



**ANNUAL INFORMATION FORM
FOR THE YEAR ENDED NOVEMBER 30, 2019**

September 15, 2020

TIMIA Capital Corp.
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DATE OF INFORMATION

This annual information form (“**AIF**”) is dated as of September 15, 2020. Except as otherwise indicated, the information contained in this AIF is current as of November 30, 2019.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Statements that are not reported financial results or other historical information are forward-looking statements within the meaning of applicable Canadian securities laws (collectively, “**forward-looking statements**”). This AIF includes forward-looking statements regarding TIMIA Capital Corp. and its affiliates (collectively, the “**Corporation**”) and the industries in which it operates, including statements about, among other things, expectations, beliefs, plans, future and origination, business and acquisition strategies, opportunities, objectives, prospects, assumptions, including those related to trends and prospects and future events and performance. Sentences and phrases containing or modified by words such as “anticipate”, “plan”, “continue”, “estimate”, “intend”, “expect”, “may”, “will”, “project”, “predict”, “potential”, “targets”, “projects”, “is designed to”, “strategy”, “should”, “believe”, “contemplate” and similar expressions, and the negative of such expressions, are not historical facts and are intended to identify forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Forward-looking statements should not be read as guarantees of future events, future performance or results, and will not necessarily be accurate indicators of the times at, or by which, such events, performance or results will be achieved, if achieved at all. Forward-looking statements are based on information available at the time and/or management’s expectations with respect to future events that involve a number of risks and uncertainties, any of which could cause actual results to differ materially from those expressed in or implied by the forward-looking statements. The factors described under the heading “Risk Factors”, as well as any other cautionary language in this AIF, provide examples of risks, uncertainties and events that may cause the Corporation’s actual results to differ materially from the expectations it describes in its forward-looking statements. Readers should be aware that the occurrence of the events described in these risk factors and elsewhere in this AIF could have an adverse effect on, among other things, the Corporation’s business, prospects, operations, results of operations and financial condition.

Specific forward-looking statements contained in this AIF include, among others, statements, management’s beliefs, expectations or intentions regarding the following:

- 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 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 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 Corporation and LPI Fund's ability to secure financing on terms acceptable to the Corporation and/or LPI Fund;
- the retention of personnel;
- the ability to pay dividends; and
- the lack of regulation of the alternative financial market.

Readers are cautioned that the foregoing list of forward-looking statements should not be construed as being exhaustive.

In making the forward-looking statements in this AIF, the Corporation has made assumptions regarding general economic conditions, 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 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, regulatory oversight and such other risks or factors described in this AIF and from time to time in public disclosure documents of the Corporation that are filed with securities regulatory authorities.

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 forward-looking statements contained in this AIF are expressly qualified by this cautionary statement and are made as at the date of this AIF. The Corporation does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable securities 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.

PRESENTATION OF PERFORMANCE MEASURES

This AIF contains 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 AIF contains discussions regarding the following Performance Measure:

- Loans Receivables 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.

Note that subsequent to the 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”.

For purposes of calculating Loans Receivable, and for aggregating this measure in this AIF, amounts are displayed in the currency in which the loan was made or are converted to Canadian dollars from U.S. 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 of this AIF, the impact of such adjustments would not be material.

MARKET AND INDUSTRY DATA

Certain market and industry data contained in this 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 in this AIF or ascertained the underlying assumptions relied upon by such sources.

CURRENCY

Unless otherwise indicated, in this AIF all references to: (i) “\$” are to Canadian dollars; and (ii) “US\$” are to U.S. dollars.

GLOSSARY OF TERMS

In this AIF, unless the context otherwise requires, the following terms shall have the meanings set forth below:

“**7Geese**” has the meaning ascribed to it under the heading “General Development of Business – History – Material Disclosures over Preceding Three Years”.

“**Alternative Credit Industry**” means the business of lending from sources other than commercial banks or equity transactions.

“**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 exchange rate in effect at the date of reporting.

“**Ansera**” has the meaning ascribed to it under the heading “General Development of Business – History – Material Disclosures over Preceding Three Years”.

“**Ansera Agreement**” has the meaning ascribed to it under the heading “General Development of Business – History – Material Disclosures over Preceding Three Years”.

“**Aprio**” has the meaning ascribed to it under the heading “General Development of Business – History – Material Disclosures over Preceding Three Years”.

“**Auditor**” means Manning Elliott LLP, auditor of the Corporation.

“**Avenue**” has the meaning ascribed to it under the heading “General Development of Business – History – Material Disclosures over Preceding Three Years”.

“**BasicGov**” has the meaning ascribed to it under the heading “General Development of Business – History – Material Disclosures over Preceding Three Years”.

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

“**Beanworks**” has the meaning ascribed to it under the heading “General Development of Business – History – Material Disclosures over Preceding Three Years”.

“**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**” means TIMIA Capital Corp.

“**Credit Facility**” has the meaning ascribed to it under the heading “General Development of Business – History – Material Disclosures over Preceding Three Years”.

“**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.

“**ECL**” means expected credit lost 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, directly or indirectly, LPI Fund or LPII Fund.

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

“**Fixed Financing**” means financing provided by the Corporation to certain Investees 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.

“**Forward-Looking Statements**” has the meaning ascribed to it under the heading “Cautionary Note Regarding Forward- Looking Statements”.

“**iCompass**” has the meaning ascribed to it under the heading “General Development of Business – History – Material Disclosures over Preceding Three Years”.

“**IFRS**” means the International Financial Reporting Standards issued by the IFRS Foundation and the International Accounting Standards Board.

“**Incentive Plan**” means the Corporation’s stock option plan, a copy of which can be obtained through the Corporation’s profile on SEDAR.

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

“**Investment Company Act**” means the *U.S. Investment Company Act of 1940*, as amended.

“**IRR**” means annualized effective compounded return rate of all Financings outstanding at any time as calculated using the XIRR function in Microsoft Excel and the grouping of actual and forecasted cash payments into monthly groupings.

“**IT**” means information technology.

“**Lambda**” has the meaning ascribed to it under the heading “General Development of Business – History – Material Disclosures over Preceding Three Years”.

“**Loans Receivable**” means, as at any date, the Amortized Cost of the Financing investments held by the Corporation, directly or indirectly, LPI Fund or LPII Fund 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.

“**LPI Fund LPA**” means the limited partnership agreement of LPI Fund dated March 8, 2019.

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

“**LPII Fund LPA**” means the limited partnership agreement of LPII Fund dated April 30, 2020.

“**Material Adverse Effect**” has the meaning ascribed to it under the heading “Risk Factors”.

“**Maturity Date**” has the meaning ascribed to it under the heading “General Development of Business – History – Material Disclosures over Preceding Three Years”.

“**Net Fund Return**” has the meaning ascribed to it under the heading “Description of the Business – LPI Fund Governance – LPI Fund Performance for the year ended February 28, 2020”.

“**Order**” has the meaning set out under the heading “Executive Officers and Directors – Corporate Cease Trade Orders and Bankruptcies”.

“**OTCQB**” means the OTCQB Venture Market.

“**Performance Measures**” has the meaning ascribed to it under the heading “Presentation of Performance Measures”.

“**Qualifying Transaction**” means the qualifying transaction of Angelwest Capital Corp. with the Target Companies.

“**Quick Mobile**” has the meaning ascribed to it under the heading “General Development of Business – History – Material Disclosures over Preceding Three Years”.

“**Real Savvy**” has the meaning ascribed to it under the heading “General Development of Business – History – Material Disclosures over Preceding Three Years”.

“**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.

“**Rise People**” has the meaning ascribed to it under the heading “General Development of Business – History – Material Disclosures over Preceding Three Years”.

“**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**” means the System for Electronic Document Analysis and Retrieval which can be accessed at www.sedar.com.

“**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.

“**Target Companies**” means Delaware Power Systems Corp., DPoint Technologies Inc., Habitat Enterprises Ltd., Light-Based Technologies Incorporated, Paradigm Environmental Technologies Incorporated and Rapid Electric Vehicles Inc.

“**TIMIA GP**” means TIMIA Capital General Partner Inc. (the general partner of the LPI Fund and TIMIA Capital Holdings Limited Partnership) or TIMIA Capital II GP Inc. (the general partner of the LPII Fund).

“**TSXV**” means the TSX Venture Exchange.

“**U.S.**” means the United States of America.

“**Wagepoint**” has the meaning ascribed to it under the heading “General Development of Business – History – Material Disclosures over Preceding Three Years”.

“Ziva Dynamics” has the meaning ascribed to it under the heading “General Development of Business – History – Material Disclosures over Preceding Three Years”.

CORPORATE STRUCTURE

General

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 789 West Pender Street, Suite 1530, Vancouver, British Columbia, Canada V6C 2X1. The Corporation’s registered and records office is located at 1066 West Hastings Street, Suite 2600, Vancouver, British Columbia, Canada V6E 3X1.

Intercorporate Relationships

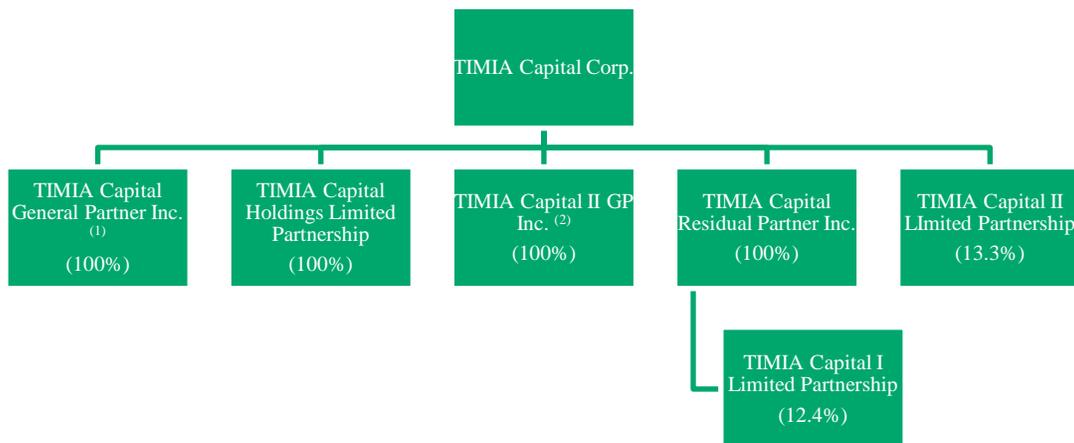
The following table illustrates the Corporation’s legal structure and relationship to, and ownership interest in, its material subsidiaries, the LPI Fund and the LPII Fund, as at the date hereof.

Name	Jurisdiction of Formation	Ownership Interest
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 AIF.



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.

GENERAL DEVELOPMENT OF BUSINESS

History

Business prior to Financing Business

The Corporation was a capital pool company or “CPC” (as such term is defined in Policy 2.4 of the TSXV) under the TSXV’s CPC program and completed its initial public offering of 2,000,000 Common Shares for gross proceeds of \$400,000 on April 18, 2008. Trading in the Common Shares commenced on the TSXV on April 24, 2008 under the trading symbol “AWC.P”.

On October 27, 2009, the Corporation completed its Qualifying Transaction (as such term is defined in Policy 2.4 of the TSXV) with the Target Companies. Following the completion of its Qualifying Transaction, the Corporation commenced operations as a Tier 2 Investment Issuer on the TSXV focusing on early stage investments in the technology sector. In addition, concurrent with the completion of the Corporation’s Qualifying Transaction, the Corporation completed a concurrent financing of 2,585,000 units of the Corporation for aggregate gross proceeds of \$517,000. Each unit consisted of one Common Share and one-half of one Common Share purchase warrant. Each whole Common Share purchase warrant entitles the holder thereof to purchase one additional Common Share for a period of 12 months at a price per Common Share of \$0.25.

Conversion to Financing Business

The Corporation changed its investment focus and management team in mid-2015 to focus on the Financing model of the business. Mike Walkinshaw was appointed as the CEO of the Corporation on August 4th, 2015 and implemented the new business model by pursuing the following priorities:

- building a technology platform to efficiently underwrite and process a high volume of Financing applications as well as efficiently risk-manage the Corporation’s Financing transactions;

- creating the Corporation’s brand and marketing the brand across Canada and the U.S. in order to attract Financing applications;
- creating relationship networks, as well as outbound and inbound systems to generate potential Financing transactions;
- sourcing capital to fund Financing transactions through a combination of capital sources; and
- hiring qualified staff to fill key positions to support the growth of the Corporation.

Since August, 2015 to the date hereof, the Corporation has completed 30 Financing transactions, either directly, through its subsidiaries or through the LPI Fund, and earned a gross IRR of 24%. 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.

Material Disclosures over Preceding Three Years

The following describes the development of the Corporation’s business over the preceding three completed financial years. For more information, please refer to the Corporation’s publicly available disclosure information found under the Corporation’s profile on SEDAR.

On January 31, 2017, the Corporation closed an additional offering of Series C Non-Convertible Debentures for gross proceeds of \$634,000, thereby bringing the total principal amount of Series C Non-Convertible Debentures issued to \$2,124,000. Each Series C Debenture bears interest at the annual rate of 8%, with interest payable monthly. The Series C Non-Convertible Debentures will mature on March 31, 2021, subject to a prior redemption right of the Corporation. Subscribers were also granted 50% Common Share warrant coverage for their investment in Series C Non-Convertible Debentures. Each warrant entitles the holder thereof to acquire one additional Common Share at a price of \$0.20 for a period of five years from issuance.

On May 31, 2017, the Corporation directly closed a fifth Financing investment in Beanworks Solutions, Inc. (“**Beanworks**”) for \$2,000,000. The Financing investment included a first disbursement of \$500,000 and further disbursements being tied to revenue growth over a defined period of time. Subsequently, a further \$650,000 of the investment was disbursed to Beanworks upon the achievement of certain milestones.

On July 17, 2017, the Corporation directly made a follow-on investment of \$250,000 into iCompass Technologies Inc. (“**iCompass**”), pursuant to an existing Financing agreement.

On August 2, 2017, the Corporation closed a non-brokered private placement of 5,391,999 units at a price of \$0.12 per unit for gross proceeds of \$647,080. Each unit consists of one Common Share and one-half of one Common Share purchase warrant. Each whole Common Share purchase warrant entitles the holder thereof to purchase one additional Common Share at an exercise price of \$0.14 per warrant share for a period of two years.

On August 29, 2017, the Corporation completed its first Financing exit with the exit of Lambda Solutions Inc. (“**Lambda**”). The proceeds of this exit, plus monthly payments received over the life of the investment, totaled \$823,000 on the \$600,000 investment.

On September 18, 2017, 4,900,000 Common Share purchase warrants were exercised at a price of \$0.06 per Common Share. Proceeds from the exercise of the warrants were \$294,000 and 4,900,000 Common Shares were issued from the Corporation's treasury.

On September 19, 2017, the Corporation closed a non-brokered private placement of 12% Series D Non-Convertible Debentures for gross proceeds of \$1,000,000. Each Series D Debenture bears interest at the annual rate of 12%, with interest payable semi-annually. The Series D Non-Convertible Debentures will mature on June 15, 2022, subject to a prior redemption right of the Corporation. Subscribers for greater than \$50,000 of Series D Non-Convertible Debentures will be entitled to an additional 4,000 Common Share purchase warrants per \$10,000 of Series D Non-Convertible Debentures purchased. Each Common Share purchase warrant entitles the holder thereof to acquire one additional Common Share at a price of \$0.25 until June 15, 2022.

On November 6, 2017, the Corporation directly entered into a Financing agreement with Rise People Inc. ("**Rise People**") for a total of \$2,000,000. The Financing agreement included a first disbursement of \$1,500,000 and a further \$500,000 to be disbursed upon certain milestones being met over the twelve months which followed. Under the agreement, the Corporation receives monthly interest and principal payments based on a prescribed percentage of Rise People's revenue. No further disbursements have been made under the Financing agreement.

On November 8, 2017, the Corporation directly entered into a Financing agreement with Avenue HQ Inc. (formerly Realty Butler Technology Inc.) ("**Avenue**") for a total of \$1,350,000, with a first disbursement of \$500,000 and a further \$850,000 to be disbursed upon certain milestones being met over the twelve months which followed. Under the agreement, the Corporation receives monthly interest and principal payments based on a prescribed percentage of Avenue's revenue. A further \$150,000 was disbursed under the terms of the Financing agreement.

On November 23, 2017, the Corporation entered into a participation or co-investment agreement (the "**Ansera Agreement**") with Ansera Management Services, Inc. ("**Ansera**"). Under the Ansera Agreement, Ansera is entitled to 5.533% of the future cash flow from certain loans under the Corporation's Loans Receivables until the discharge of all of the obligations of the respective parties that make up such underlying Loans Receivables of the Corporation. The actual payment amounts and the timing of payments under the Ansera Agreement depend on the performance of such underlying Loans Receivables of the Corporation.

On December 14, 2017, the Corporation directly entered into a loan agreement with Wagepoint Inc. ("**Wagepoint**") for \$2,000,000. The loan agreement included a first disbursement of \$750,000 and a further \$1,250,000 to be disbursed upon the achievement of certain milestones over the following 24 months. \$750,000 of the loan was subsequently disbursed to Wagepoint upon the achievement of certain milestones.

On January 8, 2018, the Corporation closed another \$1,312,500 in Series D Non-Convertible Debentures on the same terms as those noted above with respect to the non-brokered private placement that closed on September 19, 2017.

On January 2, 2018, the Corporation closed a non-brokered private placement of units at a price per unit of \$0.12 for aggregate gross proceeds of \$64,400. Each unit is composed of one Common Share and one half of one Common Share purchase warrant. Each whole Common Share purchase warrant entitles the holder thereof to purchase one additional Common Share at an exercise price of \$0.14 per warrant share for a period of 24 months from the date of closing.

On January 10, 2018, the Corporation exited its investment in iCompass. The Corporation, which had invested \$1,250,000 in iCompass, received an exit payment of \$1,606,000, in addition to cumulative monthly payments of \$338,000 received until November 30, 2017, for a total of \$1,944,000 received over the life of the facility.

On January 18, 2018, the Corporation raised an aggregate of \$350,000 in non-dilutive capital from a co-investment financing.

On January 29, 2018, the Corporation raised an aggregate of \$1,500,000 in non-dilutive capital from a co-investment financing.

On January 31, 2018, the Corporation established a collaboration with Finhaven Technology Inc., a blockchain powered investment banking platform, to create a cryptocurrency-based investment platform (CBIP) for the Corporation.

On February 20, 2018, Rise People bought out its Financing agreement with the Corporation. As a result, the Corporation received back its original \$1,500,000 investment plus an additional cash payment of approximately \$70,000 over and above reimbursed transaction expenses from Rise People.

On February 28, 2018, the Corporation directly entered into a Financing agreement with Parkbench Inc. for a total of \$2,000,000. The loan agreement included a first disbursement of \$1,000,000 and a further \$1,000,000 to be disbursed upon certain milestones being met over the following 24 months. No further disbursements were made under this Financing agreement.

On May 1, 2018, the Corporation retained Oak Hill Financial Inc. for certain investor relations activities.

On May 1, 2018, the Corporation directly arranged a \$1,500,000 Financing facility for Paltech Solutions d/b/a 7Geese Inc. (“**7Geese**”). The Financing facility included an initial disbursement of \$1,000,000 and a further \$500,000 to be disbursed upon achievement of certain milestones. On June 25, 2020, the facility size was further increased from \$1,500,000 to \$2,500,000 and a further \$250,000 was disbursed, bringing the total amount disbursed to \$1,750,000. On May 10, 2018, the Corporation directly arranged a \$2,000,000 Financing facility for Vonigo Software Ltd. The Financing facility included an initial disbursement of \$700,000 and a further \$1,300,000 to be disbursed upon certain milestones being met over the term of the agreement. No further disbursements were made under this Financing facility.

On May 23, 2018, the Corporation closed another \$1,130,500 in Series D Non-Convertible Debentures on the same terms as those noted above with respect to the non-brokered private placement that closed on September 19, 2017 and January 8, 2018.

On May 24, 2018, QuickMobile Inc. (“**QuickMobile**”), one of the Corporation’s Financing investments, was acquired by Cvent Inc. As a result, QuickMobile executed the early exit provisions of its Financing agreement. The Corporation, which had invested \$2,000,000 in QuickMobile, received an exit payment of \$3,039,193, in addition to cumulative monthly payments received until April 30, 2018, in the aggregate amount of \$960,807, for a total of \$4,000,000 received over the span of 2.5 years.

On June 13, 2018, the Corporation closed \$1,000,000 in non-dilutive capital through the Corporation’s co-investor platform.

On June 27, 2018, the Corporation closed \$750,000 in non-dilutive capital through the Corporation’s co-investor platform.

On July 10, 2018, the Corporation exited its investment of Mazza Innovation Ltd. for total proceeds of \$232,187, realizing a gain of \$88,187 during the fiscal year of the Corporation ended November 30, 2018.

On August 9, 2018, the Corporation directly arranged a \$2,000,000 Financing facility for Ziva Dynamics Inc. (“**Ziva Dynamics**”). The Financing facility included an initial disbursement of \$750,000 and a further \$1,250,000 to be disbursed upon certain milestones being met over the term of the agreement. No further disbursements have been made under this Financing facility.

On August 31, 2018, Beanworks executed the early exit provisions of its Financing agreement with the Corporation. The Corporation, which had invested \$1,150,000 out of a \$2,000,000 facility in Beanworks, received an exit payment of \$1,332,223.

On October 10, 2018, the Corporation directly arranged a \$2,000,000 Financing facility for FormHero Inc. The Financing facility included an initial disbursement of \$1,000,000 and a further \$1,000,000 to be disbursed upon certain milestones being met over the term of the agreement. No further disbursements have been made under this Financing facility.

On October 17, 2018, the Corporation directly arranged a US\$2,500,000 Financing facility for Real Savvy Inc. (“**Real Savvy**”). The Financing facility included an initial disbursement of US\$1,000,000, and a further US\$1,500,000 to be disbursed upon certain milestones being met over the term of the agreement. No further disbursements were made during the lifetime of the agreement prior to payout of the facility on August 14, 2019. Real Savvy paid the Corporation US\$1,200,000 in a combination of return capital of principal, interest and early redemption payments during the term of the agreement.

On October 23, 2018, the Corporation directly arranged a \$1,000,000 Financing facility for Aprio Inc. (“**Aprio**”). The Financing facility included an initial disbursement of \$400,000, which has been advanced, and a further \$600,000 to be disbursed upon certain milestones being met over the term of the agreement. No further disbursements have been made under this Financing facility.

On October 31, 2018, the Corporation closed \$1,000,000 in non-dilutive capital through the Corporation’s co-investor platform.

On November 1, 2018, the Corporation retained Venture Liquidity Providers Inc. to initiate its market-making services through W.D. Latimer Co. Ltd., a registered broker, in compliance with TSXV policies and applicable laws.

On December 13, 2018, the Corporation closed \$1,320,000 principal amount of 12% Series E Non-Convertible Debentures. Each Series E Debenture bears interest at the annual rate of 12%, with interest payable quarterly. The Series E Non-Convertible Debentures will mature on November 30, 2023. Subscribers are also entitled to an additional 333 1/3 Common Share purchase warrants per \$10,000 of Series E Non-Convertible Debentures purchased. Each Common Share warrant entitles the holder thereof to acquire one additional Common Share at a price of \$0.30 until November 30, 2023.

On January 21, 2019, the Corporation directly arranged a US\$3,000,000 Financing facility for Karbon Inc. The Financing facility included an initial disbursement of US\$1,000,000, and a further US\$2,000,000 to be disbursed upon certain milestones being met over the term of the agreement. No further disbursements have been made under this Financing facility.

On February 28, 2019, the Corporation directly arranged a 3-year, \$2,000,000 Financing facility for BasicGov Systems, Inc. (“**BasicGov**”). The full Financing amount was advanced on March 1, 2019.

On March 6, 2019, the Corporation completed a \$10,500,000 financing in launching the LPI Fund, its first limited partnership. Under the terms of the LPI Fund, the Corporation will retain 20% of the LPI Fund units and act as the manager of the LPI Fund. The Corporation, in its capacity as the manager of the LPI Fund, has invested \$2,400,000 in the LPI Fund. Existing Financing facility agreements certain SaaS companies, representing approximately \$8,000,000 in value, were transferred into the LPI Fund with related monthly payments being distributed to LPI Fund unit holders, including the Corporation, going forward. These existing facility agreements were Aprio, BasicGov, FormHero Inc., Karbon Inc., 7Geese, Real Savvy, Wagepoint, and Ziva Dynamics. The LPI Fund had approximately \$2,000,000 in cash to invest into similar transactions over the following 120 days.

On April 21, 2019, the Corporation completed a \$2,000,000 term debt Financing in Echosec Systems Ltd. and advanced \$1,000,000 with the remainder to be disbursed upon certain milestones being met. A further \$525,000 has been disbursed under the terms of the Financing facility.

On May 1, 2019, the Corporation arranged a US\$3,000,000 Financing facility for TransitScreen, Inc. on behalf of the LPI Fund. The Financing facility includes an initial advance of US\$1,000,000. A subsequent advance of US\$500,000 has been disbursed under the terms of the Financing facility.

On May 10, 2019, the Corporation arranged a US\$2,000,000 Financing facility for Metazoa, Inc., on behalf of the LPI Fund. The Financing facility included an initial advance of US\$600,000. No further disbursements have been made under this Financing facility.

On June 19, 2019, the Corporation entered into two Financing facilities for Sureify Labs Inc., directly on behalf of TIMIA Capital Corporation, and Verismic Software, Inc., on behalf of the LPI Fund, both US-based companies, for facilities totaling US\$4,000,000. The Financing facilities comprise transactions with initial disbursements of US\$500,000 and US\$750,000, respectively, which have been advanced, and a further US\$2,750,000 to be disbursed upon certain milestones being met over the remaining terms of the agreements. Further disbursements totaling \$750,000 have been made under the Sureify Financing facility and further disbursements totaling \$800,000 have been made under the Verismic Financing facility. Effective September 9, 2019, the Corporation commenced trading on the OTCQB under the symbol "TIMCF". The Corporation has also applied to the Depository Trust Company (DTC) for both DTC and CNS eligibility.

On September 18, 2019, the Corporation announced that it received limited partner approval to expand its LPI Fund from a limit of \$12,000,000 to a limit of \$20,000,000.

On October 11, 2019, the Corporation entered into a US\$3,000,000 Financing facility for Resilio, Inc. on behalf of the LPI Fund. The Financing facility includes an initial disbursement of US\$900,000, which has been advanced, and a further US\$2,100,000 to be disbursed upon certain milestones being met over the term of the agreement. No further disbursements have been made under this Financing facility.

On October 15, 2019, the Corporation entered into a US\$3,000,000 Financing facility for a certain software company, on behalf of the LPI Fund. The Financing facility includes an initial disbursement of US\$1,400,000, which has been advanced, and a further US\$1,600,000 to be disbursed upon certain milestones being met over the term of the agreement. No further disbursements have been made under this Financing facility.

On November 22, 2019, TIMIA Capital Holdings Limited Partnership secured a revolving credit facility (the "**Credit Facility**") from Turnham Green Investments Inc. The amount available to be drawn under the Credit Facility is \$7,500,000 and will mature on November 22, 2020 ("**Maturity Date**"), with an option to extend the Maturity Date by three months. The principal drawn on 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 transferred three Financing facilities into TIMIA Capital Holdings Limited Partnership (Echosec Systems Inc., Resilio, Inc., and Sureify Labs Inc.), drew \$1,465,363 and incurred cash transaction costs of \$65,375.

On December 16, 2019, the Corporation announced receipt of an additional \$5,000,000 in subscriptions for limited partnership units of LPI Fund, bringing the total amount of LPI Fund limited partnership units subscribed for to approximately \$18,500,000.

On February 3, 2020, the Corporation arranged on behalf of the LPI Fund, a US\$3,000,000 Financing facility for Zmags Corporation. The Financing facility included an initial disbursement of US\$1,500,000, and a further US\$1,500,000 to be disbursed upon certain milestones being met over the term of the agreement. No further disbursements have been made under this Financing facility.

During the three months ended February 29, 2020, the Corporation exited, on behalf of the LPI Fund and directly, two Financing investments for total proceeds of \$2,995,000.

On March 18, 2020, the Corporation arranged, on behalf of TIMIA Capital Holdings Limited Partnership, a US\$2,000,000 credit facility for Measured Inc. The Financing facility includes an initial disbursement of US\$750,000, and a further US\$1,250,000 to be disbursed upon certain milestones being met over the term of the agreement. No further disbursements have been made under this Financing facility.

On May 6, 2020, the Corporation arranged for a short-term \$1,500,000 credit facility to a borrower on a confidential basis, which was subsequently repaid in full on July 14, 2020.

On May 25, 2020, the Corporation arranged a \$2,000,000 credit facility for Retail Innovation Labs LLC dba Cova Software. The Financing facility includes an initial disbursement of \$1,250,000, and a further \$750,000 to be disbursed upon certain milestones being met over the term of the agreement. No further disbursements have been made under this Financing facility.

On July 15, 2020, the Corporation completed the first closing on the LPII Fund for gross proceeds of \$10,221,000. The Corporation transferred a Financing facility for Retail Innovation Labs LLC dba Cova Software into the LPII Fund on May 30, 2020 and currently holds no other assets. The Corporation may transfer certain existing Financing arrangements to the LPII Fund at its fair market value in the future. TIMIA Capital II GP Inc., a wholly owned subsidiary of the Corporation, acts as the general partner of the LPII Fund. TIMIA has committed to invest an aggregate of US\$1,000,000 in the LPII Fund and has committed to purchase approximately 13.3% of the issued and outstanding limited partnership units in the LPII Fund as of the date hereof.

On August 17, 2020, the Corporation exited, on behalf of the LPI Fund and directly, the Financing facility with Wagepoint for total proceeds of \$2,014,355.

On September 1, 2020, the Corporation arranged a \$1,000,000 credit facility for an undisclosed software company, based in Vancouver, B.C. The Financing facility includes an initial disbursement of \$375,000, and a further \$625,000 to be disbursed upon certain milestones being met over the term of the agreement. No further disbursements have been made under this Financing facility.

On September 1, 2020, the Corporation arranged a US\$3,000,000 credit facility for GenNext Media Inc. dba Surefire Local. The Financing facility includes an initial disbursement of US\$2,500,000, and a further US\$500,000 to be disbursed upon certain milestones being met over the term of the agreement. No further disbursements have been made under this Financing facility.

On September 14, 2020, the Corporation exited, on behalf of the LPI Fund, the Financing facility with Karbon Inc. for total proceeds of US\$1,254,000.

None of the Financing transactions undertaken in the preceding three years was with a related party.

Significant Acquisitions

In the fiscal year ended November 30, 2019, the Corporation did not make any significant acquisitions requiring disclosure under Part 8 of National Instrument 51-102 – *Continuous Disclosure Obligations*.

DESCRIPTION OF THE 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:

- (i) **Revenue Financing Model:** credit facility with variable monthly payments structured as a percentage of applicable revenue, subject to minimum monthly payments;
- (ii) **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
- (iii) **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, 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 U.S. 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 the U.S. and Canada. The Corporation currently employs seven professionals. The Corporation’s senior management has significant experience in the technology finance industry. See “Executive Officers and Directors”.

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 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, 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.

Management and Directors

As of the date hereof, the following individuals represent the principal management of the Corporation:

- Mike Walkinshaw, Chief Executive Officer and Director;
- Andrew Abouchar, Chief Financial Officer and Chief Credit Officer;
- Darren Seed, Vice President of Capital Markets and Communications;
- Brooke Jutzi, Vice President of Finance; and
- Rob Foxall, Vice President of Origination.

As of the date hereof, the following individuals represent the non-management board directors of the Corporation:

- Howard Atkinson, Chairman of the Board, Chair of the Audit Committee, member of the Nomination and Governance Committee;
- Thealzel Lee, Chair of the Nomination and Governance Committee, member of the HR and Compensation Committee;
- Jan Lederman, member of the Nomination and Governance Committee;
- David Demers, Chair of the HR and Compensation Committee, member of the Audit Committee;
- Robert Napoli, member of the Audit Committee; and
- Paul Geyer, member of the HR and Compensation Committee.

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
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.	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. ⁽³⁾	May, 2018	\$700,000	\$369,260
Paltech Solutions d/b/a 7Geese Inc.	April, 2018	\$1,500,000	\$1,500,000
Parkbench Inc.	March, 2018	\$1,000,000	\$997,359
Wagepoint Inc.	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) Facility investment amounts and 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 December 20, 2019.

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 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 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) Facility investment amount and disbursed amount 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.

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

The Corporation also exited certain investments subsequent to November 30, 2019. See “General Development of Business – History – Material Disclosures Over Preceding Three Years”.

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 US.		
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.

LPI Fund Governance

The LPI Fund was formed on March 8, 2019 under the *Partnership Act* (British Columbia) and is governed by the LPI Fund LPA. Pursuant to the LPI Fund LPA, TIMIA GP acts as the general partner of the LPI Fund.

Partnership Structure

The authorized capital of the LPI Fund consists of two classes of limited partnership units:

1. Class A Units offered to accredited investors, and having a stated initial invested amount of, \$1,000 per issued Class A Unit which constitutes a capital contribution to LPI Fund; and
2. Class B Units subscribed for by TIMIA Capital Corp.

As of the date hereof, the LPI Fund has issued \$18.4M of Class A and Class B units.

The LPI Fund does not have the right to call further capital from its limited partners.

The LPI Fund will hold a basket of credit facilities acquired at initial close of the LPI Fund or acquired soon after, during the investment period. The LPI Fund has a term of 10 years plus two one year extensions, and will be wound up as soon as practicable after all of the credit facilities have been liquidated.

Investment Objectives

The Partnership has been formed for the primary purpose of making and holding investments in diversified senior and subordinated secured debt instruments issued by Investees. Such facilities are private investments and the LPI Fund shall hold such facilities with a view to investment only and not with any intention of a distribution, resale or active trading thereof. The LPI Fund shall only carry on the business of investing in accordance with the LPI Fund LPA, provided that the Partnership may also engage in such other activities as TIMIA GP deems appropriate and in the best interests of the LPI Fund in furtherance of, in connection with or ancillary to the activities of the LPI Fund.

Management of Partnership and the General Partner

The general partner of the LPI Fund is vested exclusively with the management, operation and policy of the limited partnership and is authorized to carry out any and all acts and enter into and perform all contracts or other undertakings that it may deem necessary or advisable.

An investment committee, comprising three members of the management team of the Corporation has been established to provide guidance to TIMIA GP in its capacity as general partner to the LPI Fund.

TIMIA GP, in its capacity as general partner to the LPI Fund, is remunerated as follows:

1. Management Fee: 1.5% per annum of contributed capital for years 1 through 6 and 0.75% per annum of contributed capital thereafter; and
2. Performance Carry: 20% of the profit of the LPI Fund after achieving an 8% hurdle for the limited partners, subject to early payment of a portion of the performance carry for tax purposes.

The LPI Fund is also responsible for administrative costs.

TIMIA GP, in its capacity as general partner to the LPI Fund, may be removed via a vote of greater than 60% of the limited partnership units.

Financial Matters and Performance

LPI Fund financial statements are consolidated into the consolidated financial statements of the Corporation and released quarterly. An audit is performed annually on the consolidated and LPI Fund financial statements.

LPI Fund Performance for the year ended February 28, 2020.

LPI Fund has generated the following returns over its first four quarters. Fund set-up costs expensed during the initial quarter resulted in lower Net Fund Returns than subsequent quarters.

	Year One	Since Inception
Net Portfolio Return	15.9%	15.9%
Net Fund Return	11.1%	11.1%

Net Portfolio Return by Quarter					Net Fund Return by Quarter				
	Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4
2020	4.0%				2020	4.8%			
2019		3.8%	3.7%	3.5%	2019		-0.5%	3.4%	3.0%

The Corporation believes “Net Portfolio Return” to be a more relevant assessment of the performance of the underlying contracts. This non-GAAP measure is calculated by adding back one-time set-up costs and the non-cash IFRS credit loss reserve to Net Fund Return, as well as reversing foreign exchange gains and losses for the quarter.

The Net Portfolio Return on limited partner capital is presented above alongside the return calculated based on IFRS income (“**Net Fund Return**”) for comparison purposes.

Fund Distributions

The LPI Fund exited 2 investments during its initial four fiscal quarters. This resulted in a higher than planned distribution of income and capital during the period.

During the four quarters ended February 28, 2020, the LPI Fund distributed \$3,296,721, representing 18% of the LPI Fund's committed capital. Included in this total is a distribution in February, 2020 totaling \$153,157 that was paid shortly after quarter end. The distributions included \$1,371,269 of income and \$1,925,452 in return of capital.

LPII Fund Governance

The LPII Fund was formed on April 30, 2020 under the *Limited Partnerships Act* (Ontario) and is governed by the LPII Fund LPA. Pursuant to the LPII Fund LPA, TIMIA Capital II Limited Partnership acts as the general partner to LPII Fund. LPII Fund was formed subsequent to the year ended November 30, 2019, and currently holds one Financing investment and cash and has not made any further Financings to the date hereof. All amounts in LPII Fund are denominated in the currency of the United States of America.

Partnership Structure

The authorized capital of the LPI Fund consists of three classes of limited partnership units:

1. Class A Units offered to accredited investors, and having a stated initial invested amount of, \$1,000 per issued Class A Unit which constitutes a capital contribution to LPII Fund;
2. Class B Units subscribed for by TIMIA Capital Corp; and
3. Class C Units are similar to Class A Units except for allowing for the deduction of up to 3% of the capital contribution paid in commission to qualified registrants.

All Units rank *pari passu*.

As of the date hereof, the LPII Fund has received subscription agreements for US\$7.5M of Class A, Class B, and Class C Units.

The LPII Fund does not have the right to call further capital from its limited partners.

The LPII Fund will hold one credit facility acquired at initial close of the LPII Fund and further credit facilities acquired soon after, during the investment period. The LPII Fund has a term of 5 years plus two one year extensions, and will be wound up as soon as practicable after all of the credit facilities have been liquidated.

Investment Objectives

The LPII Fund has been formed for the primary purpose of making and holding investments in diversified senior and subordinated secured debt instruments issued by Investees. Such investments are private investments and the LPII Fund shall hold such contracts with a view to investment only and not with any intention of a distribution, resale or active trading thereof. The LPII Fund shall only carry on the business of investing in accordance with the LPII Fund LPA, provided that the LPII Fund may also engage in such other activities as its general partner deems appropriate and in the best interests of the LPII Fund in furtherance of, in connection with or ancillary to the activities of the LPII Fund.

Management of Partnership and the General Partner

TIMIA Capital II Limited Partnership, in its capacity as general partner of the LP II Fund, is vested exclusively with the management, operation and policy of the limited partnership and is authorized to carry out any and all acts and enter into and perform all contracts or other undertakings that it may deem necessary or advisable.

An investment committee, comprising three members of the management team of the Corporation has been established to provide guidance to TIMIA Capital II Limited Partnership, in its capacity as general partner of the LP II Fund.

TIMIA Capital II Limited Partnership, in its capacity as general partner of the LP II Fund, is remunerated as follows:

1. Management Fee: 1.5% per annum of contributed capital; and
2. Performance Carry: 20% of the profit of the limited partnership.

The LP II Fund is responsible for administrative costs.

TIMIA Capital II Limited Partnership, in its capacity as general partner of the LP II Fund, may be removed via a vote of greater than 66.7% of the limited partnership units.

Financial Matters and Performance

LP II Fund financial statements will be consolidated into the consolidated financial statements of the Corporation and released quarterly. An audit is performed annually on the consolidated and LP II Fund financial statements.

As the LP II Fund was formed on May 14th, 2020 and commenced activities in June, 2020, there are no financial matters to report.

Underwriting and Facility Management Process

Underwriting

The Corporation targets a specific group of Investees being recurring revenue SaaS companies. Focusing on this group of companies allows the Corporation to craft a proprietary credit scoring system that, in management's opinion, is both efficient and effective. Specific credit scoring components target both general financial metrics as well as SaaS industry specific metrics. The proprietary credit score is updated routinely based upon data collected and actual results achieved.

The Corporation's underwriting process is built around these proprietary credit scores, utilizing a 3 phase process, with each phase providing a more detailed analysis of an applicant's performance:

- Phase 1: limited data analysis, enabling the Corporation to quickly evaluate fit and provide an applicant with an indication of interest;
- Phase 2: more detailed analysis, digging into historical financial and key metric performance, as well as background checks, that enable the Corporation to determine whether a non-binding offer to finance should be issued; and

- Phase 3: after a term sheet is signed by both parties, detailed due diligence is performed and a full credit score and investment memorandum is created.

The investment memorandum is presented to the Corporation's investment committee, comprised of Andrew Abouchar, Michael Walkinshaw, and Rob Foxall, for review and approval, if appropriate. The Board of Directors of the Corporation then reviews the terms of each Financing transaction to ensure alignment with the strategy of the Corporation.

After approval of each investment memorandum, the underwriting team moves forward with the completion of the required legal documents including the Financing agreement, general security agreement, inter-creditor agreements if required, and any other standard loan documentation. Once final legal documents are approved and signed by all parties, funding is advanced to the Investee net of any fee holdbacks.

Facility Management

Once an applicant becomes an Investee, the Corporation continues to monitor the loan on a monthly basis as follows:

- analysis of provided financial and non-financial data from the Investee;
- review of certificates signed by the management of each Investee company attesting to the validity of the numbers provided;
- automated withdrawal of monthly payments from the Investee's bank accounts based upon the agreed upon payment schedule; and
- automated calculation of the key metrics of each Investee based upon the provision of financial and non-financial data.

The Corporation's management team reviews each Investee's metrics and performance each month, in order to identify negative trends in performance, engage with Investee management teams as early as possible and request that corrective actions are put in place. These corrective actions taken by the Investee might involve a reduction in operational spending or a request for further equity investment from existing investors. The Corporation's management team also provides Investees with strategic and management consulting advice.

The Corporation's Financing agreements with Investees contain a number of protective provisions generally including restrictions on transfer of cash out of a business, default clauses including material adverse change clauses, change of control provisions, and protective covenants with respect to increasing operational cash burn.

Competition

The Corporation faces competition from other participants in the Alternative Credit Industry as well as more traditional banks. The Alternative Credit Industry has evolved to provide credit to parties that traditionally would not qualify for normal bank credit. These parties would include high-risk consumer loans as well as broad based small businesses that cannot access sufficient credit from the banking system.

The Corporation focuses on a specialized industry, being SaaS, and a specific size range, as measured in annual revenue, which it believes provides an attractive risk-adjusted return. Management believes that

sustainability of the revenue, along with high gross margins, of SaaS companies, when properly evaluated, are more secure than most credit organizations understand.

In the SaaS market of companies with less than \$10M in annual revenue, the Corporation has competition from a number of parties in Canada and the United States, including, but not limited to:

- Lighter Capital, Inc. (U.S.);
- Espresso Capital Ltd. (Canada and U.S.);
- The Business Development Bank of Canada (Canada);
- SaaS Capital Inc. (U.S.); and
- Bigfoot Capital LLC (U.S.).

The Corporation believes its Financing offers are distinguishable from those offered by its competitors in a number of ways, including, but not limited to:

- Longer facility durations;
- Customized repayment terms that match revenue growth;
- Flexible exit options;
- No equity participation; and
- Larger facility sizes.

These terms, combined with the Corporation's entrepreneur friendly methodology, are meant to enable the Corporation to win a large number of competitive Financing transactions. Many of the Investee management teams are active supporters of the Corporation's business and provide references upon request.

Finally, the Corporation's investment into its fintech platform has allowed the Corporation to keep headcount and operational expenditures lower than many of its competitors on a per-deal-managed basis. This gives the Corporation flexibility to pursue opportunities that other larger and bulkier competitors may not be able to pursue.

REGULATORY ENVIRONMENT

The Corporation is a finance company that specializes in "venture debt" primarily for private SaaS companies. The Corporation's management believes its business is not subject to registration in Canada pursuant to any provincial or federal securities legislation, loan & trust company legislation or financial institution legislation.

The Corporation's management believes that the LPI Fund and the LPII Fund are not "investment funds" as defined pursuant to the *Securities Act* (Ontario) or similar provincial legislation elsewhere in Canada. The LPI Fund and the LPII Fund are not mutual funds and they are not non-redeemable investment funds since, similar to a venture capital or private equity firm, the Corporation becomes actively involved in the management of the Investees and provides strategic and management consulting services as an integral part

of the relationship and the value added by the Corporation. Accordingly, the Corporation's management believes that the Corporation does not need to register as an investment fund manager.

The Corporation's investors, including the investors in the LPI Fund and the LPII Fund, rely on management's expertise in selecting and assisting the SaaS companies that are the Investees. In return, the Corporation receives a management fee or "carried interest" in the profits generated from these investments. The Corporation does not receive compensation for raising capital or trading in securities. Applying the business trigger factors to the Corporation's activities as described immediately above, the Corporation's management believes there is no requirement for the Corporation to register as:

- a portfolio manager, since the securities and investment advisory services provided to the LPI Fund and the LPII Fund are incidental to the Corporation's venture capital activities, including its active participation and involvement with the management teams of the Investees; or
- a securities dealer, since both the raising of money from investors and the investing of that money by the Corporation (in securities of companies that are usually not publicly traded) are occasional and uncompensated activities in terms of earning any commissions or finder's fees as a capital markets intermediary.

The Corporation's management believes that the Corporation is not required to be registered with the Financial Services Regulatory Authority of Ontario (FSRA), the Office of the Superintendent of Financial Institutions (OSFI) or similar regulators in Canada pursuant to any loan & trust company legislation or financial institution legislation since neither the Corporation nor any of its affiliates are deposit taking institutions. The Corporation is also not required to be registered under any applicable payday loan legislation in Canada.

RISK FACTORS

The risks and uncertainties described herein are not the only risks and uncertainties that the Corporation faces. Additional risks and uncertainties of which management is not currently aware or that management currently believes to be immaterial may also materially adversely affect the Corporation's business, assets, liabilities, financial condition, results of operations, prospects, cash flows and the value or future trading price of the Common Shares (one or more of the foregoing, a "**Material Adverse Effect**"). The occurrence of any of the possible events and risks described below and elsewhere in this AIF could have a Material Adverse Effect.

This AIF also contains forward-looking statements that involve risks and uncertainties. The Corporation's actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including the risks described below and elsewhere in this AIF. See "Cautionary Note Regarding Forward-Looking Statements".

Risks Particular to the Alternative Credit Industry

Financing of Early Stage and Mid-market Businesses

The Corporation's Financing contracts consists primarily of Financing solutions provided to early stage and mid-market businesses, predominantly privately-owned companies, many of which do not publicly report their financial condition and are not subject to the same accounting rules and securities laws that govern disclosure and financial controls of public companies. Compared to larger, publicly-traded companies, financing solutions offered to these types of businesses may carry more inherent risk. See "Risk Factors – Risk Particular to the Alternative Credit Industry – Creditworthiness of Investee". Investees generally have

limited access to capital and higher funding costs. Such businesses may need more capital to expand or compete and may be unable to obtain financing from public capital markets or from traditional sources, such as commercial banks. Early stage and mid-market businesses may also have shorter operating histories, narrower product lines and smaller market shares than larger businesses, which tend to render them more vulnerable to competitors' actions and market conditions, as well as general economic downturns. Additionally, because many of the Corporation's Investees do not publicly report their financial condition and may not have sophisticated financial controls and oversight, the Corporation is more susceptible to a client's misrepresentation, which could result in a Material Adverse Effect. See also "Risk Factors – Risks Particular to the Alternative Credit Industry – Fraud by an Investee". The failure of an Investee to accurately report its financial position could result in the Corporation providing financing solutions to an Investee that does not meet the Corporation's Financing criteria, defaults on payments owing to the Corporation, the loss of some or all of the Corporation's Financing investment, or non-compliance by an Investee with applicable covenants. Accordingly, financing solutions offered to these types of businesses involve higher risk than financing solutions offered to larger businesses with greater financial resources or that are otherwise able to access traditional credit sources.

Creditworthiness of Investees

The Corporation's business depends on the creditworthiness of its Investees and their ability to fulfill their obligations to the Corporation. Although the Corporation intends to offer financing solutions only to Investees with a history of stable operations and revenue, there can be no assurance that its Investees will not default and that the Corporation will not sustain a loss as a result. See "Risk Factors – Risk Particular to the Alternative Credit Industry – Default by and Bankruptcy of an Investee". The Corporation will also rely on representations and warranties made by Investees in their Financing documentation; however, there can be no assurance that such representations will be accurate or that the Corporation will have any recourse against the Investee in the event a representation proves to be untrue. See also "Risk Factors – Risks Particular to the Alternative Credit Industry – Fraud by an Investee".

Fraud by an Investee

While through the financing process the Corporation makes every effort to verify the accuracy of information provided to it when making a decision on whether to offer a financing solution, an Investee may misrepresent information relating its financial health, operations, or compliance with the terms under which the Corporation has advanced funds. In cases of fraud, it is difficult and often unlikely that the Corporation will be able to collect amounts owing under loan or realize on collateral, which could have a Material Adverse Effect.

Dependence on the Performance of Investees

The Corporation will be dependent on the operations, assets and financial health of the Investees to which it directly and indirectly provides capital. The Corporation's ability to meet its operating expenses in the long-term will be largely dependent on the investment returns and other income received from its Financing contracts. If the financial performance of its Investees decline, cash payments to the Corporation will likely decline. The failure of any Investee to fulfill its payment obligations to the Corporation or the LPI Fund could adversely affect the Corporation's financial condition and cash flow. The Corporation conducts due diligence on each financing transaction prior to entering into agreements and monitors activities of Investees by receiving and reviewing regular financial reports. Nonetheless, there is a risk that there may be some liabilities or other matters that are not identified through the Corporation's due diligence or that arise subsequent to the Corporation's funding of the loan that may have an adverse effect on an Investee's business.

Due Diligence

The due diligence process that the Corporation undertakes in connection with investments may not reveal all facts that may be relevant in connection with an investment. Before making investments, the Corporation conducts due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. When conducting due diligence, the Corporation may be required to evaluate important and complex business, financial, tax, accounting, environmental and legal issues. Outside consultants, legal advisors, accountants and investment banks may be involved in the due diligence process to varying degrees depending on the type of investment. Nevertheless, when conducting due diligence and making an assessment regarding an investment, the Corporation relies on the resources available to it, including information provided by the target of the investment and, in some circumstances, third-party investigations. The due diligence investigation that the Corporation will carry out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in the investment being successful.

Risks Facing Investees

Each Investee is subject to risks which will affect their financial condition. As the Corporation is not privy to all aspects of its clients' businesses, it is impossible to predict exactly what risks Investees will face. Nonetheless, the Corporation expects that typical risks may include the following:

- The success of Investees may depend on the management talents and efforts of one or two key persons or a small group of persons. The death, disability or resignation of one or more of these persons could have an adverse effect on an Investee.
- Investees may require additional working capital to carry out their business activities and to expand their businesses. If such working capital is not available, or is not available on beneficial terms, the financial performance and development of the businesses of Investees may be adversely affected.
- Damage to the reputation of Investees' brands could negatively impact consumer opinion of those businesses or their related products and services, which could have an adverse effect on their business.
- Investees may face intense competition, including competition from companies with greater financial or other resources, more extensive development, manufacturing, marketing, and other capabilities. There can be no assurance that Investees will be able to successfully compete against their competitors or that such competition will not have an adverse effect on their businesses.
- Investees may experience reduced revenues from the loss of one or more customers representing a high percentage of their monthly revenues.
- Investees may experience reduced revenues due to an inability to meet regulatory requirements or may experience losses of revenues or increased costs due to unforeseeable changes in regulations imposed by various levels of government.
- Investees may rely on government or other subsidy programs for revenue or profit generation. Changes to or elimination of such programs may have an adverse effect on the Investee.
- Investees may experience significant economic hardship and instability in its short and long term economic outlook as a result of unforeseeable events such as natural disasters, pandemics

(including COVID-19) and epidemics, war, political instability, changes to laws and policies applicable to it, economic sanctions, economic instability, lawsuits, and other factors.

- Investees may derive some of their revenues from sources outside of its country of existence and may experience negative financial results based on foreign exchange losses, hedging costs or foreign investment restrictions.
- The ability of the Corporation to realize on its loan investments may be compromised in the event that Investees do not maintain adequate insurance for the protection of assets that are pledged as security for the Corporation's loans.
- The success of Investees may depend upon the local, national and worldwide economy in respect of demand for their products or services and/or of the supply chain in relation to their production. In the event of deteriorating economic conditions, the financial performance and development of the businesses of Investees may be adversely affected.

Exit by Investee

Certain of the Corporation's Financing products may be prepayable or terminable by election by the Investee, subject to prepayment penalties. The Corporation is unable to predict if or when an Investee will make a prepayment or elect to exit its financing with the Corporation. Typically, an Investee's decision to prepay or exit depends on its continued positive economic performance and the existence of favourable financing market conditions that permit the Investee to replace its existing financing with less expensive capital. As market conditions change frequently, it is very difficult to predict if or when an Investee may deem market and business conditions to be favourable for prepayment/exit. Prepayment or exit by an Investee may have the effect of reducing the achievable yield of the financing solution to a level below that which was anticipated by the Corporation. Such a reduction may occur when the Corporation is unable to invest the funds prepaid by the Investee in other transactions with an expected yield greater than or equal to the yield the Corporation expected to receive from the prepaying or exiting Investee.

Default by and Bankruptcy of an Investee

An Investee's failure to satisfy its obligations, including any covenants imposed by the Corporation, could lead to defaults and the termination of the Investee's Financing contracts and enforcement against its assets. In order to protect and recover its investments, the Corporation may be required to bear significant expenses (including legal, accounting, valuation and transaction expenses) to the extent necessary to seek recovery upon default or to negotiate new terms with a defaulting Investee. In certain circumstances, an Investee's default under one loan could also trigger cross-defaults under other agreements and jeopardize that Investee's ability to meet its obligations under a loan agreement it may have with the Corporation.

Should an Investee become insolvent, the value of any collateral in the event of liquidation will depend on market and economic conditions, the availability of buyers, the seniority of any security which the Corporation receives over any collateral, and other factors. There can be no assurance that the proceeds, if any, from the sale of all of an Investee's collateral will be sufficient to satisfy the obligations secured by the collateral, or that sufficient assets to repay the Corporation will remain after more senior creditors have been repaid. See "Risk Factors – Risks Particular to the Alternative Credit Industry – Collateral Securing the Corporation's Loans".

Additional Indebtedness of Investees

To the extent an Investee is permitted to incur other debt secured by certain assets that ranks equally with, or senior to, the Financing contracts made by the Corporation, such debt instruments may provide that the senior holders are entitled to receive payment of interest or principal on or before the dates on which the Corporation's debt is serviced. The rights the Corporation may have with respect to the collateral securing the Financing contracts it provides may also be limited pursuant to the terms of one or more intercreditor agreements with the holders of senior debt. Typically, an intercreditor agreement will provide various rights and remedies to the holder of a first priority lien during the time it is outstanding, which may result in the Corporation failing to be repaid outstanding principal and interest owed to it and could have a Material Adverse Effect.

Collateral Securing the Corporation's Loans

Where the Corporation's financing solutions are secured by a lien on specified collateral of the Investee (particularly inventory, receivables and tangible fixed assets), there is no assurance that the Corporation has obtained or properly perfected its liens, or that the value of the collateral securing any particular financing solution will protect the Corporation from suffering a partial or complete loss if the financing solution becomes non-performing and the Corporation moves to enforce against the collateral. In such event, the Corporation could suffer losses that could have a Material Adverse Effect. In addition, during its Financing process, the Corporation makes an estimate of the value of the collateral. A decrease in the market value of collateral assets at a rate greater than the rate projected by the Corporation may adversely affect the current realization values of such collateral. The degree of realization risk varies by the business of the Investee and the nature of the security.

Fair Value Estimate

Financing contracts and other investments within the Corporation's and LPI Fund's Financing contracts are assigned a fair value based on management's reasonable estimates of value and management's expectations for performance of the Financing contracts or other investments. The fair value may be negatively affected by factors outside the knowledge or control of management and may result in the actual fair value being materially different from that assigned by the Corporation.

Monitoring and Enforcement Procedures

From time to time, the Corporation will be required to take enforcement proceedings with respect to non-performing Financing contracts and may be required to liquidate an Investee's assets. Enforcement and liquidation proceedings can be time consuming and, if a sufficient number of loans require enforcement, management's attention may be diverted from the day to day operations or from pursuing its growth strategy and the Corporation may incur significant expenses that cannot be recovered.

At any given time, Investees may represent a risk of a loss to the Corporation. Such situations could arise where the collateral of the Investee falls below the outstanding loan balance, where the financial condition of the Investee has materially deteriorated, or where the Investee has otherwise failed to comply with its obligations.

Historical Performance Not Indicative of Future Performance

There can be no assurance that the same level of earnings achieved historically by the Corporation can be achieved on future financing transactions. Readers are cautioned not to place undue reliance on historical performance in making future investment decisions.

Control Over Investees

The Corporation is not always in a position to exercise control over its Investees or prevent decisions by the management or shareholders of an Investee that may affect the Amortized Cost of loans granted by the Corporation, or otherwise affect the ability of the Investee to repay its obligations to the Corporation. Furthermore, the Corporation does not generally intend to take significant equity positions in its Investees. The lack of liquidity that the Corporation typically holds in its Investees results in the risk that the Corporation may not be able to dispose of its exposure to the Investee in the instance where an Investee is underperforming. This could have a Material Adverse Effect.

Securities of Investees

The Corporation has and will in the future extend Financing solutions to primarily private companies. The securities issued by private companies will be subject to legal and other restrictions on resale or will be otherwise less liquid than publicly traded securities. To the extent the Corporation receives any form of securities issued by private companies, it may be difficult for the Corporation to dispose of such holdings if the need arises. Furthermore, if the Corporation is required to liquidate all or a portion of the securities it holds in an illiquid company, it may realize significantly less than the value at which it had previously recorded its holdings. In addition, the Corporation may face restrictions imposed by securities laws on its ability to liquidate or otherwise trade in securities of an Investee, including where the Corporation obtains material non-public information regarding such Investee.

Illiquidity of Loans

Due to the nature of the Corporation's financing strategy and Financing contracts, certain financing solutions have lengthy terms and may be outstanding for a substantial period of time before they are repaid or can be liquidated under conditions preferable to the Corporation or, in some cases, at all. Illiquid investments carry the risk that a buyer may not be found for such investments, and even where such a buyer may be located, such buyer may demand a significant discount to the fair market value of such loans. Also, certain of the Financing solutions offered by the Corporation may be subject to legal or contractual restrictions which may impede the Corporation's ability to dispose of such assets, which it might otherwise desire to do. To the extent that there is no liquid trading market for these financing solutions, the Corporation may be unable to liquidate these assets or may suffer a loss.

Expansion of Markets

The Corporation plans to further expand in both the Canadian and U.S. market. The United States is a different lending market with different competitive dynamics and therefore presents distinct and substantial risks as compared to the Canadian market. The Corporation will face competition from significantly larger lenders in the United States. Failure to expand within either market as currently anticipated, or the failure to penetrate those markets successfully, may have a Material Adverse Effect.

Geographically, the Corporation's historical Investees have been most concentrated on the west coast of Canada and the U.S. as well as in certain major population centers in the Northeast U.S. To the extent the Corporation decides to expand its Financing activities to other geographical regions or businesses, such expansion may have new or additional considerations and the financial performance of loans in such broadened markets may not perform in line with historical performance.

Risk Management Efforts May Not Be Effective

The Corporation could incur substantial losses and its business operations could be disrupted if the Corporation is unable to effectively identify, manage, monitor and mitigate financial risks, such as credit risk, interest rate risk, liquidity risk, and other market-related risk, as well as operational risks related to the Corporation's business, assets and liabilities. To the extent that the Corporation's models used to assess the creditworthiness of potential Investees do not adequately identify potential risks, this could result in higher risk than anticipated. The Corporation's risk management policies, procedures and techniques, may not be sufficient to identify all of the risks that the Corporation is exposed to, mitigate the risks that are identified or identify concentrations of risk or additional risks to which the Corporation may become subject in the future.

Regulation

The Corporation and its subsidiaries are subject to a variety of laws, regulations and guidelines in the jurisdictions in which they operate and may become subject to additional laws, regulations and guidelines in the future, particularly as a result of acquisitions or additional changes to the jurisdictions in which they operate. See "Regulatory Environment". The financial and managerial resources necessary to ensure such compliance could escalate significantly in the future which could have a Material Adverse Effect. In addition, the Corporation's failure to comply with laws and regulations or obtain any required approvals thereunder could also have a Material Adverse Effect. Such laws and regulations are subject to change, including as a result of unforeseen events such as the current COVID-19 pandemic. Accordingly, it is impossible for the Corporation to predict the cost or impact of changes to such laws and regulations on its respective future operations.

Reliance on Data From Third Parties

The Corporation's ability to review and select Investees depends on, among other things, credit, identification and other relevant information that the Corporation receives from third parties, including credit bureaus. If this information becomes unavailable or becomes more expensive to access, it could increase the Corporation's costs as it seeks alternative sources of information. If this third party data is incorrect, the Corporation's ability to identify Investees may suffer and the Corporation's business may be harmed.

Reliance on proprietary credit scoring model.

In deciding whether to extend credit to prospective Investees, we rely heavily on credit scores generated by our proprietary credit scoring model and decisioning system, an empirically derived suite of statistical models built using industry metrics, general business metrics, and our credit experience gained through monitoring the performance of our Investees over time. If our proprietary credit scoring model and decisioning system fails to adequately predict the creditworthiness of our Investees, or if any portion of the information pertaining to the prospective Investee is false, inaccurate or incomplete, and our systems did not detect such falsities, inaccuracies or incompleteness, or any or all of the other components of the credit decision process described herein fails, we may experience higher than forecasted losses. Furthermore, if we are unable to access the third-party data used in our credit scores, our access to such data is limited or such information is outdated or incorrect, our ability to accurately evaluate potential Investees will be compromised, and we may be unable to effectively predict loan performance, which would negatively impact our results of operations.

Risks Particular to Management of and Co-investment in LPI Fund and LPII Fund

Uncertainty of Return on LPI Fund and LPII Fund

A significant portion of the Corporation's revenue will be generated from the return on its investment in the LPI Fund. Payment of distributions by limited partnership funds are not guaranteed, the values of limited partnership units change frequently and past performance of a limited partnership may not be repeated. Similar risks will be applicable to the Corporation's engagement with LPII Fund on a going-forward basis.

Illiquidity of Interest in LPI Fund

The Corporation currently holds approximately 12.4% of the LPI Fund. The LPI Fund will offer Financing solutions to clients and will therefore be relatively illiquid. There can be no assurance that the Corporation would be able to dispose of its interest in the LPI Fund in a timely manner or at all. Similar risks will be applicable to the Corporation's engagement with LPII Fund on a going-forward basis.

Poor Investment Returns Could Lead To The Loss of Existing Investors or an Inability to Attract New Investors, Lower Assets Under Management and a Further Decline in Revenues

The Corporation's Financing contract performance is one of the most important factors for the growth of assets under management. Poor performance relative to its competitors or otherwise could impair the Corporation's revenues and growth because existing investors might opt not to invest in any subsequent funds. This could impair the Corporation's ability to raise capital from existing and new limited partnership investors, which could adversely impact revenues derived from management fees. There is no guarantee that historical performance will be repeated or improved upon in the future.

Removal of the General Partner or Manager

Under the terms of the relevant limited partnership agreement and management agreement of the LPI Fund, The Corporation and its affiliates can be removed as the general partner or manager of the LPI Fund in certain circumstances. Specifically, the Corporation may be removed as manager where it fails to cure or take steps to cure a breach within 30 days' notice from the LPI Fund or where it commits certain acts of insolvency or bankruptcy. TIMIA GP may be removed from its role as general partner where it has acted negligently, causing a material adverse effect to the fund, violated applicable law or committed a material default of the limited partnership or management agreement of the LPI Fund. If the Corporation or TIMIA GP are removed from their respective roles, the Corporation will no longer be entitled to payment on certain fees it derives in such roles it serves as to the LPI Fund. This could materially impact the financial performance of the Corporation. Similar risks will be applicable to the Corporation's engagement with LPII Fund on a going-forward basis.

General Partner and Manager are Fiduciaries

The Corporation and TIMIA GP are fiduciaries to LPI Fund. In its role as the manager or general partner of such funds, the Corporation and TIMIA GP, as applicable, will be required to act in the best interest of the LPI Fund and its limited partners as a whole. There may be instances where such actions are not the most beneficial actions for the Corporation as a limited partner and may have an adverse effect on the Corporation. Similar risks will be applicable to the Corporation's engagement with LPII Fund on a going-forward basis.

Risks Particular to SaaS

Credit Risk

Investees are exposed to credit-related losses in the event that counterparties to long-term contracts become insolvent or otherwise fail to fulfill their present or future financial obligations to Investees.

Market Risk

Investees, and by extension LPI Fund, may be exposed to fluctuations in the market price for its services, including the development of new technologies, competition, changes in the market landscape and demand, changes to laws and regulations, etc.

Collateral Security

There is no assurance that the Corporation has obtained or properly perfected its liens in the Investee's assets, or that the value of the collateral securing any particular financing solution will protect it from suffering a partial or complete loss if the financing solution becomes non-performing and the Corporation moves to enforce against the collateral. Further, a decrease in the market value of collateral assets at a rate greater than the rate projected by management may adversely affect the current realization values of such collateral.

Dependence on Investees and their Key Personnel

Each Investees will depend, to a great extent, on the services of a limited number of highly specialized and skilled individuals in the administration of each Investee's activities. The loss of one or more of such individuals for any reason could impair the ability of the Investee to perform its obligations to provide services to the counterparties.

Fraud by an Investee

While the Corporation makes every effort to verify the accuracy of information provided to it when making an investment, an Investee may misappropriate funds and / or misrepresent information relating its financial health, operations, project budget or compliance with the terms under which the Corporation has advanced funds. In cases of fraud, it is difficult and often unlikely that the Corporation will be able to collect amounts owing under loan or realize on collateral, which could have a Material Adverse Effect.

Currency Fluctuations

A portion of the Corporation's loans may be denominated in United States dollars, and other currencies. Any change in the value of the Canadian dollar relative to the United States dollar and other currencies, during a given financial reporting period would result in a foreign currency loss or gain on the translation of assets measured in other currencies into Canadian dollars.

Regulatory Matters

The adoption of new laws or regulations, or changes in the interpretation of existing laws or regulations, could have a material adverse effect on the Investees and the operating costs of such entities. An increase in the regulatory burdens on Investees may be costly and time consuming. To the extent such new costs cannot be passed along to the counterparties through increased rates or otherwise, such new laws or

regulations could have a material adverse effect on the business, financial condition and results of the business.

Adoption of New Technologies

The Corporation's growth is substantially dependent upon the growth in the use of technology developed by Investees. The adoption of such technologies, by end-customers generally requires the understanding and acceptance of a new way of conducting business and eagerness to integrate new technologies, and the growth of the Corporation's business may be adversely impacted if the number of end-customers of Investees do not increase. Further, there is a risk that new technology and/or the emergence of new industry standards could be developed which would render an Investee's offering inefficient, outdated or unmarketable, adversely impacting its growth and potentially exerting price pressures on existing products. It is critical to the success of Investees that they are able to anticipate and react quickly to changes in technology or in industry standards, and to successfully develop and introduce new, enhanced and competitive products on a timely basis. There can be no assurance that Investees will successfully develop new products or enhance and improve their existing products, that new products and enhanced and improved existing products will achieve market acceptance or that the introduction of new products or enhanced existing products by others will not render their products obsolete. An Investee's inability to develop products that are competitive in technology and price and that meet end-user needs could have a material adverse effect on such Investee's business, financial condition or results of operations.

Insurance

The Corporation does not maintain insurance in the event that Investees are not able to repay on Financing provided to such Investees. As a result, the Corporation may lose all or a significant portion of its loan amount in the event Investees become illiquid or become bankrupt. Even where recovery is possible, such recovery may take a significant amount of time and expense, diverting management attention from other opportunities and ongoing investments.

Competition

The Corporation and Investees have a number of competitors in all aspects of their businesses, some of which are large, multi-national companies with greater access to resources and more experience than the Corporation and Investees. Also, given the potential size of the market for SaaS, it is foreseeable that new competition with greater resources will enter the marketplace on an on-going basis.

General Business Risks

Limited Operating History

Although most members of the Corporation's management team have had significant experience in the Alternative Credit Industry, it should be considered that the Corporation has a limited operating and performance history in its various lines of business upon which readers can evaluate the Corporation's performance.

Changes in Strategies

The Corporation may alter its business strategies at any time without notice to Shareholders and there is no guarantee that such changes will yield similar or improved returns, if any.

Inability to Raise Additional Funds in a Timely Manner or at All

The Corporation is not a chartered bank and therefore does not have deposits from which it can originate loans or similar financing solutions. The Corporation must raise funds to be able to originate new financing solutions. There can be no assurance that the Corporation will be able to raise additional funds necessary to grow its business as there is significant competition in all aspects of the Corporation's business. This competition may limit the Corporation's ability to raise new funds. The success of the Corporation's strategy is highly dependent upon numerous conditions in the Alternative Credit Industry and economic conditions throughout the world that are outside its control and difficult to predict. There can be no assurance that the Corporation will be able to retain existing investors or attract new investors in the future, or that any future investments by such investors will not be lower than historical investment levels.

Dilution

The Corporation may be required to conduct additional equity financings in order to develop its business as currently planned. Any further issuance of equity will dilute the interests of existing Shareholders, and existing Shareholders will have no pre-emptive rights in connection with any such future issuances.

No Guarantee as to Timing or Amount of Dividends

Shareholders do not have a right to dividends on the Common Shares unless declared by the Board. The declaration of dividends is at the discretion of the Board, even if the Corporation has sufficient distributable cash to pay such dividends. The declaration of any dividend will depend on the Corporation's financial results, cash requirements, future prospects and other factors deemed relevant by the Board.

The Corporation may not declare or pay a dividend if there are reasonable grounds to believe that: (i) it is, or after the payment would be, unable to pay its liabilities as they become due; or (ii) the realizable value of its assets would thereby be less than the aggregate of its liabilities, including those arising in the ordinary course of business. Dividends are not guaranteed and the amount of any dividend may fluctuate or be reduced or eliminated. There can be no assurance as to the levels of dividends to be paid by the Corporation, if any. The market value of the Common Shares may deteriorate if the Corporation is unable to pay dividends in accordance with its intended dividend strategy, or not at all, and such deterioration may be material.

Reliance on Certain Individuals

The success of the Corporation will depend in large part upon the skill and expertise of the professionals referred to under "Executive Officers and Directors". There is no assurance that all of the Corporation's current management team will continue to be employed by or available to the Corporation. There can also be no assurance that the Corporation's financing strategies will continue to be successful in the absence of any of the current management team, or that the Corporation will be able to attract and retain suitable candidates to replace these individuals. See also "Risk Factors – Management and Employees".

Conflicts of Interest

Certain of the Corporation's directors and officers are, may become and may continue to be, involved in the private equity industry and the Alternative Credit Industry through their direct and indirect participation in corporations, partnerships or joint ventures which are potential competitors of the Corporation. Situations may arise in connection with potential opportunities or acquisitions where other interests of these directors and officers may conflict with the Corporation's interests. Directors and officers of the Corporation with

conflicts of interest will be subject to and required to comply with the procedures set out in the BCBCA and other applicable legislation, regulations, rules and policies.

Allocation of Opportunities and Resources

The Corporation makes investments directly and indirectly through the LPI Fund. There may be situations where a prospective financing client expresses interest in both of the Corporation's financing solutions. In these situations, the financing client will determine the financing solution most suitable for their business with the fundamental difference being the term of the financing solution and the Corporation's potential return. Such selection by the client may impact the form and level of returns realized by the Corporation on such financing solution.

The Corporation's current personnel will be involved in both managing investment capital for third parties and its own investment capital. There could be instances where the demands by one component of this model diverts personnel and resources from another component. If sufficient personnel or resources are not available at the relevant time, certain financing opportunities may have to be forgone.

Quarterly Financial and Operational Results

The Corporation's quarterly net income and results of operations are difficult to forecast. The Corporation may experience substantial fluctuations in net income and results of operations from quarter to quarter. Readers should not rely on the Corporation's results of operations in any prior reporting period to be indicative of its performance in future reporting periods. Many different factors could cause the Corporation's results of operations to vary from quarter to quarter, including:

- changes to its business model and strategies;
- the success of the Corporation's origination activities;
- credit losses and default rates;
- the Corporation's ability to enter into financing arrangements;
- competition;
- seasonal fluctuations in the Corporation's business, including the timing of transactions;
- personnel changes;
- changes in accounting rules;
- changes in prevailing interest rates;
- general changes to the Canadian, U.S. and global economies (including as a result of the COVID-19 pandemic); and
- political conditions or events.

The Corporation bases its current and future operating expense levels and its lending and investment plans on estimates of future net income, origination activity and rates of growth. The Corporation expects that its expenses will increase in the future, and the Corporation may not be able to adjust its spending quickly

enough to compensate for net income that falls short of the Corporation's expectations. Any shortfalls in the Corporation's net income, origination activity, or in its expected growth rates, could have a Material Adverse Effect.

Change in Interest Rates

As of the date hereof, the Corporation and LPI's Financing activities consist of contracts with both fixed and variable interest rates. Changes in market interest rates may cause the fair value or future cash flows of a financial instrument to fluctuate. In addition, variable interest rate loans are often tied to the performance of Investees and there can be no guarantee that Investees will perform as projected by the Corporation.

There are a variety of factors that could affect the interest rates that the Corporation charges to Investees and which the Corporation pays to its lenders, such as access to capital based on business performance, the volume of loans made to Investees, competition with other lenders and regulatory requirements. Interest rate changes may adversely affect business forecasts and expectations, and are highly sensitive to many macroeconomic factors beyond the Corporation's control, such as inflation, recession, the state of the credit markets, changes in market interest rates, global economic disruptions, unemployment and the fiscal and monetary policies of the federal government and its agencies. Any material reduction in the Corporation's interest rate spread could have a material adverse effect on our business, results of operations and financial condition.

Use of Leverage

The Corporation makes use of the Credit Facility, the Non-Convertible Debentures and the Convertible Debentures to fund part of its deal origination and to pay various other operational expenses, meet its capital commitments. The use of leverage magnifies the potential gains and losses from a financing product and increases the risk of loss of capital. To the extent that income generated by the Corporation's investment activities is greater than the cost of servicing the Corporation's debt, the Corporation's net income will be greater than if borrowing had not been used. Conversely, if income from investment activities financed with borrowed funds is insufficient to cover the cost of borrowing, the Corporation's net income will be lowered as a result. The ability of the Corporation to service any future outstanding debt depends largely on its financial performance and is subject to prevailing economic conditions and competitive pressures. The amount of leverage that the Corporation employs at any particular time will depend on its assessments of market and other factors at the time of any proposed borrowing.

As a result of the Corporation's use of leverage:

- the Common Shares may be exposed to incremental risk of loss and a decrease in the value of its Financing contracts would have a greater negative impact on the value of the Common Shares than if the Corporation did not use leverage;
- adverse changes in interest rates could reduce or eliminate the incremental income the Corporation receives from the proceeds of any leverage;
- the Corporation and, indirectly, the Shareholders, bear the Corporation's share of paying interest and repaying any borrowed funds;
- the Corporation's ability to pay dividends on the Common Shares may be restricted by covenants or other restrictions imposed by its lenders;

- the Corporation's ability to amend its organizational documents or other agreements may be restricted if such amendments would result in a material adverse effect on its lenders; and
- the Corporation may, under some circumstances, be required to dispose of its assets under unfavourable market conditions in order to maintain its leverage, thus causing the Corporation to recognize a loss that might not otherwise have occurred.

The extent to which the gains and losses associated with leveraged investing are increased will generally depend on the degree of leverage employed.

Changes in Market and General Economic Conditions

A weak economy could impact the quality, quantum and frequency of the deals available to the Corporation. Adverse economic conditions also may decrease the estimated value of the collateral securing the Corporation's financing structures. Further or prolonged economic slowdowns or recessions, including the current uncertainty and volatility in the global economy as a result of the COVID-19 pandemic, could lead to financial losses in the Corporation's Financing contracts and a decrease in the Corporation's net finance income, net income and book value. Any of these events, or any other events caused by turmoil in global financial markets, could have a Material Adverse Effect.

There can be no assurance that economic conditions will remain favorable for the Corporation's business or that default rates on the Corporation's loans will remain at current levels. Increased default rates by Investees on loans may inhibit the Corporation's access to capital and negatively impact its profitability. If delinquency or uncollectable rates on loans exceed certain levels defined in the Corporation's credit facilities, it could constitute a default under the Corporation's credit facilities or other credit facilities, reducing or terminating such facilities.

Emerging Risk: 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.

Competitive Business Environment

The Corporation's ability to originate new financing opportunities could be significantly affected by the activities of other industry participants. New competitors may enter the Alternative Credit Industry or current market participants may significantly increase their activities in this area. There can be no assurance that the Corporation will be able to compete effectively with its current and future competitors in connection with the origination of new financing opportunities. If these or other competitors were to engage in aggressive pricing policies, the Corporation may have difficulty originating new financing opportunities or could be forced to offer lower rates, both of which could have a Material Adverse Effect. Some of the

Corporation's competitors offer a broader range of financial and lending services than the Corporation and can leverage their existing customer relationships to offer and sell services that compete directly with the Corporation's services. Further, the Corporation's competitors may have greater financial, technical, marketing, origination and other resources, and may have greater access to lower cost capital. As a result of competition, the Corporation may not be able to attract new customers, retain existing customers, or sustain the rate of growth that the Corporation has experienced to date. As a result, the Corporation's ability to profitably expand its Financing contracts may decline. If the Corporation's existing customers choose to use competing sources of credit to refinance their debt, the Corporation's Financing contracts could be adversely affected.

There can be no assurance that there will be a sufficient number of suitable investment opportunities available to the Corporation or that such investments can be made within a reasonable period of time. There can be no assurance that the Corporation will be able to identify suitable investment opportunities or achieve an appropriate rate of return. Identifying attractive opportunities is difficult, highly competitive and involves a high degree of uncertainty. Potential returns will be diminished to the extent that the Corporation is unable to find and make a sufficient number of investments.

Inability to Realize Potential Benefits from Growth

The Corporation's inability to realize the potential benefits from its growth strategy may adversely impact its operating results. The Corporation's ability to realize such benefits will be based on its management of growth and will require it to continue to build its operational, financial and management controls, human resource policies, and reporting systems and procedures. The Corporation's ability to manage its growth will depend in large part upon a number of factors, including the ability of the Corporation to rapidly:

- secure additional sources of funding to fund new loans, while maintaining a prudent capital structure for the Corporation;
- attract and retain qualified personnel in order to continue to develop the Corporation's origination platforms and provide services that respond to evolving customer needs; and
- develop support capacity for customers as business increases, so that the Corporation can provide post-funding support without diverting resources from origination efforts.

The Corporation's inability to achieve any of these objectives could have a Material Adverse Effect.

Management and Employees

The Corporation's success and ability to compete is dependent on its continuing ability to identify, attract, hire, train, retain and motivate highly qualified management and employees with relationships and referral sources, an understanding of the Alternative Credit Industry and knowledge of the industries in which the Corporation's financing clients operate. Many of the financial institutions with which the Corporation competes for experienced personnel may be able to offer more attractive terms of employment. If any of the Corporation's key personnel were to cease their employment with the Corporation, the Corporation's origination volume may decline or cease. These factors could have a Material Adverse Effect on the Corporation. See "Risk Factors – Reliance on Certain Individuals".

Employee Errors or Misconduct Could Result in Regulatory Sanctions or Reputational Harm

Misconduct by the Corporation's employees could result in the Corporation entering into transactions that exceed authorized limits or present unacceptable risks, potentially resulting in unknown or unmanageable

risks or losses to the Corporation. Employee misconduct could also involve the improper use of confidential information, which could result in regulatory sanctions and serious reputational harm. It is not always possible to deter employee misconduct or prevent employee error, and the precautions in place may not be effective in all cases.

Litigation

From time to time in the ordinary course of its business, the Corporation may become involved in various legal proceedings, including commercial, employment, class action and other litigation and claims, as well as governmental and other regulatory investigations and proceedings. Such matters can be time-consuming, divert management's attention and resources and cause the Corporation to incur significant expenses. Furthermore, the results of any such actions could have a Material Adverse Effect.

Foreign Currency and Hedging

The results of operations and cash flows of the Corporation may be affected by changes in the Canadian dollar exchange rate relative to the currencies of other countries. If the Corporation's Financing contracts have exposure to loans denominated in U.S. dollars, a decrease in the value of the U.S. dollar relative to the Canadian dollar may have a negative effect on the financial performance of the Corporation.

The Corporation may choose to employ hedging techniques to minimize currency exchange risks. There is no assurance that any such hedging strategy will be successful and any hedging strategy has its own risks. Hedging against a decline in the values of the Financing contracts do not eliminate the possibility of fluctuations in the values of such positions or prevent losses if the values of such positions decline. Moreover, it may not be possible to hedge against an exchange rate fluctuation that is so generally anticipated that the Corporation would not be able to enter into a hedging transaction at an acceptable price.

Failure of Computer and Data Processing Systems

The Corporation is dependent upon the successful and uninterrupted functioning of its computer and data processing systems to monitor the Corporation's Financing contracts, conduct its day-to-day operations, and identify new business opportunities. The failure of these systems could interrupt operations or materially impact the Corporation's ability to originate and service its Financing contracts and conduct its day-to-day business operations.

Cyber-Security

The Corporation maintains confidential information regarding its financing clients, business plans, strategy and potential origination opportunities in its computer systems. The Corporation also maintains an Internet website. Despite the implementation of network security measures, this infrastructure may be subject to physical break-ins, computer viruses, programming errors, attacks by third parties or similar disruptive problems. A security breach of computer systems could disrupt operations, damage reputation, result in legal or regulatory liability, and could have a Material Adverse Effect.

Material Non-Public Information

The Corporation's management or employees, and their respective affiliates, may serve as directors of, or in a similar capacity with, its financing clients. In the event that material non-public information is obtained with respect to its financing clients, such persons may become subject to trading restrictions under the internal trading policies of those companies or as a result of applicable laws or regulations. As a result, the Corporation could be prohibited for a period of time from trading the securities of a financing client, to the

extent it owns any, and such a prohibition could have a Material Adverse Effect particularly if the Corporation desires to liquidate such securities.

Risks Relating to Common Shares

Market Price of the Common Shares

The market price for the Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Corporation's control, including the following:

- actual or anticipated fluctuations in the Corporation's quarterly results of operations, including changes in earnings or variations in operating results;
- changes in the value of the Corporation's Financing contracts;
- recommendations by securities research analysts;
- operating performance and, if applicable, share price performance of the Corporation's competitors;
- addition or departure of the Corporation's management and other key personnel;
- expiration of lock-up or other transfer restrictions on outstanding Common Shares;
- sales of additional Common Shares;
- significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Corporation or its competitors;
- news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related industry and market issues; and
- loss of a major funding source.

Financial markets have recently experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities and that have often been unrelated to operating performance, underlying asset values or business prospects. Accordingly, the market price of the Common Shares may decline even if the Corporation's operating results, underlying asset values or business prospects have not changed. There can be no assurance that continuing fluctuations in share price and volume will not occur, which could have a Material Adverse Effect.

Future Sales of Common Shares by Existing Shareholders

Sales of a substantial number of Common Shares in the public market could occur at any time. These sales, or the market perception that the holders of a large number of Common Shares intend to sell Common Shares, could reduce the market price of the Common Shares. If this occurs and continues, it could impair the Corporation's ability to raise additional capital through the sale of securities.

Inaccurate or Unfavourable Research

The trading market for Common Shares, if any, relies in part on the research and reports that securities analysts and other third parties choose to publish about the Corporation. The Corporation does not control these analysts or other third parties and it is possible that no analysts or third parties will cover the Corporation. The price of the Common Shares could decline if one or more securities analysts downgrade the Corporation or if one or more securities analysts or other third parties publish inaccurate or unfavourable research about the Corporation or cease publishing reports about the Corporation.

Investment Company Act

The Corporation, were it to publicly offer the Common Shares in the United States, likely would be considered an investment company subject to registration and regulation under the Investment Company Act. The Corporation has taken various steps so as to qualify for an exemption from registration pursuant to Section 3(c)(7) of the Investment Company Act. So long as the Corporation continues to be so exempt, the investor protections under the Investment Company Act will not apply to the Corporation. If that exemption were not available, the Corporation could be required to significantly restructure or restrict its activities. See “Regulatory Environment”.

DIVIDENDS

The Corporation has not paid or declared dividends or distributions for the three most recently completed financial years. The declaration and payment of dividends on the Common Shares is at the discretion of the Board and will be established on the basis of the Corporation’s earnings, financial requirements for the Corporation’s operations, the satisfaction of solvency tests imposed by applicable corporate law for the declaration and payment of dividends, restrictions on dividend payments and other relevant factors. See “Cautionary Note Regarding Forward-Looking Statements” and “Risk Factors”.

DESCRIPTION OF CAPITAL STRUCTURE

Shares

The Corporation is authorized to issue an unlimited number of Common Shares and an unlimited number of Series A Preferred Shares. As of the date hereof, 41,434,796 Common Shares are issued and outstanding and no Series A Preferred Shares are outstanding. The summary below of the rights, privileges, restrictions and conditions attaching to the Common Shares and to the Series A Preferred Shares, respectively, is subject to, and qualified in its entirety by reference to, the Corporation’s Articles, which are available on SEDAR at www.sedar.com.

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

- **Voting:** Entitled to receive notice of and attend all meetings of shareholders of the Corporation, and to one vote per Common Share at such meetings.
- **Dividends:** Entitled to dividends, if, as and when declared by the directors of the Corporation.
- **Liquidation:** Subject to the rights of the holders of the Series A Preferred Shares, holders of Common Shares are entitled to rateably receive such assets of the Corporation as are distributable to the holders of the Common Shares upon liquidation, dissolution or winding up.

- **Other:** There are no conversion or exchange rights attaching to Common Shares, nor are there any sinking or purchase fund provisions, provisions permitting or restricting the issuance of additional securities or any other material restrictions, nor are there any provisions requiring a shareholder to contribute additional capital. All Common Shares outstanding are fully paid and non-assessable.

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

- **Voting:** Right to receive notice and attend general meetings of Shareholders; no right to vote at any general meetings of Shareholders.
- **Priority:** Priority over the Common Shares 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.
- **Retraction:** The Series A Preferred Shares may be repurchased by the Corporation *pro rata* at any time after the 3 year anniversary of the date on which the Series A Preferred Shares are first issued. Upon exercise of the Corporation's retraction right, the holder of the Series A Preferred Shares may elect to receive one Common Share (subject to adjustment in accordance with the Corporation's Articles) for each Series A Preferred Share held, or be paid a cash amount equal to the subscription price paid per Series A Preferred Share.
- **Conversion:** The holder of the Series A Preferred Shares may elect to convert such Series A Preferred Shares into an equivalent number of Common Shares Share (subject to adjustment in accordance with the Corporation's Articles) in its sole discretion at any time.
- **Coattail Provisions:** If the Corporation receives a take-over bid in accordance with National Instrument 62-104 – *Take-over Bids and Issuer Bids*, which does not include the Series A Preferred Shares, the holders thereof may elect to convert such Series A Preferred Shares into Common Shares or such other class or series of shares as are subject to the take-over bid.
- **Redemption:** The Series A Preferred Shares are not redeemable.
- **Other:** There are no sinking or purchase fund provisions, provisions permitting or restricting the issuance of additional securities or any other material restrictions, nor are there any provisions requiring a shareholder to contribute additional capital. All Series A Preferred Shares outstanding are fully paid and non-assessable.

Incentive Stock Options

As of the date hereof, an aggregate of 4,245,000 incentive stock options of the Corporation, each exercisable to acquire one Common Share, are issued and outstanding ("**Options**"). The Options are governed by the incentive stock option plan of the Corporation, as amended, most recently approved at the annual general meeting of the Corporation on May 10, 2018, which allows for the granting of Options to directors, officers, employees and consultants of the Corporation (the "**Plan**").

Under the Plan, the Corporation may have no more than 5,500,000 Options issued and outstanding at any time, being a number equal to 15.95% of the number of issued and outstanding Common Shares as of the date of shareholder approval of the Plan. Under the Plan, the exercise price of an Option shall not be less than the discounted market price (as such term is defined in the policies of the TSXV) at the time of grant, or as otherwise permitted by the policies of the TSXV. Options shall vest as determined by the Board of Directors of the Corporation and shall not have a term exceeding ten years from the date of grant.

The summary above of the Options, is subject to, and qualified in its entirety by the Plan.

Warrants

As of the date hereof, an aggregate of 6,331,480 Common Share purchase warrants of the Corporation are issued and outstanding (“**Warrants**”). Each Warrant is exercisable to acquire one Common Share (a “**Warrant Share**”) in accordance with its terms. As of the date hereof, 4,685,000 Warrants are exercisable at \$0.20 per Warrant Share, 1,206,480 Warrants are exercisable at \$0.25 per Warrant Share, and 440,000 Warrants are exercisable at \$0.30 per Warrant Share. The Warrants remain outstanding for between nine months and three and a half years approximately.

The summary above of the Warrants, is subject to, and qualified in its entirety by the certificates evidencing such Warrants.

Convertible Debentures

As of the date hereof, an aggregate of \$2,051,000 of principal of Convertible Debentures are issued and outstanding. The Convertible Debentures bear interest at 8% per annum, payable monthly in arrears and mature on the five year anniversary of the date of issuance thereof (the “**CD Maturity Date**”). The holders of Convertible Debentures may elect to convert all, or part, of their outstanding principal amount of Convertible Debentures into Common Shares at any time prior to the CD Maturity Date at a price per Common Share of \$0.14.

The Convertible Debentures are redeemable by the Corporation upon ten days prior written notice at any time following the third anniversary of the date of issuance thereof until the CD Maturity Date in whole or in part, at a price equal to the principal amount of the Convertible Debentures plus all accrued and unpaid interest then outstanding.

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.

The summary above of the Convertible Debentures, is subject to, and qualified in its entirety by the certificates evidencing such Convertible Debentures.

Non-Convertible Debentures

As of the date hereof, an aggregate of \$6,160,200 of principal of Non-Convertible Debentures are issued and outstanding. The following table summarizes the Non-Convertible Debentures and their material terms:

Maturity Date	Principal Amount	Interest
March 31, 2021 ⁽¹⁾	\$1,824,000	8%
June 15, 2022 ⁽²⁾	\$3,016,200	12%
November 30, 2023 ⁽³⁾	\$1,320,000	12%

Notes:

1. Issued in year ended November 30, 2016. Redeemable by the Corporation at any time following three year anniversary of the date of issuance thereof. Interest paid monthly and on maturity.
2. Issued in three tranches on September 19, 2017, January 8, 2018 and May 23, 2018. Redeemable by the Corporation at any time following three year anniversary of the date of issuance thereof. Interest paid quarterly and on maturity.
3. Issued on December 13, 2018. Interest paid quarterly and on maturity.

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 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 summary above of the Non-Convertible Debentures, is subject to, and qualified in its entirety by the certificates evidencing such Non-Convertible Debentures.

SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

As of the date hereof, no Common Shares are subject to contractual restrictions on transfer.

MARKET FOR SECURITIES

Trading Price and Volume

The Corporation's Common Shares are listed and posted for trading on the TSXV and OTCQB under the symbols "TCA" and "TIMCF". The following table describes the price range and trading volume of the Common Shares on the TSXV, as reported by the TSXV, for the periods indicated.

Common Shares	High (\$/Common Share)	Low (\$/Common Share)	Volume
December 2018	0.20	0.17	315,500
January 2019	0.195	0.17	214,500
February 2019	0.195	0.17	374,500
March 2019	0.24	0.175	2,080,292
April 2019	0.225	0.21	356,210
May 2019	0.27	0.21	262,510
June 2019	0.25	0.195	1,021,760
July 2019	0.245	0.23	655,500
August 2019	0.24	0.215	1,224,620
September 2019	0.24	0.21	573,270
October 2019	0.22	0.20	359,320
November 2019	0.22	0.17	1,033,710

Prior Sales

The following table sets forth for each class of securities of the Corporation that is outstanding but not listed or quoted on a marketplace, the price at which securities of the class have been issued during the most recently completed financial year ended November 30, 2019 and the number of securities of the class issued at that price and the date on which the securities were issued.

Date of Issue	Grant Number and Designation of Securities	Issue/Exercise Price (\$)
December 17, 2019	250,000 Common Shares, in exchange for Options exercised	\$0.135
November 28, 2019	60,000 Common Shares, in exchange for	\$0.14

	Warrants exercised.	
May, 2019	2,696,001 Common Shares, in exchange for Warrants exercised	\$0.14
May 13, 2019	1,090,000 Options	\$0.215
April 12, 2019	100,000 Common Shares, in exchange for Options exercised	\$0.10
March 28, 2019	345,000 Common Shares, in exchange for Options exercised	\$0.10
February 15, 2019	75,000 Options	\$0.175
December 13, 2018	545 Units each consisting of a Debenture with a principal amount of \$100 and 333 Warrants	\$100.00

EXECUTIVE OFFICERS AND DIRECTORS

Summary Information

The following table sets forth certain summary information in respect of the executive officers, directors and other key members of management of the Corporation as of the date hereof.

Name, City and Country of Residence	Position	Director Since	Principal Occupation During the Five Preceding Years
Mike Walkinshaw, West Vancouver, British Columbia, Canada	CEO / Director	April 15, 2014	<ul style="list-style-type: none"> • Past Managing Partner, Fronterra Ventures • Past Managing Director of Chrysalix Energy Venture Capital • Past Director, Canadian Venture Capital Association • Past Manager, PricewaterhouseCoopers • Chartered Public Accountant
Andrew Abouchar, Waterloo, Ontario, Canada	CFO, CCO	N/A	<ul style="list-style-type: none"> • Managing Partner, Tech Capital Partners • Director, Ecobee • Past Director, Ontario Centre of Excellence • Past Investment Manager, Working Ventures • Certified Financial Analyst • Chartered Public Accountant
Howard Atkinson ^{(1),(2), (3)} Toronto, Ontario, Canada	Director	May 10, 2017	<ul style="list-style-type: none"> • Chief Business Officer and Director, Pascal Financial Inc. • Director, Stroud Resources Ltd. • Director, Hamilton Capital Partners • Director, 3iQ Corp. • Past Director, Yangaroo Inc. • President, TMFD Financial • President, Horizons ETFs
David Demers ^{(1), (2)} Vancouver, British Columbia, Canada	Director	May 10, 2017	<ul style="list-style-type: none"> • President, Crocus Advisors Ltd. • Director, Greenlane Renewables Inc. (CPC) • Past Director, Primero Mining Corp. • CEO, Director, Westport Fuel Systems Inc.

Paul Geyer ⁽²⁾ Vancouver, British Columbia, Canada	Director	May 14, 2019	<ul style="list-style-type: none"> • CEO, Discovery Parks • CEO, Nimbus Synergies Inc. • Chair of the Board, Starling Minds Inc. • Director, Claris Healthcare Inc. • Director, Alavida Health Ltd. • Past CEO, Neovasc Inc. • Director, TargetTape Inc.
Jan Lederman ⁽³⁾ Winnipeg, Manitoba, Canada	Director	May 14, 2019	<ul style="list-style-type: none"> • Director, Valhalla Private Capital, Inc. • Retired Partner, Thompson Dorfman Sweatman LLP • Retired Director, Genome Canada • Past Chair of the Board of Governors, University of Manitoba • Past Co-Founder, Innovate Manitoba Inc. • Chairman of the Board, VastCon Inc. • Chairman of the Board, RocketRez Inc.
Thealzel Lee ^{(2), (3)} Vancouver, British Columbia, Canada	Director	April 15, 2014	<ul style="list-style-type: none"> • Director, President & Co-Founder, VANTEC Entrepreneurs Fund (VCC) Inc. d.b.a. E-Fund • Director & Co-Founder, Nelsa Investment (VCC) Inc. • Senior Partner, Rocket Builders
Roberto (Robert) Napoli ⁽¹⁾ Vancouver, British Columbia, Canada	Director	May 14, 2019	<ul style="list-style-type: none"> • Principal and Managing Director, Promerita Capital Partners • Past President, ACG British Columbia • Co-Founder and Past Vice President, First West Capital • Past Global Director, The Association for Corporate Growth. • Past Advisory Committee Member, Accounting Standards Board of Canada • Past Senior Investment Manager, Vancity Capital • Past Manager Corporate Finance, PricewaterhouseCoopers

Notes:

- (1) Members of the Audit Committee.
(2) Members of the HR Committee.
(3) Member of Nominating and Governance Committee.

Common Share Ownership

As of the date hereof, the directors, executive officers and other identified key members of management as a group beneficially own, or control or direct, 11,457,943 Common Shares, representing 27.65% of the outstanding Common Shares.

Terms of Directors and Executive Officers

Directors are elected for a term expiring at the conclusion of the next annual meeting of Shareholders or until their successors are duly elected or appointed pursuant to the BCBCA and such directors will be eligible for re-election. Executive officers serve at the discretion of the Board.

Corporate Cease Trade Orders and Bankruptcies

To the knowledge of the Corporation, no director or executive officer of the Corporation (nor any personal holding company of any such persons) is, as of the date hereof, or was within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Corporation), that: (i) was subject to a cease trade order (including a management cease trade order), an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days (collectively, an “**Order**”), and that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

To the knowledge of the Corporation, no director or executive officer of the Corporation (nor any personal holding company of any such persons), or shareholder of the Corporation holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation: (i) is, as of the date hereof, or has been within the 10 years before the date hereof, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (ii) has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Penalties and Sanctions

To the knowledge of the Corporation, no director or executive officer of the Corporation (nor any personal holding company of any of such persons), or Shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation, has been subject to: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

Other than as disclosed herein, to the best of the Corporation’s knowledge, there are no existing or potential material conflicts of interest among the Corporation and a current or prospective director or officer of the Corporation at the date of this AIF.

No person is, or has been within the two most recently completed financial years or during the current financial year, a promoter of the Corporation.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Corporation is not a party to any legal proceeding nor was a party to, nor is or was any of its property the subject of any legal proceeding, during the year ended November 30, 2019, nor is the Corporation aware

of any such contemplated legal proceedings, which involve a claim for damages, exclusive of interest and costs, that may exceed 10% of the current assets of the Corporation.

During the year ended November 30, 2019, there were no: (i) penalties or sanctions imposed against the Corporation by a court relating to securities legislation or by a securities regulatory authority; (ii) penalties or sanctions imposed by a court or regulatory body against the Corporation that would likely be considered important to a reasonable investor in making an investment decision; or (iii) settlement agreements the Corporation entered into before a court relating to securities legislation or with a securities regulatory authority.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

There are no material interests, direct or indirect, of directors, senior officers, any Shareholder holding more than 10% of the Common Shares, or any known associates or affiliates of such persons, in any transaction within the last three most recently completed financial years or during the current financial year or in any proposed transaction which has materially affected or would materially affect the Corporation.

MATERIAL CONTRACTS

The following are the material contracts of the Corporation, other than contracts entered into in the ordinary course of business and the Credit Facility:

- (a) the LPI Fund LPA; and
- (b) the LP II Fund LPA.

Copies of these material contracts are available on SEDAR at www.sedar.com.

AUDITORS, TRANSFER AGENTS AND REGISTRARS

The auditors of the Corporation are Manning Elliott LLP, at its offices located at Vancouver, British Columbia. Manning Elliott LLP have confirmed that they are independent within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations.

Computershare Trust Company of Canada in Vancouver, British Columbia is the registrar and transfer agent for the Common Shares.

AUDIT COMMITTEE & RISK COMMITTEE

The Audit Committee's primary role is to assist the Board in fulfilling its oversight responsibilities regarding the Corporation's internal controls, financial reporting and risk management practices, all as more particularly described in the formal written audit and risk committee charter adopted by the Board, a copy of which is attached to this AIF as Schedule "A".

Composition

The Audit Committee is comprised of Howard Atkinson (chair), David Demers and Roberto Enrico (Robert) Napoli. All members of the Audit Committee are independent and financially literate as such terms are defined by National Instrument 52-110 – Audit Committees. Members of the Audit Committee have the following education experiences that are relevant to the performance of their duties as members of the

Audit Committee: Mr. Atkinson has received a Bachelors of Sciences in Economics from the University of New Orleans, holds the Chartered Financial Analyst designation, is a Certified Investment Management Analyst and has received the ICD.D designation from the Institute of Corporate Directors; Mr. Demers received a Juris Doctor and a Bachelor of Sciences in Physics from the University of Saskatchewan; and Mr. Napoli has received a Bachelor of Laws and a Bachelor of Commerce degree from Monash University and is a Chartered Professional Accountant. Information with respect to the experience of each member of the Audit Committee is provided under the heading “Directors and Executive Officers”.

Reliance on Certain Exemptions

The Corporation has not relied on any exemptions noted in Sections 4-6 of Form 52-110F1 – Audit Committee Information Required in an AIF since the commencement of the Corporation’s most recently completed financial year.

External Auditor Service Fees (By Category)

The aggregate fees billed by the Corporation’s external auditors for the years ended November 30, 2019 and November 30, 2018 were as follows:

Nature of Services	November 30, 2019 (\$)	November 30, 2018 (\$)
Audit Fees ⁽¹⁾	45,000	60,000
Audit-Related Fees ⁽²⁾	Nil	Nil
Tax Fees ⁽³⁾	2,800	4,700
All Other Fees ⁽⁴⁾	6,450	Nil

Notes:

- (1) The aggregate fees billed by the Auditor for audit fees.
- (2) The aggregate fees billed for assurance and related services by the Auditor that are reasonably related to the performance of the audit or review of the Corporation’s financial statements and are not disclosed in the ‘Audit Fees’ row.
- (3) The aggregate fees billed for professional services rendered by the Auditor for tax compliance, tax advice and tax planning.
- (4) The aggregate fees billed for professional services other than those listed in the other three rows.

The Audit Committee may adopt specific policies and procedures for the engagement of non-audit services, whereby the Audit Committee can pre-approve such services, as well as establish a threshold amount for fees for non-audit services to be provided by the external auditors without advance approval of the Audit Committee. The Audit Committee has not adopted any such policies and procedures as at the date of this AIF.

ADDITIONAL INFORMATION

Additional information relating to the Corporation can be found on SEDAR at www.sedar.com. Additional information, including information about the remuneration and indebtedness of our directors and officers, the principal holders of our securities and our securities authorized for issuance under equity compensation plans, is contained in our information circular for the annual meeting of Shareholders held on June 2, 2020, a copy of which is available on SEDAR at www.sedar.com. Additional financial information about the Corporation is provided for in our financial statements and management’s discussion and analysis for the year ended November 30, 2019.

SCHEDULE A – AUDIT COMMITTEE CHARTER

(“Charter”)

MEMBERSHIP

The audit committee (the “**Committee**”) of the board of directors (the “**Board**”) of TIMIA Capital Corp. (the “**Company**”) shall consist of three directors. The composition of the Committee shall comply with all of the independence requirements applicable pursuant to corporate laws, securities laws, and the policies of the stock exchange upon which shares of the Company are listed.

Each member of the Committee must be financially literate, as this term is defined under National Instrument 52-110 - Audit Committees (the “**Instrument**”).

The Board shall appoint members to the Committee. Each Committee member shall be appointed for a one-year term/shall serve until a successor is duly appointed or until the member’s earlier death, resignation, disqualification or removal. The Board may remove any member from the Committee at any time with or without cause. The Board shall fill Committee member vacancies by appointing a member from the Board. If a vacancy on the Committee exists, the remaining members shall exercise all the Committee’s powers so long as a quorum exists.

New Committee members shall be provided with an orientation program to educate them on the Company, their roles and responsibilities on the Committee, and the Company’s financial reporting and accounting practices. In addition, Committee members shall receive training as necessary to increase their understanding of financial, accounting, auditing and industry issues applicable to the Company.

The Board shall appoint the chairperson of the Committee (“**Chairperson**”) from the Committee members. The Chairperson must be a non-executive Director. Subject to Section 1.04, the Board shall determine the Chairperson’s term of office.

A quorum for decisions of the Committee shall be two members.

COMMITTEE MEETINGS

The Committee shall meet at least quarterly at such times and places as determined by the Committee. The Committee is governed by the same rules regarding meetings (including the procedure used to call meetings, and conducting meetings electronically, in person or by telephone), Notice of meetings and waiver of notice by committee members, written resolutions in lieu of a meeting, and voting at meetings that apply to the Board.

The Chairman shall seek input from Committee members, the Company’s management, the Auditor and Board members when setting each Committee meeting’s agenda.

Any written material to be provided to Committee members for a meeting must be distributed in advance of the meeting to give Committee members time to review and understand the information. All material provided to Committee members shall be relevant and concise.

The chairperson of the Board, the chief executive officer of the Company (“**CEO**”), and chief financial officer of the Company (“**CFO**”) may, if invited by the Chairperson, attend and speak at Committee meetings. Other Board members may also, if invited by the Chairperson, attend and speak at Committee meetings.

The Chairperson, on the Committee's recommendation, may invite members of the Company's management to attend meetings and give presentations relating to their responsibilities.

The Committee may appoint a Committee member or any other attendee to be the secretary of a meeting. The Chairperson shall circulate minutes of all Committee meetings to the Company's Board members and its Auditor (defined below). The Committee shall report its decisions and recommendations to the Board promptly after each Committee meeting.

The Committee shall meet for a private session, excluding management and the Auditor, following each Committee meeting.

PURPOSE, ROLE AND AUTHORITY

The purpose of the Committee is to oversee the Company's accounting and financial reporting processes and the preparation and auditing of the Company's financial statements.

The Committee is authorized by the Board to investigate any matter set out in this Charter or otherwise delegated to the Committee by the Board.

DUTIES AND RESPONSIBILITIES

The Committee has the duties and responsibilities set out in sections 5 to 14 of this Charter, as may be amended, supplemented or restated from time to time.

EXTERNAL AUDITOR - APPOINTMENT AND REMOVAL

To consider and recommend to the Board, to put forward for shareholder approval at the annual meeting, an Auditor that will be appointed or reappointed to prepare or issue an auditor's report as well as perform audit, review, attest or other services for the Company in compliance with the Instrument, and to recommend to the Board the Auditor's removal, if necessary.

To set the terms of the Auditor's engagement and its remuneration, including reviewing and negotiating the Auditor's engagement letter.

To review and monitor the independence of the Auditor.

To, at least once per fiscal year, review the qualifications and performance of the Auditor and the Auditor's lead partners and consider and decide if the Company should adopt or maintain a policy of rotating the accounting firm serving as the Company's external auditor.

AUDITOR OVERSIGHT - AUDIT SERVICES

To require the Auditor to report directly to the Committee.

To discuss with the Auditor, before an audit commences, the nature and scope of the audit, the Auditor's responsibilities in relation to the audit, the overall audit strategy, the timing of the audit, the processes used by the Auditor to identify risks and reporting such risks to the Committee. To discuss with the Auditor any other matters relevant to the audit, including the coordination of services and processes, where more than one audit firm is involved.

To review and discuss with the Auditor all critical accounting policies and practices to be used in the audit, all alternative treatments of financial information within International Financial Reporting Standards

("IFRS") that have been discussed with management, the ramifications of the use of such alternative treatments and the treatment preferred by the Auditor.

To review any major issues regarding accounting principles, including IFRS, and financial statement presentation with the Auditor and Company's management, including any significant changes in the Company's selection or application of accounting principles; any significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including the effect of regulatory and accounting initiatives and off-balance sheet structures on the Company's financial statements.

To review and discuss with the Auditor and management any problems or difficulties encountered during the audit, including restrictions on the scope of activities or access to information, and any significant disagreements between the Auditor and management in relation to financial reporting. The Committee may meet with the Auditor and management (together or separately) to discuss and resolve such disagreements.

To review all material communications between management and the Auditor, including reviewing the Auditor's management letter and management's response.

To create (if required), review, and approve the Company's policies respecting the hiring of any (former or current) Auditor's past or present employees or past or present partners that participated in any capacity in any Company audit.

To oversee any other matters relating to the Auditor and the performance of audit services on the Company's behalf.

AUDITOR OVERSIGHT - NON-AUDIT SERVICES

To pre-approve all non-audit services to be provided by the Auditor to the Company or its subsidiaries in accordance with the Instrument.

Notwithstanding section 7.1, the Committee may delegate the pre-approval of non-audit services to a member or certain members of the Committee. Such member or members shall notify the Committee at each Committee meeting of the non-audit services they approved since the last Committee meeting.

INTERNAL CONTROLS

To oversee an effective system of internal controls and procedures for the Company relating to the financial reporting process and disclosure of the financial results ("**Internal Controls**").

To review with management the adequacy and effectiveness of the Company's Internal Controls, including any significant deficiencies or material weaknesses in the design or operation of the Internal Controls, and to determine if any special steps must be adopted by the Auditor during its audit in light of any such deficiencies or weaknesses.

To review management's roles, responsibilities, and performance in relation to the Internal Controls.

To review, discuss and investigate any alleged fraud involving the Company's management or employees in relation to the Internal Controls, including management's response to any allegations of fraud. To implement corrective and disciplinary action in cases of proven fraud, and to determine if any special steps must be adopted by the Auditor during its audit in light of any proven fraud or any allegations of fraud.

To establish and monitor the procedures for: (a) the receipt, retention, and treatment of complaints the Company receives relating to its Internal Controls; (b) the anonymous submission of employees' concerns relating to questionable accounting or audited matters engaged in by the Company; and (c) the independent investigation of the matters set out in (a) and (b), including the appropriate follow up action for each.

To review and discuss with the CEO and CFO, or those officers who perform the duties similar to a CEO or CFO, the steps taken to complete the required certifications of the annual and interim filings with the securities commissions.

FINANCIAL STATEMENTS

To review and discuss with the Auditor and management the Company's annual audited financial statements as well as the accompanying Auditor's report and management discussion and analysis ("MD&A"). The Committee's review of the annual audited financial statements will include a review of the notes contained in the financial statements, in particular the notes on: (a) significant accounting policies, including any changes made to them and the effect this may have on the Company; (b) significant estimates and assumptions; (c) significant adjustments resulting from an audit; (d) the going concern assumption; (e) compliance with accounting standards; (f) investigations and litigation undertaken by regulatory authorities; (g) the impact of unusual transactions; and (h) off-balance sheet and contingent asset and liabilities, and related disclosures.

To assess: (a) the quality of the accounting principles applied to the financial statements; (b) the clarity of disclosure in the financial statements; and (c) whether the audited annual financial statements present fairly, in all material respects, in accordance with IFRS, the Company's financial condition, operational results and cash flows.

Upon satisfactory completion of its review, to recommend the annual audited financial statements, Auditor's report and annual MD&A for Board approval.

To review the interim financial statements and related MD&A with the Auditor (if the interim financial statements are audited) and management, and if satisfied that the interim financial statements meet the criteria set out in subsection 9.2 to recommend to the Board that it approve the interim financial statements and accompanying MD&A.

DISCLOSURE OF OTHER FINANCIAL INFORMATION

To review and discuss with management the design, implementation and maintenance of effective procedures relating to the Committee's prior review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements ("**Disclosure Procedures**"). To ensure that the Disclosure Procedures put in place are followed by the Company's management and employees, and to periodically assess the adequacy of the Disclosure Procedures.

To review the Company's profit and loss press releases and other related press releases before they are released to the public and to review the nature of any financial information and ratings information provided to agencies and analysts per the Company's disclosure policy.

To monitor and review the Company's policy on confidentiality and disclosure on a yearly basis.

RISK MANAGEMENT

To review and discuss with management policies and guidelines to govern the processes by which management assesses and manages the Company's risks, including the Company's major financial risk exposures and fraud, and the steps management has taken to monitor and control such exposures.

LEGAL COMPLIANCE

To review with legal counsel any legal matters, including inquiries received from regulators and governmental agencies, that may have a significant impact on the Company's financial statements, cash flows or operations, to review and oversee any policies, procedures and programs designed by the Company to promote legal compliance.

RELATED PARTY TRANSACTIONS

To review all proposed related party transactions, other than those reviewed by a special committee of disinterested directors in accordance with Canadian corporate or securities laws.

OTHER DUTIES AND RESPONSIBILITIES

To complete any other duties and responsibilities delegated by the Board to the Committee from time to time.

MEETINGS WITH THE AUDITOR

Notwithstanding anything set out in this Charter to the contrary, the Committee may meet privately with the Auditor as frequently as the Committee deems appropriate for the Committee to fulfil its responsibilities and to discuss any concerns of the Committee or Auditor in relation to the matters covered by the Committee's Charter, including the effectiveness of the Company's financial recording procedures and systems, and management's cooperation and responsiveness to matters arising from the audit and non-audit services performed by the Auditor.

MEETINGS WITH MANAGEMENT

The Committee may meet privately with management as frequently as the Committee deems appropriate for the Committee to fulfil its responsibilities, and to discuss any concerns of the Committee or management.

OUTSIDE ADVISORS

The Committee shall have the authority, in its sole discretion, to retain and obtain the advice and assistance of independent outside counsel and such other advisors as it deems necessary to fulfil its duties and responsibilities under this Charter. The Committee shall set the compensation and oversee the work of any outside counsel and other advisors to be paid by the Company.

REPORTING

The Committee shall report to the Board on all matters set out in this Charter and other matters assigned to the Committee by the Board, including: (a) the Auditor's independence; (b) the Auditor's performance and the Committee's recommendation to reappoint or terminate the Auditor; (c) the adequacy of the Internal Controls; (d) the Committee's review of the Company's annual and interim financial statements, and any IFRS reconciliation, including any issues respecting the quality and integrity of financial statements, along with the MD&A; (e) the Company's compliance with legal and regulatory matters and such matters impact

on the financial statements; and (f) the Company's risk management programs and any risks identified in accordance with this program.

CHARTER REVIEW

The Committee shall review this Charter at least annually and recommend any proposed changes to the Board for approval.

PERFORMANCE EVALUATION

The Committee shall conduct an annual evaluation of the performance of its duties and responsibilities under this Charter and shall present the results of the evaluation to the Board. The Committee shall conduct this evaluation in such manner as it deems appropriate.

NO RIGHTS CREATED

This Charter is a broad policy statement and is intended to be part of the Committee's flexible governance framework. While this Charter should comply with all applicable laws, regulations and listing requirements, as well as the Company's articles and by-laws, this Charter does not create any legally binding obligations on the Committee, the Board or the Company.

EFFECTIVE DATE

This Charter was implemented by the Board on December 1, 2015.