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FOR THE THREE MONTHS ENDED

September 30, 2013

Beaumont Select Corporations Inc.

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REPORT TO SHAREHOLDERS

The Food Division initiated a cost cutting program during the first quarter, with the intention of moving back to profitability at lower sales volumes. Sales grew 41.6% from the prior year first quarter; however production had been interrupted last year and are therefore not directly comparable.

The Investment Division saw a 30.7% growth in its equity, as stock markets surged with low interest rates and fewer alternative investment options. The Investment Division earned $5.941 million, comprised mainly of unrealized gains of $2.869 million and realized gains of $2.8 million.

The Corporation’s interim financial statements for the first quarter ended September 30, 2013 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, 2013.

FINANCIAL HIGHLIGHTS

The Corporation’s financial results for the three months ended September 30, 2013 compared to the same period in the previous fiscal year included the following:

- Markets moved up as the US Federal Reserve continued its bond buying program, continuing to add cash to the market. The Investment Division produced a 30.7% increase in the equity of the portfolio during the first three months.

$ millions	**Sep 30, 2013**	Jun 30, 2013	3 mo. Change
Portfolio value	**$43.839**	$ 34.590	26.7%
Margin Loan	**20.088**	16.412	22.4%
Equity in Portfolio	**$23.751**	$18.178	30.7%

- Net income for the quarter was 31 cents per share, up from 7 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 2013	Sept 2012
Net Sales	**$3,642**	$2,572
Operating Income (Loss)	**(118)**	(825)
Net Income (Loss)	**4,979**	1,132
Net Income (Loss) per share -basic	**0.31**	0.07
Net Income (Loss) per share -diluted	**0.31**	0.07
Funds from (required by) Operations	**(86)**	(142)
Funds from operations per share – basic	**(0.01)**	(0.01)
Funds from operations per share - diluted	**(0.01)**	(0.01)
EBITDA	**5,819**	1,549
EBITDA per share – basic	**0.36**	0.10
EBITDA per share – diluted	**0.36**	0.09
	as at	
	Sept 2013	June 2013
Total Assets	**$57,190**	**$48,576**
Shareholder's Equity	**29,555**	**24,577**
Shares outstanding	**16,166,097**	**16,166,097**

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, 2014 (referred to as 2013-14) should be read in conjunction with the Corporation's audited consolidated financial statements for the year ended June 30, 2013 and the accompanying notes as well as the Corporation's unaudited consolidated financial statements and notes for the three months ended September 30, 2013. 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 2013-14 increased 42% (or $1.07 million) from the first quarter of 2012-13 to $3.642 million. The growth was a return to normal levels, as the prior year quarter experienced the ammonia leak and the shutdown of the facility.

Financing Expenses

Interest on term debt, lines of credit and bank charges totalled $30 thousand for the first quarter, down from $39 thousand during the first quarter of 2012-13. Lower borrowings were the focus of the decrease.

Interest on margin loans for investments in equity securities increased to $184 thousand for the first quarter of 2013-14 compared to $82 thousand in the same quarter of the prior year. During the quarter the average margin loan was $17.750 million, up from $8.169 million in the first quarter of the prior year. The effective margin interest rate was 4%, the same as in the previous first quarter.

The quarter's average margin loan represented 46% of the portfolio value, an increase from 40% 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 $2.8 million and unrealized gains of $2.869 million. Investment income declined compared to the first quarter of 2012-13 at $462 thousand compared to the prior year of $717 thousand. The prior year had a dividend of $408 thousand from Somerset Properties. Portfolio dividends rose from $298 thousand in the prior year first quarter to $456 thousand in the current quarter. As well, the percentage of equity investments in dividend paying stocks grew from 79% in September 2012 to 86% in September 2013. The remaining investment income of six thousand represented interest accrued on debentures held by the Corporation, compared to eleven thousand in the prior year first quarter.

The first quarter brought realized capital gains of $2.8 million concentrated in the retail and transportation sectors, while losses were made in the oil exploration and mining sectors.

Net Income

Net Income from continuing operations before income taxes was a gain of $5.421 million for the first quarter compared to $1.245 million for the same period in the previous year. The gain was created from the Investment Division as it had earned $5.941 million from the investment portfolio compared to $1.773 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 grew to $700 thousand from a negative $255 thousand in the same period of 2012-13. The inability to produce during the shutdown suppressed sales in the prior year, but has now returned to traditional levels.

EBITDA for the first quarter of 2013-14 increased to $5.819 million ($0.36 per basic share) from $1.549 million ($0.10 per basic share) in the first quarter of the prior year. 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 13**	 Sept 12
Net Income	**$4,979**	$1,132
Add back:		
Margin Interest	**184**	82
Loan Interest	**30**	39
Current and Deferred Taxes	**443**	113
Depreciation	**183**	183
EBITDA	**$5,819**	$1,549

Deferred Tax Assets and Liabilities
The Corporation's balance sheet includes a total of $4.077 million of deferred tax assets and $3.584 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 2013-14:

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 $39,000 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 80.7% controlled by the Chairman.

FINANCING ACTIVITIES & LOANS

During the first quarter of 2013-14 the Corporation repaid $694 thousand on its credit lines, including payments made on its term loans.

During the first quarter the margin loan balance increased $3.676 million to $20.088 million compared to the beginning of the fiscal year. The outstanding margin loan balance at September 30, 2013 represented 46% of the portfolio's market value, a decrease compared to 47% of the portfolio's market value as of June 30, 2013. The average margin loan for the quarter was $17.75 million.

LIQUIDITY AND CAPITAL RESOURCES

At September 30, 2013, the Corporation had total operating credit facilities of $2.263 million with various institutions of which $1.881 million was available at the end of the first quarter. 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 $456 thousand exceeded margin interest expense of $184 thousand by a minimum of 100% for the first three months and continue to be cash flow positive net of margin interest charges.

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 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)

	2014			**2013**			**2012**		
	Q-1	Q-4	Q-3	Q-2	Q-1	Q-4	Q-3	Q-2	Q-1
Revenue	$3,642	$3,398	$4,129	$4,536	$2,572	$4,506	$4,315	$5,086	$4,341
Op Margin	(118)	(1,371)	(142)	(96)	(825)	121	(39)	119	(46)
Income (Loss) after tax	4,979	1,407	1,869	(1,302)	1,132	(192)	1,193	1,526	(2,722)
EBITDA	5,819	1,825	2,285	(1,030)	1,550	(196)	1,890	2,038	(2,804)
EBITDA Per share- basic and diluted	0.36	0.11	0.14	(0.06)	0.10	(0.01)	0.12	0.13	(0.17)

REPURCHASE OF COMMON SHARES

In June 2013, the Corporation received approval from The TSX Venture Exchange to acquire an additional 808,304 shares, representing approximately 5% of the issued and outstanding class “A” shares, through a renewed Normal Course Issuer Bid. During the first quarter of 2013-14, the Corporation repurchased no shares from the market, compared to no shares purchased in the first quarter of 2012-2013.

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, 2013 is 16,166,097.

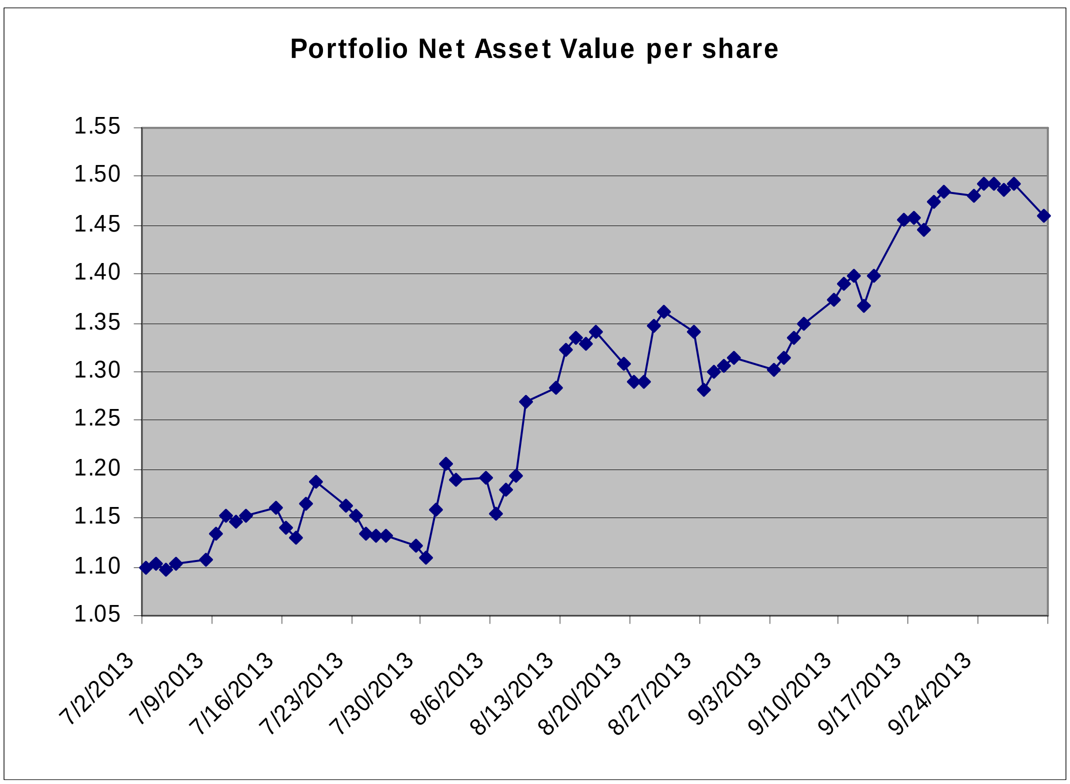
DIVISIONAL REPORTING

INVESTMENT DIVISION

During the first quarter of 2013-14 the portfolio of equity investments rose as quantitative easing continued to add to the US money supply. The equity in the investment portfolio (portfolio value less corresponding margin loan) grew 30.7%, compared to the S&P TSX Composite index growth 5.4% during the quarter.

For the first three months, the portfolio of investments recorded an investment profit of $5.941 million. The investment change was made up of the following:

In thousands of dollars	3 months ending	
	Sep 2013	Sep 2012
Portfolio dividends and distributions	**$456**	$298
Interest expense	**(184)**	(82)
Realized gains	**2,800**	175
Unrealized gains	**2,869**	1,382
Total investment gain	**$5,941**	$1,773



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 retail, transportation, and consumer sectors, while the greatest realized losses occurred in the oil exploration and mining sectors.

As at September 30, 2013, 34% of investments (by market value) were in the retail sector, followed by the services (14.2%), transportation (12.6%), financial (10.4%), energy trusts (10.3%) and energy services (6.6%) sectors.

At the end of the first quarter, the ten largest investments comprised approximately 80.4% of the total portfolio's cost base, and 87.5% of the total market value. The top investments are (ranked by total market value):

- AutoCanada Inc
- Student Transportation Inc
- Altus Group
- Element Financial Corp
- Eagle Energy Trust
- Canelson Drilling Inc
- BGC Partners Class A
- Argent Energy Trust
- Carfinco Financial Group
- Legacy Oil and Gas Inc.

The remainder of the portfolio is spread out over 47 other stocks. Overall the portfolio is weighted 85.9% 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 27, 2013 the total market value of the portfolio of investments has increased to $53.089 million, and the margin loans have increased to $24.846 million, resulting in a 19% increase in the equity portion of the portfolio to $28.243 million since the end of Q1 2013-14. 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
- Altus Group
- Student Transport of America Ltd
- Element Financial Corp
- Horizons Betapro NYMEX Natural Gas Bull ETF
- Eagle Energy Trust
- Canelson Drilling Inc
- BGC Partners Class A
- Carfinco Financial Group
- Linamar Corp

The portfolio net asset value stands at $1.75 per share as of November 27, 2013.

FOOD DIVISION

Sales showed a 41.6% increase over the prior first quarter, but as that quarter experienced a shutdown, the results are not directly comparable. Compared to the first quarter of 2011-12 (two years prior), revenue is down 16%, which is partly due to a lower level of overall promotional activity combined with generally lower sales to some customers.

OUTLOOK

Since the end of the first quarter the Canadian and US stock markets rose on improving corporate profit, increasing 4.5% between September 30th, 2013 and November 27th. As of November 27th, the equity portfolio has moved upwards to $53.089 million, while margin loans have risen to $24.846 million. The resulting net equity position stands at $28.243 million, or $1.76 per share.

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.

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. In addition, the Corporation holds US denominated cash, loans and securities. 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.

Investment Risk

The value of the investments we manage can be affected by a multiplicity of things. Below is a list, but by no means a complete list, of some of the things that could affect the value of the investments negatively:

- negative macro-economic data from major economic countries;
- negative political problems in major economic powers or areas;
- major financial problems in countries that could cause a systemic meltdown;
- lack of proper or adequate response to economic problems in major economic powers;
- things that could affect revenues and earnings in corporations that we invest in such as:
    - weather, management problems, breakdown of equipment, labour problems, competitive activity, change in government policies, changes in currency values, fall in commodity prices, inability of getting oil and natural gas out of western Canada, fraud, short selling activity, rise in interest rates etc.
- We use margin loans to increase the capital we have available. When a stock rises in price it enhances our gains but when the stock falls in price, our losses are greater than when we do not use margin loans. We generally try to keep our margin loans below 50% of the value of the portfolio but the percentage we use will depend on market conditions.

- "Black Swan" events such as terrorist acts, bank failures, assassinations, accidents, war often affect the value of our investments negatively.

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 28, 2013