

Interim Financial Statements of

Canso Select Opportunities Corporation

March 31, 2021

Table of contents

Interim statements of financial position	2
Interim statements of comprehensive income	3
Interim statements of changes in equity	4
Interim statements of cash flows	5
Notes to interim financial statements	6 - 10

Management's Responsibility for Financial Reporting

The accompanying unaudited interim Financial Statements have been prepared by Management. Management is responsible for the information and representations contained in these interim Financial Statements. Management has maintained appropriate processes to ensure that relevant and reliable financial information is produced. The unaudited interim Financial Statements have been prepared in accordance with International Financial Reporting Standards and include certain amounts based on estimates and assumptions. The significant accounting policies that management believes are appropriate for Canso Select Opportunities Corporation ("CSOC") are described in Note 2 to the unaudited interim Financial Statements.

The Board of Directors is responsible for reviewing and approving CSOC's unaudited interim Financial Statements, overseeing management's performance of its financial reporting responsibilities and engaging the independent auditors. For all share classes of CSOC, the unaudited interim Financial Statements have been reviewed and approved by the Board of Directors.

Approved by the Board of Directors

"Brian Carney" (signed)

Brian Carney
Director

"Shirley Sumsion" (signed)

Shirley Sumsion
Director

NOTICE TO SHAREHOLDERS

CSOC's Board of Directors, appoints independent auditors to audit CSOC's annual Financial Statements. Under Canadian securities laws (National Instrument 51-102), if an auditor has not reviewed the interim Financial Statements, this must be disclosed in an accompanying notice. CSOC's independent auditor has not performed a review of these interim Financial Statements in accordance with the standards established by the Chartered Professional Accountants of Canada.

Canso Select Opportunities Corporation
Interim Statements of Financial Position
As at March 31, 2021 and December 31, 2020
(Unaudited)

	March 31, 2021	December 31, 2020 (Audited)
	\$	\$
Assets		
Current Assets		
Investment in Canso Select Opportunities Fund, FVTPL (Note 6)	10,434,665	9,756,931
Investments through FVTPL (Note 6)	2,546,448	1,524,912
Cash and cash equivalents	76,625	180,992
Prepaid expenses	16,511	11,871
Total Current Assets	13,074,249	11,474,706
Non-current Asset		
Deferred tax assets	389,626	593,990
Total Assets	13,463,875	12,068,696
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	41,110	35,120
Total Current Liabilities	41,110	35,120
Shareholders' Equity		
Share capital (Note 4)	11,109,050	11,109,050
Contributed surplus	4,324,550	4,324,550
Deficiency	(2,010,835)	(3,400,024)
Total Shareholders' Equity	13,422,765	12,033,576
Total Liabilities and Shareholders' Equity	13,463,875	12,068,696
Shareholders' Equity		
Class A Multiple Voting Shares	\$7,834,027	\$7,023,244
Class B Subordinate Voting Shares	\$5,588,738	\$5,010,332
Number of Shares Outstanding		
Class A Multiple Voting Shares	1,621,460	1,621,460
Class B Subordinate Voting Shares	1,156,738	1,156,738
Total Shareholders' Equity per Share		
Class A Multiple Voting Shares	\$4.83	\$4.33
Class B Subordinate Voting Shares	\$4.83	\$4.33

Approved by the Board of Directors

 Brian Carney
 Director

 Shirley Sumsion
 Director

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

Canso Select Opportunities Corporation
Interim Statements of Comprehensive Income
Three months ended March 31, 2021 and 2020
(Unaudited)

	2021	2020
	\$	\$
Revenue		
Dividend income	423	-
Interest income	11,061	14,685
Realized gain (loss) on investment	389,268	(146,691)
Realized foreign exchange gain	-	60,255
Change in unrealized foreign exchange (loss) gain	(2,816)	10,738
Change in unrealized gain (loss) on investments (Note 6)	1,258,278	(1,306,079)
Total Revenue	1,656,214	(1,367,092)
Expenses		
Directors fees	31,559	31,502
Administration	8,796	6,484
Bank charges	271	113
Insurance	4,527	4,577
Professional fees	17,508	9,646
Total Expenses	62,661	52,322
Net income (loss) before income taxes	1,593,553	(1,419,414)
Income tax expense (recovery)		
Current	-	-
Deferred	204,364	(193,059)
Total Income tax expense (recovery)	204,364	(193,059)
Net income (loss) and comprehensive income (loss) for the period	1,389,189	(1,226,355)
Net income (loss), by class		
Class A Multiple Voting Shares	\$810,783	(\$715,747)
Class B Subordinate Voting Shares	\$578,406	(\$510,608)
Net income (loss), per share		
Class A Multiple Voting Shares	\$0.50	(\$0.44)
Class B Subordinate Voting Shares	\$0.50	(\$0.44)

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

Canso Select Opportunities Corporation
Interim Statements of Changes in Equity
Three months ended March 31, 2021 and 2020
(Unaudited)

	2021			
	\$	\$	\$	\$
	Share capital	Contributed surplus	Deficit	Total
<u>Class A Multiple Voting Shares</u>				
Opening balance, January 1, 2021	6,483,656	2,523,969	(1,984,381)	7,023,244
Net income for the period	-	-	810,783	810,783
Balance at March 31, 2021	6,483,656	2,523,969	(1,173,598)	7,834,027
<u>Class B Subordinate Voting Shares</u>				
Opening balance, January 1, 2021	4,625,394	1,800,581	(1,415,643)	5,010,332
Net income for the period	-	-	578,406	578,406
Balance at March 31, 2021	4,625,394	1,800,581	(837,237)	5,588,738
Total	11,109,050	4,324,550	(2,010,835)	13,422,765
	2020			
	\$	\$	\$	\$
	Share capital	Contributed surplus	Deficit	Total
<u>Class A Multiple Voting Shares</u>				
Opening balance, January 1, 2020	8,674,710	332,915	(1,353,261)	7,654,364
Net loss for the period			(715,747)	(715,747)
Balance at March 31, 2020	8,674,710	332,915	(2,069,008)	6,938,617
<u>Class B Subordinate Voting Shares</u>				
Opening balance, January 1, 2020	6,188,476	237,499	(965,406)	5,460,569
Net loss for the period			(510,608)	(510,608)
Balance at March 31, 2020	6,188,476	237,499	(1,476,014)	4,949,961
Total	14,863,186	570,414	(3,545,022)	11,888,578

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

Canso Select Opportunities Corporation
Interim Statements of Cash Flows
Three months ended March 31, 2021 and 2020
(Unaudited)

	2021	2020
	\$	\$
Operating Activities		
Net income (loss)	1,389,189	(1,226,355)
Adjustments for:		
Realized (gain) loss on investment	(389,268)	146,691
Realized foreign exchange gain on investment	-	(59,080)
Interest income receivable	(2,361)	(14,685)
Change in unrealized foreign exchange loss (gain) on investments	2,816	(10,738)
Change in unrealized (appreciation) depreciation on investments	(1,258,278)	1,306,079
Purchase of investments	(502,179)	(1,038,549)
Proceeds from sale of investments	450,000	1,132,793
Prepaid expenses	(4,640)	134
Deferred tax assets	204,364	(193,059)
Accounts payable and accrued liabilities	5,990	27,545
Advances from Canso Investment Counsel Ltd.	-	(11)
Net Cash (Used In) Generated by Operating Activities	(104,367)	70,765
Cash and cash equivalents — Beginning of period	180,992	45,820
Cash and cash equivalents — End of period	76,625	116,585

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

Canso Select Opportunities Corporation
Notes to Interim Financial Statements
Three months ended March 31, 2021
(Unaudited)

1. General Information

Canso Select Opportunities Corporation ("CSOC" or "Company") was incorporated by articles of incorporation under the Ontario Business Corporations Act on February 16, 2018. Effective September 4, 2018, the Class A Multiple Voting Shares and Class B Subordinate Voting Shares of CSOC were eligible to commence trading on the TSX Venture Exchange under the symbols CSOC.A representing the Class A Multiple Voting Shares and CSOC.B representing the Class B Subordinate Voting Shares. Canso Select Opportunities Fund ("CSOF") is a wholly-owned investment held by CSOC. CSOC indirectly holds all of the investments of CSOF through its ownership of CSOF.

CSOC is an Ontario-based investment corporation. The Company's registered head office is 100 York Blvd., Suite 550, Richmond Hill, Ontario, L4B 1J8. CSOC's investment objective is to provide capital gains and dividend income to its shareholders. Consistent with this objective, the Company evaluates potential investments in debt, public and private equity and other securities. The deployment of funds to new investments depends on both the attractiveness of new investment opportunities and the availability of capital as generated from the realization of value from existing portfolio investments.

2. Basis of Presentation and Significant Accounting Policies

These unaudited interim financial statements of CSOC have been prepared in compliance with International Accounting Standard 34, *Interim Financial Reporting*, using accounting policies consistent with International Financial Reporting Standards ("IFRS"). Accordingly, certain information and footnote disclosures normally included in annual financial statements prepared in accordance with IFRS have been omitted or condensed.

The accounting policies applied by CSOC in these interim financial statements are the same as those applied by CSOC in its annual audited financial statements for the year ended December 31, 2020, which were prepared in accordance with IFRS. Since its inception, CSOC has applied IFRS 9, Financial Instruments, which deals with the recognition, derecognition, classification and measurement of financial instruments. CSOC has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

3. Critical Accounting Estimates and Judgements

The preparation of financial statements requires management to use judgement in applying its accounting policies and to make estimates and assumptions about the future. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized in the period in which the estimates are revised and in any future period affected.

There have been no changes in the critical accounting estimates and judgments which were set out in detail in note 3 of CSOC's annual audited financial statements for the year ended December 31, 2020.

4. Share Capital

The Company is authorized to issue an unlimited number of shares of a class designated as Class A Multiple Voting Shares, an unlimited number of shares of a class designated as Class B Subordinate Voting Shares, and an unlimited number of shares of a class designated as Preference Shares.

At March 31, 2021 share capital consists of the following

	Number of shares #	Amount \$
1,621,460 Class A Multiple Voting Shares		6,483,656
1,156,738 Class B Subordinate Voting Shares		4,625,394
		11,109,050
Class A Multiple Voting Shares:		
Class A multiple voting shares outstanding, January 1, 2021	1,621,460	6,483,656
Class A multiple voting shares issued	-	-
Class A multiple voting shares outstanding, March 31, 2021	1,621,460	6,483,656
Class B Subordinate Voting Shares:		
Class B subordinate voting shares outstanding, January 1, 2021	1,156,738	4,625,394
Class B subordinate voting shares issued	-	-
Class B subordinate voting shares outstanding, March 31, 2021	1,156,738	4,625,394
	2,778,198	11,109,050

Canso Select Opportunities Corporation
Notes to Interim Financial Statements
For the three months ended March 31, 2021
(Unaudited)

4. Share Capital (Cont'd)

At March 31, 2020 share capital consisted of the following:

	Number of shares #	Amount \$
1,621,460 Class A Multiple Voting Shares		8,674,710
1,156,738 Class B Subordinate Voting Shares		6,188,476
		<u>14,863,186</u>
Class A Multiple Voting Shares:		
Class A multiple voting shares outstanding, January 1, 2020	1,621,460	8,674,710
Class A multiple voting shares issued	-	-
Class A multiple voting shares outstanding, March 31, 2020	<u>1,621,460</u>	<u>8,674,710</u>
Class B Subordinate Voting Shares:		
Class B subordinate voting shares outstanding, January 1, 2020	1,156,738	6,188,476
Class B subordinate voting shares issued	-	-
Class B subordinate voting shares outstanding, March 31, 2020	<u>1,156,738</u>	<u>6,188,476</u>
	<u>2,778,198</u>	<u>14,863,186</u>

5. Related Party Transactions

On August 1, 2018 CSOC entered into an operational services agreement with Canso Investment Counsel Ltd. ("Canso"). The operational services agreement sets out that Canso will provide the day-to-day operational services to carry out the business affairs of CSOC. Until September 4, 2020, no fees will be payable for services provided by Canso to CSOC. At September 4, 2020, this arrangement was extended whereby no fees will be payable for services provided by Canso to CSOC for a further 12 months. There were no management fees charged for the three months ended March 31, 2021 (March 31, 2020: \$0).

6. Investments

In determining whether CSOC has control or significant influence over an investment, CSOC assesses voting rights, the exposure to variable returns, and its ability to use the voting rights to affect the amount of the returns. CSOC qualifies as an investment entity under IFRS 10, and therefore accounts for investments it controls at fair value through profit and loss. CSOC's primary purpose is defined by its investment objectives and uses the investment strategies available to it as defined in the Circular to meet those objectives. CSOC also measures and evaluates the performance of any investment on a fair value basis. As described in note 1, CSOF is a wholly owned investment of CSOC.

During the period ended March 31, 2021, CSOC reported a net income (loss) of \$1,389,189 (March 31, 2020: (\$1,226,355)) or \$0.50 (March 31, 2020: (\$0.44)) per CSOC Class A and B shares. This is primarily the result of \$479,998 (March 31, 2020: \$(0)) realized gain on disposition of Neptune Acquisition GP Inc. offset by \$90,730 (March 31, 2020: \$152,376) realized loss on redemption of CSOF units and \$1,258,278 (March 31, 2020: \$(1,306,079)) net unrealized mark to market gain (loss) primarily on CSOF's equity holding of Aegis Brands Inc., ClearStream Energy Services Inc. and M-Split.

As at March 31, 2021, CSOC's investment portfolio consists of equity and debt securities in nine different issuers.

Canso Select Opportunities Corporation
Notes to Interim Financial Statements
For the three months ended March 31, 2021
(Unaudited)

6. Investments (Cont'd)

Description	Average Cost \$	Fair Value \$	% of Portfolio
Equities Held Long	1,837,680	1,962,934	77.08%
Brill Power Limited	105,559	111,828	4.39%
Bombardier Inc	17,102	17,510	0.69%
Cenovus Energy Inc Warrant	102,179	141,500	5.56%
Fibracast Special Warrant	400,000	400,000	15.71%
HashTag Paid Inc.	132,837	157,214	6.17%
Nordstar Capital LP	5	4,884	0.19%
MDA Ltd.	879,998	879,998	34.55%
Our Home and Miniature Land Warrant	-	-	0.00%
Reformulary Group Inc.	200,000	250,000	9.82%
Fixed Income	574,000	583,514	22.92%
Nordstar Capital LP	174,000	176,610	6.94%
Our Home and Miniature Land	400,000	406,904	15.98%
CSOC's Investments at Fair Value through Profit or Loss	2,411,680	2,546,448	100.00%

As at March 31, 2021, CSOF's investment portfolio consists of equity and debt securities in 16 different issuers. The portfolio also included cash and cash equivalents.

Description	Average Cost \$	Fair Value \$	% of Portfolio
Cash & Cash Equivalents	3,574,276	3,562,389	34.53%
Equities Held Long	11,059,331	6,753,896	65.47%
Aegis Brands Inc. (previously Second Cup Ltd.)	3,400,936	1,151,262	11.16%
BCE Inc.	44,010	47,044	0.46%
Bird Construction Inc.	511,612	666,345	6.46%
BMO Laddered Preferred Share Index ETF	136,934	156,528	1.52%
Bombardier Inc.	282,022	336,115	3.26%
Canadian Life Companies Split	78,572	87,108	0.84%
ClearStream Energy Services Inc.	2,012,939	474,519	4.60%
ClearStream Energy Services Inc. - Preferred	729,400	510,300	4.95%
Enbridge Inc.	220,912	246,013	2.38%
Hubba, Inc.	509,952	-	0.00%
M-Split	838,474	700,210	6.79%
Manulife Financial Corp	6,744	8,480	0.08%
TC Energy Corp	5,590	6,250	0.06%
Xplornet Mobile Inc.	51,792	51,792	0.50%
Xplornet Wireless Inc.	133,723	133,723	1.30%
Yellow Pages Limited	2,095,719	2,178,207	21.11%
Fixed Income	188,763	186,837	1.81%
US Treasury Bond	188,763	186,837	1.81%
Fixed Income Held Short	(246,472)	(186,837)	(1.81%)
US Treasury Bond	(246,472)	(186,837)	(1.81%)
Grand Total	14,575,898	10,316,285	100.00%
Other Assets, Net of Liabilities		118,380	
CSOF's investment in CSOF at Fair Value Through Profit or Loss		10,434,665	

Canso Select Opportunities Corporation
Notes to Interim Financial Statements
For the three months ended March 31, 2021
(Unaudited)

7. Fair Value Hierarchy

CSOC classifies financial instruments carried at fair value using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The hierarchy has the following levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified as Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is reclassified as Level 3. Management assesses transfers at the time of an event that may cause reason for re-assessment of levelling. The classification within the hierarchy is based on the lowest level input that is significant to the fair value measurement. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability. The determination of what constitutes observable data requires significant judgment by the investment committee. CSOC considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following fair value hierarchy table presents information about CSOF's assets and liabilities measured at fair value, as described in Note 2, as at March 31, 2021 and December 31, 2020 (audited).

As at March 31, 2021	Level 1	Level 2	Level 3	Total
Financial Assets				
Fixed Income - CSOF	\$ 186,837	\$ -	\$ -	\$ 186,837
Equities - CSOF	6,058,081	-	695,815	6,753,896
Fixed Income held in CSOC	-	-	583,514	583,514
Equities held in CSOC	1,039,008	-	923,926	1,962,934
Total	\$ 7,283,926	\$ -	\$ 2,203,255	\$ 9,487,181

As at March 31, 2021	Level 1	Level 2	Level 3	Total
Financial Liabilities				
Fixed income - CSOF	\$ (186,837)	\$ -	\$ -	\$ (186,837)
Equities - CSOF	-	-	-	-
Total	\$ (186,837)	\$ -	\$ -	\$ (186,837)

As at December 31, 2020	Level 1	Level 2	Level 3	Total
Financial Assets				
Fixed Income - CSOF	\$ 1,114,865	\$ -	\$ -	\$ 1,114,865
Equities - CSOF	5,026,641	-	739,560	5,766,201
Fixed Income held in CSOC	-	-	181,153	181,153
Equities held in CSOC	17,017	-	1,326,742	1,343,759
Total	\$ 6,158,523	\$ -	\$ 2,247,455	\$ 8,405,978

As at December 31, 2020	Level 1	Level 2	Level 3	Total
Financial Liabilities				
Fixed income - CSOF	\$ (744,449)	\$ -	\$ -	\$ (744,449)
Equities - CSOF	-	-	-	-
Total	\$ (744,449)	\$ -	\$ -	\$ (744,449)

Canso Select Opportunities Corporation
Notes to Interim Financial Statements
For the three months ended March 31, 2021
(Unaudited)

7. Fair Value Hierarchy (Cont'd)

	March 31, 2021	December 31, 2020
Level 3 Reconciliation		
Balance, beginning of year	\$ 2,247,455	\$ 6,846,139
Purchases - held in CSOC	400,000	1,069,005
Purchases - held in CSOF	-	229,260
Sales - CSOC	(879,998)	(95,000)
Sales - CSOF	(60,214)	(4,721,409)
Realized gains, net - CSOC	479,998	-
Realized gains, net - CSOF	16,469	780,994
Change in unrealized depreciation - CSOF	-	(1,954,858)
Change in unrealized (depreciation) appreciation - held in CSOC	(455)	93,324
Balance, end of period/year	\$ 2,203,255	\$ 2,247,455

The fair value of each Level 3 financial instrument is generally measured using unobservable market inputs with the best information available at the time. Various valuation techniques are utilized, depending on a number of factors including key inputs and assumptions, which are company specific and may include estimated discount rates and expected price volatilities.

The table below presents investments in CSOC and CSOF whose fair values are determined based in valuation techniques that utilize unobservable market inputs. The effects of changing one or more of those inputs are indicated in the table below:

Fair Value	Valuation Technique	Unobservable Input	Reasonable Possible Change in Input	Impact on Fair Value
\$				\$
510,300	CSOF's investments - Private placement financing technique	Price of last capital raise	+/-30%	153,090
1,330,830	CSOC's investments - Private placement financing technique	Price of last capital raise	+/-30%	399,249
176,610	CSOC's investments - Cost approach	Price of last paid	+/-30%	52,983
185,515	CSOF's investments - Relative value technique	The primary unobservable inputs for these securities were taken from financial data provided by the company's management and government publications.	+/-40%	74,206

8. Approval of financial statements

The financial statements were approved by the Board of Directors and authorized for issue on May 26, 2021.