

NOTIFICATION OF SEMI-ANNUAL REPORTING



Provided below is the Message to Shareholders included in the 2018 Semi-annual Report, the full report is available at GoldenOpportunities.ca or SEDAR.com

To our valued shareholders:

We are pleased to provide the Semi-annual Report for the period ended February 28, 2018. The period end comes at a time when there are signs of modest economic stability in Saskatchewan with the economy posting positive gross domestic product (GDP) growth of 2.1% in 2017 and continued momentum of 2.9% GDP growth forecasted for 2018.¹ Economic indicators such as housing starts and retail sales are predicted to follow the same positive trend according to RBC Economics which leads us to be cautiously optimistic, despite continued low commodity prices such as potash and uranium. This is good news for Golden Opportunities Fund's diversified investment portfolio which is designed to strategically weather downturns while being positioned to capture upside upon recovery of the economy.

Saskatchewan faced a challenging provincial budget in March 2017 which impacted all areas of government programs. This included a one-time change to the tax credits on Retail Venture Capital (RVC) Fund investments from 35% to 32.5% overall and adjustment to the Fund's annual capitalization limit now set at \$35 million going forward thereby limiting the availability of Golden Opportunities to investors.

The 2018 Federal and Provincial budgets announced in March and April respectively confirmed the ongoing support of RVC Funds and the significant role these Funds play in driving innovation in the economy, creating jobs and providing a vehicle to save for retirement. With almost one-third of Canadians aged 45 to

64 having no personal savings for retirement,² and 40% of Canadians surveyed indicating they could not afford to make an RRSP contribution for 2017,³ investments such as Golden Opportunities are increasingly important to encourage retirement savings while having a positive impact on local companies and jobs.

Despite the lower national RRSP contributions reported, Golden Opportunities is pleased to report strong support once again from local investors raising approximately \$31 million during the 2018 RRSP season and subsequent. Due to shareholder demand for units and strong performance, the collective net assets of all share classes of the Fund increased from year-end August 31, 2017 by 25%, from \$284 million to \$355 million. The unit value of every share class, apart from the Resource Class R-share, posted

positive results. Once again, Golden Opportunities was the top performing RVC Fund share class in Saskatchewan based on one-year, three-year, five-year and since inception returns of the Class i-share as at February 28, 2018.⁴

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Golden Opportunities
was the **TOP PERFORMING**
RVC Fund share class
in Saskatchewan based on
one-year, three-year, five-year
and since inception returns.⁴

AWARDED



by Globefund

Class i-share as at February 28, 2018

To avoid disappointment due to the Fund selling out, shareholders can take advantage of the Fund's convenient and automatic investment options to ensure receipt of tax credits. These include:

Pre-authorized Contribution (PAC) Plan:

Regular deposits from your **bank account** can be invested directly into your Golden Opportunities account – you choose the contribution amount and frequency.

Payroll Investment Plan (PIP):

Invest directly off your **paycheque** and receive immediate tax savings by reducing the income tax you pay on every paycheque.

When the Fund reaches its annual contribution limit, both regular contribution methods ensure that shareholders receive a full year of contributions.

Board Appointment

Golden Opportunities was also pleased to announce the appointment of business leader Mr. Murad Al-Katib to the Fund's Board of Directors in the reporting period. As President and CEO of AGT Food and Ingredients Inc., Mr. Al-Katib has helped to establish Saskatchewan as a world leader in pulse crop production. He has been the recipient of several prestigious awards including the 2017 "Oslo Business for Peace" Foundation Honoree, 2017 Ernst and Young "World Entrepreneur of the Year" Award (after being named 2016 Ernst and Young "Canadian Entrepreneur of the Year" and "Prairie Entrepreneur of the Year") and the 2016 United Nations Association of Canada "Global Citizen Laureate" Award. His business acumen, specifically in the agricultural sector, further enhances the leadership, strategic direction and governance of Golden Opportunities.

¹RBC Economics Provincial Outlook, March 2018

²2018 CIBC Retirement Planning Poll

³Eighth Annual BMO RRSP Survey

⁴Class i-share as at February 28, 2018 by Funddata

The Fund's largest share class, the Diversified Class A-share, saw a 24% increase in net assets from \$245 million to \$303 million due to the strong performance of key portfolio companies including a 18% increase in partnership and dividend income from the same period in 2017. The liquidity of the share class also increased by approximately 16% during the reporting period providing the Fund with increased liquid assets available to capitalize on future investment opportunities. **Positive results from these key indicators enabled the Diversified Class A-share to post attractive returns of: one-year 19.73%, three-year 6.97% and five-year 5.70% as at February 28, 2018 per Fundata, not including the tax credit.**

CANNIMED THERAPEUTICS INC. → **AURORA CANNABIS INC.**

During the period, Golden Opportunities was actively engaged in activities related to the ownership transition of CanniMed Therapeutics Inc. (CanniMed) which became the largest transaction completed to date in the marijuana sector as companies prepare for the legalization of recreational marijuana in Canada in the fall of 2018.

Golden Opportunities Investment Timeline

- In 2001, over 16 years ago, Golden Opportunities became the first institutional investor in Prairie Plant Systems Inc. which later became CanniMed.
- Golden Opportunities supported the company through multiple investment rounds resulting in the creation of over 200 Saskatchewan jobs and it becoming a market leader in medical marijuana and related product delivery forms.
- On December 29, 2016 Prairie Plant Systems Inc. completed an oversubscribed initial public offering (IPO) under the name CanniMed Therapeutics Inc. (CMED) on the Toronto Stock Exchange (TSX), raising \$69 million.
- On November 14, 2017 Aurora Cannabis Inc. (Aurora), the second largest market cap marijuana company in Canada approached CanniMed with an acquisition proposal to form the largest medicinal marijuana company in Canada.
- A highly publicized proxy battle concluded with a public announcement on January 24, 2018 that Aurora had reached a friendly agreement with CanniMed and had the support of its Board of Directors and its largest institutional shareholders, including Golden Opportunities, to acquire the company for a value of approximately \$1.1 billion. This represented an increase in value from the CanniMed IPO market capitalization value of approximately \$245 million in December of 2016, as well as the value Aurora initially offered of approximately \$609 million in November of 2017.
- The transaction closed subsequent to this reporting period.

"We are delighted to have finalized the largest transaction to date in the cannabis industry!"

- Terry Booth, CEO, Aurora

1st
INSTITUTIONAL
INVESTOR

200
SK JOBS
CREATED

\$69
IPO
MILLION

\$1.1
BILLION
MARKET
VALUE



More than 11 years ago, the Fund made its first investment into Solido Design Automation Inc. (Solido), an early stage innovation company in the software industry. Over time Solido became a leading provider of variation-aware design and characterization software to semiconductor companies enabling them to design, verify and manufacture more competitive products. Solido's technology assisted semiconductor companies to manufacture and design analogue chips more efficiently for smartphones, gaming devices and more. Impacted by long sales cycles and software design modifications, the company's maturity took time but ultimately resulted in worldwide sales to 40 major international companies.



DID YOU KNOW?
15 of the 24 chips
in the iPhone 6
were designed
using Solido's
software.

In the reporting period, Siemens AG, a global technology company, acquired Solido as part of its global strategy and continues to grow the local team at the recently expanded Saskatoon corporate office now operating as Mentor Graphics. This transaction is an example of the importance of Golden Opportunities to provide valuable, early-stage capital to create an environment where local innovation companies can stay and grow in Saskatchewan creating jobs and global technology.

Since inception, Golden Opportunities has strategically focused on innovation as one of its four investment pillars in the diversified portfolio. This strategy has been key due to the importance of innovation to the economy and job creation, as well as the portfolio diversification it provides to more traditional commodity dependent companies, recognizing additional time is required to capture results. We are proud to have supported companies such as CanniMed and Solido in multiple early-stage investment rounds when other institutional investors did not see the vision. The combined impact of these two companies with hundreds of jobs and world-class facilities, technologies and products will remain in Saskatchewan to support future economic growth in our Province. These innovation companies offer diversity among the Fund's portfolio of Golden Health Care Inc.'s long-term care homes and management buyouts such as Dyna Holdings LP, H.J.R. Asphalt LP, Prairie Meats LP, Warman Home Centre LP, Jump.ca Wireless Supply Corp. and SuperiorFarms Solutions LP, and are an important contribution to the strong returns Golden Opportunities has posted over decades of varying economic cycles.

New Innovation Investment in Class A-share and Class i-share

Paradigm Consulting Group Inc. (Paradigm), a Saskatchewan-based information technology services company, has a 27-year history working with clients across diverse industries including healthcare, insurance, financial services, public sector, telecom and energy. With more than 150 active consultants, Paradigm is a market leader in the delivery of strategic technology management strategies to an enterprise level client base. Through its parent company Smart Employee Benefits Inc. (TSXV: SEB), a Software as a Service (SaaS) company with approximately \$100 million in revenue, Paradigm has a deep portfolio of scalable commercial IP to offer its key client verticals enabling accelerated delivery of projects and building long-term client relationships. Strong accreditation in numerous technology disciplines further differentiates Paradigm in the market.



Innovation SHARE *i*

The success of our innovation companies carried over to the Innovation Class i-share which also posted exceptional growth during the 2018 RRSP season increasing capital raised by 21% from the same period last year and growing net assets by 43% to approximately \$43 million from year-end August 31, 2017.

The Innovation Class i-share posted attractive returns of: one-year 31.87%, three-year 14.34%, five-year 9.08% and since inception 5.94% as at February 28, 2018 per Fundata.

These outstanding returns combined with the importance of an innovation-driven economy expressed by both the Federal and Provincial Governments, with a loan loss provision which reduces risk to shareholders provided by Western Economic Diversification Canada, contributed to the success of the Class i-share.

As a result, the Class i-share was awarded a five out of five-star rating once again by Globefund where it also ranked:

TOP PERFORMING RVC FUND IN CANADA.⁵



Resource SHARE *R*

The Resource Class R-share has 100% weighting in oil and gas by design and, despite the extended recovery of the sector due to low commodity prices, posted net asset growth of 4% to \$8.7 million from the year-end reporting period of August 31, 2017. With the price of West Texas Intermediate (WTI) oil stabilizing between US \$60 to US \$65, two portfolio companies posted activity: Burgess Creek Exploration Inc. drew down capital from the Fund's existing commitment, and a further investment was made into MATRRIX Energy Technologies Inc. for strategic acquisitions. In addition, Astra Oil Corp. and Villanova 4 Oil Corp., representing a combined 28% of the fair market value of the Resource Class R-share venture portfolio, posted strong year-end results with 5x and 4x respective increases in production from 2016 year-end.

Summary

Your Fund's positive results this semi-annual reporting period were driven by milestones in innovation companies that the Fund has supported for more than a decade. The management buyout portfolio of mature, long-standing Saskatchewan companies is poised to continue to capture opportunities in an economy that is moving toward modest but positive growth. With Golden Opportunities' solid performance, ongoing support by both the Federal and Provincial Governments and continued investment opportunities in our local economy, investment demand for Golden Opportunities continues to be strong. Considering reduced availability, we encourage shareholders to make contributions for the 2018 tax filing year early before the Fund reaches a sellout in the upcoming RRSP season.

Thank you for your continued support and investment into Golden Opportunities which has had a material impact on the Province of Saskatchewan through the past two decades.

Sincere regards,

Grant J. Kook,
C.Dir., S.O.M.
President & CEO

Hon. William McKnight, S.O.M.,
Privy Council
Chairman
Saskatoon

Brian L. Barber,
Vice Chairman
Regina



In the wake of the Humboldt Broncos tragedy, our Board of Directors and Team at Westcap Mgt. Ltd., Fund Manager of Golden Opportunities, expresses our deepest sympathy and support.

⁵Class i-share based on 3 year returns as at February 28, 2018 by Globefund