BEAUMONT SELECT CORPORATIONS INC.

Notice to Reader

March 31, 2011

(Unaudited)

Responsibility for Consolidated Financial Statements:

The unaudited interim consolidated financial statements of Beaumont Select Corporations Inc. (“Beaumont” or “the Corporation”) as at and for the nine months ended March 31, 2011 and 2010 have been prepared by management in accordance with Canadian Generally Accepted Accounting Principles (GAAP) applicable to interim financial statements. Recognizing that the Company is responsible for both the integrity and objectivity of the interim consolidated financial statements, management is satisfied that these interim consolidated financial statements have been fairly presented.

Auditors’ involvement:

Meyers Norris Penny LLP, Chartered Accountants, the external auditors of the Company, have not audited or performed review procedures applicable to auditor review of interim financial statements as at and for the three and nine months ended March 31, 2011 and 2010 nor have they conducted any procedures with respect to the notes herein. As a result, the auditors express no opinion on the Corporation’s interim statements.

BEAUMONT SELECT CORPORATIONS INC.

Consolidated Balance Sheet (in thousands of Canadian dollars)

	Mar 31, 2011 (unaudited)	June 30, 2010 (audited)
Assets		
Current assets:		
Cash	**$ 2,181**	$ 1,335
Portfolio of Equity Securities (note 3)	**29,489**	16,833
Accounts receivable	**1,929**	1,598
Inventory	**1,388**	1,329
Prepaid expenses	**193**	222
	35,180	21,317
Note Receivable	**300**	300
Investment in and due from affiliated company (note 4a)	**3,345**	3,481
Property and equipment (note 6)	**5,173**	5,245
Property available for sale (note 6)	**50**	50
Intangible assets (note 5)	**200**	212
Goodwill	**868**	868
Deferred income tax assets	**2,871**	3,143
	$ 47,987	$ 34,616
Liabilities and Shareholders' Equity		
Current liabilities:		
Bank loans	**$ 0**	$ 842
Accounts payable and other liabilities	**2,021**	1,337
Margin loans on marketable securities investment (note 3)	**16,091**	8,424
Current portion of long-term debt	**135**	376
Related party liabilities (note 4b)	**0**	71
	18,247	11,050
Deferred Liability	**207**	207
Deferred income tax liabilities	**2,167**	1,962
Long-term debt	**2,510**	638
Non-controlling interest	**554**	486
Shareholders' equity:		
Share capital (note 7)	**7,664**	7,737
Contributed surplus (note 8)	**99**	95
Retained earnings	**16,539**	12,441
	24,302	20,273
	$ 47,987	34,616

See accompanying notes to unaudited consolidated financial statements.

On behalf of the Board:

Signed "Winston Ho Fatt" Director   Signed "Terry Kent" Director

BEAUMONT SELECT CORPORATIONS INC.

Consolidated Statements of Operations and Retained Earnings
For the Three and Nine months ended March 31
(in thousands of dollars except per share information)
(Unaudited)

	Three Months		Nine Months	
	2011	2010	**2011**	2010
Revenues	$ **4,984**	$4,873	$**15,346**	$ 15,586
Cost of sales:				
Direct expenses	**4,616**	4,312	**13,855**	13,423
Depreciation and amortization	**180**	171	**541**	546
	4,796	4,483	**14,396**	13,969
Operating margin	**188**	390	**950**	1,617
Operating expenses:				
Corporate and administrative (note 4c)	**370**	315	**1,203**	1,516
Interest on long-term debt	**32**	25	**67**	70
Depreciation and amortization	**9**	25	**26**	62
	411	365	**1,296**	1,648
Operating income (loss) before the following	**(223)**	25	**(346)**	(31)
Other income (expenses):				
Interest on margin loans (note 3)	**(138)**	(68)	**(324)**	(162)
Investment income (note 3)	**2**	232	**571**	689
Gain (loss) on disposal of marketable securities (note 3)	**264**	2,067	**1,291**	2,200
Unrealized gain (loss) on securities held for trading (note 3)	**2,600**	(333)	**3,698**	2,804
Write-down of related receivable	**--**	--	**--**	(70)
Foreign Exchange gains / losses	**(5)**	--	**(60)**	--
Loss on sale of equipment	**(28)**		**(23)**	
Stock-based compensation (note 8)	**--**	(4)	**(5)**	(22)
	2,695	1,894	**5,148**	5,439
Income (Loss) from continuing operations before income taxes and non-controlling interest	**2,472**	1,919	**4,802**	5,408
Income taxes:				
Current	**(30)**	28	**69**	142
Future	**283**	250	**515**	896
Income (Loss) from continuing operations before non-controlling interest	**2,219**	1,641	**4,218**	4,370
Non-controlling interest	**23**	48	**67**	143
Net and Comprehensive Income (loss)	**2,196**	1,593	**4,151**	4,227
Earnings (Loss) per share:				
Continuing operations: basic / diluted	**$ 0.13**	$ 0.10	**$ 0.25**	$ 0.25
Net: basic / diluted	$ **0.13**	$ 0.10	**$ 0.25**	$ 0.25

See accompanying notes to unaudited consolidated financial statements.

BEAUMONT SELECT CORPORATIONS INC.

Consolidated Statements of Changes in Shareholders' Equity
For the Three and Nine months ended March 31
(in thousands of dollars)

	Three months		Nine months	
(unaudited)	**2011**	2010	**2011**	2010
Common shares:				
Beginning of the period	$ **7,683**	$ 7,825	**$ 7,737**	$ 7,873
Shares repurchased	(**19)**	(43)	**(88)**	(91)
Shares issued	--	--	**15**	--
End of the period	**7,664**	7,782	**7,664**	7,782
Contributed surplus:				
Beginning of the year	**99**	99	**95**	80
Stock-based compensation	**--**	4	**4**	23
End of the period	**99**	103	**99**	103
Retained earnings:				
Beginning of the period	**14,353**	10,328	**12,441**	7,702
Gain (Loss) during the period	**2,196**	1,593	**4,151**	4,227
Consideration in excess of share value	**(10)**	(31)	**(53)**	(39)
End of the period	**16,539**	11,890	**16,539**	11,890
Shareholders' equity	**24,302**	19,775	**24,302**	19,775

See accompanying notes to unaudited consolidated financial statements.

BEAUMONT SELECT CORPORATIONS INC.

Consolidated Statements of Cash Flows
For the Three and Nine months ended March 31
(in thousands of dollars)
(Unaudited)

	Three Months		Nine Months	
	2011	2010	**2011**	2010
Cash provided by (used in):				
Operations:				
Net Income (loss) from operations	$ **2,196**	$ 1,593	$ **4,151**	$ 4,227
Add (deduct) items not requiring cash:				
Depreciation and amortization	**189**	196	**566**	587
Future income tax provision	**284**	250	**515**	896
Loss (gain) on sale of marketable securities (note 2)	**(264)**	(2,067)	**(1,291)**	(2,200)
Unrealized loss (gain) of securities held for trading (note 2)	**(2,600)**	333	**(3,698)**	(2,804)
Write-down capital asset (note 6)	**28**	--	**23**	--
Stock-based compensation (note 8)	**--**	4	**5**	22
Non-controlling interest	**23**	48	**68**	143
Funds from operations	**(144)**	357	**339**	871
Net change due from affiliated	**--**	--	**136**	407
Increase (decrease) in due to related parties (note 4c)	**(70)**	(18)	**(71)**	(20)
Net change in non-cash working capital balances	**37**	(324)	**283**	(985)
Cash from continuing operations	**(177)**	15	**687**	273
Investing:				
Expenditures on property and equipment (note 6)	**(79)**	(69)	**(493)**	(311)
Expenditures on intangibles assets (note 5)	**(3)**	(20)	**(13)**	(49)
Purchase of Equity Securities	**(2,181)**	934	**(7,666)**	(3,649)
Decrease (increase) in loans receivable	**--**	**--**	--	70
Cash used in investing activities	**(2,263)**	845	**(8,172)**	(3,939)
Financing:				
Increase (decrease) in Margin Loan	**2,452**	(251)	**7,666**	3,965
Increase (decrease) in bank loans, net	**(752)**	(209)	**(842)**	346
Shares issued for options	**--**	--	**15**	--
Repurchase and cancellation of Class A common shares (note 7)	**(32)**	(80)	**(140)**	(130)
Increase (decrease) in long-term debt, net	**1,920**	(98)	**1,632**	(595)
Cash from financing activities	**3,588**	(638)	**8,331**	3,586
Change in cash during the period	**1,148**	222	**846**	(80)
Cash, beginning of the period	**1,033**	1,029	**1,335**	1,331
Cash, ending of the period	$**2,181**	$1,251	**$2,181**	$1,251

See accompanying notes to unaudited consolidated financial statements.

1. Nature of Business

Beaumont Select Corporations Inc. (Beaumont) is incorporated and based in Alberta, and is a public corporation with its shares trading on the TSX Venture exchange under the symbol BMN.A. The Corporation is an investment and management firm; managing both private investments as well as maintaining a portfolio of equity securities. Its key private investment is in Naleway Foods Ltd, a manufacturer of frozen foods operating out of Winnipeg, Manitoba.

2. Significant Accounting Policies

The unaudited interim consolidated financial statements have been prepared based upon the accounting policies consistent with the ones outlined in the 2010 annual consolidated financial statements. In accordance with Canadian GAAP, the interim consolidated financial statements do not include all of the financial disclosures as in the annual consolidated financial statements. Therefore, these interim consolidated financial statements should be read in conjunction with the most recent audited consolidated financial statements and notes thereto.

After the elimination of intercompany balances and transactions, the consolidated financial statements include the accounts of the Corporation and its subsidiaries, which include Naleway Holdco Ltd., Naleway Foods Ltd., Naleway Realty Holdings Ltd., Naleway Foods International Inc., Beaumont Enterprises Inc., 571766 Alberta Ltd., Beaumont Realty Corporations Inc., The Food Source Ltd., Angiogene Inc., and Beaumont Select Corporations Inc. Certain of the comparative figures have been reclassified to conform to the current year's financial statement presentation.

As part of the acquisition of Angiogene Inc., the Corporation acquired less than 100% of the equity interests; therefore the interest held by other parties has been recognized as a non-controlling interest in these financial statements.

Effective March 31, 2010 the Corporation adopted the CICA Handbook section 3862, Financial Instruments - Disclosures, which reflect the corresponding amendments made by the International Accounting Standards Board to IFRS 7, Financial Instruments: Disclosures, in March 2009.

The amendments require that all financial instruments measured at fair value be presented into one of the three hierarchy levels set forth below for disclosure purposes. Each level is based on the transparency of the inputs used to measure the fair value of assets and liabilities.

(i) Level 1: Inputs are unadjusted quoted prices of identical instruments in active markets.
(ii) Level 2: Valuation models which utilize predominately observable market inputs.
(iii) Level 3: Valuation models which utilize predominately non-observable market inputs.

The classification of a financial instrument in the hierarchy is based upon the lowest level of input that is significant to the measurement of fair value. The amendments to Section 3862 also require additional disclosure relating to the liquidity risk associated with financial instruments. The amendments improve disclosure of financial instruments specifically as it relates to fair value measurements and liquidity risk. The adoption of the amendments did not impact the Company's financial position or results of operations.

3. Portfolio of Equity Securities:

At March 31, 2011, the Corporation held equity securities with a fair market value of $29,489,199 (2010 - $17,679,308), with interest expenses of $324,867 (2010 - $161,562), investment income of $694,738 (2010 - $688,857), gain on sale of marketable securities of $1,291,477 (2010 - $2,199,647), and mark-to-market gain of $3,698,249 (2010 - $2,804,396). In addition, the Corporation has margin loans totaling $16,091,237 (2010 - $8,057,963). Marketable securities are held as collateral to satisfy the requirements of the margin loans.

	March 31, 2011	March 31, 2010
Portfolio of Equity Securities	$29,489,199	$17,679,308
Margin Loan	(16,091,237)	(8,057,963)
Net Portfolio Value	13,397,962	9,621,345
Dividend Income – Nine months	694,738	688,857
Less: Return of capital	(151,326)	(113,210)
Net Dividend Income	543,412	575,647
Realized Gain	1,291,477	2,199,647
Unrealized Gain	3,698,249	2,804,396
Interest Expense	(324,867)	(161,562)
Net Portfolio Income – nine months	$5,208,271	$5,418,128

Investments consist of the following as at March 31, 2011.

Investment	Security Description	Cost	Market Value
Equal Energy Ltd	1,062,900 Common Shares	$6,760,395	$8,503,200
Student Transportation	581,500 Common Shares	2,407,337	3,989,090
Premium Brands Holding	168,000 Common Shares	2,001,133	2,867,760
Altus Group Inc	161,900 Common Shares	2,045,932	1,829,470
AutoCanada Inc	339,400 Common Shares	1,541,732	1,500,148
70 other Equity Investments		9,660,077	10,799,531
Total Investments		$24,416,606	$29,489,199

The Corporation's investments (with two exceptions) were all classified as Level 1, as they were traded on active stock exchanges (Toronto, Nasdaq, NYSE and TSX Venture) with strong liquidity and quoted prices. The exceptions are two private placement investments totaling $62,500. The fair value was obtained via the broker who sold the private placement. The Corporation uses the last trade price for its valuation. If the last bid price were to be used, the value of the portfolio would be reduced by $132,512.

Liquidity Risk – The Corporation holds some large positions, relative to their daily trading, that represents a liquidity risk should a fast liquidation be required. The largest position, Equal Energy, represents fourteen days of average daily shares traded in Canada. The position in Student Transportation represents five days average trading. A fast liquidation of these positions could have adverse affects on their prices. No other position represents more than four days average daily shares traded. The Corporation believes that it has other investments that could be sold to mitigate such an affect.

As it the Corporation's practice, return on capital values are deducted from dividend income. In addition, the Corporation receives other interest income outside the portfolio of equity securities.

	Three Months	Nine Months
Dividend Income	$147,199	694,738
Less: Return of capital	(151,326)	(151,326)
Net Dividend Income	(4,127)	543,412
Other Interest Income	6,582	27,701
Total Investment Income	2,455	571,113

4. Related party transactions:

(a) Investment in and due from affiliated company:

Details of the amount due from and invested in Somerset are as follows:

	March 2010	March 2010
Investment in Somerset	**$ 2,995,417**	$ 2,995,417
Other Loans		
Due from Somerset, unsecured, bearing interest @ 6% per annum, with no specific terms of repayment	**350,000**	350,000
Total Investment and due from Somerset	**$ 3,345,417**	$ 3,345,417

(b) Balance sheet

- **Related party liabilities:**
  During the third quarter, the Corporation paid an advance of $11,000 owed to an Officer of the Corporation, leaving no balance remaining. The other advance to an officer, totaling $60,000, was paid off during the third quarter, leaving a zero balance.

(c) Income statement (for the nine months)

- Management fees charged by shareholders and officers of the Corporation included in corporate and administrative expenses: $211,543
- Rent paid to Somerset Properties Ltd, a Corporation controlled by the Chairman: $ 53,336
- Consulting fees paid to current and former directors of the Corporation included in corporate and administrative expenses: $112,662

5. Intangible assets:

Intangible assets are defined as deferred costs associated with the development of new commercially viable product lines and packaging designs. $3,233 in development costs for intangible assets were capitalized during the quarter ($13,437 for nine months).

6. Property and equipment expenditures:

The property and equipment expenditures for the quarter were $78,994 ($492,572 year-to-date). The majority of the spending was for equipment improvements.

During the quarter $28,280 of assets relating to leasehold improvements were written off. To date, one piece of equipment previous written off was sold for $5000.

7. Share capital:

a) Authorized:

(i) Unlimited Class A voting common shares; and

(ii) 100,000,000 non-voting Class B shares, Series 2.

b) Class A common shares issued:

	March 31, 2011		June 30, 2010	
	Shares	**Amount**	Shares	Amount
Balance, beginning	**16,379,097**	**$ 7,737,173**	16,672,097	$ 7,873,634
Redemption of shares	**(182,500)**	**(88,068)**	(293,000)	(136,461)
Shares issued for Options	**30,000**	**15,000**	--	--
Balance, ending	**16,226,597**	**$7,664,106**	16,379,097	$ 7,737,173

c) Stock options:

The Corporation has a stock option plan whereby officers, directors, employees and consultants may be granted options to purchase Class "A" common shares of the Corporation.

	March 31, 2010		June 30, 2010	
	Number	**Weighted average exercise price**	Number	Weighted average exercise price
Outstanding options, beginning	**318,750**	**$ 0.76**	467,500	$ 0.98
Options granted	**--**	**--**	150,000	0.50
Options forfeited	**(120,000)**	**0.50**	(168,750)	1.00
Options exercised	**(30,000)**	**0.50**	**--**	--
Options expired unexercised	**--**	**--**	(130,000)	0.94
Outstanding options, ending	**168,750**	**$ 1.00**	318,750	$ 0.76
Options exercisable, ending	**168,750**	**$ 1.00**	198,750	$ 0.92

The fair value of the options granted was estimated at the date of grant using the Black-Scholes option pricing model with the following assumptions:

Black-Scholes Weighted Average assumptions used	2009	2008
Expected volatility	100%	82%
Expected Dividend yield	n/a	n/a
Risk-free interest rate	2.9%	2.8%
Expected option life in years	5	5
Fair value per stock option granted September 29, 2008		$0.54
Fair value per stock option granted August 10, 2009	$0.38	

At the end of the third quarter 30,000 options were exercised, and 120,000 options were forfeited, leaving 168,750 options outstanding with an exercise price of $1.00.

d) Normal Course Issuer Bid

In June 2010 the Corporation filed with the TSX Venture Exchange a notice of intention to make a Normal Course Issuer Bid (NCIB) which commenced on July 2, 2010 to acquire up to 819,155 of its Class A shares. Purchases subject to this normal course issuer bid are carried out pursuant to open market transactions through the facilities of the TSX Venture Exchange. Once purchased, the Class A shares are returned to treasury for cancellation

For the nine months ending March 31, 2011 the Corporation purchased and cancelled 182,500 shares (33,500 shares for three months) shares at a total cost of $137,325 ($27,670 for latest three months).

Subsequent to the end of the quarter, the Corporation has purchased 10,000 shares under its Normal Course Issuer bid. The number of shares outstanding as of May 15, 2011 is 16,216,597.

e) Per share amounts

The weighted average number of Class A common shares outstanding during the first nine months ending March 31, 2011 was 16,283,582 (16,237,375 for the latest three months ended March 31, 2011).

8. Stock-based compensation:

$4,812 has been charged as an expense for the nine months. No expense has been charged for the quarter as all outstanding options have been vested.

9. Capital disclosures:

The Corporation's breakdown of capital is as follows (in thousands of dollars)

	March 31, 2011	June 30, 2010
Bank debt	$ **--**	$ 842
Long-Term Debt	**2,645**	1,014
Margin Loan	**16,091**	8,424
Shareholder's Equity	**24,303**	20,273
Total Capital	$ **43,039**	$ 30,553

The Corporation's objective when managing its capital structure is to use an appropriate amount of leverage that can be supported with its shareholders' equity having regard to the risks, rewards and nature of the activity being financed so as to improve the financial return to the Corporation's shareholders. The Corporation maintains strong working capital balances to ensure liquidity and measures its total long-term debt to shareholder equity (including share capital and retained earnings) striving not to exceed a ratio of 2:1. The Corporation applies a small percentage of capital to purchasing its own shares in a normal course issuer bid under applicable securities laws when the market value does not reflect the underlying value.

The manner in which the Corporation uses its capital base varies differently depending on the division. Most financings are conducted at the division level. The Frozen Food Division utilizes the bank lines to fund inventory, manage payables and receivables. The size of the available bank line typically is set as a function or percentage of these amounts from time to time. The bank line contains current ratio covenants and total debt to shareholder investment covenants, which have not constrained the Corporation in achieving its overall objective on capital management. The Frozen Food Division also, on occasion, uses long-term debt for large equipment purchases and similar capital expenditures, by accessing specialized lenders. Those loans are secured against the equipment and occasionally supported by a parent guarantee with suitable long amortization periods corresponding to the equipment's expected life and the related operation cash flows.

The Real Estate Division uses mortgage financing on acquired real estate funded by rental income. The rental income has in the past been an intercompany transaction. During the most recent quarter, the Real Estate Division provided funds to other divisions to assist in equipment purchases and other investments. These funds have been advanced and have paid down bank loans while waiting deployment.

The Investment Division uses its equity interest in the market portfolio to support margin loans on eligible investments to increase the total capital invested. This allows for an overall larger portfolio to generate distribution income and capital gains. Margin loans are dependent on margin ability of the underlying stocks, brokerage firm policies and equity on deposit. The Corporation has on occasion been requested to sell down positions in order to meet margin requirements, but has largely managed the portfolio to avoid margin calls.

BEAUMONT SELECT CORPORATIONS INC.

Segmented information
(Unaudited)

	Three months ended Mar 31		Nine Months Ended Mar 31	
	2011	2010	2011	2010
Revenues:				
Food processing and distribution	$ **4,984**	$ 4,873	$ **15,346**	$ 15,586
Real estate and rental properties	**69**	69	**207**	207
Inter-segment transactions	**(69)**	(69)	**(207)**	(207)
	$ **4,984**	$ 4,873	$ **15,346**	$ 15,586
Income (loss) before income taxes:				
Food Division	$ **(191)**	$ 48	$ **72**	$ (50)
Investment Division	**2,697**	2,231	**5,096**	5,531
Real Estate Division	**18**	38	**90**	121
Corporate	**(52)**	(65)	**(456)**	(194)
	$ **2,472**	$ 1,919	$ **4,802**	$ 5,408

10. Contingencies

A subsidiary is involved in other litigation / claims in the ordinary course of business (currently mostly as plaintiffs). The amounts at stake in these disputes are not material individually nor in the aggregate. An amount associated with these claims has been accrued from the 2008-09 year as a deferred liability, and charged as an expense in the prior fiscal year. In the event that the Corporation is successful in a claim or is found to be liable for a claim, the resulting settlement will be appropriately recorded to the income statement in the period as incurred, less the current deferred liability.

11. Financial Instruments

The Investment Division of Beaumont manages an active portfolio of securities and as a result, a significant portion of the Corporation's assets are comprised of financial instruments. The use of financial instruments can expose the Corporation to several risks, including market, liquidity and credit risks.

a) Fair Values – As at March 31, 2011 and June 30, 2010, the carrying values of the Corporation's current assets and liabilities including cash, accounts receivable, bank loans, margin loans on equity securities investment, accounts payable and other liabilities approximate their fair values. Unless otherwise stated in these consolidated financial statements, the fair value of the Corporation's financial instruments approximates their carrying values.

b) Market Risk – Market risk it the risk that the fair value of or future cash flows from the Corporation's financial instruments will significantly fluctuate because of changes in market prices. The value of the financial instruments can be affected by changes in foreign exchange rates, interest rates, equity and commodity prices. The Company is exposed to market risk in trading its investments, and unfavourable market conditions could result in dispositions of investments at less than favourable prices. Additionally, in accordance with CICA Handbook Section 3855, the Company is required to mark to market its held-for-trading investments at the end of each reporting period. This process could result in significant write-downs of the Corporation's investments over one or more reporting periods, particularly during periods of overall market instability, which would have a significant unfavourable effect on the Corporation's financial position. The value of the Corporation's real estate investments are also subject to market fluctuations. There were no changes to the way the Corporation manages market risk since June 30, 2010. The Corporation manages market risk by having a portfolio which is not singularly exposed to any one issuer or sector.

c) Margin Risk – The Corporation utilizes margin, by borrowing against its investments to allow it to have a larger investment that would be possible without borrowing. While this does increase the gain when investments appreciate, it also increases the loss during a down market. In the event of a sharp downturn, the Corporation may be forced to sell securities it had not planned to in order to meet a margin call, where the value of the securities is not sufficient to meet the margin loan. The Corporation manages margin risk by maintaining an available margin excess that should minimize the need to sell its holdings. At March 31, 2011, the Corporation had available margin of $2,422,792, and a margin balance of $16,091,237.

d) Liquidity Risk – Liquidity risk is the risk that the Corporation will not have sufficient cash resources to fund financial obligations when they come due. The Corporation's liquidity and operating results could be adversely affected if the Company's access to the capital markets is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Corporation, or if the value of the Corporation's investments declines, resulting in losses upon disposition. The Company generates cash flow primarily from its food division and from proceeds upon the disposition of its investments, in addition to dividends and distributions earned on its investments. The Corporation has sufficient investments which primarily consist of tradable and relatively liquid equity securities to fund its obligations as they become due under normal operating conditions. There have been no changes to the way the Company manages liquidity risk since June 30, 2010. The Company manages liquidity risk by reviewing the amount of margin available on a daily basis, and managing its cash flow. The Company holds investments which can be converted into cash when required. The Corporation uses the last close price in the valuation of its securities. If the bid price were to be used instead, the value of the portfolio would be $29,356,764, a decrease of $132,512.

e) Interest Risk - Interest risk is the impact that changes in interest rates could have on the Corporation's earnings and liabilities. As at March 31, 2011 the Company had floating interest debt of $18,736,261, including margin borrowings.

f) Accounting Policies – The Corporation does not expense commission but includes it in the cost base of the portfolio of equity securities. Commission expenses for the nine months were $281,447.

g) Credit Risk – Credit risk arises from the possibility that the entities to which the

Corporation provides products may experience difficulty and be unable to fulfill their obligations. The Corporation is exposed to financial risk that arises from the credit quality of the entities to which it provides services.

h) Currency risk - Currency risk is the risk that the fair value of or future cash flows from the Corporation's financial instruments will fluctuate because of changes in foreign exchange rates. The Corporation's operations are exposed to foreign exchange fluctuations, which could have a significant adverse effect on its consolidated results of operations from time to time. The Corporation presently derives sales for the past nine months of $1,076,000 in US dollars, and has investments of $195,248 in US Currency on deposit with its broker. The Company does not engage in any hedging activities to mitigate its foreign exchange risk. A change in the foreign exchange rate of the Canadian dollar versus the US dollar may increase or decrease the value of the Company's financial instruments.

12. Off Balance Sheet Arrangements:

The Corporation does not have any off-balance sheet arrangements.

Corporate Directory

Directors
Winston Ho Fatt
Andrew Hyslop
Jon Constable
Independent Director
Terry Kent
Independent Director

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Officers
Winston Ho Fatt
Chairman of the Board,
Chief Executive Officer,
Chief Financial Officer
Philip Gaiser
Controller
Andrew Hyslop
Corporate Secretary

Transfer Agent
Computershare Trust
Company of Canada
Calgary, Alberta

Legal Counsel
Borden Ladner Gervais LLP
Calgary, Alberta

Auditors
Meyers Norris Penny LLP
Calgary, Alberta

Stock Exchange Listing
TSX Venture Exchange
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Stock Symbol
BMN.A

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