

**25**  
YEARS



**GOLDEN**  
OPPORTUNITIES FUND

## Class R

### **ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE**

For the year ended August 31, 2023

This annual management report of fund performance contains financial highlights but does not contain the complete annual financial statements of the investment fund. You can get a copy of the annual financial statements at your request, and at no cost, by calling 1-866-261-5686, by writing to us at Suite 601, 409 3rd Avenue South, Saskatoon, SK, S7K 5R5 or by visiting our website at [www.goldenopportunities.ca](http://www.goldenopportunities.ca) or SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

Securityholders may also contact us at one of these methods to request a copy of the investment fund's interim financial report, proxy voting policies and procedures, proxy voting disclosure record or quarterly portfolio disclosure.

## MANAGEMENT DISCUSSION OF FUND PERFORMANCE

This management discussion of fund performance supplements the annual financial statements of Golden Opportunities Fund Inc. - Class R (the "**Class R Fund**") for the year ended August 31, 2023.

Golden Opportunities Fund Inc. ("**Golden**") is a labour-sponsored venture capital corporation under *The Labour-sponsored Venture Capital Corporations Act* (Saskatchewan) (the "**Saskatchewan Act**") and *The Labour-Sponsored Venture Capital Corporations Act* (Manitoba) (the "**Manitoba Act**"). Golden is taxable as a mutual fund corporation and is a prescribed Labour-sponsored Venture Capital Corporation under the *Income Tax Act* (Canada) (the "**Federal Act**").

An explanation of Golden's authorized redeemable shares can be found in Note 1 to the financial statements and in Golden's prospectus. Proceeds from the issue of redeemable shares are invested in three separate portfolios of assets as follows:

- The "**Class A Fund**" includes the assets acquired with funds raised from the issue of Class A Shares, Class A-B Shares and Class A-F Shares,
- The "**Class I Fund**" includes the assets acquired with funds raised from the issue of Class I Shares, Class I-B Shares and Class I-F Shares, and
- The Class R Fund includes the assets acquired with funds raised from the issue of Class R Shares, Class R-B Shares and Class R-F Shares.

Unless otherwise specified, all references to "**net assets**" or "**net assets per share**" in this report are references to net assets attributable to holders of redeemable shares determined in accordance with International Financial Reporting Standards as presented in the financial statements of the Class R Fund. All references to "**net asset value**" or "**net asset value per share**" in this report are references to net asset value determined for purposes of purchase and redemption of shares of the Class R Fund. An explanation of the differences can be found in Note 8 to the financial statements.

## Investment Objective and Strategies

The general investment objective of Golden is to make investments in small and medium-sized businesses authorized, or as may be permitted, by the Saskatchewan Act and the Manitoba Act, with the objective of achieving long-term capital appreciation. Most, and potentially all, of these investments are in private companies.

Under the Saskatchewan Act, Golden is required to invest and maintain at least 75% of its equity capital raised in Saskatchewan (for all Golden share classes in aggregate) in eligible Saskatchewan companies within two years from the fiscal year end of raising the equity capital. At August 31, 2023, Golden has met this pacing requirement under the Saskatchewan Act.

In addition, the legislation in Saskatchewan requires labour-sponsored venture capital corporations to invest 18.75% of annual net capital (being annual capital raised in Saskatchewan in all Golden share classes, less annual capital required to satisfy redemption obligations) in businesses engaged in eligible innovation activities. Eligible innovation activities include: (i) activities carried out by an eligible business whose principal business is directly related to one or more of the following sectors: clean or environmental technology, health and life sciences, crop and animal sciences, industrial biotechnology or information and communication technology; or (ii) activities carried out by an eligible business that involves technical risk, productivity improvement or the application of a technology, process or innovation that is new to Saskatchewan and facilitates growth, supports trade or exports, or enhances Saskatchewan's competitiveness. Golden has made the innovation sector a key pillar of the Class A Fund, and the Class I Fund is focused exclusively on investment in innovation. At August 31, 2023, Golden has met this innovation investment requirement under the Saskatchewan Act.

Under the Manitoba Act, Golden is required to invest at least 70% of its equity capital raised in Manitoba (for all Golden share classes in aggregate) in eligible Manitoba companies within two years from the fiscal year end of raising the equity capital, and 14% of the equity capital so invested must be in eligible investments for which the total cost of the eligible investments held by Golden in such entity and any related entities does not exceed \$2 million. At August 31, 2023, Golden has met this investment pacing requirement under the Manitoba Act.

The Class R Fund invests in companies in the energy, mining and/or related resource services sectors of the Saskatchewan economy. Golden seeks to diversify its investments according to stage of development and will invest in businesses that are in the start-up, growth, and mature stages of the business development cycle.

The form of Golden's investments is selected and negotiated after considering the investment objectives and criteria of Golden, the long-term requirements of the investee business, the stage of development of the investee business, the investee business' requirements, the ability to negotiate downside protection and tax considerations. Golden generally makes investments with the expectation that the holding period will be five to eight years.

Golden has diversified its Class R Fund portfolio using instruments such as common shares, limited partnership units, secured notes, participating loans, warrants and options. When possible, where Golden makes an investment by way of a debt instrument, Golden will secure its investment by a charge over the business' assets. This charge may be subordinated to other lenders' security. Golden takes the security with the goal of limiting the downside risk of the investment.

Golden's manager, Westcap Mgt. Ltd. (the "**Manager**"), performs a fundamental analysis of each investment opportunity including, but not limited to, an analysis of:

- the experience of management personnel,
- the industry and the competitive position of the company within its market,
- the past performance and business plan of the company,
- the financial statements, projections, and forecasts of the company,
- the expected return on investment,
- exit strategies, and
- the risks of the company.

## Risk

The risks of investing in the Class R Fund are described in Golden's prospectus dated December 5, 2022. There are no new risks associated with the Class R Fund that have arisen during the year ended August 31, 2023.

The Class R Fund makes and holds certain investments that are considered speculative and involve a longer investment commitment than that typical for other types of investments made by mutual funds. Many such investments require between five to eight years to mature and generate the returns expected by Golden. As a result, the shares of the Class R Fund are suitable only for investors able to make a long-term investment.

The business of Golden is to invest its eligible capital in Saskatchewan and Manitoba eligible businesses and in proportion to the jurisdiction where it was raised. There is a risk that Golden will not be able to find suitable investments that meet its investment criteria for the Class R Fund. There is also a risk that changes could be introduced to the Federal Act, the Saskatchewan Act, or the Manitoba Act that may be unfavourable to Golden's ability to attract further investment.

Since the Class R Fund portfolio is concentrated in the oil & gas sector, the net asset value may fluctuate due to factors affecting the resource sector generally. These risks include drilling success, commodity price variability, acquisition, exploration, development, production and environmental risks as well as risks relating to the regulatory environment.

Valuing venture investments is inevitably based on inherent uncertainties and the resulting values may differ from values that would have been used had a ready market existed for the investments. Please see Note 13 to the financial statements for disclosure about the nature and extent of risks relative to financial instruments and how Golden manages those risks.

At August 31, 2023, the Class R Fund was invested in eight companies within the oil & gas sector. Within the different stages of the business development cycle, as at August 31, 2023, the Class R Fund's venture investment portfolio, based on investment cost, was 66.29% growth and 33.71% start-up. The total cost base of the Class R Fund's venture investments represents 72.92% of the Class R Fund's net asset value.

## Results of Operations

### *Net Assets*

The Class R Fund's net assets decreased from \$6.7 million at August 31, 2022 to \$6.4 million at August 31, 2023, a decrease of \$332 thousand. The net asset value per Class R Share increased from \$6.70 at August 31, 2022 to \$6.86 at August 31, 2023, an increase of 2.39%. The net asset value per Class R-B Share decreased from \$6.21 at August 31, 2022 to \$6.12 at August 31, 2023, a decrease of 1.45%. The net asset value per Class R-F Share increased from \$7.99 at August 31, 2022 to \$8.02 at August 31, 2023, an increase of 0.38%.

The increase in net assets from operations was \$133 thousand for the year ended August 31, 2023. The Class R Fund raised proceeds of \$422 thousand from the issue of Class R-B Shares and Class R-F Shares during the year ended August 31, 2023 and incurred \$887 thousand of redemptions, representing 8.39% of the outstanding share capital. During the year ended August 31, 2023, the number of Class R Shares outstanding decreased from 975,992 to 843,384, the number of Class R-B Shares outstanding increased from 21,454 to 85,204, and the number of Class R-F Shares increased from 1,632 to 5,587.

Cash and short-term investments decreased from \$2.7 million at August 31, 2022 to \$1.8 million at August 31, 2023, due to net cash used in operations of \$260 thousand (excluding investment transactions), net cash used in venture investment transactions of \$119 thousand, and net share capital redemptions of \$465 thousand.

### *Statement of Comprehensive Income*

The Class R Fund income, excluding the net realized loss and net unrealized gains, was \$105 thousand for the year ended August 31, 2023 compared to \$149 thousand for the year ended August 31, 2022. The decrease was primarily due to a decrease in interest earned from venture investments in the current year. In the prior year, the Class R Fund earned interest income from a debt investment in ROK Resources Inc., which was repaid during the year ended August 31, 2022.

The Class R Fund expenses for the year ended August 31, 2023 were \$343 thousand, a decrease of \$12 thousand from the prior year. The average net asset value of the Class R Fund was \$6.4 million for the year ended August 31, 2023, an increase of \$31 thousand from the average net asset value for the year ended August 31, 2022.

The Class R Fund had a net realized loss of \$115 thousand during the year ended August 31, 2023 from the disposition of Whitecap Resources Inc. As a result of this disposition, previously recognized unrealized losses of \$115 thousand were reversed and recorded as unrealized gains in the year ended August 31, 2023.

Excluding the reversal of unrealized losses noted above, the Class R Fund had a net unrealized gain on venture investments of \$371 thousand for the year ended August 31, 2023, which is comprised of net unrealized losses on public companies of \$154 thousand and net unrealized gains on privately held investees of \$525 thousand.

There is no contingent incentive participation amount attributable to the Class R Fund at August 31, 2023.

## ***Investment Portfolio***

The Class R Fund venture investment portfolio had a cost base of \$4.6 million at August 31, 2023, an increase of \$4 thousand from the prior year. The Class R Fund made a new venture investment of \$600 thousand in Woodland Development Corp., an oil & gas company with assets in Saskatchewan. This new investment was offset by the disposal of Whitecap Resources Inc., which had a cost base of \$596 thousand.

All Class R Fund venture investments are in the Oil & Gas sector.

## **Related Party Transactions**

The Manager is a company controlled by the President & Chief Executive Officer of Golden and was engaged by an agreement dated December 31, 2008. Please refer to the "Management Fees" section for a description of services provided by the Manager.

For the Class R Fund, management fees of \$168 thousand (2022 - \$166 thousand) and office costs of less than \$1 thousand (2022 - less than \$1 thousand) were paid or payable to the Manager, and management fees of \$nil (2022 - less than \$1 thousand) were waived during the year ended August 31, 2023.

Management fees of \$14 thousand (2022 - \$14 thousand) are included in Class R Fund accounts payable and accrued liabilities at August 31, 2023.

The above-mentioned transactions were in the normal course of operations, are non-interest bearing, and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

## FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Class R Fund and are intended to help you understand the Class R Fund's financial performance for the past five years.

### The Class R Fund's Net Assets Per Share<sup>(1)</sup>

#### Class R Shares

	2023	2022	2021	2020	2019
Net assets, beginning of year	\$ 6.70	\$ 5.63	\$ 5.62	\$ 7.65	\$ 8.02
<b>Increase (decrease) from operations:</b>					
Total revenue	\$ 0.11	\$ 0.14	\$ 0.05	\$ 0.08	\$ 0.09
Total expenses	(0.35)	(0.34)	(0.33)	(0.38)	(0.42)
Realized losses	(0.12)	(0.21)	-	-	-
Unrealized gains (losses)	0.51	1.45	0.30	(1.73)	(0.02)
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	\$ 0.15	\$ 1.04	\$ 0.02	\$ (2.03)	\$ (0.35)
Net assets at end of year shown	\$ 6.86	\$ 6.70	\$ 5.63	\$ 5.62	\$ 7.65

#### Class R-B Shares

	2023	2022 <sup>(3)</sup>
Net assets, beginning of period	\$ 6.21	\$ 5.68
<b>Increase (decrease) from operations:</b>		
Total revenue	\$ 0.06	\$ 0.05
Total expenses	(0.37)	(0.30)
Total expenses waived/recovered	-	0.07
Realized losses	(0.11)	(0.10)
Unrealized gains	0.42	0.73
<b>Total increase from operations<sup>(2)</sup></b>	\$ -	\$ 0.45
Net assets at end of period shown	\$ 6.12	\$ 6.21

## Class R-F Shares

	2023	2022	2021	2020	2019
Net assets, beginning of year	\$ 7.99	\$ 7.02	\$ 6.96	\$ 8.83	\$ 9.00
<b>Increase (decrease) from operations:</b>					
Total revenue	\$ 0.09	\$ 0.13	\$ 0.05	\$ 0.07	\$ 0.09
Total expenses	(0.36)	(0.25)	(0.26)	(0.32)	(0.80)
Total expenses waived/recovered	-	-	-	-	0.57
Realized losses	(0.13)	(0.19)	-	-	-
Unrealized gains (losses)	0.50	1.27	0.26	(1.89)	(0.03)
<b>Total increase (decrease) from operations <sup>(2)</sup></b>	<b>\$ 0.10</b>	<b>\$ 0.96</b>	<b>\$ 0.05</b>	<b>\$ (2.14)</b>	<b>\$ (0.17)</b>
Net assets at end of year shown	\$ 8.02	\$ 7.99	\$ 7.02	\$ 6.96	\$ 8.83

(1) This information is derived from the Class R Fund's audited annual financial statements. The net assets per security presented in the financial statements differs from the net asset value calculated for fund pricing purposes. An explanation of these differences can be found in Note 8 to the Class R Fund's financial statements.

(2) Net assets are based on the actual number of shares outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of shares outstanding over the financial period.

(3) Operations with respect to the Class R-B Shares began January 7, 2022, with the first issue of Class R-B Shares at a price of \$5.68 per share.

## Ratios and Supplemental Data

### Class R Shares

	2023	2022	2021	2020	2019
Total net asset value (000's) <sup>(1)</sup>	\$ 5,784	\$ 6,543	\$ 6,206	\$ 6,694	\$ 8,697
Number of shares outstanding <sup>(1)</sup>	843,384	975,992	1,100,095	1,189,303	1,136,928
Management expense ratio <sup>(2)</sup>	5.32%	5.60%	5.80%	5.75%	5.66%
Management expense ratio excluding IPA <sup>(3)</sup>	5.32%	5.60%	5.80%	5.75%	5.66%
Trading expense ratio <sup>(4)</sup>	0.01%	-	-	-	-
Portfolio turnover rate <sup>(5)</sup>	10.82%	18.39%	-	-	-
Net asset value per share	\$ 6.86	\$ 6.70	\$ 5.64	\$ 5.63	\$ 7.65

## Class R-B Shares

	2023	2022 <sup>(6)</sup>
Total net asset value (000's) <sup>(1)</sup>	\$ 522	\$ 133
Number of shares outstanding <sup>(1)</sup>	85,204	21,454
Management expense ratio <sup>(2)</sup>	6.02%	5.98%
Management expense ratio excluding IPA <sup>(3)</sup>	6.02%	5.98%
Management expense ratio before waiver/recovery <sup>(7)</sup>	6.02%	7.74%
Management expense ratio before waiver/recovery & excluding IPA <sup>(8)</sup>	6.02%	7.74%
Trading expense ratio <sup>(4)</sup>	0.01%	-
Portfolio turnover rate <sup>(5)</sup>	10.82%	15.80%
Net asset value per share	\$ 6.12	\$ 6.21

## Class R-F Shares

	2023	2022	2021	2020	2019
Total net asset value (000's) <sup>(1)</sup>	\$ 45	\$ 13	\$ 11	\$ 10	\$ 9
Number of shares outstanding <sup>(1)</sup>	5,587	1,632	1,632	1,491	920
Management expense ratio <sup>(2)</sup>	4.57%	3.36%	3.72%	4.05%	2.66%
Management expense ratio excluding IPA <sup>(3)</sup>	4.57%	3.36%	3.72%	4.05%	2.66%
Management expense ratio before waiver/recovery <sup>(9)</sup>	4.57%	3.36%	3.72%	4.05%	9.19%
Management expense ratio before waiver/recovery & excluding IPA <sup>(8)</sup>	4.57%	3.36%	3.72%	4.05%	9.19%
Trading expense ratio <sup>(4)</sup>	0.01%	-	-	-	-
Portfolio turnover rate <sup>(5)</sup>	10.82%	18.39%	-	-	-
Net asset value per share	\$ 8.02	\$ 7.99	\$ 7.03	\$ 6.97	\$ 8.83

(1) This information is provided as at August 31 of the period shown. The total net asset value refers to the net asset value determined for fund pricing purposes.

(2) Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of weekly average net asset value during the period.

(3) Management expense ratio excluding IPA is based on total expenses, less IPA and change in contingent IPA, for the stated year and is expressed as an annualized percentage of weekly average net asset value during the period.

(4) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of the weekly average net asset value during the period.

(5) The Class R Fund's portfolio turnover rate indicates how actively the Manager manages the fund's portfolio investments. A portfolio turnover rate of 100% is equivalent to the Class R Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher a fund's portfolio turnover in a period the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of the Class R Fund.

(6) This information is provided as of August 31, 2022. The first Class R-B Shares were issued on January 7, 2022.

(7) Management expense ratio before waiver/recovery is based on total expenses before management fees waived and marketing service fees recovered and is expressed as an annualized percentage of weekly average net asset value during the period. Management fees earned by the Manager for the period prior to Golden reaching \$5 million in aggregate gross sales of Class A-B Shares, Class I-B Shares and Class R-B Shares were waived by the Manager. The Manager also reimbursed the Class R Fund for its share of marketing service fees earned by Golden's principal distributor on the first \$5 million of aggregate sales of Class A-B Shares, Class I-B Shares and Class R-B Shares. This waiver of fees and reimbursement of expenses has now been discontinued, and all future management fees and marketing service fees with respect to the Class R-B Shares will be paid by the Class R Fund.

(8) Management expense ratio before waiver/recovery and excluding IPA is based on total expenses before management fees waived and marketing service fees recovered, less IPA and change in contingent IPA, for the stated period and is expressed as an annualized percentage of weekly average net asset value during the period.

(9) Management expense ratio before waiver/recovery is based on total expenses before management fees waived and marketing service fees recovered and is expressed as an annualized percentage of weekly average net asset value during the period. Management fees earned by the Manager for the period prior to Golden Opportunities Fund Inc. reaching \$5 million in aggregate gross sales of Class A-F Shares, Class I-F Shares and Class R-F Shares were waived by the Manager. The Manager also reimbursed the Class R Fund for its share of marketing service fees earned by Golden Opportunities Fund Inc.'s principal distributor on the first \$5 million of aggregate sales of Class A-F Shares, Class I-F Shares and Class R-F Shares. This waiver of fees and reimbursement of expenses has now been discontinued, and all future management fees and marketing service fees with respect to the Class R-F Shares will be paid by the Class R Fund.

## Management Fees

The annual management fee, which is calculated and payable monthly, is equal to 2.5% of the aggregate net asset value of the Class R Fund as at each valuation date. The Manager has been retained to manage and administer the business affairs of Golden, including the management of the Class R Fund's investments in eligible businesses and its marketable securities investments, and maintain all required books and records of the Class R Fund. The Manager is also responsible for seeking out and identifying investment opportunities and undertaking operational due diligence of the investment opportunities. The Manager develops investment recommendations to Golden's Board of Directors (the "**Board**"), monitors all investments, provides performance reports to the Board, and makes disposition recommendations to the Board. For these services, the Manager is compensated with the management fees. A 20% IPA is also payable to the Manager, provided certain criteria have been met. The IPA is only earned on realized gains that the Class R Fund has received in cash and the realized investment performance of the Class R Fund. The criteria are fully described in Golden's prospectus.

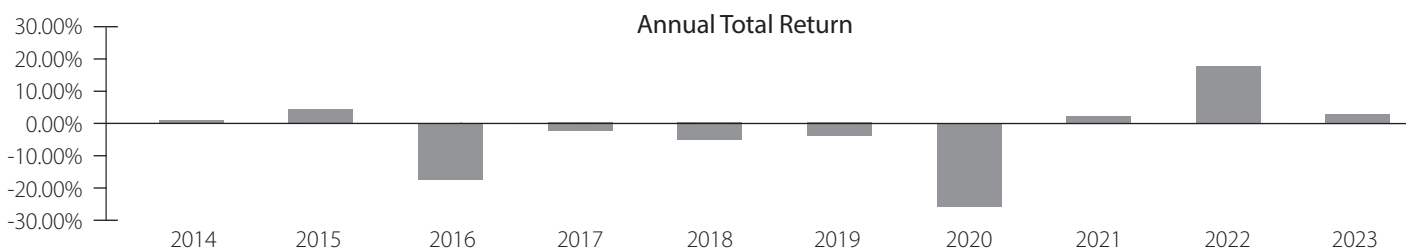
## PAST PERFORMANCE

The performance data provided does not consider sales, redemption, or other optional charges payable by any shareholder that would have reduced returns. Past performance does not necessarily indicate how a fund will perform in the future.

## Year-by-Year Returns

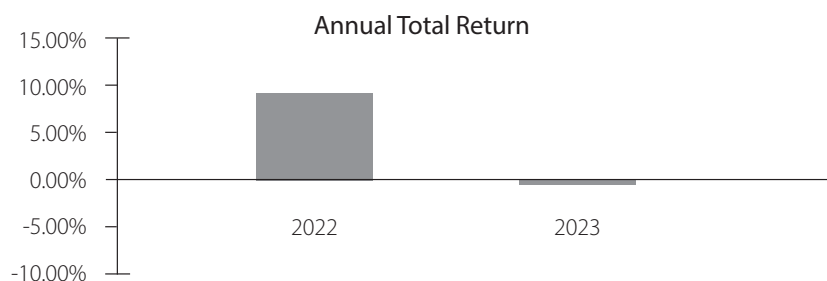
The bar charts below show the Class R Fund's annual performance for each of the years shown and illustrates how the performance has changed from year to year. Annual return is the percentage change in the value of the investment for the financial year ended August 31 of each year, unless otherwise noted. The bar charts show, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the last day of each financial year.

### Class R Shares



### Class R-B Shares

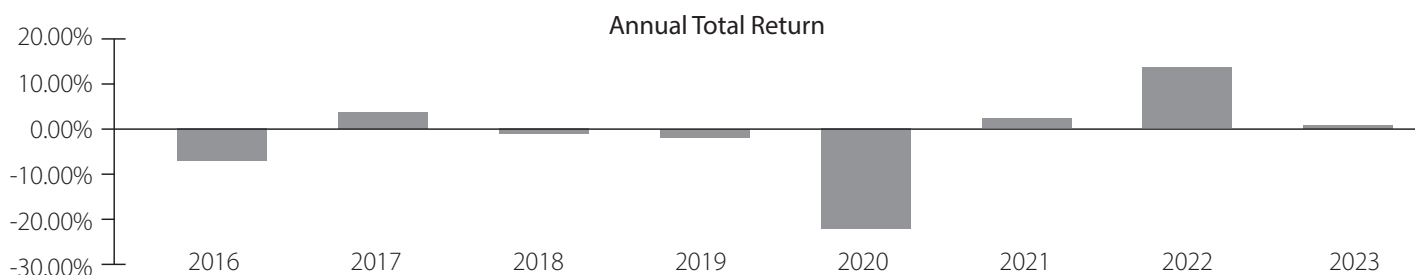
The 2022 return shown below is the performance from January 7, 2022, the first day on which the Class R-B Shares were issued, to August 31, 2022.





## Class R-F Shares

The 2016 return shown below is the performance from February 19, 2016, the first day on which the Class R-F Shares were issued, to August 31, 2016.



## Annual Compound Returns

The tables that follow show the historical compound returns for securities of the Class R Fund and the CIFSC Retail Venture Capital Index for the periods shown. Annual compound return is the percentage change in value for the period shown, ending on August 31, 2023. The returns for the Class R Fund do not take into consideration the tax credits received by the purchaser. The CIFSC Retail Venture Capital Index combines the returns from nine retail venture capital funds to provide a sector average return.

### Class R Shares

	Class R Shares	CIFSC Retail Venture Capital Index
Past 1 year	2.39%	5.69%
Past 3 years	6.81%	1.16%
Past 5 years	-3.03%	-9.59%
Past 10 years	-3.91%	-8.50%

### Class R-B Shares

	Class R-B Shares	CIFSC Retail Venture Capital Index
Past 1 year	-1.45%	5.69%
Since inception (January 7, 2022)	4.64%	-1.48%

### Class R-F Shares

	Class R-F Shares	CIFSC Retail Venture Capital Index
Past 1 year	0.38%	5.69%
Past 3 years	4.79%	1.16%
Past 5 years	-2.23%	-9.59%
Since inception (February 19, 2016)	-2.25%	-7.05%

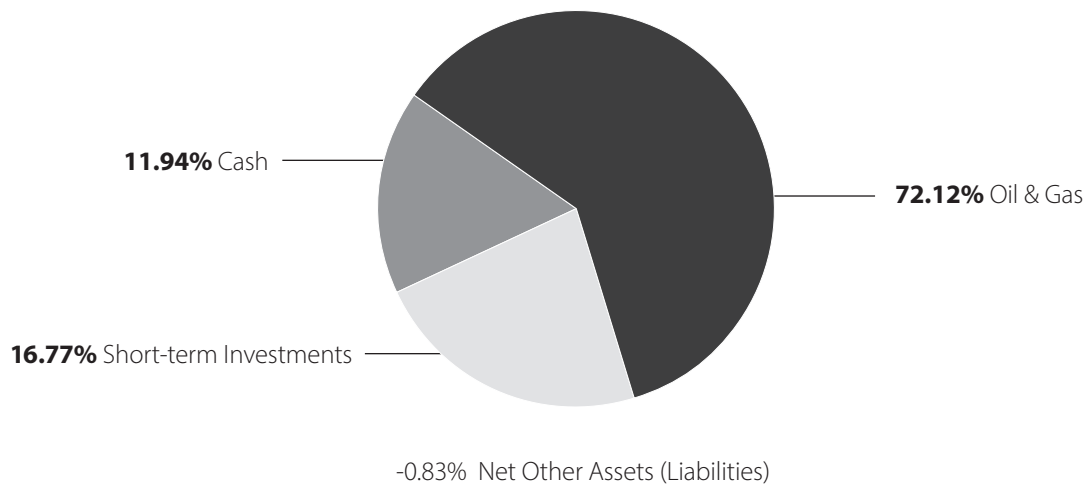
## SUMMARY OF INVESTMENT PORTFOLIO

The summary of investment portfolio may change due to ongoing portfolio transactions and a quarterly update is available upon request.

### *All Holdings (cost as % of net asset value)*

1. Credence Resources LP	Debt 16.53%, Equity <0.01%	16.53%
2. Stampede Drilling Inc.	Equity	13.07%
3. Burgess Creek Exploration Inc.	Equity	12.83%
4. Cash		11.94%
5. Woodland Development Corp.	Equity	9.45%
6. Credence Resources II LP	Debt 8.75%, Equity <0.01%	8.75%
7. Cornerstone Credit Union, 4.95%, due August 30, 2024	Term Deposit	7.87%
8. Avalon Oil & Gas Ltd.	Debt 2.76%, Equity 4.90%	7.66%
9. Diamond North Credit Union, 4.20%, due August 27, 2024	Term Deposit	5.04%
10. Field Exploration LP	Debt 4.09%, Equity <0.01%	4.09%
11. Affinity Credit Union, 4.00%, due February 28, 2024	Term Deposit	3.86%
12. Vesta Energy Corp.	Equity	0.54%

### *Asset Mix (fair value as % of net asset value)*





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