

A copy of this preliminary short form prospectus has been filed with the securities regulatory authorities in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario but has not yet become final for the purpose of the sale of the securities. Information contained in this preliminary short form prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the preliminary short form prospectus is obtained from the securities regulatory authorities.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This preliminary short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.

The securities offered hereby have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "1933 Act"), or any state securities laws, and, subject to certain exemptions, may not be offered or sold to, or for the account or benefit of, a person in the United States or a U.S. Person (as defined in the 1933 Act). See "Plan of Distribution". This preliminary short form prospectus does not constitute an offer to sell, or a solicitation of an offer to purchase, any securities within the United States.

Information has been incorporated by reference in this preliminary short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Financial Officer of TIMIA Capital Corp. at Suite 1530, 789 West Pender Street, Vancouver, British Columbia, V6C 1H2, Telephone: (604) 398-8839 and are also available electronically at www.sedar.com.

PRELIMINARY SHORT FORM PROSPECTUS

New Issue

September 24, 2020



Minimum \$6,500,000
(6,500,000 Non-Cumulative, Preferred Shares, Series A)

and

Maximum \$10,000,000
(10,000,000 Non-Cumulative, Preferred Shares, Series A)

This preliminary short form prospectus (the "**Prospectus**") qualifies the distribution (the "**Offering**") of a minimum of 6,500,000 non-cumulative, series A preferred shares ("**Preferred Shares**") of TIMIA Capital Corp. (the "**Corporation**" or "**TIMIA**") and up to a maximum of 10,000,000 Preferred Shares, subject to increase by up to a maximum of an additional 1,500,000 Preferred Shares in the event of the full exercise of the Over-Allotment Option (as defined herein), at a price of \$1.00 per Preferred Share (the "**Offering Price**").

The holders of Preferred Shares will be entitled to receive fixed non-cumulative preferential cash dividends, if, as and when declared by the board of Directors (as defined herein) of the Corporation at an annual rate equal to \$0.08 per Preferred Share. Dividends, if declared, will be payable on the ● day of December, March, June and September in each year, or if such day is not a business day, on the next business day, at a quarterly rate of \$0.02 per Preferred Share. The initial dividend covering the period from issuance to ●, if declared, will be payable on ● and will be \$0.● per Preferred Share, based on the anticipated Closing Date (as defined herein). The Preferred Shares will rank senior to the common shares of the Corporation (the "**Common Shares**") with respect to declared but unpaid dividends. See "*Description of the Preferred Shares*".

The Preferred Shares are retractable by the Corporation at any time on or after the date that is three (3) years after the Closing Date. On or after the date that is three (3) years after the Closing Date, the Corporation may, at its option, upon 10 days' prior written notice, retract all or any number of the Preferred Shares. Upon notice of retraction by the Corporation, holders of the Preferred Shares may elect to receive either: (a) a cash payment equal to the Offering Price; or (b) one Common Share in exchange for each one Preferred Share, subject to adjustment. The Corporation has agreed to retract all the then outstanding Preferred Shares effective the date that is five (5) years after the Closing Date in the manner set forth above.

Holders of the Preferred Shares may elect to convert the Preferred Shares into Common Shares on the basis of one Common Share for each Preferred Share held, subject to adjustment, at any time.

The outstanding Common Shares are listed for trading on the TSX Venture Exchange (the "**TSXV**") under the trading symbol "TCA". There is currently no market through which the Preferred Shares may be sold. An application has been made to the TSXV to list the Preferred Shares offered hereunder. Listing of the Preferred Shares offered hereunder on the TSXV is subject to the Corporation satisfying the listing conditions of the TSXV. On September 23, 2020, the last trading day prior to the date of this Prospectus, the closing price of the Common Shares on the TSXV was \$0.19. Echelon Wealth Partners Inc., Industrial Alliance Securities Inc., PI Financial Corp., Haywood Securities Inc. and Wellington-Altus Private Wealth Inc. (collectively, the "**Agents**") have been engaged by the Corporation to conduct the Offering on a commercially reasonable efforts basis. The price of the Preferred Shares offered hereunder was determined by negotiation between the Corporation and the Agents.

The Preferred Shares do not have a fixed maturity date and are not redeemable at the option of the holders of Preferred Shares. See “*Risk Factors*”.

Price: \$1.00 per Preferred Share to yield 8.00% per annum

	Price to the Public	Agents’ Fee⁽¹⁾⁽²⁾	Net Proceeds to the Corporation⁽³⁾
Per Preferred Share	\$1.00 ⁽⁵⁾	\$0.06	\$0.94
Total Minimum Offering	\$6,500,000	\$390,000	\$6,110,000
Total Maximum Offering ⁽⁴⁾	\$10,000,000	\$600,000	\$9,400,000

- Notes:**
- (1) In consideration of the services rendered by the Agents in connection with the Offering, the Corporation has agreed to: (a) pay the Agents on the Closing Date (as defined herein) a cash fee (the “**Agents’ Fee**”) equal to (i) 6.0% of the gross proceeds of the Offering raised from purchasers subscribing with cash and (ii) 4% of the gross proceeds of the Offering raised from purchasers subscribing pursuant to the Exchange Option (as defined herein); and (b) issue to the Agents on the Closing Date, that number of Common Share purchase warrants (“**Agents’ Warrants**”) equal to (i) 6.0% of the number of Preferred Shares sold by the Agents pursuant to the Offering to purchasers subscribing with cash and (ii) 4% of the number of Preferred Shares sold by the Agents pursuant to the Offering to purchasers subscribing pursuant to the Exchange Option. Each Agents’ Warrant entitles the holder on exercise to acquire one (1) Common Share at an exercise price of \$0.25 for a period of 12 months from the Closing Date. This Prospectus qualifies the distribution of the Agents’ Warrants.
 - (2) Assumes the Agents’ Fee is payable entirely in respect of purchasers subscribing for Preferred Shares with cash.
 - (3) After deducting the Agents’ Fee but before deducting expenses of the Offering estimated to be \$317,825, which, together with the Agents’ Fee, will be paid by the Corporation from the proceeds of the Offering.
 - (4) The Corporation has granted to the Agents an option (the “**Over-Allotment Option**”), exercisable in whole or in part, at the sole discretion of the Agents, at any time prior to the 30th day following and including the Closing Date, to purchase up to an additional 1,500,000 Preferred Shares at the Offering Price (the “**Additional Preferred Shares**”) to cover over-allotments, if any. This Prospectus also qualifies the grant of the Over-Allotment Option to the Agents, the issuance of the Additional Preferred Shares and the grant and issuance of additional Agents’ Warrants (the “**Additional Agents’ Warrants**”) to the Agents. A purchaser who acquires Additional Preferred Shares forming part of the Agents’ over-allocation position acquires those Additional Preferred Shares under this Prospectus, regardless of whether the Agents’ over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. If the Over-Allotment Option is exercised in full, the total price to the public, the Agents’ Fee and the net proceeds to the Corporation (prior to the deduction of the expenses of the Offering estimated to be \$317,825) will be \$11,500,000, \$690,000 and \$10,810,000, respectively, assuming all purchasers subscribe for Preferred Shares with cash. See “*Plan of Distribution*”. References to the Offering and Preferred Shares hereinafter include references to the Additional Preferred Shares.
 - (5) The price per Preferred Share is payable in cash or in Convertible Debentures (as defined herein) and Non-Convertible Debentures (as defined herein) deposited pursuant to the Exchange Option.

Prospective subscribers may purchase Preferred Shares either by: (a) cash payment; or (b) an exchange (the “**Exchange Option**”) of (i) up to \$2,051,000 in Convertible Debentures at face value and (ii) up to \$6,168,296 in Non-Convertible Debentures at face value. See “*Plan of Distribution*”.

Subject to applicable laws, the Agents may, in connection with this Offering and the Over-Allotment Option, over-allot or effect transactions that stabilize or maintain the market price of the Preferred Shares at levels other than those which might otherwise prevail on the open market. Such transactions, if commenced, may be discontinued at any time. See “*Plan of Distribution*”.

The Corporation has granted the Over-Allotment Option to the Agents on the following basis:

<u>Agents’ Position</u>	<u>Maximum Size or Number of Preferred Shares Available</u>	<u>Exercise Period</u>	<u>Exercise Price</u>
Over-Allotment Option	Up to 1,500,000 Preferred Shares, if exercised in full (being up to 15% of the Preferred Shares under the Maximum Offering)	Within 30 days of the Closing Date	\$1.00 per Preferred Share

In addition, the following table sets forth the number of compensation securities that may be issued by the Corporation to the Agents:

<u>Agents’ Position</u>	<u>Maximum Size or Number of Agents’ Warrants Available</u>	<u>Exercise Period</u>	<u>Exercise Price</u>
Agents’ Warrants	Up to 600,000 (690,000 in the event the Over-Allotment Option is exercised in full) ⁽¹⁾	12 months from the Closing Date	\$0.25 per Common Share

- Note:**
- (1) Assumes the Agents’ Fee is payable entirely in respect of purchasers subscribing for Preferred Shares with cash.

There is currently no market through which the Preferred Shares may be sold and purchasers may not be able to resell Preferred Shares purchased under this Prospectus. This may affect the pricing of the Preferred Shares in the secondary market, the transparency and availability of trading prices, the liquidity of the Preferred Shares and the extent of issuer regulation. See “Risk Factors”. The Corporation has applied to list the Preferred Shares on the TSXV. Listing is subject to the Corporation fulfilling all the listing requirements of the TSXV for the Preferred Shares.

Investing in the Preferred Shares is speculative and involves significant risks that should be considered by prospective investors. See “Risk Factors” and “Forward-Looking Statements”.

The Agents are offering the Preferred Shares on a commercially reasonable efforts basis in accordance with the conditions contained in the Agency Agreement referred to under “*Plan of Distribution*”, and subject to the approval of certain legal matters on behalf of the Corporation by MLT Aikins LLP and on behalf of the Agents by Miller Thomson LLP.

Subscriptions for Preferred Shares offered hereunder will be received subject to rejection or allotment in whole or in part, and the right is reserved to close the subscription books at any time without notice. It is anticipated that the closing of the Offering will occur on or about ●, 2020, or such other date as the Corporation and the Agents may agree (the “**Closing Date**”). Except as otherwise agreed by the Corporation and the Agents, and subject to certain other exceptions: (i) the Preferred Shares will be issued and deposited in electronic form as non-certificated inventory with CDS or its nominee pursuant to the book-based system administered by CDS; (ii) certificates evidencing the Preferred Shares will not be issued to purchasers; and (iii) purchasers will receive only a customer confirmation from the Agents or other registered dealer who is a CDS participant and from or through whom a beneficial interest in the Preferred Shares are purchased. See “*Plan of Distribution*”.

Prospective purchasers are advised to consult their own tax advisors regarding the application of Canadian federal income tax laws to their particular circumstances, as well as any other provincial, foreign and other tax consequences of acquiring, holding or disposing of the Preferred Shares, including the Canadian federal income tax consequences applicable to a foreign controlled Canadian corporation that acquires the Preferred Shares. Prospective purchasers are also advised to consult their own legal counsel and other professional advisers in order to assess legal and other aspects of this investment. **Potential investors intending to participate in the Exchange Option are advised to consult their own legal counsel and other professional advisers in order to assess income tax, legal and other aspects of the Exchange Option.**

Investors should rely only on the information contained in or incorporated by reference in this Prospectus. The Corporation has not authorized anyone to provide investors with different information. The Corporation is not offering the Preferred Shares in any jurisdiction in which the Offering is not permitted. Investors should not assume that the information contained in this Prospectus is accurate as of any date other than the date of this Prospectus.

The Corporation’s earnings coverage ratios for the 12-month period ended November 30, 2019 are less than one-to-one. The Corporation’s earnings coverage ratios for the 12-month period ended May 31, 2020 are greater than one-to-one. See “*Earnings Coverage Ratios*”.

Computershare Investor Services Inc., at its offices in Vancouver, British Columbia, is the transfer agent and registrar for the Preferred Shares.

The Corporation’s head office is located at Suite 1530, 789 West Pender Street, Vancouver, British Columbia, V6C 1H2. The Corporation’s registered and records office is located at Suite 2600, 1066 West Hastings Street, Vancouver, British Columbia, V6E 3X1.

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GLOSSARY OF DEFINED TERMS

Capitalized terms used herein have the meanings ascribed to them below.

“**1933 Act**” means the United States *Securities Act of 1933*, as amended;

“**Additional Preferred Shares**” has the meaning ascribed to it on the face page of this Prospectus;

“**Agency Agreement**” means the agency agreement to be entered into between the Corporation and the Agents in connection with the Offering, pursuant to which the Agents will conduct the Offering on a commercially reasonable efforts basis;

“**Agents**” means collectively, Echelon Wealth Partners Inc., Industrial Alliance Securities Inc., PI Financial Corp., Haywood Securities Inc. and Wellington-Altus Private Wealth Inc.;

“**Agents’ Warrants**” means the Common Share purchase warrants to be issued to the Agents, each of which entitles the holder on exercise to acquire one (1) Common Share at an exercise price of \$0.25 for a period of 12 months from the Closing Date;

“**AIF**” means the annual information form of the Corporation dated September 15, 2020, for the fiscal year ended November 30, 2019;

“**allowable capital loss**” has the meaning ascribed to it under “Canadian Federal Income Tax Considerations”;

“**Amortized Cost**” means the amount at which a financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance, in accordance with IFRS, and if applicable, converted to Canadian funds at the Bank of Canada rate in effect at the date of reporting;

“**BCBCA**” means the *Business Corporations Act* (British Columbia);

“**CDS**” means CDS Clearing and Depository Services Inc.;

“**Closing Date**” has the meaning set forth on the face page of this Prospectus;

“**Common Shares**” means the common shares in the capital of the Corporation;

“**Convertible Debentures**” means the 8.0% convertible unsecured subordinated debentures issued by the Corporation on August 4, 2015, October 23, 2015, December 22, 2015 and February 19, 2016;

“**Corporation**” or “**TIMIA**” means TIMIA Capital Corp. and, where the context requires, includes the Subsidiaries of the Corporation;

“**CRA**” means the Canada Revenue Agency;

“**Credit Facility**” means the revolving credit facility entered into between TIMIA Capital Holdings Limited Partnership, a Subsidiary of the Corporation, and Turnham Green Investments Inc.;

“**Directors**” means, collectively, the directors of the Corporation;

“**ECL**” means expected credit loss adjustments in accordance with IFRS;

“**Equity Instruments**” means, as at any date, the fair value of the equity instruments, primarily common shares and warrants, held by the Corporation, LPI Fund or LPII Fund, directly or indirectly;

“**Exchange Option**” has the meaning set forth on the face page of this Prospectus;

“**Financing**” means either Revenue Financing, Short Term Financing or Fixed Financing;

“**Fixed Financing**” means financing provided by the Corporation to certain Investees (as defined herein) where the terms of payment are fixed at the time such loan is made and the principal amount of such loan is amortized over a fixed period;

“**GAAP**” means Canadian generally accepted accounting principles as set out in the CPA Canada Handbook, as amended from time-to-time, consistently applied, which, for greater certainty, includes with respect to the Corporation, IFRS (as defined herein), consistently applied, as applicable;

“**IFRS**” means International Financial Reporting Standards;

“**Investee**” has the meaning ascribed to it under the heading “Summary Description of the Corporation’s Business”.

“**Loans Receivable**” means, as at any date, the amortized cost of the Financing investments held by the Corporation, LPI Fund or LPII Fund, directly or indirectly, comprised of loans and bonus features but not including warrants or other equity securities associated with the Loans Receivable;

“**LPI Fund**” means TIMIA Capital I Limited Partnership;

“**LPII Fund**” means TIMIA Capital II Limited Partnership;

“**Marketing Materials**” means the investor presentation dated September 24, 2020 filed on SEDAR;

“**Maximum Offering**” means the offering, issue and sale of a maximum of 10,000,000 Preferred Shares at the Offering Price for gross proceeds of up to \$10,000,000, subject to increase by up to 1,500,000 Additional Preferred Shares for additional gross proceeds of up to \$1,500,000 in the event that the Over-Allotment Option is exercised;

“**MI 61-101**” means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*;

“**Minimum Offering**” means the offering, issue and sale of a minimum of 6,500,000 Preferred Shares at the Offering Price for gross proceeds of up to \$6,500,000;

“**Non-Convertible Debentures**” means the non-convertible debentures of the Corporation issued by the Corporation on June 2, 2016, January 31, 2017, September 19, 2017, January 8, 2018, and December 13, 2018;

“**Offering**” means the offering of Preferred Shares pursuant to this Prospectus;

“**Offering Price**” means \$1.00 per Preferred Share, as contemplated in this Prospectus;

“**Options**” means incentive stock options in the capital of the Corporation to acquire Common Shares;

“**OTCQB**” means the OTCQB quotation system maintained by OTC Markets in the United States;

“**Over-Allotment Option**” means the option granted by the Corporation to the Agents to sell up to an additional 1,500,000 Preferred Shares at the Offering Price, exercisable in whole or in part by the Agents for a period of 30 days from the Closing Date, as described under “*Plan of Distribution*”;

“**Plans**” means trusts governed by registered retirement savings plans, deferred profit sharing plans, registered education savings plans, registered retirement income funds, tax-free savings accounts and registered disability savings plans, each as defined in the Tax Act and a “**Plan**” means any of them;

“**Preferred Shares**” means the Series A preferred shares in the capital of the Corporation;

“**Proposals**” has the meaning set forth under “Eligibility for Investment”;

“**Revenue Financing**” means financing provided by the Corporation to certain Investees where the amount of regular repayment by such Investee is tied to the revenue generated by such Investee, subject to minimum fixed monthly payments;

“**SaaS**” means the business of providing software as a monthly or annual service (as opposed to selling software pursuant to one-time perpetual or near-perpetual licenses);

“**SEDAR**” has the meaning ascribed to it under “*Documents Incorporated by Reference*”;

“**Shareholder**” means a holder of Common Shares or Preferred Shares, as the context requires;

“**Short Term Financing**” means financing provided by the Corporation to a certain Investee, typically for a period of two to three years, where the Investee makes regular interest payments during the period of the loan, and the principal amount of the loan is repaid on maturity;

“**Subsidiary**” means, with respect to a specified entity, any entity: (i) of which more than 50% of the outstanding securities ordinarily entitled to elect a majority of the board of directors thereof (whether or not securities of any other class or classes shall or might be entitled to vote upon the happening of any event or contingency) are at the time owned directly or indirectly by such specified entity; or (ii) which is otherwise controlled, directly or indirectly, by such specified entity;

“**Tax Act**” means the *Income Tax Act* (Canada), and the regulations thereto, as amended from time to time;

“**taxable capital gain**” has the meaning ascribed to it under “*Canadian Federal Income Tax Considerations*”;

“**TSXV**” means the TSX Venture Exchange; and

“**United States**” means the United States of America, its territories and possessions, any state of the United States, and the District of Columbia.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporation at Suite 1530, 789 West Pender Street, Vancouver, British Columbia, V6C 1H2, telephone: (604) 398-8839 and are also available electronically through the internet on the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) at www.sedar.com.

Except to the extent that their contents are modified or superseded by a statement contained in this Prospectus or in any other subsequently filed document that is also incorporated by reference in this Prospectus, the following documents of the Corporation that have been filed with applicable securities regulatory authorities in Canada are specifically incorporated by reference herein and form an integral part of this Prospectus:

- (a) the AIF;
- (b) the audited annual consolidated financial statements of the Corporation for the years ended November 30, 2019 and November 30, 2018 and the report of the independent auditor thereon;
- (c) the management’s discussion and analysis of financial condition and results of operations of the Corporation for the year ended November 30, 2019 (the “**Annual MD&A**”);
- (d) the unaudited consolidated condensed interim financial statements of the Corporation for the three and six months ended May 31, 2020, except the ‘Notice of No Auditor Review of the Interim Financial Statements’ contained on the cover page of such financial statements;
- (e) the management’s discussion and analysis of financial condition and results of operations of the Corporation for the three and six months ended May 31, 2020 (the “**Interim MD&A**”);
- (f) the management information circular dated April 27, 2020 in respect of the annual general meeting of holders of Common Shares of the Corporation held on June 2, 2020; and
- (g) the Marketing Materials filed on SEDAR.

All documents of the Corporation of the type described in Item 11.1 of Form 44-101F1 *Prospectus* to National Instrument 44-101 *Prospectus Distributions*, if filed by the Corporation with the provincial securities commissions, territorial securities commissions or similar authorities in Canada after the date of this Prospectus and prior to the termination of the Offering, shall be deemed to be incorporated by reference into this Prospectus.

Any statement contained in this Prospectus or a document incorporated or deemed to be incorporated by reference herein or in any subsequently filed document which also is or is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this Prospectus to the extent that a statement contained herein, or in any other subsequently filed document which also is incorporated or is deemed to be incorporated by reference herein, modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact, or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed in its unmodified or superseded form to constitute part of this Prospectus.

MARKETING MATERIALS

The Marketing Materials are not part of this Prospectus to the extent that the contents of the Marketing Materials may have been modified or superseded by a statement contained in this Prospectus. See “*Documents Incorporated by Reference*”. Any template version of “marketing materials” (as defined in National Instrument 41-101 *General Prospectus Requirements*) filed after the date of this Prospectus and before the termination of the distribution under the Offering (including any amendments to, or an amended version of, the Marketing Materials) is deemed to be incorporated into this Prospectus.

ELIGIBILITY FOR INVESTMENT

In the opinion of MLT Aikins LLP, based on the provisions of the Tax Act in force as of the date hereof, all specific proposals to amend the Tax Act that have been publicly announced prior to the date hereof (“**Proposals**”) and subject to the provisions of any particular Plan, the Preferred Shares offered pursuant to this Prospectus if issued on the date hereof, would, on such date, be qualified investments under the Tax Act for Plans, provided that the Preferred Shares are listed on a designated stock exchange (which currently includes the TSXV) or provided that the Corporation is otherwise a “public corporation” for the purposes of the Tax Act. Adverse tax consequences may apply to a Plan, or an annuitant, beneficiary or subscriber thereunder or holder thereof, if the Plan acquires or holds property that is not a qualified investment for the Plan.

Notwithstanding that the Preferred Shares may be qualified investments for a trust governed by a tax-free savings account (“**TFSA**”), registered disability savings plan (“**RDSP**”), registered retirement savings plan (“**RRSP**”), registered retirement income fund (“**RRIF**”) or registered education savings plan (“**RESP**”), the holder of a TFSA or RDSP, the annuitant of an RRSP or RRIF, or the subscriber of an RESP, as the case may be, may be subject to a penalty tax if the Preferred Shares are a “prohibited investment” (as defined in the Tax Act) for the TFSA, RDSP, RRSP, RRIF or RESP. Generally, the Preferred Shares will not be a “prohibited investment” provided that the holder of the TFSA or RDSP, the annuitant of the RRSP or RRIF or the subscriber of the RESP, as applicable, (i) deals at arm’s length with the Corporation for purposes of the Tax Act and (ii) does not have a “significant interest” (as defined in subsection 207.01(4) of the Tax Act) in the Corporation. In addition, the Preferred Shares will not be a “prohibited investment” if the Preferred Shares are “excluded property” (as defined in subsection 207.01(1) of the Tax Act) for such Plans.

FORWARD-LOOKING STATEMENTS

This Prospectus and the documents incorporated by reference herein contain forward-looking information and forward-looking statements under applicable securities laws. All statements other than statements of historical fact contained in this Prospectus and the documents incorporated by reference herein are forward-looking statements, including, without limitation, statements regarding the potential completion of the Offering, the sales of Preferred Shares under the Offering including pursuant to the Exchange Offering, the use of the net proceeds of the Offering including the redemption of Non-Convertible Debentures and Convertible Debentures, the exercise of the Over-Allotment Option, the listing of the Preferred Shares on the TSXV, the expected Closing Date of the Offering, the anticipated effect of the Offering on the performance of the Corporation, the Corporation’s future financial position, the Corporation’s goals, objectives, strategies and future actions, the future Financing contracts and clientele of the Corporation, laws and regulations applicable to the Corporation and the Corporation’s compliance with such requirements in the future, completed and potential acquisitions and the potential impact of such completed and/or potential acquisitions on the operations, financial condition, capital resources and business of the Corporation and/or its Subsidiaries, the Corporation’s policy with respect to the amount and/or frequency of dividends, budgets, litigation, projected costs, plans and objectives of or involving the Corporation or its Subsidiaries or any businesses to potentially be acquired by the Corporation, the outlook for the Corporation’s business, the Corporation’s industry, and the Canadian and global economy, the Corporation’s intentions for the use of its cash and cash equivalents and the timing thereof, including additional capital contributions to LPI Fund, LPII Fund and/or investments in additional businesses, the future capitalization of LPI Fund and LPII Fund, any businesses in which the Corporation invests and future closings in relation thereto, the sourcing of deals from the Corporation’s established network and its potential pipeline of projects, expected growth and financial projections in Financing contracts and the business of Investees, the investments of LPI Fund and LPII Fund in transactions and the potential structuring of such transactions, the alternative financial market and the general economy, the performance of Investees, the effect of delays between the repayment of Financing contracts including the Anticipated Pay-out (as defined herein) and the redeployment of capital on the Corporation’s financial condition, the determination of recovery levels and values realized on liquidation of security held, when necessary, for the Corporation’s Financing contracts going forward, the effect of the early repayment of loans on anticipated interest income, diversification of the Corporation’s clientele with regard to business segment and geography, the future profitability of Investees and the expected recoverability of amounts owed to the Corporation by such Investees, the market(s) in which businesses in which the Corporation invests in general, and the ability of the Corporation and LPI Fund to source additional projects in which to invest going forward, the Corporation’s business plans and strategy the diversification and composition of the Corporation’s revenue stream, the Corporation’s future cash flow and shareholder value, the non-recurring nature of certain expenses, the future recoverability of accounts receivable, the Corporation’s future entitlement to base management and performance fees, the future accounting policies of the

Corporation, the ability of the Corporation, LPI Fund and LPII Fund to secure financing on terms acceptable to the Corporation, LPI Fund and/or LPII Fund, the retention of personnel, the ability to pay dividends, and the lack of regulation of the alternative financial market. Prospective investors can identify many of these statements by looking for words such as “believes”, “expects”, “will”, “may”, “intends”, “projects”, “anticipates”, “seeks”, “aims”, “works”, “plans”, “estimates”, “potential”, “continues”, “could”, “should”, “might” and similar words or the negative and grammatical variations thereof.

Forward-looking statements are subject to known and unknown risks and are necessarily based upon a number of expectations or assumptions that, while considered reasonable by management based on information available at the time the statements are made, are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the Corporation’s control and many of which, regarding future business decisions, are subject to change. Readers are cautioned to not place undue reliance on forward-looking statements which only speak as to the date they are made. Although management believes that the expectations and assumptions underlying such forward-looking statements are reasonable, there can be no assurance that such expectations or assumptions will prove to be correct. A number of factors could cause actual future results, performance, achievements and developments of the Corporation and/or its Subsidiaries to differ materially from anticipated results, performance, achievements and developments expressed or implied by such forward-looking statements. Such factors include, but are not limited to those described under the heading “*Risk Factors*” in this Prospectus and those described in the AIF, the Annual MD&A and the Interim MD&A. This list is not exhaustive of the risks, uncertainties and other factors that may affect any of the Corporation’s forward-looking information or that could cause actual results to differ materially from those contained in such forward-looking information.

This Prospectus, including certain documents incorporated by reference herein, identifies additional factors that could affect the operating results and performance of the Corporation and its Subsidiaries. Forward-looking information in certain documents incorporated by reference herein is based on the key assumptions described in such documents. There can be no assurance that forward-looking information will prove to be accurate. Assumptions about, among other things, the performance of the businesses of the Corporation and its Subsidiaries are considered in setting the business plan and financial targets for the Corporation and its Subsidiaries. Key assumptions include, without limitation, the expectations and beliefs of management, that the demand for products and services of the businesses of the Corporation and its Subsidiaries will remain stable, as to the effects of changes in interest rates, as to capital market fluctuations, as to the impact of changes in laws and regulations, no significant event occurring outside of the Corporation’s normal course of business and that the Canadian and other markets in which the businesses are active will remain stable, the impact of the novel coronavirus (“**COVID-19**”) pandemic on the Corporation, its operations and the operations of its Investees, reliance on debt financing, interest rates, continued lack of alternative credit industry regulation, continued operation of key systems, debt service, future capital needs, retention of key employees, adequate management of conflicts of interests, continued performance of the Corporation’s Financing contracts, LPI Fund, LPII Fund and other businesses in which the Corporation invests and solvency of Investees, competition, demand for the services and products of the businesses in which the Corporation or LPI Fund invest, effective use of leverage, strength of existing client relationships and regulatory oversight. **Should one or more of the risks materialize or the assumptions prove incorrect, the actual results, performance or achievements of the Corporation and/or its Subsidiaries may vary materially from those described in forward-looking statements.**

The Corporation notes that the dynamic nature of the COVID-19 pandemic and any associated or resulting events and circumstances mean that management can offer no assurance such forward-looking information or forward-looking statements will occur or be accurate in the circumstances. Accordingly, readers should not place undue reliance on forward-looking information, which speaks only to opinions, estimates and assumptions as of the date made.

The purpose of forward-looking information is to provide the reader with a description of management’s expectations, and such forward-looking information may not be appropriate for any other purpose. Although the Corporation believes that the expectations reflected in such forward-looking information are reasonable, it can give no assurance that these expectations will prove to be correct, and such forward-looking information included in this Prospectus or in any document incorporated by reference herein should not be unduly relied upon.

The forward-looking statements contained herein or contained in a document incorporated by reference herein are expressly qualified in their entirety by these cautionary statements. The forward-looking statements included or incorporated by reference in this Prospectus are made as of the date of this Prospectus or such other date specified in such statement. The Corporation does not undertake any obligation to update or revise any forward-looking statements or forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable laws. If the Corporation does update one or more forward-looking statements, it is not obligated to, and no inference should be drawn that it will, make additional updates with respect thereto or with respect to other forward-looking statements.

MARKET AND INDUSTRY DATA

Certain market and industry data contained herein and in the AIF is based upon information from government or other third-party publications, reports and websites or based on estimates derived from such publications, reports and websites. Government and other third-party publications and reports do not guarantee the accuracy or completeness of their information. While management believes this data to be reliable, market and industry data is subject to variations and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data-gathering process and other limitations and uncertainties inherent in any statistical survey. Accordingly, the accuracy, currency and completeness of this information cannot be guaranteed. The Corporation has not independently verified any of the data from government or other third-party sources referred to herein or in the AIF or ascertained the underlying assumptions relied upon by such sources.

NON-GAAP FINANCIAL MEASURES

This Prospectus and the AIF contain references to certain historical performance measures used by the Corporation (the “**Performance Measures**”) that management believes are useful supplemental measures that may assist readers in assessing the historical financial performance of the Corporation.

This Prospectus and the AIF contain discussions regarding the following Performance Measure:

- Loans Receivable which, as at any date, is the Amortized Cost of Financing contracts within the LPI Fund or held directly by the Corporation, comprised of loans and bonus features but not including warrants or other equity securities associated with the Loans Receivable.

Subsequent to its fiscal year ended November 30, 2019, the Corporation completed funding for LPII Fund which is expected to comprise a material amount of the Corporation’s Financing on a going-forward basis. Additional information regarding the LPII Fund is provided under “*Description of Business – LPII Fund Governance*” in the AIF.

For purposes of calculating Loans Receivable, and for aggregating this measure in this Prospectus, amounts are displayed in the currency in which the loan was made or are converted to Canadian dollars from United States dollars based on the Bank of Canada exchange rate as at November 30, 2019, in each case, without any further adjustment for the impact that currency exchange rates or currency exchange rate fluctuations may have on such measures. Management believes that, if subsequent adjustments to Loans Receivable were made in respect to currency exchange rate movements up to the date hereof, the impact of such adjustments would not be material.

EXCHANGE RATE DATA

The following table sets forth, for the periods indicated, the high, low, average and period-end closing rates of exchange of one (1) United States dollar, expressed in Canadian dollars, published by the Bank of Canada:

	2019	2018
Highest rate during the period	1.3600	1.3642
Lowest rate during the period	1.2988	1.2288
Average rate for the period	1.3269	1.2957
Rate at the end of the period	1.2988	1.3642

On September 23, 2020, the daily average exchange rate posted by the Bank of Canada for conversion of United States dollars into Canadian dollars was US\$1.00 equals \$1.3358. No representation is made that Canadian dollars can be converted into United States dollars at that rate or any other rate.

All references in this Prospectus to \$ or to dollars shall refer to the lawful currency of Canada, unless otherwise specified. References to “US\$” are to United States dollars.

TIMIA CAPITAL CORP.

The Corporation was incorporated under the *Business Corporations Act* (British Columbia) on October 26, 2007 under the name “Angelwest Capital Corp.”. The Corporation changed its name to “GreenAngel Energy Corp.” on October 27, 2009, and then to “TIMIA Capital Corp.” on September 23, 2015. The Corporation is listed on the TSXV and trades under the symbol “TCA”. The Corporation commenced trading on the OTCQB under the symbol “TIMCF” on September 9, 2019.

The Corporation’s head office is located at Suite 1530, 789 West Pender Street, Vancouver, British Columbia, V6C 1H2. The Corporation’s registered and records office is located at Suite 2600, 1066 West Hastings Street, Vancouver, British Columbia, V6E 3X1.

Intercorporate Relationships

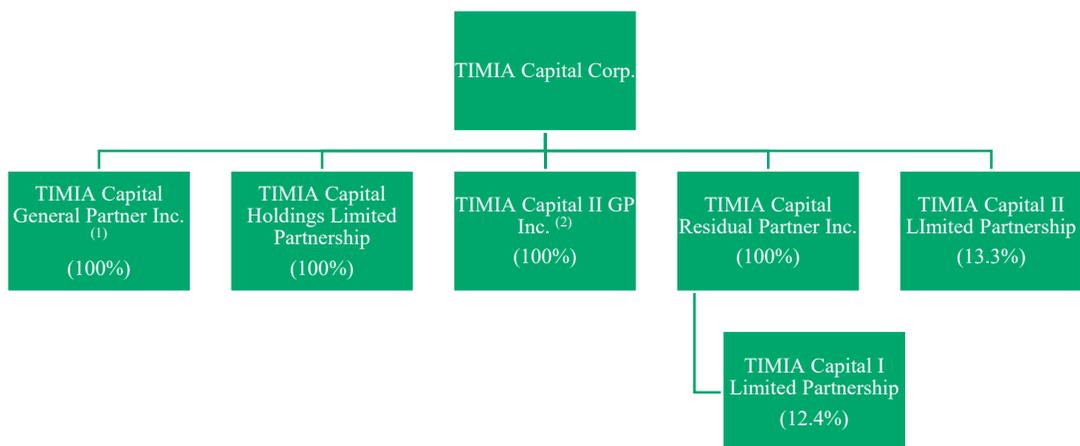
The following table illustrates the Corporation’s legal structure and relationship to, and ownership interest in, its material Subsidiaries, the LPI Fund and the LPII Fund, as at the date hereof.

<u>Name</u>	<u>Jurisdiction of Formation</u>	<u>Ownership Interest</u>
TIMIA Capital General Partner Inc. ⁽¹⁾	British Columbia	100%
TIMIA Capital Residual Partner Inc.	British Columbia	100%
TIMIA Capital Holdings Limited Partnership	British Columbia	100%
TIMIA Capital I Limited Partnership	British Columbia	12.4% ⁽²⁾
TIMIA Capital II GP Inc. ⁽³⁾	Ontario	100%
TIMIA Capital II Limited Partnership	Ontario	13.3%

Notes:

- (1) General partner of TIMIA Capital Holdings Limited Partnership and TIMIA Capital I Limited Partnership.
- (2) Held through TIMIA Capital Residual Partner Inc.
- (3) General partner of TIMIA Capital II Limited Partnership.

Set forth below is a corporate organization chart of the Corporation, together with its material Subsidiaries and material interests held in LPI Fund and LPII Fund as of the date of this Prospectus.



Notes:

- (1) General partner of TIMIA Capital Holdings Limited Partnership and TIMIA Capital I Limited Partnership.
- (2) General partner of TIMIA Capital II Limited Partnership.

SUMMARY DESCRIPTION OF THE CORPORATION'S BUSINESS

Overview

The Corporation is a finance company that focuses on providing debt financing and strategic support to technology businesses primarily based in North America (“**Investees**”). The Corporation is building a technology platform utilizing financial technology that aims to originate, underwrite and manage debt investments to high growth SaaS companies that generally have challenges raising cost-effective capital. The Corporation is actively involved in the management of Investees and provides strategic and management consulting services as an integral part of the relationship and the Corporation’s value-added services.

The Corporation provides financing to Investees that is typically structured in one of the three following ways:

- (a) **Revenue Financing Model:** credit facility with variable monthly payments structured as a percentage of applicable revenue, subject to minimum monthly payments;
- (b) **Short Term Financing Model:** short term credit facility of approximately two to three years with fixed interest payments of approximately 2/3 of the then outstanding interest on a monthly basis with balance of interest and principal payable at maturity; or
- (c) **Fixed Financing Model:** longer term credit facility with fixed monthly payments generally increasing in amount over the lifetime of the facility.

As of the date hereof and prior to completion of the Anticipated Pay-out, approximately 35% of all committed Financing funds are invested pursuant to the Revenue Financing model, 51% pursuant to the Short Term Financing model and 14% pursuant to the Fixed Financing model.

Investees are primarily private corporations in the SaaS space. In addition to capital injection, the Corporation provides a suite of value-added strategic and management consulting services such as benchmarking performance against industry best practices, and periodic educational seminars to Investees.

The Corporation’s revenue consists of interest from its Financing agreements between the Corporation and each Investee, and income from transaction and other fees (work fees, financing fees, due diligence fees, transaction fees, and other similar payment types). Specific Financings are contracted for various expected durations with a maximum payback period of as much as six years. Payments are received monthly and each investment’s value is assessed for impairment at each reporting date based on the performance of the Investee’s gross revenue and other financial performance measures.

Capital for Financings is derived primarily from private investments in the Corporation, through the LPI Fund (and the LPII Fund on a going-forward basis), through co-investor syndication and through the sale of equity or debt instruments of the Corporation.

The Corporation changed its investment focus and management team in 2015 but continues to maintain holdings of two equity positions obtained through its prior business model. Notwithstanding the foregoing, the Corporation no longer expects to take new equity positions, except that from time to time, the Corporation may acquire new tangential equity holdings in connection with its Financing activities.

Core Principles and Philosophies

The Corporation’s approach to financing is guided by the following core principles and philosophies:

- **Key Target Market:** The Corporation focuses its Financing activities on United States and Canadian based SaaS companies with favourable income statement metrics and robust growth prospects. The Corporation’s principles and philosophies are predicated on the belief that SaaS companies generally offer more sustainable revenues, higher gross margins, and higher mergers and acquisition activity than other technology companies.
- **Fintech Enabled Platform:** The Corporation has created a proprietary fintech enabled platform to facilitate the efficient underwriting of Financing applications and the management of completed Financing transactions. The proprietary fintech enabled platform allows the Corporation to significantly lower the costs associated with evaluating and analyzing potential Financing transactions by automating material aspects of this process. As a result, the Corporation is enabled to pursue transaction sizes where, typically, competition is limited and yields are higher.

- **Strong Operating Track Record and Stability of Revenue:** The Corporation looks to enter into Financing transactions with businesses that have a successful operating history and a track record of generating monthly recurring revenues of greater than \$150,000 and annualized revenue growth of > 20%. The Corporation also considers other factors which may include, but are not limited to, market share, customer concentration, customer acquisition and retention, volatility of historical performance and ability to sustain cash flow and margins over the longer term. While Investees are not required to be profitable, the Corporation looks for concrete plans to arrive at profitability.
- **Experienced Management Teams:** The Corporation's due diligence process is designed to ensure that funding is provided to high quality businesses with strong management teams that have a track record of operational success, strong networks, and industry expertise.
- **Tailored Financing Solutions:** The Corporation's financing solutions are tailored to meet the needs of its Investees, providing flexibility and an alignment of interests based on performance of the Investee. Compared to traditional venture capital financing, which often demands aggressive returns on short timelines, the Corporation aims to provide financing that will allow Investees to grow in a cash-efficient and sustainable manner, thereby allowing entrepreneurs to retain a larger percentage of equity.
- **Buyouts:** The Corporation's financing solutions provide clear and tailored solutions allowing Investees to buyout their Financing agreements at any point in time. This provides maximum flexibility for entrepreneurs in seeking exits while simultaneously providing the Corporation with sufficient returns to compensate for shortened loan durations.
- **Growth-Oriented Facilities:** The Corporation offers longer term facilities that allow Investees to request further financing at future dates as their own revenues grow, subject to additional due diligence and evaluation of further investments by the Corporation.
- **Industry and Geography Diversification:** The Corporation diversifies its clientele with regard to both business segments and geographies within its investment focus in order to reduce investment risk.

The Corporation maintains Financing investments directly, through its Subsidiaries and through the LPI Fund. In the future, the Corporation also expects to maintain Financing investments in the LPII Fund.

The Corporation is based in Vancouver, British Columbia and makes investments throughout Canada and the United States. The Corporation currently employs seven professionals. The Corporation's senior management has significant experience in the technology finance industry. See "*Executive Officers and Directors*" in the AIF.

On November 22, 2019, TIMIA Capital Holdings Limited Partnership, an entity wholly owned by the Corporation, secured the Credit Facility with Turnham Green Investments Inc. The amount available under the Credit Facility is \$7,500,000. The Credit Facility will mature on November 22, 2020, with an option, requiring the consent of both parties, to extend the Maturity Date by three months. The principal drawn under the Credit Facility will bear an interest rate equal to the greater of: (a) prime plus 5.7%; or (b) 10.5%. The standby fee on the undrawn balance is equal to 1% of the undrawn principal amount of the facility payable monthly. A minimum usage fee is due if at any time the principal amount outstanding under the Credit Facility falls below \$2,000,000. The Credit Facility contains customary covenants requiring the Corporation to report financial markers on a regular basis maintaining certain cash reserves and restricting the loans to current assets ratio of the Corporation. The Corporation immediately drew \$1,465,363 and incurred cash transaction costs of \$65,375. As of the date hereof, the Corporation has drawn \$2,510,320 from the Credit Facility.

As at November 30, 2019, the Corporation had outstanding Convertible Debentures with a balance of \$2,047,696 and outstanding Non-Convertible Debentures with a balance of \$5,975,646. The Corporation has agreed not to allow any liens or charges to be registered against its assets as long as the Non-Convertible Debentures are outstanding, except with the permission of more than 67% of the holders of the Non-Convertible Debentures, except in certain limited circumstances and conditions, including pursuant to permitted liens and in respect of financing obtained from designated senior lenders. The Corporation has agreed not to allow any liens or charges to be registered against its assets as long as the Convertible Debentures are outstanding, except with the permission of more than 67% of the holders of Convertible Debentures, except in limited circumstances and conditions, including, but not limited to, pursuant to permitted liens such as possessory liens occurring in the ordinary course of business.

As of November 30, 2019, the Corporation had Loans Receivable with an Amortized Cost of approximately \$21,596,037 (including non-current Loans Receivable of \$17,764,549 and current Loans Receivable of \$3,831,488 and not including the ECL of \$448,525), and Equity Instruments with a fair value of \$965,100. Equity Instruments consisted of 427,998 common shares of Moj.io Inc., 185,000 common shares of Lambda Solutions Inc., and 1,062,500 common shares of CamDo Solutions Inc. held by the Corporation.

As of May 31, 2020, the date of the Corporation's most recently published financial statements, the Corporation had Loans Receivable with an Amortized Cost of approximately \$25,541,689 (including non-current Loans Receivable of \$24,854,023 and current Loans Receivable of \$688,666 and not including the ECL of \$486,630). The Corporation also held the same Equity Instruments as at November 30, 2019.

Summary of Financing Contracts

As at November 30, 2019, the Corporation, either directly or indirectly, and the LPI Fund held the following Financing contracts:

Counterparty / Investee	Facility Date	Amount Disbursed at November 30, 2019 ⁽¹⁾	Amortized Cost at November 30, 2019 ⁽²⁾
Resilio, Inc.	October, 2019	US\$900,000	\$1,210,273
Confidential Investee	October, 2019	US\$1,400,000	\$1,866,662
Sureify Labs, Inc.	June, 2019	US\$1,000,000	\$1,346,356
Verismic Software, Inc.	June, 2019	US\$1,250,000	\$1,705,303
Metazoa, Inc.	May, 2019	US\$600,000	\$812,120
TransitScreen, Inc.	May, 2019	US\$1,500,000	\$2,014,325
Echosec Systems Ltd.	May, 2019	\$1,000,000	\$1,023,570
BasicGov Systems Inc. ⁽²⁾	February, 2019	\$2,000,000	\$2,067,830
Karbon Inc. ⁽³⁾	January, 2019	US\$1,000,000	\$1,431,748
Aprio Inc.	October, 2018	\$400,000	\$405,315
FormHero Inc.	October, 2018	\$1,000,000	\$1,050,805
Ziva Dynamics Inc.	August, 2018	\$750,000	\$782,956
Vonigo Software Ltd. ⁽⁴⁾	May, 2018	\$700,000	\$369,260
Paltech Solutions Inc. d/b/a 7Geese	April, 2018	\$1,500,000	\$1,500,000
Parkbench Inc.	March, 2018	\$1,000,000	\$997,359
Wagepoint Inc. ⁽⁵⁾	December, 2017	\$1,500,000	\$1,550,492
Avenue HQ Inc. (formerly Realty Butler Technology Inc.)	November, 2017	\$800,000	\$976,342
Predictable Revenue Inc.	January, 2016	\$650,000	\$485,321

Notes:

- (1) Disbursed amounts are in Canadian dollars unless noted otherwise.
- (2) Subsequently fully paid out in accordance with the terms of its Financing contract on January 9, 2020.
- (3) Subsequently fully paid out in accordance with the terms of its Financing contract on September 14, 2020.
- (4) Subsequently fully paid out in accordance with the terms of its Financing contract on December 20, 2019.

(5) Subsequently fully paid out in accordance with the terms of its Financing contract on August 17, 2020.

In addition to the above Financing contracts, as of November 30, 2019, the Corporation held 427,998 common shares of Moj.io Inc. and 1,062,500 common shares of CamDo Solutions Inc., both acquired pursuant to the Corporation's old business model and 185,000 common shares of Lambda Solutions Inc. acquired as part of the Financing model.

Subsequent Financing Activities

Subsequent to November 30, 2019 to the date hereof, the Corporation, either directly or indirectly, and the LPI Fund held the following additional Financing contracts:

Counterparty / Investee	Facility Date	Amount Disbursed at the date hereof ⁽¹⁾	Amortized Cost at the date hereof
Retail Innovation Labs LLC d/b/a Cova Software	May, 2020	\$1,250,000	\$1,242,614
Measured Inc.	March, 2020	US\$750,000	\$985,158 ⁽²⁾
Zmags Corporation	January, 2020	US\$1,500,000	\$1,961,342 ⁽²⁾
Parkbench Inc. Facility #2	January, 2020	\$500,000	\$514,670
GenNext Media Inc. dba SureFire Local	September, 2020	US\$2,500,000	\$3,310,582 ⁽²⁾
Undisclosed Software Company #2	September, 2020	\$500,000	\$501,568

Notes:

(1) Disbursed amounts are in Canadian Dollars unless noted otherwise.

(2) Converted to Canadian funds at the Bank of Canada exchange rate in effect on September 8, 2020.

Subsequent to November 30, 2019, the Corporation was fully paid out of its Financing contracts with BasicGov Systems Inc., Karbon Inc., Vonigo Software Ltd. and Wagepoint Inc. In addition, the Corporation has received notice from one of its Investees that it intends to fully pay-out its Financing contract during the week ending September 25th, 2020 (the "**Anticipated Pay-out**").

The Corporation continues to hold the same Equity Instruments as at the date hereof as at November 30, 2019.

Financing Contract Summary

The following tables set forth certain summary information in respect of Financing contracts held by the Corporation as at the date hereof. The information contained in the row entitled “Business Description” has been developed from information provided by the applicable borrower. See “*Forward-Looking Statements*”, “*Market and Industry Data*” and “*Risk Factors*”.

GenNext Media Inc. dba Surefire Local			
Business Description:	Provider of local marketing platform designed to help small and medium-sized businesses make online marketing easier to enable profitable growth. Through its flagship product, Surefire Local Marketing Platform™, locally-focused businesses of all sizes can remove digital roadblocks hindering growth, gain insights, and take action to attract and engage new and current customers through measurable, multi-channel marketing.		
Industry:	SaaS	Investment Date:	September 1, 2020
Repayment:	Fixed payments: Interest paid monthly, principal repaid at maturity.		
Undisclosed Software Company #2			
Business Description:	Confidential.		
Industry:	SaaS	Investment Date:	September 1, 2020
Repayment:	Fixed payments: Principal and interest paid over term of loan.		
Retail Innovation Labs LLC d/b/a Cova Software			
Business Description:	Provider of cloud-based point of sale and inventory management system for retail cannabis stores in North America. The system meets detailed sales tracking requirements under governmental regulations for cannabis sales, and provides a strong customer sales support system that helps staff educate customers.		
Industry:	SaaS	Investment Date:	May 25, 2020
Repayment:	Fixed payments: Interest paid monthly, principal repaid at maturity.		
Measured Inc.			
Business Description:	Provider of a SaaS platform that provides online retailers with advanced marketing technology to determine the effectiveness of online advertising campaigns and to differentiate between channels.		
Industry:	SaaS	Investment Date:	March 18, 2020
Repayment:	Fixed payments: Interest paid monthly, principal repaid at maturity.		
Parkbench Inc. Facility#2			
Business Description:	Neighborhood focused SaaS-based marketing services for real estate industry.		
Industry:	SaaS	Investment Date:	February 7th, 2020
Repayment:	Fixed payments: Principal and interest paid over term of loan.		
Zmags Corporation			
Business Description:	Provider of a SaaS based platform that allows small and mid-size online retailers to quickly modify their online digital content using drag and drop methodology, without requiring technical skills. The Zmags platform also allows for easy integration with any e-commerce platform.		
Industry:	SaaS	Investment Date:	February 3, 2020
Repayment:	Fixed payments: Interest paid monthly, principal repaid at maturity.		
Resilio, Inc.			
Business Description:	Provider of SaaS based data delivery solution facilitating the rapid and secure movement of sensitive data between multiple offices, allowing for synchronization in real time at high speed. Targeting industries where data needs to be kept in-house.		
Industry:	SaaS	Investment Date:	October 11, 2019
Repayment:	Fixed payments: Principal and interest paid over term of loan.		
Anonymous SaaS Company			
Business Description:	Confidential.		

Industry:	SaaS	Investment Date:	October 15, 2019
Repayment:	Variable payments tied to revenue subject to minimum fixed monthly payments: Principal and interest paid over term of loan.		
Sureify Labs, Inc.			
Business Description:	Provider of SaaS based insurance software platform allowing insurance companies to digitally engage with their policyholders in a more effective manner and with more frequency, while also facilitating the engagement and on-boarding of new customers.		
Industry:	SaaS	Investment Date:	June 19, 2019
Repayment:	Fixed payments: Interest paid monthly, principal repaid at maturity.		
Verismic Software, Inc.			
Business Description:	Provider of cloud-based IT systems management software that allows IT teams to manage their IT assets from a browser, including tracking all patches, software distribution, hardware and software inventory, as well as providing reporting tools to meet compliance requirements.		
Industry:	SaaS	Investment Date:	June 19, 2019
Repayment:	Variable payments tied to revenue subject to minimum fixed monthly payments: Principal and interest paid over term of loan.		
Metazoa, Inc.			
Business Description:	Provider of SaaS-based Salesforce tool that facilitates improved database administration for and development for Salesforce users.		
Industry:	SaaS	Investment Date:	May 10, 2019
Repayment:	Variable payments tied to revenue subject to minimum fixed monthly payments: Principal and interest paid over term of loan.		
TransitScreen, Inc.			
Business Description:	SaaS-based transportation technology company that allows residential and commercial building owners to provide tenants with real time data feeds on transportation options.		
Industry:	SaaS	Investment Date:	May 1, 2019
Repayment:	Fixed payments: monthly interest payments with principal repaid at maturity.		
Echosec Systems Ltd.			
Business Description:	Provider of SaaS-based social media monitoring software providing customers with location-based, real-time, user-driven data for integration into their marketing or security operations.		
Industry:	SaaS	Investment Date:	April 21, 2019
Repayment:	Fixed payments: monthly interest payments with principal repaid at maturity.		
Aprio Inc.			
Business Description:	Provider of cloud-based board of directors portal software, primarily targeting financial institutions and credit unions.		
Industry:	SaaS	Investment Date:	October 23, 2018
Repayment:	Fixed payments: Principal and interest paid over term of loan.		
FormHero Inc.			
Business Description:	Provider of SaaS-based software allows financial, insurance, and other enterprises to turn their existing paper-based tasks and workflows into automated processes with high success rates.		
Industry:	SaaS	Investment Date:	October 10, 2018
Repayment:	Variable payments tied to revenue subject to minimum fixed monthly payments: Principal and interest paid over term of loan.		
Ziva Dynamics Inc.			
Business Description:	Provider of software technology that facilitates animation of characters across multiple platforms for marketing and entertainment. Revenue is combined software revenue and contract-based revenue.		
Industry:	SaaS / Tech Services	Investment Date:	August 9, 2018
Repayment:	Variable payments tied to revenue subject to minimum fixed monthly payments: Principal and interest paid over term of loan.		
Paltech Solutions d/b/a 7Geese Inc.			

Business Description:	Provider of cloud-based human resource performance management software for small and medium size companies providing goal setting tools from the board of directors to the individual employee.		
Industry:	SaaS	Investment Date:	May 1, 2018
Repayment:	Fixed payments: monthly interest payments with principal repaid at maturity.		
Parkbench Inc.			
Business Description:	Neighborhood focused SaaS-based marketing services for real estate industry.		
Industry:	SaaS	Investment Date:	February 28, 2018
Repayment:	Variable payments tied to revenue subject to minimum fixed monthly payments: Principal and Interest paid over term of loan.		
Avenue HQ Inc. (formerly Realty Butler Technology Inc.)			
Business Description:	Provider of technology enabled marketing services and software for real estate agents in Canada and the United States.		
Industry:	SaaS / Services	Investment Date:	November 8, 2017
Repayment:	Variable payments tied to revenue subject to minimum fixed monthly payments: Principal and Interest paid over term of loan.		
Predictable Revenue Inc.			
Business Description:	Provider of SaaS-based outbound sales prospecting software and technology enabled services integrated with Salesforce and other platforms.		
Industry:	SaaS / Tech Enabled Services	Investment Date:	February 4, 2016
Repayment:	Variable payments tied to revenue subject to minimum fixed monthly payments: Principal and Interest paid over term of loan.		

Growth Strategy

The Corporation focuses its investments on SaaS companies with healthy financial outlooks and a proven record of growth, and intends to fund investment opportunities with a combination of limited partnerships, debt, equity, and operating profits.

Since August, 2015 to the date hereof, the Corporation has completed 30 Financing transactions, either directly, through its Subsidiaries or through the LPI Fund. Of these 30 transactions, the Corporation has been bought out of 10 of these facilities due to merger or other re-financing activity and 20 facilities remain in effect. The Corporation completed the first closing of the LPII Fund on July 15, 2020 for gross proceeds of approximately \$10,212,000. The Corporation expects to complete Financing transactions through the LPII Fund in the future, and may transfer certain of its existing Financing agreements to the LPII Fund at fair market value.

Building on this proven five year track record, the Corporation intends to continue seeking non-dilutive capital in the form of limited partnerships, with or without leverage, thereby earning fees and a share of the profits of each limited partnership. In addition, the Corporation will continue to own a small portion of each limited partnership via the investment of its own capital in limited partnership units, thereby ensuring alignment with external limited partners. The Corporation believes this model, of the multiple different possible models, provides the highest future earnings per share for current shareholders. As of the date hereof, the Corporation holds, directly or indirectly, approximately 12.4% of the limited partnership units of the LPI Fund and 13.3% of the limited partnership units of the LPII Fund, based on subscriptions for limited partnership units received to date. The Corporation also acts as the general partner to both the LPI Fund (through its wholly owned Subsidiary, TIMIA Capital General Partner Inc.) and the LPII Fund (through its wholly owned Subsidiary, TIMIA Capital II GP Inc.). The Corporation also holds 100% of the limited partnership units of TIMIA Capital Holdings Limited Partnership through which the Corporation holds certain Financing investments. The Corporation acts as the general partner to TIMIA Capital Holdings Limited Partnership through its wholly owned Subsidiary, TIMIA Capital General Partner Inc.

In parallel with fund raising through limited partnerships, the Corporation will aim to grow its origination of Financing investments. This is expected to provide sufficient deal flow for the increased capital. At the same time, the Corporation will continue working to improve its fintech platform in order to maintain deal quality and efficiency as deal volume increases.

Additional Information

Additional information about the Corporation and its business can be found in the AIF and the other documents incorporated by reference into this Prospectus. See “Documents Incorporated by Reference”.

USE OF PROCEEDS

The net proceeds from the Offering (without giving effect to the Over-Allotment Option) are estimated to be \$6,110,000 in the case of the Minimum Offering and \$9,400,000 in the case of the Maximum Offering, in each case after deducting the Agents' Fee (\$390,000 in the case of the Minimum Offering and \$600,000 in the case of the Maximum Offering, in each case assuming all subscriptions for Preferred Shares are paid for with cash) but before deducting the expenses of the Offering estimated to be \$317,825. If the Minimum Offering is completed entirely by subscriptions pursuant to the Exchange Option, the net proceeds of the Offering will be \$6,240,000 due to the reduced amount of the Agents' Fee and before deducting the expenses of the Offering. If the Maximum Offering is completed with the maximum number of subscriptions by the Exchange Option, the net proceeds of the Offering will be \$9,562,400 due to the reduced amount of the Agents' Fee and before deducting the expenses of the Offering. If the Over-Allotment Option is exercised in full, the total price to the public, the Agents' Fee and net proceeds to the Corporation (prior to the deduction of the expenses of the Offering estimated to be \$317,825) will be \$11,500,000, \$690,000 and \$10,810,000, respectively, assuming all subscriptions for Preferred Shares are subscribed for with cash.

The Corporation intends to use the net proceeds of the Offering as follows:

Use of Proceeds	Assuming the Minimum Offering completed entirely by the Exchange Option ⁽¹⁾⁽³⁾	Assuming the Maximum Offering and the maximum Exchange Option ⁽²⁾⁽³⁾	Minimum Offering ⁽³⁾⁽⁶⁾	Maximum Offering ⁽³⁾⁽⁴⁾⁽⁶⁾
Redemption of Convertible Debentures and Non-Convertible Debentures ⁽⁵⁾	\$nil	\$nil	\$5,792,175	\$8,219,296
Estimated expenses of the Offering	\$317,825	\$317,825	\$317,825	\$317,825
Working capital and general corporate purposes	\$5,922,175	\$9,244,575 ⁽²⁾	\$nil	\$862,879
Total	\$6,240,000	\$9,562,400⁽²⁾	\$6,110,000	\$9,400,000

Notes:

- (1) Assumes the Minimum Offering is completed entirely pursuant to the Exchange Option.
- (2) Assumes all holders of outstanding Convertible Debentures and Non-Convertible Debentures elect to participate in the Exchange Option. To the extent Preferred Shares are issued pursuant to the Exchange Option, the portion of the Agents' Fee attributable to the Exchange Option will be reduced to 4% of the gross proceeds of the Offering raised from purchasers subscribing pursuant to the Exchange Option.
- (3) Notwithstanding the foregoing, there may be circumstances where, for business reasons, reallocation of funds is necessary in order for the Corporation to achieve its objectives as set out herein. See "*Risk Factors*".
- (4) In the event the Over-Allotment Option is exercised, the net proceeds from the exercise of the Over-Allotment Option are expected to be used for general corporate purposes.
- (5) Assumes no Convertible Debentures are converted into Common Shares.
- (6) Any amounts of the net proceeds allocated to the redemption of Convertible Debentures and Non-Convertible Debentures will be re-allocated to working capital and general corporate purposes to the extent Preferred Shares are subscribed for pursuant to the Exchange Option.

The Corporation has experienced and is experiencing negative operating cash flow. To the extent that the Corporation has negative operating cash flow in future periods, it will need to allocate a portion of its cash (including proceeds from the Offering) to fund such negative cash flow. If the Corporation experiences future negative cash flow, the Corporation may also be required to raise additional funds through the issuance of equity or debt securities. There can be no assurance that the Corporation will be able to generate a positive cash flow from its operations, that additional capital or other types of financing will be available when needed, or that these financings will be on terms favourable to the Corporation. See "*Risk Factors*".

While the Corporation currently anticipates that it will use the net proceeds of the Offering as set forth above, the Corporation may re-allocate the net proceeds of the Offering from time to time. Until utilized, the net proceeds of the Offering will be held in cash balances in the Corporation's bank account or invested at the discretion of the Directors. Management will have discretion concerning the use of the net proceeds of the Offering as well as the timing of their expenditure. See "*Risk Factors*".

Principal Purposes - Indebtedness

In the event that holders of the Series E Debentures issued in December 2018 do not elect to participate in the Exchange Option, up to approximately \$1,320,000 of the net proceeds of the Offering may be used to fund the redemption of Non-Convertible Debentures issued within the two preceding years, namely the Series E Debentures issued in December 2018. The proceeds of the Series E Debentures were used by the Corporation for general corporate purposes.

None of the Series E Debentures issued in the two previous years which may be redeemed by the Corporation using net proceeds of the Offering, are held by insiders, associates or affiliates of the Corporation other than as follows:

<u>Name of Holder of Non-Convertible Debentures</u>	<u>Relationship to the Corporation</u>	<u>Amount of Non-Convertible Debentures to be Redeemed⁽¹⁾</u>
David Demers ⁽²⁾	Director	\$250,000

- Notes:
- (1) In the event only the Minimum Offering is completed, the Corporation will not have sufficient funds to redeem all of the outstanding Non-Convertible Debentures and may elect not to redeem the Non-Convertible Debentures held indirectly by Mr. Demers. See “*Use of Proceeds*”.
 - (2) Held through a company controlled by Mr. Demers.

If Mr. Demers participates in the Exchange Option in respect of all Non-Convertible Debentures held by him, Mr. Demers will, directly or indirectly, acquire 250,000 Preferred Shares.

Principal Purposes – Insiders

No insider, associate or affiliate of the Corporation may receive more than 10% of the net proceeds of the Offering other than:

<u>Name of Holder of Non-Convertible Debentures</u>	<u>Relationship to the Corporation</u>	<u>Amount of Non-Convertible Debentures to be Redeemed⁽¹⁾</u>
Paul Geyer ⁽²⁾	Director	Up to \$707,000

- Notes:
- (1) In the event only the Minimum Offering is completed, the Corporation will not have sufficient funds to redeem all of the outstanding Non-Convertible Debentures and may elect not to redeem the Non-Convertible Debentures held by Mr. Geyer and his associates and affiliates. See “*Use of Proceeds*”.
 - (2) Includes Non-Convertible Debentures held directly by Mr. Geyer, indirectly by a company controlled by Mr. Geyer and by the spouse of Mr. Geyer.

If Mr. Geyer participates in the Exchange Option in respect of all Non-Convertible Debentures held by him, Mr. Geyer will, directly or indirectly, acquire 707,000 Preferred Shares.

Related Party Disclosure

In the event that the Corporation elects to redeem a Debenture or Convertible Debenture held by a ‘related party’ (as such term is defined in MI 61-101), or in the event a ‘related party’ elects to participate in the Exchange Option, each such transaction would constitute a ‘related party transaction’ in accordance with MI 61-101. The Corporation anticipates that any such redemption or participation in the Exchange Option will be exempt from the formal valuation requirements in accordance with section 5.5(a) and 5.5(b) of MI 61-101 and exempt from the minority approval requirements in accordance with section 5.7(1)(a) of MI 61-101. At the time such redemptions or Exchange Option are determined, the Corporation will issue the material change report required by MI 61-101.

PLAN OF DISTRIBUTION

General

Pursuant to the Agency Agreement to be entered into between the Corporation and the Agents, the Agents will agree, as agents to conditionally offer for sale to the public on a commercially reasonable efforts basis, without underwriter liability, and the Corporation will agree to sell, subject to compliance with all necessary legal requirements and pursuant to the terms and conditions of the Agency Agreement, on the Closing Date, a minimum of 6,500,000 Preferred Shares and a maximum of up to 10,000,000 Preferred Shares at the Offering Price of \$1.00 per Preferred Share, payable (i) in cash to the Corporation against delivery of the Preferred Shares; or (ii) Convertible Debentures or Non-Convertible Debentures at face value, subject to compliance with all necessary legal requirements and to the conditions contained in the Agency Agreement. While the Agents have agreed to use their commercially reasonable efforts to sell

the Preferred Shares, they are not obligated to purchase any Preferred Shares. The obligations of the Agents under the Agency Agreement are conditional and may be terminated at the Agents' discretion on the basis of their assessment of the state of the financial markets and upon the occurrence of certain stated events, including any material adverse change in the business, affairs or financial condition of the Corporation. The Corporation will also agree to indemnify the Agents and any of their respective affiliates, directors, officers, agents, employees, partners and shareholders of the Agents from certain liabilities and expenses in connection with the Offering. The price of the Preferred Shares offered hereunder and the consideration under the Exchange Option was determined by arm's length negotiation between the Corporation and the Agents.

The Corporation has granted to the Agents the Over-Allotment Option, exercisable in whole or in part, at the sole discretion of the Agents, at any time prior to the 30th day following and including the Closing Date, to purchase up to 1,500,000 Additional Preferred Shares to cover over-allotments, if any. This Prospectus also qualifies the grant of the Over-Allotment Option to the Agents, the issuance of the Additional Preferred Shares and the grant and issuance of Additional Agents' Warrants. A purchaser who acquires Additional Preferred Shares acquires those Additional Preferred Shares under this Prospectus, regardless of whether the Agents' over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. If the Over-Allotment Option is exercised in full, the total price to the public, the Agents' Fee and the net proceeds to the Corporation (prior to the deduction of the expenses of the Offering estimated to be \$317,825) will be \$11,500,000, \$690,000 and \$10,810,000, respectively, assuming all Preferred Shares are subscribed for with cash.

Following the filing of this Prospectus, the Corporation will deliver a notice to each registered holder of outstanding Non-Convertible Debentures and/or Convertible Debentures, providing a summary of the Exchange Option and a copy of this Prospectus. Participating holders of Non-Convertible Debentures and/or Convertible Debentures will be asked to complete a notice of exchange and provide a completed copy of such notice to the Corporation, its legal counsel and the holder's securities dealer, if applicable. Holders of the Non-Convertible Debentures and/or Convertible Debentures wishing to participate in the Exchange Option will be required to follow the instructions set forth in the exchange notice and may be required to provide customary representations and warranties regarding the holder's ownership and title to the Non-Convertible Debentures and/or Convertible Debentures. Up to 8,219,296 Preferred Shares are issuable to holders of Non-Convertible Debentures and/or Convertible Debentures pursuant to the Exchange Option. No fractional Preferred Shares will be issued and any fractions will be rounded down to the nearest whole Preferred Share. Holders of Non-Convertible Debentures or Convertible Debentures participating in the Exchange Option will receive payment of accrued but unpaid interest thereon in cash. No holder of Non-Convertible Debentures or Convertible Debentures will be required to participate in the Exchange Option. Holders of Non-Convertible Debentures and/or Convertible Debentures that do not participate in the Exchange Option will continue to hold these securities in accordance with their respective terms. Subject to completion of the Offering, the Corporation anticipates redeeming some or all of the outstanding Non-Convertible Debentures and Convertible Debentures in accordance with their respective terms. See "*Use of Proceeds*". **Potential investors intending to participate in the Exchange Option are advised to consult their own legal counsel and other professional advisers in order to assess income tax, legal and other aspects of the Exchange Option.**

The holders of Preferred Shares will be entitled to fixed non-cumulative preferential cash dividends, if, as and when declared by the board of Directors of the Corporation at an annual rate equal to \$0.08 per Preferred Share. Dividends, if declared, will be payable quarterly on the ● day of December, March, June and September in each year, or if such day is not a business day, on the next business day, at an annual rate of \$0.08 per Preferred Share. The initial dividend covering the period from issuance to ●, if declared, will be payable on ● and will be \$0.● per Preferred Share, based on the anticipated Closing Date of ●, 2020. See "*Description of the Preferred Shares*".

The Agents may invite such other registered investment dealers to participate as selling group members in the Offering as may be determined to the mutual satisfaction of the Agents and the Corporation. Any fees payable to members of such selling group will be paid by the Agents out of the Agents' Fee.

In consideration of the services rendered by the Agents in connection with the Offering, the Corporation has agreed to pay to the Agents the Agents' Fee equal to (i) 6.0% of the gross proceeds of the Offering raised from purchasers subscribing with cash; and (ii) 4% of the gross proceeds of the Offering raised from purchasers subscribing pursuant to the Exchange Option. In addition, the Corporation has agreed to issue to the Agents on the Closing Date, that number of Agents' Warrants equal to (i) 6.0% of the number of Preferred Shares sold by the Agents pursuant to the Offering to purchasers subscribing with cash; and (ii) 4% of the number of Preferred Shares sold by the Agents pursuant to the Offering to purchasers subscribing pursuant to the Exchange Option. Each Agents' Warrant entitles the holder on exercise to acquire one (1) Common Share at an exercise price of \$0.25 for a period of 12 months from the Closing Date.

The Corporation has agreed to reimburse the Agents for certain out-of-pocket fees and expenses incurred in connection with the Offering, including the fees and expenses of its legal counsel, whether or not the Offering is completed.

Pursuant to the Agency Agreement, the Corporation will agree not to, directly or indirectly, issue or sell or agree to issue or sell, any securities or financial instruments or other securities convertible into, or exchangeable for, securities of the Corporation for a period of 120 days from the Closing Date without the prior written consent of the Agents, which consent shall not be unreasonably withheld, other than

pursuant to (i) the Offering; (ii) upon the exercise of convertible securities, options or warrants of the Corporation outstanding as of the date hereof; or (iii) pursuant to the Corporation's stock option plan or any other share compensation arrangement of the Corporation.

Pursuant to the rules and policy statements of certain Canadian securities regulators, the Agents may not, throughout the period of distribution, bid for or purchase Preferred Shares for its own accounts or for accounts over which it exercises control or direction. The foregoing restriction is subject to exemptions, on the condition that the bid or purchase is not engaged in for the purpose of creating actual or apparent active trading in, or raising the price of, the Preferred Shares. The exceptions include: (i) a bid or purchase permitted under the Universal Market Integrity Rules of the Investment Industry Regulatory Organization of Canada relating to market stabilization and passive market-making activities; and (ii) a bid or purchase made for and on behalf of a customer where the bid was not solicited during the period of distribution. Under the first-mentioned exception, in connection with the Offering, the Agents may over-allot or effect transactions which stabilize or maintain the market price of the Preferred Shares at levels other than those which might prevail in the open market. Those transactions, if commenced, may be discontinued at any time.

There is currently no market through which the Preferred Shares may be sold and purchasers may not be able to resell Preferred Shares purchased under this Prospectus. This may affect the pricing of the Preferred Shares in the secondary market, the transparency and availability of trading prices, the liquidity of the Preferred Shares and the extent of issuer regulation. See "Risk Factors". The Corporation has applied to list the Preferred Shares on the TSXV. Listing is subject to the Corporation fulfilling all the listing requirements of the TSXV for the Preferred Shares.

Subscriptions for Preferred Shares will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is anticipated that the Closing Date of the Offering will occur on or about ●, 2020, or such other date as the Corporation and the Agents may agree. Except in certain limited circumstances: (i) the Preferred Shares will be issued and deposited in electronic form as non-certificated inventory with CDS or its nominee pursuant to the book-based system administered by CDS; (ii) certificates evidencing the Preferred Shares will not be issued to purchasers; and (iii) purchasers will receive only a customer confirmation from the Agents or other registered dealer who is a CDS participant and from or through whom a beneficial interest in the Preferred Shares is purchased.

The Corporation must appoint the Agents or other registered dealers or a Canadian financial institution to hold in trust all funds received from subscriptions until the funds required to complete the Minimum Offering have been raised. If funds required to complete the Minimum Offering are not raised within the distribution period, the funds will be returned to subscribers, without deduction.

This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy the Preferred Shares in the United States or to or for the account or benefit of U.S. persons (as defined in Regulation S under the 1933 Act). The Preferred Shares have not been and will not be registered under the 1933 Act or any state securities laws and may not be offered or sold in the United States or to or for the account or benefit of U.S. persons (as defined in Regulation S under the 1933 Act) except in transactions exempt from the registration requirements of the 1933 Act and all applicable state securities laws. In addition, until 40 days after the commencement of the Offering, any offer or sale of the Preferred Shares within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the 1933 Act if the offer or sale is made otherwise than in accordance with an exemption from registration under the 1933 Act. Terms used in this paragraph have the meanings given to them by Regulation S under the 1933 Act.

The Corporation has also agreed to retain Echelon Wealth Partners Inc. as its exclusive financial advisor to arrange a potential future senior credit facility. In this regard, Echelon Wealth Partners Inc. shall be entitled to receive a monthly work fee for a period of three (3) months and a success fee upon the closing of any such senior credit facility. The Corporation may terminate this arrangement in certain instances, including in the event that the Offering is not completed by September 30, 2020.

Potential investors are advised to consult their own legal counsel and other professional advisers in order to assess income tax, legal and other aspects of this investment.

EARNINGS COVERAGE RATIOS

The following earnings coverage ratios are based on TIMIA's financial statements and calculated for the 12-month period ended May 31, 2020, which gives effect to the issuance of a minimum of 6,500,000 Preferred Shares and a maximum of 10,000,000 Preferred Shares, including dividend payments, the Anticipated Pay-out, redemption of the Non-Convertible Debentures and Convertible Debentures. The earnings coverage ratios set out below do not purport to be indicative of an earnings coverage ratio for any future periods.

May 31, 2020 Earnings Coverage	Minimum Offering	Maximum Offering
0.30	1.26	1.41

TIMIA's dividend requirements on its Preferred Shares, after giving effect to the Minimum Offering and adjusted to a before-tax equivalent using an effective income tax rate of 27% amounted to \$660,400 for the 12 months ended May 31, 2020. TIMIA's borrowing cost requirements for the 12 months ended May 31, 2020 after giving effect to the Minimum Offering and redemption of the Non-Convertible Debentures and Convertible Debentures was \$290,650. TIMIA's earnings before borrowing costs and income tax for the 12 months ended May 31, 2020 was \$365,291, representing 1.26 times TIMIA's aggregate dividend and borrowing costs requirements for this period. The cost of borrowing has been adjusted to reflect the reduction in co-investment obligations and other changes to its Financing contracts, including the Anticipated Pay-out, since the issuance of the May 31, 2020 statements. The cost of borrowing for the 12 months ended May 31, 2020 before adjustment was \$469,125 resulting in a coverage ratio of 0.78 times TIMIA's aggregate dividend and borrowing cost requirements for this period.

TIMIA's dividend requirements on its Preferred Shares, after giving effect to the Maximum Offering and adjusted to a before-tax equivalent using an effective income tax rate of 27% amounted to \$1,016,000 for the 12 months ended May 31, 2020. TIMIA's borrowing cost requirements for the 12 months ended May 31, 2020 after giving effect to the Maximum Offering and redemption of the Non-Convertible Debentures and Convertible Debentures was \$258,491. TIMIA's earnings before borrowing costs and income tax for the 12 months ended May 31, 2020 was \$365,291, representing 1.41 times TIMIA's aggregate dividend and borrowing costs requirements for this period. The cost of borrowing has been adjusted to reflect the reduction in co-investment obligations and other changes to its Financing contracts, including the Anticipated Pay-out, since the issuance of the May 31, 2020 statements. The cost of borrowing for the 12 months ended May 31, 2020 before adjustment was \$436,967 resulting in a coverage ratio of 0.84 times TIMIA's aggregate dividend and borrowing cost requirements for this period.

The following earnings coverage ratios are based on TIMIA's financial statements and calculated for the 12-month period ended November 30, 2019, which gives effect to the issuance of a minimum of 6,500,000 Preferred Shares and a maximum of 10,000,000 Preferred Shares, including dividend payments, and redemption of the Non-Convertible Debentures and Convertible Debentures. The earnings coverage ratios set out below do not purport to be indicative of an earnings coverage ratio for any future periods.

November 30, 2019 Earnings Coverage	Minimum Offering	Maximum Offering
-12	-.57	-.64

TIMIA's dividend requirements on its Preferred Shares, after giving effect to the Minimum Offering and adjusted to a before-tax equivalent using an effective income tax rate of 27% amounted to \$660,400 for the 12 months ended November 30, 2019. TIMIA's borrowing cost requirements for the 12 months ended November 30, 2019 after giving effect to the Minimum Offering and redemption of the Non-Convertible Debentures and Convertible Debentures was \$ 267,439. TIMIA's earnings before borrowing costs and income tax for the 12 months ended November 30, 2019 was (\$151,132), representing -0.57 times TIMIA's aggregate dividend and borrowing costs requirements for this period. The cost of borrowing has been adjusted to reflect the reduction in co-investment obligations and other changes to its Financing contracts, including the Anticipated Pay-out, since the issuance of the November 30, 2019 statements. The cost of borrowing for the 12 months ended November 30, 2019 before adjustment was \$445,915 resulting in a coverage ratio of -0.34 times. TIMIA's aggregate dividend and borrowing cost requirements for this period. In order to generate a coverage ratio on 1-to-1, TIMIA's earnings would need to be \$267,439.

TIMIA's dividend requirements on its Preferred Shares, after giving effect to the Maximum Offering and adjusted to a before-tax equivalent using an effective income tax rate of 27% amounted to \$1,016,000 for the 12 months ended November 30, 2019. TIMIA's borrowing cost requirements for the 12 months ended November 30, 2019 after giving effect to the Maximum Offering and redemption of the Non-Convertible Debentures and Convertible Debentures was \$235,281. TIMIA's earnings before borrowing costs and income tax for the 12 months ended November 30, 2019 was (\$151,132), representing -0.64 times TIMIA's aggregate dividend and borrowing costs requirements for this period. The cost of borrowing has been adjusted to reflect the reduction in co-investment obligations and other changes to its Financing contracts, including the Anticipated Pay-out, since the issuance of the November 30, 2019 statements. The cost of borrowing for the 12 months ended November 30, 2019 before adjustment was \$413,756 resulting in a coverage ratio of -0.37 times TIMIA's aggregate dividend and borrowing cost requirements for these periods. In order to generate a coverage ratio of 1-to-1, TIMIA's earnings would need to be \$235,281.

DESCRIPTION OF THE PREFERRED SHARES

The Corporation is authorized to issue an unlimited number of Common Shares and an unlimited number of Preferred Shares. As of the date hereof, 41,454,794 Common Shares were issued and outstanding and no Preferred Shares are outstanding.

The Preferred Shares have the following special rights and restrictions attached to them:

Dividends	<p> Holders of the Preferred Shares will be entitled to receive fixed quarterly non-cumulative preferential cash dividends, as and when declared by the Directors at a rate to be determined by the Directors. Each declaration will be final and binding on the holders of Preferred Shares and the Corporation and, if declared by the Directors, will be declared on or before the day that is forty-five (45) days after the end of the applicable financial quarter. Once declared, all dividends on any Preferred Share shall be paid quarterly in cash on the 25th day following the date of declaration out of funds legally available therefor and at all times upon a liquidation in accordance with the Corporation’s articles of incorporation. All accrued and declared dividends on the Preferred Shares shall be prior and in preference to any dividends on any shares of the Corporation except with respect to any other series of preferred shares of pari passu rank to the Preferred Shares in respect of the preferences as to dividends and return of capital of the Corporation, and shall be fully declared and paid before any dividends are declared and paid, or any other distributions or redemptions are made, on any shares of the Corporation except with respect to any other series of preferred shares of pari passu rank to the Preferred Shares in respect of the preferences as to dividends and return of capital of the Corporation.</p> <p> The Corporation will covenant under the Agency Agreement to pay, and have sufficient funds to pay, to holders of Preferred Shares of record, a quarterly cash dividend in the amount of \$0.02 per Preferred Share for a total annual cash dividend of \$0.08 per Preferred Share, and such dividend shall be declared on or before ● and shall continue to be paid by the Corporation for as long as any Preferred Shares are issued and outstanding.</p>
Voting	<p> Right to receive notice and attend general meetings of Shareholders; no right to vote at any general meetings of Shareholders, except as required by law.</p>
Priority	<p> Priority over any shares of the Corporation except with respect to any other series of preferred shares of pari passu rank to the Preferred Shares in respect of the preferences as to dividends and return of capital of the Corporation with respect to payment of dividends including priority with respect to any declared but unpaid dividends from the assets of the Corporation upon liquidation, dissolution or winding up.</p>
Retraction	<p> At any time or times on or after the three (3) year anniversary of the date on which the Preferred Shares are first issued, the Corporation shall be entitled, at the Corporation’s option, to repurchase the Preferred Shares on a <i>pro rata</i> basis (the “Retraction Right”). Upon exercise of the Corporation’s retraction right, the holder of the Preferred Shares may elect (the “Holder’s Election”) to receive one Common Share (subject to adjustment in accordance with the Corporation’s articles of incorporation, as well as any amendment thereto) for each Preferred Share held, or be paid a cash amount equal to the initial distribution price paid per Preferred Share. The Corporation will covenant under the Agency Agreement to exercise, and have sufficient funds to exercise, the Retraction Right on the date that is five (5) years after the Closing Date.</p> <p> Upon the Corporation electing to exercise its Retraction Right, the Corporation shall deliver written notice to each holder of Preferred Shares (a “Holder”) notifying them of such exercise (the “Retraction Notice”). Within 10 days of receiving the Retraction Notice (the “Election Deadline”), each Holder shall make the Holder’s Election in accordance with the procedures set out in the Retraction Notice. Should any Holder fail to make its Holder’s Election by the Election Deadline, the Corporation shall make such Holder’s Election on such Holder’s behalf in the Corporation’s sole discretion, such election made by the Corporation being binding and final on the Holder and the Corporation.</p> <p> On or before the 10th business day following the Election Deadline, the Corporation shall deliver or issue Common Shares or a cheque for the amount payable to the Holder based on the Holder’s Election. Any adjustments or exchanges applicable in connection with the exercise of the Retraction Right shall be determined by the Corporation, absent manifest error. The Holder shall pay any and all applicable taxes in connection with the Holder’s Election.</p>
Conversion	<p> Each Holder may elect to convert its Preferred Shares into an equivalent number of Common Shares (subject to adjustment in accordance with the Corporation’s articles of incorporation, as well as any amendment thereto) in its sole discretion at any time (the “Conversion Right”).</p> <p> Upon the Holder electing to exercise its Conversion Right, it shall deliver written notice (the “Conversion Notice”) to the Corporation together with any certificates representing the Holder’s Preferred Shares. The Holder shall also provide any other information reasonably required by the Corporation. On or before the 10th business day following receipt of the Conversion Notice by the Corporation, the Corporation shall issue and deliver the Common Shares to be received by the Holder upon exercise of its Conversion Right. Any adjustments or exchanges applicable in connection with the exercise of the Conversion Right shall be determined by the Corporation, absent manifest error. The Holder shall pay any and all applicable taxes in connection with the exercise of the Conversion Right.</p>

Coattail Provisions	<p>If the Corporation receives a take-over bid in accordance with National Instrument 62-104 <i>Take-over Bids and Issuer Bids</i> which does not include a bid for all of the Preferred Shares (a “Class Offer”), the Corporation shall by press release provide written notice to the Holders that a Class Offer has been made and that the Holders may elect to convert all or part of their Preferred Shares into Common Shares or such other class or series of shares as are subject to the Class Offer (the “Bid Shares”), and tender such Bid Shares to the Class Offer.</p> <p>Holders may elect to tender their Preferred Shares for conversion at any time prior to the business day that is five (5) business days prior to the expiry of the Class Offer (the “Conversion End Date”) by delivering a notice to the Corporation and surrendering their Preferred Shares concurrently. The Holder shall also provide any other information and complete any other documentation reasonably required by the Corporation. Preferred Shares shall be exchanged into Bid Shares based on the Coattail Exchange Rate (as defined herein) at the Conversion End Date. Any Bid Shares not acquired pursuant to the Class Offer shall be reconverted back into Preferred Shares and given back to the Holder. Fractional Bid Shares will not be issued and rounded down to the nearest whole Bid Share.</p> <p>For the purposes of the Class Offer, the “Coattail Exchange Rate” is equal to a fraction, the numerator of which is the aggregate proceeds received by the Corporation for the issuance of the outstanding Preferred Shares divided by the number of Preferred Shares, and the denominator of which is the deemed price per Bid Share pursuant to the Class Offer.</p>
Redemption	The Preferred Shares are not redeemable at the option of the holder.

In addition, so long as any of the Preferred Shares are outstanding, the Corporation will not, without the approval of the holders of Preferred Shares:

- declare, pay or set apart for payment any dividends (other than dividends payable in shares of the Corporation ranking as to capital and dividends junior to the Preferred Shares), in respect of shares of the Corporation ranking as to dividends junior to the Preferred Shares;
- except out of the net cash proceeds of a substantially concurrent issue of shares of the Corporation ranking as to return of capital and dividends junior to the Preferred Shares, redeem or call for redemption, purchase or otherwise pay off, retire or make any return of capital in respect of any shares of the Corporation ranking as to capital junior to the Preferred Shares;
- redeem or call for redemption, purchase, or otherwise pay off or retire for value or make any return of capital in respect of less than all of the Preferred Shares then outstanding; or
- except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provisions attaching thereto, redeem or call for redemption, purchase or otherwise pay off, retire or make any return of capital in respect of any preferred shares, ranking as to the payment of dividends or return of capital on parity with the Preferred Shares,

unless, in each such case, all accrued and unpaid dividends up to and including the dividend payable for the last completed period for which dividends were payable on the Preferred Shares, and on all other shares of the Corporation ranking prior to or on parity with the Preferred Shares with respect to the payment of dividends have been declared and paid or set apart for payment.

The preceding is a summary of the special rights and restrictions attached to the Preferred Shares and is qualified in its entirety by the articles of the Corporation, a copy of which are available under the Corporation’s profile on SEDAR at www.sedar.com.

CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of the Corporation as at May 31, 2020 after giving effect to the completion of each of the Minimum Offering and the Maximum Offering (without giving effect to the Over-Allotment Option).

Designation	Outstanding as at May 31, 2020 (unaudited)	Outstanding as at May 31, 2020 after giving effect to the Minimum Offering ⁽¹⁾ (unaudited)	Outstanding as at May 31, 2020 after giving effect to the Maximum Offering ⁽²⁾⁽³⁾ (unaudited)
Common Shares	41,434,796 (\$5,197,175)	41,434,796 (\$5,197,175)	41,434,796 (\$5,197,175)
Preferred Shares	Nil	6,500,000 (\$5,792,175)	10,000,000 (\$9,082,175)

Designation	Outstanding as at May 31, 2020 (unaudited)	Outstanding as at May 31, 2020 after giving effect to the Minimum Offering ⁽¹⁾ (unaudited)	Outstanding as at May 31, 2020 after giving effect to the Maximum Offering ⁽²⁾⁽³⁾ (unaudited)
Convertible Debentures	\$2,058,676	\$2,058,676 ⁽⁴⁾	\$2,058,676 ⁽⁴⁾
Non-Convertible Debentures	\$5,946,210	\$5,946,210 ⁽⁴⁾	\$5,946,210 ⁽⁴⁾
Warrants	6,331,480	6,721,480 ⁽⁵⁾	6,931,480 ⁽⁵⁾
Credit Facilities	\$4,009,517	\$4,009,517 ⁽⁶⁾	\$4,009,517 ⁽⁶⁾
Stock Options	3,475,000	3,475,000	3,475,000
Co-investment Obligations	\$2,201,021	\$2,201,021	\$2,201,021

Notes:

- (1) This adjusted figure at May 31, 2020 gives effect to the issue of 6,500,000 Preferred Shares pursuant to the Offering (assuming no exercise of the Over-Allotment Option) for net proceeds of \$5,792,175 after taking into account the Agents' Fee of \$390,000 and other expenses related to the Offering which are estimated to be \$317,825. Assumes all Preferred Shares are issued for cash consideration.
- (2) This adjusted figure at May 31, 2020 gives effect to the issue of 10,000,000 Preferred Shares pursuant to the Offering (assuming no exercise of the Over-Allotment Option) for net proceeds of \$9,082,175 after taking into account the Agents' Fee of \$600,000 and other expenses related to the Offering which are estimated to be \$317,825. Assumes all Preferred Shares are issued for cash consideration.
- (3) Prior to the issuance of any Additional Preferred Shares.
- (4) Assumes no redemption of any Convertible Debentures or Non-Convertible Debentures. Assumes no holders of Convertible Debentures or Non-Convertible Debentures participate in the Exchange Option. See "Use of Proceeds".
- (5) Upon completion of the Minimum Offering, the Agents will be issued 390,000 Agents' Warrants. Upon completion of the Maximum Offering, the Agents will be issued 600,000 Agents' Warrants. In each case, assumes no Preferred Shares are issued pursuant to the Exchange Option. See "Plan of Distribution".
- (6) Subsequent to May 31, 2020, \$1,505,260 in carrying value of a credit facility was repaid.

There has been no material change in the capitalization of the Corporation since May 31, 2020, other than the change in the capital of the Corporation that will result from the issuance of the Preferred Shares and Agents' Warrants (and the issuance of the Additional Preferred Shares and Additional Agents' Warrants, if the Over-Allotment Option is exercised by the Agents) pursuant to the Offering and the repayment of \$1,505,260 in respect of a credit facility.

PRIOR SALES

Prior Sales

During the 12-month period prior to the date of this Prospectus, the Corporation issued no Preferred Shares. During the 12-month period prior to the date of this Prospectus, Common Shares and securities convertible into Common Shares were issued as follows:

Date Issued	Number of Securities	Type of Security	Issue Price / Exercise Price per Security	Nature of consideration
August 24, 2020	20,000	Common Shares	\$0.25	Exercise of warrants
June 23, 2020	50,000	Stock options	\$0.165	Grant of stock options
June 20, 2020	600,000	Stock options	\$0.16	Grant of stock options
April 23, 2020	730,000	Common Shares	\$0.06	Exercise of stock options
April 9, 2020	680,000	Common Shares	\$0.05	Exercise of stock options
March 20, 2020	90,000	Stock options	\$0.20	Grant of stock options
March 10, 2020	515,000	Stock options	\$0.20	Grant of stock options
December 17, 2019	250,000	Common Shares	\$0.13	Exercise of stock options
November 28, 2019	60,000	Common Shares	\$0.14	Exercise of warrants

Trading Price and Volume

There is currently no market for the Preferred Shares. The Corporation has applied to list the Preferred Shares on the TSXV. Listing is subject to the Corporation fulfilling all the listing requirements of the TSXV for the Preferred Shares. See “*Plan of Distribution*” and “*Risk Factors*”.

The Common Shares are listed for trading on the TSXV under the symbol “TCA”. The following is a summary of the price ranges and volumes traded on the TSXV for the 12-month period prior to the date of this Prospectus.

Period	Low (\$)¹	High (\$)¹	Volume
September 2019	\$0.21	\$0.24	573,265
October 2019	\$0.20	\$0.22	359,320
November 2019	\$0.17	\$0.22	1,033,705
December 2019	\$0.17	\$0.20	288,600
January 2020	\$0.19	\$0.20	230,601
February 2020	\$0.19	\$0.22	1,055,500
March 2020	\$0.14	\$0.20	250,650
April 2020	\$0.14	\$0.17	188,500
May 2020	\$0.14	\$0.17	253,080
June 2020	\$0.16	\$0.17	174,883
July 2020	\$0.18	\$0.23	128,500
August 2020	\$0.17	\$0.21	353,950
September 1 – September 23, 2020	\$0.19	\$0.20	11,036

Source: Ycharts/TMX Money

Note:

(1) Figures in this table may have been rounded up to the nearest whole cent.

The Common Shares are quoted for trading on the OTCQB under the symbol “TIMCF”. The following is a summary of the price ranges and volumes traded on the OTCQB for the 12-month period prior to the date of this Prospectus.

Period	Low (US\$)	High (US\$)	Volume
September 2019	\$0.16	\$0.19	220,000
October 2019	\$0.16	\$0.18	120
November 2019	\$0.14	\$0.16	20,000
December 2019	\$0.14	\$0.14	4,000
January 2020	\$0.14	\$0.15	5,000
February 2020	\$0.15	\$0.15	120
March 2020	\$0.14	\$0.14	120
April 2020	\$0.14	\$0.14	Nil.
May 2020	\$0.14	\$0.14	Nil.
June 2020	\$0.14	\$0.14	Nil.
July 2020	\$0.14	\$0.17	10,000

Period	Low (US\$)	High (US\$)	Volume
August 2020	\$0.16	\$0.16	10,000
September 1 – September 23, 2020	\$0.16	\$0.16	Nil

Source: Ycharts

INTEREST OF EXPERTS

Manning Elliott LLP is the independent auditor who prepared the independent auditor’s report for the Corporation’s annual financial statements for the years ended November 30, 2019 and November 30, 2018, which are incorporated by reference herein. Manning Elliott LLP is independent with respect to the Corporation within the meaning of the Chartered Professional Accountants of British Columbia Code of Professional Conduct.

MLT Aikins LLP is legal counsel to the Corporation which has provided the opinions set forth in this Prospectus under the heading “Eligibility for Investment” and “Canadian Federal Income Tax Considerations”. The registered or beneficial interests, direct or indirect, in Common Shares held by designated professionals (within the meaning of applicable securities laws) of MLT Aikins LLP represents less than 1% of the issued and outstanding Common Shares.

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of MLT Aikins LLP, counsel to TIMIA, the following is a summary of the principal Canadian federal income tax considerations generally applicable to a purchaser of Preferred Shares pursuant to this Prospectus who, for purposes of the Tax Act and at all relevant times, is or is deemed to be a resident of Canada, deals at arm’s length with TIMIA and the Agents and is not affiliated with TIMIA or any Agent and holds Preferred Shares as capital property (a “**Holder**”). Generally, the Preferred Shares will be capital property to a holder provided the holder does not acquire or hold such shares in the course of carrying on a business or as part of an adventure or concern in the nature of trade. Certain holders of Preferred Shares who might not otherwise be considered to hold their Preferred Shares as capital property may, in certain circumstances, be entitled to have the Preferred Shares, and all other “Canadian securities” (as defined in the Tax Act) owned by such holders in the taxation year of the election and any subsequent taxation year, be treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. Holders should consult their own tax advisors regarding this election.

This summary is not applicable to a Holder (i) that is a “financial institution” for purposes of the “mark to market property” rules in the Tax Act or is a “specified financial institution” or a “restricted financial institution” (each as defined in the Tax Act), (ii) an interest in which is a “tax shelter investment” (as defined in the Tax Act), (iii) which has made a “functional currency” election under the Tax Act to determine its Canadian tax results in a currency other than Canadian currency, (iv) that is a corporation resident in Canada and is (or does not deal at arm’s length for purposes of the Tax Act with a corporation resident in Canada that is), or becomes as part of a transaction or event or series of transactions or events that includes the acquisition of the Preferred Shares, controlled by a non-resident person or, if no single non-resident person has control, by a group of non-resident persons that do not deal with each other at arm’s length, for the purposes of section 212.3 of the Tax Act, (v) that has entered into, or will enter into, a “derivative forward agreement” (as defined in the Tax Act) in respect of Preferred Shares or (vi) that receives dividends on the Preferred Shares where there is, in respect of such shares, a “dividend rental arrangement” (as defined in the Tax Act). Such Holders are advised to consult with their own tax advisors. In addition, this summary does not address the deductibility of interest by a Holder that has borrowed money or otherwise incurred debt in connection with the acquisition of Preferred Shares.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular purchaser and no representations with respect to the income tax consequences to any particular purchaser are made. Accordingly, prospective purchasers should consult their own tax advisors with respect to their particular circumstances.

This summary is based upon the current provisions of the Tax Act, all Proposals and counsel’s understanding of the current administrative policies and assessing practices of the CRA made publicly available prior to the date hereof. This summary assumes that the Proposals will be enacted in the form proposed; however, no assurances can be given that the Proposals will be enacted as proposed, or at all. This summary is not exhaustive of all Canadian federal income tax considerations and, except for the Proposals, does not otherwise take into account or anticipate any change in law or administrative policies or assessing practices, whether by legislative, governmental or judicial decision or action, nor does it take into account or consider any provincial, territorial or foreign tax legislation or considerations.

Dividends

Dividends (including deemed dividends) received on the Preferred Shares by a Holder that is an individual will be included in the individual's income and generally will be subject to the gross-up and dividend tax credit rules normally applicable to taxable dividends (including a deemed dividend) received from taxable Canadian corporations, including the enhanced dividend gross-up and dividend tax credit with respect to any dividends (including deemed dividends) designated by TIMIA as "eligible dividends" in accordance with the Tax Act.

Dividends (including deemed dividends) received on the Preferred Shares by a Holder that is a corporation will be included in computing the corporation's income and will generally be deductible in computing the taxable income of the corporation. In certain circumstances, subsection 55(2) of the Tax Act will treat a taxable dividend received by a Holder that is a corporation as proceeds of disposition or a capital gain. Holders that are corporations should consult their own tax advisors having regard to their particular circumstances.

The Preferred Shares are "taxable preferred shares" as defined in the Tax Act. The terms of the Preferred Shares require TIMIA to make the necessary election under Part VI.1 of the Tax Act so that a corporation holding Preferred Shares will not be subject to tax under Part IV.1 of the Tax Act on dividends received (or deemed to be received) on the Preferred Shares.

Dividends received by an individual (including certain trusts) may give rise to a liability for alternative minimum tax.

A Holder that is a "private corporation" or a "subject corporation", as defined in the Tax Act, will generally be liable to pay refundable tax under Part IV of the Tax Act of 38^{1/3}% of dividends received (or deemed to be received) on the Preferred Shares to the extent such dividends are deductible in computing its taxable income.

Dispositions

A Holder who disposes of or is deemed to dispose of a Preferred Share (either on redemption of the Preferred Share for cash or otherwise) will generally realize a capital gain (or sustain a capital loss) to the extent that the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of such share to such Holder. For this purpose, the adjusted cost base to a Holder of Preferred Shares will be determined at any time by averaging the cost of such Preferred Shares with the adjusted cost base of any other Preferred Shares owned by the Holder as capital property immediately before that time. The amount of any deemed dividend arising on the redemption or acquisition by TIMIA of a Preferred Share will generally not be included in computing the proceeds of disposition to the Holder for purposes of computing the capital gain or capital loss arising on the disposition of the Preferred Share. See "Redemption" below. If the Holder is a corporation, any capital loss arising on the disposition of a Preferred Share may, in certain circumstances, be reduced by the amount of any dividends, including deemed dividends, which have been received on the Preferred Share or on any share which was converted into or exchanged for such share. Analogous rules apply to a partnership or trust of which a corporation, trust or partnership is a member or beneficiary.

Generally, one-half of any capital gain (a "**taxable capital gain**") will be included in computing the Holder's income for the taxation year. One-half of any capital loss (an "**allowable capital loss**") realized by a Holder in a taxation year must generally be deducted from taxable capital gains realized by the Holder in such year. Allowable capital losses in excess of taxable capital gains realized in a taxation year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year, subject to and in accordance with the rules contained in the Tax Act. Capital gains realized by an individual (including certain trusts) may give rise to liability for alternative minimum tax under the Tax Act. An amount in respect of taxable capital gains of a Canadian-controlled private corporation, as defined in the Tax Act, may be subject to an additional refundable tax.

Redemption

If TIMIA redeems, retracts or otherwise acquires or cancels a Preferred Share held by a Holder, other than by a purchase in the open market in the manner in which shares are normally purchased by any member of the public in the open market, the Holder will be deemed to have received a dividend equal to the amount, if any, paid by TIMIA, including any redemption premium, in excess of the paid-up capital (as determined for purposes of the Tax Act) of such share at such time. Generally, the proceeds of disposition for purposes of computing the capital gain or capital loss arising on the disposition of such share will be equal to the amount paid by TIMIA on redemption or acquisition of such share, including any redemption premium, less the amount of the deemed dividend, if any. In the case of a Holder that is a corporation, it is possible that in certain circumstances subsection 55(2) of the Tax Act may treat all or part of the deemed dividend as proceeds of disposition and not as a dividend.

RISK FACTORS

A prospective investor should carefully consider the information described in this Prospectus and the documents incorporated by reference herein. There are certain risks inherent in an investment in the Common Shares and in the activities of the Corporation and its Subsidiaries, in addition to those risks described under “Forward-Looking Statements” and the additional risks described below, which could have a material adverse effect on the value of any investment in the Corporation and which investors should carefully consider before investing in the Preferred Shares.

For a description of additional risks relating to the Corporation and its business, see “Risk Factors” in the AIF, the Annual MD&A and the Interim MD&A, each of which are incorporated by reference herein.

The risks and uncertainties set out above and below and incorporated by reference herein are not the only ones facing the Corporation. Additional risks and uncertainties not currently known to the Corporation, or that the Corporation currently deems immaterial, may also impair the Corporation’s operations. If any of the risks actually occur, the Corporation’s business, financial condition and operating results could be adversely affected. As a result, the trading price of the Common Shares could decline and investors could lose part or all of their investment. The Corporation’s business is subject to significant risks and past performance is no guarantee of future performance.

In addition to the risks described above and below and incorporated by reference herein, there are numerous other risk factors, many of which are beyond the Corporation’s control and the effects of which can be difficult to predict, that could cause the Corporation’s results to differ materially from the Corporation’s expectations. Some of these factors are discussed below and others are noted under the heading “*Forward-Looking Statements*” in this Prospectus. Readers are cautioned that the following discussion of risk factors, many of which are beyond the Corporation’s control, is not exhaustive and other factors could also adversely affect the Corporation’s results.

Risks Relating to the Offering

Discretion in the Use of Proceeds

The Corporation currently intends to allocate the net proceeds received from the Offering as described under “*Use of Proceeds*”. However, the Corporation will have discretion in the actual application of the net proceeds and may elect to allocate proceeds differently than described under “*Use of Proceeds*” if it believes it would be in its best interest to do so. The failure to apply these funds effectively could affect the Corporation’s business.

Dilution Risk

The Corporation is authorized to issue an unlimited number of Common Shares and an unlimited number of Preferred Shares. To the extent that the Corporation issues additional Preferred Shares, Common Shares or securities exercisable or convertible into additional Common Shares in connection with offerings of Preferred Shares, Common Shares or acquisitions of target companies or otherwise, the ownership interest of a Shareholder will be diluted.

Risks Relating to the Preferred Shares

General Creditworthiness and Credit Ratings

The value of the Preferred Shares will be affected by TIMIA’s general creditworthiness. The Annual MD&A is incorporated by reference in this Prospectus. The Annual MD&A reports, among other things, known material trends and events, and risks and uncertainties that are reasonably expected to have a material effect on TIMIA’s business, financial condition and/or results of operations. See also the discussion under “*Earnings Coverage Ratios*”, which is relevant to an assessment of the risk that TIMIA will be unable to pay dividends on the Preferred Shares.

The Preferred Shares do not currently have a credit rating and there is no assurance that a credit rating may be obtained in respect of the Preferred Shares. In the event a credit rating is obtained in respect of the Preferred Shares, real or anticipated changes in credit ratings on the Preferred Shares may also affect the market value of the Preferred Shares. No assurance can be given that any credit ratings assigned to the Preferred Shares will not be lowered or withdrawn entirely by the relevant rating agency. In addition, real or anticipated changes in credit ratings could adversely impact the marketability of the products offered by us and could affect the cost at which we obtain funding, thereby affecting the Corporation’s liquidity, business, financial condition or results of operations.

Dividends

The Preferred Shares are non-cumulative and dividends are payable at the discretion of the Directors. See “*Earnings Coverage Ratios*” and “*Description of the Preferred Shares*”, which are relevant to an assessment of the risk that TIMIA will be unable to pay dividends on the Preferred Shares.

Fluctuations in Market Value

Prevailing yields on similar securities will affect the market value of the Preferred Shares. Assuming all other factors remain unchanged, the market value of the Preferred Shares would be expected to decline as prevailing yields for similar securities rise, and would be expected to increase as prevailing yields for similar securities decline. Spreads over the Government of Canada Yield, T-Bill Rate and comparable benchmark rates of interest for similar securities will also affect the market value of the Preferred Shares in an analogous manner.

From time to time, the financial markets experience significant price and volume volatility that may affect the market price of the Preferred Shares for reasons unrelated to the Corporation’s performance or prospects. These factors include macroeconomic developments in North America and globally, and market perceptions of the attractiveness of particular industries. The continuing volatility in financial markets may adversely affect the Corporation and the market price of the Preferred Shares. In addition, the financial markets are generally characterized by extensive interconnections among financial institutions. As such, defaults by other financial institutions in Canada, the United States or other countries could adversely affect us and the market price of the Preferred Shares. Additionally, the value of the Corporation’s securities is subject to market value fluctuations based upon factors which influence the Corporation’s operations, such as legislative or regulatory developments, competition, technological change and global capital market activity.

Market for Securities

There is currently no market through which the Preferred Shares may be sold and purchasers of Preferred Shares may not be able to resell the Preferred Shares purchased under this Prospectus. The price offered to the public for the Preferred Shares was determined by negotiations between TIMIA and the Agents. The price paid for each Preferred Share may bear no relationship to the price at which the Preferred Shares will trade in the public market subsequent to this Offering. TIMIA cannot predict at what price the Preferred Shares will trade and there can be no assurance that an active trading market will develop for the Preferred Shares or, if developed, that such market will be sustained. To the extent that an active trading market for the Preferred Shares does not develop, the liquidity and trading price for the Preferred Shares may be adversely affected. If the Preferred Shares are traded after their initial issuance, they may trade at a discount from their initial price depending on prevailing interest rates, the market for similar securities, the Corporation’s performance and other factors.

TIMIA has applied to list the Preferred Shares on the TSXV. Listing will be subject to TIMIA fulfilling all the listing requirements of the TSXV. There can be no assurance that the Preferred Shares will be accepted for listing on the TSXV.

COVID-19

An emerging risk is a risk not well understood at the current time and for which the impacts on strategy and financial results are difficult to assess or are in the process of being assessed. Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as “COVID-19”, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally, resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Corporation and its operating subsidiaries in future periods.

Negative Operating Cash Flow

For the six-month period ended May 31, 2020, the Corporation experienced negative operating cash flow of (\$251,932). To the extent that the Corporation has negative operating cash flow in future periods, it will need to allocate a portion of its cash (including proceeds from the Offering) to fund such negative cash flow. If the Corporation experiences future negative cash flow, the Corporation may also be required to raise additional funds through the issuance of equity or debt securities. There can be no assurance that the Corporation will be able to generate a positive cash flow from its operations, that additional capital or other types of financing will be available when needed, or that these financings will be on terms favourable to the Corporation.

Other Risk Factors Specific to the Preferred Shares

The Preferred Shares do not have a fixed maturity date and are not redeemable at the option of the holders of Preferred Shares. The ability of a holder to liquidate its holdings of Preferred Shares may be limited. While TIMIA has agreed under the Agency Agreement to retract the Preferred Shares on the date that is five (5) years after the Closing Date, there is a risk that it may be unable to do so.

TIMIA may choose to retract the Preferred Shares at any time after the date that is three (3) years from the Closing Date, in accordance with the Corporation's rights as described under "*Description of the Preferred Shares*", including when prevailing interest rates are lower than yield borne by the Preferred Shares. If prevailing rates are lower at the time of retraction, a purchaser would be unable to reinvest the retraction proceeds in a comparable security at an effective yield as high as the yield on the Preferred Shares being retracted. TIMIA's retraction right also may adversely impact a purchaser's ability to sell Preferred Shares as the optional retraction period approaches.

Holders of Preferred Shares will not generally have voting rights at meetings of shareholders of TIMIA except as required by applicable law. See "*Description of the Preferred Shares*".

PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the province applicable to the purchaser for particulars of these rights or consult with a legal adviser.

CERTIFICATE OF THE CORPORATION

Dated: September 24, 2020

This short form prospectus, together with the documents incorporated by reference herein, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario.

TIMIA CAPITAL CORP.

(Signed) MIKE WALKINSHAW
Chief Executive Officer

(Signed) ANDREW ABOUCHAR
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

(Signed) DAVID DEMERS
Director

(Signed) HOWARD ATKINSON
Director

CERTIFICATE OF THE AGENTS

Dated: September 24 2020

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated by reference herein, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario.

ECHELON WEALTH PARTNERS INC.

(Signed) FAROOQ MOOSA
Managing Director, Investment Banking

INDUSTRIAL ALLIANCE SECURITIES INC.

(Signed) JOHN RAK
Managing Director

PI FINANCIAL CORP.

(Signed) BLAKE CORBET
Managing Director, Investment Banking

HAYWOOD SECURITIES INC.

(Signed) BENG LAI
Managing Director, Investment Banking

WELLINGTON-ALTUS PRIVATE WEALTH INC.

(Signed) TREVOR COATES
Executive Vice President & Chief Financial Officer