

Financial Statements

Canso Select Opportunities Corporation

June 30, 2023

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Management's Responsibility for Financial Reporting

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

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

Approved by the Board of Directors

(signed) "Joe Morin"

(signed) "Shirley Sumsion"

Joe Morin
Director

Shirley Sumsion
Director

Canso Select Opportunities Corporation
Interim Statements of Financial Position
As at June 30, 2023 and December 31, 2022
(Unaudited)

	June 30, 2023	December 31, 2022 (Audited)
	\$	\$
Assets		
Current Assets		
Investment in Canso Select Opportunities Fund, FVTPL (Note 6)	9,191,614	9,689,304
Investments through FVTPL (Note 6)	15,385,242	3,292,218
Accrued interest	43,441	78,520
Cash and cash equivalents	195,507	79,993
Dividend receivable	427	393
Prepaid expenses	18,569	220,315
Total Current Assets	24,834,800	13,360,743
Non-current Asset		
Deferred tax assets	549,029	423,916
Total Assets	25,383,829	13,784,659
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	25,464	178,585
Total Liabilities	25,464	178,585
Shareholders' Equity		
Share capital (Note 4)	23,359,050	11,109,050
Contributed surplus	4,324,550	4,324,550
Deficit	(2,325,235)	(1,827,526)
Total Shareholders' Equity	25,358,365	13,606,074
Total Liabilities and Shareholders' Equity	25,383,829	13,784,659
Shareholders' Equity		
Class A Multiple Voting Shares	\$7,699,875	\$7,903,921
Class B Subordinate Voting Shares	\$17,658,490	\$5,702,153
Number of Shares Outstanding		
Class A Multiple Voting Shares	1,598,560	1,611,460
Class B Subordinate Voting Shares	3,619,877	1,166,738
Total Shareholders' Equity per Share		
Class A Multiple Voting Shares	\$4.82	\$4.90
Class B Subordinate Voting Shares	\$4.88	\$4.90

Approved by the Board of Directors

Joe Morin
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
Three months and six months ended June 30, 2023 and 2022
(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
	\$	\$	\$	\$
Income				
Dividend income	176,258	444	197,983	913
Interest income	4,528	23,267	10,737	45,261
Write down of accrued interest	-	-	(32,356)	-
Other net changes in fair value of financial assets and financial liabilities at fair value through profit or loss:				
Realized gain on investments (Note 6)	-	201,696	52,169	195,775
Change in unrealized foreign exchange (loss) gain	(8,031)	68,472	(1,587)	58,931
Change in unrealized gain (loss) on investments (Note 6)	96,018	(855,649)	(468,988)	(882,870)
Total Income	268,773	(561,770)	(242,042)	(581,990)
Expenses (Note 5)				
Directors fees	31,702	31,630	63,403	63,260
Professional fees	193,112	9,452	201,529	52,968
Administration	89,170	11,395	103,624	18,128
Bank charges	311	115	522	343
Insurance	5,883	5,116	11,702	10,176
Total Expenses	320,178	57,708	380,780	144,875
Net loss before income taxes	(51,405)	(619,478)	(622,822)	(726,865)
Income tax recovery				
Deferred	(35,027)	(86,542)	(125,113)	(109,468)
Total Income Tax Recovery	(35,027)	(86,542)	(125,113)	(109,468)
Net loss and comprehensive loss for the period	(16,378)	(532,936)	(497,709)	(617,397)
Net loss, by class				
Class A Multiple Voting Shares	(\$5,017)	(\$311,041)	(\$152,463)	(\$360,336)
Class B Subordinate Voting Shares	(\$11,361)	(\$221,895)	(\$345,246)	(\$257,061)
Net loss, per share				
Class A Multiple Voting Shares	(\$0.00)	(\$0.19)	(\$0.10)	(\$0.22)
Class B Subordinate Voting Shares	(\$0.00)	(\$0.19)	(\$0.10)	(\$0.22)

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

Canso Select Opportunities Corporation
Interim Statements of Changes in Equity
Six months ended June 30, 2023 and 2022
(Unaudited)

	2023			
	\$	\$	\$	\$
	Share capital	Contributed surplus	Deficit	Total
<u>Class A Multiple Voting Shares</u>				
Opening balance, January 1, 2023	6,443,669	2,523,969	(1,063,717)	7,903,921
Net loss for the period	-	-	(152,463)	(152,463)
Capital transactions:				
Share conversion	(51,583)	-	-	(51,583)
Share issuance	398,885	-	-	398,885
Share redemption	(398,885)	-	-	(398,885)
Balance at June 30, 2023	6,392,086	2,523,969	(1,216,180)	7,699,875
<u>Class B Subordinate Voting Shares</u>				
Opening balance, January 1, 2023	4,665,381	1,800,581	(763,809)	5,702,153
Net loss for the period	-	-	(345,246)	(345,246)
Capital transactions:				-
Share conversion	51,583	-	-	51,583
Share issuance	12,261,977	-	-	12,261,977
Share redemption	(11,977)	-	-	(11,977)
Balance at June 30, 2023	16,966,964	1,800,581	(1,109,055)	17,658,490
Total	23,359,050	4,324,550	(2,325,235)	25,358,365
	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 loss for the period	-	-	(360,336)	(360,336)
Balance at June 30, 2022	6,483,656	2,523,969	(957,429)	8,050,196
<u>Class B Subordinate Voting Shares</u>				
Opening balance, January 1, 2022	4,625,394	1,800,581	(425,961)	6,000,014
Net loss for the period	-	-	(257,061)	(257,061)
Balance at June 30, 2022	4,625,394	1,800,581	(683,022)	5,742,953
Total	11,109,050	4,324,550	(1,640,451)	13,793,149

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

Canso Select Opportunities Corporation
Interim Statements of Cash Flows
Six months ended June 30, 2023 and 2022
(Unaudited)

	2023	2022
	\$	\$
Operating Activities		
Net loss	(497,709)	(617,397)
Adjustments for:		
Dividend income re-invested	(20,492)	-
Realized gain on investment	(52,169)	(195,775)
Change in unrealized foreign exchange loss (gain) on investments	1,521	(58,931)
Change in unrealized depreciation on investments	468,988	882,870
Purchase of investments	(300,024)	-
Proceeds from sale of investments	556,842	407,054
Accrued interest	35,079	(38,062)
Dividend receivable	(34)	92
Prepaid expenses	201,746	4,073
Deferred tax assets	(125,113)	(109,468)
Accounts payable and accrued liabilities	(153,121)	(12,125)
Net Cash Generated by Operating Activities	115,514	262,331
Cash and cash equivalents — Beginning of period	79,993	70,487
Cash and cash equivalents — End of period	195,507	332,818

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

Canso Select Opportunities Corporation
Notes to Interim Financial Statements
Six months ended June 30, 2023
(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, 2022, 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, 2022.

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 June 30, 2023 share capital consists of the following:

Canso Select Opportunities Corporation
Notes to Interim Financial Statements
Six months ended June 30, 2023
(Unaudited)

4. Share Capital (Cont'd)

	Number of shares #	Amount \$
1,598,560 Class A Multiple Voting Shares		6,392,086
3,619,877 Class B Subordinate Voting Shares		16,966,964
		<u>23,359,050</u>
Class A Multiple Voting Shares:		
Class A multiple voting shares outstanding, January 1, 2023	1,611,460	6,443,669
Conversion from Class A multiple voting shares to class B subordinate voting shares	(12,900)	(51,583)
Class A multiple voting shares issued	149,116	398,885
Class A multiple voting shares redeemed	(149,116)	(398,885)
Class A multiple voting shares outstanding, June 30, 2023	1,598,560	6,392,086
Class B Subordinate Voting Shares:		
Class B subordinate voting shares outstanding, January 1, 2023	1,166,738	4,665,381
Conversion from Class A multiple voting shares to class B subordinate voting shares	12,900	51,583
Class B subordinate voting shares issued	2,445,240	12,261,977
Class A multiple voting shares redeemed	(5,001)	(11,977)
Class B subordinate voting shares outstanding, June 30, 2023	3,619,877	16,966,964
	5,218,437	23,359,050

At December 31, 2022 share capital consisted of the following:

	Number of shares #	Amount \$
1,611,460 Class A Multiple Voting Shares		6,443,669
1,166,738 Class B Subordinate Voting Shares		4,665,381
		<u>11,109,050</u>
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	-	-
Conversion from Class A multiple voting shares to Class B subordinate voting shares	(10,000)	(39,987)
Class A multiple voting shares outstanding, December 31, 2022	1,611,460	6,443,669
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	-	-
Conversion from Class A multiple voting shares to Class B subordinate voting shares	10,000	39,987
Class B subordinate voting shares outstanding, December 31, 2022	1,166,738	4,665,381
	2,778,198	11,109,050

5. Related Party Transactions

CSOC has an operational services agreement with Canso Investment Counsel Ltd. ("Canso") that was originally entered into on August 1, 2018. 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, there were no fees payable for services provided by Canso to CSOC for the first 24-month period and the term could be extended at 12-month periods as agreed to between the parties. On August 1, 2022, the parties agreed to extend the no fee arrangement for another 12-month term ending on July 31, 2023. Subsequent to quarter end, this service agreement was extended to July 31, 2024. There were no management fees charged for the period ended June 30, 2023 (June 30, 2022: \$0).

On January 13, 2023, CSOC purchased 70,000 Class A common shares of Lysander Funds Limited ("Lysander") from Canso Fund Management Ltd. ("CFM") by issuing to CFM 2,440,239 Class B subordinate voting shares of CSOC pursuant to a share purchase agreement dated October 17, 2022 (the "Transaction"). The consideration is \$12.25 million. Following the Transaction, CFM holds approximately 68% of CSOC's outstanding Class B subordinate voting shares, which represents a voting position of 4.7%.

Canso Select Opportunities Corporation
Notes to Interim Financial Statements
Six months ended June 30, 2023
(Unaudited)

6. Investments

In determining whether CSOC has control or significant influence over an investment, CSOC assesses voting rights, the exposure to variable returns, and its ability to use the voting rights to affect the amount of the returns. CSOC qualifies as an investment entity under IFRS 10, and therefore accounts for investments it controls at fair value through profit and loss. CSOC has significant influence over Lysander because it controls 12% of Lysander and its representation on the board of directors of Lysander. As an investment entity, CSOC meets the exemption under IAS 28 that allows CSOC to elect to measure the investment in associates at fair value through profit or loss in accordance with IFRS 9. CSOC's primary purpose is defined by its investment objectives and uses the investment strategies available to it as defined in the Circular to meet those objectives. CSOC also measures and evaluates the performance of any investment on a fair value basis. As described in note 1, CSOF is a wholly owned investment of CSOC.

During the period ended June 30, 2023, CSOC reported a net loss of (\$497,709) (June 30, 2022: \$(617,397)) or (\$0.10) (June 30, 2022: \$(0.22)) per CSOC Class A and B shares. This is primarily the result of (\$468,988) (June 30, 2022: \$(882,870)) net unrealized mark to market loss mainly on CSOC's and CSOF's equity holding of Fibracast, Aegis Brands Inc. and UBS Group AG.

As at June 30, 2023, CSOC's investment portfolio consists of equity and debt securities in 15 different issuers.

Description	Average Cost \$	Fair Value \$	% of Portfolio
Equities Held Long	14,602,191	14,508,262	94.28%
Bombardier Inc.	41,975	50,901	0.33%
Brill Power Limited	105,559	292,589	1.90%
Fibracast	800,000	621,600	4.04%
Lysander Funds Limited	12,250,000	12,250,000	79.62%
HashTag Paid Inc. Series A-5 Pref Share	132,837	374,444	2.43%
HashTag Paid Inc. Series B-4 Pref Share	66,330	63,274	0.41%
MDA Ltd.	879,998	513,542	3.34%
Our Home and Miniature Land Inc. Warrant	-	-	0.00%
NorthStar Gaming Holdings Inc (Escrow)	3,648	1,951	0.01%
NorthStar Gaming Holdings Inc (Restricted)	405	217	0.00%
NorthStar Gaming Holdings Inc (Restricted + Delayed Release)	4,501	2,772	0.02%
Portfolio HiWay Inc.	50,000	50,000	0.32%
Reformulary Group Inc.	200,000	250,000	1.62%
Smooth Payment Inc. May 12, 2031 Warrant	-	-	0.00%
Smooth Payment Inc. July 5, 2031 Warrant	-	-	0.00%
TC Fund I LP	12,541	12,566	0.08%
VerticalScope Holdings Inc	54,397	24,406	0.16%
Fixed Income	1,077,024	876,980	5.72%
Goldman Sachs	250,024	249,980	1.62%
Nordstar Capital LP	27,000	27,000	0.18%
Our Home and Miniature Land Inc.	400,000	400,000	2.61%
Smooth Payment Inc.	400,000	200,000	1.31%
CSOC's Investments at Fair Value through Profit or Loss	15,679,215	15,385,242	100.00%

As at June 30, 2023, CSOF's investment portfolio consists of equity and debt securities in 22 different issuers. The portfolio also includes cash and cash equivalents.

Canso Select Opportunities Corporation
Notes to Interim Financial Statements
Six months ended June 30, 2023
(Unaudited)

6. Investments (Cont'd)

Description	Average Cost \$	Fair Value \$	% of Portfolio
Cash & Cash Equivalents	(8,420)	(6,980)	(0.08%)
Equities Held Long	12,412,181	7,324,566	80.11%
Aegis Brands Inc. (previously Second Cup Ltd.)	3,400,936	383,754	4.20%
Bird Construction Inc.	1,011,165	1,261,375	13.80%
Bombardier Inc.	337,302	453,137	4.96%
BZ Holdings Inc.	-	2	0.00%
Canadian Life Companies Split	78,572	84,840	0.93%
Cineplex Inc	618,090	646,623	7.07%
UBS Group AG (previously Credit Suisse Group AG)	150,796	148,542	1.63%
Flint Corp (previously ClearStream Energy SVCS Inc.)	2,012,939	184,535	2.02%
Flint Corp - Preferred (previously ClearStream Energy Services - Preferred)	729,400	488,022	5.34%
Hertz Global Holdings Inc.	424,452	586,469	6.41%
M Split Corp	838,474	353,227	3.85%
Manulife Financial Group	671,668	784,203	8.57%
Sun Life Financial Corp	483,261	390,115	4.27%
X-Spectrum 1 Inc. (previously Xplornet Wireless Inc.)	133,723	7,369	0.08%
X-Spectrum 2 Inc. (previously Xplornet Mobile Inc.)	51,792	-	0.00%
Yellow Pages Limited	1,469,611	1,552,353	16.98%
Fixed Income	2,927,960	3,027,906	33.14%
AdHawk Microsystems Inc	466,585	463,138	5.07%
Air Canada	207,684	223,796	2.45%
Bank of Nova Scotia	563,450	552,782	6.05%
AMC Entertainment	237,219	174,273	1.91%
UBS Group AG 144A (previously Credit Suisse Group AG 144A)	811,813	900,132	9.85%
Latam Airlines Group	641,209	713,785	7.81%
Fixed Income held short	(1,233,224)	(1,204,473)	(13.17%)
Government of Canada	(514,437)	(500,462)	(5.47%)
US Treasury Note	(718,787)	(704,011)	(7.70%)
Total	14,098,497	9,141,019	100.00%
Other Assets, Net of Liabilities		50,595	
CSOC's investment in CSOF at Fair Value Through Profit or Loss		9,191,614	

7. Fair Value Hierarchy

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

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

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 June 30, 2023 and December 31, 2022 (audited). During the period ended June 30, 2023, there were no transfers between levels (June 30, 2022: nil).

Canso Select Opportunities Corporation
Notes to Interim Financial Statements
Six months ended June 30, 2023
(Unaudited)

7. Fair Value Hierarchy (Cont'd)

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

As at June 30, 2023	Level 1	Level 2	Level 3	Total
Financial Assets				
Fixed Income held in CSOF	\$ -	\$ 2,564,768	\$ 463,138	\$ 3,027,906
Equities held in CSOF	6,829,175	-	495,391	7,324,566
Fixed Income held in CSOC	-	249,980	627,000	876,980
Equities held in CSOC	593,789	-	13,914,473	14,508,262
Total	\$ 7,422,964	\$ 2,814,748	\$ 15,500,002	\$ 25,737,714

As at June 30, 2023	Level 1	Level 2	Level 3	Total
Financial Liabilities				
Fixed income held in CSOF	\$ -	\$ (1,204,473)	\$ -	\$ (1,204,473)
Total	\$ -	\$ (1,204,473)	\$ -	\$ (1,204,473)

As at December 31, 2022	Level 1	Level 2	Level 3	Total
Financial Assets				
Fixed Income held in CSOF	\$ -	\$ 3,008,353	\$ -	\$ 3,008,353
Equities held in CSOF	6,883,319	-	493,371	7,376,690
Fixed Income held in CSOC	234,262	-	744,000	978,262
Equities held in CSOC	454,645	-	1,859,311	2,313,956
Total	\$ 7,572,226	\$ 3,008,353	\$ 3,096,682	\$ 13,677,261

As at December 31, 2022	Level 1	Level 2	Level 3	Total
Financial Liabilities				
Fixed income held in CSOF	\$ (704,918)	\$ -	\$ -	\$ (704,918)
Total	\$ (704,918)	\$ -	\$ -	\$ (704,918)

	June 30, 2023	December 31, 2022
Level 3 Reconciliation		
Balance, beginning of period/year	\$ 3,096,682	\$ 3,376,927
Purchases - held in CSOC	12,312,541	66,330
Purchases - held in CSOF	466,585	-
Sales - CSOC	(209,614)	-
Realized gain, net - CSOF	72,117	-
Dividend income re-invested	20,492	-
Change in unrealized depreciation - CSOF	(1,427)	(147,253)
Change in unrealized depreciation - CSOC	(257,374)	(199,322)
Balance, end of period/year	\$ 15,500,002	\$ 3,096,682

7. Fair Value Hierarchy (Cont'd)

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

The following section provides information regarding select Level 3 securities over 5% of the portfolio. It includes a summary of the valuation techniques used and the sensitivity of the fair value of these securities to changes in input values.

AdHawk Microsystems Inc. 6% notes due July 2024

Price: US\$100.00

Valuation Technique: 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 US\$30, or an increase or decrease in net assets of US\$105,000.

Flint Corp. Series 1 Preferred Share

Price: \$669.44

Valuation Technique: Relative Value

Unobservable Inputs: Clearstream Senior Secured Bond Price (from third party). FLINT Corp, the holding company of ClearStream.

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 \$200.83, or an increase or decrease in net assets of \$146,406.60.

Lysander Funds Limited

Price: \$175.00

Valuation technique: Relative value.

Unobservable inputs: The valuation will be based on a discounted cash flow model using valuation multiples of other similar asset managers, publicly traded in Canada. The primary unobservable inputs for this security are the key assumptions in the discounted cash flow model. The key assumptions would include changes in assets under management at Lysander, revenue and expense changes, the discount rate used to present value cash flows, and the valuation multiples of comparable publicly listed companies in Canada.

Change in input values: A reasonably possible change to the value of market comparables could result in an increase or decrease of 30%, or an increase or decrease in the security price of \$52.50.

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 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. To date, the Company has not been served by the plaintiffs with any official documentation regarding the anticipated lawsuit by mail or any other approved means, and it is otherwise unaware of any activity relating to the suit since last year. 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 August 23, 2023.