

**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 **September 30, 2022**

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:

<u>Title of each class</u>	<u>Trading symbol(s)</u>	<u>Name of each exchange on which registered</u>
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

Non-accelerated filer

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 October 28, 2022, there were 13,866,999 shares of Registrant's class A nonvoting common stock issued and 12,836,542 shares of Registrant's class A nonvoting common stock issued and outstanding; no shares of Registrant's class B nonvoting common shares outstanding; and 2,068,549 shares of Registrant's class C voting common stock issued and outstanding.

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EXPLANATORY NOTE

Restatement of Consolidated Financial Statements

We have restated our unaudited consolidated financial statements as of September 30, 2022, and for the three months then ended in order to correct certain fair value measurements related to our investment in HIVE Blockchain Technologies, Ltd. (“HIVE”) common share purchase warrants and our investment in HIVE unsecured convertible debentures. For a discussion of the valuation, the adjusted fair value measurement, and the impact of the restatement adjustment on the consolidated financial statements as of September 30, 2022, and for the three months then ended, see Note 1 of Notes to Consolidated Financial Statements included in Part I, Item 1 — Financial Statements.

Internal Control Over Financial Reporting

Management reassessed its evaluation of the effectiveness of the Company’s internal control over financial reporting as of September 30, 2022, 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 September 30, 2022. 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 Report

This Amended Quarterly Report on Form 10-Q/A does not reflect events occurring after the original filing date of November 10, 2022, 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 1 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**

<i>(dollars in thousands)</i>	September 30, 2022 (unaudited) As Restated	June 30, 2022
Assets		
Current Assets		
Cash and cash equivalents	\$ 23,287	\$ 22,314
Restricted cash	1,000	1,000
Investments in securities at fair value, current	11,963	12,138
Accounts and other receivables	1,576	1,796
Tax receivable	96	384
Prepaid expenses	312	400
Total Current Assets	38,234	38,032
Net Property and Equipment	1,320	1,370
Other Assets		
Deferred tax asset	1,373	872
Investments in equity securities at fair value, non-current	2,243	2,162
Investments in available-for-sale debt securities at fair value	9,866	10,625
Investments in held-to-maturity debt securities	1,000	1,000
Other investments	2,630	3,992
Financing lease, right of use assets	86	93
Other assets, non-current	233	216
Total Other Assets	17,431	18,960
Total Assets	\$ 56,985	\$ 58,362
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts payable	\$ 14	\$ 73
Accrued compensation and related costs	1,925	1,864
Dividends payable	336	337
Financing lease liability, short-term	28	27
Other accrued expenses	1,137	1,831
Taxes payable	157	-
Total Current Liabilities	3,597	4,132
Long-Term Liabilities		
Financing lease liability, long-term	59	66
Total Long-Term Liabilities	59	66
Total Liabilities	3,656	4,198
Commitments and Contingencies (Note 13)		
Shareholders' Equity		
Common stock (class A) - \$0.025 par value; nonvoting; 28,000,000 shares authorized, and 13,866,999 shares issued at September 30, 2022, and June 30, 2022; 12,852,968 and 12,888,950 shares outstanding at September 30, 2022, and June 30, 2022, respectively	347	347
Common stock (class B) - \$0.025 par value; nonvoting; 4,500,000 shares authorized; no shares issued	-	-
Convertible common stock (class C) - \$0.025 par value; voting; 3,500,000 shares authorized; 2,068,549 shares issued and outstanding at September 30, 2022, and June 30, 2022	52	52
Additional paid-in-capital	16,440	16,438
Treasury stock, class A shares at cost; 1,014,031 shares and 978,049 shares at September 30, 2022, and June 30, 2022, respectively	(2,722)	(2,599)
Accumulated comprehensive income, net of tax	3,138	3,624
Retained earnings	36,074	36,302
Total Shareholders' Equity	53,329	54,164
Total Liabilities and Shareholders' Equity	\$ 56,985	\$ 58,362

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

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

	Three Months Ended September 30,	
	2022	2021
	As Restated	
<i>(dollars in thousands, except per share data)</i>		
Operating Revenues		
Advisory fees	\$ 4,377	\$ 6,470
Administrative services fees	35	51
	<u>4,412</u>	<u>6,521</u>
Operating Expenses		
Employee compensation and benefits	1,175	1,924
General and administrative	1,504	1,598
Advertising	86	84
Depreciation	61	48
Interest	1	-
	<u>2,827</u>	<u>3,654</u>
Operating Income	1,585	2,867
Other Income (Loss)		
Investment loss	(1,460)	(34)
Income from equity method investments	-	15
Other income	61	56
	<u>(1,399)</u>	<u>37</u>
Income Before Income Taxes	186	2,904
Provision for Income Taxes		
Tax expense	79	514
Net Income	<u>\$ 107</u>	<u>\$ 2,390</u>
Basic Net Income per Share	<u>\$ 0.01</u>	<u>\$ 0.16</u>
Diluted Net Income per Share	<u>\$ 0.01</u>	<u>\$ 0.16</u>
Basic weighted average number of common shares outstanding	14,948,688	15,030,115
Diluted weighted average number of common shares outstanding	14,949,275	15,031,199

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

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

(dollars in thousands)

	Three Months Ended September 30,	
	2022 As Restated	2021
Net Income	\$ 107	\$ 2,390
Other Comprehensive Income (Loss), Net of Tax:		
Unrealized losses on available-for-sale securities arising during period	(115)	(147)
Less: reclassification adjustment for gains included in net income	(371)	(476)
Net change from available-for-sale securities, net of tax	(486)	(623)
Foreign currency translation adjustment	-	(12)
Other Comprehensive Loss	(486)	(635)
Comprehensive Income (Loss)	\$ (379)	\$ 1,755

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

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

	Common Stock (class A) Shares	Common Stock (class A)	Common Stock (class C) Shares	Common Stock (class C)	Additional Paid-in Capital	Treasury Stock Shares	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total
<i>(dollars in thousands)</i>										
Balance at June 30, 2022	13,866,999	\$ 347	2,068,549	\$ 52	\$ 16,438	978,049	\$ (2,599)	\$ 3,624	\$ 36,302	\$ 54,164
Purchases of shares of Common Stock (class A)	-	-	-	-	-	39,965	(133)	-	-	(133)
Issuance of stock under ESPP of shares of Common Stock (class A)	-	-	-	-	3	(3,983)	10	-	-	13
Share-based compensation, adjustment for forfeitures, net of tax	-	-	-	-	(1)	-	-	-	-	(1)
Dividends declared	-	-	-	-	-	-	-	-	(335)	(335)
Other comprehensive loss, net of tax, as restated	-	-	-	-	-	-	-	(486)	-	(486)
Net income, as restated	-	-	-	-	-	-	-	-	107	107
Balance at September 30, 2022 (As Restated)	<u>13,866,999</u>	<u>\$ 347</u>	<u>2,068,549</u>	<u>\$ 52</u>	<u>\$ 16,440</u>	<u>1,014,031</u>	<u>\$ (2,722)</u>	<u>\$ 3,138</u>	<u>\$ 36,074</u>	<u>\$ 53,329</u>
<i>(dollars in thousands)</i>										
Balance at June 30, 2021	13,866,913	\$ 347	2,068,635	\$ 52	\$ 15,677	898,953	\$ (2,172)	\$ 6,587	\$ 33,833	\$ 54,324
Purchases of shares of Common Stock (class A)	-	-	-	-	-	13,647	(82)	-	-	(82)
Issuance of stock under ESPP of shares of Common Stock (class A)	-	-	-	-	8	(2,228)	6	-	-	14
Share-based compensation, net of tax	-	-	-	-	388	-	-	-	-	388
Dividends declared	-	-	-	-	-	-	-	-	(338)	(338)
Other comprehensive loss, net of tax	-	-	-	-	-	-	-	(635)	-	(635)
Net income	-	-	-	-	-	-	-	-	2,390	2,390
Balance at September 30, 2021	<u>13,866,913</u>	<u>\$ 347</u>	<u>2,068,635</u>	<u>\$ 52</u>	<u>\$ 16,073</u>	<u>910,372</u>	<u>\$ (2,248)</u>	<u>\$ 5,952</u>	<u>\$ 35,885</u>	<u>\$ 56,061</u>

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

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

<i>(dollars in thousands)</i>	Three Months Ended September 30,	
	2022	2021
	As Restated	
Cash Flows from Operating Activities:		
Net Income	\$ 107	\$ 2,390
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, amortization and accretion	(77)	(129)
Net recognized loss on disposal of fixed assets	3	-
Net realized gains on securities	(469)	(2,411)
Unrealized losses on securities	1,930	2,796
Net income from equity method investment	-	(15)
Provision for deferred taxes	(371)	(905)
Stock-based compensation expense	-	388
Changes in operating assets and liabilities:		
Accounts and other receivables	508	1,438
Prepaid expenses and other assets	78	(11)
Accounts payable and accrued expenses	(534)	(1,139)
Total adjustments	1,068	12
Net cash provided by operating activities	1,175	2,402
Cash Flows from Investing Activities:		
Purchase of property and equipment	(14)	(33)
Purchase of other investments	(477)	-
Proceeds on sale of equity securities at fair value, non-current	-	2,494
Proceeds from principal paydowns of available-for-sale debt securities at fair value	750	750
Return of capital on other investments	2	-
Net cash provided by investing activities	261	3,211
Cash Flows from Financing Activities:		
Principal payments on financing lease	(7)	-
Issuance of common stock	13	14
Repurchases of common stock	(133)	(82)
Dividends paid	(336)	(226)
Net cash used in financing activities	(463)	(294)
Net increase in cash, cash equivalents, and restricted cash	973	5,319
Beginning cash, cash equivalents, and restricted cash	23,314	15,436
Ending cash, cash equivalents, and restricted cash	\$ 24,287	\$ 20,755
Supplemental Disclosures of Non-Cash Investing and Financing Activities		
Dividends declared but not paid	\$ 336	\$ 338
Unsettled sales of non-current investments	\$ -	\$ 291
Unsettled class A common stock repurchases	\$ 10	\$ -
Supplemental Disclosures of Cash Flow Information		
Cash paid for income taxes	\$ -	\$ 1,926

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

U.S. GLOBAL INVESTORS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE 1 - RESTATEMENT OF PREVIOUSLY ISSUED CONSOLIDATED FINANCIAL STATEMENTS

The unaudited consolidated financial statements as of September 30, 2022, and for the three months then ended have been restated to reflect corrections of misstatements related to our corporate investments in HIVE Blockchain Technologies ("HIVE"). In addition to the changes listed below, various footnotes reflect the effects of this restatement, including but not limited to, Note 3, Investments, Note 9, Earnings Per Share, Note 11, Accumulated Other Comprehensive Income (Loss), and Note 12, Financial Information by Business Segment.

An error was detected in the fair value calculations performed by a third party for the investment in HIVE common share purchase warrants and the investment in HIVE unsecured convertible debentures. Specifically, related to the common share purchase warrants, the valuation model was not appropriately adjusted after a share consolidation by the issuer in May 2022. As a result, the fair value of the common share purchase warrants was corrected at September 30, 2022. The effect was as follows:

	Three Months Ended and as of September 30, 2022	
<i>(dollars in thousands, except per share data)</i>		
(Overstatement)/Understatement		
Deferred tax asset	\$	449
Investments in equity securities at fair value, non-current	\$	(2,140)
Total Shareholders' Equity	\$	(1,691)
Investment Loss	\$	(13)
Tax Expense	\$	(2)
Net Income	\$	(11)
Earnings Per Share	\$	-

The error related to the investment in HIVE unsecured convertible debentures was related to an additional principal payment being included within the binomial lattice valuation model. As a result, the fair value of the HIVE unsecured convertible debentures was corrected at September 30, 2022. The effect was as follows:

	Three Months Ended and as of September 30, 2022	
<i>(dollars in thousands)</i>		
(Overstatement)/Understatement		
Deferred tax asset	\$	173
Investments in available-for-sale debt securities at fair value	\$	(820)
Total Shareholders' Equity	\$	(647)
Other Comprehensive Loss	\$	5

The following tables set forth the impact of the restatement on the Company's consolidated financial statements as of and for the three months ended September 30, 2022.

CONSOLIDATED BALANCE SHEET (UNAUDITED)

	September 30, 2022		
	As Previously Reported	Restatement Adjustments	As Restated
<i>(dollars in thousands)</i>			
Assets			
Current Assets			
Cash and cash equivalents	\$ 23,287	\$ -	\$ 23,287
Restricted cash	1,000	-	1,000
Investments in securities at fair value, current	11,963	-	11,963
Accounts and other receivables	1,576	-	1,576
Tax receivable	96	-	96
Prepaid expenses	312	-	312
Total Current Assets	38,234	-	38,234
Net Property and Equipment	1,320	-	1,320
Other Assets			
Deferred tax asset	751	622	1,373
Investments in equity securities at fair value, non-current	4,383	(2,140)	2,243
Investments in available-for-sale debt securities at fair value	10,686	(820)	9,866
Investments in held-to-maturity debt securities	1,000	-	1,000
Other investments	2,630	-	2,630
Financing lease, right of use assets	86	-	86
Other assets, non-current	233	-	233
Total Other Assets	19,769	(2,338)	17,431
Total Assets	\$ 59,323	\$ (2,338)	\$ 56,985
Liabilities and Shareholders' Equity			
Current Liabilities			
Accounts payable	\$ 14	\$ -	\$ 14
Accrued compensation and related costs	1,925	-	1,925
Dividends payable	336	-	336
Financing lease liability, short-term	28	-	28
Other accrued expenses	1,137	-	1,137
Taxes payable	157	-	157
Total Current Liabilities	3,597	-	3,597
Long-Term Liabilities			
Financing lease liability, long-term	59	-	59
Total Long-Term Liabilities	59	-	59
Total Liabilities	3,656	-	3,656
Commitments and Contingencies (Note 13)			
Shareholders' Equity			
Common stock (class A) - \$0.025 par value; nonvoting; 28,000,000 shares authorized, and 13,866,999 shares issued at September 30, 2022, and June 30, 2022; 12,852,968 and 12,888,950 shares outstanding at September 30, 2022, and June 30, 2022, respectively	347	-	347
Common stock (class B) - \$0.025 par value; nonvoting; 4,500,000 shares authorized; no shares issued	-	-	-
Convertible common stock (class C) - \$0.025 par value; voting; 3,500,000 shares authorized; 2,068,549 shares issued and outstanding at September 30, 2022, and June 30, 2022	52	-	52
Additional paid-in-capital	16,440	-	16,440
Treasury stock, class A shares at cost; 1,014,031 shares and 978,049 shares at September 30, 2022, and June 30, 2022, respectively	(2,722)	-	(2,722)
Accumulated comprehensive income, net of tax	3,785	(647)	3,138
Retained earnings	37,765	(1,691)	36,074
Total Shareholders' Equity	55,667	(2,338)	53,329
Total Liabilities and Shareholders' Equity	\$ 59,323	\$ (2,338)	\$ 56,985

CONSOLIDATED STATEMENT OF OPERATIONS (UNAUDITED)
(dollars in thousands, except per share data)

	Three Months Ended September 30, 2022		
	As Previously Reported	Restatement Adjustments	As Restated
Operating Revenues			
Advisory fees	\$ 4,377	\$ -	\$ 4,377
Administrative services fees	35	-	35
	<u>4,412</u>	<u>-</u>	<u>4,412</u>
Operating Expenses			
Employee compensation and benefits	1,175	-	1,175
General and administrative	1,504	-	1,504
Advertising	86	-	86
Depreciation	61	-	61
Interest	1	-	1
	<u>2,827</u>	<u>-</u>	<u>2,827</u>
Operating Income	1,585	-	1,585
Other Income (Loss)			
Investment loss	(1,447)	(13)	(1,460)
Income from equity method investments	-	-	-
Other income	61	-	61
	<u>(1,386)</u>	<u>(13)</u>	<u>(1,399)</u>
Income Before Income Taxes	199	(13)	186
Provision for Income Taxes			
Tax expense	81	(2)	79
Net Income	<u>\$ 118</u>	<u>\$ (11)</u>	<u>\$ 107</u>
Basic Net Income per Share	<u>\$ 0.01</u>	<u>\$ -</u>	<u>\$ 0.01</u>
Diluted Net Income per Share	<u>\$ 0.01</u>	<u>\$ -</u>	<u>\$ 0.01</u>
Basic weighted average number of common shares outstanding	14,948,688		14,948,688
Diluted weighted average number of common shares outstanding	14,949,275		14,949,275

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)

	Three Months Ended September 30, 2022		
	As Previously Reported	Restatement Adjustments	As Restated
Net Income	\$ 118	\$ (11)	\$ 107
Other Comprehensive Income (Loss), Net of Tax:			
Unrealized losses on available-for-sale securities arising during period	(120)	5	(115)
Less: reclassification adjustment for gains included in net income	(371)	-	(371)
Net change from available-for-sale securities, net of tax	(491)	5	(486)
Foreign currency translation adjustment	-	-	-
Other Comprehensive Loss	(491)	5	(486)
Comprehensive Income (Loss)	<u>\$ (373)</u>	<u>\$ (6)</u>	<u>\$ (379)</u>

CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY (UNAUDITED)

	Common Stock (class A) Shares	Common Stock (class A)	Common Stock (class C) Shares	Common Stock (class C)	Additional Paid-in Capital	Treasury Stock Shares	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total
<i>(dollars in thousands)</i>										
As Previously Reported:										
Balance at June 30, 2022	13,866,999	\$ 347	2,068,549	\$ 52	\$ 16,438	978,049	\$ (2,599)	\$ 4,276	\$ 37,982	\$ 56,496
Purchases of shares of Common Stock (class A)	-	-	-	-	-	39,965	(133)	-	-	(133)
Issuance of stock under ESPP of shares of Common Stock (class A)	-	-	-	-	3	(3,983)	10	-	-	13
Share-based compensation, adjustment for forfeitures, net of tax	-	-	-	-	(1)	-	-	-	-	(1)
Dividends declared	-	-	-	-	-	-	-	-	(335)	(335)
Other comprehensive loss, net of tax	-	-	-	-	-	-	-	(491)	-	(491)
Net Income	-	-	-	-	-	-	-	-	118	118
Balance at September 30, 2022	<u>13,866,999</u>	<u>\$ 347</u>	<u>2,068,549</u>	<u>\$ 52</u>	<u>\$ 16,440</u>	<u>1,014,031</u>	<u>\$ (2,722)</u>	<u>\$ 3,785</u>	<u>\$ 37,765</u>	<u>\$ 55,667</u>
Restatement Adjustments:										
Other comprehensive loss, net of tax	-	-	-	-	-	-	-	5	-	5
Net income	-	-	-	-	-	-	-	-	(11)	(11)
As Restated:										
Balance at June 30, 2022 (As Previously Reported)	13,866,999	\$ 347	2,068,549	\$ 52	\$ 16,438	978,049	\$ (2,599)	\$ 4,276	\$ 37,982	\$ 56,496
Restatement adjustments	-	-	-	-	-	-	-	(652)	(1,680)	(2,332)
Balance at June 30, 2022 (As Restated)	13,866,999	\$ 347	2,068,549	\$ 52	\$ 16,438	978,049	\$ (2,599)	\$ 3,624	\$ 36,302	\$ 54,164
Purchases of shares of Common Stock (class A)	-	-	-	-	-	39,965	(133)	-	-	(133)
Issuance of stock under ESPP of shares of Common Stock (class A)	-	-	-	-	3	(3,983)	10	-	-	13
Share-based compensation, adjustment for forfeitures, net of tax	-	-	-	-	(1)	-	-	-	-	(1)
Dividends declared	-	-	-	-	-	-	-	-	(335)	(335)
Other comprehensive loss, net of tax	-	-	-	-	-	-	-	(486)	-	(486)
Net Income	-	-	-	-	-	-	-	-	107	107
Balance at September 30, 2022	<u>13,866,999</u>	<u>\$ 347</u>	<u>2,068,549</u>	<u>\$ 52</u>	<u>\$ 16,440</u>	<u>1,014,031</u>	<u>\$ (2,722)</u>	<u>\$ 3,138</u>	<u>\$ 36,074</u>	<u>\$ 53,329</u>

CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

	Three Months Ended September 30, 2022		
	As Previously Reported	Restatement Adjustments	As Restated
<i>(dollars in thousands)</i>			
Cash Flows from Operating Activities:			
Net Income	\$ 118	\$ (11)	\$ 107
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation, amortization and accretion	(77)	-	(77)
Net recognized loss on disposal of fixed assets	3	-	3
Net realized gains on securities	(469)	-	(469)
Unrealized losses on securities	1,917	13	1,930
Net income from equity method investment	-	-	-
Provision for deferred taxes	(369)	(2)	(371)
Stock-based compensation expense	-	-	-
Changes in operating assets and liabilities:			
Accounts and other receivables	508	-	508
Prepaid expenses and other assets	78	-	78
Accounts payable and accrued expenses	(534)	-	(534)
Total adjustments	1,057	11	1,068
Net cash provided by operating activities	1,175	-	1,175
Cash Flows from Investing Activities:			
Purchase of property and equipment	(14)	-	(14)
Purchase of other investments	(477)	-	(477)
Proceeds on sale of equity securities at fair value, non-current	-	-	-
Proceeds from principal paydowns of available-for-sale debt securities at fair value	750	-	750
Return of capital on other investments	2	-	2
Net cash provided by investing activities	261	-	261
Cash Flows from Financing Activities:			
Principal payments on financing lease	(7)	-	(7)
Issuance of common stock	13	-	13
Repurchases of common stock	(133)	-	(133)
Dividends paid	(336)	-	(336)
Net cash used in financing activities	(463)	-	(463)
Net increase in cash, cash equivalents, and restricted cash	973	-	973
Beginning cash, cash equivalents, and restricted cash	23,314	-	23,314
Ending cash, cash equivalents, and restricted cash	\$ 24,287	\$ -	\$ 24,287
Supplemental Disclosures of Non-Cash Investing and Financing Activities			
Dividends declared but not paid	\$ 336	\$ -	\$ 336
Unsettled sales of non-current investments	\$ -	\$ -	\$ -
Unsettled class A common stock repurchases	\$ 10	\$ -	\$ 10
Supplemental Disclosures of Cash Flow Information			
Cash paid for income taxes	\$ -	\$ -	\$ -

NOTE 2. 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/A-2 for the fiscal year ended June 30, 2022.

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.

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 3 and 4. 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 4 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 is not deemed to be the primary beneficiary because it does not have the obligation to absorb a majority of the expected losses or the right to receive the majority of the residual returns. 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 \$12.6 million at September 30, 2022, and \$12.8 million at June 30, 2022.

The carrying amount of assets and liabilities recognized in the Consolidated Balance Sheets related to the Company’s interests in these non-consolidated VIEs were as follows:

	Carrying Value and Maximum Exposure to Loss	
	September 30, 2022	June 30, 2022
<i>(dollars in thousands)</i>		
Investments in securities at fair value, current	\$ 11,963	\$ 12,138
Investments in equity securities at fair value, non-current	608	623
Other receivables	11	21
Total VIE assets, maximum exposure to loss	<u>12,582</u>	<u>12,782</u>
Other accrued expenses	-	110
Total carrying amount	<u>\$ 12,582</u>	<u>\$ 12,672</u>

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.

During the three months ended September 30, 2021, the Company held a variable interest in a fund organized as a limited partnership, but this entity did not qualify as a VIE. Since it was 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 did 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 had been accounted for under the equity method of accounting. During fiscal 2022, this entity was dissolved. See further information about this investment in Note 3.

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 three months ended September 30, 2022, are not necessarily indicative of the results the Company may expect for the fiscal year ending June 30, 2023 (“fiscal 2023”).

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; interim disclosures generally do not repeat those in the annual statements.

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 if this guidance will have a material effect to 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 standard became effective for the Company on July 1, 2021. The adoption of the standard did not have a material impact on the Company’s consolidated financial statements or disclosures.

In June 2022, the FASB issued ASU 2022-03, *Fair Value Measurement (Topic 820), Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions* (“ASU 2022-03”). The FASB issued ASU 2022-03 (1) to clarify the guidance in Topic 820, Fair Value Measurement, when measuring the fair value of an equity security subject to contractual restrictions that prohibit the sale of an equity security, (2) to amend a related illustrative example, and (3) to introduce new disclosure requirements for equity securities subject to contractual sale restrictions that are measured at fair value in accordance with Topic 820. ASU 2022-03 will be effective for fiscal years beginning after December 15, 2023. Early adoption is permitted for both interim and annual financial statements that have not yet been issued or made available for issuance. The Company is currently evaluating the potential impact of this standard on its consolidated financial statements.

NOTE 3. INVESTMENTS

As of September 30, 2022, the Company held investments carried at fair value on a recurring basis of \$24.1 million and a cost basis of \$28.4 million. The fair value of these investments is approximately 42.2 percent of the Company’s total assets at September 30, 2022. In addition, the Company held other investments of approximately \$2.6 million and held-to-maturity debt investments of \$1.0 million.

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.

Concentrations of Credit Risk

A significant portion of the Company’s investments carried at fair value on a recurring basis is investments in USGIF, which were \$12.6 million and \$12.8 million as of September 30, 2022, and June 30, 2022, respectively, and investments in HIVE Blockchain Technologies Ltd. (“HIVE”), which were warrants and convertible debentures valued at \$10.4 million at September 30, 2022, and \$11.1 million at June 30, 2022. For these investments, the maximum amount of loss due to credit risk the Company could incur is the fair value of the financial instruments.

Fair Value Hierarchy

Fair value is defined 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. The valuation techniques described below maximize the use of observable inputs and minimize the use of unobservable inputs in determining fair value.

The inputs used for measuring financial instruments at fair value are summarized in the three broad levels listed below:

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.

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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, the risk-free interest rate, and historical 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.

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 tables summarize the major categories of investments with fair values adjusted on a recurring basis as of September 30, 2022, and June 30, 2022, and other investments with fair values adjusted on a nonrecurring basis, with fair values shown according to the fair value hierarchy.

	September 30, 2022 (As Restated)			Total
	Quoted Prices (Level 1)	Significant Other Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
<i>(dollars in thousands)</i>				
Investments carried at fair value on a recurring basis:				
Investments in equity securities:				
Equities - International	\$ 1,100	\$ -	\$ 535	\$ 1,635
Mutual funds - Fixed income	11,963	-	-	11,963
Mutual funds - Global equity	608	-	-	608
Total investments in equity securities:	<u>\$ 13,671</u>	<u>\$ -</u>	<u>\$ 535</u>	<u>\$ 14,206</u>
Investments in debt securities:				
Available-for-sale - Convertible debentures	-	-	9,866	9,866
Total investments carried at fair value on a recurring basis:	<u>\$ 13,671</u>	<u>\$ -</u>	<u>\$ 10,401</u>	<u>\$ 24,072</u>
Investments carried at fair value on a nonrecurring basis:				
Other investments ⁽¹⁾	\$ -	\$ -	\$ 1,436	\$ 1,436

¹ Other investments include equity securities without readily determinable fair values that were adjusted as a result of the measurement alternative on dates during the three months ended September 30, 2022. These securities are classified as level 3 due to the infrequency of the observable price changes and/or restrictions on the shares.

	June 30, 2022			
	Quoted Prices (Level 1)	Significant Other Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
<i>(dollars in thousands)</i>				
Investments carried at fair value on a recurring basis:				
Investments in equity securities:				
Equities - International	\$ 1,024	\$ -	\$ 515	\$ 1,539
Mutual funds - Fixed income	12,138	-	-	12,138
Mutual funds - Global equity	623	-	-	623
Total investments in equity securities:	<u>\$ 13,785</u>	<u>\$ -</u>	<u>\$ 515</u>	<u>\$ 14,300</u>
Investments in debt securities:				
Available-for-sale - Convertible debentures	-	-	10,625	10,625
Total investments carried at fair value on a recurring basis:	<u>\$ 13,785</u>	<u>\$ -</u>	<u>\$ 11,140</u>	<u>\$ 24,925</u>
Investments carried at fair value on a nonrecurring basis:				
Other investments ⁽¹⁾	\$ -	\$ -	\$ 781	\$ 781

1. *Other investments include equity securities without readily determinable fair values that were adjusted as a result of the measurement alternative on dates during the fiscal year ended June 30, 2022. These securities are classified as level 3 due to the infrequency of the observable price changes and/or restrictions on the shares.*

The securities classified as Level 3 and carried at fair value on a recurring basis in the preceding tables are investments in HIVE Blockchain Technologies Ltd. (“HIVE”), which were warrants and convertible debentures valued at \$10.4 million at September 30, 2022, and \$11.1 million at June 30, 2022. The Company utilizes an independent third-party to estimate the fair values of the investments in HIVE.

The following table is a reconciliation of investments recorded at fair value for which unobservable inputs (Level 3) were used in determining fair value during the three months ended September 30, 2022.

	September 30, 2022 (As Restated)	
	Investments in equity securities	Investments in debt securities
<i>(dollars in thousands)</i>		
Beginning Balance	\$ 515	\$ 10,625
Principal repayments	-	(750)
Amortization of day one premium	-	(71)
Accretion of bifurcation discount	-	209
Total unrealized gains or losses included in:		
Investment Income (Loss)	20	469
Other Comprehensive Income (Loss)	-	(616)
Ending Balance	<u>\$ 535</u>	<u>\$ 9,866</u>

During the third quarter of fiscal year 2021, the Company purchased convertible securities of HIVE, a company that is headquartered 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. Under the original terms, the principal amount of each debenture was convertible into common shares in the capital of HIVE at a conversion rate of \$2.34, and each whole warrant, expiring in January 2024, entitled the Company to acquire one common share at a price of \$3.00 (Canadian). Under the current terms, which reflect a reverse stock split, the principal amount of each debenture is convertible into common shares in the capital of HIVE at a conversion rate of \$11.70, and each five whole warrants entitles the Company to acquire one common share at a price of \$15.00 (Canadian). The remaining principal amount was \$9.8 million as of September 30, 2022. 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 September 30, 2022, or June 30, 2022. The securities are subject to Canadian securities regulations. Frank Holmes serves on the board as executive chairman of HIVE and held shares and options at September 30, 2022. Effective August 31, 2018, Mr. Holmes was named Interim CEO and Interim Executive Chairman of HIVE. Effective December 22, 2020, Mr. Holmes became the Executive Chairman of HIVE.

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 September 30, 2022, \$469,000 was realized in investment income (loss). During the three months ended September 30, 2021, \$602,000 was realized in investment income (loss). The fair value of the warrants and debentures was \$535,000 and \$9.9 million, respectively, at September 30, 2022, and \$515,000 and \$10.6 million, respectively, at June 30, 2022.

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The Company currently considers the fair value measurements of HIVE convertible securities to contain Level 3 inputs. The following is quantitative information as of September 30, 2022, with respect to the securities measured and carried at fair value on a recurring basis with the use of significant unobservable inputs (Level 3).

<i>(dollars in thousands)</i>	September 30, 2022 (As Restated)		
	Fair Value	Principal Valuation Techniques	Unobservable Inputs
Investments in equity securities:			
Common share purchase warrants	\$ 535	Option pricing model	
			Volatility 92.1%
Investments in debt securities:			
Available-for-sale - Convertible debentures	\$ 9,866	Binomial lattice model	
			Volatility 94.2%
			Credit Adjusted Discount Rate 5.5%

During the fiscal year ended June 30, 2022, the Company sold its investment in Thunderbird Entertainment Group Inc. (“Thunderbird”), a company headquartered and traded in Canada. During the three months ended September 30, 2021, the Company sold approximately 779,000 shares and realized gains on the sales in the amount of \$1.8 million. The Company did not have ownership of Thunderbird as of September 30, 2022. Frank Holmes served on the board of this company as a director from June 2014 to March 2021.

Equity Investments at Fair Value

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.

The following details the components of the Company’s equity investments carried at fair value as of September 30, 2022, and June 30, 2022.

<i>(dollars in thousands)</i>	September 30, 2022 (As Restated)		
	Cost	Unrealized Gains (Losses)	Fair Value
Equity securities at fair value			
Equities - International	\$ 6,680	\$ (5,045)	\$ 1,635
Equities - Domestic	45	(45)	-
Mutual funds - Fixed income	12,313	(350)	11,963
Mutual funds - Global equity	929	(321)	608
Total equity securities at fair value	\$ 19,967	\$ (5,761)	\$ 14,206

<i>(dollars in thousands)</i>	June 30, 2022		
	Cost	Unrealized Gains (Losses)	Fair Value
Equity securities at fair value			
Equities - International	\$ 6,680	\$ (5,141)	\$ 1,539
Equities - Domestic	45	(45)	-
Mutual funds - Fixed income	12,313	(175)	12,138
Mutual funds - Global equity	929	(306)	623
Total equity securities at fair value	\$ 19,967	\$ (5,667)	\$ 14,300

Debt Investments

Investments in debt securities are classified on the acquisition dates and at each balance sheet date. 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.

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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 on available-for-sale debt securities 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 earnings, and the portion of unrealized loss the Company believes is not related to a credit loss is recognized in other comprehensive income.

The following details the components of the Company's available-for-sale debt investments as of September 30, 2022, and June 30, 2022.

	September 30, 2022 (As Restated)			
	Amortized Cost	Gross Unrealized Gains in Other Comprehensive Income (Loss)	Gross Unrealized Losses in Investment Loss	Fair Value
<i>(dollars in thousands)</i>				
Available-for-sale - Convertible debentures(1)	\$ 8,433	\$ 3,972	\$ (2,539)	\$ 9,866

	June 30, 2022			
	Amortized Cost	Gross Unrealized Gains in Other Comprehensive Income (Loss)	Gross Unrealized Losses in Investment Loss	Fair Value
<i>(dollars in thousands)</i>				
Available-for-sale - Convertible debentures(1)	\$ 8,576	\$ 4,588	\$ (2,539)	\$ 10,625

1. Changes in unrealized gains and losses are included in the statement of comprehensive income (loss), except for embedded derivatives. Changes in unrealized gains and losses for embedded derivatives are included in investment income (loss) in the statement of operations.

The following details the components of the Company's held-to-maturity debt investments as of September 30, 2022, and June 30, 2022.

	September 30, 2022			
	Amortized Cost	Gross Unrecognized Holding Gains	Gross Unrecognized Holding Losses	Fair Value
<i>(dollars in thousands)</i>				
Held-to-maturity - Debentures(1)	\$ 1,000	\$ -	\$ (202)	\$ 798

	June 30, 2022			
	Amortized Cost	Gross Unrecognized Holding Gains	Gross Unrecognized Holding Losses	Fair Value
<i>(dollars in thousands)</i>				
Held-to-maturity - Debentures(1)	\$ 1,000	\$ -	\$ (133)	\$ 867

1. Held-to-maturity debt investments are carried at amortized cost, and the fair value is classified as Level 2 according to the fair value hierarchy.

At September 30, 2022, and June 30, 2022, the Company held \$1.0 million in one security classified as held-to-maturity. The security had an estimated fair value that was lower than the carrying value by \$202,000 at September 30, 2022, and \$133,000 at June 30, 2022. We have evaluated the unrealized loss on the security at September 30, 2022, and determined it to be of a temporary nature and caused by fluctuations in market interest rates, not by concerns about the ability of the issuer to meet their obligations. The security has been in a loss position for less than 12 months.

The following summarizes the net carrying amount and estimated fair value of debt securities at September 30, 2022, by contractual maturity dates. Actual maturities may differ from final contractual maturities due to principal repayment installments or prepayment rights held by issuers.

	September 30, 2022 (As Restated)	
	Available-for-sale debt securities	Held-to-maturity debt securities
	Convertible debentures(1)	Due after one year through five years
<i>(dollars in thousands)</i>		
Net Carrying Amount	\$ 8,433	\$ 1,000
Fair Value	\$ 9,866	\$ 798

1. Principal payments of \$750,000 are due quarterly with a final maturity date in January 2026.

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Certain derivatives embedded in other financial instruments, such as the conversion option in a convertible bond, are reported at fair value, and changes in fair value are recorded through earnings within investment income (loss). The host contract continues to be accounted for in accordance with the appropriate accounting standard. The embedded derivative and the related host contract represent one legal contract and are combined on the Consolidated Balance Sheets and the preceding tables. The Company held one financial instrument containing an embedded derivative, which represents an investment in HIVE, at September 30, 2022, and June 30, 2022.

The following table summarizes the fair values of embedded derivatives on the Consolidated Balance Sheet, categorized by risk exposure, at September 30, 2022, and June 30, 2022.

	<u>September 30, 2022</u>	<u>June 30, 2022</u>
	<u>Other Assets</u>	<u>Other Assets</u>
	<u>Investments in available-for-sale debt securities</u>	<u>Investments in available-for-sale debt securities</u>
<i>(dollars in thousands)</i>		
Embedded Derivatives:		
Equity price risk exposure	\$ 3	\$ 3

The following table presents the effect of embedded derivatives on the Consolidated Statements of Operations, categorized by risk exposure, for the three months ended September 30, 2022, and 2021.

	<u>Three Months Ended</u>	
	<u>September 30,</u>	
	<u>2022</u>	<u>2021</u>
	<u>Other Income (Loss)</u>	<u>Other Income (Loss)</u>
	<u>Investment Loss</u>	<u>Investment Loss</u>
<i>(dollars in thousands)</i>		
Embedded Derivatives:		
Equity price risk exposure	\$ -	\$ (438)

Other Investments

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, 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 was approximately \$4.0 million as of June 30, 2022. The following table presents the carrying value of equity securities without readily determinable fair values held as of September 30, 2022, and 2021, that are measured under the measurement alternative and the related adjustments recorded during the periods presented for those securities with observable price changes or impairments. These securities are included in the nonrecurring fair value hierarchy tables when applicable price changes are observable, or when impairments occur.

	<u>Three Months Ended</u>	
	<u>September 30,</u>	
	<u>2022</u>	<u>2021</u>
<i>(dollars in thousands)</i>		
Other Investments		
Carrying value	\$ 2,630	\$ 3,453
Upward carrying value changes	\$ -	\$ -
Downward carrying value changes/impairment	\$ (1,839)	\$ -

The period-end carrying values reflect cumulative purchases and sales in addition to upward and downward carrying value changes. The cumulative amount of upward adjustments to all equity securities without readily determinable fair values total \$2.5 million since their respective acquisitions through September 30, 2022. The cumulative amount of impairments and other downward adjustments, which include return of capital distributions and observable price changes, to all equity securities without readily determinable fair values total \$3.3 million since their respective acquisitions through September 30, 2022.

The Company has an investment in The Sonar Company (“Sonar”), a company headquartered in the United States, at a cost of \$175,000. The investment had a carrying value of approximately \$362,000 at September 30, 2022, and at June 30, 2022. Roy D. Terracina, Director and Vice Chairman of the Board of Directors for U.S. Global, has served as the CEO of Sonar since July 2021, and the Company’s ownership of Sonar was approximately 2.8 percent as of September 30, 2022.

Investments Classified as Equity Method

The Company had an equity method investment in Galileo New Economy Fund LP through its dissolution date, which occurred during the third quarter of fiscal 2022. The Company owned approximately 22 percent of the LP prior to dissolution, and the Company was considered to have the ability to exercise significant influence. Thus, the investment was accounted for under the equity method of accounting. Included in other income (loss) for the three months ended September 30, 2021, is \$15,000 of equity method income for this investment. Upon dissolution, the Company received a distribution, which included cash of \$85,000, and common shares of an investment held in the LP, which had a fair value of approximately \$228,000 when received. Frank Holmes also directly held an investment in the LP and received dissolution proceeds related to his direct investment.

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;
- impairments and observable price changes on equity investments without readily determinable fair values;
- dividend and interest income; and
- realized foreign currency gains and losses.

The following summarizes investment income (loss) reflected in earnings for the periods presented.

	Three Months Ended September 30,	
	2022	2021
	As Restated	
<i>(dollars in thousands)</i>		
Investment loss		
Realized gains on equity securities	\$ -	\$ 1,809
Realized gains on debt securities	469	602
Unrealized losses on equity securities	(1,930)	(2,358)
Unrealized losses on embedded derivatives	-	(438)
Dividend and interest income	418	497
Realized foreign currency losses	(417)	(146)
Total Investment Loss	<u>\$ (1,460)</u>	<u>\$ (34)</u>

For the three months ended September 30, 2022, realized gains on principal payment proceeds in the amount of \$469,000 was released from other comprehensive income (loss). For the three months ended September 30, 2021, realized gains on principal payment proceeds in the amount of \$602,000 was released from other comprehensive income (loss).

The following table presents unrealized gains and losses recognized during the three months ended September 30, 2022, and 2021, on equity investments still held at each respective date.

	Three Months Ended September 30,	
	2022	2021
	As Restated	
<i>(dollars in thousands)</i>		
Net gains (losses) recognized during the period on equity securities	\$ (1,930)	\$ (549)
Less: Net gains (losses) recognized during the period on equity securities sold during the period	-	1,809
Net unrealized gains (losses) recognized during the reporting period on equity securities still held at the reporting date (1)	<u>\$ (1,930)</u>	<u>\$ (2,358)</u>

1. Includes \$1.8 million for the three months ended September 30, 2022, of net losses as a result of the measurement alternative. There were no net gains (losses) as a result of the measurement alternative for the three months ended September 30, 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 4. INVESTMENT MANAGEMENT AND OTHER FEES

The following table presents operating revenues disaggregated by performance obligation.

	Three Months Ended September 30,	
	2022	2021
<i>(dollars in thousands)</i>		
ETF advisory fees	\$ 3,913	\$ 5,316
USGIF advisory fees	610	966
USGIF performance fees earned (paid)	(146)	188
Total Advisory Fees	4,377	6,470
USGIF administrative services fees	35	51
Total Operating Revenue	\$ 4,412	\$ 6,521

The Company serves as investment advisor to three U.S.-based exchange-traded funds (ETFs): U.S. Global Jets ETF (ticker JETS), U.S. Global GO GOLD and Precious Metal Miners ETF (ticker GOAU), and U.S. Global Sea to Sky Cargo ETF (ticker SEA). The Company receives a unitary management fee of 0.60 percent of average net assets of the ETFs, and has agreed to bear all expenses of the ETFs, except the U.S. Global Sea to Sky Cargo ETF. The Company has agreed to contractually limit the expenses of the U.S. Global Sea to Sky Cargo ETF through April 2023. The Company also serves as investment advisor to one European-based ETF, the U.S. Global Jets UCITS ETF. The Company receives a unitary management fee of 0.65 percent of average net assets and has agreed to bear all expenses of the ETF.

The Company serves as investment advisor 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 2023. 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 were \$220,000 for the three months ended September 30, 2022, compared with \$158,000, for the corresponding period in the prior fiscal year. Management cannot predict the impact of future waivers due to 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 on the average daily net assets of each fund.

As of September 30, 2022, the Company had \$1.4 million in receivables from fund clients, of which \$144,000 was from USGIF and \$1.2 million was from the ETFs. As of June 30, 2022, the Company had \$1.6 million in receivables from fund clients, of which \$188,000 was from USGIF and \$1.4 million was from ETFs.

NOTE 5. RESTRICTED AND UNRESTRICTED CASH

The Company maintains its cash deposits with established commercial banks. At times, balances may exceed federally insured limits. We have not experienced any losses in such accounts and do not believe that we are exposed to any significant credit risk associated with our cash deposits. 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.

	September 30, 2022	June 30, 2022
<i>(dollars in thousands)</i>		
Cash and cash equivalents	\$ 23,287	\$ 22,314
Restricted cash	1,000	1,000
Total cash, cash equivalents, and restricted cash	\$ 24,287	\$ 23,314

NOTE 6. LEASES

The Company has lease agreements for office equipment that expire in fiscal year 2026. Lease expense totaled \$23,000 for the three months ended September 30, 2022, and \$39,000 for the three months ended September 30, 2021.

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The following table presents the components of lease expense included in general and administrative expense on the Consolidated Statements of Operations.

	Three Months Ended September 30,	
	2022	2021
<i>(dollars in thousands)</i>		
Finance lease cost:		
Amortization of right-of-use assets	\$ 7	\$ -
Interest on lease liabilities	1	-
Total finance lease cost	8	-
Operating lease cost	-	13
Short-term lease cost	15	26
Total lease cost	<u>\$ 23</u>	<u>\$ 39</u>

Supplemental information related to the Company's leases follows.

	Three Months Ended September 30,	
	2022	2021
<i>(dollars in thousands)</i>		
Operating cash flows from operating leases included in lease liabilities	\$ -	\$ 13
Lease liabilities obtained from new ROU assets - operating	-	-
Operating cash flows from financing leases included in lease liabilities	\$ 1	-
Financing cash flows from financing leases included in lease liabilities	\$ 7	-
Lease liabilities obtained from new ROU assets - financing	\$ -	-

Additional qualitative information concerning the Company's leases follows.

	September 30, 2022	June 30, 2022
Weighted-average remaining lease term - financing leases (years)	3.00	3.25
Weighted-average discount rate - financing leases	4.75%	4.75%

The following table presents the maturities of lease liabilities as of September 30, 2022.

<i>(dollars in thousands)</i>	Finance Leases	
Fiscal Year		
2023 (excluding the three months ended September 30, 2022)	\$	23
2024		31
2025		31
2026		8
2027		-
Total lease payments		93
Less imputed interest		(6)
Total	<u>\$</u>	<u>87</u>

The Company is the lessor of certain areas of its owned office building under operating leases expiring in various months through fiscal year 2025. At the commencement of an operating 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 was \$34,000 and \$26,000, for the three months ended September 30, 2022, and 2021, respectively. The cost of obtaining lessor contracts, which is included in other assets on the Consolidated Balance Sheets, was \$8,000 and \$9,000 at September 30, 2022, and June 30, 2022, respectively.

The following is a summary analysis of annual undiscounted cash flows to be received on leases as of September 30, 2022.

<i>(dollars in thousands)</i>	Operating Leases	
Fiscal Year		
2023 (excluding the three months ended September 30, 2022)	\$	53
2024		42
2025		36
2026		-
2027		-
Thereafter		-
Total lease payments	<u>\$</u>	<u>131</u>

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 7. 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, 2023, and the Company intends to renew annually. The credit facility is collateralized by approximately \$1 million at September 30, 2022, included in 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 September 30, 2022, the credit facility remains unutilized by the Company.

NOTE 8. 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. The dividend rate per share was \$0.0050 per month for July 2021 through September 2021, and \$0.0075 per month for October 2021 through September 2022.

In September 2022, the Board authorized the continuance of the monthly dividend of \$0.0075 per share from October through December 2022, at which time it will be considered for continuation by the Board.

The Company has a share repurchase program, approved by the Board of Directors, authorizing the Company to annually purchase up to \$5.0 million of its outstanding common shares, as market and business conditions warrant, on the open market in compliance with Rule 10b-18 and Rule 10b5-1 of the Securities Exchange Act of 1934. 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 Company announced on February 25, 2022, that the Board of Directors of the Company approved an increase to the limit of its annual share buyback program from \$2.75 million to \$5.0 million. 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 months ended September 30, 2022, and 2021, the Company repurchased 39,965 and 13,647 class A shares using cash of \$133,000 and \$82,000, 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. At September 30, 2022, there were 229,000 options outstanding and exercisable under the 1989 Plan at a weighted average exercise price of \$6.05, and 2,000 options outstanding and exercisable under the 1997 Plan at a weighted average exercise price of \$2.74. At September 30, 2021, there were 231,000 options outstanding and exercisable under the 1989 Plan at a weighted average exercise price of \$6.05, and 2,000 options outstanding and exercisable under the 1997 Plan at a weighted average exercise price of \$2.74. There were no options granted or exercised for the three months ended September 30, 2022, or 2021. There were 2,000 options forfeited for the three months ended September 30, 2022, and no options forfeited during the three months ended September 30, 2021.

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 months ended September 30, 2022. For the three months ended September 30, 2021, \$388,000 was recognized as compensation expense. As of September 30, 2022, there was no unrecognized share-based compensation cost related to share-based awards granted under the plans. As of September 30, 2021, there was \$345,000 unrecognized share-based compensation cost related to share-based awards granted under the plans.

NOTE 9. 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.

	Three Months Ended	
	September 30,	
	2022	2021
	As Restated	
<i>(dollars in thousands, except per share data)</i>		
Net Income	\$ 107	\$ 2,390
Weighted average number of outstanding shares		
Basic	14,948,688	15,030,115
Effect of dilutive securities		
Stock options	587	1,084
Diluted	14,949,275	15,031,199
Earnings Per Share		
Basic Net Income per Share	\$ 0.01	\$ 0.16
Diluted Net Income per Share	\$ 0.01	\$ 0.16

The diluted EPS calculation excludes the effect of stock options when their exercise prices exceed the average market price for the period, as their inclusion would be anti-dilutive. For the three months ended September 30, 2022, employee stock options for 229,000 were excluded from diluted EPS. For the three months ended September 30, 2021, employee stock options for 231,000 were excluded from diluted EPS.

During the three months ended September 30, 2022, and 2021, 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 10. INCOME TAXES

The Company and its non-Canadian subsidiaries file a consolidated U.S. federal income tax return. USCAN files a separate tax return in Canada. 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.

Income tax expense for the quarter is based upon the estimated annual ordinary income in each jurisdiction in which the Company operates. The tax effects of discrete items are recognized in the tax provision in the period they occur in accordance with U.S. GAAP. Due to various factors, such as the item’s significance in relation to total ordinary income and the rate of tax, discrete items in any quarter can materially impact the reported effective tax rate. The effective rate for the three months ended September 30, 2022, and 2021, was materially impacted by ordinary income and losses in each jurisdiction, permanent items and the income tax impact of discrete items.

For U.S. federal income tax purposes at September 30, 2022, the Company has no U.S. federal net operating loss carryovers and no capital loss carryovers. For Canadian income tax purposes, USCAN has \$15,000 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 September 30, 2022, a valuation allowance of \$4,000 was included to fully reserve for Canadian net operating loss carryovers. There was no valuation allowance at June 30, 2022.

NOTE 11. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The following table presents the change in accumulated other comprehensive income (loss) (“AOCI”) by component.

<i>(dollars in thousands)</i>	Unrealized gains (losses) on available- for-sale investments	Foreign currency translation adjustment (1)	Total
Three Months Ended September 30, 2022 (As Restated)			
Balance at June 30, 2022	\$ 3,624	\$ -	\$ 3,624
Other comprehensive loss before reclassifications	(146)	-	(146)
Tax effect	31	-	31
Amount reclassified from AOCI	(469)	-	(469)
Tax effect	98	-	98
Net other comprehensive loss	(486)	-	(486)
Balance at September 30, 2022 (As Restated)	<u>\$ 3,138</u>	<u>\$ -</u>	<u>\$ 3,138</u>
Three Months Ended September 30, 2021			
Balance at June 30, 2021	\$ 6,564	\$ 23	\$ 6,587
Other comprehensive loss before reclassifications	(186)	(12)	(198)
Tax effect	39	-	39
Amount reclassified from AOCI	(602)	-	(602)
Tax effect	126	-	126
Net other comprehensive loss	(623)	(12)	(635)
Balance at September 30, 2021	<u>\$ 5,941</u>	<u>\$ 11</u>	<u>\$ 5,952</u>

1. Amounts include no tax expense or benefit.

NOTE 12. FINANCIAL INFORMATION BY BUSINESS SEGMENT

The Company operates principally in two business segments: 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 following schedule details gross identifiable assets, total revenues, and income by business segment.

<i>(dollars in thousands)</i>	Investment Management Services	Corporate Investments	Consolidated
Three Months Ended September 30, 2022 (As Restated)			
Net operating revenues	\$ 4,412	\$ -	\$ 4,412
Investment loss	\$ -	\$ (1,460)	\$ (1,460)
Other income	\$ 61	\$ -	\$ 61
Income (loss) before income taxes	\$ 1,661	\$ (1,475)	\$ 186
Depreciation	\$ 61	\$ -	\$ 61
Gross identifiable assets at September 30, 2022	\$ 23,607	\$ 32,005	\$ 55,612
Deferred tax asset			\$ 1,373
Consolidated total assets at September 30, 2022			\$ 56,985
Three Months Ended September 30, 2021			
Net operating revenues	\$ 6,521	\$ -	\$ 6,521
Investment loss	\$ -	\$ (34)	\$ (34)
Income from equity method investments	\$ -	\$ 15	\$ 15
Other income	\$ 56	\$ -	\$ 56
Income (loss) before income taxes	\$ 3,113	\$ (209)	\$ 2,904
Depreciation	\$ 48	\$ -	\$ 48
Gross identifiable assets at September 30, 2021	\$ 21,204	\$ 40,713	\$ 61,917

Net operating revenues from investment management services includes operating revenues from USGIF of \$499,000 and \$1.2 million for the three months ended September 30, 2022, and 2021, respectively. Net operating revenues from investment management services also include operating revenues from ETF clients of \$3.9 million and \$5.3 million for the three months ended September 30, 2022, and 2021, respectively.

NOTE 13. 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.

The Board has authorized a monthly dividend of \$0.0075 per share through December 2022, 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. The total amount of cash dividends expected to be paid to class A and class C shareholders from October to December 2022 is approximately \$336,000.

The COVID-19 pandemic and the resulting actions to control or slow the spread have affected global and domestic economies and financial markets, and in the future it or other epidemics, pandemics or outbreaks may adversely affect the Company's results of operations, cash flows and financial position. The Company cannot reasonably estimate the future impact of these events, given the uncertainty over the duration and severity of the economic impact.

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 or other epidemics, pandemics or outbreaks 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

The rapid spread of COVID-19 and actions taken in response 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. Should this emerging macro-economic risk reoccur and 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) did not adversely affect 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: (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.

Investment Management Services

The Company provides advisory services for three U.S.-based exchange-traded fund ("ETF") clients and receives monthly advisory fees based on the net asset values of the funds. Information on the U.S.-based ETFs can be found at www.usglobletfs.com, including the prospectus, performance and holdings. The Company also serves as investment advisor to one European-based ETF and receives a monthly advisory fee based on the net asset value of the fund. The European-based ETF is not available to U.S. investors. 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.

The Company also 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.

At September 30, 2022, total assets under management, including ETF and USGIF clients, were approximately \$2.3 billion versus \$4.3 billion at September 30, 2021, a decrease of \$2.0 billion, or 45.9 percent. During the three months ended September 30, 2022, average assets under management, including ETF and USGIF clients, were \$2.9 billion versus \$4.0 billion during the three months ended September 30, 2021. At June 30, 2022, the Company's prior fiscal year end, total assets under management, including ETF and USGIF clients, were approximately \$2.9 billion, and has decreased \$607.5 million, or 20.9 percent, during the three months ended September 30, 2022.

The following tables summarize the changes in assets under management for USGIF for the three months ended September 30, 2022, and 2021.

	Changes in Assets Under Management					
	Three Months Ended September 30,					
	2022			2021		
<i>(dollars in thousands)</i>	Equity	Fixed Income	Total	Equity	Fixed Income	Total
Beginning Balance	\$ 286,367	\$ 71,161	\$ 357,528	\$ 433,380	\$ 75,842	\$ 509,222
Market depreciation	(19,826)	(758)	(20,584)	(54,585)	(102)	(54,687)
Dividends and distributions	-	(129)	(129)	-	(75)	(75)
Net shareholder redemptions	(6,527)	(3,467)	(9,994)	(8,769)	(625)	(9,394)
Ending Balance	<u>\$ 260,014</u>	<u>\$ 66,807</u>	<u>\$ 326,821</u>	<u>\$ 370,026</u>	<u>\$ 75,040</u>	<u>\$ 445,066</u>
Average investment management fee	0.86%	0.00%	0.69%	0.96%	0.00%	0.81%
Average net assets	\$ 282,446	\$ 69,040	\$ 351,486	\$ 399,442	\$ 74,936	\$ 474,378

As shown above, USGIF period-end assets under management were lower at September 30, 2022, compared to September 30, 2021. Average net assets for the three months in the current fiscal year were lower than the same periods in the previous fiscal year. Both the equity funds and fixed income funds had net market depreciation and net shareholder redemptions for the three months ended September 30, 2022, and for the three months ended September 30, 2021.

The average annualized investment management fee rate (total advisory fees, excluding performance fees, as a percentage of average assets under management) was 69 basis points for the three months ended September 30, 2022, and 81 basis points for the same period in the prior year. The average investment management fee for the equity funds was 86 basis points for the three months ended September 30, 2022, and 96 basis points for the same period 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. Due to fee waivers, the average investment management fee for the fixed income funds was minimal for both periods.

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 September 30, 2022, the Company held investments carried at fair value of \$24.1 million and a cost basis of \$28.4 million. The fair value of these investments is approximately 42.2 percent of the Company's total assets at September 30, 2022. In addition, the Company held other investments of approximately \$2.6 million and held-to-maturity debt investments of \$1.0 million.

Investments recorded at fair value on a recurring basis were approximately \$24.1 million at September 30, 2022, compared to approximately \$24.9 million at June 30, 2022, the Company's prior fiscal year end, which is a decrease of approximately \$853,000. See Note 3, Investments, to the Consolidated Financial Statements of this Quarterly Report on Form 10-Q, for further information regarding investment activities.

RESULTS OF OPERATIONS – Three months ended September 30, 2022, and 2021

The Company posted net income of \$107,000 (\$ 0.01 per share) for the three months ended September 30, 2022, compared with net income of \$2.4 million (\$ 0.16 per share) for the three months ended September 30, 2021, a decrease in net income of approximately \$2.3 million. The change is primarily due to a decrease in operating revenue compared to the same period last year, a decrease in realized investment gains in the current period compared to the same period last year, offset by a decrease in operating expenses compared to the same period last year, as discussed further below.

Operating Revenues

Total consolidated operating revenues for the three months ended September 30, 2022, decreased \$2.1 million, or 32.3 percent, compared with the three months ended September 30, 2021. This decrease was primarily attributable to the following:

- Advisory fees decreased by \$2.1 million, or 32.3 percent, primarily as a result of lower average assets under management in the ETFs and a decrease in base management fees received. Advisory fees are comprised of two components: base management fees and performance fees.
 - Base management fees decreased \$1.8 million. The majority of this decrease was from ETF unitary management fees, which decreased \$1.4 million as the result of a decrease in ETF average assets under management, primarily for the Jets ETF.
 - Performance fees for USGIF paid in the current period were (\$146,000) compared to \$188,000 in performance fees received in the corresponding period in the prior year, a change of \$334,000. 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 September 30, 2022, decreased \$827,000, or 22.6 percent, compared with the three months ended September 30, 2021. The decrease in operating expenses was primarily attributable to a decrease in employee compensation of \$749,000, or 38.9 percent, primarily as a result of a decrease in bonuses in the current period, amortization of employee stock options in the prior period, offset by salary increases for employees. Higher bonuses in the same period last year were related to realized investment gains, company performance, and fund performance. General and administrative expenses decreased by \$94,000, or 5.9 percent, primarily due to lower directors' fees and expenses, primarily due to amortization of stock options.

Other Income (Loss)

Total consolidated other loss for the three months ended September 30, 2022, was \$1.4 million, compared to \$37,000 of other income for the three months ended September 30, 2021, a decrease of approximately \$1.4 million. This change was primarily due to the following factors:

- Investment loss was \$1.5 million for the three months ended September 30, 2022, compared to \$34,000 for the three months ended September 30, 2021, a change of approximately \$1.4 million. This was primarily due to no realized gains on sales of securities in the current period, whereas the same period in the prior year had \$1.8 million realized gains on sales of securities. This was slightly offset by a decrease in unrealized losses on equity securities in the current period. Unrealized losses on equity securities in the current period were \$1.9 million for the three months ended September 30, 2022, compared to \$2.4 million for the three months ended September 30, 2021, a change of \$428,000.
- There was no income from equity method investments for the three months ended September 30, 2022, compared to \$15,000 in income for the three months ended September 30, 2021. The Company's equity method investment was dissolved during fiscal 2022.

Provision for Income Taxes

A tax expense of \$79,000 was recorded for the three months ended September 30, 2022, compared to tax expense of \$514,000 for the three months ended September 30, 2021. The decrease in tax expense was primarily the result of lower operating income in the current period compared to prior period, and realized gains on sales of corporate investments in the prior period. Prior year tax expense was low in comparison to pre-tax income primarily due to net gains on USGI Canada investments, which are taxed at 13.25%, a rate that is lower than the Company's statutory rate. In the current year, the tax expense percentage is high in comparison to pre-tax income primarily due to discrete foreign currency losses for which the Company cannot claim a tax benefit.

LIQUIDITY AND CAPITAL RESOURCES

At September 30, 2022, the Company had net working capital (current assets minus current liabilities) of approximately \$34.6 million, an increase of \$737,000, or 2.2 percent, since June 30, 2022, and a current ratio (current assets divided by current liabilities) of 10.6 to 1. With approximately \$23.3 million in cash and cash equivalents, an increase of \$1.0 million, or 4.4 percent since June 30, 2022, and \$13.7 million in securities carried at fair value on a recurring basis, excluding convertible securities, which together comprise approximately 64.9 percent of total assets, the Company has adequate liquidity to meet its current obligations.

The increase in cash, and accordingly, net working capital, was primarily due to net cash provided by operating activities of \$1.2 million, proceeds from principal paydowns of \$750,000, offset by purchases of investments of \$477,000, repurchases of the Company's common stock of \$133,000, and dividends paid of \$336,000. Consolidated shareholders' equity at September 30, 2022, was \$53.3 million, a decrease of \$835,000, or 1.5 percent since June 30, 2022. The decrease was primarily due to other comprehensive loss of \$486,000, dividends declared of \$335,000, and repurchases of the Company's common stock of \$133,000, slightly offset by net income of \$107,000 for the three months ended September 30, 2022.

The Company also has access to a \$1 million credit facility, which can be utilized 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, 2023, and the Company intends to renew annually. The credit facility is collateralized by approximately \$1 million, included in 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 September 30, 2022, this credit facility remained unutilized by the Company.

Investment advisory contracts pursuant to the Investment Company Act of 1940 and related affiliated contracts in the U.S., by law, may not exceed one year in length and, therefore, must be renewed at least annually after an initial two-year term. The investment advisory and related contracts between the Company and USGIF have been renewed through September 2023. The advisory agreement for the U.S.-based ETFs has been renewed through September 2023.

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, 2022, but may be suspended or discontinued at any time. Cash and securities recorded at fair value on a recurring basis, excluding convertible securities, of approximately \$37.0 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.

The rapid spread of COVID-19 and actions taken in response 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. Should this emerging macro-economic risk reoccur and 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.

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/A-2 for the year ended June 30, 2022.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

COVID-19 had an adverse effect on global and domestic financial markets, which may reoccur and 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.

Macroeconomic declines, including inflation; negative political developments, including volatile market conditions due to investor concerns regarding inflation and potential hostilities between Russia and Ukraine; adverse market conditions; and catastrophic events may cause a decline in the Company’s revenue, an increase in the Company’s costs, negatively affect the Company’s operating results, adversely affect the Company’s cash flow, and could result in a decline in the Company’s stock price.

Investment Management and Administrative Services Fees

Revenues are generally based upon a percentage 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 significant portion of assets under management in equity funds have exposure to international markets and/or natural resource sectors, 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 months ended September 30, 2022, the Company realized a decrease of (\$146,000) in its USGIF base advisory fee, and for the three months ended September 30, 2021, an increase of \$188,000 due to these performance adjustments.

Corporate Investments

The Company’s Consolidated Balance Sheets include substantial amounts of assets whose fair values are subject to market risk. The market risks are primarily associated with equity prices and foreign currency exchange rates. The fair values of corporate investments with exposure to the cryptocurrency industry are subject to considerable volatility.

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.

Equity price risk

Due to the Company’s investments in securities carried at fair value, equity price fluctuations represent a market risk factor affecting the Company’s consolidated financial position. The carrying values of investments subject to equity 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 fair value.

The following table summarizes the Company’s equity price risks in securities recorded at fair value on a recurring basis as of September 30, 2022, and shows the effects of a hypothetical 25 percent increase and a 25 percent decrease in market prices.

<i>(dollars in thousands)</i>	Fair Value at September 30, 2022 (As Restated)	Hypothetical Percentage Change	Estimated Fair Value After Hypothetical Price Change	Estimated Increase (Decrease) in Net Income (Loss) (1)
Equity securities at fair value	\$ 14,206	25% increase	\$ 17,758	\$ 2,806
		25% decrease	\$ 10,655	\$ (2,806)
Embedded derivatives at fair value(2)	\$ 3	25% increase	\$ 4	\$ 1
		25% decrease	\$ 2	\$ (1)

1. Changes in unrealized gains and losses on embedded derivatives and equity securities at fair value are included in earnings in the Consolidated Statements of Operations. The estimated increase (decrease) is after income taxes at the statutory rate in effect as of the balance sheet date.
2. An embedded derivative and its related host contract represent one legal contract and are combined within the investments in available-for-sale debt securities on the Consolidated Balance Sheets.

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.

COVID-19 had an effect on volatility in global and domestic financial markets, which may reoccur and continue for an undetermined period. This may not only adversely affect 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 subject to equity price risk are investments in common share purchase warrants of HIVE Blockchain Technologies Ltd. ("HIVE"), which were valued at \$535,000 at September 30, 2022. Also, the embedded derivatives shown in the above table, which were valued at \$3,000 at September 30, 2022, are related to HIVE convertible debentures. HIVE is discussed in more detail in Note 3, Investments, to the Consolidated Financial Statements of this Quarterly Report on Form 10-Q. HIVE is a company that is headquartered in Canada with cryptocurrency mining facilities in Iceland, Sweden and Canada. Cryptocurrency markets and related stocks have been, and are expected to continue to be, volatile. 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.

Interest rate risk

Due to the Company's investments in debt securities carried at fair value, interest rate fluctuations represent a market risk factor affecting the Company's consolidated financial position. Debt securities may fluctuate in value due to changes in interest rates. Typically, investments subject to interest rate risk will decrease in value when interest rates rise and increase in value when interest rates decline. Fluctuations in interest rates could materially impact the Company's investments in debt securities carried at fair value included on the balance sheet and gains (losses) recognized in investment income.

Foreign currency risk

A portion of cash and certain corporate investments 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

At the time that the Company's Quarterly Report on Form 10-Q for the three months ended September 30, 2022, was originally filed on November 10, 2022, an evaluation was conducted under the supervision and with the participation of the Company's management, including the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), of the effectiveness of the design and operation of the Company's disclosure controls and procedures as of September 30, 2022 (the "Evaluation Date.") Based on that evaluation, the CEO and CFO concluded that, as of the Evaluation Date, the Company's disclosure controls and procedures were effective as of September 30, 2022.

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 September 30, 2022, was conducted under the supervision and with the participation of management, including the Chief Executive Officer and Chief Financial Officer. Based on that reevaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were not effective as of September 30, 2022, due to the existence of the material weakness 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 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.

The material weakness in internal controls over financial reporting that was disclosed in our annual report on Form 10-K/A-2 as of and for the year ended June 30, 2022, was also present as of September 30, 2022.

Management is in the process of designing a remediation plan intended to address this material weakness, which will include taking steps to enhance its evaluation of the qualifications of third-party specialists, more accurately define the scope of work to be performed by such specialists, and improve the review process for work products prepared by specialists. 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.

Other than as described above, there has been no change in the Company's internal control over financial reporting that occurred during the three months ended September 30, 2022, that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

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/A-2 for the year ended June 30, 2022. 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
07-01-22 to 07-31-22	5,897	\$ 25	\$ 4.21	5,897	\$ 4,659
08-01-22 to 08-31-22	2,381	9	3.94	2,381	4,650
09-01-22 to 09-30-22	31,687	99	3.13	31,687	4,551
Total	39,965	\$ 133	\$ 3.34	39,965	

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 2022 of its outstanding class A common stock from time to time on the open market in accordance with all applicable rules and regulations. On February 25, 2022, the Company announced that the Board of Directors of the Company approved an increase to the limit of its annual share buyback program from \$2.75 million to \$5.0 million.
2. The average price paid per share of stock repurchased under the stock repurchase program includes the commissions paid to brokers.
3. The total amount of shares that may be repurchased in 2022 under the program is \$5.0 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: May 24, 2023

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

DATED: May 24, 2023

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: May 24, 2023

/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: May 24, 2023

/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 Amended Quarterly Report of U.S. Global Investors, Inc. (the Company) on Form 10-Q/A for the quarter ended September 30, 2022, 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: May 24, 2023

/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 Amended Quarterly Report of U.S. Global Investors, Inc. (the Company) on Form 10-Q/A for the quarter ended September 30, 2022, 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: May 24, 2023

/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.