

Interim Financial Statements of

Canso Select Opportunities Corporation

June 30, 2021

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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

(signed) "Heather Mason-Wood"

Heather Mason-Wood
Director

(signed) "Shirley Sumsion"

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 June 30, 2021 and December 31, 2020
(Unaudited)

	June 30, 2021	December 31, 2020 (Audited)
	\$	\$
Assets		
Current Assets		
Investment in Canso Select Opportunities Fund, FVTPL (Note 6)	10,820,452	9,756,931
Investments through FVTPL (Note 6)	3,488,065	1,524,912
Cash and cash equivalents	76,782	180,992
Prepaid expenses	8,911	11,871
Total Current Assets	14,394,210	11,474,706
Non-current Asset		
Deferred tax assets	232,572	593,990
Total Assets	14,626,782	12,068,696
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	51,242	35,120
Total Current Liabilities	51,242	35,120
Shareholders' Equity		
Share capital (Note 4)	11,109,050	11,109,050
Contributed surplus	4,324,550	4,324,550
Deficiency	(858,060)	(3,400,024)
Total Shareholders' Equity	14,575,540	12,033,576
Total Liabilities and Shareholders' Equity	14,626,782	12,068,696
Shareholders' Equity		
Class A Multiple Voting Shares	\$8,506,829	\$7,023,244
Class B Subordinate Voting Shares	\$6,068,711	\$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	\$5.25	\$4.33
Class B Subordinate Voting Shares	\$5.25	\$4.33

Approved by the Board of Directors

(signed) "Heather Mason-Wood" (signed) "Shirley Sumsion"

Heather Mason-Wood
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 and six months ended June 30, 2021 and 2020
(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
	\$	\$	\$	\$
Revenue				
Dividend income	423	423	846	423
Interest income	17,879	-	28,940	14,685
Realized (loss) gain on investment	(85,362)	(168,973)	303,906	(315,664)
Realized foreign exchange gain	-	-	-	60,255
Change in unrealized foreign exchange gain (loss)	34,561	(9,905)	31,745	833
Change in unrealized gain (loss) on investments (Note 6)	1,403,031	71,068	2,661,309	(1,235,011)
Total Revenue	1,370,532	(107,387)	3,026,746	(1,474,479)
Expenses				
Directors fees	31,558	31,502	63,117	63,004
Administration	9,920	10,645	18,716	17,129
Bank charges	87	239	358	352
Insurance	4,577	4,577	9,104	9,154
Professional fees	14,561	12,412	32,069	22,058
Total Expenses	60,703	59,375	123,364	111,697
Net income (loss) before income taxes	1,309,829	(166,762)	2,903,382	(1,586,176)
Income tax expense (recovery)				
Current	-	-	-	-
Deferred	157,054	(19,686)	361,418	(212,745)
Total Income tax expense (recovery)	157,054	(19,686)	361,418	(212,745)
Net income (loss) and comprehensive income (loss) for the period	1,152,775	(147,076)	2,541,964	(1,373,431)
Net income (loss), by class				
Class A Multiple Voting Shares	\$672,802	(\$85,839)	\$1,483,585	(\$801,586)
Class B Subordinate Voting Shares	\$479,973	(\$61,237)	\$1,058,379	(\$571,845)
Net income (loss), per share				
Class A Multiple Voting Shares	\$0.41	(\$0.05)	\$0.91	(\$0.49)
Class B Subordinate Voting Shares	\$0.41	(\$0.05)	\$0.91	(\$0.49)

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

Canso Select Opportunities Corporation
Interim Statements of Changes in Equity
Six months ended June 30, 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	-	-	1,483,585	1,483,585
Balance at June 30, 2021	6,483,656	2,523,969	(500,796)	8,506,829
<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	-	-	1,058,379	1,058,379
Balance at June 30, 2021	4,625,394	1,800,581	(357,264)	6,068,711
Total	11,109,050	4,324,550	(858,060)	14,575,540
	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			(801,586)	(801,586)
Balance at June 30, 2020	8,674,710	332,915	(2,154,847)	6,852,778
<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			(571,845)	(571,845)
Balance at June 30, 2020	6,188,476	237,499	(1,537,251)	4,888,724
Total	14,863,186	570,414	(3,692,098)	11,741,502

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

Canso Select Opportunities Corporation
Interim Statements of Cash Flows
Six months ended June 30, 2021 and 2020
(Unaudited)

	2021	2020
	\$	\$
Operating Activities		
Net income (loss)	2,541,964	(1,373,431)
Adjustments for:		
Realized (gain) loss on investment	(303,906)	315,664
Realized foreign exchange gain on investment	-	(59,081)
Interest income receivable	(19,257)	(14,685)
Change in unrealized foreign exchange gain on investments	(31,745)	(833)
Change in unrealized (appreciation) depreciation on investments	(2,661,309)	1,235,011
Purchase of investments	(940,457)	(1,438,549)
Proceeds from sale of investments	930,000	1,565,100
Prepaid expenses	2,960	3,247
Deferred tax assets	361,418	(212,746)
Accounts payable and accrued liabilities	16,122	(20,461)
Advances from Canso Investment Counsel Ltd.	-	(11)
Net Cash Used In Operating Activities	(104,210)	(775)
Cash and cash equivalents — Beginning of period	180,992	45,820
Cash and cash equivalents — End of period	76,782	45,045

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

Canso Select Opportunities Corporation
Notes to Interim Financial Statements
Six months ended June 30, 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 June 30, 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, June 30, 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, June 30, 2021	1,156,738	4,625,394
	2,778,198	11,109,050

Canso Select Opportunities Corporation
Notes to Interim Financial Statements
For the six months ended June 30, 2021
(Unaudited)

4. Share Capital (Cont'd)

At June 30, 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		<u>6,188,476</u>
		<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, June 30, 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, June 30, 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 six months ended June 30, 2021 (June 30, 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 June 30, 2021, CSOC reported a net income (loss) of \$2,541,964 (June 30, 2020: (\$1,373,431)) or \$0.91 (June 30, 2020: (\$0.49)) per CSOC Class A and B shares. This is primarily the result of \$2,661,309 (June 30, 2020: \$(1,235,011)) net unrealized mark to market gain (loss) primarily on CSOF's equity holding of Aegis Brands Inc., ClearStream Energy Services Inc. and Yellow Pages Limited.

Canso Select Opportunities Corporation
Notes to Interim Financial Statements
For the six months ended June 30, 2021
(Unaudited)

6. Investments (Cont'd)

As at June 30, 2021, CSOC's investment portfolio consists of equity and debt securities in 10 different issuers.

Description	Average Cost \$	Fair Value \$	% of Portfolio
Equities Held Long	1,837,680	2,517,655	72.19%
Brill Power Limited	105,559	110,439	3.17%
Bombardier Inc	17,102	21,658	0.62%
Cenovus Energy Inc Warrant	102,179	189,610	5.44%
Fibracast Special Warrant	400,000	400,000	11.47%
HashTag Paid Inc.	132,837	350,980	10.06%
Nordstar Capital LP	5	134,075	3.84%
MDA Ltd.	879,998	1,021,427	29.29%
Our Home and Miniature Land Warrant	-	-	0.00%
Reformulary Group Inc.	200,000	250,000	7.17%
Smooth Payment Inc. Warrant	-	39,466	1.13%
Fixed Income	944,000	970,410	27.81%
Nordstar Capital LP	144,000	149,800	4.29%
Our Home and Miniature Land	400,000	416,877	11.95%
Smooth Payment Inc.	400,000	403,733	11.57%
CSOC's Investments at Fair Value through Profit or Loss	2,781,680	3,488,065	100.00%

As at June 30, 2021, CSOF's investment portfolio consists of equity and debt securities in 20 different issuers. The portfolio also included cash and cash equivalents.

Canso Select Opportunities Corporation
Notes to Interim Financial Statements
For the six months ended June 30, 2021
(Unaudited)

6. Investments (Cont'd)

Description	Average Cost \$	Fair Value \$	% of Portfolio
Cash & Cash Equivalents	1,456,740	1,456,633	13.15%
Equities Held Long	13,181,772	9,621,536	86.85%
Aegis Brands Inc. (previously Second Cup Ltd.)	3,400,936	1,160,399	10.47%
Bank of Montreal	230,052	230,375	2.08%
BCE Inc.	44,010	53,096	0.48%
Bird Construction Inc.	511,612	657,411	5.93%
BMO Laddered Preferred Share Index ETF	136,608	163,296	1.47%
Bombardier Inc.	282,022	389,866	3.52%
Canadian Life Companies Split	78,572	86,688	0.78%
ClearStream Energy Services Inc.	2,012,939	421,795	3.81%
ClearStream Energy Services Inc. - Preferred	729,400	510,300	4.61%
Enbridge Inc.	220,912	264,272	2.39%
Hertz Global Holdings Inc New	241,319	246,261	2.22%
Hertz Global Holdings Inc	702,675	1,006,515	9.09%
Hubba, Inc.	509,952	-	0.00%
M-Split	838,474	674,280	6.09%
Manulife Financial Corp	497,706	499,040	4.50%
TC Energy Corp	5,590	6,780	0.06%
Toronto Dominion Bank	457,759	456,059	4.12%
Xplornet Mobile Inc.	51,792	51,792	0.47%
Xplornet Wireless Inc.	133,723	133,723	1.21%
Yellow Pages Limited	2,095,719	2,609,588	23.55%
Fixed Income	188,763	197,956	1.79%
US Treasury Bond	188,763	197,956	1.79%
Fixed Income Held Short	(246,472)	(197,956)	(1.79%)
US Treasury Bond	(246,472)	(197,956)	(1.79%)
Grand Total	14,580,803	11,078,169	100.00%
Other Liabilities, Net of Assets		(257,717)	
CSOF's investment in CSOF at Fair Value Through Profit or Loss		10,820,452	

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.

Canso Select Opportunities Corporation
Notes to Interim Financial Statements
For the six months ended June 30, 2021
(Unaudited)

7. Fair Value Hierarchy (Cont'd)

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 June 30, 2021 and December 31, 2020 (audited).

As at June 30, 2021	Level 1	Level 2	Level 3	Total
Financial Assets				
Fixed Income - CSOF	\$ 197,956	\$ -	\$ -	\$ 197,956
Equities - CSOF	8,925,721	-	695,815	9,621,536
Fixed Income held in CSOC	-	-	970,410	970,410
Equities held in CSOC	1,232,695	-	1,284,960	2,517,655
Total	\$ 10,356,372	\$ -	\$ 2,951,185	\$ 13,307,557

As at June 30, 2021	Level 1	Level 2	Level 3	Total
Financial Liabilities				
Fixed income - CSOF	\$ (197,956)	\$ -	\$ -	\$ (197,956)
Equities - CSOF	-	-	-	-
Total	\$ (197,956)	\$ -	\$ -	\$ (197,956)

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)

	June 30, 2021	December 31, 2020
Level 3 Reconciliation		
Balance, beginning of year	\$ 2,247,455	\$ 6,846,139
Purchases - held in CSOC	800,000	1,069,005
Purchases - held in CSOF	-	229,260
Sales - CSOC	(400,000)	(95,000)
Sales - CSOF	(60,214)	(4,721,409)
Realized gains, net - CSOF	16,469	780,994
Change in unrealized depreciation - CSOF	-	(1,954,858)
Change in unrealized appreciation - held in CSOC	347,475	93,324
Balance, end of period/year	\$ 2,951,185	\$ 2,247,455

Canso Select Opportunities Corporation
Notes to Interim Financial Statements
For the six months ended June 30, 2021
(Unaudited)

7. Fair Value Hierarchy (Cont'd)

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
2,105,570	CSOC's investments - Private placement financing technique	Price of last capital raise	+/-30%	631,671
149,800	CSOC's investments - Cost approach	Price of last paid	+/-30%	44,940
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 August 24, 2021.