

Interim Financial Statements of

Canso Select Opportunities Corporation

September 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) "Brian Carney"

Brian Carney
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 September 30, 2021 and December 31, 2020
(Unaudited)

| | September 30, 2021 | December 31, 2020 (Audited) |
|---|--------------------|--------------------------------|
| | \$ | \$ |
| Assets | | |
| Current Assets | | |
| Investment in Canso Select Opportunities Fund, FVTPL (Note 6) | 9,780,098 | 9,756,931 |
| Investments through FVTPL (Note 6) | 4,060,954 | 1,524,912 |
| Cash and cash equivalents | 56,270 | 180,992 |
| Prepaid expenses | 21,529 | 11,871 |
| Total Current Assets | 13,918,851 | 11,474,706 |
| Non-current Asset | | |
| Deferred tax assets | 295,361 | 593,990 |
| Total Assets | 14,214,212 | 12,068,696 |
| Liabilities | | |
| Current Liabilities | | |
| Accounts payable and accrued liabilities | 23,395 | 35,120 |
| Total Current Liabilities | 23,395 | 35,120 |
| Shareholders' Equity | | |
| Share capital (Note 4) | 11,109,050 | 11,109,050 |
| Contributed surplus | 4,324,550 | 4,324,550 |
| Deficiency | (1,242,783) | (3,400,024) |
| Total Shareholders' Equity | 14,190,817 | 12,033,576 |
| Total Liabilities and Shareholders' Equity | 14,214,212 | 12,068,696 |
| Shareholders' Equity | | |
| Class A Multiple Voting Shares | \$8,282,290 | \$7,023,244 |
| Class B Subordinate Voting Shares | \$5,908,527 | \$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 | \$5.11 | \$4.33 |
| Class B Subordinate Voting Shares | \$5.11 | \$4.33 |

Approved by the Board of Directors

(signed) "Brian Carney"

(signed) "Shirley Sumsion"

 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 and nine months ended September 30, 2021 and 2020
(Unaudited)

| | Three months ended September 30, | | Nine months ended September 30, | |
|---|----------------------------------|-----------|---------------------------------|-------------|
| | 2021 | 2020 | 2021 | 2020 |
| | \$ | \$ | \$ | \$ |
| Revenue | | | | |
| Dividend income | 423 | 423 | 1,270 | 846 |
| Interest income | 21,722 | 8,456 | 50,662 | 23,142 |
| Realized (loss) gain on investment | (87,668) | (117,968) | 216,237 | (433,632) |
| Realized foreign exchange gain | - | - | - | 60,255 |
| Change in unrealized foreign exchange gain | 9,815 | 5,724 | 41,560 | 6,556 |
| Change in unrealized (loss) gain on investments (Note 6) | (344,134) | 572,853 | 2,317,175 | (662,158) |
| Total Revenue | (399,842) | 469,488 | 2,626,904 | (1,004,991) |
| Expenses | | | | |
| Directors fees | 31,559 | 31,502 | 94,676 | 94,504 |
| Administration | 6,691 | 7,529 | 25,407 | 24,657 |
| Bank charges | 83 | 196 | 440 | 549 |
| Insurance | 4,847 | 4,628 | 13,951 | 13,782 |
| Professional fees | 4,491 | 4,972 | 36,560 | 27,030 |
| Total Expenses | 47,671 | 48,827 | 171,034 | 160,522 |
| Net (loss) income before income taxes | (447,513) | 420,661 | 2,455,870 | (1,165,513) |
| Income tax (recovery) expense | | | | |
| Current | - | - | - | - |
| Deferred (recovery) expense | (60,255) | 50,445 | 298,629 | (162,301) |
| Total Income tax (recovery) expense | (60,255) | 50,445 | 298,629 | (162,301) |
| Net (loss) income and comprehensive (loss) income for the period | (387,258) | 370,216 | 2,157,241 | (1,003,212) |
| Net (loss) income, by class | | | | |
| Class A Multiple Voting Shares | (\$226,018) | \$216,072 | \$1,259,046 | (\$585,512) |
| Class B Subordinate Voting Shares | (\$161,240) | \$154,144 | \$898,195 | (\$417,700) |
| Net (loss) income, per share | | | | |
| Class A Multiple Voting Shares | (\$0.14) | \$0.13 | \$0.78 | (\$0.36) |
| Class B Subordinate Voting Shares | (\$0.14) | \$0.13 | \$0.78 | (\$0.36) |

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

Canso Select Opportunities Corporation
Interim Statements of Changes in Equity
Nine months ended September 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 | - | - | 1,259,046 | 1,259,046 |
| Balance at September 30, 2021 | 6,483,656 | 2,523,969 | (725,335) | 8,282,290 |
| <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 | - | - | 898,195 | 898,195 |
| Balance at September 30, 2021 | 4,625,394 | 1,800,581 | (517,448) | 5,908,527 |
| Total | 11,109,050 | 4,324,550 | (1,242,783) | 14,190,817 |
| 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 | | | (585,512) | (585,512) |
| Capital transactions: | | | | |
| Stated capital reduction | (2,191,054) | 2,191,054 | - | - |
| Balance at September 30, 2020 | 6,483,656 | 2,523,969 | (1,938,773) | 7,068,852 |
| <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 | | | (417,700) | (417,700) |
| Capital transactions: | | | | |
| Stated capital reduction | (1,563,082) | 1,563,082 | - | - |
| Balance at September 30, 2020 | 4,625,394 | 1,800,581 | (1,383,106) | 5,042,869 |
| Total | 11,109,050 | 4,324,550 | (3,321,879) | 12,111,721 |

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

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

| | 2021 | 2020 |
|---|------------------|----------------|
| | \$ | \$ |
| Operating Activities | | |
| Net income (loss) | 2,157,241 | (1,003,212) |
| Adjustments for: | | |
| Realized (gain) loss on investment | (216,237) | 433,632 |
| Realized foreign exchange gain on investment | - | (59,081) |
| Interest income receivable | (33,779) | (17,392) |
| Change in unrealized foreign exchange gain on investments | (41,560) | (6,556) |
| Change in unrealized (appreciation) depreciation on investments | (2,317,175) | 662,158 |
| Purchase of investments | (1,340,458) | (1,707,554) |
| Proceeds from sale of investments | 1,390,000 | 1,983,369 |
| Prepaid expenses | (9,658) | (7,548) |
| Deferred tax assets | 298,629 | (162,301) |
| Accounts payable and accrued liabilities | (11,725) | (13,148) |
| Advances from Canso Investment Counsel Ltd. | - | (11) |
| Net Cash Used In Operating Activities | (124,722) | 102,356 |
| Cash and cash equivalents — Beginning of period | 180,992 | 45,820 |
| Cash and cash equivalents — End of period | 56,270 | 148,176 |

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

Canso Select Opportunities Corporation
Notes to Interim Financial Statements
Nine months ended September 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 September 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, September 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, September 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 nine months ended September 30, 2021
(Unaudited)

4. Share Capital (Cont'd)

At September 30, 2020 share capital consisted 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 |
| | | <u>11,109,050</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 - stated capital reduction | - | (2,191,054) |
| Class A multiple voting shares outstanding, September 30, 2020 | <u>1,621,460</u> | <u>6,483,656</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 - stated capital reduction | - | (1,563,082) |
| Class B subordinate voting shares outstanding, September 30, 2020 | <u>1,156,738</u> | <u>4,625,394</u> |
| | <u>2,778,198</u> | <u>11,109,050</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 August 1, 2021, no fees will be payable for services provided by Canso to CSOC. At August 1, 2021, 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 nine months ended September 30, 2021 (September 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 September 30, 2021, CSOC reported a net income (loss) of \$2,157,241 (September 30, 2020: (\$1,003,212)) or \$0.78 (September 30, 2020: (\$0.36)) per CSOC Class A and B shares. This is primarily the result of \$2,317,175 (September 30, 2020: \$(662,158)) net unrealized mark to market gain (loss) primarily on CSOC's and CSOF's equity holding of Bird Construction Inc., Bombardier Inc, ClearStream Energy SVCS Inc., HashTag Paid Inc. and Yellow Pages Limited.

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

6. Investments (Cont'd)

As at September 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 | 2,237,680 | 3,076,022 | 75.75% |
| Brill Power Limited | 105,559 | 110,497 | 2.72% |
| Bombardier Inc | 17,102 | 29,223 | 0.72% |
| Cenovus Energy Inc Warrant | 102,179 | 211,684 | 5.21% |
| Fibracast | 800,000 | 840,000 | 20.68% |
| HashTag Paid Inc. | 132,837 | 360,738 | 8.88% |
| Nordstar Capital LP | 5 | 187,013 | 4.61% |
| MDA Ltd. | 879,998 | 1,022,683 | 25.19% |
| Our Home and Miniature Land Warrant | - | - | 0.00% |
| Reformulary Group Inc. | 200,000 | 250,000 | 6.16% |
| Smooth Payment Inc. Warrant | - | 64,184 | 1.58% |
| Fixed Income | 944,000 | 984,932 | 24.25% |
| Nordstar Capital LP | 144,000 | 146,240 | 3.60% |
| Our Home and Miniature Land | 400,000 | 426,959 | 10.51% |
| Smooth Payment Inc. | 400,000 | 411,733 | 10.14% |
| CSOC's Investments at Fair Value through Profit or Loss | 3,181,680 | 4,060,954 | 100.00% |

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

6. Investments (Cont'd)

As at September 30, 2021, CSOF's investment portfolio consists of equity and debt securities in 22 different issuers. The portfolio also included cash and cash equivalents.

| Description | Average Cost \$ | Fair Value \$ | % of Portfolio |
|---|-------------------|------------------|----------------|
| Cash & Cash Equivalents | 231,251 | 231,305 | 2.36% |
| Equities Held Long | 14,222,829 | 9,572,888 | 97.64% |
| Aegis Brands Inc. (previously Second Cup Ltd.) | 3,400,936 | 753,803 | 7.69% |
| Bank of Montreal | 479,994 | 492,274 | 5.02% |
| BCE Inc. | 44,010 | 54,144 | 0.55% |
| Bird Construction Inc. | 511,612 | 732,608 | 7.47% |
| BMO Laddered Preferred Share Index ETF | 136,410 | 165,456 | 1.69% |
| Bombardier Inc. | 282,022 | 481,797 | 4.91% |
| Canadian Life Companies Split | 78,572 | 86,856 | 0.89% |
| ClearStream Energy Services - Preferred | 729,400 | 465,321 | 4.75% |
| ClearStream Energy SVCS Inc. | 2,012,939 | 342,708 | 3.50% |
| Enbridge Inc. | 220,912 | 271,811 | 2.77% |
| Hertz Global Holdings Inc New | 395,164 | 537,432 | 5.48% |
| Hertz Global Holdings Inc | 823,671 | 532,942 | 5.44% |
| Hubba, Inc. | 509,952 | - | 0.00% |
| M-Split | 838,474 | 520,363 | 5.31% |
| Manulife Financial Corp | 497,706 | 515,474 | 5.26% |
| Sun Life Financial Corp | 483,261 | 479,700 | 4.89% |
| TC Energy Corp | 5,590 | 6,800 | 0.07% |
| Toronto Dominion Bank | 490,970 | 506,943 | 5.17% |
| Xplornet Mobile Inc. | 51,792 | 51,792 | 0.53% |
| Xplornet Wireless Inc. | 133,723 | 133,723 | 1.36% |
| Yellow Pages Limited | 2,095,719 | 2,440,941 | 24.89% |
| Fixed Income | 188,763 | 202,312 | 2.06% |
| US Treasury Bond | 188,763 | 202,312 | 2.06% |
| Fixed Income Held Short | (246,472) | (202,312) | (2.06%) |
| US Treasury Bond | (246,472) | (202,312) | (2.06%) |
| Grand Total | 14,396,371 | 9,804,193 | 100.00% |
| Other Liabilities, Net of Assets | | (24,095) | |
| CSOF's investment in CSOF at Fair Value Through Profit or Loss | | 9,780,098 | |

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 nine months ended September 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 September 30, 2021 and December 31, 2020 (audited).

| As at September 30, 2021 | Level 1 | Level 2 | Level 3 | Total |
|---------------------------|----------------------|-------------|---------------------|----------------------|
| Financial Assets | | | | |
| Fixed Income - CSOF | \$ 202,312 | \$ - | \$ - | \$ 202,312 |
| Equities - CSOF | 8,922,052 | - | 650,836 | 9,572,888 |
| Fixed Income held in CSOC | - | - | 984,932 | 984,932 |
| Equities held in CSOC | 1,263,590 | - | 1,812,432 | 3,076,022 |
| Total | \$ 10,387,954 | \$ - | \$ 3,448,200 | \$ 13,836,154 |

| As at September 30, 2021 | Level 1 | Level 2 | Level 3 | Total |
|------------------------------|---------------------|-------------|-------------|---------------------|
| Financial Liabilities | | | | |
| Fixed income - CSOF | \$ (202,312) | \$ - | \$ - | \$ (202,312) |
| Equities - CSOF | - | - | - | - |
| Total | \$ (202,312) | \$ - | \$ - | \$ (202,312) |

| 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) |

| | September 30, 2021 | December 31, 2020 |
|--|---------------------|---------------------|
| Level 3 Reconciliation | | |
| Balance, beginning of year | \$ 2,247,455 | \$ 6,846,139 |
| Purchases - held in CSOC | 1,600,000 | 1,069,005 |
| Purchases - held in CSOF | - | 229,260 |
| Sales - CSOC | (800,000) | (95,000) |
| Sales - CSOF | (60,214) | (4,721,409) |
| Realized gains, net - CSOF | 16,469 | 780,994 |
| Change in unrealized depreciation - CSOF | (44,979) | (1,954,858) |
| Change in unrealized appreciation - held in CSOC | 489,469 | 93,324 |
| Balance, end of period/year | \$ 3,448,200 | \$ 2,247,455 |

Canso Select Opportunities Corporation
Notes to Interim Financial Statements
For the nine months ended September 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 \$ |
|------------------|--|--|--|-------------------------------|
| 465,321 | CSOF's investments - Private placement financing technique | Price of last capital raise | +/-30% | 139,596 |
| 2,464,111 | CSOC's investments - Private placement financing technique | Price of last capital raise | +/-30% | 739,233 |
| 187,013 | CSOC's investments - Internal Model | Nordstar Capital Inc. LP's Financial statements, its ownership in VerticalScope Holdings Inc., and outstanding units as well as a public market price of VerticalScope Holdings Inc. | +/-50% | 93,507 |
| 146,240 | CSOC's investments - Cost approach | Price of last paid | +/-30% | 43,872 |
| 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. Contingency

On August 18, 2021, the Company was notified of a potential lawsuit on a complaint related to the sale of BZ Holdings Inc., whereby the Company is named as a preferred shareholder. The Company has not been served by the plaintiffs with any official documentation regarding the anticipated lawsuit by mail or any other approved means. The case does appear on the California court's electronic docket so there is an accessible public record indicating that the anticipated lawsuit has been filed. The claim is at an early stage and management does not believe that the impact, if any, on the Company's financial statements can reasonably be estimated at this time.

9. Approval of financial statements

The financial statements were approved by the Board of Directors and authorized for issue on November 24, 2021.