

**Interim Financial Statements of**

**Canso Select Opportunities Corporation**

**September 30, 2020**

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**Management's Responsibility for Financial Reporting**

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

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

**Approved by the Board of Directors**

(signed) "*Brian Carney*"

\_\_\_\_\_  
Brian Carney  
Director

(signed) "*Shirley Sumsion*"

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Shirley Sumsion  
Director

**NOTICE TO SHAREHOLDERS**

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

**Canso Select Opportunities Corporation**  
**Interim Statements of Financial Position**  
**As at September 30, 2020 and December 31, 2019**  
**(Unaudited)**

	September 30, 2020	December 31, 2019 (Audited)
	\$	\$
<b>Assets</b>		
<b>Current Assets</b>		
Investment in Canso Select Opportunities Fund, FVTPL (Note 6)	9,874,729	11,530,366
Investments through FVTPL (Note 6)	1,519,340	1,152,279
Cash and cash equivalents	148,176	45,820
Prepaid expenses	19,469	11,921
<b>Total Current Assets</b>	<b>11,561,714</b>	<b>12,740,386</b>
<b>Non-current Asset</b>		
Deferred tax assets	573,333	411,032
<b>Total Assets</b>	<b>12,135,047</b>	<b>13,151,418</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	23,326	36,474
Advances from Canso Investment Counsel Ltd. (Note 5)	-	11
<b>Total Current Liabilities</b>	<b>23,326</b>	<b>36,485</b>
<b>Shareholders' Equity</b>		
Share capital (Note 4)	11,109,050	14,863,186
Contributed surplus	4,324,550	570,414
Deficiency	(3,321,879)	(2,318,667)
<b>Total Shareholders' Equity</b>	<b>12,111,721</b>	<b>13,114,933</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>12,135,047</b>	<b>13,151,418</b>
<b>Shareholders' Equity</b>		
Class A Multiple Voting Shares	\$7,068,852	\$7,654,364
Class B Subordinate Voting Shares	\$5,042,869	\$5,460,569
<b>Number of Shares Outstanding</b>		
Class A Multiple Voting Shares	1,621,460	1,621,460
Class B Subordinate Voting Shares	1,156,738	1,156,738
<b>Total Shareholders' Equity per Share</b>		
Class A Multiple Voting Shares	\$4.36	\$4.72
Class B Subordinate Voting Shares	\$4.36	\$4.72

**Approved by the Board of Directors**

(signed) "Brian Carney"

(signed) "Shirley Sumsion"

\_\_\_\_\_  
 Brian Carney  
 Director

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 Shirley Sumsion  
 Director

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

**Canso Select Opportunities Corporation**  
**Interim Statements of Comprehensive Income (Loss)**  
**Three months and nine months ended September 30, 2020 and 2019**  
**(Unaudited)**

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
	\$	\$	\$	\$
<b>Revenue</b>				
Dividend income	423		846	
Interest income	8,456	2,337	23,142	6,513
Realized loss on investment	(117,968)	(32,949)	(433,632)	(73,217)
Realized foreign exchange gain	-	136	60,255	1,146
Change in unrealized foreign exchange gain (loss)	5,724	(2,276)	6,556	(7,384)
Change in unrealized gain (loss) on investments (Note 6)	572,853	(577,212)	(662,158)	(440,811)
Total Revenue	469,488	(609,964)	(1,004,991)	(513,753)
<b>Expenses</b>				
Directors fees	31,502	31,459	94,504	86,511
Administration	7,529	7,493	24,657	33,460
Bank charges	196	67	549	354
Insurance	4,628	4,527	13,782	13,599
Professional fees	4,972	22,424	27,030	74,935
Total Expenses	48,827	65,970	160,522	208,859
<b>Net Income (loss) before income taxes</b>	<b>420,661</b>	<b>(675,934)</b>	<b>(1,165,513)</b>	<b>(722,612)</b>
<b>Income tax expense (recovery)</b>				
Current	-	-	-	-
Deferred	50,445	(97,687)	(162,301)	(120,877)
Total Income tax expense (recovery)	50,445	(97,687)	(162,301)	(120,877)
<b>Net loss and comprehensive income (loss) for the period</b>	<b>370,216</b>	<b>(578,247)</b>	<b>(1,003,212)</b>	<b>(601,735)</b>
<b>Net Income (loss), by class</b>				
Class A Multiple Voting Shares	\$216,072	(\$337,487)	(\$585,512)	(\$351,195)
Class B Subordinate Voting Shares	\$154,144	(\$240,760)	(\$417,700)	(\$250,540)
<b>Net Income (loss), per share</b>				
Class A Multiple Voting Shares	\$0.13	(\$0.21)	(\$0.36)	(\$0.22)
Class B Subordinate Voting Shares	\$0.13	(\$0.21)	(\$0.36)	(\$0.22)

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

**Canso Select Opportunities Corporation**  
**Interim Statements of Changes in Equity**  
**Nine months ended September 30, 2020 and 2019**  
**(Unaudited)**

	2020			
	\$	\$	\$	\$
	Share capital	Contributed surplus	Deficit	Total
<b><u>Class A Multiple Voting Shares</u></b>				
Opening balance, January 1, 2020	8,674,710	332,915	(1,353,261)	7,654,364
Net Loss for the period	-	-	(585,512)	(585,512)
Capital transaction:				
Stated capital reduction	(2,191,054)	2,191,054	-	-
<b>Balance at September 30, 2020</b>	<b>6,483,656</b>	<b>2,523,969</b>	<b>(1,938,773)</b>	<b>7,068,852</b>
<b><u>Class B Subordinate Voting Shares</u></b>				
Opening balance, January 1, 2020	6,188,476	237,499	(965,406)	5,460,569
Net Loss for the period	-	-	(417,700)	(417,700)
Capital transaction:				
Stated capital reduction	(1,563,082)	1,563,082	-	-
<b>Balance at September 30, 2020</b>	<b>4,625,394</b>	<b>1,800,581</b>	<b>(1,383,106)</b>	<b>5,042,869</b>
<b>Total</b>	<b>11,109,050</b>	<b>4,324,550</b>	<b>(3,321,879)</b>	<b>12,111,721</b>
	2019			
	\$	\$	\$	\$
	Share capital	Contributed surplus	Deficit	Total
<b><u>Class A Multiple Voting Shares</u></b>				
Opening balance, January 1, 2019	8,674,710	332,915	(1,060,232)	7,947,393
Net Loss for the period	-	-	(351,195)	(351,195)
Balance at September 30, 2019	8,674,710	332,915	(1,411,427)	7,596,198
<b><u>Class B Subordinate Voting Shares</u></b>				
Opening balance, January 1, 2019	6,188,476	237,499	(756,361)	5,669,614
Net Loss for the period	-	-	(250,540)	(250,540)
Balance at September 30, 2019	6,188,476	237,499	(1,006,901)	5,419,074
<b>Total</b>	<b>14,863,186</b>	<b>570,414</b>	<b>(2,418,328)</b>	<b>13,015,272</b>

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

**Canso Select Opportunities Corporation**  
**Interim Statements of Cash Flows**  
**Nine months ended September 30, 2020 and 2019**  
**(Unaudited)**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>Operating Activities</b>		
Net loss	(1,003,212)	(601,735)
Adjustments for:		
Realized loss on investment	433,632	73,217
Realized foreign exchange gain on investment	(59,081)	-
Interest income on investment	(17,392)	-
Change in unrealized depreciation on investments	662,158	440,811
Change in unrealized foreign exchange gain on investments	(6,556)	-
Purchase of investments	(1,707,554)	(437,527)
Proceeds from sale of investments	1,983,369	510,000
Prepaid expenses	(7,548)	1,566
Deferred tax assets	(162,301)	(120,877)
Accounts payable and accrued liabilities	(13,148)	(10,743)
Advances from Canso Investment Counsel Ltd.	(11)	(50,757)
<b>Net Cash Generated by (Used In) Operating Activities</b>	<b>102,356</b>	<b>(196,045)</b>
Cash and cash equivalents — Beginning of period	45,820	234,915
<b>Cash and cash equivalents — End of period</b>	<b>148,176</b>	<b>38,870</b>

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

**Canso Select Opportunities Corporation**  
**Notes to Interim Financial Statements**  
**For the nine months ended September 30, 2020**  
**(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, 2019, 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, 2019.

**4. Share Capital**

The Company is authorized to issue an unlimited number of shares of a class designated as Class A Multiple Voting Shares, an unlimited number of shares of a class designated as Class B Subordinate Voting Shares, and an unlimited number of shares of a class designated as Preference Shares.

At September 30, 2020 share capital consists of the following:

	Number of shares #	Amount \$
<b>1,621,460 Class A Multiple Voting Shares</b>		<b>6,483,656</b>
<b>1,156,738 Class B Subordinate Voting Shares</b>		<b>4,625,394</b>
		<b>11,109,050</b>
<b>Class A Multiple Voting Shares:</b>		
Class A multiple voting shares outstanding, January 1, 2020	1,621,460	8,674,710
Class A multiple voting shares - stated capital reduction	-	(2,191,054)
Class A multiple voting shares outstanding, September 30, 2020	1,621,460	6,483,656
<b>Class B Subordinate Voting Shares:</b>		
Class B subordinate voting shares outstanding, January 1, 2020	1,156,738	6,188,476
Class B subordinate voting shares- stated capital reduction	-	(1,563,082)
Class B subordinate voting shares outstanding, September 30, 2020	1,156,738	4,625,394
	<b>2,778,198</b>	<b>11,109,050</b>



**Canso Select Opportunities Corporation**  
**Notes to Interim Financial Statements**  
**For the nine months ended September 30, 2020**  
**(Unaudited)**

**4. Share Capital (Cont'd)**

At September 30, 2019 share capital consisted of the following:

	Number of shares #	Amount \$
1,621,460 Class A Multiple Voting Shares		8,674,710
1,156,738 Class B Subordinate Voting Shares		6,188,476
		<u>14,863,186</u>
Class A Multiple Voting Shares:		
Class A multiple voting shares outstanding, January 1, 2019	1,621,460	8,674,710
Class A multiple voting shares issued	-	-
Class A multiple voting shares outstanding, September 30, 2019	<u>1,621,460</u>	<u>8,674,710</u>
Class B Subordinate Voting Shares:		
Class B subordinate voting shares outstanding, January 1, 2019	1,156,738	6,188,476
Class B subordinate voting shares issued	-	-
Class B subordinate voting shares outstanding, September 30, 2019	<u>1,156,738</u>	<u>6,188,476</u>
	<u>2,778,198</u>	<u>14,863,186</u>

On June 11, 2019, the shareholders approved a Special Resolution authorizing the reduction of stated capital on the Class A Multiple Voting Shares, and the Class B Subordinate Voting Shares (the "Special Resolution"). The Special Resolution contemplated that the stated capital in respect of: (i) the Class A Multiple Voting Shares be reduced to an amount equal to either: (a) \$4.94 per Class A Multiple Voting Share, or (b) such amount per Class A Multiple Voting Share as management and the board of directors of the Corporation may determine from time to time, that is not represented by the realizable value of the assets of the Corporation; and (ii) the Class B Subordinate Voting Shares be reduced to an amount equal to either: (a) \$4.94 per Class B Subordinate Voting Share, or (b) such amount per Class B Subordinate Voting Share as management and the board of directors of the Corporation may determine from time to time, that is not represented by the realizable value of the assets of the Corporation. On September 15, 2020, Management of the Corporation by the authority vested upon them by the Board of Directors of the Corporation determined that it was prudent to reduce CSOC's Aggregate Stated Capital to \$11,109,050 (from \$14,863,186) or the equivalent of the net realizable value of the Company's assets as of June 30, 2020 (expressed as the aggregate stated capital maintained in respect of the Class A Multiple Voting Shares, as a class, is \$6,483,656 and expressed as the aggregate stated capital maintained in respect of the Class B Subordinate Voting Shares, as a class, is \$4,625,394). The reduction is consistent with the Board's resolution passed at the Company's August 25, 2020 Board meeting which authorized management to determine the appropriate value for the net realizable value of the Company's assets and to reduce the stated capital account maintained by the Company in respect of each Class A Multiple Voting Share and Class B Subordinate Voting Share by such amount as is not represented by the realizable value of the assets of the Company, being \$5.35 per Class A Multiple Voting Share and \$5.35 per Class B Subordinate Voting Share such that the stated capital amount of each Class A Multiple Voting Share and of each Class B Subordinate Voting Share following such reduction is \$4.00 and \$4.00, respectively.

**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. At September 4, 2020, this arrangement was extended for another 12 months that no fees will be payable for services provided by Canso to CSOC. There were no management fees charged for the nine months ended September 30, 2020 (September 30, 2019: \$0).

CSOC repaid the advance from Canso in January 2020 in the amount of \$11 relating to the computer software expense that Canso paid on behalf of CSOC. As such, the advances from Canso balance is \$nil at September 30, 2020 (December 31, 2019: \$11).

**Canso Select Opportunities Corporation**  
**Notes to Interim Financial Statements**  
**For the nine months ended September 30, 2020**  
**(Unaudited)**

**5. Related Party Transactions (Cont'd)**

CSOC closed the previously announced sale of 112,668 Series 4 Class A preferred shares of Hubba Inc. to Skunkworks Investment Corporation ("Skunkworks") for total cash consideration to the Company of US\$1,823,249.91 pursuant to a share transfer agreement dated March 11, 2020 (the "Transaction"). The Transaction provided the Company with funds with which to diversify its portfolio base. As at December 31, 2019, the Hubba position accounted for approximately 25.6% of the Company's assets. The Transaction reduced the Hubba position to 6% of the Company's assets. The Company intends to use the gross proceeds of the Transaction to pursue several investment opportunities currently under investigation and for general working capital purposes.

The Transaction is deemed to be a "related party transaction" as defined under Multilateral Instrument 61-101—Protection of Minority Security Holders in Special Transactions ("MI 61-101") since John Carswell, a director of CSOC and Skunkworks, beneficially owns, directly or indirectly, or exercises control or direction over, approximately 45% of the voting rights of CSOC and more than 50% of the securities of Skunkworks. Pursuant to Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("MI 61-101"), the Transaction was subject to minority shareholder approval, which required approval by a majority of the votes cast at a meeting of shareholders excluding any shares held by the directors and officers CSOC, its affiliates and joint actors (collectively, "Minority Approval"). The Company received Minority Approval at its annual and special meeting of shareholders held on May 26, 2020. In addition, the Transaction received approval of the TSX Venture Exchange prior to closing.

**6. Investments**

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

During the period ended September 30, 2020, CSOC reported a net loss of \$1,003,212 (September 30, 2019: (\$601,735)) or (\$0.36) (September 30, 2019: (\$0.22)) per CSOC Class A and B shares. This is the result of \$(433,632) (September 30, 2019: \$(73,217)) realized loss from disposition of CSOF and \$(662,158) (September 30, 2019: \$(440,811)) in net unrealized mark to market loss primarily on CSOF's public equity holdings of BZ Holdings Inc., ClearStream Energy Services Inc., M-Split, Second Cup Ltd. and US Treasury Bond.

As at September 30, 2020, CSOC's investment portfolio consists of equity and debt securities in 7 different issuers.

<b>Description</b>	<b>Average Cost \$</b>	<b>Fair Value \$</b>	<b>% of Portfolio</b>
<b>Equities Held Long</b>	<b>1,122,666</b>	<b>1,180,838</b>	<b>77.72%</b>
Brill Power Limited	105,559	110,994	7.31%
Bombardier Inc	17,102	14,960	0.98%
Fibrecast Special Warrant	400,000	400,000	26.33%
Neptune Acquisition GP Inc.	400,000	400,000	26.33%
Nordstar Capital LP	5	4,884	0.32%
Reformulary Group Inc.	200,000	250,000	16.45%
<b>Fixed Income</b>	<b>306,837</b>	<b>338,502</b>	<b>22.28%</b>
Nordstar Capital LP	174,000	171,922	11.32%
HashTag Paid Inc.	132,837	166,580	10.96%
<b>CSOC's Investments at Fair Value through Profit or Loss</b>	<b>1,429,503</b>	<b>1,519,340</b>	<b>100.00%</b>

As at September 30, 2020, CSOF's investment portfolio consists of equity and debt securities in 21 different issuers. The portfolio also included cash and cash equivalents.

**Canso Select Opportunities Corporation**  
**Notes to Interim Financial Statements**  
**For the nine months ended September 30, 2020**  
**(Unaudited)**

**6. Investments (Cont'd)**

<b>Description</b>	<b>Average Cost \$</b>	<b>Fair Value \$</b>	<b>% of Portfolio</b>
<b>Cash &amp; Cash Equivalents</b>	<b>3,146,046</b>	<b>3,146,131</b>	<b>31.87%</b>
<b>Equities Held Long</b>	<b>11,854,532</b>	<b>6,459,569</b>	<b>65.43%</b>
BCE Inc.	44,010	36,275	0.37%
Bird Construction Inc.	511,612	478,413	4.85%
BMO Laddered Preferred Share Index ETF	137,387	131,328	1.33%
Bombardier Inc.	282,022	242,615	2.46%
BZ Holdings Inc.(Formerly Purch Group Inc.)	918,783	509,984	5.17%
BZ Holdings Inc.(Formerly Purch Group Inc.) - Warrants	-	-	0.00%
Canadian Life Companies Split	78,572	78,792	0.80%
ClearStream Energy Services Inc.	2,012,939	144,992	1.47%
ClearStream Energy Services Inc. - Preferred	729,400	510,300	5.17%
Enbridge Inc.	220,912	191,014	1.93%
Genworth MI Canada Inc. Jan 21 P27	43,360	6,600	0.07%
Genworth MI Canada Inc. Jan 21 P29	18,120	2,900	0.03%
Hubba, Inc.	509,952	805,077	8.15%
Manulife Financial Corp	6,744	6,416	0.06%
M-Split	838,474	288,964	2.93%
Second Cup Ltd.	3,400,936	804,056	8.14%
TC Energy Corp	5,590	4,325	0.04%
Xplornet Mobile Inc.	-	51,792	0.52%
Xplornet Wireless Inc.	-	177,468	1.80%
Yellow Pages Limited	2,095,719	1,988,258	20.14%
<b>Fixed Income</b>	<b>962,982</b>	<b>1,079,344</b>	<b>10.93%</b>
Exxon Mobil Corp.	317,811	376,551	3.81%
Kraft Heinz Foods Co	645,171	702,793	7.12%
<b>Fixed Income Held Short</b>	<b>(721,931)</b>	<b>(812,211)</b>	<b>(8.23%)</b>
US Treasury Bond	(721,931)	(812,211)	(8.23%)
<b>Grand Total</b>	<b>15,241,629</b>	<b>9,872,833</b>	<b>100.00%</b>
<b>Other Assets, Net of Liabilities</b>		<b>1,896</b>	
<b>CSOC's investment in CSOF at Fair Value Through Profit or Loss</b>		<b>9,874,729</b>	

**7. Fair Value Hierarchy**

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

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

**Canso Select Opportunities Corporation**  
**Notes to Interim Financial Statements**  
**For the nine months ended September 30, 2020**  
**(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, on the lowest level input that is significant to the fair value measurement. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability. The determination of what constitutes observable data requires significant judgment by the investment committee. CSOC considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following fair value hierarchy table presents information about CSOF's assets and liabilities measured at fair value, as described in Note 6, as at September 30, 2020 and December 31, 2019 (audited).

As at September 30, 2020	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Fixed Income - CSOF	\$ 1,079,344	\$ -	\$ -	\$ 1,079,344
Equities - CSOF	4,404,948	-	2,054,621	6,459,569
Fixed Income held in CSOC	-	-	338,502	338,502
Equities held in CSOC	14,960	-	1,165,878	1,180,838
<b>Total</b>	<b>\$ 5,499,252</b>	<b>\$ -</b>	<b>\$ 3,559,001</b>	<b>\$ 9,058,253</b>

As at September 30, 2020	Level 1	Level 2	Level 3	Total
<b>Financial Liabilities</b>				
Fixed income - CSOF	\$ (812,211)	\$ -	\$ -	\$ (812,211)
<b>Total</b>	<b>\$ (812,211)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (812,211)</b>

As at December 31, 2019	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Fixed Income - CSOF	\$ 1,082,889	\$ -	\$ -	\$ 1,082,889
Equities - CSOF	4,772,266	-	6,405,573	11,177,839
Fixed Income held in CSOC	-	711,713	129,668	841,381
Equities held in CSOC	-	-	310,898	310,898
<b>Total</b>	<b>\$ 5,855,155</b>	<b>\$ 711,713</b>	<b>\$ 6,846,139</b>	<b>\$ 13,413,007</b>

As at December 31, 2019	Level 1	Level 2	Level 3	Total
<b>Financial Liabilities</b>				
Fixed income - CSOF	\$ (453,007)	\$ -	\$ -	\$ (453,007)
Equities - CSOF	(315,351)	-	-	(315,351)
<b>Total</b>	<b>\$ (768,358)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (768,358)</b>

	September 30, 2020	December 31, 2019
<b>Level 3 Reconciliation</b>		
Balance, beginning of year	\$ 6,846,139	\$ 9,431,610
Purchases - held in CSOC	1,069,005	438,396
Sales - CSOC	(95,000)	-
Sales - CSOF	(4,127,234)	(2,100,000)
Realized gains, net	2,446,301	-
Change in unrealized depreciation - CSOF	(2,670,020)	(926,037)
Change in unrealized appreciation - held in CSOC	89,810	2,170
<b>Balance, end of period/year</b>	<b>\$ 3,559,001</b>	<b>\$ 6,846,139</b>

**Canso Select Opportunities Corporation**  
**Notes to Interim Financial Statements**  
**For the nine months ended September 30, 2020**  
**(Unaudited)**

**7. Fair Value Hierarchy (Cont'd)**

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

The table below presents investments in CSOC and CSOF whose fair values are determined based in valuation techniques that utilize unobservable market inputs. The effects of changing one or more of those inputs are indicated in the table below:

Fair Value \$	Valuation Technique	Unobservable Input	Reasonable Possible Change in Input	Impact on Fair Value \$
1,544,637	CSOF's investments - Private placement financing technique	Price of last capital raise	+/-30%	463,391
1,504,380	CSOC's investments - Private placement financing technique	Price of last capital raise	+/-30%	451,314
509,984	CSOF's investments - Internal Model that includes a combination: 1) discounted value of expected cash flows 2) relative value and 3) option pricing methodologies. The output of the model is compared to recent private placement funding to confirm its reasonability	Audited financial statement data, recent private offering valuation multiples of competitors, and liquidation preference rights	+/-12%	61,198

**9. Approval of financial statements**

The financial statements were approved by the Board of Directors and authorized for issue on November 24, 2020.