

Financial Statements of

Canso Select Opportunities Corporation

March 31, 2022

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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

"Heather Mason-Wood" (signed)

Heather Mason-Wood
Director

"Shirley Sumsion" (signed)

Shirley Sumsion
Director

NOTICE TO SHAREHOLDERS

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

Canso Select Opportunities Corporation
Interim Statements of Financial Position
As at March 31, 2022 and December 31, 2021
(Unaudited)

	March 31, 2022	December 31, 2021 (Audited)
	\$	\$
Assets		
Current Assets		
Investment in Canso Select Opportunities Fund, FVTPL (Note 6)	10,171,272	10,390,908
Investments through FVTPL (Note 6)	3,813,501	3,646,548
Accrued interest	37,488	62,694
Cash and cash equivalents	87,494	70,487
Dividend receivable	165	152
Prepaid expenses	17,313	13,267
Total Current Assets	14,127,233	14,184,056
Non-current Asset		
Deferred tax assets	291,936	269,010
Total Assets	14,419,169	14,453,066
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	93,083	42,520
Total Liabilities	93,083	42,520
Shareholders' Equity		
Share capital (Note 4)	11,109,050	11,109,050
Contributed surplus	4,324,550	4,324,550
Deficiency	(1,107,514)	(1,023,054)
Total Shareholders' Equity	14,326,086	14,410,546
Total Liabilities and Shareholders' Equity	14,419,169	14,453,066
Shareholders' Equity		
Class A Multiple Voting Shares	\$8,361,238	\$8,410,532
Class B Subordinate Voting Shares	\$5,964,848	\$6,000,014
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	\$5.16	\$5.19
Class B Subordinate Voting Shares	\$5.16	\$5.19

Approved by the Board of Directors

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 (Loss) Income
Three months ended March 31, 2022 and 2021
(Unaudited)

	2022	2021
	\$	\$
Revenue		
Dividend income	469	423
Interest income	21,993	11,061
Realized (loss) gain on investments (Note 6)	(5,921)	389,268
Change in unrealized foreign exchange loss	(9,541)	(2,816)
Change in unrealized (loss) gain on investments (Note 6)	(27,221)	1,258,278
	<hr/>	<hr/>
Total Revenue	(20,221)	1,656,214
Expenses		
Directors fees	31,630	31,559
Administration	6,733	8,796
Bank charges	228	271
Insurance	5,059	4,527
Professional fees	43,515	17,508
	<hr/>	<hr/>
Total Expenses	87,165	62,661
Net (loss) income before income taxes	(107,386)	1,593,553
Income tax (recovery) expense		
Deferred	(22,926)	204,364
Total Income tax (recovery) expense	(22,926)	204,364
	<hr/>	<hr/>
Net (loss) income and comprehensive (loss) income for the period	(84,460)	1,389,189
	<hr/>	<hr/>
Net (loss) income, by class		
Class A Multiple Voting Shares	(\$49,294)	\$810,783
Class B Subordinate Voting Shares	(\$35,166)	\$578,406
Net (loss) income, per share		
Class A Multiple Voting Shares	(\$0.03)	\$0.50
Class B Subordinate Voting Shares	(\$0.03)	\$0.50

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

Canso Select Opportunities Corporation
Interim Statements of Changes in Equity
Three months ended March 31, 2022 and 2021
(Unaudited)

	2022			
	\$	\$	\$	\$
	Share capital	Contributed surplus	Deficit	Total
<u>Class A Multiple Voting Shares</u>				
Opening balance, January 1, 2022	6,483,656	2,523,969	(597,093)	8,410,532
Net income for the period	-	-	(49,294)	(49,294)
Balance at March 31, 2022	6,483,656	2,523,969	(646,387)	8,361,238
<u>Class B Subordinate Voting Shares</u>				
Opening balance, January 1, 2022	4,625,394	1,800,581	(425,961)	6,000,014
Net income for the period	-	-	(35,166)	(35,166)
Balance at March 31, 2022	4,625,394	1,800,581	(461,127)	5,964,848
Total	11,109,050	4,324,550	(1,107,514)	14,326,086
	2021			
	\$	\$	\$	\$
	Share capital	Contributed surplus	Deficit	Total
<u>Class A Multiple Voting Shares</u>				
Opening balance, January 1, 2021	6,483,656	2,523,969	(1,984,381)	7,023,244
Net Income for the period	-	-	810,783	810,783
Balance at March 31, 2021	6,483,656	2,523,969	(1,173,598)	7,834,027
<u>Class B Subordinate Voting Shares</u>				
Opening balance, January 1, 2021	4,625,394	1,800,581	(1,415,643)	5,010,332
Net Income for the period	-	-	578,406	578,406
Balance at March 31, 2021	4,625,394	1,800,581	(837,237)	5,588,738
Total	11,109,050	4,324,550	(2,010,835)	13,422,765

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

Canso Select Opportunities Corporation
Interim Statements of Cash Flows
Three months ended March 31, 2022 and 2021
(Unaudited)

	2022	2021
	\$	\$
Operating Activities		
Net (loss) income	(84,460)	1,389,189
Adjustments for:		
Interest income re-invested	(40,000)	-
Realized loss (gain) on investment	5,921	(389,268)
Change in unrealized foreign exchange loss on investments	9,541	2,816
Change in unrealized depreciation (appreciation) on investments	27,221	(1,258,278)
Purchase of investments	-	(502,179)
Proceeds from sale of investments	50,000	450,000
Accrued interest	25,206	(2,361)
Dividend income receivable	(13)	-
Prepaid expenses	(4,046)	(4,640)
Deferred tax assets	(22,926)	204,364
Accounts payable and accrued liabilities	50,563	5,990
Net Cash Generated (Used In) by Operating Activities	17,007	(104,367)
Cash and cash equivalents — Beginning of period	70,487	180,992
Cash and cash equivalents — End of period	87,494	76,625

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

Canso Select Opportunities Corporation
Notes to Interim Financial Statements
Three months ended March 31, 2022
(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, 2021, 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, 2021.

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

At March 31, 2022 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, 2022	1,621,460	6,483,656
Class A multiple voting shares issued	-	-
Class A multiple voting shares outstanding, March 31, 2022	1,621,460	6,483,656
Class B Subordinate Voting Shares:		
Class B subordinate voting shares outstanding, January 1, 2022	1,156,738	4,625,394
Class B subordinate voting shares issued	-	-
Class B subordinate voting shares outstanding, March 31, 2022	1,156,738	4,625,394
	2,778,198	11,109,050

Canso Select Opportunities Corporation
Notes to Interim Financial Statements
Three months ended March 31, 2022
(Unaudited)

4. Share Capital (Cont'd)

At March 31, 2021 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, 2021	1,621,460	6,483,656
Class A multiple voting shares issued	-	-
Class A multiple voting shares outstanding, December 31, 2021	<u>1,621,460</u>	<u>6,483,656</u>
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	<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. 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 quarter ended March 31, 2022 (March 31, 2021: \$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 Company under IFRS 10, and therefore accounts for investments it controls at fair value through profit and loss. CSOC's primary purpose is defined by its investment objectives and uses the investment strategies available to it as defined in the Circular to meet those objectives. CSOC also measures and evaluates the performance of any investment on a fair value basis. As described in note 1, CSOF is a wholly owned investment of CSOC.

During the period ended March 31, 2022, CSOC reported a net (loss) income of \$(84,460) (March 31, 2021: \$1,389,189 or \$(0.03) (March 31, 2021: \$0.50 per CSOC Class A and B shares). This is the result of \$(27,221) (March 31, 2021: \$1,258,278) net unrealized mark to market (loss) gain primarily on CSOC's and CSOF's equity holding of Cenovus Energy Inc. Warrant, MDA Ltd., Hertz Global Holdings Inc. and Yellow Pages Limited.

As at March 31, 2022, CSOC's investment portfolio consists of equity and debt securities in 11 different issuers.

Canso Select Opportunities Corporation
Notes to Interim Financial Statements
Three months ended March 31, 2022
(Unaudited)

6. Investments (Cont'd)

Description	Average Cost \$	Fair Value \$	% of Portfolio
Equities Held Long	2,262,553	2,829,501	74.19%
Bombardier Inc	41,975	47,333	1.24%
Brill Power Limited	105,559	105,822	2.77%
Cenovus Energy Inc Warrant	102,179	410,350	10.76%
Fibracast	800,000	840,000	22.03%
HashTag Paid Inc.	132,837	353,215	9.26%
Nordstar Capital LP	5	109,913	2.88%
MDA Ltd.	879,998	648,684	17.01%
Our Home and Miniature Land Warrant	-	-	0.00%
Reformulary Group Inc.	200,000	250,000	6.56%
Smooth Payment Inc. May 12, 2021 Warrant	-	39,467	1.03%
Smooth Payment Inc. July 5, 2021 Warrant	-	24,717	0.65%
Fixed Income	984,000	984,000	25.81%
Nordstar Capital LP	144,000	144,000	3.78%
Our Home and Miniature Land	440,000	440,000	11.54%
Smooth Payment Inc.	400,000	400,000	10.49%
CSOC's Investments at Fair Value through Profit or Loss	3,246,553	3,813,501	100.00%

As at March 31, 2022, CSOF's investment portfolio consists of equity and debt securities in 16 different issuers. The portfolio also includes cash and cash equivalents.

Description	Average Cost \$	Fair Value \$	% of Portfolio
Cash & Cash Equivalents	1,186,487	1,187,033	11.66%
Equities Held Long	11,098,182	6,919,159	67.93%
Aegis Brands Inc.	3,400,936	689,844	6.77%
Bird Construction Inc.	511,612	679,747	6.67%
Bombardier Inc.	337,302	432,818	4.25%
Canadian Life Companies Split	78,572	85,848	0.84%
ClearStream Energy Services - Preferred	729,400	499,190	4.90%
ClearStream Energy SVCS Inc.	2,012,939	316,346	3.11%
Hertz Global Holdings Inc	424,452	666,769	6.55%
M Split Corp	838,474	587,555	5.77%
Sun Life Financial Corp	483,261	435,625	4.28%
Xplornet Mobile Inc.	51,792	41,289	0.41%
Xplornet Wireless Inc.	133,723	133,723	1.31%
Yellow Pages Limited	2,095,719	2,350,405	23.07%
Fixed Income	2,095,843	2,077,670	20.41%
Air Canada	114,344	117,830	1.16%
AMC Entertainment	262,590	249,805	2.45%
Government of Canada	922,826	922,876	9.06%
US Treasury Note	796,083	787,159	7.74%
Total	14,380,512	10,183,862	100.00%
Other Liabilities, Net of Assets		(12,590)	
CSOC's investment in CSOF at Fair Value Through Profit or Loss		10,171,272	

Canso Select Opportunities Corporation
Notes to Interim Financial Statements
Three months ended March 31, 2022
(Unaudited)

7. Fair Value Hierarchy

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

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

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

The following fair value hierarchy table presents information about CSOC's and CSOF's assets and liabilities measured at fair value, as described in Note 2, as at March 31, 2022 and December 31, 2021 (audited). During the period ended March 31, 2022, there were no transfers between levels (December 31, 2021: nil).

As at March 31, 2022	Level 1	Level 2	Level 3	Total
Financial Assets				
Fixed Income held in CSOF	\$ 1,710,035	\$ 367,636	\$ -	\$ 2,077,671
Equities held in CSOF	6,244,956	-	674,202	6,919,158
Fixed Income held in CSOC	-	-	984,000	984,000
Equities held in CSOC	1,106,367	-	1,723,134	2,829,501
Total	\$ 9,061,358	\$ 367,636	\$ 3,381,336	\$ 12,810,330

As at March 31, 2022	Level 1	Level 2	Level 3	Total
Financial Liabilities				
Fixed income held in CSOF	\$ -	\$ -	\$ -	\$ -
Total	\$ -	\$ -	\$ -	\$ -

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	\$ -	\$ -	\$ -	\$ -

Canso Select Opportunities Corporation
Notes to Interim Financial Statements
Three months ended March 31, 2022
(Unaudited)

7. Fair Value Hierarchy (Cont'd)

	March 31, 2022	December 31, 2021
Level 3 Reconciliation		
Balance, beginning of period/year	\$ 3,376,927	\$ 2,247,455
Purchases - held in CSOC	40,000	1,600,000
Sales - CSOC	-	(800,000)
Sales - CSOF	-	(60,214)
Realized losses, net - CSOF	-	(493,483)
Change in unrealized appreciation - CSOF	33,578	454,761
Change in unrealized (depreciation) appreciation - held in CSOC	(69,169)	428,408
Balance, end of period/year	\$ 3,381,336	\$ 3,376,927

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 following sections provides information regarding Level 3 securities. It includes a summary of the valuation techniques used and the sensitivity of the fair value of these securities to changes in input values.

Brill Power Limited Class A

Price: £212.77

Valuation technique: The private placement financing technique

Unobservable inputs: The last transacted price unless there is a material subsequent event that warrants a review. On January 25, 2019 Brill Power Limited issued a 10% (PIK) Convertible Loan due January 22, 2021 priced at £100.00. On September 24, 2019 Brill Power Limited issued Class A Ordinary Shares at a price of £212.77 for a total raised of £1.26 million. Per the terms of the Convertible Loan it automatically converted to Class A Ordinary Shares at £212.77 on that date. There have been no subsequent material events affecting value.

Change in input values: A reasonably possible change to the value of the next private placement financing could result in an increase or decrease of 30%, or an increase or decrease in the security price of £63.83.

ClearStream Energy Services Inc. Series 1 Preferred Share

Price: \$684.76

Valuation Technique: Relative Value

Unobservable Inputs: The primary unobservable input is the Clearstream Senior Secured Bond Price which comes from a third party.

Change in input values: A reasonably possible change to the value of the next private placement financing could result in an increase or decrease of 30%, or an increase or decrease in the security price of \$205.43

Fibracast

Price: \$1.00

Valuation Technique: The private placement financing technique

Unobservable Inputs: The primary unobservable input for this security is the last price where the company raised capital in a private offering of additional securities.

Change in input values: A reasonably possible change to the value of the next private placement financing could result in an increase or decrease of 30%, or an increase or decrease in the security price of \$0.30.

HashTag Paid Inc. Series A-5 Pref Share

Price: \$0.61

Valuation Technique: The private placement financing technique

Unobservable Inputs: The primary unobservable input for this security is the last price where the company raised capital in a private offering of additional securities.

Change in input values: A reasonably possible change to the value of the next private placement financing could result in an increase or decrease of 30%, or an increase or decrease in the security price of \$0.18.

Canso Select Opportunities Corporation
Notes to Interim Financial Statements
Three months ended March 31, 2022
(Unaudited)

7. Fair Value Hierarchy (Cont'd)

Nordstar Capital Inc. LP

Price: \$22.51

Valuation Technique: Internally developed model

Unobservable Inputs: The primary unobservable inputs for this security include Nordstar's financial statements, its ownership in VerticalScope Holdings Inc., and outstanding units as well as a public market price of VerticalScope Holdings Inc.

Change in input values: A reasonably possible change to the value of VerticalScope Holdings Inc. could result in an increase or decrease of 50%, or an increase or decrease in the security price of \$11.25.

Nordstar Capital LP 10% Aug 5, 2025

Price: \$100.00

Valuation Technique: Cost

Unobservable Inputs: The primary unobservable input for this security is the last price that we paid.

Change in input values: A reasonably possible change in the price of the security could result in an increase or decrease of 30% or an increase or decrease in the security price of \$30.

Our Home and Miniature Land 10% Jan 27, 2026

Price: \$100.00

Valuation Technique: The private placement financing technique

Unobservable Inputs: The primary unobservable input for this security is the last price where the company raised capital in a private offering of additional securities.

Change in input values: A reasonably possible change to value of the next private placement financing could result in an increase or decrease of 30% or an increase or decrease in the security price of \$30.

Our Home and Miniature Land Warrant

Price: \$0.00

Valuation Technique: The private placement financing technique

Unobservable Inputs: The primary unobservable input for this security is the last price where the company raised capital in a private offering of additional securities. On January 27, 2021 Our Home and Miniature Land issued warrants exercisable at \$2.50 per share, which is the same subscription price as the last financing of the company giving a fair value on the warrants of \$0.

Change in input values: A reasonably possible change to the value of the next private placement financing could result in an increase or decrease of 30%, or an increase or decrease in the security price of \$0.

Reformulary Group Inc.

Price: \$1.25

Valuation technique: The private placement financing technique

Unobservable inputs: The primary unobservable input for this security is the last price where the company raised capital in a private offering of additional securities.

Change in input values: A reasonably possible change to the value of the next private placement financing could result in an increase or decrease of 30%, or an increase or decrease in the security price of \$0.375.

Smooth Payment Inc. July 5, 2031 Warrants

Price: \$0.74

Valuation technique: The private placement financing technique

Unobservable inputs: The primary unobservable input for this security is the last price where the company raised capital in a private offering of additional securities. On May 12, 2021 Smooth Payment issued warrants exercisable at \$0.01 per share in connection with the issue of the 8% convertible note that has a conversion price of \$0.75, giving the warrants a fair value of \$0.74.

Change in input values: A reasonably possible change to the value of the next private placement financing could result in an increase or decrease of 30%, or an increase or decrease in the security price of \$0.22.

Canso Select Opportunities Corporation
Notes to Interim Financial Statements
Three months ended March 31, 2022
(Unaudited)

7. Fair Value Hierarchy (Cont'd)

Smooth Payment Inc. May 12, 2031 Warrants

Price: \$0.74

Valuation Technique: The private placement financing technique

Unobservable Inputs: The primary unobservable input for this security is the last price where the company raised capital in a private offering of additional securities. On May 12, 2021 Smooth Payment issued warrants exercisable at \$0.01 per share in connection with the issue of the 8% convertible note that has a conversion price of \$0.75, giving the warrants a fair value of \$0.74.

Change in input values: A reasonably possible change to the value of the next private placement financing could result in an increase or decrease of 30%, or an increase or decrease in the security price of \$0.22.

Smooth Payment Inc. 8.0% May 18, 2023

Price: \$100.00

Valuation Technique: The private placement financing technique

Unobservable Inputs: The primary unobservable input for this security is the last price where the company raised capital in a private offering of additional securities.

Change in input values: A reasonably possible change to the value of the next private placement financing could result in an increase of 30% or a decrease of 10%. The lower limit in value is due to the conversion price protection that is the lower of: \$0.75 or 95% of the price per share paid by investors in connection with a qualified financing. This would result in an increase of the security price of \$30 or a decrease in price of \$10.

Xplornet Mobile Inc. (Mobility Spinco)

Price: \$1.14

Valuation Technique: Relative value technique

Unobservable Inputs: The primary unobservable inputs for this security were taken from financial data provided by the company's management and government publications.

Change in input values: A reasonably possible change to the value of the assets that make up the business could result in an increase or decrease of 40%, or an increase or decrease in the security price of \$0.456.

Xplornet Wireless Inc. (License Spinco)

Price: \$4.90

Valuation Technique: Relative value technique

Unobservable Inputs: The primary unobservable inputs for this security were taken from financial data provided by the company's management and government publications.

Change in input values A reasonably possible change to the value of the assets that make up the business could result in an increase or decrease of 40%, or an increase or decrease in the security price of \$1.96.

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 lawsuit has been filed. Upon motions by the other defendants, on February 22, 2022, the court stayed the lawsuit on jurisdictional grounds. At this stage, 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 May 26, 2022.