

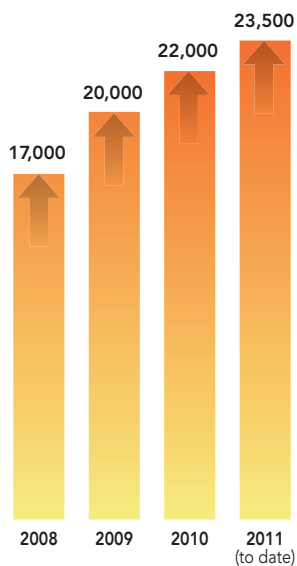


**DISCOVERING
TREASURES**

SEMI-ANNUAL
REPORT **2011**
F E B R U A R Y 2 8

MESSAGE FROM FUND MANAGEMENT

**CONTINUED
SHAREHOLDER GROWTH**



Shareholders increased to over 23,500 to date.

**GAIN IN
UNIT VALUE OF
6%
IN SIX-MONTH
PERIOD**

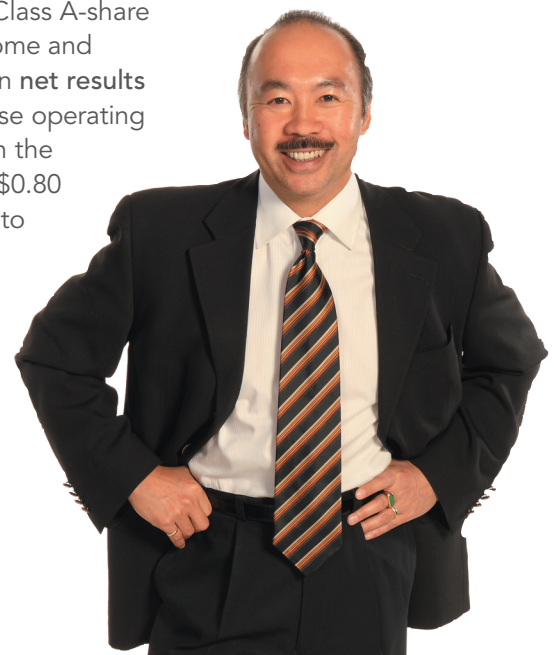
TO OUR VALUED SHAREHOLDERS:

The semi-annual period ended February 28, 2011 confirms shareholders have reason to seek out local investment in the fastest growing economy in Canada. According to the Conference Board of Canada, Saskatchewan is once again expected to lead national economic growth in 2011 at 4.4%. Saskatchewan is also one of the fastest growing provinces by population and is ranked as the second most attractive province in Canada to invest. Optimism is high that Canada has weathered the global financial crisis and stimulus spending can now turn to deficit reduction. There has never been a better time to invest locally.

The same optimism and outlook for Golden Opportunities Fund is clearly evident as a result of the prudent strategies implemented through the volatile economic turbulence we witnessed not so long ago. By working closely with portfolio management teams and repositioning the Diversified Class A-share to have a 41% oil and gas sector weighting, the share class is continuing to perform. The newly launched Innovation Class i-share, which aligns with important national and provincial Innovation Agendas, is taking shape with inaugural portfolio investment transactions.

For the six-month period, Golden Opportunities Fund increased its overall assets to \$194 million. Net assets increased to approximately \$182.8 million, up 13% from \$161.5 million at year end August 31, 2010. Over the course of the past six months and subsequent, the Fund experienced record new Fund sales of over \$27 million resulting in an approximate 20% increase from the previous year, as well as shareholder growth to more than 23,500 residents. These results represent the thirteenth year of growth and confirm ongoing support for the Fund's industry-leading operating principles of full financial transparency and diversification.

The Fund's operating performance followed the same positive trend with the Diversified Class A-share posting increases in investment income and growth in portfolio value resulting in **net results of operations of \$10.4 million**. These operating results contributed to an increase in the pricing net asset value per share of \$0.80 from \$13.59 as at August 31, 2010 to \$14.39 as at February 28, 2011, an increase of approximately 6% for the six-month period. This unit value gain does not reflect the attractive tax savings also



received by shareholders when they invest in the Fund. This performance has once again put the Fund at the top of the industry receiving accolades during the reporting period such as a *"four out of five star rating"* and *"longest serving fund in the top quartile"* from Globefund, a National Mutual Fund rating service.

NATIONAL RECOGNITION from Globefund

★★★★☆ Rating

(Class A-share as of March 31, 2011)

Funds are ranked from one to five stars, with the top-ranked Funds getting five stars.

In the midst of increasing oil prices in the reporting period, the Fund strategically added to its oil and gas portfolio by investing \$3.3 million in Credence Resources Limited Partnership, an oil and gas partnership that works with leading management teams. The investment enabled Wyatt Oil + Gas Inc. and Bulldog Oil & Gas Inc. to further the development and exploration of Western Canadian oil and gas properties.

The Innovation Class i-share, recently launched in strategic partnership with Western Economic Diversification Canada, surpassed \$4.0 million of share capital raised during the reporting period and the investment portfolio is taking shape with investments in Phenomenome Discoveries Inc. and Prairie Plant Systems Inc. As suggested by the name, "Innovation Share", both companies' development of proprietary leading-edge technology in life sciences and biotechnology, respectively, will make a difference in people's lives. Although in the early stages of portfolio development, the Class i-share pricing net asset value per share remains above its initial value of \$10.00 at \$10.05.

The growth and momentum of Saskatchewan's first Provincial Retail Venture Capital Fund continues as a result of the strong support we have from you – our loyal shareholders – committed executive teams that are building world class portfolio companies and a Board of Directors at Golden Opportunities Fund who have stayed committed to and unwavering from operating practices that continue to lead the industry. Thank you for being an important part of the success of Golden Opportunities Fund to date.

Respectfully,



Grant Kook
President and CEO

NEW SALES OF
APPROXIMATELY
20%
MORE THAN
PREVIOUS YEAR

MAKING INVESTING EASY:

Several investment options are available so it is simple for you to contribute:

1. Regularly from your bank account (Pre-authorized Contribution [PAC])
2. Directly from your paycheque
3. Lump sum payment

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

This interim management report of fund performance contains financial highlights of Golden Opportunities Fund Inc. (the "Fund"), and should be read in conjunction with the financial statements of the Fund dated February 28, 2011. Security holders of the Fund may request a copy of the Fund's annual and interim financial statements, quarterly portfolio disclosure, proxy voting policies and procedures, and proxy voting disclosure record at no cost, by calling 1-866-261-5686, by visiting our website at www.goldenopportunities.ca, by writing to us at Suite 830, 410 – 22nd Street East Saskatoon, SK S7K 5T6 or by visiting SEDAR's website at www.sedar.com.

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The investment objective of the Fund is to invest its eligible capital in small and medium-sized Saskatchewan and Manitoba eligible businesses with the goal of maximizing shareholder returns through the long-term appreciation of the Fund's net asset value.

The Fund invests its share capital in companies that meet the investment criteria as defined in *The Labour-sponsored Venture Capital Corporations Act* (Saskatchewan) (the "Saskatchewan Act") and related regulations and *The Labour-Sponsored Venture Capital Corporations Act* (Manitoba) (the "Manitoba Act") and related regulations. The Fund issues two share classes in both Saskatchewan and Manitoba, a diversified share class (the "A share") and an innovation share class (the "I share"). For the A share class, the Fund intends to provide diversification for its shareholders by investing in a wide range of industry sectors in both Saskatchewan and Manitoba. The Fund will further seek 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 I share class will invest in companies in the innovation sector of the Saskatchewan and Manitoba economies. These sectors include, but are not limited to, information and communication technology, life sciences, biotechnology, industrial biotechnology, clean technology, value-added agriculture, and advanced manufacturing. For both share classes, the Fund generally makes investments with the expectation that the holding period will be five to eight years.

The Fund's 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.

The particular form of the Fund's investments is selected and negotiated after taking into account the investment objectives and criteria of the Fund. The Fund's first issuance of Class I shares did not occur until January 16, 2009. During the six months ended February 28, 2011, the Fund made its second Class I share investment through an investment in the biotechnology sector in the form of convertible preferred shares to go along with its initial Class I share investment made during the year ended August 31, 2010 in the form of a convertible debenture, also in the biotechnology sector. The Fund has diversified its Class A investment portfolio through the use of instruments such as common shares, preferred shares, convertible

preferred shares, partnership units, debentures, convertible debentures, term loans, participating loans, and options. The Fund has structured its investment portfolios to provide a yield that serves to stabilize unit values in the short term, while also maintaining potential capital appreciation in the portfolio over the long term. When possible, where the Fund makes an investment by way of a debt instrument, the Fund will secure its investment by a charge over the business' assets. This charge may be subordinated to other lenders' security. The Fund takes the security with the goal of limiting the downside risk of the investment.

Risks

(in thousands of dollars)

The risks of investing in the Fund remain as discussed in the Prospectus. The Class A and Class I shares of the Fund are highly speculative in nature and are suitable only for investors able to make a long-term investment. The investments made by the Fund involve a longer commitment than what is typical for other types of investments made by mutual funds. Many such investments require between five to eight years in order to mature and generate the returns expected by the Fund.

There may be changes introduced to the Federal, Saskatchewan and Manitoba legislation that may be unfavorable to the Fund's ability to attract further investment.

Under the Saskatchewan Act, the Fund is required to invest and maintain at least 75% of its equity capital raised in Saskatchewan in investments in eligible Saskatchewan companies within two years from the fiscal year end of raising the equity capital. For share capital raised in Saskatchewan, as at February 28, 2011, the Fund had invested, or approved investments, of approximately \$123,500. Based on this level of investment, the Fund has met its Saskatchewan investment requirements.

Under the Manitoba Act, the Fund is required to invest and maintain at least 70% of its equity capital raised in Manitoba in investments in eligible Manitoba companies within two years from the fiscal year end of raising the equity capital. For share capital raised in Manitoba, as at February 28, 2011, the Fund had invested \$800. Based on this level of investment, the Fund has met its Manitoba investment requirements.

The business of the Fund 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 the Fund will not be able to find suitable investments that meet its investment criteria. Over the past six months, the Fund has once again demonstrated its ability to find companies that meet the Fund's investment standards. For the six months ended February 28, 2011, the Fund made Class A venture investments of \$3,873 in three companies and made its second Class I venture investment in the amount of \$300 in one company.

Class A Shares

For the Class A shares, the Fund attempts to mitigate the risk of its investment portfolio by investing in a diverse range of industries, and investing in companies at different stages of the business cycle. As at February 28, 2011, the Fund's top four sectors based on cost were oil & gas, renewable energy, agriculture, and biotechnology. For diversification, as at February 28, 2011, the Fund is invested in thirteen different industry sectors. The Fund continues to hold investments in companies at each stage of the business development cycle. During the time the Fund holds an investment, a portfolio company will move through the different stages of the business development cycle. As at February 28, 2011, the Fund's Class A venture investment portfolio, based on investment cost, was 22% mature, 52% growth, and 26% start-up. The cost base of the top five venture investment portfolio holdings of the Fund represents 22.2% of the Fund's Class A net assets. Over the past five years, the cost base of its top five holdings as a percentage of Class A net assets has been in the range of 17% – 25%.

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

Class I Shares

The Class I shares will invest in companies in the innovation sector of the Saskatchewan and Manitoba economies. These sectors include, but are not limited to, information and communication technology, life sciences, biotechnology, industrial biotechnology, clean technology, value added agriculture, and advanced manufacturing. As at February 28, 2011, the Class I shares were invested in two companies which are both in the biotechnology sector and are both in the growth stage of the business development cycle. The total cost base of the Class I venture investments represents 14.2% of the Fund's Class I net assets. In relation to investments made by the Class I shares, the Fund has entered into a loss support program with Western Economic Diversification Canada which will provide loss protection support to Class I shareholders. Details of the loss support program are contained in the Fund's Prospectus.

Please see the notes to the financial statements for a disclosure about the nature and extent of risk relative to the financial instruments and how the Fund manages those risks.

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.

Results of Operations

(in thousands of dollars except per share amounts, number of shares and number of shareholders)

Net Assets

All references to "net assets" or "net assets per share" in this report are references to net assets determined in accordance with Canadian generally accepted accounting principles ("GAAP") as presented in the financial statements of the 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 Class A shares and Class I shares, otherwise known as the pricing net asset value for these share classes, respectively. An explanation of the differences can be found in Note 10 of the February 28, 2011 financial statements.

The Fund increased its Class A net assets from \$158,538 as at August 31, 2010 to \$178,726 as at February 28, 2011. Pricing net asset value per Class A share increased from \$13.59 as at August 31, 2010 to \$14.39 as at February 28, 2011, an increase of 5.89%.

The increase in Class A net assets of \$20,188 is attributable to an increase in share capital of \$9,779 after redemptions and share issue costs as well as the net results of operations for the six months ended February 28, 2011 of \$10,409. For the six months ended February 28, 2011, the Fund raised proceeds of \$16,935, net of share issue costs, from the issuance of Class A shares and incurred \$7,156 of redemptions, representing 4.32% of the outstanding Class A share capital. This percentage is an increase over the previous redemption history of the Fund and is mostly due to the increased amount of rollovers incurred by the Fund. Rollovers occur when a shareholder redeems shares upon the expiration of the eight-year hold period and purchases new shares. The amount of shares eligible for rollovers has increased as the Fund issued its first shares in 1999, and 2011 represented the completion of the fifth eight-year hold period. During the six months ended February 28, 2011, the number of Class A shares outstanding increased from 11,698,253 to 12,457,649 as the Fund increased its number of shareholders from approximately 22,000 to approximately 23,500.

Class A cash and marketable securities increased from \$31,195 as at August 31, 2010 to \$33,441 as at February 28, 2011. The Fund continues to hold cash and liquid marketable securities in order to fund

future investments and for follow-on investments to existing portfolio companies. The Fund has Class A subscriptions receivable of \$4,611 as at February 28, 2011. Historically, the Fund has had a balance in this account as at the end of February due to the large number of purchase orders placed during the last week of RRSP season.

As at February 28, 2011, the Class I net assets totaled \$4,025. The Class I assets consisted primarily of cash of \$1,198, marketable securities of \$2,135 and venture investments of \$600. During the six months ended February 28, 2011, the Fund raised proceeds of \$1,014, net of share issue costs, from the issuance of Class I shares and incurred \$4 of redemptions, representing 0.10% of the outstanding Class I share capital. The number of Class I shares outstanding increased from 298,892 to 400,360 during the six months ended February 28, 2011. The net share issue costs of \$11 have been reduced as a result of all marketing service fees by the Fund's principal distributor remaining unearned as of February 28, 2011 and the Fund Manager, Westcap Mgt. Ltd., agreeing to pay all other share issue costs of the Class I shares in excess of any net investment gain on a non-recourse basis until December 31, 2010. The Fund's principal distributor does not earn the marketing service fee on Class I shares until the Fund has reached \$10,000 in gross subscriptions on Class I shares, at which time the entire amount of the fees would be earned and payable. Pricing net asset value per Class I share decreased from \$10.08 as at August 31, 2010 to \$10.05 as at February 28, 2011, a decrease of 0.30%.

Investment Portfolio
(in thousands of dollars)

Class A Shares

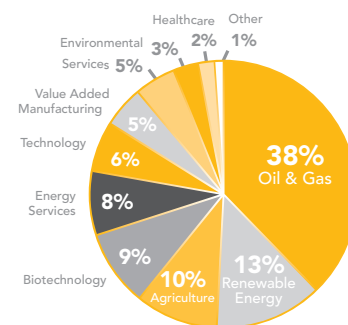
The cost base of the Fund's Class A venture investments marginally decreased from \$121,897 as at August 31, 2010 to \$120,993 as at February 28, 2011. The decrease was mainly attributable to dispositions of investments of \$2,450 in Bonus Energy Ltd. and \$2,250 in BOS Rentals W3 Ltd. offset by \$3,320 of follow-on investments in Credence Resources Limited Partnership, an oil and gas partnership headquartered in Saskatoon, SK and a \$500 follow-on investment in Lex Energy Partners LP, a Saskatchewan based limited partnership investing in oil and gas companies. The accompanying charts illustrate the diversification of the Fund's Class A investments across different industry sectors. The percentages shown are based on the costs of the investments.

The investment percentages by sector remained the same at February 28, 2011 as those calculated for August 31, 2010. The follow-on investments in Credence Resources Limited Partnership and Lex Energy Partners LP and the dispositions of investments in Bonus Energy Ltd. and BOS Rentals W3 Ltd. are all within the oil & gas sector such that the investment percentages remained constant.

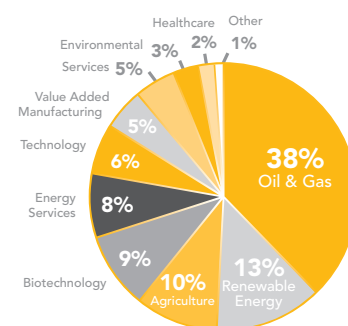
Class I Shares

The Fund increased the cost base of its Class I venture investments from \$270 as at August 31, 2010 to \$570 as at February 28, 2011. The increase was attributable to a \$300 investment in Prairie Plant Systems Inc., a Saskatoon, SK based company utilizing its expertise in plant biotechnologies. Each of the Class I share investments to date has been in the biotechnology sector.

Class A Investment Sectors
(February 28, 2011)



Class A Investment Sectors
(August 31, 2010)



INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

Statement of Operations

(in thousands of dollars except number of shareholders)

i) Revenue

For the Class A shares, revenue for the six months ended February 28, 2011 was \$2,613 compared to \$1,519 for the same period last year, an increase of \$1,094, or 72%. The increase in revenue is mainly attributable to an increase in interest income from \$1,156 in 2010 to \$2,361 in 2011. The increase in interest income is due to an increase in interest earned from venture investments.

For the Class I shares, revenue for the six months ended February 28, 2011 was \$24 compared to \$2 for the same period last year. The increase in revenues is attributable to an increase in interest income due to interest earned from the Class I shares initial venture investment made during the 2010 fiscal year as well as interest earned on the increase in cash and marketable securities held.

ii) Expenses

For the Class A shares, expenses increased from \$2,859 for the six months ended February 28, 2010 to \$3,204 for the six months ended February 28, 2011. The increase in expenses is reflective of the increased variable costs of operating a larger Fund. For the six months ended February 28, 2011, the average Class A pricing net asset value was \$166,471 and for the same period in 2010, the average Class A pricing net asset value was \$142,435. Over the past twelve months, the number of shareholders of the Fund has increased from approximately 22,000 to approximately 23,500.

For the Class I shares, expenses totaled \$64 before the deferral by the Fund Manager of management fees of \$42. The Fund Manager does not earn the management fee on Class I shares until the Fund has reached \$10,000 in gross subscriptions on Class I shares, at which time the entire amount of the fees would be earned and payable. The Fund Manager had previously agreed to pay all other expenses and share issue costs of the Class I shares in excess of investment income earned on a non-recourse basis until December 31, 2010. For the six months ended February 28, 2011, all other expenses did not exceed the investment income earned such that there was no recovery of expenses from the Fund Manager; however, the Fund Manager paid share issue costs of \$11 during this period.

iii) Realized and unrealized gains (losses)

For the six months ended February 28, 2011, the Class A shares had a net realized loss on disposition of venture investments of \$2,634. This net loss is attributable to a loss of \$2,072 realized on the disposition of common shares of Bonus Energy Ltd. and a loss of \$562 on the disposition of preferred shares of BOS Rentals W3 Ltd. During the six-month period, the Class A shares recognized an increase in the unrealized value of the venture investment portfolio of \$16,347. Of the increase in the fair value of the venture investment portfolio, \$13,492 can be attributed to the increase in the fair value of the publicly traded securities. The remaining increase was due to the losses realized during the period and a net unrealized increase of \$221 in the Class A shares private investee companies. Due to increases in the fair value of the investee companies, there has been an increase of \$2,713 in the contingent IPA on the Class A shares. The contingent IPA is not payable until an exit from the investment is realized.

Recent Developments

The Canadian Accounting Standards Board ("AcSB") recently confirmed the plan to adopt the International Financial Reporting Standards ("IFRS"). The Fund originally expected to adopt IFRS on a prospective basis effective for its fiscal year beginning September 1, 2011. In March 2011, the AcSB further amended the Introduction to Part I of the CICA Handbook – Accounting requiring the adoption of IFRS by investment companies as defined in and applying Accounting Guideline 18, Investment Companies, such that the Fund is not required to adopt IFRS on a prospective basis until its fiscal year beginning September 1, 2013.

The Manager continues to monitor developments in the Fund's IFRS changeover plan including the recent amendment issued by the AcSB and has been assessing the likely impacts on the implementation decisions, financial statement preparation, internal controls and information systems. Based on the Manager's preliminary analysis, the Manager believes the changeover to IFRS will not materially affect the Fund's existing business arrangements.

Based on the Manager's review of the current IFRS against the Fund's current accounting policies and financial statement presentation under Canadian GAAP, it is not expected that there would be an impact to the Fund's net asset value per share for either of the Class A shares or the Class I shares. The Manager has determined that the primary impact of IFRS on accounting policies and implementation decisions will be on the financial statement presentation and note disclosures in the Fund's financial statements.

Related Party Transactions

(in thousands of dollars)

The Fund has retained Westcap Mgt. Ltd. (the "Manager"), a company controlled by the President & Chief Executive Officer of the Fund, as the Fund Manager by an agreement dated December 31, 2008, updated to incorporate the recent expansion of the Fund, and replacing the previous agreement dated January 13, 1998. Please refer to the Management Fees section for a description of services provided and fees received by the Manager.

Office and other costs, including rent, secretarial, janitorial, and photocopying expenses totaling \$11 were paid or payable to the Manager during the six months ended February 28, 2011. There were no reportable related party transactions during the period in respect of the Class I shares.

The related party transactions were in the normal course of operations 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 Fund and are intended to help you understand the Fund's financial performance for the past five years and the interim period ending February 28, 2011.

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

The Fund's Net Assets per Class A Share (1)

	Six months ended, Feb. 28, 2011	Year Ended, Aug. 31, 2010	Year Ended, Aug. 31, 2009	Year Ended, Aug. 31, 2008	Year Ended, Aug. 31, 2007	Year Ended, Aug. 31, 2006
Net assets, beginning of period	\$ 13.55	\$ 13.31	\$ 14.40	\$ 14.31	\$ 13.57	\$ 14.05
Increase (decrease) from operations:						
Total revenue	\$ 0.22	\$ 0.52	\$ 0.46	\$ 0.62	\$ 0.64	\$ 0.52
Total expenses	(0.27)	(0.54)	(0.54)	(0.58)	(0.57)	(0.58)
Realized gains (losses) for the period	(0.22)	(0.13)	(0.02)	0.72	(0.03)	0.66
Unrealized gains (losses) for the period	1.15	0.56	(0.68)	(0.60)	0.88	(0.92)
Total increase (decrease) from operations: (2)	\$ 0.88	\$ 0.41	\$ (0.78)	\$ 0.16	\$ 0.92	\$ (0.32)
Net assets as at date shown	\$ 14.35	\$ 13.55	\$ 13.31	\$ 14.40	\$ 14.31	\$ 13.57

(1) This information for the years ending August 31, 2006 – 2010 is derived from the Fund's audited annual financial statements. The information for February 28, 2011 is derived from the attached unaudited financial statements. The net assets per security presented in the financial statements differ from the net asset value calculated for fund pricing purposes. An explanation of these differences can be found in the notes to the financial statements. This difference is due to the Fund's 2004 change in accounting policy (due to the implementation of CICA 1100) with respect to deferred charges and the adoption of CICA Section 3855.

(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.

The Fund's Net Assets per Class I Share (1)

	Six months ended, Feb. 28, 2011	Year Ended, Aug. 31, 2010	Period Ended, Aug. 31, 2009
Net assets, beginning of period (2)	\$ 10.08	\$ 10.00	\$ 10.00
Increase (decrease) from operations:			
Total revenue	\$ 0.08	\$ 0.10	\$ 0.02
Total expenses	(0.20)	(0.42)	(0.24)
Total expenses waived/recovered	0.13	0.32	0.28
Realized gains (losses) for the period	–	–	–
Unrealized gains (losses) for the period	–	0.11	–
Total increase (decrease) from operations: (3)	\$ 0.01	\$ 0.11	\$ 0.06
Net assets as at date shown	\$ 10.05	\$ 10.08	\$ 10.00

(1) This information for the year ended August 31, 2010 and the period ended August 31, 2009 is derived from the Fund's audited annual financial statements. The information for February 28, 2011 is derived from the attached unaudited financial statements.

(2) Active operations with respect to Class I shares began on January 16, 2009 with the first issuance of Class I shares at the price of \$10.00 per share.

(3) 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.

Ratios and Supplemental Data – Class A Shares

	2011	2010	2009	2008	2007	2006
Total net asset value (000's) (1)	\$ 179,292	\$ 159,013	\$ 140,512	\$ 132,919	\$ 110,264	\$ 86,915
Number of shares outstanding (1)	12,457,649	11,698,253	10,528,172	9,160,392	7,655,828	6,325,636
Management expense ratio (2)	8.44%	6.97%	6.47%	6.86%	7.80%	5.13%
Trading expense ratio (3)	–	–	–	–	–	–
Portfolio turnover rate (4)	3.55%	8.04%	3.00%	23.48%	10.38%	14.16%
Net asset value per share	\$ 14.39	\$ 13.59	\$ 13.35	\$ 14.51	\$ 14.40	\$ 13.74

(1) For the years 2006 – 2010, this information is provided as at August 31; the 2011 information is at February 28.

(2) Management expense ratio is calculated based on the requirements of National Instrument 81 – 106. It is calculated by dividing the aggregate of the total expenses of the Fund and any other fee, charge, or expense of the Fund that has the effect of reducing the Fund's net asset value by the average net asset value of the investment fund for the financial year. The management expense ratio has been annualized for the six-month period ended February 28, 2011. The management expense includes the Fund's operating expenses, share issue costs, incentive participation amounts on realized gains, and contingent incentive participation amounts accrued on unrealized gains. The Fund's operating expenses as a percentage of average pricing net asset value were as follows: 2011 – 3.85%; 2010 – 3.99%; 2009 – 4.06%; 2008 – 3.96%; 2007 – 4.07%; 2006 – 4.17%.

(3) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of the average net asset value during the period. The Fund has not incurred any trading expenses since inception.

(4) The Fund's portfolio turnover rate indicates how actively the Fund's Manager manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover in a year the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund. The portfolio turnover ratio has been annualized for the six-month period ended February 28, 2011.

Ratios and Supplemental Data – Class I Shares

	2011	2010	2009
Total net asset value (000's) (1)	\$ 4,025	\$ 3,013	\$ 1,215
Number of shares outstanding (1)	400,360	298,892	121,464
Management expense ratio (2)	2.07%	1.30%	0.00%
Management expense ratio before waiver/recovery	5.84%	6.59%	11.55%
Trading expense ratio (3)	–	–	–
Portfolio turnover rate (4)	–	–	–
Net asset value per share	\$ 10.05	\$ 10.08	\$ 10.00

(1) For the years 2009 – 2010, this information is provided as at August 31; the 2011 information is at February 28. The Fund issued its first Class I share on January 16, 2009.

(2) Management expense ratio is calculated based on the requirements of National Instrument 81 – 106. It is calculated by dividing the aggregate of the total expenses of the Fund and any other fee, charge, or expense of the Fund that has the effect of reducing the Fund's net asset value by the average net asset value of the investment fund for the financial year. The management expense ratio has been annualized for the year ended August 31, 2009 based on the first Class I share being issued on January 16, 2009. The management expense ratio has been annualized for the six-month period ended February 28, 2011. The management expense includes the Fund's operating expenses, share issue costs, incentive participation amounts on realized gains, and contingent incentive participation amounts accrued on unrealized gains. The Fund's operating expenses as a percentage of average pricing net asset value were as follows: 2011 – 1.36% (3.96% before waiver/recovery); 2010 – 1.00% (4.17% before waiver/recovery); 2009 – 0.00% (3.90% before waiver/recovery).

(3) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of the average net asset value during the period. The Fund has not incurred any trading expenses since inception.

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

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

Management Fees

(in thousands of dollars)

The annual management fee, which is calculated and payable monthly, is equal to 2.5% of the aggregate Pricing Net Asset Value of the Fund, on a Class by Class basis, as at each valuation date. The Manager has been retained to manage and administer the business affairs of the Fund, including the management of the Fund's investments in eligible businesses and its liquid portfolio investments, and maintain all required books and records of the 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 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. The Manager does not earn the management fee on Class I shares until the Fund has reached \$10,000 in gross subscriptions on Class I shares, at which time the entire amount of the fees would be earned and payable. A 20% incentive participation amount is also payable to the Manager, provided certain criteria have been met. The incentive participation amount is only earned on realized gains and the realized investment performance of the Fund. The criteria is fully described in the Fund's Prospectus.

Service fees of 0.50% per year are paid by the Fund directly to dealers. For the six months ended February 28, 2011, the Fund incurred service fees of \$414 (2010 – \$354) on Class A shares and service fees of \$8 (2010 – \$3) on Class I shares. The service fees of \$3 incurred on Class I shares in the prior comparative period are included in direct costs and expenses in excess of investment income earned which were recovered on a non-recourse basis from the Manager.

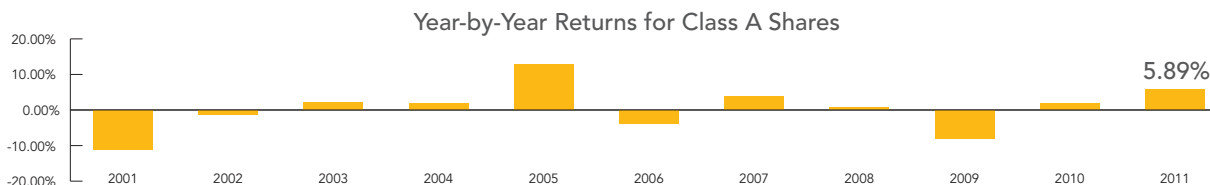
PAST PERFORMANCE

The performance data provided does not take into account 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

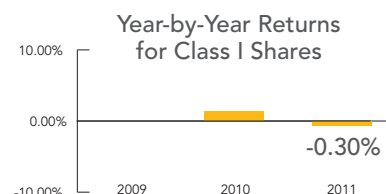
Class A Shares

The bar chart below shows the Fund's annual performance for each of the last ten completed fiscal year ends for Class A shares. The bar chart shows, 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. The date of the Fund's financial year end is August 31. The 2011 percentage represents the Fund's performance from September 1, 2010 to February 28, 2011.



Class I Shares

The bar chart on the right shows the Fund's performance for each of the last two completed fiscal year ends for Class I shares. The 2009 fiscal year end consists of the period from January 16, 2009, the first day on which the Class I shares were issued, to August 31, 2009. The bar chart shows, 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. The date of the Fund's financial year end is August 31. The 2011 percentage represents the Fund's performance from September 1, 2010 to February 28, 2011.



SUMMARY OF INVESTMENT PORTFOLIO

Class A Shares

Below is a summary of the Fund's Class A share investment portfolio as at February 28, 2011. The percentages shown are the investment's fair value as a percentage of the Fund's Class A net asset value as at February 28, 2011. Throughout the financial year, the summary of investment portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available upon request.

Top 25 Holdings

1. Cash		10.18%
2. Phenomenome Discoveries Inc.	Equity 7.08%, Debt 0.35%	7.43%
3. Credence Resources Limited Partnership	Debt 6.45%, Equity 0.85%	7.30%
4. CanElson Drilling Inc.	Equity	5.65%
5. Connect Energy Partnership	Debt	5.58%
6. Western Building Centres Limited	Debt 2.94%, Equity 1.39%	4.33%
7. BlackPearl Resources Inc.	Equity	4.28%
8. NorAmer BioEnergy Corporation	Debt 2.52%, Equity 1.70%	4.22%
9. Legacy Oil + Gas Inc.	Equity	3.26%
10. Affinity Credit Union Due February 20, 2012	Term Deposit	3.07%
11. Terra Grain Fuels Inc.	Debt	2.94%
12. Renegade Petroleum Ltd.	Equity	2.52%
13. Weyburn Inland Terminal Ltd.	Equity	2.41%
14. Field Exploration Limited Partnership	Debt 2.31%, Equity n/m*	2.31%
15. Jump.ca Wireless Supply Corp.	Equity	2.22%
16. Golden Health Care Inc.	Equity 1.56%, Debt 0.64%	2.20%
17. Can Pro Ingredients Ltd.	Debt 1.07%; Equity 1.03%	2.10%
18. West Mountain Capital Corp.	Equity	2.01%
19. Connect Energy Holdings Ltd.	Equity	1.96%
20. ADC Enterprises 4 Inc.	Debt	1.95%
21. Affinity Credit Union Due October 28, 2011	Term Deposit	1.95%
22. NAL Energy Corporation	Equity	1.43%
23. Input Capital Limited Partnership	Equity	1.39%
24. Prairie Plant Systems Inc.	Equity	1.38%
25. Lex Energy Partners LP	Equity	1.25%

*n/m – not material; less than 0.01%

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

Class A Venture Investments – By Sector

<i>Oil and Gas</i>	41.50%
<i>Biotechnology</i>	11.33%
<i>Renewable Energy</i>	10.73%
<i>Energy Services</i>	9.17%
<i>Agriculture</i>	7.67%
<i>Services</i>	5.75%
<i>Technology</i>	5.09%
<i>Value Added Manufacturing</i>	2.89%
<i>Healthcare</i>	2.67%
<i>Environmental</i>	2.45%
<i>Real Estate</i>	0.49%
<i>Education</i>	0.17%
<i>Mining</i>	0.09%
	<u>100.00%</u>

Class I Shares

Below is a summary of the Fund's Class I share investment portfolio as at February 28, 2011. The percentages shown are the investment's fair value as a percentage of the Fund's Class I net asset value as at February 28, 2011. Throughout the financial year, the summary of investment portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available upon request.

1. Cash		29.75%
2. Government of Canada Due July 7, 2011	Treasury Bill	24.71%
3. Government of Canada Due February 16, 2012	Treasury Bill	17.17%
4. Phenomenome Discoveries Inc.	Debt	7.45%
5. Prairie Plant Systems Inc.	Equity	7.45%
6. Royal Bank of Canada Due April 12, 2011	Bankers Acceptance	6.19%
7. Affinity Credit Union Due November 4, 2011	Term Deposit	2.48%
8. Affinity Credit Union Due February 20, 2012	Term Deposit	2.48%

Class I Venture Investments – By Sector

<i>Biotechnology</i>	<u>100.00%</u>
	100.00%

GOLDEN OPPORTUNITIES FUND INC.

INTERIM FINANCIAL STATEMENTS

(THE ENCLOSED FINANCIAL STATEMENTS HAVE NOT BEEN
REVIEWED BY AN AUDITOR. PLEASE SEE NOTICE TO READER)

FEBRUARY 28, 2011



NOTICE TO READER

To the Directors of
Golden Opportunities Fund Inc.

On the basis of information provided by management, we have compiled the statement of net assets and investment portfolio of Golden Opportunities Fund Inc. as at February 28, 2011 and the statements of operations, changes in net assets and cash flows for the six months then ended.

We have not performed an audit or a review engagement in respect of these financial statements and, accordingly, we express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

Saskatoon, Saskatchewan
April 7, 2011


Chartered Accountants

STATEMENT OF NET ASSETS (unaudited – See Notice to Reader)

February 28, 2011

(in thousands of dollars except number of shares and per share amounts)

	February 28, 2011			(audited) August 31, 2010		
	Class A	Class I	Total	Class A	Class I	Total
ASSETS						
Cash	\$ 18,247	\$ 1,198	\$ 19,445	\$ 16,895	\$ 1,312	\$ 18,207
Marketable securities, at fair value (a)	15,194	2,135	17,329	14,300	1,448	15,748
Subscriptions receivable	4,611	200	4,811	26	1	27
Accrued interest and other receivables	4,060	30	4,090	3,040	16	3,056
Funds held in escrow (Note 11)	844	–	844	821	–	821
Venture investments, at fair value (a)	146,927	600	147,527	131,484	300	131,784
	189,883	4,163	194,046	166,566	3,077	169,643
LIABILITIES						
Accounts payable and accrued liabilities	1,188	18	1,206	1,547	4	1,551
Redemptions payable	814	–	814	39	–	39
Loss support program contributions (Note 12)	–	114	114	–	54	54
Contingent incentive participation amount	9,155	6	9,161	6,442	6	6,448
	11,157	138	11,295	8,028	64	8,092
NET ASSETS						
Net assets (Note 3)	\$ 178,726	\$ 4,025	\$ 182,751	\$ 158,538	\$ 3,013	\$ 161,551
Number of shares outstanding (Note 3)	12,457,649	400,360		11,698,253	298,892	
Net assets per share (b) (c)	\$ 14.35	\$ 10.05		\$ 13.55	\$ 10.08	

(a) Refer to Statement of Investment Portfolio for cost values.

(b) Pricing net asset value per Class A share as at February 28, 2011 is \$14.39 (August 31, 2010 – \$13.59). See Note 10 for calculation details.

(c) Pricing net asset value per Class I share as at February 28, 2011 is \$10.05 (August 31, 2010 – \$10.08). See Note 10 for details.

Approved by the Board



Brian Barber Vice Chairman



Douglas W. Banzet Director

STATEMENT OF INVESTMENT PORTFOLIO – CLASS A SHARES

(unaudited – See Notice to Reader)

February 28, 2011

(in thousands of dollars except par value/number of units)

Marketable securities

Par Value/ Number of Units	Issuer and Description of Security	Maturity Date	Cost	Fair Value
2,200,000	Royal Bank of Canada, 1.10% bankers acceptance	May 24, 2011	\$ 2,194	\$ 2,194
2,000,000	Affinity Credit Union, 1.15% redeemable term deposit	October 27, 2011	2,000	2,000
3,500,000	Affinity Credit Union, 1.15% redeemable term deposit	October 28, 2011	3,500	3,500
2,000,000	Affinity Credit Union, 1.25% redeemable term deposit	January 12, 2012	2,000	2,000
5,500,000	Affinity Credit Union, 1.42% redeemable term deposit	February 20, 2012	5,500	5,500
Marketable securities (8.50%)*			<u>\$ 15,194</u>	<u>\$ 15,194</u>

Venture investments

Par Value/ Number of Shares	Issuer and Description of Security	Maturity Date	Cost	Fair Value
3,500,000	ADC Enterprises 4 Inc., variable rate participating loan	December 31, 2015	\$ 3,500	\$ 3,500
411,765	Big Sky Farms Inc., common shares		3,500	2
2,562,311	Big Sky Management Consulting Corp., class A common shares		256	256
956,714	BlackPearl Resources Inc., common shares		4,653	7,663
100,000	Blackstone Petroleum Ltd., class A common shares		500	725
5,564	Blackstone Petroleum Ltd., stock options		–	13
2,142,857	BNP Resources Inc., class A common shares		1,500	96
30,000	Bregma Materials Solutions Ltd., class G convertible preferred shares		300	–
108,333	Bregma Materials Solutions Ltd., 14% demand debenture		108	–
2,100,000	Can Pro Ingredients Ltd., class A common shares		2,100	–
1,011,210	Can Pro Ingredients Ltd., 14% debenture	July 9, 2017	1,011	1,011
960,000	Can Pro Ingredients Ltd., class C preferred shares		960	1,848
900,000	Can Pro Ingredients Ltd., 20% senior secured note	April 30, 2011	900	900
2,131,050	CanElson Drilling Inc., common shares		5,004	9,867
2,469,136	Cevena Bioproducts Inc., common shares		1,236	100

Venture investments (continued)

Par Value/ Number of Shares	Issuer and Description of Security	Maturity Date	Cost	Fair Value
97,265	Cipher Energy Inc., common shares		\$ 97	\$ –
90	Connect Energy Holdings Ltd., class A common shares		–	3,517
10,000,000	Connect Energy Partnership, 6% debenture	December 31, 2014	10,000	10,000
60,000	Cordy Oilfield Services Inc., common shares		42	25
1	Credence Resources Inc., class A common share		–	–
100,000	class B common shares		100	100
10,000	Credence Resources Limited Partnership, limited partnership units		–	1,520
11,569,999	variable rate participating loan		11,570	11,570
7,683	Crescent Point Energy Corp., common shares		130	360
5,200	Del-Air Systems Ltd., class I convertible preferred shares		260	–
1	class H preferred share		84	–
169,583	14% demand debenture		170	–
1	Field Exploration Inc., class A common share		–	–
100,000	class B common shares		100	100
10,000	Field Exploration Limited Partnership, limited partnership units		–	–
4,150,000	variable rate participating loan		4,150	4,150
2,000,000	G4 Energy Limited Partnership, class B units		931	1,772
2,000,000	G5 Energy Limited Partnership, class B units		1,749	2,058
1,148,250	Golden Health Care Inc., variable rate convertible demand debenture		1,148	1,148
690,000	class B preferred shares		690	690
441,751	class A common shares		442	2,104
560,000	Hathersage Holdings Inc., 14.75% promissory note	June 30, 2012	560	560
330,000	share purchase options		–	145
250,000	Input Capital Limited Partnership, limited partnership units		2,500	2,500
703,241	Jump.ca Wireless Supply Corp., class B preferred shares		1,974	3,987

STATEMENT OF INVESTMENT PORTFOLIO – CLASS A SHARES

(unaudited – See Notice to Reader)

February 28, 2011

(in thousands of dollars except par value/number of units)

Venture investments (continued)

Par Value/ Number of Shares	Issuer and Description of Security	Maturity Date	Cost	Fair Value
64,552	Just Energy Group Inc., common shares		\$ 734	\$ 990
200,000	Kenosee Resources Ltd., class A common shares		1,000	1,264
6,336	stock options		–	8
352,000	Legacy Oil + Gas Inc., common shares		2,640	5,850
5,000	Lex Energy Partners LP, limited partnership units		2,250	2,250
37,982	Mahalo Energy Ltd., common shares		152	–
176,678	NAL Energy Corporation, common shares		2,163	2,555
250,000	New Media Campus Inc., 5% debenture	December 1, 2011	250	250
10	class A common shares		100	–
50,000	Newton Energy Corporation, common shares		200	15
3,479,050	NorAmera BioEnergy Corporation, 8% debenture	June 30, 2018	3,479	3,479
1,041,500	8% debenture	November 24, 2019	1,042	1,042
2,504,045	class A common shares		2,504	2,504
541,045	class B common shares		541	541
446,250	NorAmera Properties Inc., class A common shares		721	721
417	NorAmera Technologies Inc., class A common shares		–	–
1,988,048	5% demand promissory note		1,988	1,988
12,810	Penn West Petroleum Ltd., common shares		358	360
2,217,141	Performance Plants Inc., common shares		4,078	532
300,000	25% convertible demand promissory note		300	300
91,158	Phenomenome Discoveries Inc., class A common shares		2,141	6,381
90,099	class B common shares		1,288	6,307
563,000	11% convertible debenture	March 29, 2015	563	626
519,895	Prairie Plant Systems Inc., class A common shares		1,471	2,469
937,500	Propel Energy Corp., class A common shares		1,500	291

Venture investments (continued)

Par Value/ Number of Shares	Issuer and Description of Security	Maturity Date	Cost	Fair Value
237,500	Quality Wireline Services Ltd., 16.5% debenture	August 30, 2012	\$ 238	\$ 238
16,000	class A common shares		–	683
734,900	Rack Petroleum Ltd., 10% debenture	August 5, 2011	735	735
1,000,000	Renegade Petroleum Ltd., common shares		2,000	4,490
20,000	Safety Seven Manufacturing Inc., class C preferred shares		200	133
100,000	class A common shares		–	–
459,149	non-interest bearing promissory note	December 21, 2011	459	368
5,102,041	Solido Design Automation Inc., class B convertible preferred shares		2,000	2,000
760,644	Strategic Resources Inc., common shares		325	133
5,272,671	Terra Grain Fuels Inc. (a wholly owned subsidiary of Just Energy Group Inc.), 10.5% debenture	May 9, 2012	5,273	5,273
120,000	Trinidad Drilling Ltd., common shares		197	980
7,777,778	Tyvan Oils Ltd., class A common shares		1,500	1,089
419,999	Vecima Networks Inc., common shares		3,150	1,495
12,842,333	West Mountain Capital Corp., common shares		3,653	3,403
175,000	stock options		–	12
5,280,000	Western Building Centres Limited, 14.75% demand promissory note		5,280	5,280
5,127,850	class A common shares		–	2,359
132,000	class G preferred shares		–	132
800,000	WestMan Exploration Ltd., common shares		800	800
325,561	Weyburn Inland Terminal Ltd., common shares		1,495	4,314
Venture investments at fair value (82.21%)*			<u>\$ 120,993</u>	<u>\$ 146,927</u>
Total investments at fair value				<u>\$ 162,121</u>

*Percentages shown relate investments at fair value to total net assets for Class A shares.

STATEMENT OF INVESTMENT PORTFOLIO – CLASS I SHARES

(unaudited – See Notice to Reader)

February 28, 2011

(in thousands of dollars except par value/number of units)

Marketable securities

Par Value/ Number of Units	Issuer and Description of Security	Maturity Date	Cost	Fair Value
250,000	Royal Bank of Canada, 1.11% bankers acceptance	April 12, 2011	\$ 249	\$ 249
1,000,000	Government of Canada, 1.12% treasury bill	July 7, 2011	995	995
100,000	Affinity Credit Union, 1.57% term deposit	November 4, 2011	100	100
700,000	Government of Canada, 1.32% treasury bill	February 16, 2012	691	691
100,000	Affinity Credit Union, 1.42% redeemable term deposit	February 20, 2012	100	100
Marketable securities (53.04%)**			<u>\$ 2,135</u>	<u>\$ 2,135</u>

Venture investments

Par Value/ Number of Shares	Issuer and Description of Security	Maturity Date	Cost	Fair Value
270,000	Phenomenome Discoveries Inc., 11% convertible debenture	March 29, 2015	\$ 270	\$ 300
37,500	Prairie Plant Systems Inc., class G convertible preferred shares		300	300
Venture investments at fair value (14.91%)**			<u>\$ 570</u>	<u>\$ 600</u>
Total investments at fair value				<u>\$ 2,735</u>

**Percentages shown relate investments at fair value to total net assets for Class I shares.

STATEMENT OF OPERATIONS (unaudited – See Notice to Reader)

Six months ended February 28, 2011

(in thousands of dollars except per share amounts)

	Six months ended February 28, 2011			Six months ended February 28, 2010		
	Class A	Class I	Total	Class A	Class I	Total
Investment income						
Interest	\$ 2,361	\$ 24	\$ 2,385	\$ 1,156	\$ 2	\$ 1,158
Dividends	201	–	201	228	–	228
Other	51	–	51	129	–	129
Negotiation fees	–	–	–	6	–	6
	<u>2,613</u>	<u>24</u>	<u>2,637</u>	<u>1,519</u>	<u>2</u>	<u>1,521</u>
Expenses						
Administration fees	301	6	307	287	3	290
Audit and accounting	23	1	24	22	1	23
Capital tax	1	–	1	–	–	–
Custodian fees	48	3	51	42	1	43
Directors' fees and expenses	6	–	6	14	–	14
Independent review committee fees	1	–	1	1	–	1
Legal	14	–	14	45	–	45
Management fees	2,165	42	2,207	1,855	17	1,872
Office	26	1	27	28	–	28
Other costs	107	2	109	119	1	120
Service fees	414	8	422	354	3	357
Shareholder communications	98	1	99	92	1	93
	<u>3,204</u>	<u>64</u>	<u>3,268</u>	<u>2,859</u>	<u>27</u>	<u>2,886</u>
Investment loss for the period before undernoted items	(591)	(40)	(631)	(1,340)	(25)	(1,365)
Management fees waived (Note 4)	–	42	42	–	17	17
Recovered from Fund Manager (Note 4)	–	–	–	–	8	8
Investment (loss) gain for the period	(591)	2	(589)	(1,340)	–	(1,340)
Net realized (loss) gain on disposition of venture investments	(2,634)	–	(2,634)	125	–	125
Incentive participation amount (Note 4)	–	–	–	(228)	–	(228)
Increase in contingent incentive participation amount	(2,713)	–	(2,713)	(1,323)	–	(1,323)
Increase in unrealized appreciation of venture investments	16,347	–	16,347	5,404	–	5,404
	<u>11,000</u>	<u>–</u>	<u>11,000</u>	<u>3,978</u>	<u>–</u>	<u>3,978</u>
Total net results of operations for the period	<u>\$ 10,409</u>	<u>\$ 2</u>	<u>\$ 10,411</u>	<u>\$ 2,638</u>	<u>\$ –</u>	<u>\$ 2,638</u>
Per share (a)						
Investment (loss) gain for the period	\$ (0.05)	\$ 0.01		\$ (0.13)	\$ –	
Realized and unrealized gains and losses, net of incentive participation amounts	0.93	–		0.38	–	
Total net results of operations per share	<u>\$ 0.88</u>	<u>\$ 0.01</u>		<u>\$ 0.25</u>	<u>\$ –</u>	

(a) The per share information provided above is calculated based on the average number of shares outstanding during the period.

STATEMENT OF CHANGES IN NET ASSETS (unaudited – See Notice to Reader)

Six months ended February 28, 2011

(in thousands of dollars except per share amounts)

	Six months ended February 28, 2011			Six months ended February 28, 2010		
	Class A	Class I	Total	Class A	Class I	Total
Operating activities						
Total net results of operations for the period	\$ 10,409	\$ 2	\$ 10,411	\$ 2,638	\$ –	\$ 2,638
Capital transactions						
Proceeds from the issuance of shares	18,048	1,025	19,073	15,931	1,213	17,144
Redemption of shares	(7,156)	(4)	(7,160)	(4,317)	–	(4,317)
Share issue costs (Note 3)	(1,113)	(11)	(1,124)	(963)	–	(963)
	<u>9,779</u>	<u>1,010</u>	<u>10,789</u>	<u>10,651</u>	<u>1,213</u>	<u>11,864</u>
Increase in net assets for the period	20,188	1,012	21,200	13,289	1,213	14,502
Net assets, beginning of period	158,538	3,013	161,551	140,126	1,215	141,341
Net assets, end of period	\$ 178,726	\$ 4,025	\$ 182,751	\$ 153,415	\$ 2,428	\$ 155,843
Net assets per share (a) (b) (c) (d)	\$ 14.35	\$ 10.05		\$ 13.47	\$ 10.00	
Venture investments (e)						
During the period, venture investments changed as follows:						
Venture investments at fair value, beginning of period	\$ 131,484	\$ 300	\$ 131,784	\$ 106,070	\$ –	\$ 106,070
Venture investments purchased during the period	3,873	300	4,173	17,376	–	17,376
Venture investments repaid during the period	(77)	–	(77)	(467)	–	(467)
Proceeds from disposition of venture investments	(2,066)	–	(2,066)	(5,137)	–	(5,137)
Net realized (loss) gain on disposition of venture investments	(2,634)	–	(2,634)	125	–	125
Increase in unrealized appreciation of venture investments	16,347	–	16,347	5,404	–	5,404
Venture investments at fair value, end of period	\$ 146,927	\$ 600	\$ 147,527	\$ 123,371	\$ –	\$ 123,371

(a) Net assets per Class A share: 2009 – \$13.12; 2008 – \$14.90; 2007 – \$13.70.

(b) Net assets per Class I share: 2009 – \$9.96.

(c) Pricing net asset value per Class A share: 2011 – \$14.39; 2010 – \$13.52; 2009 – \$13.16; 2008 – \$14.98; 2007 – \$13.82.

(d) Pricing net asset value per Class I share: 2011 – \$10.05; 2010 – \$10.00; 2009 – \$9.96.

(e) Marketable securities transactions – see Note 5.

STATEMENT OF CASH FLOWS (unaudited – See Notice to Reader)

Six months ended February 28, 2011

(in thousands of dollars)

	Six months ended February 28, 2011			Six months ended February 28, 2010		
	Class A	Class I	Total	Class A	Class I	Total
Cash flows from operating activities						
Investment (loss) gain for the period	\$ (591)	\$ 2	\$ (589)	\$ (1,340)	\$ –	\$ (1,340)
Venture investments purchased	(3,873)	(300)	(4,173)	(17,376)	–	(17,376)
Venture investments repaid	77	–	77	467	–	467
Proceeds on disposition of venture investments	2,066	–	2,066	5,137	–	5,137
Incentive participation amount	–	–	–	(228)	–	(228)
Increase in contingent incentive participation amount	(2,713)	–	(2,713)	(1,323)	–	(1,323)
Net change in marketable securities	(894)	(687)	(1,581)	10,000	(130)	9,870
Net change in non-cash working capital balances relating to operations	(2,499)	(139)	(2,638)	(3,915)	(575)	(4,490)
	(8,427)	(1,124)	(9,551)	(8,578)	(705)	(9,283)
Cash flows from financing activities						
Proceeds from the issuance of shares	18,048	1,025	19,073	15,931	1,213	17,144
Redemption of shares	(7,156)	(4)	(7,160)	(4,317)	–	(4,317)
Share issue costs	(1,113)	(11)	(1,124)	(963)	–	(963)
	9,779	1,010	10,789	10,651	1,213	11,864
Net increase in cash	1,352	(114)	1,238	2,073	508	2,581
Cash, beginning of period	16,895	1,312	18,207	12,077	914	12,991
Cash, end of period	\$ 18,247	\$ 1,198	\$ 19,445	\$ 14,150	\$ 1,422	\$ 15,572

The net change in non-cash working capital balances is comprised of the following:

(Increase) decrease in accrued interest and other receivables	\$ (1,020)	\$ (14)	\$ (1,034)	\$ 244	\$ –	\$ 244
Increase in subscriptions receivable	(4,585)	(199)	(4,784)	(5,743)	(577)	(6,320)
Increase in funds held in escrow	(23)	–	(23)	(10)	–	(10)
Increase in redemptions payable	775	–	775	549	–	549
(Decrease) increase in accounts payable and accrued liabilities	(359)	14	(345)	(278)	2	(276)
Increase in loss support program contributions	–	60	60	–	–	–
Increase in contingent incentive participation amount	2,713	–	2,713	1,323	–	1,323
	\$ (2,499)	\$ (139)	\$ (2,638)	\$ (3,915)	\$ (575)	\$ (4,490)

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(in thousands of dollars except number of shares and per share amounts)

1. Corporate status and activities

Golden Opportunities Fund Inc. (the "Fund") was incorporated under the laws of Saskatchewan by Articles of Incorporation on December 8, 1997. The Fund was registered as an extra provincial corporation to carry on business under the laws of Manitoba on September 30, 2008. The Fund is registered as 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"). The Fund 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").

On December 24, 2008, the Fund amended its Articles of Incorporation to rename its issued Class A shares as Class A (SK) shares and to create the Class A (MB) shares, the Class I (SK) shares and the Class I (MB) shares. The Federal and Saskatchewan Acts allow a Saskatchewan resident individual to invest in Class A (SK) shares or Class I (SK) shares of the Fund and obtain a personal income tax credit. The Federal and Manitoba Acts allow a Manitoba resident individual to invest in Class A (MB) shares or Class I (MB) shares of the Fund and obtain a personal income tax credit. The Fund's Class A shares include both the Class A (SK) shares and the Class A (MB) shares and the Fund's Class I shares include both the Class I (SK) and the Class I (MB) shares.

The Fund issued Class A (SK) shares at an initial offering price of \$10 per share and thereafter, issued both Class A (SK) shares and Class A (MB) shares at a continuous offering price equal to the pricing net asset value per Class A share. The Fund's pricing net asset value per share is the price at which shares are issued and redeemed. The Fund commenced active operations on March 1, 1999, on the initial issue of its Class A (SK) shares.

The Fund issued Class I shares at an initial offering price of \$10 per share and thereafter, at a continuous offering price equal to the pricing net asset value per Class I share. The Fund commenced active operations with respect to the Class I shares on January 16, 2009, on the initial issue of its Class I shares.

The Fund makes investments in small and medium-sized eligible Saskatchewan businesses and Manitoba business entities, as defined in the Saskatchewan Act and the Manitoba Act respectively, with the objective of achieving long-term capital appreciation. The Fund will invest the proceeds raised from the issuance of the Class I shares in innovation companies, rather than a broad cross-section of the economy as is the case with the proceeds from the issuance of the Class A shares.

The sponsor of the Fund is the Construction and General Workers' Union Local 180 (the "Sponsor").

2. Significant accounting policies

These financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles ("GAAP"). The significant accounting policies are as follows:

Marketable securities

Marketable securities are valued at amortized cost, which approximates fair value.

2. Significant accounting policies (continued)

Venture investments

Venture investments in eligible businesses, having quoted market values and being publicly traded on a recognized stock exchange, are recorded at values based on the quoted bid prices.

Venture investments in eligible businesses, not having quoted market values, are stated at estimated fair value determined using valuation techniques including recent arm's length market transactions, independent valuations, and other commonly used valuation techniques. Adjustments to estimated fair value are done as required. Estimated fair value is determined on the basis of the amount of consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act. Details regarding the valuation process of the Fund's investments in eligible businesses are included in its annual Prospectus.

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. The process of valuing venture investments in eligible businesses, for which no quoted market values exist, is inevitably based on inherent uncertainties and the resulting values may be higher or lower by a material amount than those that would have been used had a ready market existed for the investments.

Contingent incentive participation amount

An incentive participation amount ("IPA") equal to 20% of any return derived from an eligible investment in any fiscal year is payable to the Fund Manager provided specific criteria are met. The contingent IPA is an estimate, based on unrealized gains and excess returns that would have been payable had the Fund disposed of its entire venture investment portfolio as at February 28, 2011.

Investment transactions and income recognition

Investment transactions are accounted for on the trade date. Gains or losses arising from the sale of investments are determined using the average cost basis. Income from investments is recorded on an accrual basis. Dividend income is recorded as declared.

Use of estimates

The preparation of financial statements in accordance with GAAP requires estimates and assumptions that affect the reported amount of certain assets and liabilities at the date of these financial statements and the reported amounts of certain revenue and expenses during the year.

Significant areas requiring the use of management estimates include assessments of the financial condition of investees that might indicate a change in value of a particular investment. Assumptions underlying investment valuations are limited by the availability of reliable data and the uncertainty of predictions concerning future events.

Financial results as determined by actual events could differ from those estimates and assumptions, and the difference could be material.

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2. Significant accounting policies (continued)

Adoption of new accounting standard

Effective September 1, 2009, the Fund adopted the amended accounting standard issued by the Canadian Institute of Chartered Accountants (“CICA”) Handbook Section 3862 “Financial Instruments – Disclosures” (“Section 3862”) to improve fair value disclosures. Section 3862 now requires that all financial instruments measured at fair value be categorized into one of three hierarchy levels, described below, for disclosure purposes.

Level 1 – inputs are unadjusted quoted prices of identical instruments in active markets.

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – inputs used in a valuation technique are unobservable in determining fair values of the instruments.

A change in valuation methodology may result in the reclassification into or out of an investment’s assigned level. The amendments only impact the Fund’s disclosure. Please refer to Note 13.

3. Net assets and share capital

The net assets of the Fund for each respective class of shares represent the net issued share capital together with the cumulative operating retained earnings and net realized and unrealized gains on investments. As at February 28, 2011, the retained earnings of the Fund’s Class A shares amounted to \$21,279 (August 31, 2010 – \$10,870) and the retained earnings of the Fund’s Class I shares amounted to \$31 (August 31, 2010 – \$29).

The subscription proceeds raised through the issuance of each class of shares will be invested separately from the proceeds raised from the issuance of the other classes of shares. Net asset values, and corresponding pricing net asset values, are calculated for the Fund’s Class A and Class I shares respectively, and are reflected separately in these financial statements. Income or losses attributable to a specific venture investment will only be reflected in either Class A share assets or Class I share assets, as applicable.

Costs and expenses not specifically identifiable to either of the Class A or Class I shares are allocated, at the time the costs and expenses are incurred, on the basis of the relative share capital of a collective class as a proportion of the total share capital of the Class A and Class I shares as at the latest available weekly net asset valuation.

The following is a description of the authorized and issued share capital:

Authorized

An unlimited number of

Class A (SK) shares, issued at an initial offering price of \$10 per share and thereafter issued at the pricing net asset value per Class A share to eligible investors and certain RRSPs, are subject to restrictions on transfer and redemption in accordance with legislation governing labour-sponsored venture capital corporations and the Fund’s articles. The shares are voting, together with Class A (MB) shares and Class I shares entitled to elect a minority of the Directors of the Fund, entitled to receive dividends at the discretion of the Board of Directors and may be transferred to certain RRIFs. Under certain circumstances, the shares are redeemable at the pricing net asset value less any redemption fee.

3. Net assets and share capital (continued)

Class A (MB) shares, issued at the pricing net asset value per Class A share to eligible investors and certain RRSPs, are subject to restrictions on transfer and redemption in accordance with legislation governing labour-sponsored venture capital corporations and the Fund's articles. The shares are voting, together with Class A (SK) shares and Class I shares entitled to elect a minority of the Directors of the Fund, entitled to receive dividends at the discretion of the Board of Directors and may be transferred to certain RRIFs. Under certain circumstances, the shares are redeemable at the pricing net asset value less any redemption fee.

Class C shares, issuable in one or more series, with the number of shares, designation, rights, privileges, restrictions and conditions attached to each series, to be determined by the Board of Directors, as approved by the Saskatchewan Minister and the Manitoba Minister, at the time of creation of a particular series.

Class I (SK) shares, issued at an initial offering price of \$10 per share and thereafter issued at the pricing net asset value per Class I share to eligible investors and certain RRSPs, are subject to restrictions on transfer and redemption in accordance with legislation governing labour-sponsored venture capital corporations and the Fund's articles. The shares are voting, together with Class I (MB) shares and Class A shares entitled to elect a minority of the Directors of the Fund, entitled to receive dividends at the discretion of the Board of Directors and may be transferred to certain RRIFs. Under certain circumstances, the shares are redeemable at the pricing net asset value less any redemption fee.

Class I (MB) shares, issued at an initial offering price of \$10 per share and thereafter issued at the pricing net asset value per Class I share to eligible investors and certain RRSPs, are subject to restrictions on transfer and redemption in accordance with legislation governing labour-sponsored venture capital corporations and the Fund's articles. The shares are voting, together with Class I (SK) shares and Class A shares entitled to elect a minority of the Directors of the Fund, entitled to receive dividends at the discretion of the Board of Directors and may be transferred to certain RRIFs. Under certain circumstances, the shares are redeemable at the pricing net asset value less any redemption fee.

A limited number of

10 Class B shares, issuable only to the Sponsor or permissible employee organizations, are non-participating, voting and entitled to elect a simple majority of the Board of Directors of the Fund. The shares are redeemable at the option of the Fund at the subscription price.

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3. Net assets and share capital (continued)

Issued for cash

	(audited)			
	February 28, 2011		August 31, 2010	
	Shares	\$	Shares	\$
Class A (SK) shares				
Beginning of the period	11,562,199	\$ 145,944	10,466,639	\$ 133,104
Shares issued	1,196,693	17,164	1,596,377	21,588
Share issue costs	–	(1,081)	–	(1,977)
Share redemptions	(495,151)	(7,102)	(500,817)	(6,771)
End of the period	12,263,741	154,925	11,562,199	145,944
Class A (MB) shares				
Beginning of the period	136,054	1,724	61,533	768
Shares issued	61,574	884	74,535	1,007
Share issue costs	–	(32)	–	(51)
Share redemptions	(3,720)	(54)	(14)	–
End of the period	193,908	2,522	136,054	1,724
Class B shares				
Beginning of the period	10	–	10	–
Shares issued	–	–	–	–
End of the period	10	–	10	–
Total for Class A and Class B shares	12,457,659	\$ 157,447	11,698,263	\$ 147,668
Class I (SK) shares				
Beginning of the period	294,866	\$ 2,944	121,203	\$ 1,207
Shares issued	98,101	987	174,441	1,745
Share issue costs	–	(10)	–	–
Share redemptions	(356)	(4)	(778)	(8)
End of the period	392,611	3,917	294,866	2,944
Class I (MB) shares				
Beginning of the period	4,026	40	261	3
Shares issued	3,723	38	3,765	37
Share issue costs	–	(1)	–	–
Share redemptions	–	–	–	–
End of the period	7,749	77	4,026	40
Total for Class I shares	400,360	\$ 3,994	298,892	\$ 2,984

3. Net assets and share capital (continued)

The Fund's principal distributor does not earn the marketing service fee on Class I shares until the Fund has reached \$10,000 in gross subscriptions on Class I shares, at which time the entire amount of the fees would be earned and payable. The Fund Manager, Westcap Mgt. Ltd., had agreed to pay all other share issue costs relating to the Class I shares in excess of any net investment gain on a non-recourse basis until December 31, 2010. This has resulted in the Class I shares recovering \$75 in share issue costs from the Fund Manager since inception.

4. Expenses

Management expenses

The Fund has retained Westcap Mgt. Ltd., a related party, as the Fund Manager ("Manager") by agreement dated December 31, 2008 (previous agreement dated January 13, 1998), to manage all aspects of the Fund. In consideration of the performance by the Manager of its duties, the Manager received an annual management fee, calculated and payable monthly, equal to 2.5% of the aggregate pricing net asset value for each of Class A and Class I shares as at each valuation date. The Manager does not earn the management fee on Class I shares until the Fund has reached \$10,000 in gross subscriptions on Class I shares, at which time the entire amount of the fees would be earned and payable.

In addition, the Manager is entitled to an IPA equal to 20% of any return derived from an eligible investment of the Fund (excluding the first 10% of interest and dividend income earned and any commitment or work fees paid to the Fund in connection with the investment) in any fiscal year provided that: on a Class by Class basis, the Fund has earned sufficient income to generate a rate of return on all venture investments which is greater than the five-year average GIC rate of Concentra Financial plus 1.5% on an annualized basis; has earned sufficient income from the particular investment to provide a cumulative investment return at an average annual rate in excess of 10% since investment; and, has recouped an amount from the venture investment, through income earned, liquidation of the investment, or otherwise, equal to all the principal invested in the particular venture investment. During the period, an IPA in respect of the Class A shares was paid or payable to the Manager in the amount of \$nil (2010 – \$228) on realized gains on the disposition of venture investments and excess returns. On an annualized basis, the IPA was 0.00% (2010 – 0.32%) expressed as a percentage of average pricing net asset value for Class A shares for the period. There was no IPA paid or payable in respect of Class I shares during the period or for the prior comparative period.

An estimated contingent IPA in respect of the Class A shares in the amount of \$9,155 (August 31, 2010 – \$6,442) has been reflected in the financial statements in respect of unrealized gains and excess returns as at February 28, 2011. The increase in the estimated contingent IPA of \$2,713 during the period (2010 – \$1,323) represents an increase of 3.26% (2010 – 1.86%) expressed as a percentage, on an annualized basis, of average pricing net asset value for Class A shares for the period.

An estimated contingent IPA in respect of the Class I shares in the amount of \$6 (August 31, 2010 – \$6) has been reflected in the financial statements in respect of unrealized gains and excess returns as at February 28, 2011. There was no increase in the estimated contingent IPA during the period or for the prior comparative period.

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4. Expenses (continued)

Management expenses (continued)

The Manager currently acts as a manager of the Fund's liquid portfolio. The Fund is responsible for any fees and expenses paid to any third party for liquid portfolio management services should the Manager no longer provide these services to the Fund.

Administration expenses

The Fund has retained Citigroup Fund Services Canada Inc. ("Citigroup") to provide certain services to the Fund, including processing of sales orders and maintaining shareholder records. The transfer agent agreement dated January 14, 1998 was assigned to Citigroup as a result of Citigroup acquiring the fund accounting and record keeping business of Unisen Inc. The Fund has retained Concentra Trust as the Fund's Custodian and Bare Trustee by agreements dated December 22, 1997 and December 17, 1997, respectively.

Organization expenses

The initial fund organization expenses have been paid by the Manager and are not recoverable from the Fund by the Manager.

Direct expenses

The Fund pays all direct costs and expenses incurred in the operation of the Fund, such as directors' fees, custodian fees, insurance, legal, audit, and valuation expenses. For the prior comparative period, direct costs and expenses incurred relating to the Class I shares in excess of investment income earned were recovered on a non-recourse basis from the Manager. During the period, the Fund did not incur any commission expense on its liquid portfolio transactions.

Service fees

On April 1, 2002, the Fund began paying a quarterly service fee to its selling agents equal to 0.5% of the aggregate pricing net asset value of the Fund. During the period, the Fund incurred service fees of \$414 (2010 – \$354) on Class A shares and service fees of \$8 (2010 – \$3) on Class I shares. The service fees of \$3 incurred on Class I shares in the prior comparative period are included in direct costs and expenses in excess of investment income earned which were recovered on a non-recourse basis from the Manager.

5. Note to the Statement of Changes in Net Assets

The changes in marketable securities at cost are as follows:

For the six-month period ended,

	February 28, 2011	February 28, 2010
Marketable securities – Class A shares		
Marketable securities, beginning of period	\$ 14,300	\$ 25,300
Marketable securities purchased during the period	15,194	23,900
Proceeds on marketable securities redeemed during the period	(14,300)	(33,900)
Marketable securities at cost, end of period	<u>\$ 15,194</u>	<u>\$ 15,300</u>
Marketable securities – Class I shares		
Marketable securities, beginning of period	\$ 1,448	\$ 295
Marketable securities purchased during the period	2,135	945
Proceeds on marketable securities redeemed during the period	(1,448)	(815)
Marketable securities at cost, end of period	<u>\$ 2,135</u>	<u>\$ 425</u>

6. Sales commissions

Prior to December 31, 2003, the Fund's principal distributor (the "Agent") paid a selling group of dealers to distribute the Class A shares in Saskatchewan. The Fund paid to the Agent and members of the selling group originating the sale, a sales commission equal to 6% of the selling price for each Class A share. The Fund also paid to the Agent an additional commission equal to 0.75% of the selling price for each Class A share for distribution services.

Beginning January 1, 2004, the Fund was no longer responsible to pay sales commissions on the sale of its shares, but rather it has engaged an arm's length party (the "Party") to assume this responsibility. As remuneration for managing the payment of the commissions, the Fund has agreed to pay an annual percentage based payment ("percentage based payments") to the Party of 0.75% (0.77% as of January 1, 2005 and 0.95% as of January 1, 2006) of the gross proceeds (net of redemptions as of January 1, 2005) raised in any calendar year on the sale of Class A or Class I shares over eight consecutive years.

Also, as remuneration for distribution services being provided by the agents, the Fund has agreed to pay the agents, beginning on January 1, 2004, an aggregate annual marketing service fee ("marketing service fee") of 1% on the first \$5,000 of gross proceeds from the sale of Class A or Class I shares by all registered dealers, including the agents, during each calendar year, 1.25% on the next \$5,000 of gross proceeds, and 1.5% of any additional gross proceeds (as of January 1, 2007, the marketing service fee is 1.25% on the first \$10,000 of gross proceeds, 1% on the next \$10,000 of gross proceeds, and 0.75% of any additional gross proceeds). The Agent does not earn the marketing service fee on Class I shares until the Fund has reached \$10,000 in gross subscriptions on Class I shares, at which time the entire amount of the fees would be earned and payable.

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6. Sales commissions (continued)

On Class A shares, percentage based payments of \$685 (2010 – \$573) and marketing service fees of \$200 (2010 – \$180) have been incurred in the current period. On Class I shares, percentage based payments of \$17 (2010 – \$8) have been incurred in the current period of which \$11 (2010 – \$8) have been recovered on a non-recourse basis from the Manager. Marketing service fees of \$8 (2010 – \$9) on Class I shares were unearned for the period.

7. Income taxes

Under the Federal Act, no taxes are generally payable by the Fund on dividends received from Canadian corporations, and income taxes payable on capital gains are substantially refundable on a formula basis when shares of the Fund are redeemed or capital gains dividends are paid, or deemed to be paid, by the Fund to its shareholders. A portion of the income taxes payable on net interest income earned by the Fund is also refundable on payment, or deemed payment, of taxable dividends to the shareholders.

The Fund intends to recover all of its refundable income taxes annually through the deemed payment of a dividend by capitalizing the appropriate amount of its income as paid-up capital pro rata on its Class A or Class I shares, respectively. If, and to the extent that the Fund increases the paid-up capital of the Class A or Class I shares, the holder of the shares will be deemed to have received a dividend and the adjusted cost base of the holder's shares will be increased by the deemed dividend. For the period ended February 28, 2011, the Fund did not distribute any deemed dividends.

The Saskatchewan Act and the Manitoba Act set minimum levels of eligible investments for the Fund. If the minimum level of qualifying eligible investments is not met, the Fund may be subject to defined penalties.

As at February 28, 2011, the Fund has non-capital losses available for carryforward of \$11,478 (August 31, 2010 – \$9,242) that will begin to expire in 2014 and capital losses available for carryforward of \$3,641 (August 31, 2010 – \$1,007).

8. Management expense ratio

Class A shares

The management expense ratio ("MER") of 8.44% (2010 – 7.51%; 2009 – 5.57%; 2008 – 8.97%; 2007 – 6.71%) for the six-month period ended February 28, 2011, includes the contingent IPA provision, all share issue costs and all other fees and expenses paid or payable (excluding any brokerage fees on the purchase and sale of portfolio securities), and is expressed as a percentage of the average net asset value administered during the period. If the share issue costs and the contingent IPA provision were excluded from this calculation, the MER would have been 3.85% (2010 – 4.33%; 2009 – 4.06%; 2008 – 7.76%; 2007 – 4.59%).

Class I shares

The MER of 2.07% (2010 – 0.36%; 2009 – 7.18%) for the six-month period ended February 28, 2011, includes the contingent IPA provision, all share issue costs and all other fees and expenses paid or payable, net of recovery from the Manager (excluding any brokerage fees on the purchase and sale of portfolio securities), and is expressed as a percentage of the average net asset value administered during the period.

8. Management expense ratio (continued)

Class I shares (continued)

During the period, the entire amount of any management fees and any marketing service fee remained unearned. The Fund also recovered certain costs from the Manager during the period on a non-recourse basis. Without these fees remaining unearned and the recovery of other costs, the MER would have been 5.84% (2010 – 7.12%; 2009 – 9.81%). If the share issue costs and the contingent IPA provision were excluded from this calculation, the MER would have been 3.96% (2010 – 4.15%; 2009 – 3.41%).

9. Related party transactions

During the period, management fees, including GST, on Class A shares of \$2,165 (2010 – \$1,855) were paid or payable to the Manager, Westcap Mgt. Ltd., a company controlled by the President & Chief Executive Officer of the Fund. An IPA was paid, or was payable, to the Manager on Class A shares in the amount of \$nil (2010 – \$228) and a contingent IPA was accrued on Class A shares in the amount of \$9,155 (August 31, 2010 – \$6,442).

Management fees of \$42 (2010 - \$17) on Class I shares were unearned for the period. A contingent IPA was accrued on Class I shares in the amount of \$6 (August 31, 2010 – \$6). There was no IPA with respect to Class I shares for the period or for the prior comparative period.

In respect of the Class A shares, office and other costs, including rent, secretarial, janitorial and photocopying expenses, totaling \$nil (2010 – \$1) were paid or payable to Tri-Sec Financial Group Ltd., a company controlled by the President & Chief Executive Officer of the Fund, and office and other costs totaling \$11 (2010 – \$14) were also paid or payable to the Manager. There were no reportable related party transactions during the period or for the prior comparative period in respect of the Class I shares.

At period end, the accounts payable and accrued liabilities balance for Class A shares includes management fees payable of \$349 (August 31, 2010 – \$353) and office and other costs payable of \$2 (August 31, 2010 – \$3), both due to the Manager. There were no management fees or office and other costs payable in respect of Class I shares as at February 28, 2011.

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

10. Reconciliation of GAAP NAV to Pricing NAV

Due to the Fund's 2004 change in accounting policy (due to implementation of CICA Handbook Section 1100) with respect to deferred charges and the adoption of CICA Handbook Section 3855, "Financial Instruments – Recognition and Measurement" in regards to the fair value of publicly traded securities, there is a difference between the net asset value for purchase and redemption of the Class A shares (Pricing NAV) and the accounting net assets of the Class A shares as shown on the statement of net assets (GAAP NAV). A reconciliation of the two net asset values is as follows:

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10. Reconciliation of GAAP NAV to Pricing NAV (continued)

Class A shares

	February 28, 2011	(audited) August 31, 2010
Pricing NAV per Class A share	\$ 14.39	\$ 13.59
Deferred commission costs \$29 (August 31, 2010 – \$95) per Class A share	–	(0.01)
Adjustments to closing prices \$537 (August 31, 2010 – \$380) per Class A share	(0.04)	(0.03)
GAAP NAV per Class A share	<u>\$ 14.35</u>	<u>\$ 13.55</u>

Class I shares

As at February 28, 2011 and at August 31, 2010, there was no difference between Pricing NAV and GAAP NAV for the Class I shares with each net asset value being \$10.05 per Class I share as at February 28, 2011 and \$10.08 per Class I share as at August 31, 2010.

11. Funds held in escrow

As a result of the investment transaction between NorAmera BioEnergy Corporation (“NorAmera”), Weyburn Inland Terminal Ltd., and NorAmera shareholders, the NorAmera shareholders (including the Fund) were required to place cash and other assets in escrow, pending receipt of certain receivables by NorAmera. The Fund values its cash held in escrow at cost. The Fund believes that the amount of the receivables that will be received by NorAmera will be equal to the amount held in escrow, and therefore the Fund has not taken an allowance on the funds held in escrow. If the Fund feels that the probability of receipt of the receivables has decreased, it will take an appropriate amount for an allowance.

12. Loss support program contributions

As a result of investment transactions made in respect of the Class I shares, the Fund has received loss support program contributions from Western Economic Diversification Canada (“WED”) representing 20% of the cost of the investments. As there has been no loss recognized in respect of the investments as at February 28, 2011, the full amount of the loss support program contributions are considered repayable to WED as per the terms of the program. Details of the loss support program are contained in the Fund’s Prospectus.

13. Financial instruments

The Fund's Class A assets and liabilities classified in accordance with Section 3862 are as follows:

Assets	
Held for trading	\$ 180,368
Loans and receivables	9,515
Total assets	<u>\$ 189,883</u>
Liabilities	
Financial liabilities at amortized cost	\$ 11,157
Net assets	<u>\$ 178,726</u>

The Fund's Class I assets and liabilities classified in accordance with Section 3862 are as follows:

Assets	
Held for trading	\$ 3,933
Loans and receivables	230
Total assets	<u>\$ 4,163</u>
Liabilities	
Financial liabilities at amortized cost	\$ 138
Net assets	<u>\$ 4,025</u>

Fair value of assets and liabilities using the fair value hierarchy

The following table presents the financial instruments measured at fair value classified by the fair value hierarchy set out in Section 3862 as described in Note 2:

Class A

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
Held for Trading				
Cash and marketable securities	\$ 33,441	\$ -	\$ -	\$ 33,441
Venture investments, at fair value	38,296	60,065	48,566	146,927
	<u>\$ 71,737</u>	<u>\$ 60,065</u>	<u>\$ 48,566</u>	<u>\$ 180,368</u>
Loans and receivables				
Other	\$ 9,515	\$ -	\$ -	\$ 9,515
	<u>\$ 9,515</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,515</u>
Financial liabilities				
Other	\$ 11,157	\$ -	\$ -	\$ 11,157
	<u>\$ 11,157</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,157</u>

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13. Financial instruments (continued)

Fair value of assets and liabilities using the fair value hierarchy (continued)

Class A (continued)

Changes to Level 3

Beginning balance	\$ 51,356
Net purchases	476
Net realized gains (losses)	–
Net unrealized losses	(1,098)
Net transfer out of Level 3	(2,168)
Ending balance	<u>\$ 48,566</u>

During the period, one of the Fund's venture investments was transferred out of Level 3 as a result of an observable arm's length transaction.

Class I

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
Held for Trading				
Cash and marketable securities	\$ 3,333	\$ –	\$ –	\$ 3,333
Venture investments, at fair value	–	600	–	600
	<u>\$ 3,333</u>	<u>\$ 600</u>	<u>\$ –</u>	<u>\$ 3,933</u>
Loans and receivables				
Other	\$ 230	\$ –	\$ –	\$ 230
	<u>\$ 230</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ 230</u>
Financial liabilities				
Other	\$ 138	\$ –	\$ –	\$ 138
	<u>\$ 138</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ 138</u>

There were no Level 3 transactions for the Class I shares for the period.

14. Financial instruments and risk management

In the normal course of its business, the Fund will be exposed to a variety of financial risks. The objective of the Fund is to manage these risks while maintaining an appropriate risk/return balance that is consistent with the Fund's objectives and strategies. The Fund seeks to mitigate these risk factors by monitoring of the Fund's investment holdings and by diversifying the investment portfolio within the constraints of governing legislation. The investment objective of the Fund remains unchanged, to maximize shareholder returns through the long-term appreciation of the Fund's pricing net asset value, while seeking to maintain an acceptable level of risk. Venture investments are carried at amounts in accordance with the valuation methods set out in Note 2. In management's opinion, the carrying values of other financial assets and liabilities approximate fair value.

14. Financial instruments and risk management (continued)

Credit risk

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund's exposure to credit risk is in the area of debt instruments of its investment portfolio and the related accrued interest receivable. The carrying value of debt investments and related accrued interest represents the maximum credit risk exposure as at February 28, 2011. The Fund has disclosed the fair value of each debt investment in its Statement of Investment Portfolio. The Fund analyzes credit concentration based on the counterparty, industry and geographic location. To mitigate counterparty risk in regards to its debt venture investments the Fund has, where possible, secured its debt investments with first or subordinated charges of the assets of the investee company and imposed certain financial covenants on the investee companies. The Fund seeks to mitigate risk associated with a particular industry by investing its venture investment portfolio in a diverse range of industries. As at February 28, 2011, the Class A shares were invested in thirteen different industry sectors. Although the Class A shares' venture investment portfolio consists primarily of Saskatchewan and Manitoba companies, the markets for those companies are worldwide. To mitigate the geographic risk, the Class A shares have invested in companies with a diverse range of end markets. The Class I shares' venture investment portfolio includes an investment in a convertible debt instrument. The credit risk on this investment is mitigated by the WED loss support program outlined in Note 12.

The Fund seeks to mitigate credit risk in its marketable securities portfolio by investing in instruments with a minimum Dominion Bond rating of A or in instruments that are guaranteed by the Credit Union Deposit Guarantee Corporation.

Liquidity risk

Liquidity risk is the risk that the Fund may not be able to settle or meet its obligations on time. The Fund's exposure to liquidity risk is in regards to the redemption of its shares and operational requirements. The Fund has instituted a liquid reserve policy for the purpose of managing its liquidity risk and to ensure the Fund maintains available reserves to meet its financial obligations or potential obligations. Furthermore, subject to certain restrictions, the Fund is not obligated to redeem its shares under certain circumstances as outlined in the Fund's Prospectus. The Board of Directors monitors adherence to the liquid reserve policy. As at February 28, 2011, the Class A shares have cash and marketable securities of \$33,441 and the Class I shares have cash and marketable securities of \$3,333. The Fund has sufficient liquid assets to meet forecasted redemptions for the near future and ongoing operational expenditures.

Market price risk

Market price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market price (other than those arising from interest rate risk or currency risk). The Fund is exposed to fluctuations in the value of its equity venture investments due to such risks as commodity prices or changes to the public markets. The Fund primarily invests Saskatchewan share capital raised in small and medium-sized Saskatchewan businesses and invests Manitoba share capital raised in small and medium-sized Manitoba business entities. Although the venture investment portfolio of the Class A shares is exposed to commodity prices such as oil and gas, ethanol, and agricultural commodities, the Fund seeks to mitigate this risk by investing in a diverse range of industries. As at February 28, 2011, the Class A shares were invested in thirteen

NOTES TO THE FINANCIAL STATEMENTS (unaudited – See Notice to Reader)

February 28, 2011

(in thousands of dollars except number of shares and per share amounts)

14. Financial instruments and risk management (continued)

Market price risk (continued)

different industry sectors. Although the Fund invests primarily in private companies, the Fund has acquired publicly traded companies through the exit of private companies and as a result is exposed to fluctuations in the public market. Based on fair value, publicly traded companies make up 26.06% of the Class A venture investment portfolio. A 10% change in the value of the publicly traded securities will cause a \$0.31 per share or 2.1% change in the pricing net asset value of the Class A shares.

The Fund invests the share capital raised from the issuance of Class I shares in companies in the innovation sector of the Saskatchewan and Manitoba economies. Although not as diversified as the Class A share investments, the Fund has entered into a loss support program with WED aimed at supporting certain losses in investments made with funds raised through the issuance of Class I shares. Details of the loss support program are contained in the Fund's Prospectus. As at February 28, 2011, the Class I shares were invested in two private companies.

The Fund utilizes the collective experience of the Manager and the Board in guiding and implementing its investment strategy.

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect the value of interest-bearing financial instruments held in the investment portfolio. The Fund attempts to mitigate this risk by investing all cash and cash equivalents at short-term market interest rates. The Fund is also exposed to interest rate risk in relation to the change in interest income on its variable rate debt venture investments. The Fund has mitigated this risk by having fixed interest rates on 61.4% of its Class A shares' debt venture investments based on cost. The debt venture investment included in the Class I shares' venture investment portfolio has a fixed interest rate. As it is the intention of the Fund to hold all interest-bearing instruments to maturity, the Fund does not intend to liquidate these instruments under adverse market conditions.

Currency risk

Currency risk arises from financial instruments that are denominated in a currency other than Canadian dollars. The Fund has no exposure to currency risk as all investments of the Fund are denominated in Canadian currency.

15. Capital management

The Fund's capital consists of issued share capital. The Manager manages the capital of the Fund in accordance with the Fund's investment objectives, policies, and restrictions as outlined in the Fund's Prospectus, while attempting to maintain sufficient liquidity to meet shareholder redemptions, operational requirements, and future venture investments. The overall strategy for managing capital remains unchanged from 2010. To ensure that the Fund meets its obligations, the Board of Directors of the Fund has established a liquid reserve policy and monitors adherence to that policy. As at February 28, 2011, the Class A shares had cash and marketable securities of \$33,441 and the Class I shares had cash and marketable securities of \$3,333.

The Fund is subject to the investment pacing requirements under the provisions of the Saskatchewan Act and the Manitoba Act. Pursuant to the Saskatchewan Act, the Fund is obligated, during the 24-month period following the end of the fiscal year in which the Saskatchewan share capital is raised, to invest and maintain at least 75% of the SK Equity in investment instruments issued by eligible businesses or in any other type of investment

15. Capital management (continued)

authorized by the Saskatchewan Act. Pursuant to the Manitoba Act, the Fund is obligated, during the 24-month period following the end of the fiscal year in which the MB Equity is raised, to invest and maintain at least 70% of the MB Equity in eligible investments issued by eligible business entities or in any other type of investment authorized by the Manitoba Act, and 14% of the MB Equity so invested must be in eligible investments for which the total cost of the eligible investments held by the Fund in such entity and any related entities does not exceed \$2,000. As at February 28, 2011, the Fund was in compliance of the investment pacing requirements under both the Saskatchewan Act and the Manitoba Act.

As required by the Saskatchewan Act, trust monies must be set aside in a trust fund until such time as the Fund has met the investment requirements as set forth in the Saskatchewan Act. Pending release, the trust monies will be invested in investments permitted by the Saskatchewan Act. As at February 28, 2011, the Fund has met all investment requirements as set forth in the Saskatchewan Act.

16. Future changes in accounting standards

International financial reporting standards

The Canadian Accounting Standards Board ("AcSB") recently confirmed the plan to adopt the International Financial Reporting Standards ("IFRS"). The Fund originally expected to adopt IFRS on a prospective basis effective for its fiscal year beginning September 1, 2011. In March 2011, the AcSB further amended the Introduction to Part I of the CICA Handbook – Accounting requiring the adoption of IFRS by investment companies as defined in and applying Accounting Guideline 18, Investment Companies, such that the Fund is not required to adopt IFRS on a prospective basis until its fiscal year beginning September 1, 2013.

The Manager continues to monitor developments in the Fund's IFRS changeover plan including the recent amendment issued by the AcSB and has been assessing the likely impacts on the implementation decisions, financial statement preparation, internal controls and information systems. Based on the Manager's preliminary analysis, the Manager believes the changeover to IFRS will not materially affect the Fund's existing business arrangements.

Based on the Manager's review of the current IFRS against the Fund's current accounting policies and financial statement presentation under Canadian GAAP, it is not expected that there would be an impact to the Fund's net asset value per share for either of the Class A shares or the Class I shares. The Manager has determined that the primary impact of IFRS on accounting policies and implementation decisions will be on the financial statement presentation and note disclosures in the Fund's financial statements.

17. Commitment

As part of a strategic partnership, the Fund has made a commitment through its Class A shares in the amount of \$2,750 for an additional investment in Lex Energy Partners LP, a Saskatchewan based limited partnership investing in the oil and gas industry.

18. Comparative Figures

Certain of the comparative figures have been reclassified to conform with the current period's presentation.

BOARD OF DIRECTORS

Golden Opportunities Fund's Board of Directors is comprised of a diverse group of highly skilled professionals who have extensive knowledge and expertise in a variety of industry sectors, and are leaders in the community.



Top row, from left to right:

Honourable William McKnight^{2,4} **Chairman** Treaty Commissioner for the Province of Saskatchewan
Brian L. Barber^{1,3} **Vice Chairman** Senior Vice President, Saskatchewan, Ledcor Construction Limited
Grant J. Kook^{2,4} **President/Chief Executive Officer/Director** President and Chief Executive Officer, Westcap Mgt. Ltd.
Douglas W. Banzet¹ **Chief Financial Officer/Director** Chief Operating Officer, Westcap Mgt. Ltd.

Bottom row, from left to right:

Donald R. Ching³ **Director** Retired Businessman (Formerly President and Chief Executive Officer, AREVA Resources Canada Inc.)
Bob Ellard² **Director** Vice-President Facilities Management and Development, University of Calgary
Lorraine Sali⁴ **Director** Business Manager for the Sponsor, Construction and General Workers' Union, Local 180
Thomas A. Shepherd^{1,3} **Director** Retired Businessman (Formerly Senior Vice-President, Dundee Realty Corporation)
Ronald S. Waldman **Director** Chairman, Great Western Brewing Company Limited

Golden Opportunities' Governance

¹ Audit Committee ² Valuation Committee ³ Investment Committee ⁴ Governance and Nomination Committee

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CUSTODIAN • Concentra Trust • 333-3rd Ave. North • Saskatoon, SK • S7K 2M2

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