

ITEM 1A. RISK FACTORS

For a discussion of risk factors which could affect the Company, please refer to Item 1A, "Risk Factors" in the Annual Report on Form 10-K for the year ended June 30, 2020. There have been no material changes since fiscal year end to the risk factors listed therein.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Issuer Purchases of Equity Securities

(dollars in thousands, except price data)

Period	Total Number of Shares Purchased [1]	Total Amount Purchased	Average Price Paid Per Share [2]	Total Number of Shares Purchased as Part of Publicly Announced Plan [3]	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plan
01-01-21 to 01-31-21	8,289	$ 45	$ 5.45	8,289	$ 2,705
02-01-21 to 02-28-21	5,214	37	$ 6.96	5,214	$ 2,669
03-01-21 to 03-31-21	6,397	45	$ 7.05	6,397	$ 2,623
Total	19,900	$ 127	$ 6.36	19,900	

1 The Board of Directors of the company approved on December 7, 2012, and renewed annually, a repurchase of up to $2.75 million in each of calendar years 2013 through 2021 of its outstanding class A common stock from time to time on the open market in accordance with all applicable rules and regulations.

2 The average price paid per share of stock repurchased under the stock repurchase program includes the commissions paid to brokers.

3 The repurchase plan was approved on December 7, 2012, renewed annually, and will continue through calendar year 2021. The total amount of shares that may be repurchased in 2021 under the renewed program is $2.75 million.

ITEM 6. EXHIBITS

1. Exhibits –

31.1	Rule 13a-14(a) Certifications (under Section 302 of the Sarbanes-Oxley Act of 2002), included herein.
32.1	Section 1350 Certifications (under Section 906 of the Sarbanes-Oxley Act Of 2002), included herein.
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Labels Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereto duly authorized.

		U.S. GLOBAL INVESTORS, INC.
DATED:	November 17, 2021	BY: /s/ Frank E. Holmes Frank E. Holmes Chief Executive Officer
DATED:	November 17, 2021	BY: /s/ Lisa C. Callicotte Lisa C. Callicotte Chief Financial Officer

Exhibit 31.1 - Rule 13a-14(a) Certifications
(under Section 302 of the Sarbanes-Oxley Act of 2002)

I, Frank E. Holmes, certify that:

1. I have reviewed this quarterly report on Form 10-Q/A of U.S. Global Investors, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d–15(f)) for the registrant and have:

    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 17, 2021

/s/ Frank E. Holmes
Frank E. Holmes
Chief Executive Officer

Rule 13a-14(a) Certifications
(under Section 302 of the Sarbanes-Oxley Act of 2002

I, Lisa C. Callicotte, certify that:

1. I have reviewed this quarterly report on Form 10-Q/A of U.S. Global Investors, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d–15(f)) for the registrant and have:

    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 17, 2021

/s/ Lisa C. Callicotte
Lisa C. Callicotte
Chief Financial Officer

Exhibit 32.1 — Section 1350 Certifications
(under Section 906 of the Sarbanes-Oxley Act of 2002)

In connection with the Quarterly Report of U.S. Global Investors, Inc. (the Company) on Form 10-Q/A for the quarter ended March 31, 2021, as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Frank E. Holmes, Chief Executive Officer of the Company, hereby certify to my knowledge, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 17, 2021

/s/ Frank E. Holmes
Frank E. Holmes
Chief Executive Officer

A signed original of the written statement required by Section 906 has been provided to U.S. Global Investors, Inc. and will be retained by U.S. Global Investors, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Section 1350 Certifications
(under Section 906 of the Sarbanes-Oxley Act of 2002)

In connection with the Quarterly Report of U.S. Global Investors, Inc. (the Company) on Form 10-Q/A for the quarter ended March 31, 2021, as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Lisa C. Callicotte, Chief Financial Officer of the Company, hereby certify to my knowledge, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 17, 2021

/s/ Lisa C. Callicotte
Lisa C. Callicotte
Chief Financial Officer

A signed original of the written statement required by Section 906 has been provided to U.S. Global Investors, Inc. and will be retained by U.S. Global Investors, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.