FOR THE THREE MONTHS ENDED

September 30, 2012

Beaumont Select Corporations Inc.

Beaumont Select Corporations Inc.

REPORT TO SHAREHOLDERS

While the investment atmosphere improved, the Corporation experienced difficulties in its Food Division due to an ammonia leak in a freezer. The response was to shut down the production facility, destroy all products, repair the freezer and completely clean the entire facility. All steps were performed under the Canadian Food Inspection Agency (CFIA) guidelines. Production has resumed and sales are approaching former levels.

The Investment Division saw a 14.8% growth in its equity, as stock markets climbed a wall of European worry. The Investment Division earned $1.773 million, comprised mainly of unrealized gains of $1.382 million and realized gains of $175 thousand.

The Corporation's interim financial statements for the first quarter ended September 30, 2012 were not audited or reviewed by the Corporation's auditors. This quarterly Management's Discussion and Analysis (MD&A) was made as of November 26, 2012.

FINANCIAL HIGHLIGHTS

The Corporation's financial results for the three months ended September 30, 2012 compared to the same period in the previous fiscal year included the following:

- Markets moved up in anticipation of US election results, and some improvement in worldwide economic conditions. The Investment Division increased leverage during this upswing to produce a 14.8% increase in the equity of the portfolio.

$ millions	**Sep 30, 2012**	Jun 30, 2012	3 mo. Change
Portfolio value	**$22.077**	$ 17.310	27.5%
Margin Loan	**9.130**	6.035	51.3%
Equity in Portfolio	**$12.947**	$11.275	14.8%

- The Food Division faced a leak of ammonia in a freezer, resulting in loss of production for four weeks as all food products were destroyed and the building was cleaned. The loss of product was insured, and some insurance settlement has been received and booked as income. The total settlement has not yet been finalized.
- Somerset Properties Ltd. declared and paid a dividend of $408 thousand to the Corporation.
- Net income for the quarter was seven cents per share, up from a loss of 17 cents per share in the first quarter of the prior year.

Financial Highlights
(in thousands of dollars except share and per share information)

	Three Months Ended	
	Sept 2012	Sept 2011
Net Sales	**$2,572**	$4,341
Operating Income (Loss)	**(825)**	(46)
Net Income (Loss)	**1,132**	(2,722)
Net Income (Loss) per share -basic	**0.07**	(0.17)
Net Income (Loss) per share -diluted	**0.07**	(0.17)
Funds from (required by) Operations	**(142)**	(53)
Funds from operations per share – basic	**(0.01)**	0.00
Funds from operations per share - diluted	**(0.01)**	0.00
EBITDA	**1,549**	(2,804)
EBITDA per share – basic	**0.10**	(0.17)
EBITDA per share – diluted	**0.09**	(0.17)
	as at	
	Sept 2012	June 2012
Total Assets	**39,947**	34,898
Shareholder's Equity	**22,606**	21,474
Shares outstanding	**16,171,597**	16,171,597

CORPORATE PROFILE

Beaumont Select Corporations Inc. is a management corporation, which directs investments in the food processing and real estate industries, as well as a portfolio of equity securities.

The Food Division concentrates on providing high quality private label and branded products of a specialty nature in the food sector. These products are distributed to food wholesalers and retailers in North America including most major retail chains. The products are produced by a wholly owned subsidiary, Naleway Foods Ltd., located in Winnipeg, Manitoba in a Canadian Food Inspection Agency (CFIA) certified plant owned by the Corporation.

The Corporation manages a portfolio of equity securities held for investment purposes. The corporate Investment Division operates within defined parameters as established by the Board of Directors and reports to the Investment Committee of the Board.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's discussion and analysis (MD&A) of the results for the three months (referred to as the first quarter or Q1) in the fiscal year ending June 30, 2013 (referred to as 2012-13) should be read in conjunction with the Corporation's audited consolidated financial statements for the year ended June 30, 2012 and the accompanying notes as well as the Corporation's unaudited consolidated financial statements and notes for the three months ended September 30, 2012. All financial information is reported in accordance with International Financial Reporting Standards (IFRS) unless noted otherwise. The financial measure of earnings before interest, taxes, depreciation and amortization (EBITDA) or funds from operations referred in this MD&A do not have a standardized definition prescribed by IFRS and are therefore not readily comparable to similar measures presented by other corporations even in the same industry. The Corporation's method of calculating EBITDA and funds from operations may not be comparable to similarly titled amounts reported by other issuers. The Corporation believes these earnings measures are useful supplemental measures of performance, as they provide investors with an indication of the amount of funds available for reinvestment or distribution to shareholders. Investors should be cautioned, however, that EBITDA and funds from operations should not be construed as alternatives to using net income as a measure of profitability or the statement of cash flows as a measure of liquidity and cash positions.

CONSOLIDATED FINANCIAL ANALYSIS

Revenues

Overall revenues for the first three months of fiscal 2012-13 decreased 41% (or $1.77 million) from the first quarter of 2011-12 to $2.571 million. The ammonia leak in our production facility caused a complete shutdown of the building, as well as the destruction of all raw materials and finished goods. The Corporation had other storage facilities with finished goods, but the need to remove damaged materials, clean and restock left us unable to produce for several weeks.

Financing Expenses

Interest on term debt, lines of credit and bank charges totalled $39 thousand for the first quarter, up from $31 thousand during the first quarter of 2011-12. Higher bank borrowings were the focus of the increase.

Interest on margin loans for investments in equity securities decreased to $82 thousand for the first quarter of 2012-13 compared to $104 thousand in the same quarter of the prior year. During the quarter the average margin loan was $8.169 million, down from $8.985 million in the first quarter of the prior year. The effective margin interest rate was 4%, down from 4.6% in the previous first quarter.

The quarter's average margin loan represented 40% of the portfolio value, a decrease from 49% in the same period in the prior year. Leverage increased during the most recent quarter, as a rising market presented more opportunities.

Other Income

The Investment Division's contribution to other income included realized gains of $175 thousand and unrealized gains of $1.382 million. Dividends and distribution income grew compared to the first quarter of 2011-12 at $717 thousand as a dividend of $408 thousand was received from Somerset Properties. As well, the percentage of equity investments in dividend paying stocks grew from 45% in September 2011 to 79% in September 2012. The equity portfolio contributed $298 thousand of dividend income, while the remaining income represented interest accrued on debentures held by the Corporation.

The first quarter brought a modest amount of realized capital gains within the equity portfolio ($175 thousand), concentrated in the energy services and retail sectors. Modest losses were made in the energy trust and investment sectors.

Net Income

Net Income from continuing operations before income taxes was a gain of $1.245 million for the first quarter compared to a loss of $3.120 million for the same period in the previous year. The gain was created from the Investment Division as it had earned $1.773 million from the investment portfolio compared to a loss of $2.836 million in the first quarter of the prior year.

Cash Flow from Operating Activities, EBITDA

Cash flows from operating activities for the latest three months decreased to negative $255 thousand from a positive $317 thousand in the same period of 2011-12. The inability to produce during the shutdown suppressed sales and deprived the Corporation of cash flow.

EBITDA for the first quarter of 2012-13 increased to $1.549 million ($0.10 per basic share) from negative $2.804 million ($-0.17 per basic share). The increase was due to increased earnings from the Investment Division.

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) is a non-IFRS measure commonly used by financial analysts and investors to show the cash generation potential of the Corporation, unaffected by its method of capitalization. The material difference between EBITDA and cash flow from operating activities is the inclusion of realized and unrealized gains in EBITDA, and the exclusion of working capital changes.

EBITDA		
In thousands of dollars	3 months	
	Sept 12	Sept 11
Net Income	**1,132**	($2,722)
Add back:		
Margin Interest	**82**	104
Loan Interest	**39**	31
Current and Deferred Taxes	**113**	(399)
Depreciation	**183**	182
EBITDA	**1,549**	(2,804)

Deferred Tax Assets and Liabilities

The Corporation's balance sheet includes a total of $3.094 million of deferred tax assets and $2.08 million of deferred tax liabilities. The Corporation's ability to realize the value of the deferred tax assets is dependent upon the Corporation generating taxable income within the time frame for those tax losses that have an expiry or taxable capital gains for those tax losses that are of a capital nature. The Corporation currently believes those conditions can be met. In the event such an assessment no longer seems reasonable, an impairment to that asset will have occurred and a corresponding impairment charge will be required at that time. The appropriateness of the deferred tax liability (and also deferred tax assets) carried on the

Corporation's balance sheet is in turn monitored and tested through the regular annual income tax filing process.

Related Party Transactions

The following related party transactions occurred during the first quarter of 2012-13:

Management fees were charged by companies associated with the Chairman, CEO, and by the Vice President of Naleway Foods Ltd. for management services which are included in corporate and administrative expenses aggregating $70,514 during the quarter.

Fees were paid to current and former directors of the Corporation for professional, management and other services rendered during the quarter in the ordinary course of business. The aggregate $36,000 of such expenses was included in corporate and administrative expenses during the quarter.

Rent of $20,550 was paid to Somerset Properties Ltd, a corporation 80.6% controlled by the Chairman.

FINANCING ACTIVITIES & LOANS

During the first quarter of 2012-13 the Corporation borrowed an additional $286 thousand from its credit lines, after payments made on its term loans.

During the first quarter the margin loan balance increased $3.095 million to $9.13 million compared to the beginning of the fiscal year. The outstanding margin loan balance at September 30, 2012 represented 41% of the portfolio's market value, an increase compared to 35% of the portfolio's market value as of June 30, 2012. The average margin loan for the quarter was $8.169 million.

LIQUIDITY AND CAPITAL RESOURCES

At September 30, 2012, the Corporation had total operating credit facilities of $2 million with various institutions of which $1.052 million was available at the end of the first quarter, after expected insurance claims. The operating facilities may be drawn down or repaid at any time, and there are no scheduled repayment terms. The Corporation believes that available cash flow from operations, working capital surplus and its borrowing facilities will be sufficient to fund its required limited capital expenditures and debt repayment obligations. Any material capital expenditure will likely require new credit facilities as a supplement to existing cash reserves. The Corporation and its affiliates were in compliance with all banking ratios during the first quarter.

Dividends and income trust distributions from the Investment Division of $298 thousand exceeded margin interest expense of $82 thousand by a minimum of 200% for the first three months and continue to be cash flow positive net of margin interest charges. A dividend of $408 thousand from Somerset Properties was declared and received during the first quarter.

The Corporation understands that income trust distributions are not guaranteed, can be reduced or eliminated at any time, and can be made up of returns of capital. In order to ensure positive cash flow from the equity portfolio, individual investments may be sold and / or replaced from time to time in order to rebalance the portfolio.

Most large investment holdings are in liquid stocks, and provide an available cash source to fund any new or existing investments. The reduction of margin usage and the increased investment in Income Trusts has the distributions exceeding margin interest by a factor of two for the latest quarter. The Corporation has occasionally realized portions of its equity securities portfolio as and when capital resources were required for operations.

Quarterly results are unaudited.
$ Thousands (except per share data)

	2013-12		**2012-11**				**2011-10**	
	Q-1	Q-4	Q-3	Q-2	Q-1	Q-4	Q-3	Q-2
Revenue	2,572	4,506	4,315	5,086	4,341	3,887	4,697	5,297
Op Margin	(825)	121	(39)	119	(46)	(55)	186	449
Income (Loss) after tax	1,132	(192)	1,193	1,526	(2,722)	(2,853)	2,225	1,401
EBITDA	1,550	(196)	1,890	2,038	(2,804)	(2,849)	2,831	1,900
EBITDA Per share- basic and diluted	0.10	(0.01)	0.12	0.12	(0.17)	(0.18)	0.17	0.12

REPURCHASE OF COMMON SHARES

In June 2012, the Corporation received approval from The TSX Venture Exchange to acquire an additional 808,680 shares, representing approximately 5% of the issued and outstanding class “A” shares, through a renewed Normal Course Issuer Bid. During the first quarter of 2012-13, the Corporation repurchased no shares from the market, compared to 5,000 shares purchased in the first quarter of 2011-2012.

Subsequent to the end of the quarter, the Corporation has purchased no shares under its Normal Course Issuer bid. The number of shares outstanding as of November 26, 2012 is 16,171,597.

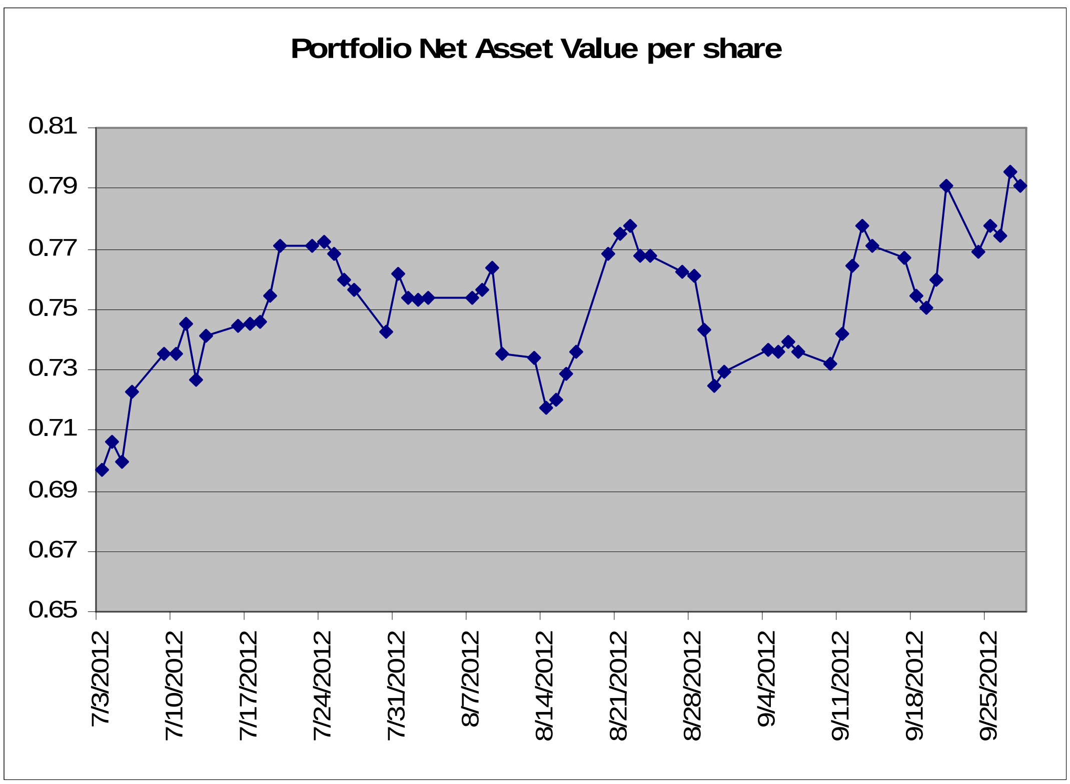
DIVISIONAL REPORTING

INVESTMENT DIVISION

During the first quarter of 2012-13 the portfolio of equity investments rose as anticipation built around the US election. The equity in the investment portfolio (portfolio value less corresponding margin loan) grew 14.8%, compared to the S&P TSX Composite index growth 6.2% during the quarter.

For the first three months the portfolio of investments recorded an investment profit of $1.773 million. The investment change was made up of the following:

In thousands of dollars	3 months ending	
	Sep 2012	Sep 2011
Dividends and distributions	**$298**	**$212**
Interest expense	**(82)**	**(104)**
Realized gains (losses)	**175**	**(442)**
Unrealized gains (losses)	**1,382**	**(2,502)**
Total investment gain (loss)	**$1,773**	**($2,836)**



Net Asset Value (NAV) is a non-IFRS term describing the total value of the equity portfolio less margin loans divided by the total number of shares outstanding as at a specific date. There is no comparable Canadian GAAP or IFRS measure. The Corporation presents NAV to assist shareholders in their evaluation of the Company's value. The NAV presented consists only of the Corporation's equity portfolio, and excludes all other assets and liabilities.

During the first quarter there were realized gains in the consumer, transportation, and real estate investment trust (REIT) sectors, while the greatest realized losses occurred in the services and energy trust sectors.

As at September 30, 2012, 33.4% of investments (by market value) were in the retail sector, followed by the transportation (16.9%), services (14.9%) and investment (10.5%), energy services (8%) and energy trust (7.1%) sectors.

At the end of the first quarter, the ten largest investments comprised approximately 89.6% of the total portfolio's cost base, and 92.8% of the total market value. The top investments are (ranked by total market value):

- AutoCanada Inc
- Student Transport of America Ltd
- Horizons Betapro NYMEX Natural Gas Bull
- Altus Group
- Eagle Energy Trust
- BRI-Chem Corp
- Data Group Inc.
- Poseidon Concepts Corp
- Avenex Energy Corp
- Logan International Inc.

The remainder of the portfolio is spread out over 34 other stocks. Overall the portfolio is weighted 79.4% by market value into dividend paying stocks. The Corporation continues to monitor the market as a whole, along with a wide variety of stocks, and will change its market weight from time to time.

As of November 23, 2012 the total market value of the portfolio of investments has increased to $24.04 million, and the margin loans have increased to $11.503 million, resulting in a 3% decrease in the equity portion of the portfolio to $12.537 million. The Corporation has been and will continue to preserve its capital. Margin levels have risen to 48% of the total portfolio value. The top ten now consists of:

- AutoCanada Inc
- Student Transport of America Ltd
- Horizons Betapro NYMEX Natural Gas Bull
- Altus Group
- Eagle Energy Trust
- BRI-Chem Corp
- Avenex Energy Corp
- Renegade Petroleum Ltd.
- CanElson Drilling Inc.
- Logan International Inc

The portfolio net asset value stands at $0.78 per share as of November 23, 2012.

FOOD DIVISION
The food division suffered an ammonia release in its building in late July, resulting in the need to suspend production. No one was harmed and during this shutdown all food within the building was destroyed and all equipment cleaned, as required by the Canadian Food Inspection Agency (CFIA). While customers remained supportive, the loss of production did result in dramatically lower sales for the quarter. Customer sales are beginning to return to comparable monthly levels seen last year and an active promotion program is underway to regain the momentum in sales improvement that began developing prior to the ammonia release.

The Corporation has been advised that this was an insured event, with insurance coverage extending to both lost product as well as business interruption. The final amount of insurance coverage has not been finalized yet, however the insurer has provided funds to the Food Division in partial payment of the claim. A portion of the amount received from the insurer, considered relating to the business interruption insurance receivable, has been included as income within the first quarter. The claim is not expected to be finalized and settled until likely late this fiscal year. Any further anticipated payments by the insurer towards the business interruption portion of the claim will be included as income when such payment has been approved by the insurer.

OUTLOOK

Since the end of the first quarter the Canadian and US stock markets have fallen on worries over the US 'fiscal cliff', decreasing 0.8% between September 30th, 2012 and November 23rd. The equity portfolio has moved upwards to $24.04 million, while margin loans have risen to $11.503 million. The resulting net equity position stands at $12.537 million.

Forward-Looking Statements

This quarterly report, and principally in the Outlook section, contains forward-looking statements including statements regarding the business and anticipated financial performance of the Corporation. Words such as "anticipate", "expect", "believe", "could", "estimate", "goal", "intend", "plan", "seek", "strive", "will", "may" and "should" and similar expressions, as they relate to the Corporation and its management, are intended to identify forward-looking statements. These forward-looking statements are not historical facts but reflect the Corporation's current expectations concerning future results and events.

These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results and performance of the Corporation to be materially different from the future results and performance expressed or implied by such forward-looking statements. A number of factors could affect the actual results, including but not limited to, input costs, competition, general stock market sentiment and access to capital markets. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect the Corporation's expectations only as of the date of this report and not as a representation by the Corporation that the objectives and plans of the Corporation will be achieved. The Corporation undertakes no obligation to update publicly or otherwise revise any forward looking statements, whether as a result of new information or future events or otherwise, except as may be required under applicable laws.

Risk Management

The Corporation's activities expose it to a variety of risks, including both financial and operating risks. These include, but are not limited to, the following:

Focus on Key Products, Customers

The Food Division offers a limited number of products. Its reliance on key product lines and key customers creates a risk both on the individual product as well as the dependence on the whole line in terms of sales revenue.

Operational downtime

The Food Division maintains a regular maintenance program and adequate insurance on its facilities and equipment with the objective of limiting production downtime. An extended period of unfilled orders could adversely affect future sales, however this has not been an issue to date given the Food Division's strong order fill rate over decades of operations.

Exchange Rates

While the percentage of sales to the United States is small, any change in exchange rates can affect the Corporation both in terms of revenue and cost of goods sold, as some of the ingredients are either sourced from the United States and / or priced in US dollars. Overall, a decrease in the Canadian Dollar versus the US Dollar is beneficial to the Corporation.

Interest Rates

As both an investor and a borrower of funds, changes in interest rates can affect the Corporation's returns as well as costs. The Corporation regularly monitors costs and returns and seeks to make adjustments quickly to mitigate risks.

Credit Risk

As both a long term and short term borrower, the Corporation is dependent on others to lend money to finance raw and finished goods inventories, and provide guarantees to customers and suppliers.

Margin Risk

The Corporation's Investment Division uses margin loans to enhance returns on investment. However, a fall in the value of investments results in a greater loss as the equity base is smaller than would have occurred if margin had not been utilized.

Investment Risk

The Corporation's Investment Division invests in primarily securities publicly listed on Canadian stock markets in order to enhance returns, but has suffered losses when individual investments decline in value because of worldwide economic and political problems.

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.

Additional Information

For additional information on the Corporation, readers should also refer to the Corporation's annual report and other additional information filed on www.sedar.com.

Winston Ho Fatt
Chairman and Chief Executive Officer
November 26, 2012