

FORM 62-103F3

REQUIRED DISCLOSURE BY AN ELIGIBLE INSTITUTIONAL  
INVESTOR UNDER PART 4

Item 1 – Security and Reporting Issuer

**1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.**

This report relates to the common shares (the "**Common Shares**") in the capital of Aegis Brands Inc. (the "**Issuer**"). The Issuer's head office is located at:

210 Shields Court  
Markham, Ontario, Canada  
L3R 8V2

**1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.**

The transactions for which this report relates took place by way of private agreement.

Item 2 – Identity of the Eligible Institutional Investor

**2.1 State the name and address of the eligible institutional investor.**

Canso Investment Counsel Ltd. ("**Canso**")  
100 York Boulevard, Suite 550,  
Richmond Hill, Ontario, Canada,  
L4B 1J8

Canso is an investment advisor that furnishes investment advice to and manages separate managed accounts (the "**Accounts**"). The Accounts currently hold securities of the Issuer for investment purposes only and not for the purpose of influencing control or direction of the Issuer.

**2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.**

On September 29, 2022, Canso, for and on behalf of the Accounts, entered into a subscription agreement to purchase 679,000 common share subscription receipts (the "**Common Share Subscription Receipts**") at a price of \$0.324 per Common Share Subscription Receipt and 2,000 convertible debenture subscription receipts (the "**Debenture Subscription Receipts**") at a price of \$1,000 per Debenture Subscription Receipt pursuant to a private placement offering of subscription receipts by the Issuer (the "**Offering**"). The Offering provides for a 15% over-allotment on each of the Common

Share Subscription Receipt and Debenture Subscription Receipt private placements (the "**Over-Allotment Option**"). The proceeds of the Offering will be used to fund a portion of the purchase price of the proposed acquisition announced by the Issuer on September 29, 2022 (the "**Acquisition**").

Each Common Share Subscription Receipt entitles the holder to acquire, upon the completion of the Acquisition, and without payment of additional consideration or further action, one Common Share. Each Debenture Subscription Receipt entitles the holder to receive one \$1,000 principal amount unsecured convertible debenture (the "**Convertible Debentures**"). The Convertible Debentures will be convertible at the holder's option into an aggregate of 4,123,711 Common Shares at a conversion price of \$0.485 per Common Share.

All of the Common Share Subscription Receipts and Debenture Subscription Receipts issued by the Issuer will convert automatically upon the completion of the Acquisition and the satisfaction of certain other conditions.

The terms of the indenture governing the Convertible Debentures confirm that no holder of a Convertible Debenture shall have the right to exercise conversion rights if such a conversion would cause the holder to beneficially own or control Common Shares representing more than 19.9% of the total number of outstanding Common Shares at the time of any such conversion.

**2.3** *State the name of any joint actors.*

Not applicable.

**2.4** *State that the eligible institutional investor is eligible to file reports under Part 4 in respect of the reporting issuer.*

This report is filed pursuant to the exemption from the Early Warning Requirements described in Part 4.1 of NI 62-103. Canso is not disqualified from reporting under Part 4 of NI 62-103. Specifically, as of the date hereof, neither Canso, nor to Canso's knowledge, any entities which may be considered joint actors:

(a) has made, or intends to make, a formal take-over bid for securities of the Issuer;

(b) proposes, or intends to propose, a reorganization, amalgamation, merger, arrangement or similar business combination that if completed would reasonably be expected to result in Canso, either alone or together with any joint actors, possessing effective control over the Issuer or a successor to all or part of the business of the Issuer; or

(c) has solicited, or intends to solicit proxies from securityholders of the Issuer in any of the following circumstances:

(i) in support of the election of one or more persons as directors of the Issuer other than the persons proposed to be nominated by management of the Issuer;

(ii) in support of a reorganization, amalgamation, merger, arrangement or other similar corporate action involving securities of the Issuer if that action is not supported by management of the Issuer;

(iii) in opposition to a reorganization, amalgamation, merger, arrangement or other similar corporate action involving the securities of the Issuer if that action is proposed by management of the Issuer.

### **Item 3 – Interest in Securities of the Reporting Issuer**

***3.1 State the designation and the net increase or decrease in the number or principal amount of securities, and in the eligible institutional investor's securityholding percentage in the class of securities, since the last report filed by the eligible institutional investor under Part 4 or the early warning requirements.***

Since the last report filed on December 10, 2019, Canso entered into a subscription agreement, for and on behalf of the Accounts, to purchase 679,000 Common Share Subscription Receipts and 2,000 Debenture Subscription Receipts in connection with the Offering. Immediately prior to the issuance of the Common Share Subscription Receipts and the Debenture Subscription Receipts, Canso held 2,391,400 Common Shares, representing approximately 10.29% of the 23,230,227 issued and outstanding Common Shares.

Assuming the conversion of the Common Share Subscription Receipts and the Debenture Subscription Receipts, the Accounts would own 3,070,400 Common Shares and Convertible Debentures convertible into an additional 4,123,711 Common Shares, representing 7,194,111 Common Shares in aggregate.

Canso's securityholding percentage in the Issuer would increase by approximately 9.35% from approximately 10.29% to approximately 19.65% on a partially diluted basis (assuming the Over-Allotment Option is not exercised, 32,489,486 Common Shares outstanding following completion of the Offering and conversion of all of the Convertible Debentures held by the Accounts and no other Convertible Debentures).

Canso's securityholding percentage in the Issuer would increase by approximately 8.64% from approximately 10.29% to approximately 18.93% on a partially diluted basis (assuming the full Over-Allotment Option is exercised, 33,878,375 Common Shares outstanding following completion of the Offering and conversion of all of the Convertible Debentures held by the Accounts and no other Convertible Debentures).

**3.2 State the designation and number or principal amount of securities and the eligible institutional investor's securityholding percentage in the class of securities at the end of the month for which the report is made.**

See item 3.1. As of September 30, 2022, Canso, for and on behalf of the Accounts, exercises control and direction over 2,391,400 Common Shares, Common Share Subscription Receipts convertible into 679,000 Common Shares and Debenture Subscription Receipts convertible into \$2,000,000 principal amount of Convertible Debentures which are in turn convertible into 4,123,711 Common Shares, representing 7,194,111 Common Shares in aggregate.

Canso's securityholding percentage in the Issuer would be approximately 19.65% on a partially diluted basis (assuming the Common Share Subscription Receipts are converted, the Over-Allotment Option is not exercised, 32,489,486 Common Shares outstanding following completion of the Offering and conversion of all of the Convertible Debentures held by the Accounts and no other Convertible Debentures).

Canso's securityholding percentage in the Issuer would be approximately 18.93% on a partially diluted basis (assuming the Common Share Subscription Receipts are converted, the Over-Allotment Option is exercised, 33,878,375 Common Shares outstanding following completion of the Offering and conversion of all of the Convertible Debentures held by the Accounts and no other Convertible Debentures).

**3.3 If the transaction involved a securities lending arrangement, state that fact.**

Not applicable.

**3.4 State the designation and number or principal amount of securities and the percentage of outstanding securities of the class of securities to which this report relates and over which**

**(a) the eligible institutional investor, either alone or together with any joint actors, has ownership and control,**

Not applicable.

**(b) the eligible institutional investor, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the eligible institutional investor or any joint actor, and**

Not applicable.

**(c) the eligible institutional investor, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.**

Canso has control or direction over, but not ownership of, the securities

referred to in Section 3.2 above in its capacity as investment manager of the Accounts.

- 3.5** *If the eligible institutional investor or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the eligible institutional investor's securityholdings.*

Not applicable.

- 3.6** *If the eligible institutional investor or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.*

**State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.**

Not applicable.

- 3.7** *If the eligible institutional investor or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the eligible institutional investor's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.*

Not applicable.

#### **Item 4 – Purpose of the Transaction**

**State the purpose or purposes of the eligible institutional investor and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the eligible institutional investor and any joint actors may have which relate to or would result in any of the following:**

- (a)** *the acquisition of additional securities of the reporting issuer, or the disposition of securities of the issuer;*

In the ordinary course of business, Canso conducts analysis of securities in which it may invest on behalf of the Accounts. Based on that analysis, it makes buy and sell decisions on a continuous basis on behalf of such Accounts. Accordingly, depending upon the circumstances, Canso may, on behalf of its Accounts, acquire additional securities or related financial instruments of the

Issuer or dispose of securities or related financial instruments of the Issuer previously acquired.

- (b) *a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;***

Not applicable.

- (c) *a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;***

Not applicable.

- (d) *a material change in the present capitalization or dividend policy of the reporting issuer;***

Not applicable.

- (e) *a material change in the reporting issuer's business or corporate structure;***

Not applicable.

- (f) *a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person;***

Not applicable.

- (g) *a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;***

Not applicable.

- (h) *the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;***

Not applicable.

- (i) *a solicitation of proxies from securityholders;***

Not applicable.

- (j) *an action similar to any of those enumerated above.***

Not applicable.

