BEAUMONT SELECT CORPORATIONS INC.

Notice to Reader

December 21, 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 three months ended September 30, 2011 and 2010 have been prepared by management in accordance with International Financial Reporting Standards (IFRS) 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 months ended September 30, 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 Sheets
($ Thousands)

As at		**Sept 30, 2011 (unaudited)**		June 30, 2011 (audited)
Assets				
Current assets:				
Cash	**$**	**2,269**	$	2,084
Portfolio of equity securities (note 3)		**14,549**		22,363
Accounts receivable		**1,922**		1,887
Inventory		**1,335**		1,387
Prepaid expenses		**93**		95
		20,168		27,816
Note receivable (note 4)		**300**		300
Investment in and due from affiliated company (note 5a)		**3,274**		3,345
Property and equipment (note 7)		**5,063**		5,167
Assets held for sale		**50**		50
Intangible assets (note 6)		**43**		42
Goodwill		**868**		868
Future income taxes		**2,937**		2,915
	$	**32,703**	$	40,503
Liabilities and Shareholders' Equity				
Current liabilities:				
Bank and term loans	**$**	**1,610**	$	1,009
Accounts payable and other liabilities		**1,650**		1,372
Margin loans on equity securities investment (note 3)		**6,584**		11,739
Term loans on demand		**2,223**		2,586
Legal Liability		**207**		207
		12,274		16,913
Future income taxes		**1,445**		1,882
Long-term debt		**14**		15
Shareholders' equity:				
Share capital (note 8)		**7,668**		7,670
Non-controlling interest (note 10)		**475**		505
Contributed surplus		**88**		88
Retained earnings		**10,739**		13,430
		18,970		21,693
Contingencies				
Commitment				
	$	**32,703**	$	40,503

See accompanying notes to 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 Comprehensive Profit (Loss)
For the three months ended September 30, 2011 and 2010
$ Thousands (except per share information)
(Unaudited)

	Three months Ended	
	Sep 30, 2011	Sep 30, 2010
Revenues	**$ 4,341**	$ 4,588
Cost of sales:		
Direct expenses	**4,205**	4,096
Depreciation and amortization	**182**	161
	4,387	4,257
Operating margin	**(46)**	331
Operating expenses:		
Corporate and administrative (note 5c)	**293**	378
Interest and bank charges	**31**	20
Depreciation and amortization	**0**	36
	324	434
Gain (Loss) before the following	**(370)**	(103)
Other income (expenses):		
Interest on margin loans (note 3)	**(104)**	(85)
Investment income (note 3)	**231**	306
Gain (loss) on sale of equity securities (note 3)	**(442)**	268
Gain on sale of capital assets	**--**	5
Unrealized gain (loss) of securities held for trading (note 3)	**(2,502)**	361
Foreign Exchange gain	**67**	--
Stock-based compensation (note 8)	**--**	(2)
	(2,750)	853
Gain (Loss) from continuing operations before income taxes and non-controlling interest	**(3,120)**	750
Income taxes:		
Current	**59**	46
Future	**(457)**	87
	(398)	133
Income (Loss) from continuing operations before non-controlling interest	**(2,722)**	617
Non- controlling interest	**30**	(39)
Net Income (Loss) and Comprehensive Loss	**(2,692)**	578
Net income (loss) per share:		
Continuing operations: basic / diluted	**$ (0.17)**	$ 0.04
Net: basic / diluted	**(0.16)**	0.04

See accompanying notes to consolidated financial statements.

BEAUMONT SELECT CORPORATIONS INC.

Consolidated Statements of Changes in Shareholders' Equity
For the three months ended September 30, 2011 and 2010.
$ Thousands
(unaudited)

		2011		2010
Common shares:				
Beginning of the year	**$**	**7,670**	$	7,737
Shares repurchased		**(2)**		(14)
End of the period		**7,668**		7,723
Non Controlling Interest:				
Beginning of the year	$	**505**	**$**	486
Net Earnings		**(30)**		39
End of the period		**475**		525
Contributed Surplus:				
Beginning of the year	$	**88**	**$**	95
Stock-based compensation		**0**		2
End of the period		**88**		97
Retained earnings:				
Beginning of the year	$	**13,433**	$	12,347
Gain (Loss) during the year		**(2,692)**		578
Excess consideration over stated value of shares		**(2)**		(7)
End of the period		**10,739**		12,918
Shareholders' equity	$	**18,970**	**$**	21,261

See accompanying notes to consolidated financial statements.

BEAUMONT SELECT CORPORATIONS INC.

Consolidated Statements of Cash Flows
For the three months ended September 30, 2011 and 2010
$ Thousands

	2011	2011
Cash provided by (used in):		
Operations:		
Net income (loss) from continuing operations	**$ (2,692)**	$ 578
Add (deduct) items not requiring cash:		
Depreciation and amortization	**181**	189
Future income taxes	**(457)**	87
Loss (gain) on sale of equity securities (note 2)	**442**	(268)
Unrealized (gain) loss of securities held for trading (note 2)	**2,502**	(361)
Stock-based compensation (note 8)	**--**	2
Non-controlling interest	**(29)**	39
Funds from Operations	**(53)**	266
Net change in Due from affiliated corporation	**--**	136
Net change in non-cash working capital balances	**369**	650
Cash from operating activities	**316**	1052
Investing:		
Expenditures on property and equipment (note 6)	**(79)**	(164)
Expenditures on intangible assets (note 5)	**(1)**	(6)
Sale (Purchase) of equity securities	**4,871**	(846)
Cash used in investing activities	**4,791**	(1,016)
Financing:		
Increase in bank loans, net of repayments	**239**	(626)
Increase (decrease) in margin loan	**(5,156)**	649
Repurchase and cancellation of Class A common shares (note 7)	**(4)**	(23)
Decrease in long-term debt, net of repayments	**(1)**	(2)
Increase (decrease) in due to related parties	**--**	(3)
	(4,922)	(5)
Change in cash during the year	**185**	31
Cash at July 1	**2,084**	1,335
Cash at September 30	**$ 2,269**	$ 1,366

See accompanying notes to 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. The corporate office is at 915 42nd Avenue SE, Calgary, Alberta, T2G 1Z1.

The condensed consolidated interim financial statement of the Corporation as at and for the three months ended September 30, 2011 comprises the Corporation and its subsidiaries. These interim condensed consolidated financial statements, unless otherwise indicated, have dollar amounts expressed in Canadian dollars.

These interim consolidated financial statements where approved by the Board of Directors on December 21st, 2011.

2. Accounting Policies

Statement of Compliance - These consolidated interim financial statements for the three months ended September 30, 2011 are unaudited and have been prepared in accordance with IAS 34, Interim Financial Reporting ("IAS 34") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") using accounting policies consistent with International Financial Reporting Standards ("IFRS") which the Company expects to adopt in its annual consolidated financial statements as at and for the year ended June 30, 2012. These interim financial statements were prepared on a going concern basis under the historical cost method except for certain financial assets which are measured at fair value.

These are the Corporation's first IFRS unaudited interim consolidated financial statements for part of the period covered by the Company's first IFRS consolidated annual financial statements for the year ending June 30, 2012. Previously, the Company prepared its consolidated annual and consolidated interim financial statements in accordance with Canadian Generally Accepted Accounting Principles ("GAAP"). The Corporation's date of transition to IFRS and its opening IFRS statement of financial position are as of July 1, 2010 (the Transition Date).

As these are the Corporation's first set of interim consolidated financial statements in accordance with IFRS, the Company's disclosures exceed the minimum requirements under IAS 34. The Corporation has elected to exceed the minimum requirements in order to present the Corporation's accounting policies in accordance with IFRS and the additional disclosures required under IFRS, which also highlight the changes from the Company's 2010 annual consolidated financial statements prepared in accordance with CGAAP.

In 2012 and beyond, the Company may not provide the same amount of disclosure in the Corporation's interim consolidated financial statements under IFRS as the reader will be able to rely on the annual consolidated financial statements which will be prepared in accordance with IFRS. The consolidated interim financial statements do not include all of the information required for full annual consolidated financial statements. Accordingly, certain information and disclosures normally included in annual financial statements prepared in accordance with IFRS, as issued by the International Accounting Standards Board ("IASB"), have been omitted or condensed.

The disclosures that accompany these interim consolidated financial statements are limited to the significant accounting policies applied and the significant judgments and estimates applicable to the preparation of the consolidated financial statements, and the other disclosure requirements of IFRS 1, First-Time Adoption of International Financial Reporting Standards relevant to the consolidated financial statements. An explanation of how the transition to IFRS has affected the reported financial position, financial performance and cash flows of the Company is provided in note 14. This note includes reconciliations of equity, net earnings and total comprehensive income for the 2011 comparative periods and of equity at the date of transition reported under previous Canadian generally accepted accounting principles to those reported under IFRS for those periods and at the date of transition.

Use of Estimates - The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period.

Significant accounts that require estimates as the basis for determining the stated amounts include, but are not limited to, the accounting for accounts receivable and doubtful accounts, estimating the net realizable value of inventory, asset impairment, accounting for share-based payments, revenue recognition, calculation of depreciation and the valuation of deferred income tax assets and liabilities and deferred expenditures. While management believes that these estimates and assumptions are reasonable, actual results could vary significantly.

In determining these estimates, the Company relies on assumptions regarding applicable industry performance and prospects, as well as general business and economic conditions that prevail and are expected to prevail. These assumptions are limited by the availability of reliable comparable data and the uncertainty of predictions concerning future events.

Basis of Consolidation – The consolidated financial statements incorporate the financial statements of the Corporation and entities and subsidiaries controlled by the Corporation. Control is achieved where the Corporation has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All intercompany balances, transactions, income, expenses, profits and losses are eliminated in full on consolidation.

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.

Impairment of Value - Under IFRS, indicators of impairment need to be assessed at each reporting period and an impairment test is only required if there are indicators of impairment. The Corporation is required to recognize an impairment loss if the carrying value exceeds the recoverable amount for a cash generating unit. An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indications exist, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss.

Determination of Fair Values – The determination of fair value requires judgment and is based on market information where available. At the end of each financial reporting period, the Corporation's management estimates the fair value of investments based on the criteria below and reflects such valuations in the consolidated financial statements.

The Corporation has classified its financial instrument fair values based on the required three level hierarchy:

- Level 1: Valuations based on quoted prices in active markets for identical assets or liabilities;
- Level 2: Valuations based on observable inputs other than quoted active market prices; and
- Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flows methods.

Adoption of IFRS 9 and IFRS 7 - The effective date of IFRS 9, Financial Instruments: Classification and Measurement is January 1, 2013. As permitted by the IASB, the Company has early adopted IFRS 9 in conjunction with the transition to IFRS on January 1, 2010. The Company's significant class of financial assets is investments (designated at fair value through profit and loss) and the difference in the accounting between IAS 39, Financial Instruments: Recognition and Measurement and IFRS 9 for these financial instruments do not have any material impact on the Company's consolidated financial statements.

The Company has also adopted IFRS 7, Financial Instruments: Disclosures in conjunction with the transition to IFRS on January 1, 2010. The amendment to IFRS 7 requires additional disclosure about financial assets that have been transferred but not derecognized to enable the user of the Company's consolidated financial statements to understand the relationship with those assets that have not been derecognized and their associated liabilities. In addition, the amendment requires disclosures about continuing involvement in derecognized assets to enable the user to evaluate the nature of, and risks associated with, the entity's continuing involvement in those derecognized assets. The amendment becomes effective for annual periods beginning on or after July 1, 2011. The amendment affects disclosure only and has therefore no impact on the Company's financial position or performance.

New Standards and Interpretations not yet Adopted

The Corporation has reviewed new and revised accounting pronouncements that have been issued but are not yet effective and determined that the following may have an impact on the Corporation:

IAS 12 Income Taxes

IAS 12 was amended in December 2010 to remove subjectivity in determining on which basis an entity measures the deferred tax relating to an asset. The amendment introduces a presumption that an entity will assess whether the carrying value of an asset will be recovered through the sale of the asset. The amendment to IAS 12 is effective for reporting periods beginning on or after January 1, 2012. The Corporation is currently evaluating the impact of this amendment to IAS 12 on its consolidated financial statements.

IAS 27 Separate Financial Statements

IAS 27 replaced the existing IAS 27 "Consolidated and Separate Financial Statements". IAS 27 contains accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. IAS 27 requires an entity preparing separate financial statements to account for those investments at cost or in accordance with IFRS 9 Financial Instruments. IAS 27 is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted. The Corporation is currently evaluating the impact of this standard on its consolidated financial statements.

IAS 28 Investments in Associates and Joint Ventures

IAS 28 was amended in 2011 which prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. IAS 28 is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted. The Corporation is currently evaluating the impact of this amendment to IAS 28 on its consolidated financial statements.

IFRS 9 Financial Instruments

IFRS 9 was issued in November 2010 and is the first step to replace current IAS 39, "Financial Instruments: Recognition and Measurement". IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2013. The Corporation is currently evaluating the impact of IFRS 9 on its consolidated financial statements.

IFRS 10 Consolidated Financial Statements

IFRS 10 establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. IFRS 10 supersedes IAS 27 "Consolidated and Separate Financial Statements" and SIC-12 "Consolidation—Special Purpose Entities" and is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted. The Corporation is currently evaluating the impact of this standard on its consolidated financial statements.

IFRS 11 Joint Arrangements

IFRS 11 establishes principles for financial reporting by parties to a joint arrangement. IFRS 11 supersedes current IAS 31 “Interests in Joint Ventures and SIC-13 Jointly Controlled Entities—Non-Monetary Contributions by Venturers” and is effective for annual periods beginning on or after January 1, 2013. The new standard redefines joint operations and joint ventures and requires joint operations to be proportionately consolidated and joint ventures to be equity accounted. Earlier application is permitted. The company is currently evaluating the impact of this standard on its consolidated financial statements.

IFRS 12 Disclosure of Interests in Other Entities

IFRS 12 applies to entities that have an interest in a subsidiary, a joint arrangement, an associate or an unconsolidated structured entity. IFRS 12 is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted. The Corporation is currently evaluating the impact of this standard on its consolidated financial statements.

IFRS 13 Fair Value Measurements

IFRS 13 defines fair value, sets out in a single IFRS framework for measuring fair value and requires disclosures about fair value measurements. The IFRS 13 applies to IFRSs that require or permit fair value measurements or disclosures about fair value measurements (and measurements, such as fair value less costs to sell, based on fair value or disclosures about those measurements), except in specified circumstances. IFRS 13 is to be applied for annual periods beginning on or after January 1, 2013. Earlier application is permitted. The Corporation is currently evaluating the impact of this standard on its consolidated financial statements.

3. Equity Securities:

At September 30, 2011, the Corporation held equity securities with a fair market value of $14,548,707 (2010 - $18,314,653), with margin interest expenses of $103,507 (2010 - $84,715), investment income of $230,718 (2010 - $306,477), loss on sale of equity securities of $442,429 (2010 – gain of $267,604), and mark-to-market loss of $2,501,788 (2010 – gain of $360,987). In addition, the Corporation also has margin loans totaling $6,583,757 (2010 - $9,068,000). Equity securities are held as collateral to satisfy the requirements of the margin loans.

Investments consist of the following as at September 30, 2011:

Investment	**# shares**	**sector**	**Cost**	**Fair Value**
Equal Energy Ltd	831,612	Oil Exploration	$5,413,499	$3,792,151
Open Range Energy Corp	350,300	Oil Exploration	$2,333,437	$3,082,640
Student Transportation Inc.	428,800	Transportation	$1,928,348	$2,547,072
AutoCanada Inc	348,300	Retail	$1,582,165	$1,546,452
Pure Energy Services Ltd.	118,900	Energy Services	$804,989	$755,015
Avenex Energy Corp	142,600	Oil Exploration	$754,437	$644,552
Wenzel Downhole Tools Ltd	182,100	Energy Services	$314,498	$364,200
McCoy Corporation	115,900	Energy Services	$361,108	$330,315
BRI-Chem Corp.	86,000	Energy Services	$317,202	$219,300
Parallel Energy Trust	19,700	Energy Trust	$197,000	$172,375
41 other investments		Various	$1,328,156	$1,094,635
Total			$15,334,839	$14,548,707

The majority of the Corporation’s investments were classified as Level 1, as they are traded on active stock exchanges (Toronto, Nasdaq, NYSE and TSX Venture) with strong liquidity and quoted prices. The Corporation uses the last trade price for its valuation. The Corporation holds six level 2 investments (3 equities, 3 warrants) in privately held oil and gas companies. The total value of level 2 assets is $166,050.

The following table presents the Corporation’s financial instruments measured at fair value and categorized into levels of the fair value hierarchy for the most recent reporting periods. There were no transfers between Level 2 and 1 during the three months ended September 30, 2011.

Investments, Fair Value	Level 1 Quoted market price	Level 2 Observable inputs	Level 3 Non-observable inputs	Total
September 30, 2011	$14,382,657	$166,050	--	$14,548,707
June 30, 2011	$22,252,430	$111,000	--	$22,363,430

Liquidity Risk - The Corporation holds some large positions, relative to their daily trading, that represent a liquidity risk should a fast liquidation be required. The largest position, Equal Energy, represents seven days of average daily shares traded (combined trading on TSX and NASDAQ exchanges). The AutoCanada position represents sixteen days average trading. A fast liquidation of these positions could have adverse affects on its price. No other position represents more than two days average daily shares traded. The Corporation believes that it has other investments that could be sold to mitigate the need for a quick liquidation.

Foreign Exchange Risk- The Corporation has $58,550 in US dollar bank accounts as at September 30, 2011.

4. Note receivable:

In 2008, the British Columbia division of 571766 Alberta Ltd. (formerly Mrs. Willman’s Baking Ltd.) was sold to Premium Brands Operating Ltd. Partnership in exchange for a note receivable in the amount of $300 thousand. The note receivable earns interest at a rate of 6.5% per annum, payable annually. The principal portion of the note receivable is due and payable on May 2, 2013.

5. **Related party transactions during the quarter:**

(a) Investment in and due from affiliated company for the quarter:

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

$ Thousands	**September 2011**	September 2010
Investment in Somerset	**$ 2,995**	$ 2,995
Return of Capital received	**$ (71)**	$ --
Other Loans		
Due from Somerset, unsecured, bearing interest @ 6% per annum, with no specific terms of repayment	**350**	350
Short Term receivable	$ **--**	65
Due from Somerset – ending	**$ 350**	$ 415
	$ 3,274	$ 3,410

(b) Income statement for the quarter under review:

- Management fees charged by shareholders and officers of the Corporation included in corporate and administrative expenses: $ 70,514
- Consulting fees paid to current and former directors of the Corporation included in corporate and administrative expenses: $ 15,800

6. **Intangible assets for the quarter under review**:

The Corporation capitalized $1,122 in software costs during the quarter.

7. **Property and equipment expenditures for the quarter under review:**

The Corporation capitalized $78,209 in new production equipment and leasehold improvements.

8. **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:

	September 2011		June 2011	
	Shares	**Amount**	Shares	Amount
Balance, beginning	**16,215,597**	**$ 7,670,234**	16,379,097	$ 7,737,174
Redemption of shares	**(5,000)**	**(2,362)**	(193,500)	(93,263)
Options Redeemed			30,000	26,323
Balance, ending	**16,210,597**	**$ 7,667,872**	16,215,597	$ 7,670,234

c) Stock options:

(iii) 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.

	September 2011			June 2011		
	Number		**Weighted average exercise price**	Number		Weighted average exercise price
Outstanding options, beginning	**168,750**	**$**	**1.00**	318,750	$	1.00
Options forfeited	**--**		**--**	(120,000)		0.50
Options exercised	**--**		**--**	(30,000)		0.50
Outstanding options, ending	**168,750**	**$**	**1.00**	168,750	$	1.00
Options exercisable, ending	**168,750**	**$**	**1.00**	168,750	$	1.00

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	
Expected volatility	82%
Expected Dividend yield	n/a
Risk-free interest rate	2.8%
Expected option life in years	5
Fair value per stock option granted September 29, 2008	$0.54

d) Normal Course Issuer Bid

In June 2011 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, 2011 to acquire up to 810,779 of its Class A shares. Purchases subject to this normal course issue 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 three months ending September 30, 2011 the Corporation purchased and cancelled 5,000 shares at a total cost of $4,000 at an average $0.80 per share.

Subsequent to the end of the quarter, the Corporation has purchased 11,000 shares under its Normal Course Issue bid. The number of shares outstanding as of December 21, 2011 is 16,199,597.

9. Stock-based compensation:

As all outstanding options are vested, there is no stock based compensation expense for the quarter.

10. Non Controlling Interest

The Corporation holds a 95.5% interest in Angiogene Inc, with the remaining 4.5% held by six other investors.

11. Capital disclosures:

The Corporation's breakdown of capital is as follows:

$ Thousands

	September 2011	June 2011
Bank debt	$ **1,610**	$ 1,009
Long-Term Debt	**14**	15
Term loans due on demand	**2,223**	2,586
Margin Loan	**6,584**	11,739
Shareholder's Equity	**18,970**	21,693
Total Capital	$ **29,401**	$ 37,042

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 with most financing usually done at the division level. The Food Division utilizes the bank lines to fund inventory and manage payables and receivables with the size of available bank line typically set as a function of a percentage of these amounts at various points in 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 Food Division also periodically 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 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 Investment Division uses its equity interest in the equity investment 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 marginability of the underlying stocks, as well as 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. During the most recent quarter the margin loan represented an average of 49% of the portfolio value.

12. Contingencies

The Corporation or its subsidiaries are involved in other litigation or 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. Therefore, no amount associated with these claims has been accrued as assets or liabilities, or recorded as income or charged as expenses on these consolidated financial statements. 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.

13. Commitment:

In accordance with the terms of the agreement relating to the sale of the Mrs. Willman's B.C. operations, the Corporation will receive an annual royalty of 2.5% of the future sales of the products existing at the time of the sale to the then existing customers, for the next ten years (expiring in 2018) up to a maximum aggregate of $700,000. No accrual has been taken this quarter.

14. Transition to International Financial Reporting Standards

For all periods up to and including the year ended June 30, 2011, the Corporation prepared its consolidated financial statements according to Canadian Generally Accepted Accounting Principles (CGAAP). As stated in Note 1, these condensed consolidated financial statements represent the condensed interim financial statements of the Corporation and its subsidiaries prepared in accordance with International Financial Reporting Standards (IFRS) for the period ended June 30, 2011. These consolidated financial statements for the three months ended September 30, 2011 are the first financial statements that the Corporation has prepared under IFRS.

As a result, these interim condensed consolidated financial statements have been prepared in accordance with IFRS 1- *First-time Adoption of International Financial Reporting Standards* and with IAS 34, *Interim Financial Reporting*. The first date at which IFRS was applied was July 1, 2011 ("Transition Date"). In preparing these financial statements in accordance with IFRS 1, the Corporation has:

- provided comparative financial information;
- applied the same accounting policies throughout all periods presented;
- retroactively applied all effective IFRS standards as of July 1, 2011, as required, and
- applied certain optional and mandatory exemptions as applicable for first time adopters of IFRS.

The Corporation's consolidated financial statements were previously prepared in accordance with Canadian GAAP.

IFRS 1 (First–time adoption of IFRS) Exemptions

The Corporation has applied the following IFRS 1 exemptions:

Property, Plant and Equipment
IFRS 1 allows an entity that used full cost accounting under Canadian GAAP to deem its July 1, 2011, IFRS property plant and equipment asset to be equal to its Canadian GAAP historical net book value.

Share-based Compensation
The Corporation used the IFRS 1 exemption under which stock options vested prior to January 1, 2011, are not required to be restated.

Business Combinations
The IFRS 1 exemption allowed the Corporation to use the IFRS rules for business combination on a prospective basis rather than re-stating all business combinations. The Corporation made the election under IFRS 1 and did not apply IFRS 3, *Business Combinations*, to business combinations that occurred before July 1, 2011.

Leases
The Corporation took the IFRS 1 exemption for leases and did not apply IAS 17, *Leases,* retroactive prior to July 1, 2011.

Borrowing Costs
The Corporation plans to capitalize borrowing costs when the capital projects are longer than one year. The Corporation has not previously had projects that took longer than one year and plans to apply IAS 23 borrowing costs prospectively.

Estimates
In accordance with IFRS 1, an entity's estimates under IFRS at the date of transition to IFRS must be consistent with estimates made for the same date under previous GAAP, unless there is objective evidence that those estimates were made in error. The Corporation's IFRS estimates as of July 1, 2010 are consistent with its Canadian GAAP estimates for the same date.

Financial Assets
The Corporation has elected to adopt IFRS 9 from the transition date rather than January 1, 2015. All previously recognized financial assets and financial liabilities are designated as either amortized cost or at fair value through profit and loss based upon the facts and circumstances existing at the transition date.

The following reconciliations present the adjustments made to the Corporation's previous GAAP Financial statements to comply with IFRS 1. Please refer to the notes that follow the detailed reconciliations.

As At July 1, 2010

	Note	GAAP	Transition	IFRS
Assets				
Current Assets				
Cash		1,335		1,335
Equity Securities		16,833		16,833
Receivables		1,598		1,598
Inventory		1,329		1,329
Prepaid expenses		222		222
Total Current Assets		21,317		21,317
Property and equipment		5,245		5,245
Assets for sale		50		50
Intangible Assets	a	212	-135	77
Goodwill		868		868
Note Receivable		300		300
Investment in Affiliate		3,481		3,481
Future Income Taxes		3,143		3,143
Total Assets		34,616	-135	34,481
Bank Loan		842		842
Accounts Payable		1,337		1,337
Margin Loan		8,424		8,424
Current portion of long term debt		376		376
Deferred liability		207		207
Related party liabilities		71		71
Total Current Liabilities		11,257		11,257
Long term debt		638		638
Deferred Tax	b	1,962	-41	1,921
Non Controlling Interest	c	486	-486	-
Total Liabilities		14,343	-527	13,816
Share capital		7,737		7,737
Non controlling interest	c	-	486	486
Contributed Surplus		95		95
Retained Earnings		12,441	-94	12,347
Total Equity		20,273	392	20,665
Total Liabilities plus equity		34,616	-135	34,481

As At September 30, 2010

	Note	GAAP	Transition	IFRS
Assets				
Current Assets				
Cash		1,366		1,366
Equity Securities		18,315		18,315
Receivables		1,855		1,855
Inventory		1,190		1,190
Prepaid expenses		199		199
Total Current Assets		22,925		22,925
Property and equipment		5,229		5,229
Assets for sale		50		50
Intangible Assets	a	209	-134	75
Goodwill		868		868
Note Receivable		300		300
Investment in Affiliate		3,345		3,345
Future Income Taxes		3,143		3,143
Total Assets		36,069	-134	35,935
Bank Loan		290		290
Accounts Payable		2,187		2,187
Margin Loan		9,068		9,068
Current portion of long term debt		247		247
Deferred liability		207		207
Related party liabilities		71		71
Total Current Liabilities		12,070		12,070
Long term debt		602		602
Deferred Tax	b	2,040	-40	2,000
Non Controlling Interest	c	525	-525	-
Noncurrent Liabilities				-
Total Liabilities		15,237	-565	14,672
Share capital		7,723		7,723
Non controlling interest	c	-	525	525
Contributed Surplus		97		97
Retained Earnings		13,012	-94	12,918
Total Equity		20,832	431	21,263
Total Liabilities plus equity		36,069	-134	35,935

As At June 30, 2011

	Note	GAAP	Transition	IFRS
Assets				
Current Assets				
Cash		2,084		2,084
Equity Securities		22,363		22,363
Receivables		1,887		1,887
Inventory		1,387		1,387
Prepaid expenses		95		95
Total Current Assets		27,816		27,816
Property and equipment		5,167		5,167
Assets for sale		50		50
Intangible Assets		42		42
Goodwill		868		868
Note Receivable		300		300
Investment in Affiliate		3,345		3,345
Future Income Taxes		2,915		2,915
Total Assets		40,503		40,503
Bank Loan		1,009		1,009
Accounts Payable		1,372		1,372
Margin Loan		11,739		11,739
Term loans on demand		2,586		2,586
Deferred liability		207		207
Total Current Liabilities		16,913		16,913
Long term debt		15		15
Deferred Tax		1,882		1,882
Non Controlling Interest	c	505	-505	-
Noncurrent Liabilities				-
Total Liabilities		19,315	-505	18,810
Share capital		7,670		7,670
Non controlling interest	c	-	505	505
Contributed Surplus		88		88
Retained Earnings		13,430		13,430
Total Equity		21,188	505	21,693
Total Liabilities plus equity		40,503		40,503

Notes to Reconciliations of IFRS Adoption

a) Intangible Assets - Under Canadian GAAP, the Corporation capitalized development expenses relating to product packaging, while under IFRS capitalization of this nature is not permitted. At the end of 2011 these intangibles were written down to zero.

b) As a result of the change in accounting policy for intangible assets, the deferred tax liability relating to timing difference of this asset has changed

c) Under IFRS, non controlling interest is considered to be a component of equity, rather than a non current liability.

BEAUMONT SELECT CORPORATIONS INC.

Segmented information
(Unaudited)
$ Thousands

		September 30 2011	September 30 2010
Revenues			
Food Processing and distribution	$	4,341	4,588
Real estate and Rental Properties		69	69
Inter-segment transactions		(69)	(69)
	$	4,341	4,588
Income (loss before income taxes:			
Food Processing and distribution		(187)	(71)
Equity Securities division		(2,985)	850
Real estate and rental properties		52	28
Inter-segment transactions		-	(57)
	$	(3,120)	750

Corporate Directory

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Andrew Hyslop
Corporate Secretary

Philip Gaiser, CMA
Controller

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Calgary, Alberta

Legal Counsel
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Auditors
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