Financial Statements of

Canso Select Opportunities Corporation

December 31, 2021 and 2020

Table of contents

Management's Responsibility for Financial Reporting

The accompanying Financial Statements have been prepared by Management. Management is responsible for the information and representations contained in these Financial Statements. Management has maintained appropriate processes to ensure that relevant and reliable financial information is produced. The 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 Financial Statements.

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

Approved by the Board of Directors

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

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Independent Auditor's Report

To the Shareholders and the Board of Directors of
Canso Select Opportunities Corporation

Opinion

We have audited the financial statements of Canso Select Opportunities Corporation (the "Company"), which comprise the statements of financial position as at December 31, 2021 and 2020, and the statements of comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis
- The information, other than the financial statements and our auditor's report thereon, in the Annual Report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

The Annual Report is expected to be made available to us after the date of the auditor's report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor’s report is Michael Darroch.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
March 29, 2022

Canso Select Opportunities Corporation
Statements of Financial Position
As at December 31, 2021 and 2020

	2021 $	2020 $
Assets		
Current Assets		
Investment in Canso Select Opportunities Fund, FVTPL (Note 8)	**10,390,908**	9,756,931
Investments through FVTPL (Note 8)	**3,646,548**	1,524,912
Accrued interest	**62,694**	-
Cash and cash equivalents	**70,487**	180,992
Dividend receivable	**152**	-
Prepaid expenses (Note 7)	**13,267**	11,871
Total Current Assets	**14,184,056**	11,474,706
Non-current Asset		
Deferred tax assets (Note 9)	**269,010**	593,990
Total Assets	**14,453,066**	12,068,696
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities (Note 4)	**42,520**	35,120
Total Liabilities	**42,520**	35,120
Shareholders' Equity		
Share capital (Note 5)	**11,109,050**	11,109,050
Contributed surplus	**4,324,550**	4,324,550
Deficiency	**(1,023,054)**	(3,400,024)
Total Shareholders' Equity	**14,410,546**	12,033,576
Total Liabilities and Shareholders' Equity	**14,453,066**	12,068,696
Shareholders' Equity		
Class A Multiple Voting Shares	**$8,410,532**	$7,023,244
Class B Subordinate Voting Shares	**$6,000,014**	$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	**$5.19**	$4.33
Class B Subordinate Voting Shares	**$5.19**	$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 financial statements.

Canso Select Opportunities Corporation
Statements of Comprehensive Income (Loss)
For the years ended December 31, 2021 and 2020

	2021	2020
	$	$
Revenue		
Dividend income	**1,917**	1,270
Interest income	**72,424**	27,588
Realized gain (loss) on investments (Note 8)	**216,451**	(453,652)
Realized foreign exchange gain	**-**	60,255
Change in unrealized foreign exchange gain	**38,904**	840
Change in unrealized gain (loss) on investments (Note 8)	**2,611,603**	(678,094)
Total Revenue	**2,941,299**	(1,041,793)
Expenses (Notes 6 and 7)		
Directors fees	**126,235**	126,006
Professional fees	**59,039**	44,208
Administration	**34,251**	33,282
Insurance	**19,123**	18,410
Bank charges	**701**	616
Total Expenses	**239,349**	222,522
Net income (loss) before income taxes	**2,701,950**	(1,264,315)
Income tax expense (recovery)		
Deferred (Note 9)	**324,980**	(182,958)
Total Income tax expense (recovery)	**324,980**	(182,958)
Net income (loss) and comprehensive income (loss) for the year	**2,376,970**	(1,081,357)
Net income (loss), by class		
Class A Multiple Voting Shares	**$1,387,288**	($631,120)
Class B Subordinate Voting Shares	**$989,682**	($450,237)
Net income (loss), per share		
Class A Multiple Voting Shares	**$0.86**	($0.39)
Class B Subordinate Voting Shares	**$0.86**	($0.39)

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

Canso Select Opportunities Corporation
Statements of Changes in Equity
For the years ended December 31, 2021 and 2020

	2021			
	$	$	$	$
	Share capital	**Contributed surplus**	**Deficit**	**Total**
Class A Multiple Voting Shares				
Opening balance, January 1, 2021	6,483,656	2,523,969	(1,984,381)	7,023,244
Net income for the year	-	-	1,387,288	1,387,288
Balance at December 31, 2021	**6,483,656**	**2,523,969**	**(597,093)**	**8,410,532**
Class B Subordinate Voting Shares				
Opening balance, January 1, 2021	4,625,394	1,800,581	(1,415,643)	5,010,332
Net income for the year	-	-	989,682	989,682
Balance at December 31, 2021	**4,625,394**	**1,800,581**	**(425,961)**	**6,000,014**
Total	**11,109,050**	**4,324,550**	**(1,023,054)**	**14,410,546**

	2020			
	$	$	$	$
	Share capital	Contributed surplus	Deficit	Total
Class A Multiple Voting Shares				
Opening balance, January 1, 2020	8,674,710	332,915	(1,353,261)	7,654,364
Net loss for the year			(631,120)	(631,120)
Capital transactions:				
Stated capital reduction	(2,191,054)	2,191,054	-	-
Balance at December 31, 2020	6,483,656	2,523,969	(1,984,381)	7,023,244
Class B Subordinate Voting Shares				
Opening balance, January 1, 2020	6,188,476	237,499	(965,406)	5,460,569
Net loss for the year			(450,237)	(450,237)
Capital transactions:				
Stated capital reduction	(1,563,082)	1,563,082	-	-
Balance at December 31, 2020	4,625,394	1,800,581	(1,415,643)	5,010,332
Total	11,109,050	4,324,550	(3,400,024)	12,033,576

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

Canso Select Opportunities Corporation
Statements of Cash Flows
For the years ended December 31, 2021 and 2020

	2021 $	2020 $
Operating Activities		
Net income (loss)	**2,376,970**	(1,081,357)
Adjustments for:		
Realized (gain) loss on investment	**(216,451)**	453,652
Realized foreign exchange gain on investment	**-**	(59,081)
Dividend income receivable	**(153)**	-
Interest income receivable	**(55,541)**	(21,838)
Change in unrealized foreign exchange gain on investments	**(38,904)**	(840)
Change in unrealized (appreciation) depreciation on investments	**(2,611,603)**	678,094
Purchase of investments	**(1,382,432)**	(1,086,107)
Proceeds from sale of investments	**1,486,625**	1,436,922
Prepaid expenses	**(1,396)**	50
Deferred tax assets	**324,980**	(182,958)
Accounts payable and accrued liabilities	**7,400**	(1,354)
Advances from Canso Investment Counsel Ltd.	**-**	(11)
Net Cash (Used In) Generated by Operating Activities	**(110,505)**	135,172
Cash and cash equivalents — Beginning of year	**180,992**	45,820
Cash and cash equivalents — End of year	**70,487**	180,992

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

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 financial statements are presented in Canadian dollars and have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board and as required by Canadian securities legislation and the Canadian Accounting Standards Board. The Company qualifies as an Investment Entity under IFRS 10 'Consolidated Financial Statements' ("IFRS 10"). Entities that meet the definition of an investment entity within IFRS 10, are required to measure their subsidiaries at Fair Value Through Profit or Loss ("FVTPL") rather than consolidate them. The criteria which define an investment entity are as follows: 1) An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services; 2) An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and 3) An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis. In the judgement of management, CSOC meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

The following significant accounting policies were used in the preparation of these financial statements:

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term investments in an active market with original maturities of three months or less, bank overdrafts and money market funds with daily liquidity and all highly liquid financial instruments that mature within three months of being purchased.

Deferred Income Taxes

The Company accounts for income taxes using the liability method, whereby deferred tax assets and liabilities are determined based on differences between the financial reporting and tax bases of assets and liabilities and measured using substantively enacted income tax rates and laws that are expected to be in effect when the differences are expected to reverse. Income tax expense for the period is the tax payable for the period and any change during the period in the deferred tax assets and liabilities. A valuation allowance is provided to the extent that it is not probable that deferred tax assets will be realized.

Shareholders' Equity

CSOC classifies financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments. CSOC's Class A multiple voting shares, and Class B subordinate voting shares do not contain a redemption feature, are therefore not puttable and are classified as equity under IAS 32, Financial Statements.

Foreign Currency

CSOC's functional and presentation currency is the Canadian dollar. Foreign-denominated investments and other foreign-denominated assets and liabilities are translated into Canadian dollars using the exchange rates prevailing on each valuation date. Purchases and sales of investments, as well as income and expense transactions denominated in foreign currencies, are translated using exchange rates prevailing on the date of the transaction. Foreign exchange gains and losses relating to cash and other financial assets and liabilities are presented as 'Foreign exchange gain (loss) on cash and other net assets.

Income Recognition

Dividend income is recognized on the date that the right to receive payment is established, which for quoted equity securities is usually the ex-dividend date. Interest income is measured using the effective interest rate method.

2. Basis of Presentation and Significant Accounting Policies (Cont'd)

Loss per share

Basic loss per share is computed by dividing the net loss available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted loss per share is computed similar to basic loss per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

Share Capital

Share capital of the Company as stated in the financial statements is the same as the Company's legal stated capital.

IFRS 9 Financial Instruments ("IFRS 9")

Since its inception, CSOC has applied IFRS 9, Financial Instruments, which deals with the recognition, derecognition, classification and measurement of financial instruments. IFRS 9 contains two primary measurement categories for financial assets: amortized cost and fair value. A financial asset would be measured at amortized cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, and the asset's contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. Accordingly, cash, prepaid expenses and accounts payable and accrued liabilities are all carried at amortized cost. All other financial assets would be measured at fair value. IFRS 9 also introduces the expected credit loss ("ECL") model for impairment of financial assets measured at amortized cost and debt instruments measured at fair value through other comprehensive income. The ECL impairment model does not have a material impact on the Company's financial assets given that the majority of the Company's financial assets are measured at Fair value through profit or loss.

Financial Assets and Financial Liabilities at Fair Value Through Profit or Loss ("FVTPL")

Assets

CSOC classifies its investments in debt and equity securities and investment funds based on its business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. These financial assets are managed and their performance is evaluated on a fair value basis. CSOC also manages these financial assets with the objective of realizing cash flows through sales. Further, an option to irrevocably designate any equity securities at fair value through other comprehensive income ("FVOCI") has not been taken. Consequently, these financial assets are mandatorily measured at FVTPL.

Liabilities

CSOC may make short sales in which a borrowed security is sold in anticipation of a future decline in its market value or used as an arbitrage strategy.

Financial assets or financial liabilities held for trading are those acquired or incurred principally for the purpose of selling or repurchasing in the near future or on initial recognition they are a part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking. All derivatives and short positions are included in this category and mandatorily measured at FVTPL.

Financial Assets and Financial Liabilities at Amortized Cost

The financial assets and financial liabilities measured at amortized cost include cash, accrued income, prepaid expenses and other short-term receivables and payables.

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.

2. Basis of Presentation and Significant Accounting Policies (Cont'd)
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.

Fair Value Measurements
CSOC measures its investment in CSOF at FVTPL, which is determined based on the fair value of CSOF's assets and liabilities. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and securities) are based on quoted market prices at the close of trading on the period-end date. The quoted market price used for financial assets and financial liabilities of CSOF is the last traded price provided such price is within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, management will determine the points within the bid-ask spread that are most representative of the fair value.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques commonly used by market participants making the maximum use of observable inputs and relying as little as possible on unobservable inputs. Management uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date.

Where available, valuation techniques use market observable assumptions and inputs. If such data is not available, inputs may be derived by reference to similar assets in active markets, from recent prices for comparable transactions or from other observable market data. When measuring fair value, management selects the non-market-observable inputs to be used in its valuation techniques, based on a combination of historical experience, derivation of input levels based on similar products with observable price levels and knowledge of current market conditions and valuation approaches.

Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. However, the fair value measurement objective remains the same, i.e., an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability. Therefore, unobservable inputs reflect the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions held. Valuations are therefore adjusted, where appropriate, to allow for additional factors including model risk, liquidity risk and counterparty risk.

Unlisted debt securities are valued based on observable inputs such as the prices provided by an independent reputable pricing services company who prices the securities based on recent transactions and quotes received from market participants and through incorporating observable market data and using standard market convention practices. Unlisted debt securities for which current quotations are not readily available are valued using another valuation technique as described below.

Management uses widely recognized valuation techniques for determining the fair value of financial and non-financial instruments that are not actively traded and quoted. The most frequently applied valuation techniques include: i) discounted value of expected cash flows, ii) relative value, iii) option pricing methodologies, iv) private placement financing techniques, and v) internally developed models. In some cases, it may be reasonable and appropriate to value at cost, where there has been no material subsequent event affecting value.

2. Basis of Presentation and Significant Accounting Policies (Cont'd)
Fair Value Measurements (Cont'd)

Discounted value of expected cash flows is a valuation technique that measures fair value using estimated expected future cash flows from assets or liabilities and then discounts these cash flows using a discount rate or discount margin that reflects the credit and/or funding spreads required by the market for instruments with similar risk and liquidity profiles to produce a present value. When using such valuation techniques, expected future cash flows are estimated using an observed or implied market price for the future cash flows or by using industry standard cash flow projection models. The discount factors within the calculation are generated using industry standard yield curve modeling techniques and models.

Relative value models measure fair value based on the market prices of equivalent or comparable assets or liabilities, making adjustments for differences between the characteristics of the observed instrument and the instrument being valued.

Option pricing models incorporate assumptions regarding the behavior of future price movements of an underlying referenced asset or assets to generate a probability-weighted future expected payoff for the option. The resulting probability-weighted expected payoff is then discounted using discount factors generated from industry standard yield curve modeling techniques and models. The option pricing model may be implemented using a closed form analytical formula or other mathematical techniques (e.g., binomial tree or Monte Carlo simulation).

For more complex instruments and instruments for which there is no active market, fair values may be estimated using a combination of observed transaction prices, if any, consensus pricing services and relevant broker quotes. Consideration is given to the nature of the quotes (e.g., indicative or firm) and the relationship of recently evidenced market activity to the prices provided by consensus pricing services.

Private placement financings are instances where a company raises capital through an offering of additional securities in the private markets. Pertinent details of such offering, including the terms of such offering, the issue price, and total capital raised are considered when assessing the reasonability that the issue price of such offering approximates fair value. In contrast to public offerings on a recognized exchange, private placement financings are not available to the general public. The Company also uses internally developed models, which are typically based on valuation methods and techniques recognized as standard within the industry. Assumptions and inputs used in valuation techniques include benchmark interest rate curves, credit and funding spreads used in estimating discount rates, bond and equity prices, equity index prices, foreign exchange rates, levels of market volatility and correlation.

Recognition, Derecognition and Measurement
At initial recognition, financial assets and liabilities are measured at fair value. Transaction costs on financial assets and liabilities at fair value through profit or loss are expensed as incurred in the statement of comprehensive income.

Subsequent to initial recognition, financial assets and liabilities at fair value through profit or loss are measured at fair value.

Gains and losses arising from changes in their fair value are included in the statement of comprehensive income for the period in which they arise. Dividend or interest income earned on financial assets at fair value through profit or loss and dividend or interest expense on the financial liabilities at fair value through profit or loss are disclosed in a separate line item in the statement of comprehensive income.

Financial assets are derecognized when the contractual rights to the cash flows from the investments have expired or CSOC has transferred substantially all risks and rewards of ownership. Financial liabilities at fair value through profit or loss are derecognized when the obligation specified in the contract is discharged, cancelled or expired.
Investment transactions are accounted for on a trade date basis. Interest income is recorded on an accrual basis. Realized gains and losses on the disposition of investments, and unrealized appreciation and depreciation of investments, are determined on an average cost basis and are included in the statement of comprehensive income.

Realized gains and losses related to options are included in net realized gain/(loss) on options at fair value through profit or loss. Realized gains and losses relating to written options may arise from expiration of written options whereby realized gains are equivalent to the premium received and from the exercise of written covered call options whereby realized gains or losses are equivalent to the premium received in addition to the realized gains or losses from disposition of the related investments at the exercise price of the option.

2. Basis of Presentation and Significant Accounting Policies (Cont'd)

Accounting Estimates

In the application of the Company`s accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily available from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. The most significant estimates relate to the valuation of investments. Actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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.

The following discusses the most significant accounting judgements that the company has made in preparing the financial statements:

i. Fair value measurement of derivatives and securities not quoted in an active market
CSOC may hold financial instruments that are not quoted in active markets, including derivatives. The determination of the fair value of these instruments is the area with the most significant accounting judgements and estimates CSOC has made in preparing financial statements. See Note 10 for more information on the fair value measurements of CSOC's financial statements.

ii. Deferred tax assets
Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable income will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable income, together with further tax planning strategies.

4. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities are current in nature and will be paid within the next 3 months. The breakdown of the account is as follows:

	December 31, 2021	December 31, 2020
	$	$
Accounts payable and accrued liabilities	**33,404**	25,986
Government remittances	**9,116**	9,134
	42,520	35,120

5. 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. Share capital of the Company as stated in the financial statements is the same as the legal stated capital.

Class A Multiple Voting Shares

The rights, privileges, restrictions and conditions attaching to the Class A Multiple Voting Shares are as follows:

Dividends - The holders of Class A Multiple Voting Shares shall be entitled to receive and the Company shall pay thereon, as and when declared from time to time by the Board of Directors of the Company (the "Board") out of moneys of the Company properly applicable to the payment of dividends, dividends in such amount as the Board shall in its sole discretion determine. Provided, however, that the Board may not declare a dividend on the Class A Multiple Voting Shares without also concurrently declaring a dividend on the Class B Subordinate Voting Shares, and provided further that any time that a dividend is declared on the Class A Multiple Voting Shares and the Class B Subordinate Voting Shares, the dividend on the Class B Subordinate Voting Shares shall be in an amount per share which is $0.05 per share higher than the amount of the dividend declared on the Class A Multiple Voting Shares.

5. Share Capital (cont'd)

Conversion - The Class A Multiple Voting Shares are convertible, at any time, at the option of the holder and without payment of additional consideration, into Class B Subordinate Voting Shares on the basis of one Class B Subordinate Voting Share for each one Class A Multiple Voting Share so converted. A holder of Class A Multiple Voting Shares may convert less than all of the Class A Multiple Voting Shares held, but only a whole number of Class A Multiple Voting Shares may be converted.

Voting - The holders of the Class A Multiple Voting Shares shall be entitled to receive notice of and to attend and vote at all meetings of the shareholders of the Company, in person or by proxy, save and except meetings at which only holders of another class or series of shares are entitled to vote, and each such Class A Multiple Voting Share shall confer the right to thirty (30) votes.

Liquidation - The holders of the Class A Multiple Voting Shares shall be entitled, in the event of any liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or any other distribution of the assets of the Company among its shareholders for purposes of winding-up its affairs, but subject to prior satisfaction of all preferential rights to return of capital on dissolution attached to all shares of other classes of shares of the Company ranking in priority to the Class A Multiple Voting Shares in respect of return of capital on dissolution or winding-up, to share rateably, on a share for share basis, with the holders of Class B Subordinate Voting Shares, in such assets of the Company as are available for distribution.

Class B Subordinate Voting Shares
The rights, privileges, restrictions and conditions attaching to the Class B Subordinate Voting Shares are as follows:

Dividends - The holders of Class B Subordinate Voting Shares shall be entitled to receive, and the Company shall pay thereon, as and when declared from time to time by the Board out of moneys of the Company properly applicable to the payment of dividends, dividends in such amount as the Board shall in its sole discretion determine. Provided, however, that the Board may not declare a dividend on the Class B Subordinate Voting Shares without also concurrently declaring a dividend on the Class A Multiple Voting Shares, and provided further that any time that a dividend is declared on the Class A Multiple Voting Shares and the Class B Subordinate Voting Shares, the dividend on the Class B Subordinate Voting Shares shall be in an amount per share which is $0.05 per share higher than the amount of the dividend declared on the Class A Multiple Voting Shares.

Conversion - In the event that an Exclusionary Offer is made for the Class A Multiple Voting Shares, the Class B Subordinate Voting Shares are, subject to certain conditions, convertible at the option of the holder into Class A

Multiple Voting Shares on a one for one basis for purposes of the holder tendering such converted shares to the Exclusionary Offer.

"Exclusionary Offer" means an offer to purchase Class A Multiple Voting Shares that:

(A) must, by reason of applicable securities legislation or the requirements of a stock exchange on which the Class A Multiple Voting Shares are listed, be made to all or substantially all holders of Class A Multiple Voting Shares who are residents of a province of Canada to which the requirement applies; and

(B) is not made concurrently with an offer to purchase Class B Subordinate Voting Shares that is identical to the offer to purchase Class A Multiple Voting Shares in terms of price per share and percentage of outstanding shares to be taken up exclusive of shares owned immediately prior to the offer by the Class A Offeror, and in all other material respects (except with respect to the conditions that may be attached to the offer for Class A Multiple Voting Shares), and that has no condition attached other than the right not to take up and pay for shares tendered if no shares are purchased pursuant to the offer for Class A Multiple Voting Shares, and for the purposes of this definition if an offer to purchase Class A Multiple Voting Shares is not an Exclusionary Offer as defined above but would be an Exclusionary Offer if it were not for this sub-clause (B), the varying of any term of such offer shall be deemed to constitute the making of a new offer unless an identical variation concurrently is made to the corresponding offer to purchase Class B Subordinate Voting Shares.

Voting - The holders of the Class B Subordinate Voting Shares shall be entitled to receive notice of and to attend and vote at all meetings of the shareholders of the Company, save and except meetings at which only holders of another class or series of shares are entitled to vote, and each such Class B Subordinate Voting Share shall confer the right to one (1) vote in person or by proxy.

5. Share Capital (cont'd)

Class B Subordinate Voting Shares (cont'd)

Liquidation - The holders of the Class B Subordinate Voting Shares shall be entitled, in the event of any liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or any other distribution of the assets of the Company among its shareholders for purposes of winding-up its affairs, but subject to prior satisfaction of all preferential rights to return of capital on dissolution attached to all shares of other classes of shares of the Company ranking in priority to the Class B Subordinate Voting Shares in respect of return of capital on dissolution or winding-up, to share rateably, on a share for share basis, with the holders of Class A Multiple Voting Shares, in such assets of the Company as are available for distribution.

Preference Shares - The Preference Shares may at any time and from time to time be issued in one or more series, to consist of such number of shares as may, before issuance of such series, be fixed by the Board by Articles of Amendment in accordance with the procedure set forth in the Business Corporations Act (Ontario) (the "OBCA") respecting the issuance of shares in series. The Board may, subject to the limitations set forth in the OBCA, fix by Articles of Amendment the designation of each series of Preference Shares and the rights, privileges, restrictions and condition assigned to such series. There are no Preference Shares issued as of December 31, 2021 and 2020.

At December 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, December 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, December 31, 2021	**1,156,738**	**4,625,394**
	2,778,198	**11,109,050**

At December 31, 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
		11,109,050
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, December 31, 2020	1,621,460	6,483,656
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, December 31, 2020	1,156,738	4,625,394
	2,778,198	11,109,050

6. 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. Under the terms of the agreement, until August 1, 2021, no fees are payable for services provided by Canso to CSOC. On August 1, 2021, this arrangement was extended for a further 12 months. There were no management fees charged for the year ended December 31, 2021 (December 31, 2020: $0).

7. Prepaid Expenses
Prepaid expenses substantially consist of a Directors and Officers insurance policy which has an expiry date of August 23, 2022 (2020: August 23, 2021) and is being expensed over the term of the policy.

8. 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 year ended December 31, 2021, CSOC reported a net income (loss) of $2,376,970 (December 31, 2020: ($1,081,357)) or $0.86 (December 31, 2020: ($0.39)) per CSOC Class A and B shares. This is primarily the result of $2,611,603 (December 31, 2020: $(678,094)) 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., Hertz Global Holdings Inc, HashTag Paid Inc. and Yellow Pages Limited.

As at December 31, 2021, CSOC's investment portfolio consists of equity and debt securities in 11 different issuers.

Description	Average Cost $	Fair Value $	% of Portfolio
Equities Held Long	**2,262,553**	**2,702,548**	**74.11%**
Bombardier Inc	41,975	43,970	1.20%
Brill Power Limited	105,559	110,535	3.03%
Cenovus Energy Inc Warrant	102,179	269,133	7.38%
Fibracast	800,000	840,000	23.04%
HashTag Paid Inc.	132,837	358,044	9.82%
Nordstar Capital LP	5	169,540	4.64%
MDA Ltd.	879,998	597,142	16.38%
Our Home and Miniature Land Warrant	-	-	0.00%
Reformulary Group Inc.	200,000	250,000	6.86%
Smooth Payment Inc. May 12, 2021 Warrant	-	39,467	1.08%
Smooth Payment Inc. July 5, 2021 Warrant	-	24,717	0.68%
Fixed Income	**944,000**	**944,000**	**25.89%**
Nordstar Capital LP	144,000	144,000	3.95%
Our Home and Miniature Land	400,000	400,000	10.97%
Smooth Payment Inc.	400,000	400,000	10.97%
CSOC's Investments at Fair Value through Profit or Loss	**3,206,553**	**3,646,548**	**100.00%**

8. Investments (Cont'd)

As at December 31, 2021, CSOF's investment portfolio consists of equity and debt securities in 19 different issuers. The portfolio also includes cash and cash equivalents.

Description	Average Cost $	Fair Value $	% of Portfolio
Cash & Cash Equivalents	**315,355**	**316,667**	**3.05%**
Equities Held Long	**13,570,939**	**10,082,509**	**96.95%**
Aegis Brands Inc. (previously Second Cup Ltd.)	3,400,936	648,727	6.24%
Bank of Montreal	479,994	494,698	4.76%
BCE Inc.	44,010	60,200	0.58%
Bird Construction Inc.	511,612	731,119	7.03%
BMO Laddered Preferred Share Index ETF	136,214	166,752	1.60%
Bombardier Inc.	337,302	423,433	4.07%
Canadian Life Companies Split	78,572	86,184	0.83%
ClearStream Energy Services - Preferred	729,400	465,612	4.48%
ClearStream Energy SVCS Inc.	2,012,939	289,984	2.79%
Enbridge Inc.	220,912	283,937	2.73%
Hertz Global Holdings Inc	1,021,813	1,834,773	17.62%
M-Split	838,474	507,533	4.88%
Manulife Financial Corp	497,706	510,228	4.91%
Sun Life Financial Corp	483,261	463,300	4.46%
TC Energy Corp	5,590	7,040	0.07%
Toronto Dominion Bank	490,970	509,013	4.89%
Xplornet Mobile Inc.	51,792	41,289	0.40%
Xplornet Wireless Inc.	133,723	133,723	1.29%
Yellow Pages Limited	2,095,719	2,424,964	23.32%
Total	**13,886,294**	**10,399,176**	100.00%
Other Liabilities, Net of Assets		(8,268)	
CSOC's investment in CSOF at Fair Value Through Profit or Loss		**10,390,908**	

9. Income Taxes

CSOC, as a public corporation, is subject to income taxes on its net investment income and net realized gain on investments at rates of approximately 26.50% and 13.25%, respectively. Taxable dividends from taxable Canadian corporations, as defined by the Income Tax Act (Canada), are excluded from taxable income. The effective income tax rates for deferred income taxes are approximately 26.50% on investment income and 13.25% on net realized gains/losses.

The Company's recovery of income taxes for the years ended December 31, 2021 and 2020 are summarized as follows:

9. Income Taxes (Cont'd)

	December 31, 2021		December 31, 2020	
	$	**%**	$	%
Net income (loss) before income taxes	**2,701,950**	**100.0%**	(1,264,315)	100.0%
Expected taxes expense (recoverable) at future rates - 26.5%	**716,017**	**26.5%**	(335,043)	26.5%
Income tax effect of the following:				
Non-deductible expenses	**-**	**0.0**	3	(0.0%)
Non-taxable income	**(509)**	**(0.0%)**	-	0.0%
Return to provision adjustments	**(10,656)**	**(0.4%)**	10,221	(0.8%)
Non-taxable portion of realized capital (gain) loss	**(28,680)**	**(1.1%)**	52,125	(4.1%)
Non-taxable portion of unrealized capital (gain) loss	**(351,192)**	**(13.0%)**	89,736	(7.1%)
	324,980	**12.0%**	(182,958)	14.5%

The income tax recovery is represented as follows:

	December 31, 2021	December 31, 2020
	$	**$**
Current tax expense	**-**	-
Deferred tax expense (recovery)	**324,980**	(182,958)
	324,980	(182,958)

As at December 31, 2021, CSOC had a deferred tax asset of $269,010 (2020: $593,990) relating to non-capital losses and a realized and unrealized losses on its investments. The components of the Company's deferred income tax asset are as follows:

	December 31, 2021	December 31, 2020
	$	**$**
Intangible Property	**9,311**	-
Non-Capital Losses	**110,227**	93,326
Realized Capital Losses	**56,599**	56,599
Unrealized Losses	**92,873**	444,065
	269,010	593,990

CSOC has non-capital losses of $415,952 (2020: $352,176) available to offset future taxable income, and if not utilized, will expire as follows:

	$
2038	86,277
2039	72,246
2040	196,881
2041	60,548
	415,952

CSOC also has realized capital losses of $427,165 (2020: $427,165) which can be applied against future capital gains that do not have an expiry date.

10. Fair Value Hierarchy

The following fair value hierarchy table presents information about CSOC's and CSOF's assets and liabilities measured at fair value, as described in Note 2, as at December 31, 2021 and 2020. During the year ended December 31, 2021, there were no transfers between levels (December 31, 2020: nil).

10. Fair Value Hierarchy (Cont'd)

As at December 31, 2021	Level 1	Level 2	Level 3	Total
Financial Assets				
Fixed Income held in CSOF	$ -	$ -	$ -	$ -
Equities held in CSOF	9,441,885	-	640,624	10,082,509
Fixed Income held in CSOC	-	-	944,000	944,000
Equities held in CSOC	910,245	-	1,792,303	2,702,548
Total	$ 10,352,130	$ -	$ 3,376,927	$ 13,729,057

As at December 31, 2021	Level 1	Level 2	Level 3	Total
Financial Liabilities				
Fixed income held in CSOF	$ -	$ -	$ -	$ -
Total	$ -	$ -	$ -	$ -

As at December 31, 2020	Level 1	Level 2	Level 3	Total
Financial Assets				
Fixed Income held in CSOF	$ 1,114,865	$ -	$ -	$ 1,114,865
Equities held in 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 held in CSOF	$ (744,449)	$ -	$ -	$ (744,449)
Total	$ (744,449)	$ -	$ -	$ (744,449)

	December 31, 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 (losses) gains, net - CSOF	(493,483)	780,994
Change in unrealized appreciation (depreciation) - CSOF	454,761	(1,954,858)
Change in unrealized appreciation - held in CSOC	428,408	93,324
Balance, end of year	$ 3,376,927	$ 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.

10. Fair Value Hierarchy (Cont'd)

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 indiciated in the table below:

Fair Value $	Valuation Technique	Unobservable Input	Reasonable Possible Change in Input	Impact on Fair Value $
2,022,763	CSOC's investments - Private placement financing technique	Price of last capital raise	+/-30%	606,829
400,000	CSOC's investments - Private placement financing technique	Price of last capital raise	+30%/-10%	+125,920/-41,973
169,540	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%	84,770
144,000	CSOC's investments - Cost approach	The primary unobservable input for this security is the last price that CSOC paid.	+/-30%	43,200
465,612	CSOF's investments - Relative value technique	The primary unobservable input is the Clearstream Senior Secured Bond Price which comes from a third party.	+/-30%	139,684
175,012	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%	70,005

11. Risk Management

CSOC's activities expose it to a variety of financial risks in the normal course of operations. These include credit risk, liquidity risk, and market risk (including interest rate risk, currency risk, and price risk). The value of the investments in the Company's portfolio can fluctuate as a result of changes in interest rates, general economic conditions, supply and demand conditions relating to specific securities, or news relating to a specific issuer. In order to manage risk, the investment committee will diversify the portfolio based on industry and credit rating category. As at December 31, 2021, the financial risks are coming from CSOC's investment in CSOF and its other investments. Significant risks that are relevant to the Company are discussed below.

Credit Risk

Credit risk is the risk of financial loss that could arise from a security issuer or counterparty to a financial instrument not being able to meet its financial obligations. The Company's main exposure to credit risk consists of investments in debt instruments, such as bonds. To manage this risk, the investment committee monitors the Company's credit exposure and counterparty ratings. The Company measures credit risk and lifetime expected credit losses related to the trade receivables using historical analysis and forward-looking information in determining the expected credit loss.
CSOF was not exposed to credit risk as at December 31, 2021. As at December 31, 2021, the only credit risks are coming from CSOC's investment in 3 different issuers.

CSOF had invested long (short) in debt instruments with the following credit ratings:

As a % of CSOF's net assets	December 31, 2021		December 31, 2020	
Credit Exposure	**$**	**%**	**$**	**%**
AAA	**-**	**0.0%**	(744,449)	(7.6%)
AA	**-**	**0.0%**	374,982	3.8%
BB+	**-**	**0.0%**	739,883	7.6%
Not Rated	**-**	**0.0%**	-	0.0%

CSOC had directly invested in debt instruments with the following credit ratings:

As a % of CSOC's net assets	December 31, 2021		December 31, 2020	
Credit Exposure	**$**	**%**	**$**	%
Not Rated	**1,006,694**	**27.1%**	181,153	11.9%

11. Risk Management (Cont'd)

Liquidity Risk
Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations. Liquidity risk is managed by investing a significant portion of the Company's assets in investments that are traded in an active market and that can be readily sold. All liabilities of CSOC are due within one year.

The following table presents CSOF's liabilities according to their maturity date as at December 31, 2021:

	Less than a month	1-3 months	3 months - 1 Year	> 1 year
Liquidity Risk				
Equity securities sold short	$ -	$ -	$ -	$ -
Fixed income securities sold short	-	-	-	-
Other Accrued Expenses	-	18,211	-	-

Interest Rate Risk
Interest rate risk is the risk that the fair value or future cash flows of an asset will fluctuate because of changes in market interest rates. To manage interest rate risk, the investment committee monitors exposures and maintains the portfolio duration within the limits specified in the investment policies and objectives of the Company. As at December 31, 2021, the interest rate risk is coming from CSOC's investment in CSOF and its other fixed income investments.

CSOF was not exposed to interest rate risk as at December 31, 2021:

The table below summarizes CSOC's exposure to interest rate risk based on the remaining term to maturity as at December 31, 2021:

	Less than 1 year	1-5 years	> 5 years	Total
Interest Rate Exposure				
Fixed Income securities	$ -	$ 944,000	-	$ 944,000

Market Risk
If interest rates had increased or decreased by 1% at December 31, 2021 with all other variables remaining constant, net assets of the interest-bearing financial instruments of CSOF would have decreased or increased by approximately $0 (2020 - $33,108); net assets of the interest-bearing financial instruments of CSOC would have decreased or increased by approximately $19,597 (2020 - $3,217). In practice, actual results could differ from this sensitivity analysis and the difference could be material.

Currency Risk
Currency risk arises when the value of investments denominated in currencies other than CAD fluctuate due to changes in exchange rates. The currency risk will typically be hedged by entering into foreign currency forward contracts if required, however some moderate currency exposure may be assumed if deemed to be beneficial to the Company. As at December 31, 2021, the currency risk is coming from CSOC's investment in CSOF and its other investments.

The table below summarizes CSOF's net exposure to currency risk as at December 31, 2021 and 2020:

	December 31, 2021	December 31, 2020
Currency Exposure		
USD	**18%**	4%

The table below summarizes CSOC's net exposure to currency risk as at December 31, 2021 and 2020:

	December 31, 2021	December 31, 2020
Currency Exposure		
USD	**10%**	10%
GBP	**3%**	7%

As at December 31, 2021, if the Canadian dollar had strengthened or weakened by 1% in relation to the above currencies, with all other factors remaining constant, CSOF's net assets may have decreased or increased by 0.18% (2020 – 0.04%) and CSOC's net assets may have decreased or increased by 0.13% (2020 – 0.18%). In practice, actual results could differ from this sensitivity analysis and the difference could be material.

11. Risk Management (Cont'd)

Price Risk
Price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in a market or market segment. This risk is managed through a careful selection of securities and other financial instruments within the parameters of the investment strategy and by maintaining a well-diversified portfolio.

As at December 31, 2021, the price risk is coming from CSOC's investment in CSOF and its other investments, as approximately 97% of CSOF's net assets were invested in these asset types and 73% of CSOC's net assets were invested in these asset types. If prices of these investments had increased or decreased by 5% with all other factors remaining constant, CSOF's net assets would have increased or decreased, by approximately $504,125 (2020 - $288,310); CSOC's net assets would have increased or decreased, by approximately $135,127 (2020 - $67,188). In practice, actual results could differ from this sensitivity analysis and the difference could be material.

12. 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.

13. Approval of financial statements
The financial statements were approved by the Board of Directors and authorized for issue on March 29, 2022.