



Canso Select Opportunities Corporation

Management's Discussion and Analysis

For the Three Months Ended

September 30, 2025

Management's Discussion and Analysis ("MD&A") provides a review of Canso Select Opportunities Corporation's ("CSOC" or the "Corporation") interim financial results for the three month period ended September 30, 2025 and assesses factors that may affect future results. The financial condition and results of operations are analyzed noting the significant factors that impacted the interim statements of financial position, interim statements of comprehensive income, interim statements of changes in equity, and interim statements of cash flows of CSOC. As such, this MD&A should be read in conjunction with the interim financial statements and notes thereto. The interim financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") to provide information about CSOC.

The following MD&A is the responsibility of management and is dated November 26, 2025. The Board of Directors carries out its responsibility for the review of this disclosure through its Audit Committee, comprised of independent directors and CSOC's Chief Financial Officer. The Audit Committee has reviewed and recommended approval of the MD&A by the Board of Directors. The Board of Directors has approved this disclosure.

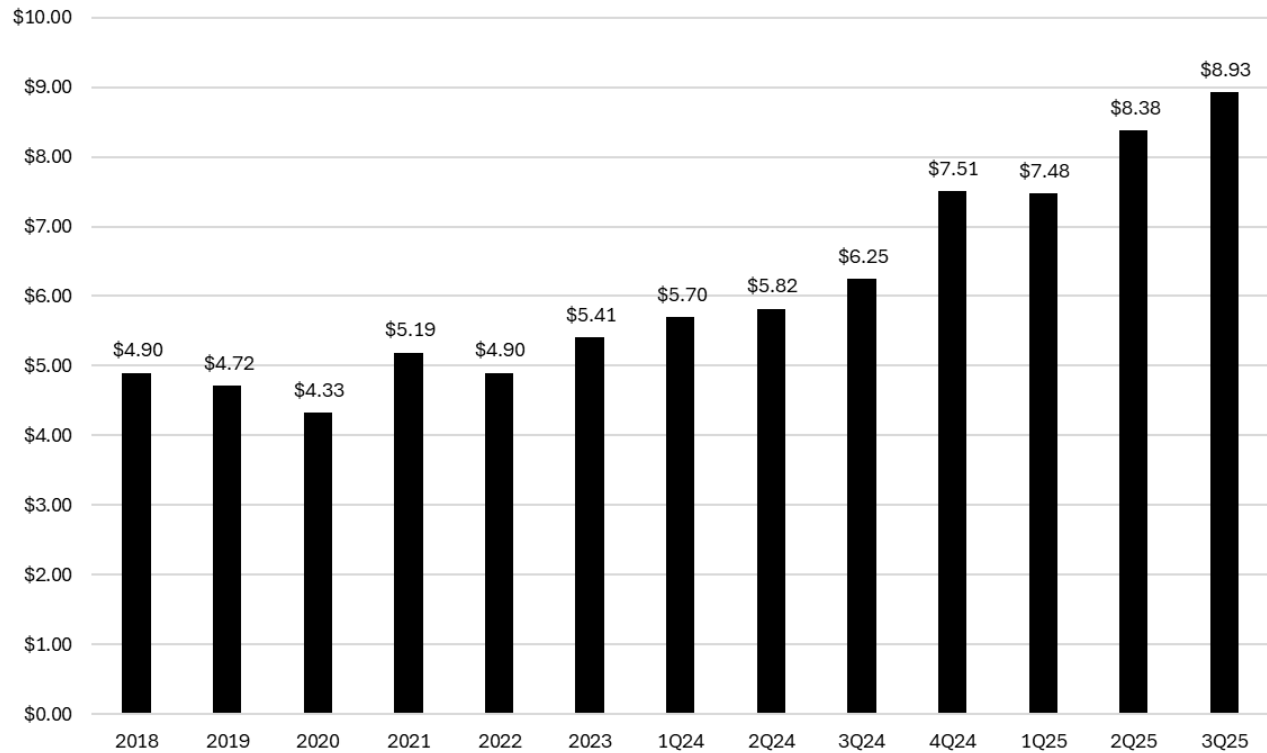
Business of the Corporation

CSOC is an Ontario-based investment corporation. CSOC's investment objective is to provide long term capital growth to its shareholders. With its core holding in Class A shares of Lysander Funds Ltd. ("Lysander"), together with a portfolio of public and private investments, CSOC aims to generate returns that exceed average market returns over the long term. Consistent with this objective, the Corporation evaluates potential investments in public & private equity, debt and other securities. The deployment of funds to new investments depends on both the attractiveness of new investment opportunities and the availability of capital generated from the realization of value or income from existing portfolio investments. The investment portfolio consists of public and private equity and debt investments primarily in North America. However, there is no geographic constraint on the investment portfolio.

Overall Performance & Discussion of Operations

The per share book value of CSOC increased by 6.6% in the third quarter, from \$8.38 to \$8.93. Compared to the third quarter of 2024, the per share book value of CSOC has increased by 42.9%

Per Share Book Value



***The chart represents the per share book value of both Class A Multiple Voting Shares (CSOC.A) and Class B Subordinate Voting Shares (CSOC.B) by dividing total shareholder's equity by total outstanding shares at year-end or quarter-end.*

Net income for the quarter was \$2,888,536, compared to \$2,271,521 in the third quarter of 2024. CSOC qualifies as an Investment Entity under IFRS 10 'Consolidated Financial Statements', and therefore both realized and unrealized changes in the fair value of our assets are reflected in our income statement.

Quarterly changes in the value of publicly traded assets cause volatility in earnings not necessarily reflective of the underlying performance of the securities we own. We believe the best metric for gauging our performance is the growth of our book value per share over time.

	30-Sep-2025	30-Jun-2025	31-Mar-2025	31-Dec-2024	30-Sep-2024	30-Jun-2024	31-Mar-2024	31-Dec-2023	30-Sep-2023	30-Jun-2023	31-Mar-2023
Income											
Dividend Income	\$371,655	\$366,564	\$601,924	\$579,081	\$245,830	\$393,339	\$176,339	\$464,301	\$176,333	\$176,258	\$21,725
Interest Income (Expense)	\$14,335		(\$43)	\$211,934			\$1,370	(\$6,166)	\$1,426	\$4,528	(\$26,147)
Realized Gain (Loss) on Investments	\$589,361	(\$7)	(\$47,810)	\$988,314			(\$4,021)	\$14,283	\$2,280		\$52,169
Realized Foreign Exchange Gain (Loss)	\$1,621		(\$13,889)	(\$2,024)			\$3,195				
Change in Unrealized Foreign Exchange Gain (Loss)	\$366,226	\$295,573	(\$189,290)	\$108,370	\$1,515	(\$53,893)	(\$39,377)	(\$51,739)	\$5,020	(\$8,031)	\$6,444
Change in Unrealized Gain (Loss) on Investments	\$1,923,257	\$4,757,031	(\$556,029)	\$10,029,492	\$2,391,100	\$373,828	\$1,662,527	\$2,351,830	\$115,711	\$96,018	(\$565,006)
Total Income (Loss)	\$3,266,455	\$5,419,161	(\$205,137)	\$7,580,293	\$2,638,445	\$713,274	\$1,800,033	\$3,067,904	\$300,770	\$268,773	(\$510,815)
Total Expenses	\$95,223	\$88,335	\$83,576	\$95,196	\$67,595	\$93,487	\$80,444	\$116,654	\$67,995	\$320,178	\$60,603
Net Income (Loss)	\$2,888,536	\$4,684,867	(\$159,903)	\$6,554,941	\$2,271,521	\$602,174	\$1,525,492	\$2,646,981	\$233,899	(\$16,378)	(\$481,332)
Total Assets	\$48,955,009	\$45,717,238	\$40,346,759	\$40,699,980	\$33,315,133	\$30,698,979	\$30,120,055	\$28,360,871	\$25,629,052	\$25,383,829	\$25,521,475
Lysander Class A Shares	\$23,100,000	\$23,100,000	\$21,700,000	\$21,700,000	\$17,150,000	\$15,890,000	\$15,400,000	\$14,700,000	\$12,250,000	\$12,250,000	\$12,250,000
Total Shareholder's Equity	\$46,606,876	\$43,718,336	\$39,033,469	\$39,193,372	\$32,638,432	\$30,366,911	\$29,764,736	\$28,239,244	\$25,593,112	\$25,358,365	\$25,374,742
Number of Shares											
Class A	1,464,994	1,468,594	1,468,794	1,489,994	1,511,994	1,511,994	1,531,094	1,531,860	1,555,160	1,598,560	1,611,460
Class B	3,753,443	3,749,843	3,749,643	3,728,443	3,706,443	3,706,443	3,687,343	3,686,577	3,663,277	3,619,877	3,606,977
Total	5,218,437	5,218,437	5,218,437	5,218,437	5,218,437	5,218,437	5,218,437	5,218,437	5,218,437	5,218,437	5,218,437
Per Share Figures:											
Income (Loss) per share	\$ 0.63	\$ 1.04	\$ (0.04)	\$ 1.45	\$ 0.51	\$ 0.14	\$ 0.34	\$ 0.59	\$ 0.06	\$ 0.05	\$ (0.10)
Net Income (Loss) per share	\$ 0.55	\$ 0.90	\$ (0.03)	\$ 1.26	\$ 0.44	\$ 0.12	\$ 0.29	\$ 0.51	\$ 0.04	\$ (0.00)	\$ (0.09)
Book Value per share	\$ 8.93	\$ 8.38	\$ 7.48	\$ 7.51	\$ 6.25	\$ 5.82	\$ 5.70	\$ 5.41	\$ 4.90	\$ 4.86	\$ 4.86

Key Contributors

As CSOC's core position, we discuss *Lysander* as its own category. *Public Investments* are any investments that have observable prices, primarily exchange-traded common stocks, preferred shares and corporate bonds. *Other Private Investments* include securities of private issuers, including private equity, preferred shares, warrants and private debt.

The primary contributors to our growth in the quarter were positions in GoPro Inc. and New Horizon Aircraft Ltd. GoPro Inc. stock price ended the quarter up 180%, but we sold 40% of our position when it was up over 284%. The common shares of New Horizon Aircraft Ltd. increased by 49% in the quarter.

We made no changes to the valuation of Lysander. Lysander paid us \$350,000 in dividends in the quarter, which equates to a quarterly dividend rate of \$5 per Lysander share. Given continued growth in AUM and financial position, we have a high degree of confidence in the sustainability of Lysander dividends, which we expect to amount to \$1,400,000 per annum to CSOC.

Lysander (\$23.1 million)

Lysander shares represent 47.2% of CSOC's total assets. Founded in 2009, Lysander is an investment fund manager offering investment funds primarily throughout the Canadian investment dealer and advisor channel. Canso Investment Counsel Ltd. ("CIC") is the portfolio manager of its largest fund, the Lysander- Canso Corporate Value Fund.

Lysander generates revenue through management fees it collects from its funds. Lysander shares a portion of these fees with partner portfolio managers who are responsible for the investment management of the funds. CIC is the largest of the partner portfolio managers, responsible for the management of 20 of Lysander's 34 Funds.

Lysander continued its positive momentum in the third quarter. Assets under management grew from \$24.7 billion to \$26.4 billion. Revenue and operating income continued to grow alongside assets.

CSOC received \$350,000 in dividends from Lysander in the quarter. On an annual basis, we expect to receive a total of \$1,400,000 in dividends from Lysander, about 3% of our book value.

As a reminder, we engage Blair Franklin to provide an independent valuation of Lysander at year end. Until year end, CSOC is responsible for ensuring Lysander shares are represented at their fair value at the end of each quarter. While Lysander continued its growth path, we opted to maintain our valuation at \$330 per share. We increased our valuation in the previous quarter from \$310 to \$330 per share. Blair Franklin will make its own assessment at the end of the year.

We are extremely pleased with the performance of our core position in Lysander. Continued strong investment performance will be key to maintaining and/or increasing the amount of its assets under management. Lysander's distribution and sales capabilities offer new and existing partner portfolio managers the opportunity to reach a large investor base. Over time, we believe Lysander can enhance its competitive position with the selective addition of new partner portfolio managers and new funds.

Public Investments (\$22.3 million)

Public Investments represent 45.5% of CSOC's assets. Any change in the price or value of our securities, realized or unrealized, is reflected in our income statement in the period such change occurs. Yearly price changes, and especially quarterly changes, are not always true indicators or measures of the underlying performance of the businesses or securities we own. We strive to make investment decisions that have the potential to outperform broader market returns over time, but intermediate price movements will result in earnings volatility.

In the third quarter of 2025, the S&P 500 rose 7.8% and the S&P/TSX Composite index rose 11.8%. Canadian stocks have been broadly outperforming US stocks this year.

Stock Performance

The two public investments worth discussing are GoPro Inc. and New Horizon Aircraft Ltd. Both are material positions for us, and both experienced significant positive price appreciation.

Before commenting on these stocks, I will repeat our comments from last quarter's Management Discussion and Analysis. "Trying to explain price movements in stocks over any short period of time is a fruitless exercise. What we can say confidently is that we expect small cap stocks to experience higher volatility than larger market cap stocks over short time frames. This does not mean that small cap stocks are inherently riskier. We measure real risk as the risk of permanently losing capital. If we avoid paying outlandish prices, our risk should be limited to the success or lack thereof of the underlying business. CSOC's size allows us to take meaningful portfolio positions in smaller market cap companies that might be misunderstood and overlooked by the market. We are happy to ride out the volatility if we have conviction in our valuation."

We sold about 40% of our position in GoPro Inc. in the quarter at an average price of \$2.93. The stock closed the quarter at a trading price of \$2.12. We purchased our position in GoPro Inc. in the first and second quarters of this year with an average cost of \$0.57. We were very pleased with the performance of our position in GoPro Inc. We don't fashion ourselves market-timers. Achieving a realized gain of 417% on a position purchased less than half a year ago was quite a surprise. We had high expectations for the stock, and still do. But we thought it would take some time, alongside positive company performance, before the market agreed with our insights. We sold 40% of our position at \$2.93. While we still believe GoPro's intrinsic value is comfortably higher than where it trades, our margin of safety was reduced enough for us to re-size the position.

Shares of New Horizon Aircraft Ltd. rose by 48.5% in the quarter. This is after appreciating 228.9% last quarter. At the end of 2024, its shares traded at US\$1.13. At the end of the first quarter, its shares traded at US\$0.52. At the end of the third quarter, its shares were priced at \$2.54.

Flint Recapitalization

Another event that closed this quarter was the recapitalization of Flint Corp. ("Flint"). Prior to the recapitalization, we held positions in both the common equity and a series of preferred shares. We wrote down the preferred shares last quarter on the basis that if the transaction contemplated was consummated, the preferred shares would be worth significantly less than where we were valuing them.

Flint is a service company in Canada's energy and industrial markets. It provides full life cycle services including fabrication, construction, maintenance and turnarounds, contract operators and technicians. Flint had become overburdened with debt after a few downcycles in the oil and gas markets. The debt load was a financial burden but likely played a role in Flint's ability to gain contracts with clients worried about their balance sheet. The recapitalization announced on September 23rd, 2025, significantly reduced the company's debt burden, converting \$135 million of senior secured notes to equity. It also converted all outstanding preferred shares to equity. We hope that the company can regain a stronger footing with a refreshed capital structure. After the recapitalization, our entire position in Flint resides exclusively in common shares.

Cash Position

One other element to comment on is our sizeable position in a Canada Treasury Bill. We have built a cash position (treasury bill) of approximately \$4.3 million, up from just over \$1 million last quarter, which represents approximately 8.7% of our total assets. This was a result of 1) realizing significant gains on our GoPro Inc. sells, 2) the call/redemption of a LATAM bond, 3) dividends from Lysander, 4) proceeds from the sales of Bombardier preferred shares and 5) the maturity of an Air Canada convertible bond. We are scouring the landscape for valuable opportunities and hope to find more soon. We're happy to collect risk-free interest while we wait.

Description	Average Cost (\$)	Fair Value (\$)
Canada Treasury Bill July 15, 2026	4,273,125	4,278,296
MDASpace Ltd. (previously MDA Ltd.)	879,998	2,178,624
Quebecor Inc. Class B	1,513,458	1,971,900
Bird Construction Inc.	436,070	1,945,161
Cineplex Inc.	1,203,587	1,825,626
GoPro Inc.	408,502	1,517,820
Manulife Financial Group	694,689	1,394,946
Air Canada	1,257,089	1,327,536
Yellow Pages Limited	1,119,866	1,065,289
New Horizon Aircraft Ltd.	468,711	975,598
BCE Inc.	759,752	650,984
Match Group Inc.	540,756	619,218
Enbridge Inc.	384,298	568,701
Sun Life Financial Inc. Series 11 QR Preferred Shares	483,261	449,975
Hertz 5% December 1, 2029	390,620	433,248
Aegis Brands Inc. (previously Second Cup Ltd.)	3,400,936	306,090
Corus Entertainment Inc. 6% February 28, 2030	526,000	260,000
Flint Corp (previously ClearStream Energy SVCS Inc.)	2,742,339	226,321
Bombardier Inc. Series 2 Preferred Shares	92,325	118,490
Canadian Life Companies Split	78,572	88,536
Hertz Global Holdings Inc.	126,810	68,125
Cash & Cash Equivalents	6,219	6,219
NorthStar Gaming Holdings Inc.	7,945	690
NorthStar Gaming Holdings Inc. (Escrow)	609	49
Total	21,795,537	22,277,442

Other Private Investments (\$3.2 million)

Other Private Investments represent 6.6% of CSOC's total assets.

We continued to experience growth in our position of convertible preferred shares of New Horizon Aircraft Ltd., which increased by 48.5% in the third quarter. We categorize this security as a private investment because it is not traded in an active public market. We value our position based on its convertibility right into tradable common shares. We hold 227 convertible preferred shares. Each convertible preferred share gives its holder the right to convert into 2,222.22 common shares at any time. On an as-converted basis, this equates to a US\$1,281,287 value. The fair value presented in the table below is in Canadian dollars.

Our position in Flint preferred shares was converted to common equity.

Description	Average Cost (\$)	Fair Value (\$)
New Horizon Aircraft Ltd Preferred Convertible	321,211	1,785,270
Our Home and Miniature Land Inc. 10% January 27, 2026	400,000	400,000
HashTag Paid Inc. Series A-5 Preferred Shares	132,837	350,980
Reformulary Group Inc.	200,000	250,000
Smooth Payment Inc. 8.0% December 1, 2025	400,000	200,000
HashTag Paid Inc. Series B-4 Preferred Shares	66,330	71,808
Portfolio HiWay Inc.	50,000	62,500
Fibracast	800,000	58,800
Brill Power Limited Class A	105,559	23,285
TC Fund I LP Class B	12,386	9,931
X-Spectrum 1 Inc. (previously Xplornet Wireless Inc.)	86,844	5,969
BZ Holdings Inc.	-	2
X-Spectrum 2 Inc. (previously Xplornet Mobile Inc.)	51,792	1
Our Home and Miniature Land Inc. Warrants	-	-
Smooth Payment Inc. July 5, 2031 Warrants	-	-
Smooth Payment Inc. May 12, 2031 Warrants	-	-
Total	2,626,959	3,218,546

CSOC Tax Status

On September 4, 2018, Canso Select Opportunities Fund (the "Fund") completed a plan of arrangement (the "Arrangement") with the Corporation whereby the Corporation issued Class A Multiple Voting Shares and Class B Subordinate Voting Shares of CSOC in exchange for the outstanding units of the Fund and the Fund became a wholly-owned investment of CSOC.

The Fund has a pool of tax loss carry forwards that can be utilized to shelter gains of the Fund so long as the trust continues to be maintained and certain other conditions are met. If the Fund were to be wound-up into CSOC at a time when it had losses, such losses would expire unutilized. Consequently, the current intention is to maintain the continued existence of the Fund until such time as all or substantially all of the losses of the Fund are utilized, or so long as the benefits associated with maintaining and utilizing such losses (e.g. current and potential cash tax savings) outweighs the cost of maintaining the Fund. As the holding period for many of these investments of the Fund is measured in years, and the Fund has tax losses, the "transitional period" could be a year or more.

All new investments will be made directly by CSOC, unless management feels that the investment would be better suited in CSOF, in order to utilize the tax losses.

Liquidity

Liquidity risk is managed by maintaining a portion of the Corporation's assets in investments traded in an active market that can be readily sold. All current liabilities of the Corporation are due within one year.

The securities of the Corporation are listed on the TSX Venture Exchange under the ticker CSOC.A and CSOC.B.

Subsequent Events

Lysander Dividend

The Company received dividends of \$350,000 from Lysander in November 2025.

Capital Resources

CSOC has no commitments for any capital expenditures as of September 30, 2025.

Off-Balance Sheet Arrangements

CSOC does not have any off-balance sheet arrangements.

Changes in Accounting Policies Including Initial Adoption

There were no changes during the period ending September 30, 2025 to the Corporation's accounting policies. The Corporation's accounting policies for its financial instruments are disclosed in detail in Note 2 of the Annual Audited Financial Statements.

Financial Instruments and Other Instruments

For the period ended September 30, 2025, CSOC continued to have the capability to hold derivatives and short positions in an investment portfolio in accordance with its investment mandate. At quarter-end, CSOC held no short positions. There were three warrant securities held in two private companies that were valued at nil at September 30, 2025. The list of all associated risks are disclosed in detail in Note 3 and Note 11 of the Annual Audited Financial Statements.

Transactions between Related Parties

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, 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. The parties agreed to extend the no fee arrangement for the 12-month term ending on July 31, 2026. There were no management fees charged for the period ended September 30, 2025 (September 30, 2024 – \$Nil).

Disclosure of Outstanding Share Data

As at September 30, 2025, there were 1,464,994 Class A Shares and 3,753,443 Class B Shares of the Corporation outstanding.

Litigation

The Company may be a party to legal proceedings. The Company believes that each such proceeding constitutes a routine matter incidental to the business conducted by the Company. The Company cannot determine the ultimate outcome of all the outstanding claims but believes the ultimate disposition of the proceedings will not have a material adverse effect on its earnings, cash flow or financial position.

Other MD&A Requirements

Additional information relating to the Corporation is available on SEDAR+ at <https://www.sedarplus.ca>.

FORWARD-LOOKING STATEMENTS

This report may contain forward-looking statements and information within the meaning of applicable securities legislation. Forward-looking statements can be identified by the words “seeks”, “expects”, “believes”, “estimates”, “will”, “target” and similar expressions. The forward-looking statements reflect the current expectations of CSOC regarding future results or events and are based on information currently available to it. Certain material factors and reasonable assumptions were applied in providing these forward-looking statements. All forward looking statements in this press release are qualified by these cautionary statements. CSOC believes that the expectations reflected in forward-looking statements are based upon reasonable assumptions; however, CSOC can give no assurances that the actual results or developments will be realized. These forward-looking statements are subject to several risks and uncertainties that could cause actual results or events to differ materially from current expectations. Readers, therefore, should not place undue reliance on any such forward-looking statements. Further, a forward-looking statement speaks only as of the date on which such statement is made. CSOC undertakes no obligation to publicly update any such statement or to reflect new information or the occurrence of future events or circumstances except as required by securities laws. These forward-looking statements are made as of the date of this report.

Additional information about CSOC is available under its SEDAR profile at www.sedarplus.ca.