BEAUMONT SELECT CORPORATIONS INC.

Notice to Reader

December 31, 2013

(Unaudited)

Notice to reader pursuant to National Instrument 51-102

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 and six months ended December 31, 2013 and 2012 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:

MNP LLP, Chartered Accountants, the independent external auditors of the Corporation, have not audited or performed review procedures applicable to auditor review of interim financial statements as at and for the three and six months ended December 31, 2013 and 2012 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 Statements of Financial Position
As at December 31, 2013 and June 30, 2013

As At		Dec 31, 2013	June 30, 2013
unaudited			
Assets			
Current Assets:			
Cash and cash equivalents		**$1,269,218**	$1,516,982
Portfolio of equity securities	5	**59,320,044**	34,590,083
Accounts receivable		**1,294,394**	2,107,405
Inventory	4	**934,425**	1,213,171
Prepaid expenses		**92,045**	83,679
Total Current Assets		**$62,910,126**	$39,511,320
Non-Current Assets:			
Investment in and due from affiliated company	6	**3,274,157**	3,274,157
Property and equipment	7	**1,415,445**	1,685,309
Intangible assets	8	**22,920**	27,444
Deferred tax assets		**4,077,446**	4,077,447
Total Assets		**$71,700,094**	$48,575,677
Liabilities and Shareholders' Equity			
Current Liabilities:			
Bank and term loans		**$2,148,976**	$3,271,341
Accounts payable and accrued liabilities		**1,141,468**	1,152,987
Margin loans on equity securities		**27,757,898**	16,411,933
Total Current Liabilities		**$31,048,342**	$20,836,261
Non-Current Liabilities:			
Deferred tax liabilities		**4,437,404**	3,162,605
Total Liabilities		**$35,485,746**	$23,998,866
Contingencies			
Commitment			
Shareholders' Equity:			
Share capital	9	**$7,734,893**	$7,646,854
Non-controlling interest	10	**506,960**	483,376
Contributed surplus		**--**	88,039
Retained earnings		**27,972,495**	16,358,542
Total Equity		**$36,214,348**	$24,576,811
Total Liabilities and Equity		**$71,700,094**	$48,575,677

Approved on behalf of the Board

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

The accompanying notes are an integral part of these interim condensed consolidated financial statements

BEAUMONT SELECT CORPORATIONS INC.
Consolidated Statements of Comprehensive Income
For the three and six months ended December 31, 2013

For the three and six months ending December 31 (unaudited)		Three Months		Six Months	
		2013	2012	2013	2012
Revenues		**$3,761,058**	$4,536,147	**$7,402,729**	$7,107,875
Cost of sales:					
Direct expenses		**3,597,899**	4,448,806	**7,174,858**	7,661,609
Depreciation and amortization		**182,679**	183,476	**365,359**	366,953
Total Cost of Sales		**3,780,578**	4,632,282	**7,540,217**	8,028,562
Operating margin		**(19,520)**	(96,135)	**(137,488)**	(920,687)
Corporate and administrative	13	**471,545**	317,125	**885,076**	695,033
Investment income	15	**(496,228)**	(338,174)	**(958,511)**	(1,054,917)
Loss (gain) on sale of equity securities		**(1,757,323)**	929,065	**(4,557,487)**	754,302
Unrealized loss (gain) on securities held for trading		**(6,033,750)**	454,645	**(8,902,392)**	(927,054)
Foreign exchange (gain)/loss		**9,504**	(15,915)	**(18,599)**	25,053
Insurance Income		**--**	(222,106)	**--**	(551,238)
Rental income		**(6,400)**	(7,350)	**(13,750)**	(14,700)
Interest and bank charges	15	**26,836**	36,570	**56,505**	75,838
Interest on margin loans	15	**240,847**	105,719	**424,722**	187,241
Income (Loss) before taxes		**7,525,449**	(1,355,714)	**12,946,948**	(110,245)
Income tax expense:					
Current		**12,851**	48,938	**34,612**	63,152
Deferred		**853,710**	(102,791)	**1,274,799**	(3,808)
Total income tax expense		**866,561**	(53,853)	**1,309,411**	59,344
Income from continuing operations attributable to					
Shareholders of the Corporation		**6,652,089**	(1,304,172)	**11,613,953**	(183,664)
Non-controlling interest		**6,799**	2,311	**23,584**	14,075
Total Comprehensive Income (Loss)		**$6,658,888**	$(1,301,861)	**$11,637,537**	$(169,589)
Net income per share:					
Continuing operations: basic /diluted		**$0.41**	$(0.08)	**$0.72**	$(0.01)
Net: basic / diluted		**0.41**	(0.08)	**0.72**	(0.01)
Weighted average number of shares outstanding		**16,166,097**	16,171,597	**16,166,097**	16,171,597

The accompanying notes are an integral part of these interim condensed consolidated financial statements

BEAUMONT SELECT CORPORATIONS INC.

Consolidated Statements of Changes in Equity

For the six months ended December 31, 2013

	Share Capital	Contributed Surplus	Non-controlling Interest	Retained Earnings	Total Equity
Balance July 1, 2012	$7,649,454	$88,039	$472,720	$13,263,789	$21,474,002
Shares repurchased (note 9)	(2,600)			(276)	(2,876)
Net income to shareholders				3,095,029	3,095,029
Net income to non controlling interest			10,656		10,656
Balance, June 30, 2013	**$7,646,854**	**$88,039**	**$483,376**	**$16,358,542**	**$24,576,811**
Balance July 1, 2013	**$7,646,854**	**$88,039**	**$483,376**	**$16,358,542**	**$24,576,811**
Shares repurchased					
Options expired unexercised	88,039	(88,039)			
Net income to shareholders				11,613,953	11,613,953
Net income to non controlling interest			23,584		23,584
Balance, December 31, 2013	**$7,734,893**	**--**	**$506,960**	**$27,972,495**	**$36,214,348**

The accompanying notes are an integral part of these interim condensed consolidated financial statements

BEAUMONT SELECT CORPORATIONS INC.

Consolidated Statements of Cash Flows

For the three and six months ended December 31, 2013 and 2012

		Three months		Six months	
		2013	2012	**2013**	2012
Cash provided by (used in):					
Operations:					
Income (Loss) from continuing operations attributable to Shareholders of the Corporation		**$6,652,089**	$(1,304,172)	**$11,613,953**	$(183,664)
Add (deduct) non-cash items:					
Depreciation and amortization		**182,679**	183,476	**365,359**	366,953
Deferred tax (recovery)/expense		**853,710**	(102,791)	**1,274,799**	(3,808)
Loss/(gain) on sale of equity securities		**(1,757,323)**	929,065	**(4,557,487)**	754,302
Unrealized loss (gain) on securities held for trading		**(6,033,750)**	454,645	**(8,902,392)**	(927,054)
Non-controlling interest		**6,799**	2,311	**23,584**	14,075
Funds from Operations		**(95,796)**	162,534	**(182,184)**	20,804
Net change in non-cash working capital related to operations					
Accounts receivable		**471,964**	(244,044)	**813,012**	(962,774)
Accounts payable and accrued liabilities		**(244,177)**	(43,956)	**(11,520)**	394,996
Inventory		**75,493**	(73,385)	**278,746**	79,948
Prepaid expenses		**(18,189)**	(13,416)	**(8,365)**	110
Cash from operating activities		**$189,295**	$(212,267)	**$889,689**	$ (466,916)
Financing					
Increase in bank and term loans		**$ (428,075)**	$93,928	**$ (1,122,365)**	$379,468
Increase in margin loans on equity securities		**7,670,065**	448,284	**11,345,965**	3,542,965
Payments on leases		**--**	(2,269)	**--**	(4,486)
Cash from financing activities		**$7,241,990**	$539,943	**$10,223,600**	$3,917,947
Investing					
Additions to property, equipment and intangible assets	**7,8**	**$ (76,075)**	$ (9,876)	**$ (90,972)**	$ (29,141)
Sale/(Purchase) of equity securities		**(7,690,087)**	(272,931)	**(11,270,081)**	(3,483,379)
Cash from investing activities		**$ (7,766,162)**	$ (282,807)	**$ (11,361,053)**	$ (3,512,520)
Change in cash and cash equivalents		**$ (334,877)**	$44,869	**$ (247,764)**	$ (61,489)
Cash and cash equivalents, beginning of period		**1,604,095**	1,741,728	**1,516,982**	1,848,086
Cash and cash equivalents, end of period		**$1,269,218**	$1,786,597	**$1,269,218**	$1,786,597

The accompanying notes are an integral part of these interim condensed consolidated financial statements

1. Nature of Business

Beaumont Select Corporations Inc. ("Beaumont" or the "Corporation") 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 a 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 consolidated financial statements of the Corporation as at and for the six months ended December 31, 2013 comprise the Corporation and its subsidiaries. These interim condensed consolidated financial statements are presented in Canadian dollars, which is the Corporation's functional currency.

These unaudited interim condensed consolidated financial statements were approved by the Board of Directors on February 26, 2013.

2. Basis of Preparation

Statement of Compliance - These interim consolidated financial statements prepared in accordance with International Accounting Standard 34 (Interim Financial Reporting) issued by the International Accounting Standards Board using accounting policies consistent with International Financial Reporting Standards.

The same accounting policies and methods of computation were followed in the preparation of these interim consolidated statements as were followed in the preparation of the annual consolidated financial statements as at and for the year ended June 30, 2013. Accordingly, these interim consolidated statements for the three and six months ended December 31, 2013 and 2012 should be read together with the annual consolidated financial statements as at and for the year ended June 30, 2013.

Basis of consolidation – The consolidated financial statements incorporate the financial statements of the Corporation 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 Fine Foods Inc., Beaumont Enterprises Inc., Beaumont Realty Corporations Inc., 6434991 Canada Corp (formerly T.H.E. Food Source Ltd.), Angiogene Inc., and Beaumont Select Corporations Inc.

All of the subsidiaries, with the exception of Angiogene Inc., are wholly owned. 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 consolidated financial statements.

The functional currency of the Corporation and all subsidiaries is Canadian dollars.

3. Accounting Policies

Financial instruments - recognition, measurement, disclosure and presentation

On initial recognition, financial assets and financial liabilities are recognized when the Corporation becomes a party to the contractual provisions of the instrument. All financial instruments are classified into one of the following categories: fair value through profit and loss, held to maturity, loans and receivables, available-for-sale financial assets or other financial liabilities. Fair value through profit and loss financial assets are measured at their fair value and changes in fair value are recognized in the consolidated statement of comprehensive income and loss. Changes in fair value that are recognized in the consolidated statement of comprehensive income and loss include interest income and unrealized gains or losses. Held to maturity and loans and receivables are measured at amortized cost which is generally the initially recognized amount. Available for sale assets are reported at fair market value with unrealized gains or losses excluded from the consolidated statement of comprehensive income and loss and reported as other comprehensive income or loss, unless any impairment in their value is other than temporary, in which case the loss is charged against earnings. Other financial liabilities are measured at amortized cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument to the net carrying amount of the financial asset or liability upon initial recognition. The Corporation has classified its financial instruments carried at 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.

The Corporation has made the following classifications:

- Cash and cash equivalents and the portfolio of equity securities are classified as fair value through profit and loss held for trading and are recorded at fair value under level 1.
- Accounts receivable and due from affiliated companies are classified as loans and receivables.
- Bank loans, term loans, accounts payable and accrued liabilities, margin loans on equity securities, related party liabilities and long-term debt are classified as other liabilities.
- The investment in an affiliated company is classified as an available for sale financial asset and is recorded under level 3.

Non-controlling interest - Non-controlling interest is presented in the consolidated statement of financial position as a component of shareholder’s equity.

3. Accounting Policies (Continued)

Changes in Accounting Policies

IFRS 7, Financial Instruments: Disclosures
The IASB amended IFRS 7, Financial Instruments: Disclosures ("IFRS 7") in October 2010. IFRS 7 was amended to provide guidance relating to disclosures with respect to the transfer of financial assets that results in derecognition, and continuing involvement in financial assets. The amendments to this standard are effective for annual periods beginning on or after July 1, 2013 with earlier application permitted. Management does not believe the changes resulting from these amendments had a significant impact on its consolidated financial statements.

IFRS 13, Fair Value Measurement ("IFRS 13")
IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures. This standard is effective for annual periods beginning on or after January 1, 2013 with early adoption permitted. Management does not believe the changes resulting from these amendments had a significant impact on its consolidated financial statements.

IFRS 10, Consolidated Financial Statements ("IFRS 10")
IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12, Consolidation—Special Purpose Entities and parts of IAS 27, Consolidated and Separate Financial Statements ("IAS 27"). This standard is effective for annual periods beginning on or after January 1, 2013 with early adoption permitted, provided that IFRS 11, IFRS 12, and related amendments to IAS 27 and IAS 28 are adopted at the same time. Management does not believe the changes resulting from these amendments had a significant impact on its consolidated financial statements.

IFRS 12, Disclosure of Interests in Other Entities ("IFRS 12")
IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities. This standard is effective for annual periods beginning on or after January 1, 2013 with early adoption permitted. Management does not believe the changes resulting from these amendments had a significant impact on its consolidated financial statements.

3. Accounting Policies (Continued)

IFRS 11, Joint Arrangements ("IFRS 11")
IFRS 11 requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31, Interests in Joint Ventures and SIC-13, Jointly Controlled Entities—Non-monetary Contributions by Venturers. This standard is effective for annual periods beginning on or after January 1, 2013 with early adoption permitted provided that IFRS 10, IFRS 12, and the related amendments to IAS 27 and IAS 28 are adopted at the same time. Management does not believe the changes resulting from these amendments had a significant impact on its consolidated financial statements.

Amendments to Other Standards
In addition, there have been amendments to existing standards, including IAS 27 and IAS 28. The amended IAS 27 addresses accounting for subsidiaries, jointly controlled entities, and associates in non-consolidated financial statements. IAS 28 has been amended to include joint ventures in its scope and to address the changes in IFRS 10 through 11. These amendments are effective for annual periods beginning on or after January 1, 2013 with early adoption permitted provided that IFRS 10, IFRS 11, and IFRS 12 are adopted at the same time.

Future accounting pronouncements

IFRS 9, Financial Instruments
IFRS 9 *Financial Instruments* was issued by the IASB on November 12, 2009 and will replace IAS 39 *Financial Instruments: Recognition and Measurement* ("IAS 39"). 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 required 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, 2015 with early adoption permitted. The Corporation is currently evaluating the impact on its consolidated financial statements.

4. Inventory

	December 31, 2013	June 30, 2013
Raw materials	**$683,774**	$876,725
Finished goods	**250,651**	336,446
Total inventory	**$934,425**	$1,213,171

A total of $3,940,410 (December 31, 2012 - $3,664,860) of inventory raw materials were expensed during the six months.

5. Portfolio of Equity Securities

Marketable securities are held as collateral to satisfy the requirements of the margin loans.

Equity Position as at December 31, 2013

Equity Name	Shares Held	Sector	Cost	Value
AutoCanada Inc	431,100	Retail	$5,679,484	$19,783,179
Element Financial Corp	628,200	Financial	$7,990,287	$8,794,800
Altus Group	429,000	Services	$4,288,162	$7,207,200
Student Transportation Inc.	849,600	Transport	$4,976,100	$5,590,368
Eagle Energy Trust	392,800	Energy Trust	$3,042,976	$3,169,896
CanElson Drilling Inc.	414,400	Energy Services	$2,322,056	$2,776,480
BGC Partners Cl A	290,000	Services	$1,551,263	$1,754,500
Long Run Exploration Ltd.	250,300	Oil Exploration	$1,283,765	$1,344,111
Mitel Networks	80,000	Software	$712,724	$855,434
Macro Enterprises Inc	122,100	Energy Services	$759,482	$775,335
46 other investments		Various	$6,884,433	$7,268,741
Total			**$39,490,732**	**$59,320,044**

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 four private placement investments classified as Level 2. These consist of one debenture, two equities and one warrant for a cost base of $162,500 (June 30, 2013 - $264,000), and a market value of $186,647 (June 30, 2013 - $292,620).

Equity Investments, Fair Value	Level 1 Quoted market price	Level 2 Observable inputs	Level 3 Non-observable inputs	Total
December 31, 2013	$59,133,397	$186,647	--	$59,320,044
June 30, 2013	$34,297,463	$292,620	--	$34,590,083

5. Portfolio of Equity Securities (continued)

The Corporation holds some large positions, relative to their daily trading, that represent a liquidity risk should a fast liquidation be required. The AutoCanada position represents five days average trading. A fast liquidation of this position could have an adverse effect on price. No other position represents more than five 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.

6. Related party transactions during the year

(a) Investment in and due from affiliated company

The Corporation holds an equity investment in Somerset Properties Ltd. ("Somerset"). Somerset and the Corporation have a common shareholder and Director. Details of the amount due from and invested in Somerset are as follows:

		Dec 2013		June 2013
Investment in Somerset	**$**	**2,924,157**	$	2,924,157
Due from Somerset, unsecured, bearing interest at 6% per annum, with no specific terms of repayment		**350,000**		350,000
Total Investment in and due from affiliated company	**$**	**3,274,157**	$	3,274,157

(b) Statement of comprehensive income and loss:

- Management fees charged by an officer of the Corporation included in corporate and administrative expenses: $141,029 (H1 2012-13 - $141,029)
- Director and Consulting fees paid to current directors of the Corporation included in corporate and administrative expenses: $37,600 (H1 2012-13 - $32,800)
- Rent paid to a company controlled by an officer of the Corporation: $41,100 (H1 2012-13 - $41,100)

7. Property and equipment

	Production Equipment	Buildings	Leasehold Improvements	Vehicles	Land	**Total**
Year ended June 30, 2013						
Opening net book value	$4,014,865	$153,230	$364,382	$52,722	$135,000	$4,720,199
Additions	63,545	--	4,990	--	--	68,535
Depreciation	(606,913)	(61,870)	(48,674)	(15,678)	--	(733,135)
Writedown	(2,370,290)	--	--	--	--	(2,370,290)
Net book value	$1,101,207	$91,360	$320,698	$37,044	$135,000	$1,685,309
Six months ended December 31, 2013						
Opening net book value	$1,101,207	$91,360	$320,698	$37,044	$135,000	$1,685,309
Additions	90,096	--	--	--	--	90,096
Depreciation	(300,992)	(30,936)	(22,019)	(6,013)	--	(359,960)
Net book value	**$890,311**	**$60,424**	**$298,679**	**$31,031**	**$135,000**	**$1,415,445**

8. Intangible assets

	Software	Recipes	**Total**
Year ended June 30, 2013			
Opening net book value	$2,908	$38,326	$41,234
Additions	1,845	--	1,845
Depreciation	(2,677)	(3,185)	(5,862)
Writedown (Note 10)	--	(9,773)	(9,773)
Net book value	**$2,076**	**$25,368**	**$27,444**
Six months ended December 31, 2013			
Opening net book value	$2,076	$25,368	$27,444
Additions	853	22	875
Depreciation	(1,993)	(3,406)	(5,399)
Net book value	**$936**	**$21,984**	**$22,920**

9. 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:

	Shares	Amount
Balance, June 30, 2012	**16,171,597**	**$7,649,454**
Redemption of shares	(5,500)	(2,600)
Balance, June 30, 2013	**16,166,097**	**$7,646,854**
Contributed Surplus		88,039
Balance, December 31, 2013	**16,166,097**	**$7,734,893**

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.

		December 31, 2013			June 30, 2013
	Number		**Weighted average exercise price**	Number		Weighted average exercise price

	December 31, 2013 Number		**December 31, 2013 Weighted average exercise price**	June 30, 2013 Number		June 30, 2013 Weighted average exercise price
Outstanding options, beginning	**168,750**	**$**	**1.00**	168,750	$	1.00
Options expired	**(168,750)**		-	-		-
Outstanding options, ending	**--**	**$**	**--**	168,750	$	1.00
Options exercisable, ending	**--**	**$**	**--**	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		79	%
Expected dividend yield		n/a	
Estimated forfeiture		50	%
Risk-free interest rate		3.14	%
Expected option life in years		5	
Fair value per stock option granted September 29, 2008	$	0.62	

9. Share capital: (continued)

d) Normal Course Issuer Bid

In June 2013 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, 2013 to acquire up to 808,304 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 six months ending December 31, 2013 the Corporation purchased and cancelled no shares at a total cost of nil.

Subsequent to the end of the quarter, the Corporation has not repurchased any additional shares under its Normal Course Issuer bid. The number of shares outstanding as at February 26, 2014 is 16,166,097.

e) Per share amounts

Basic earnings per share was calculated by dividing profit attributable to common shares by the weighted average number of common shares outstanding during the period.
Diluted earnings per share was calculated by dividing profit attributable to commons shares by the weighted average number of common shares, after adjusting for the potentially dilutive effect of the total number of additional common shares that would have been issued by the Corporation under its stock option plan. Options are not dilutive if the Corporation is in a loss position.

	Three months Ending		Six months Ending	
	Dec 2013	Dec 2012	**Dec 2013**	Dec 2012
Net Income	**$6,652,089**	$(1,304,172)	**$11,613,953**	$(183,664)
Weighted Average Shares Outstanding	**16,166,097**	16,171,597	**16,166,097**	16,171,597
Effect of Options	**--**	--	**--**	--
Weighted Average Diluted shares outstanding	**16,166,097**	16,171,597	**16,166,097**	16,171,597
Basic Earnings Per share	**0.41**	(0.08)	**0.72**	(0.01)
Diluted Earnings Per share	**0.41**	(0.08)	**0.72**	(0.01)

10. Non controlling interest

The Corporation holds a 94.5% interest in Angiogene Inc., with the remaining 5.5% held by six other investors.

11. Capital disclosures:

The Corporation's breakdown of capital is as follows:

	December 31, 2013	June 30, 2013
Bank debt	**$2,148,976**	$3,271,341
Margin loans on equity securities	**27,757,898**	16,411,933
Share capital	**7,734,893**	7,646,854
Total capital	**$ 37,641,767**	$ 27,330,128

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 of its shares does not reflect the perceived underlying value of the Corporation.

The manner in which the Corporation uses its capital base varies depending on the division with most financing usually done at the division level. The food processing and distribution segment 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.. 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 periodically uses long-term debt for large equipment purchases and 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 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 a larger portfolio to generate 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.

12. Contingencies

The Corporation or its subsidiaries are involved in 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 in the consolidated statement of comprehensive income and loss in the year as incurred.

13. Expenses by nature – Six months ended:

	Dec 31, 2013	Dec 31, 2012
Wages and salaries	**$479,766**	$437,869
Directors fees	**28,600**	23,800
Rent	**41,100**	41,100
Professional fees	**93,328**	48,550
Insurance	**88,895**	44,528
Donations	**29,000**	--
Severance	**52,525**	
Office	**71,862**	99,186
Total	**$885,076**	$695,033

14. Financial instruments

The carrying values of the Company's financial instruments from continuing operations are classified into the following categories:

As at **December 31, 2013**

	Fair value through profit or loss	Loans and receivables	Other liabilities	Available for sale	Total
Cash	$1,269,218				$1,269,218
Accounts receivable		$1,294,394			1,294,394
Equity securities	59,320,044				59,320,044
Investment in affiliate		350,000		$2,924,157	3,274,157
Total financial assets	$60,589,262	$1,644,394		$2,924,157	$65,157,813
Bank and term loans			$2,148,976		$2,148,976
Accounts payable			1,141,468		1,141,468
Margin loan			27,757,898		27,757,898
Total financial liabilities			$31,048,342		$31,048,342

The Investment Division of the Corporation manages an active portfolio of equity 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.

Market Risk – Market risk is 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 Corporation is exposed to market risk in trading its investments, and unfavourable market conditions could result in dispositions of investments at less than favourable prices. 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, 2013. The Corporation manages market risk by having a portfolio which is not singularly exposed to any one issuer or sector.

14. Financial instruments (continued)

Margin Risk – The Corporation utilizes margin, by borrowing against its investments to allow it to have a larger investment than 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 December 31 2013, the Corporation had available margin of $10,331,273 (June 30, 2013 - $4,187,554) and a margin balance of $27,757,898 (June 30, 2013- $16,411,933).

Liquidity Risk – Liquidity risk is the risk that the Corporation will not have sufficient cash resources to finance obligations as they come due. The Corporation's liquidity and operating results may be adversely affected if the Corporation'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 Corporation 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 Corporation manages liquidity risk since June 30, 2013. The Corporation manages liquidity risk by reviewing the amount of margin available on a daily basis, and managing its cash flow. The Corporation 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 used instead, the value of the portfolio would be $58,488,108, a decrease of $831,936 (June 30, 2013 - $34,319,165, a decrease of $270,918).

Interest Risk - Interest risk is the impact that changes in interest rates could have on the Corporation's earnings and liabilities. As at December 31, 2013 the Corporation had floating interest debt on its margin loans of $27,757,898, and averaged $20,986,380 for the six months at an effective interest rate of 4.0% (H1 2012-13 average $9,153,329 at 4.1%).

Currency Risk - Currency risk is the risk that the fair value of or future cash flows from the Corporation's foreign denominated assets and liabilities 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 six months of $419,608 in US dollars (H1 2012-13 - $503,785), and has $1,158,166 in US Currency on deposit in US Dollar accounts (H1 2012-13 - $1,007,948), $1,295,851 in US Dollar margin loans, and $3,548,740 in US dollar securities (H1 2012-13 - $100,000). The Corporation 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 Corporation's financial instruments. A one cent change in the exchange rate would change the value of our US dollar holdings by $34,111.

15. Investment income and finance costs

Recognized in comprehensive income and loss

	Three months ended December 31		Six months ended December 31	
	2013	2012	**2013**	2012
Investment income				
Interest from debentures and bank deposits	**$5,250**	$ 10,975	**$11,628**	$ 21,714
Dividends from Portfolio of Equity Securities	**490,978**	327,199	**946,883**	624,875
Dividend from Somerset Properties Ltd.	**--**	--	**--**	408,328
Total Investment Income	**$496,228**	$338,174	**$958,511**	$1,054,917
Finance Expense				
Margin interest	**$240,847**	$105,719	**$424,722**	$187,241
Loan interest	**26,836**	36,570	**56,505**	75,838
Total Finance Expense	**267,683**	142,289	**481,227**	263,079
Net Finance Income	**$228,545**	$ 195,885	**$477,284**	$ 791,838

16. Segmented information

	Three months ended December 31		Six months ended December 31	
	2013	2012	**2013**	2012
Revenues:				
Food processing and distribution	**$3,761,058**	$4,536,147	**$7,402,729**	$7,107,875
Income (loss) before income taxes:				
Food processing and distribution	**$(123,105)**	$45,384	**$(311,626)**	$(604,565)
Investment division	**7,862,691**	(1,312,339)	**13,646,681**	296,748
Corporate	**(214,137)**	(88,759)	**(388,107)**	197,572
Total	**$7,525,449**	$(1,355,714)	**$12,946,948**	$(110,245)

16. Segmented Information (continued)

Assets By Segment	December 2013	June 2013
Corporate	$7,938,724	$8,046,848
Food processing and distribution	4,441,326	5,938,746
Investment division	59,320,044	34,590,083
Total	$71,700,094	$48,575,677

Liabilities By Segment	December 2013	June 2013
Corporate	$4,534,326	$3,176,986
Food processing and distribution	3,193,522	4,409,947
Investment division	27,757,898	16,411,933
Total	$35,485,746	$23,998,866

17. Contingencies

The Corporation has no material contingent assets or liabilities as at the reporting date.

18. Key management personnel compensation.

The Corporation has defined key management personnel as Senior Executive officers and the Board of Directors, as they have the collective authority and responsibility for planning and controlling the activities of the Corporation.

	Three months ended December 31		Six months ended December 31	
	2013	2012	**2013**	2012
Management salaries	**$70,514**	$70,514	**$141,029**	$141,029
Directors fees	**18,100**	13,300	**28,600**	23,800
Consulting fees	**4,500**	4,500	**9,000**	9,000
Total	**$93,114**	$88,314	**$178,629**	$173,829

19. Subsequent Events

Subsequent to the end of the second quarter of 2013-14, the Corporation negotiated and was nearing finalization of an agreement to sell 80% of its Naleway Foods Ltd subsidiary to a management group. The Corporation will continue to own 20%, as well as convert a portion of its intercompany loans to preferred shares, with the remainder to be forgiven. It will continue to own Naleway Realty Ltd and its Winnipeg property, and Naleway Foods will continue to lease from Naleway Realty.

Beaumont Select Corporations Inc.
Corporate Directory

Directors
Winston Ho Fatt
Andrew Hyslop
Terry Kent
Martin Pelletier

Officers
Winston Ho Fatt
Chairman of the Board,
Chief Executive Officer,
Chief Investment Officer
Gina Palmer
Corporate Secretary
Philip Gaiser
Chief Financial Officer

Head Office
#915 42nd Avenue SE
Calgary, Alberta T2G 1Z1
Tel: (403) 250–8757
Fax: (403) 250–8709

Transfer Agent
Computershare Canada
600, 530 8th Avenue S.W.
Calgary, Alberta T2P 3S8

Legal Counsel
Borden Ladner Gervais LLP
1900, 520 3rd Avenue SW,
Calgary, Alberta
T2P 0R3

Auditors
MNP LLP
1500, 640 5th Avenue SW
Calgary, Alberta
T2P 3G4

Stock Exchange Listing
TSX Venture Exchange
Calgary, Alberta

Stock Symbol
BMN.A

Web Site
http://www.bsci.ca

Investor Inquiries
Investor_relations@bsci.ca

Shares Outstanding
16,166,097