

This document is important and requires your immediate attention. If you are in doubt as to how to deal with it, you should consult your investment dealer, stock broker, bank manager, lawyer, accountant or other professional advisor.

This Offer has not been approved by any securities regulatory authority nor has any securities regulatory authority passed upon the fairness or merits of the Offer or upon the adequacy of the information contained in this document. Any representation to the contrary is an offence.

This document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful. The Offer is not being made to, and deposits will not be accepted from or on behalf of, Shareholders in any jurisdiction in which the making or acceptance thereof would not be in compliance with the laws of that jurisdiction. However, the Company may, in its sole discretion, take such action as it may deem necessary to make the Offer in any such jurisdiction and to extend the Offer to Shareholders in such jurisdiction.

For U.S. Shareholders: The Offer is made by a Canadian issuer for its own securities, and while the Offer is subject to disclosure requirements of Canada, investors should be aware that these requirements are different from those of the United States. Financial statements of the Company have been prepared in accordance with international financial reporting standards and thus may not be comparable to financial statements of U.S. companies. The enforcement by investors of civil liabilities under the U.S. federal securities laws may be affected adversely by the fact that the Company is located in Canada, and that its officers and directors are non-residents of the United States.

December 2, 2022

OFFER TO PURCHASE FOR CASH

**UP TO \$3,375,000 IN VALUE OF ITS COMMON SHARES AT A PURCHASE PRICE OF
NOT LESS THAN \$0.55 AND NOT MORE THAN \$0.65 PER COMMON SHARE**

Coloured Ties Capital Inc. (“we”, “CTI” or the “Company”) hereby offers to purchase common shares of the Company (the “Shares”) validly tender and not properly withdrawn having an aggregate purchase price not exceeding \$3,375,000. The purchase price per Share (the “Purchase Price”) will be determined in the manner described below but will not be less than \$0.55 per Share and not more than \$0.65 per Share. The offer and all deposits of Shares are subject to the terms and conditions set forth in this Offer to Purchase, the accompanying Issuer Bid Circular (the “Circular”), the related Letter of Transmittal and the Notice of Guaranteed Delivery (the terms and conditions found in all such documents, as amended or supplemented from time to time, collectively constitute the “Offer”).

The Offer will commence on December 12, 2022 and expires at 5:00 p.m. (Toronto time) on January 17, 2023 or at such later time and date to which the Offer may be extended by CTI (such time on such date, the “Expiration Date”). The Offer is not conditional upon any minimum number of Shares being deposited. CTI reserves the right to withdraw the Offer and not take up and pay for any Shares deposited under the Offer unless certain conditions are satisfied. The Offer is also subject to certain other conditions that are customary for transactions of this nature. See Section 7 of the Offer To Purchase, “Certain Conditions of the Offer”.

Shareholders (as defined below) who wish to tender to the Offer may do so in one of two ways by making:

- an auction tender pursuant to which they agree to sell to us at a specified price per Share (not less than \$0.55 and not more than \$0.65 and in increments of \$0.01 within that range) a specified number of Shares owned by them (an “Auction Tender”); or
- a purchase price tender pursuant to which they agree to tender a number of Shares to us at the Purchase Price determined pursuant to the Offer (a “Purchase Price Tender”), understanding that if they make a Purchase Price Tender, for the purposes of determining the Purchase Price, such Shares will be deemed to have been tendered at the minimum price of \$0.55 per Share.

If the Purchase Price is determined to be \$0.55 per Share (which is the minimum Purchase Price under the Offer), the maximum number of Shares that may be purchased by us will be 6,136,363 Shares. If the Purchase Price

(continued on following page)

is determined to be \$0.65 per Share (which is the maximum Purchase Price under the Offer), the maximum number of Shares that may be purchased by us will be 5,192,307 Shares.

Shareholders who wish to deposit Shares without specifying a price at which such Shares may be purchased by us should tender Shares in a Purchase Price Tender. Under a Purchase Price Tender, Shares will be purchased, upon the terms and subject to the conditions of the Offer, at the Purchase Price determined as provided herein. Shareholders who validly deposit Shares without specifying the method in which they are tendering their Shares will be deemed to have made a Purchase Price Tender.

We are conducting the Offer through a “modified Dutch Auction” procedure. This procedure allows Shareholders making Auction Tenders to select a price of not less than \$0.55 per Share and not more than \$0.65 per Share (in increments of \$0.01 per Share) at which they are willing to deposit all or part of their Shares. As promptly as practicable after the Expiration Date, the Company will, pursuant to the terms and subject to the conditions of the Offer, determine the Purchase Price that it will pay for Shares validly deposited pursuant to the Offer and not withdrawn having an aggregate Purchase Price not exceeding \$3,375,000.

The Purchase Price will be determined in the manner described herein, taking into account the auction prices and the number of Shares deposited pursuant to Auction Tenders and Purchase Price Tenders. Shares deposited pursuant to Purchase Price Tenders will be deemed to have been deposited at a price of \$0.55 per Share for the purpose of determining the Purchase Price (which is the minimum Purchase Price under the Offer). The Purchase Price will be the lowest price per Share that will enable us to purchase the maximum number of Shares validly deposited pursuant to Auction Tenders and Purchase Price Tenders and not withdrawn having an aggregate purchase price not exceeding the Maximum Offer Amount (as defined herein). Shares validly deposited pursuant to an Auction Tender will only be taken up if the price specified in the Auction Tender by the depositing Shareholder is equal to or less than the Purchase Price. See Section 2 of this Offer To Purchase, “Purchase Price”.

Shareholders who have properly deposited Shares pursuant to an Auction Tender at or below the Purchase Price or pursuant to a Purchase Price Tender and who have not withdrawn such Shares (in accordance with Section 6 of the Offer To Purchase, “Withdrawal Rights”) will receive the Purchase Price, payable in cash (subject to applicable withholding taxes, if any), for all Shares purchased, on the terms and subject to the conditions of the Offer, including the provisions relating to pro-ration and the preferential acceptance of odd lots, each as described herein. We will first accept for purchase Shares validly deposited by any Shareholders who beneficially hold, as of the close of business on the Expiration Date, fewer than 100 Shares in the aggregate (referred to as “Odd Lot Holders”) and who deposit all such Shares pursuant to an Auction Tender at a price equal to or less than the Purchase Price or pursuant to a Purchase Price Tender.

Shareholders validly depositing Shares pursuant to Auction Tenders at \$0.55 per Share (the minimum purchase price under the Offer) and Shareholders validly depositing Shares pursuant to Purchase Price Tenders can reasonably expect to have such Shares purchased at the Purchase Price if any Shares are purchased under the Offer (subject to provisions relating to rounding to whole Shares and pro-ration and the preferential acceptance of holders of odd lots, each as described herein).

We will publicly announce the Purchase Price following the Expiration Date and, upon the terms and subject to the conditions of the Offer (including the pro-ration provisions and the preferential acceptance of Shares deposited by odd lots, each as described herein), we will pay the Purchase Price in cash (subject to applicable withholding taxes, if any) to all Shareholders who have validly deposited (and have not withdrawn) their Shares pursuant to Auction Tenders at prices equal to or less than the Purchase Price or pursuant to Purchase Price Tenders.

If the Offer would result in an aggregate purchase price of more than \$3,375,000, we will purchase a pro-rated portion of the Shares tendered pursuant to Auction Tenders at or below the Purchase Price and Purchase Price Tenders (after giving preferential treatment to Odd Lot Holders) who deposit all of their Shares pursuant to the Offer. See Section 3 of this Offer To Purchase, “Number of Shares, Pro-ration”, for additional details, including the formula that we will use to determine proration.

If no Auction Tenders or Purchase Price Tenders are made pursuant to the Offer, the Company will not purchase any Shares pursuant to the Offer.

All Auction Tenders and Purchase Price Tenders will be subject to adjustment to avoid the purchase of fractional Shares (rounding down to the nearest whole number of Shares). All payments to Shareholders will be subject to deduction of applicable withholding taxes determined by us. See also Section 14 of the Circular, “Certain Canadian Federal Income Tax Considerations”.

All Deposited Shares not purchased, including all Shares deposited pursuant to Auction Tenders at prices in excess of the Purchase Price, Shares not purchased due to pro-ration and Shares not accepted for purchase, will be returned to the depositing Shareholder promptly after the Expiration Date or termination of the Offer without expense to the depositing Shareholder.

The Purchase Price will be denominated in Canadian dollars and the Company’s obligation to make payment of amounts owing to a depositing Shareholder whose Shares are taken up will be made in Canadian dollars. However, Shareholders may elect to receive payment of the Purchase Price in U.S. dollars as described in this Offer to Purchase. In such cases, the risk of any fluctuation in exchange rates, including risks relating to the particular date and time at which funds are converted, will be borne solely by the Shareholder wishing to receive payment in U.S. dollars.

As at December 2, 2022, 22,111,859 Shares were outstanding. The Shares are listed on the TSX-V Venture Exchange (“TSX-V”) under the symbol “TIE”. On October 17, 2022 (the last trading day before the Offer was announced), the closing price of the Shares on the TSX-V was \$0.30 per Share. During the past six months, the closing prices of the Shares on the TSX-V have ranged from a low of \$0.27 to a high of \$0.535 per Share. The range of the closing prices may have been influenced by the normal course issuer bid that the Company undertook this year. From December 15, 2021 to August 9, 2022, the Company purchased and cancelled a total of 1,163,782 Shares at an average price of \$0.325 under the normal course issuer bid.

None of CTI, its Board of Directors or Computershare Investor Services Inc. makes any recommendation to any Shareholder as to whether to deposit or refrain from depositing Shares under the Offer. See Section 3 of the Circular, “Purpose and Effect of the Offer”. Shareholders must make their own decisions as to whether to deposit Shares under the Offer. **Shareholders should carefully consider the income tax consequences of depositing Shares pursuant to the Offer. See Section 14 of the Circular, “Certain Canadian Federal Income Tax Considerations”.**

Shareholders wishing to deposit all or any portion of their Shares pursuant to the Offer must comply in all respects with the delivery procedures described herein. See Section 5 of the Offer To Purchase, “Procedure for Depositing Shares”.

The Offer expires at 5:00 p.m. (Toronto time) on January 17, 2023, unless extended, varied or withdrawn.

Computershare Investor Services Inc.
100 University Avenue, 8th Floor
Toronto, Ontario
M5J 2X1

Telephone: 514-982-7555
Toll Free: 1-800-564-6253

FORWARD-LOOKING STATEMENTS

Certain statements made in the Offer contain forward-looking information within the meaning of applicable securities laws (“forward-looking statements”). When used in the Offer, the words “may”, “would”, “could”, “will”, “intend”, “plan”, “anticipate”, “believe”, “seek”, “propose”, “estimate”, “expect”, and similar expressions, as they relate to the Company, are intended to identify forward-looking statements. Specific forward-looking statements in this document include, but are not limited to: the Company continuing to have sufficient financial resources to conduct its ongoing operations and property development plans and continuing to have sufficient financial resources to pursue its foreseeable new business opportunities including strategic acquisitions; the market for the Shares after completion of the Offer not being materially less liquid than the market that exists at the time of the making of the Offer; future purchases of additional Shares following expiry of the Offer; the source and availability of funding for the Offer; and the prospect that the Company may from time to time in the future consider various acquisition or divestiture opportunities.

The forward-looking statements contained herein are based on certain factors and assumptions, certain of which appear proximate to the applicable forward-looking statements contained herein. Inherent in the forward-looking statements are known and unknown risks, uncertainties and other factors beyond the Company’s ability to control or predict, that may cause the actual results, performance or achievements of the Company, or developments in the Company’s business or in its industry, to differ materially from the anticipated results, performance, achievements or developments expressed or implied by such forward-looking statements. Actual results or developments may differ materially from those contemplated by the forward-looking statements.

The Company’s actual results and performance could differ materially from those anticipated in these forward-looking statements as a result of both known and unknown factors and risks. Such factors and risks may include, but are not limited to: pending, proposed or unanticipated regulatory or policy changes; impact of global liquidity and credit availability; the Company’s inability to finance the Offer in the manner it intends; dependence on key personnel; potential undisclosed liabilities and capital expenditures associated with acquisitions; future or current legal proceedings; credit, liquidity and market risks associated with our financial instruments; interest and exchange rate fluctuations; non-realization of cost reductions and synergies; and economic uncertainty and financial market volatility.

This is not an exhaustive list of the factors and risks that may affect any of the Company’s forward-looking statements. Investors and others should carefully consider these and other factors and not place undue reliance on the forward-looking statements. Further information regarding these and other risk factors is included in the Company’s public filings with provincial securities regulatory authorities and can be found on the System for Electronic Document Analysis and Retrieval (SEDAR) website at www.sedar.com. The forward-looking statements contained in the Offer represent the Company’s views only as of the date hereof. Forward-looking statements contained in the Offer are based on management’s current plans, estimates, projections, beliefs and opinions and the assumptions related to these plans, estimates, projections, beliefs and opinions may change, and are presented for the purpose of assisting the Company’s securityholders in understanding management’s current views regarding those future outcomes and may not be appropriate for other purposes. While the Company anticipates that subsequent events and developments may cause the Company’s views to change, the Company does not undertake to update any forward-looking statements, except to the extent required by applicable securities laws.

CURRENCY

All dollar references in the Offer to Purchase and the Circular are in Canadian dollars, except where otherwise indicated.

INTERPRETATION

Unless the context otherwise requires, all references in the Offer to Purchase and the Circular to “our”, “we”, “us”, “CTI” or the “Company” refer to Coloured Ties Capital Inc. and its subsidiaries and, to the extent references in the Offer to Purchase and the Circular are made to matters undertaken by a predecessor in interest to CTI or its subsidiaries, include such predecessor in interest.

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GLOSSARY

In this document, unless the subject matter or context is inconsistent therewith, the following terms have the following meanings:

“**Aggregate Tender Purchase Amount**” means the aggregate purchase price for Shares validly tendered, and not withdrawn, pursuant to Auction Tenders (at prices at or below the Purchase Price) and Purchase Price Tenders.

“**allowable capital loss**” has the meaning set out in Section 14 of the Circular, “Certain Canadian Federal Income Tax Considerations”.

“**Auction Tender**” means a tender delivered by a shareholder who wishes to accept the Offer pursuant to which the shareholder agrees to sell to us a specified number of Shares owned by such shareholder at a specified price per share of not less than \$0.55 and not more than \$0.65 and in increments of \$0.01 per Share within that range.

“**Board of Directors**” means the board of directors of the Company.

“**Book-Entry Confirmation**” means a confirmation of a book-entry transfer of Shares into the Depository’s account established at CDS through CDSX.

“**business day**” means any day other than a Saturday, a Sunday and a statutory holiday in Vancouver, British Columbia, Canada, Toronto, Ontario, Canada and a United States federal holiday.

“**CDS**” means CDS Clearing and Depository Services Inc. or its nominee.

“**CDSX**” means the CDS on-line tendering system pursuant to which book-entry transfers through CDS may be effected.

“**Circular**” means the attached offering circular.

“**Corporate Resident Holder**” has the meaning set out in Section 14 of the Circular “Certain Canadian Federal Income Tax Considerations”.

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

“**Depository**” means Computershare Investor Services Inc.

“**Deposited Shares**” means Shares validly deposited pursuant to the Offer and not withdrawn.

“**DRS**” means the direct registration system.

“**Eligible Institution**” means a Canadian Schedule I chartered bank, a major trust company in Canada, a member of the Securities Transfer Agent Medallion Program (STAMP), a member of the Stock Exchanges Medallion Program (SEMP) or a member of the New York Stock Exchange Inc. Medallion Signature Program (MSP).

“**Exchange Act**” means the *United States Securities Exchange Act of 1934*, as amended.

“**Expiration Date**” means January 17, 2023 or such later date to which the Offer may be extended by the Company.

“**Expiry Time**” means 5:00 p.m. (Toronto time) on the Expiration Date or such later time on the Expiration Date to which the Offer may be extended by the Company.

“**Holder**” has the meaning set out in Section 14 of the Circular, “Certain Canadian Federal Income Tax Considerations”.

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

“**Individual Resident Holder**” has the meaning set out in Section 14 of the Circular, “Certain Canadian Federal Income Tax Considerations”.

“**Letter of Transmittal**” means the letter of transmittal in the form forwarded with the Circular.

“**Maximum Offer Amount**” means the maximum aggregate purchase price of \$3,375,000 that may be paid pursuant to the Offer for Shares validly tendered, and not withdrawn, pursuant to Auction Tenders (at prices at or below the Purchase Price) and Purchase Price Tenders.

“**MI 61-101**” means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*, as amended.

“**Non-Resident Holder**” has the meaning set out in Section 14 of the Circular, “Certain Canadian Federal Income Tax Considerations”.

“**NI 62-104**” means National Instrument 62-104 *Take-Over Bids and Issuer Bids*.

“**Notice of Guaranteed Delivery**” means the notice of guaranteed delivery in the form forwarded with the Circular.

“**Odd Lot Holders**” means Shareholders who beneficially hold, as of the close of business on the Expiration Date, fewer than 100 Shares in the aggregate.

“**Offer**” means the offer made to Shareholders to purchase that number of Shares having an aggregate purchase price not exceeding the Maximum Offer Amount, the terms and conditions of which are set forth in the Offer to Purchase, the Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery.

“**Offer to Purchase**” means the attached offer to purchase.

“**person**” means and includes any individual, sole proprietorship, partnership, joint venture, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, a trustee, executor, administrator or other legal representative and any governmental authority or any agency or instrumentality thereof.

“**Proposed Amendments**” has the meaning set out in Section 14 of the Circular, “Certain Canadian Federal Income Tax Considerations”.

“**Purchase Price**” means the price per Share (being not less than \$0.55 and not more than \$0.65 per Share) that we will pay for Deposited Shares, determined in accordance with the process described in Section 2 of this Offer To Purchase, “Purchase Price”.

“**Purchase Price Tender**” means a deposit (or deemed deposit) of Shares made by a shareholder pursuant to which the shareholder agrees to tender a number of Shares at the Purchase Price as determined pursuant to the Offer, it being understood that, for the purposes of determining the Purchase Price, Shares that are the subject of Purchase Price Tenders will be deemed to have been tendered at the minimum price of \$0.55 per share.

“**Resident Holder**” has the meaning set out in Section 14 of the Circular, “Certain Canadian Federal Income Tax Considerations”.

“**SEDAR**” means the System for Electronic Document Analysis and Retrieval.

“**Shareholder**” means the registered or beneficial holder of outstanding Shares, as the context requires.

“**Shares**” means common shares in the capital of the Company.

“**Tax Act**” means the *Income Tax Act* (Canada), as amended.

“**taxable capital gain**” has the meaning set out in Section 14 of the Circular, “Certain Canadian Federal Income Tax Considerations”.

“**Valuation Report**” means the report entitled “Coloured Ties Capital Inc. Comprehensive Valuation Report” of the Valuator as set forth in Schedule A to the Circular.

“**Valuator**” or “**Evans & Evans**” means Evans & Evans, Inc.

SUMMARY

This general summary (“Summary”) is solely for the convenience of Shareholders and is qualified in its entirety by reference to the full text and more specific details in the Offer. This Summary highlights material information relating to this Offer, but it is not meant to be a substitute for the information contained in the Offer to Purchase, the Circular and the Letter of Transmittal. Therefore, the Company urges Shareholders to carefully read the Offer to Purchase, Circular and Letter of Transmittal in their entirety prior to making any decision regarding whether or not to deposit Shares held. The Company has included cross-references in this Summary to other sections of the Offer to Purchase, Circular and Letter of Transmittal where a Shareholder will find a more complete discussion of the topics mentioned in this Summary. Unless otherwise defined in this Summary, capitalized terms have the meaning assigned to them under the heading “Glossary” above.

WHO IS OFFERING TO PURCHASE MY SHARES?

Coloured Ties Capital Inc. (“CTI” or the “Company”) is offering to purchase Shares for cancellation.

WHY IS CTI MAKING THE OFFER?

The Company believes that the Offer represents an opportunity for the Company to return up to \$3,375,000 of capital to Shareholders who elect to tender, while increasing the proportionate ownership interest of shareholders who elect not to tender. CTI is making the Offer because its Board of Directors, based on a number of factors, has determined that the Offer is in the best interests of the Company and its Shareholders and is both an equitable and efficient way to distribute up to \$3,375,000 to its Shareholders, and may provide them liquidity at a premium to current market prices. See Section 3 of the Circular, “Purpose and Effect of the Offer”.

WHAT IS THE PURCHASE PRICE FOR THE SHARES

The Company is conducting the Offer through a “modified Dutch Auction” procedure. This procedure allows Shareholders making Auction Tenders to select a price of not less than \$0.55 per Share and not more than \$0.65 per Share (in increments of \$0.01 per Share) at which they are willing to deposit all or part of their Shares. As promptly as practicable after the Expiration Date, we will, upon the terms and subject to the conditions of the Offer, determine the Purchase Price that we will pay for Shares validly deposited pursuant to the Offer and not withdrawn. The Purchase Price will be determined in the manner described herein but will be not less than \$0.55 and not more than \$0.65 per Share, taking into account the auction prices and the number of Shares deposited pursuant to Auction Tenders and Purchase Price Tenders (with Shares the subject of Purchase Price Tenders being considered for the purpose of determining the Purchase Price as having been tendered at the minimum price of \$0.55 per Share). The Purchase Price will be the lowest price per Share that will enable us to purchase the maximum number of Deposited Shares pursuant to Auction Tenders and Purchase Price Tenders having an aggregate purchase price not exceeding the Maximum Offer Amount. Shareholders who validly deposit Shares without specifying the method in which they are tendering their Shares will be deemed to have made a Purchase Price Tender.

ALL SHARES PURCHASED BY THE COMPANY PURSUANT TO THE OFFER (INCLUDING SHARES TENDERED AT AUCTION PRICES BELOW THE PURCHASE PRICE) WILL BE PURCHASED AT THE SAME PRICE.

We will publicly announce the Purchase Price as promptly as practicable following the Expiration Date and, upon the terms and subject to the conditions of the Offer (including the pro-ratio provisions and after giving preferential acceptance to Shares deposited by Odd Lot Holders), we will pay the Purchase Price in cash to all Shareholders who have validly deposited (and have not withdrawn) their Shares pursuant to (i) Auction Tenders at prices equal to or less than the Purchase Price, and (ii) Purchase Price Tenders.

All Auction Tenders and Purchase Price Tenders will be subject to adjustment to avoid the purchase of fractional Shares (rounding down to the nearest whole number of Shares). All payments to Shareholders will be subject to deduction of applicable withholding taxes.

See Section 2 of this Offer To Purchase, “Purchase Price”, for additional details, including the formula that the Company will use to calculate the Purchase Price.

HOW MANY SHARES WILL THE COMPANY PURCHASE IN THE OFFER?

We will purchase, at the Purchase Price, Shares validly deposited pursuant to the Offer and not withdrawn up to the Maximum Offer Amount. Since the Purchase Price will only be determined after the Expiration Date, the number of Shares that will be purchased will not be known until after that time.

If the Aggregate Tender Purchase Amount is less than the Maximum Offer Amount, we will purchase at the Purchase Price all Shares so tendered pursuant to Auction Tenders (at or below the Purchase Price) and Purchase Price Tenders.

If the Aggregate Tender Purchase Amount is greater than the Maximum Offer Amount, we will purchase a portion of the Shares so tendered pursuant to Auction Tenders (at or below the Purchase Price) and Purchase Price Tenders, as follows:

- first, we will purchase at the Purchase Price all Shares tendered at or below the Purchase Price by Odd Lot Holders. Shareholders who are Odd Lot Holders will have all Shares validly tendered and not withdrawn purchased without any pro-ration; and
- second, we will purchase at the Purchase Price on a pro-rata basis that portion of the Shares tendered pursuant to Auction Tenders (at or below the Purchase Price) and Purchase Price Tenders having an aggregate Purchase Price equal to (i) the Maximum Offer Amount, less (ii) the aggregate Purchase Price paid to Odd Lot Holders. These purchases will be completed from individual Shareholders who have tendered Shares pursuant to either an Auction Tender or a Purchase Price Tender, other than the Odd Lot Holders.

Assuming that the Offer is fully subscribed, if the Purchase Price is determined to be \$0.55 per Share (which is the minimum Purchase Price under the Offer), the maximum number of Shares that may be purchased by the Company under the Offer is 6,136,363 Shares. Assuming that the Offer is fully subscribed, if the Purchase Price is determined to be \$0.65 per Share (which is the maximum Purchase Price under the Offer), the maximum number of Shares that may be purchased by the Company under the Offer is 5,192,307 Shares. As of December 2, 2022, 22,111,859 Shares were issued and outstanding and, accordingly, the Offer is for approximately 27.8% of the total number of issued and outstanding Shares if the Purchase Price is determined to be \$0.55 (which is the minimum price per Share pursuant to the Offer) or approximately 23.5% of the total number of issued and outstanding Shares if the Purchase Price is determined to be \$0.65 (which is the maximum price per Share pursuant to the Offer). See Section 3 of this Offer To Purchase, “Number of Shares, Pro-ration”.

WHAT HAPPENS IF THE NUMBER OF SHARES DEPOSITED TO THE OFFER WOULD RESULT IN AN AGGREGATE PURCHASE PRICE OF MORE THAN THE MAXIMUM OFFER AMOUNT?

If the Offer would result in an aggregate purchase price of more than the Maximum Offer Amount, we will purchase a prorated portion of the Shares so tendered pursuant to (i) Auction Tenders at or below the Purchase Price, and (ii) Purchase Price Tenders, each after purchasing all Shares deposited by Odd Lot Holders who will not be subject to pro-ration.

If no Auction Tenders or Purchase Price Tenders are made pursuant to the Offer, the Company will not purchase any Shares pursuant to the Offer.

CAN A SHAREHOLDER DEPOSIT THE SHARES HELD AT DIFFERENT PRICES?

Yes. Shareholders making an Auction Tender can elect to deposit some Shares to the Offer at one price and other Shares at one or more other prices. Shareholders may deposit some of their Shares pursuant to an Auction Tender and deposit different Shares pursuant to a Purchase Price Tender. Shareholders may not include the same Shares pursuant to more than one method of tender or pursuant to an Auction Tender at more than one price. If a Shareholder desires to deposit Shares in separate lots at a different price for each lot, that Shareholder must complete a separate Letter of Transmittal (and, if applicable, a Notice of Guaranteed Delivery) for each price at which that Shareholder is depositing Shares. See Section 5 of this Offer To Purchase, “Procedure for Depositing Shares”.

DO I HAVE TO PARTICIPATE IN THE OFFER?

No. The Offer is voluntary and each Shareholder should decide whether or not to participate.

CAN I TENDER ONLY A PORTION OF THE SHARES THAT I OWN?

Yes, if you decide to tender Shares in an Auction Tender or Purchase Price Tender, you do not have to tender all of the Shares you own to participate in the Offer unless you are an Odd Lot Holder. You may not tender more Shares than you own in the Offer. Odd Lot Holders making an Auction Tender or a Purchase Price Tender will be required to tender all of the Shares owned by the Shareholder. Partial tenders will not be accepted from Odd Lot Holders. See Section 5 of this Offer To Purchase, "Procedure for Depositing Shares".

HOW DOES A SHAREHOLDER DEPOSIT A SHAREHOLDER'S SHARES?

In order to deposit Shares pursuant to the Offer, a Shareholder must either:

- deliver a properly completed and duly executed Letter of Transmittal (or a manually executed photocopy thereof) with any required signatures guaranteed by an Eligible Institution, and any other documents required by the Letter of Transmittal, to the Depositary at its address set forth on the Letter of Transmittal to purchase, prior to 5:00 p.m. (Toronto time) on January 17, 2023 (or such time and date to which the Offer may be extended). A Shareholder who holds share certificates must deliver the certificates for all Shares validly deposited pursuant to the Offer in proper form for transfer, together with its Letter of Transmittal. A Shareholder whose Shares are held through DRS or represented by ownership statements must only deliver its Letter of Transmittal and is not required to submit its DRS positions or ownership statement); or
- tender by following the procedures for book-entry transfer, provided that a Book-Entry Confirmation through the CDSX system (in the case of Shares held in CDS) is received by the Depositary at its office in Toronto, Ontario prior to the Expiration Date; or
- follow the guaranteed delivery procedures described under Section 5 of the Offer To Purchase, "Procedure for Depositing Shares".

If a Shareholder wishes to deposit Shares pursuant to the Offer and the Shares held are registered in the name of an investment dealer, stock broker, bank, trust company or other nominee, the Shareholder should immediately contact its nominee in order to take the necessary steps to be able to deposit the Shares held pursuant to the Offer. See Section 5 of this Offer To Purchase, "Procedure for Depositing Shares".

If an investment dealer, stock broker, bank, trust company or other nominee holds Shares for a Shareholder, it is likely the nominee has established an earlier deadline for that Shareholder to act to instruct the nominee to accept the Offer on its behalf. A Shareholder should immediately contact the Shareholder's investment dealer, stock broker, bank, trust company or other nominee to find out the nominee's deadline.

A Shareholder may deposit Shares pursuant to the Offer pursuant to an Auction Tender or a Purchase Price Tender:

- **Auction Tender:** Shareholders making an Auction Tender must specify the minimum price per Share (of not less than \$0.55 and not more than \$0.65 per Share and in increments of \$0.01 per Share) at which they are willing to sell their Shares to us. Shares validly deposited pursuant to an Auction Tender and not withdrawn will only be taken up in whole or in part if the price specified in the Auction Tender is equal to or less than the Purchase Price determined by us.
- **Purchase Price Tender:** Shareholders wishing to deposit Shares but not wishing to specify a minimum price at which the Company may purchase such Shares should tender Shares in a Purchase Price Tender. Shareholders should be aware that Shares tendered in Purchase Price Tenders will be deemed to have been tendered at the minimum price of \$0.55 per Share and such tenders may result in a lower Purchase Price than might otherwise have been determined.

Shareholders validly depositing Shares pursuant to Auction Tenders at \$0.55 per Share (the minimum Purchase Price pursuant to the Offer) and Shareholders validly depositing Shares pursuant to Purchase Price Tenders can reasonably expect to have such Shares purchased at the Purchase Price if any Shares are purchased pursuant to the Offer (subject to provisions relating to rounding to whole Shares and pro-rata and the preferential acceptance of Shares deposited by Odd Lot Holders).

Shareholders who validly deposit Shares without specifying the method in which they are tendering their Shares will be deemed to have made a Purchase Price Tender. No alternative, conditional or contingent tenders will be accepted.

See Section 2 of this Offer To Purchase, "Purchase Price".

HOW LONG DOES A SHAREHOLDER HAVE TO DEPOSIT SHARES HELD?

A Shareholder may deposit Shares held until the Offer expires. The Offer expires at 5:00 p.m. (Toronto time) on January 17 2023, or at a later time as the Company may determine. If an investment dealer, stockbroker, bank, trust company or other nominee holds Shares for a Shareholder, it is likely the nominee has established an earlier deadline for that Shareholder to act to instruct the nominee to accept the Offer on its behalf. A Shareholder should immediately contact the Shareholder's investment dealer, stockbroker, bank, trust company or other nominee to find out the nominee's deadline. See Section 8 of the Offer To Purchase, "Extension and Variation of the Offer".

CAN THE OFFER BE EXTENDED, VARIED OR TERMINATED?

Yes. The Company may extend or vary the Offer in its sole discretion. See Section 8 of the Offer To Purchase, "Extension and Variation of the Offer". The Company can also terminate the Offer under certain circumstances. See Section 7 of the Offer To Purchase, "Certain Conditions of the Offer".

HOW WILL A SHAREHOLDER BE NOTIFIED IF CTI EXTENDS THE OFFER?

If CTI extends the Offer, CTI will issue a press release no later than 9:00 a.m. (Toronto time) on the next business day after the day on which the Offer was previously scheduled to expire. See Section 8 of the Offer To Purchase, "Extension and Variation of the Offer".

WHAT WILL HAPPEN IF A SHAREHOLDER DOES NOTHING?

Upon completion of the Offer, if a Shareholder does not deposit the Shares held by it to the Offer, that Shareholder will realize a proportionate increase in its equity interest in CTI to the extent the Company purchases Shares pursuant to the Offer. See Section 3 of the Circular, "Purpose and Effect of the Offer".

ARE THERE ANY CONDITIONS TO THE OFFER?

Yes. The Offer is subject to a number of conditions as usual in the circumstances, such as certain changes in market price of the Shares or stock market conditions, the absence of court, governmental and regulatory action prohibiting the Offer and the absence of certain changes in general market conditions or our business, that in our sole judgment, acting reasonably, make it inadvisable to proceed with the Offer. See Section 7 of the Offer To Purchase, "Certain Conditions of the Offer".

ONCE A SHAREHOLDER HAS DEPOSITED SHARES TO THE OFFER, CAN THAT SHAREHOLDER WITHDRAW THOSE SHARES?

Yes. A Shareholder may withdraw Shares deposited pursuant to the Offer: (a) at any time before those Shares have been taken up by the Company; (b) at any time before the expiration of 10 days from the date that a notice of change or variation (unless the Shares deposited pursuant to the Offer have been taken up by the Company before the date of the notice of change or variation, and other than a variation that (i) consists solely of an increase in the consideration offered for those Shares under the Offer where the time for deposit is not extended for greater than 10 days, or (ii) consists solely of the waiver of a condition of the Offer) has been given in accordance with Section 8 of this Offer To Purchase, "Extension and Variation of the Offer"; or (c) if those Shares have not been paid for by

the Company within three business days after having been taken up. See Section 6 of the Offer To Purchase, “Withdrawal Rights”.

HOW DOES A SHAREHOLDER WITHDRAW SHARES PREVIOUSLY DEPOSITED?

For a withdrawal to be effective, a written notice of withdrawal must be received in a timely manner by the Depository at the office as set forth on the Letter of Transmittal or Notice of Guaranteed Delivery of the relevant Shares. Any such notice of withdrawal must be signed by or on behalf of the person who signed the Letter of Transmittal or Notice of Guaranteed Delivery that accompanied the Shares being withdrawn and must specify the name of the person who deposited the Shares to be withdrawn, the name of the registered holder, if different from that of the person who deposited such Shares, and the number of Shares to be withdrawn. Some additional requirements apply if the certificates representing the Shares to be withdrawn have been delivered to the Depository. The withdrawal will take effect only upon actual receipt by the Depository of the properly completed and executed written notice. See Section 6 of the Offer To Purchase, “Withdrawal Rights”.

WHAT DOES A SHAREHOLDER DO IF THAT SHAREHOLDER OWNS AN “ODD LOT” OF SHARES?

If a Shareholder owns in the aggregate fewer than 100 Shares as of the close of business on the Expiration Date and that Shareholder validly deposits all such Shares pursuant to an Auction Tender at a price equal to or less than the Purchase Price or pursuant to a Purchase Price Tender, the Company will purchase all of those Shares without pro-ration (but otherwise subject to the terms and conditions of the Offer). This pro-ration preference is not available to holders of 100 or more Shares even if holders have separate share certificates, DRS positions or ownership statements for fewer than 100 Shares or hold fewer than 100 Shares in different accounts. Odd Lot Holders making an Auction Tender or a Purchase Price Tender will be required to tender all Shares owned by the Shareholder. Partial tenders will not be accepted from Odd Lot Holders. If a Shareholder owns an “odd lot” of Shares, that Shareholder must check (or tick) the “Odd Lots” box in either the Letter of Transmittal or the Notice of Guaranteed Delivery. See Section 3 of this Offer To Purchase, “Number of Shares, Pro-ration” and Section 5 of this Offer To Purchase, “Procedure for Depositing Shares”.

WHEN WILL CTI PAY FOR THE SHARES DEPOSITED?

The Company will take up and pay for Shares to be purchased pursuant to the Offer promptly after 5:00 p.m. (Toronto time) on the Expiration Date, but in any event no later than 10 days after such time. CTI will pay for such Shares within three business days after taking up the Shares. See Section 9 of the Offer To Purchase, “Taking Up and Payment for Deposited Shares”. In the event that the Company elects to extend the Offer, it will not take up or pay for any Shares until the expiry of such extension.

WHAT IS THE RECENT MARKET PRICE OF THE SHARES?

On October 17, 2022 (the last trading day before the Offer was announced), the closing price of the Shares on the TSX-V was \$0.30 per Share. The minimum price per Share of \$0.55 offered in the Offer is more than the closing price per Share on the TSX-V on October 17, 2022 (the last trading day before the Offer was announced). During the past six months, the closing prices of the Shares on the TSX-V have ranged from a low of \$0.27 to a high of \$0.535 per Share. See Section 5 of the Circular, “Price Range of Shares”.

WILL A SHAREHOLDER HAVE TO PAY BROKERAGE COMMISSIONS IF SHARES ARE DEPOSITED?

If a Shareholder is a registered Shareholder and deposits Shares directly to the Depository, the Shareholder will not incur any brokerage commissions. If the Shareholder holds Shares through an investment dealer, broker, bank, trust company or other nominee, CTI urges the Shareholder to consult its nominee to determine whether the Shareholder will incur any transaction costs. See Section 5 of the Offer To Purchase, “Procedure for Depositing Shares”.

WHAT ARE THE INCOME TAX CONSEQUENCES OF DEPOSITING SHARES?

Shareholders should carefully consider the income tax consequences of depositing Shares pursuant to the Offer. See Section 14 of the Circular, "Certain Canadian Federal Income Tax Considerations".

HAS CTI OR ITS BOARD OF DIRECTORS ADOPTED A POSITION ON THE OFFER?

Neither the Company nor its Board of Directors makes any recommendation to any Shareholder as to whether to deposit or refrain from depositing Shares.

WILL CTI'S DIRECTORS OR OFFICERS DEPOSIT SHARES TO THE OFFER?

To the knowledge of the Company and its directors and officers, after reasonable inquiry, no director or officer of the Company, no associate or affiliate of a director or officer of the Company, no associate or affiliate of the Company, nor any other insider of the Company, and no person or company acting jointly or in concert with the Company, has indicated any present intention to deposit any of such person's or company's Shares pursuant to the Offer.

The intentions of the directors and officers of the Company and their respective associates or affiliates as described above may change or Shares may be sold on the TSX-V during the period of the Offer. See Section 13 of the Circular, "Intention to Deposit Shares".

HOW WILL CTI PAY FOR THE SHARES?

The Company will fund any purchase of Shares pursuant to the Offer, including related fees and expenses, from cash on hand. The Offer is not conditional upon the receipt of financing. See Section 7 of the Offer To Purchase, "Certain Conditions of the Offer".

WILL CTI HAVE SUFFICIENT FINANCIAL RESOURCES REMAINING UPON COMPLETION OF THE OFFER?

After giving effect to the Offer, CTI believes that it will continue to have sufficient financial resources and working capital to conduct its ongoing business and operations.

WHOM CAN I TALK TO IF I HAVE QUESTIONS?

For further information regarding the Offer, contact the Depositary (at 1-800-564-6253 in North America, 1-514-982-7555 International, or by e-mail at corporateactions@computershare.com) or your broker or other professional advisors.

NO PERSON HAS BEEN AUTHORIZED TO MAKE ANY RECOMMENDATION ON BEHALF OF THE COMPANY AS TO WHETHER SHAREHOLDERS SHOULD DEPOSIT OR REFRAIN FROM DEPOSITING SHARES PURSUANT TO THE OFFER. NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE OFFER OTHER THAN AS SET FORTH IN THE OFFER. IF GIVEN OR MADE, ANY SUCH RECOMMENDATION OR ANY SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY.

OFFER TO PURCHASE

To the Holders of the Common Shares of Coloured Ties Capital Inc.

1. The Offer

We hereby offer to purchase for cancellation that number of Deposited Shares having an aggregate purchase price not exceeding the Maximum Offer Amount pursuant to:

- (a) Auction Tenders at a price per Share of not less than \$0.55 and not more than \$0.65, and in increments of \$0.01 per Share, as specified by such Shareholders, or
- (b) Purchase Price Tenders, in any case, on the terms and subject to the conditions set forth in this Offer to Purchase, the accompanying Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery. Shareholders who validly deposit Shares without specifying the method in which they are tendering their Shares will be deemed to have made a Purchase Price Tender at a price per Share of \$0.55.

The Offer will commence on December 12, 2022, the date of this Offer to Purchase, and expire at 5:00 p.m. (Toronto time) on January 17, 2023, or at such later time and date to which the Offer may be extended by the Company.

The Purchase Price will be determined after the Expiry Time. If the Purchase Price is determined to be \$0.55 per Share, the minimum Purchase Price pursuant to the Offer, the maximum number of Shares that will be purchased pursuant to the Offer is 6,136,363 Shares. If the Purchase Price is determined to be \$0.65 per Share, the maximum Purchase Price pursuant to the Offer, the maximum number of Shares that will be purchased pursuant to the Offer is 5,192,307 Shares. See Section 2 of this Offer To Purchase, "Purchase Price".

As of December 2, 2022, 22,111,859 Shares were issued and outstanding. Accordingly, the Offer is for (i) a maximum of 6,136,363 Shares, representing approximately 27.8% of the total number of issued and outstanding Shares, if the Purchase Price is determined to be \$0.55 (which is the minimum price per Share pursuant to the Offer), or (ii) a maximum 5,192,307 Shares, representing approximately 23.5% of the total number of issued and outstanding Shares, if the Purchase Price is determined to be \$0.65 (which is the maximum price per Share pursuant to the Offer). See Section 3 of this Offer To Purchase, "Number of Shares, Pro-ration".

THE OFFER IS NOT CONDITIONAL UPON ANY MINIMUM NUMBER OF SHARES BEING DEPOSITED. THE OFFER IS, HOWEVER, SUBJECT TO CERTAIN OTHER CONDITIONS. SEE SECTION 7 OF THIS OFFER TO PURCHASE, "CERTAIN CONDITIONS OF THE OFFER".

All Shareholders who have validly deposited and not withdrawn their Shares pursuant to Auction Tenders at prices at or below the Purchase Price or pursuant to Purchase Price Tenders will receive the Purchase Price, payable in cash (but subject to applicable withholding taxes, if any), for all Shares purchased, upon the terms and subject to the conditions of the Offer, including the provisions relating to pro-ration and the preferential acceptance of Shares deposited by Odd Lot Holders.

Registered Shareholders who deposit their Shares directly to the Depository will not incur any brokerage commissions. Shareholders who hold Shares through an investment dealer, stock broker, bank, trust company or other nominee are urged to consult with their nominee to determine whether they will incur any transaction costs. See Section 5 of this Offer To Purchase, "Procedure for Depositing Shares"

All Deposited Shares not purchased, including all Shares deposited pursuant to Auction Tenders at prices in excess of the Purchase Price, Shares not purchased due to pro-ration and Shares not accepted for purchase, will be returned to the depositing Shareholder promptly after the Expiration Date or termination of the Offer without expense to the depositing Shareholder.

Neither CTI nor its Board of Directors makes any recommendation to any Shareholder as to whether to deposit or refrain from depositing Shares. Shareholders must make their own decisions as to whether to

deposit Shares under the Offer. Shareholders should carefully consider all relevant factors with their own advisors, including the income tax consequences of depositing Shares pursuant to the Offer. See Section 14 of the Circular, “Certain Canadian Federal Income Tax Considerations”.

The accompanying Circular and Letter of Transmittal contain important information and should be read carefully before making a decision with respect to the Offer.

2. Purchase Price

As promptly as practicable following the Expiration Date, we will determine the Purchase Price. The Purchase Price will be a single price per Share that we will pay for Deposited Shares. The Purchase price will in no event be less than the minimum per share under the Offer of \$0.55 per share or more than the maximum price per Share under the Offer of \$0.65 per share, and will be either one such value or a value that is an increment of \$0.01 per Share between such values. In determining the Purchase Price, we will take into account the number of Shares deposited to Auction Tenders and Purchase Price Tenders and the prices specified by Shareholders depositing Shares pursuant to Auction Tenders. Shares deposited pursuant to Purchase Price Tenders will be deemed to have been deposited at a price of \$0.55 per Share (which is the minimum price per Share under the Offer) for the purpose of determining the Purchase Price. The Purchase Price will be the lowest price per Share that will enable us to purchase the maximum number of Shares validly deposited pursuant to Auction Tenders and Purchase Price Tenders and not withdrawn. The aggregate Purchase Price for these Auction Tender and Purchase Price Tender Shares will not exceed the Maximum Offer Amount, as determined in accordance with Section 3 of this Offer To Purchase, “Number of Shares, Pro-ration”.

Shares validly deposited pursuant to an Auction Tender will only be taken up if the price specified in the Auction Tender by the depositing Shareholder is equal to or less than the Purchase Price. If no Auction Tenders or Purchase Price Tenders are made pursuant to the Offer, we will not purchase any Shares pursuant to the Offer.

Shareholders should be aware that Shares tendered in Purchase Price Tenders will be deemed to have been tendered at the minimum price of \$0.55 per Share and such tenders may result in a lower Purchase Price than might otherwise have been determined.

As promptly as practicable after determining the Purchase Price, we will publicly announce the Purchase Price and all Shareholders who have validly deposited and not withdrawn their Shares pursuant to Auction Tenders at prices equal to or less than the Purchase Price or pursuant to Purchase Price Tenders will receive the Purchase Price, payable in cash (but subject to applicable withholding taxes), for all Shares purchased upon the terms and subject to the conditions of the Offer, including the provisions relating to pro-ration and the preferential acceptance of Shares deposited by Odd Lot Holders. See Section 3 of this Offer To Purchase, “Number of Shares, Pro-ration”.

Shareholders validly depositing Shares pursuant to Auction Tenders at \$0.55 per Share (the minimum Purchase Price pursuant to the Offer) and Shareholders validly depositing Shares pursuant to Purchase Price Tenders can reasonably expect to have such Shares purchased at the Purchase Price if any Shares are purchased pursuant to the Offer (subject to provisions relating to rounding to whole Shares and pro-ration and the preferential acceptance of Shares deposited by Odd Lot Holders).

All Auction Tenders and Purchase Price Tenders will be subject to adjustment to avoid the purchase of fractional Shares (rounding down to the nearest whole number of Shares). All payments to Shareholders will be subject to deduction of applicable withholding taxes. See Section 14 of the Circular, “Certain Canadian Federal Income Tax Considerations”.

No alternative, conditional or contingent tenders will be accepted.

Each registered Shareholder who has tendered Shares pursuant to the Offer and whose Shares are taken up will receive payment of the Purchase Price in Canadian dollars. However, Shareholders may elect to receive payment of the Purchase Price in U.S. dollars as described in this Offer to Purchase. In such cases, the risk of any fluctuation in exchange rates, including risks relating to the particular date and time at which funds are converted, will be borne solely by the Shareholder wishing to receive payment in U.S. dollars.

There is no additional fee payable by Shareholders in Canada who make an election to receive payment in U.S. dollars to the default Canadian dollar currency payment.

Each non-registered Shareholder who has tendered Shares through its nominee pursuant to the Offer and whose Shares are taken up will receive payment of the Purchase Price through its nominee in Canadian dollars, unless such non-registered Shareholder contacts the nominee in whose name such Shareholder's Shares are registered and timely requests that the nominee make an election on its behalf to receive the Purchase Price in U.S. dollars as described below.

The exchange rate that will be used to convert payments from Canadian dollars into U.S. dollars will be the rate established by Computershare Trust Company of Canada, in its capacity as foreign exchange service provider, on the date the funds are converted, which rate will be based on the prevailing market rate on the date the funds are converted. The risk of any fluctuations in such rates, including risks relating to the particular date and time at which funds are converted, will be solely borne by the Shareholder. Computershare Trust Company of Canada will act as principal in such currency conversion transactions. Computershare Trust Company of Canada may earn a commercially reasonable spread between its exchange rate and the rate used by any counterparty from which it purchases the elected currency.

3. Number of Shares, Pro-ration

We will purchase, upon the terms and subject to the conditions of the Offer, at the Purchase Price, Deposited Shares up to a maximum aggregate purchase price of the Maximum Offer Amount. Since the Purchase Price will only be determined after the Expiration Date, the number of Shares that will be purchased will not be known until after the Expiration Date. If the Purchase Price is determined to be \$0.55 per Share, the minimum Purchase Price pursuant to the Offer, the maximum number of Shares that will be purchased pursuant to the Offer is 6,136,363 Shares. If the Purchase Price is determined to be \$0.65 per Share, the maximum Purchase Price pursuant to the Offer, the maximum number of Shares that will be purchased pursuant to the Offer is 5,192,307 Shares.

If the Aggregate Tender Purchase Amount is less than the Maximum Offer Amount, we will purchase at the Purchase Price all Shares so tendered pursuant to Auction Tenders (at or below the Purchase Price) and Purchase Price Tenders.

If the Aggregate Tender Purchase Amount is greater than the Maximum Offer Amount, we will purchase a portion of the Shares so tendered pursuant to Auction Tenders (at or below the Purchase Price) and Purchase Price Tenders, as follows:

- first, we will purchase at the Purchase Price all Shares tendered at or below the Purchase Price by Odd Lot Holders. Shareholders who are Odd Lot Holders will have all Shares validly tendered and not withdrawn purchased without any pro-ration; and
- second, we will purchase at the Purchase Price on a pro-rata basis that portion of the Shares tendered pursuant to Auction Tenders (at or below the Purchase Price) and Purchase Price Tenders having an aggregate Purchase Price equal to (i) the Maximum Offer Amount, less (ii) the aggregate Purchase Price paid to Odd Lot Holders. These purchases will be completed from individual Shareholders who have tendered Shares pursuant to either an Auction Tender or a Purchase Price Tender, other than the Odd Lot Holders. Each of these Shareholders will only have a pro-rated portion of their tendered Shares purchased. The pro-ration percentage for each individual Shareholder will be calculated as (1) the number of Shares such Shareholder has tendered at or below the Purchase Price, divided by (2) the total number of Shares tendered pursuant to Auction Tenders (at prices at or below the Purchase Price) and Purchase Price Tenders, exclusive of Shares that we have purchased from Odd Lot Holders. Any Shares that are tendered by a Shareholder above the Purchase Price will not be taken into account and will therefore be excluded from the pro-ration calculation.

For the purposes of the foregoing, an odd lot deposit is a deposit by a Shareholder owning in the aggregate fewer than 100 Shares as of the close of business on the Expiration Date, who deposits all such Shares pursuant to an Auction Tender at a price or prices equal to or less than the Purchase Price or pursuant to a Purchase Price Tender prior to the Expiration Date and who checks (or ticks) the box captioned "Odd Lots" in either the Letter of

Transmittal or the Notice of Guaranteed Delivery. As set forth above, odd lots will be accepted for purchase before any pro-ration. Our determination as to proration will be final and binding on all parties, absent a finding to the contrary by a court of competent jurisdiction.

4. Announcement of Number of Shares Validly Tendered

We will publicly announce the Purchase Price, the number of Shares validly tendered to the Offer and the aggregate purchase price as promptly as practicable after the Expiration Date. All Shareholders who have, prior to the Expiration Date, properly deposited and not withdrawn their Shares will receive in cash the Purchase Price (subject to applicable withholding taxes, if any) for all Shares purchased, on the terms and subject to the conditions of the Offer, including the provisions relating to pro-ration described herein.

5. Procedure for Depositing Shares

Proper Deposit of Shares

To deposit Shares pursuant to the Offer, (a) a properly completed and duly executed Letter of Transmittal (or a manually executed photocopy thereof) relating to such Shares with signatures that are guaranteed if so required in accordance with the Letter of Transmittal, and any other documents required by the Letter of Transmittal must be received by the Depository at one of the addresses listed in the Letter of Transmittal by the Expiration Date together with all Deposited Shares in proper form for transfer (satisfied by delivering original share certificates, if such Shares are held in certificated form), (b) the guaranteed delivery procedures described below must be followed, or (c) such Shares must be transferred pursuant to the procedures for book-entry transfer described below (and a Book-Entry Confirmation through the CDSX system (in the case of Shares held by CDS) must be received by the Depository in lieu of a Letter of Transmittal). For greater certainty, Shareholders whose Shares are held through DRS or represented by an ownership statement must only deliver a completed and duly executed Letter of Transmittal, and any other documents required by the Letter of Transmittal, in order to validly tender Shares.

A non-registered Shareholder who desires to deposit Shares under the Offer should immediately contact such Shareholder's investment dealer, stock broker, commercial bank, trust company or other nominee in order to take the necessary steps to be able to deposit such Shares under the Offer.

If an investment dealer, stock broker, bank, trust company or other nominee holds Shares for a Shareholder, it is likely the nominee has established an earlier deadline for that Shareholder to act to instruct the nominee to accept the Offer on its behalf. A Shareholder should immediately contact the Shareholder's investment dealer, stock broker, bank, trust company or other nominee to find out the nominee's deadline.

Participants of CDS should contact CDS to obtain instructions as to the method of depositing Shares under the terms of the Offer. CDS will be issuing instructions to their participants as to the method of depositing Shares under the terms of the Offer.

In accordance with Instruction 5 of the Letter of Transmittal, each Shareholder desiring to deposit Shares pursuant to the Offer must indicate (a): in Box A captioned "Type of Tender" on such Letter of Transmittal and, if applicable, the Notice of Guaranteed Delivery, whether Shares are deposited pursuant to an Auction Tender or a Purchase Price Tender; (b) in Box B, if an Auction Tender is made, the price (in increments of \$0.01 per Share) at which such Shares are being deposited; and (c) in Box C, if applicable, whether the Shareholder is making an odd lot deposit in accordance with Instruction 6 of the Letter of Transmittal.

Shares deposited pursuant to an Auction Tender will only be taken up if the price specified in the Auction Tender is equal to or less than the Purchase Price.

Shareholders may deposit some of their Shares pursuant to an Auction Tender and deposit different Shares pursuant to a Purchase Price Tender. Shareholders may not include the same Shares pursuant to more than one method of tender or pursuant to an Auction Tender at more than one price. Shareholders desiring to deposit Shares in separate lots at a different price for each lot must complete a separate Letter of Transmittal (and, if applicable, a separate Notice of Guaranteed Delivery) for each price at which they are depositing Shares.

Odd Lot Holders making an Auction Tender or a Purchase Price Tender will be required to tender all Shares owned by the Shareholder. Partial tenders will not be accepted from Odd Lot Holders. Shareholders who tender Shares without making a valid Auction Tender or a Purchase Price Tender will be deemed to have made a Purchase Price Tender. If multiple boxes are checked in the same Letter of Transmittal indicating that Shares are being deposited pursuant to an Auction Tender and a Purchase Price Tender, all Shares identified will be deemed to have been tendered pursuant to a Purchase Price Tender.

Notice to Holders of Options and Convertible or Exchangeable Securities.

The Offer is made only for Shares and is not made for any options to purchase Shares or any other securities of CTI that are convertible into or exchangeable or exercisable for Shares. Any holder of such options or other securities convertible into or exchangeable or exercisable for Shares who wishes to accept the Offer must, to the extent permitted by the terms of the security and applicable laws, exercise the option or other securities convertible into or exchangeable or exercisable for Shares in order to obtain certificates representing Shares and deposit those Shares in accordance with the terms of the Offer. Any such conversion, exchange or exercise must be completed sufficiently in advance of the Expiry Time to ensure that the holder of such options or other securities will have the Shares issued or deliverable and, if applicable, will have received the certificate(s) or DRS representing the Shares, on such exercise available for deposit at or prior to the Expiry Time, or in sufficient time to comply with the procedures referred to in this Section 5, "Procedure for Depositing Shares". Any such conversion, exercise or exchange will be irrevocable, including where the Shares tendered are subject to pro-rata or otherwise are not taken up. Holders of options or other securities should consult their income tax advisors as there are income tax consequences on the exercise of such securities, and should read Section 14 of the Circular, "Certain Canadian Federal Income Tax Considerations" as there are tax consequences on the deposit of Shares to the Offer.

Signature Guarantees

No signature guarantee is required on the Letter of Transmittal if (a) the Letter of Transmittal is signed by the registered holder of the Shares exactly as the name of the registered holder appears on the Share certificate deposited therewith, and payment and delivery is to be made directly to such registered holder at the address shown on the register of Shareholders maintained by or on behalf of CTI, or (b) Shares are deposited for the account of an Eligible Institution. In all other cases, all signatures on the Letter of Transmittal must be guaranteed by an Eligible Institution.

If a certificate, DRS position or ownership statement representing Shares is registered in the name of a person other than the signatory to a Letter of Transmittal, or if payment is to be made, or certificates, DRS positions or ownership statements representing Shares not purchased or deposited are to be issued, to a person other than the registered holder, the certificate, DRS position or ownership statement must be endorsed or accompanied by an appropriate share transfer power of attorney, in either case, signed exactly as the name of the registered holder appears on the certificate, DRS position or ownership statement with the signature on the certificate or share transfer power of attorney signature guaranteed by an Eligible Institution.

Book-Entry Transfer Procedures

Any financial institution that is a participant in CDS may make book-entry delivery of the Shares through CDSX, CDS's on-line tendering system pursuant to which book-entry transfers may be effected by causing CDS to transfer such Shares into the Depository's account in accordance with CDS's procedures for such transfer. Delivery of Shares to the Depository by means of a book-entry transfer through CDSX will constitute a valid tender under the Offer.

Shareholders may accept the Offer by following the procedures for a book-entry transfer established by CDS, provided that a Book-Entry Confirmation through CDSX is received by the Depository at its Toronto, Ontario office address set forth on the back cover page of this Offer to Purchase and Circular prior to the Expiration Date. Shareholders, through their respective CDS participants, who utilize CDSX to accept the Offer through a book-entry transfer of their holdings into the Depository's account with CDS will be deemed to have completed and submitted a Letter of Transmittal and to be bound by the terms thereof and, therefore, such instructions received by the Depository are considered a valid tender in accordance with the terms of the Offer. **Delivery of documents to CDS does not constitute delivery to the Depository.**

Method of Delivery

The method of delivery of certificates representing Shares and all other required documents is at the option and risk of the depositing Shareholder. If certificates representing Shares are to be sent by mail, registered mail, properly insured, is recommended and it is suggested that the mailing be made sufficiently in advance of the Expiration Date to permit delivery to the Depository on or prior to such date. Delivery of a share certificate representing Shares will only be made upon actual receipt of such share certificate representing Shares by the Depository.

Procedure for Guaranteed Delivery

If a Shareholder wishes to deposit Shares pursuant to the Offer and cannot deliver certificates for such Shares, or the book-entry transfer procedures described above cannot be completed, prior to the Expiration Date, or time will not permit all required documents to reach the Depository by the Expiration Date, such Shares may nevertheless be deposited if all of the following conditions are met:

- (a) such deposit is made by or through an Eligible Institution;
- (b) a properly completed and duly executed Notice of Guaranteed Delivery, or a manually executed photocopy thereof, substantially in the form provided by us indicating the type of deposit and, in the case of an Auction Tender, the price at which the Shares are being deposited, is received by the Depository at its mailing address in Toronto, Ontario or email address as set out in the Notice of Guaranteed Delivery prior to the Expiration Date; and
- (c) the certificates for all Deposited Shares in proper form for transfer, together with a properly completed and duly executed Letter of Transmittal, or a manually executed photocopy thereof, relating to such Shares, with signatures that are guaranteed by an Eligible Institution if so required in accordance with the Letter of Transmittal, or, in the case of a book-entry transfer, a Book-Entry Confirmation through the CDSX system (in the case of Shares held in CDS) and any other documents required by the Letter of Transmittal, are received by the Toronto, Ontario office of the Depository, before 5:00 p.m. (Toronto time) on or before the second trading day on the TSX-V after the Expiration Date.

The Notice of Guaranteed Delivery may be hand delivered, mailed or transmitted by facsimile transmission to the Toronto office of the Depository listed in the Notice of Guaranteed Delivery, and must include a guarantee by an Eligible Institution in the form set forth in the Notice of Guaranteed Delivery.

Notwithstanding any other provision hereof, payment for Shares deposited and accepted for payment pursuant to the Offer will be made only after timely receipt by the Depository of certificates for such Shares, a properly completed and duly executed Letter of Transmittal (or a manually executed photocopy thereof) relating to such Shares with signatures that are guaranteed if so required, or, in the case of a book-entry transfer, a Book-Entry Confirmation through the CDSX system (in the case of Shares held in CDS), and any other documents required by the Letter of Transmittal.

The tender information specified in a Notice of Guaranteed Delivery by a person completing such Notice of Guaranteed Delivery will, in all circumstances, take precedence over the tender information that is specified in the related Letter of Transmittal that is subsequently deposited.

The foregoing guaranteed delivery procedure is not available for Shareholders wishing to deposit Shares pursuant to a Proportionate Tender.

Determination of Validity, Rejection and Notice of Defect

All questions as to the number of Shares to be accepted, the form of documents and the validity, eligibility (including time of receipt) and acceptance for payment of any deposit of Shares will be determined by the Company, in its sole discretion, which determination will be final and binding on all parties. CTI reserves the absolute right to reject any deposits of Shares determined by it not to be in proper form or completed in accordance with the instructions herein and in the Letter of Transmittal or the acceptance for payment of or payment for which may, in

the opinion of the Company's counsel, be unlawful. CTI also reserves the absolute right to waive any of the conditions of the Offer or any defect or irregularity in the deposit of any particular Shares and CTI's interpretation of the terms of the Offer (including these instructions) will be final and binding on all parties. No individual deposit of Shares will be deemed to be properly made until all defects and irregularities have been cured or waived. Unless waived, any defects or irregularities in connection with deposits must be cured within such time as CTI will determine. **None of CTI, the Depositary nor any other person is or will be obligated to give notice of defects or irregularities in deposits, nor will any of them accept any liability for failure to give any such notice.** The Company's interpretation of the terms and conditions of the Offer (including the Letter of Transmittal and the Notice of Guaranteed Delivery) will be final and binding.

Under no circumstances will interest be paid by the Company or the Depositary by reason of any delay in making payment to any person using the guaranteed delivery procedures, including without limitation any delay arising because the Shares to be delivered pursuant to the guaranteed delivery procedures are not so delivered to the Depositary, and therefore payment by the Depositary on account of such Shares is not made, until after the date the payment for the Deposited Shares accepted for payment pursuant to the Offer is to be made by the Company.

Formation of Agreement

The proper deposit of Shares pursuant to any one of the procedures described above will constitute a binding agreement between the depositing Shareholder and the Company, effective as of the Expiration Date, upon the terms and subject to the conditions of the Offer.

Further Assurances

Each Shareholder accepting the Offer covenants under the terms of the Letter of Transmittal to execute, upon request of CTI, any additional documents, transfers and other assurances as may be necessary or desirable to complete the sale, assignment and transfer of the Shares to the Company. Each authority therein conferred or agreed to be conferred may be exercised during any subsequent legal incapacity of such Shareholder and will, to the extent permitted by law, survive the death or incapacity, bankruptcy or insolvency of the Shareholder and all obligations of the Shareholder therein will be binding upon the heirs, personal representatives, successors and assigns of such Shareholder.

6. Withdrawal Rights

Except as otherwise provided in this Section 6 "Withdrawal Rights", deposits of Shares pursuant to the Offer will be irrevocable. A Shareholder may withdraw Shares deposited pursuant to the Offer: (a) at any time before those Shares have been taken up by the Company; (b) at any time before the expiration of 10 days from the date that a notice of change or variation (unless the Shares deposited pursuant to the Offer have been taken up by the Company before the date of the notice of change or variation, and other than a variation that (i) consists solely of an increase in the consideration offered for those Shares under the Offer where the time for deposit is not extended for greater than 10 days, or (ii) consists solely of the waiver of a condition of the Offer) has been given in accordance with Section 8 of this Offer To Purchase, "Extension and Variation of the Offer"; or (c) if those Shares have not been paid for by the Company within three business days after having been taken up.

For a withdrawal to be effective, a written or printed copy of a notice of withdrawal must be actually received by the Depositary by the applicable date specified above at the place of deposit of the relevant Shares. Any such notice of withdrawal must be signed by or on behalf of the person who signed the Letter of Transmittal or Notice of Guaranteed Delivery in respect of the Shares being withdrawn or, in the case of Shares tendered by a CDS participant, be signed by such participant in the same manner as the participant's name is listed on the applicable Book-Entry Confirmation through the CDSX system be signed by such participant in the same manner as the participant's name is listed on the applicable Agent's Message, and must specify the name of the person who deposited the Shares to be withdrawn, the name of the registered holder, if different from that of the person who deposited such Shares, and the number of Shares to be withdrawn. If the certificates for the Shares deposited pursuant to the Offer have been delivered or otherwise identified to the Depositary, then, prior to the release of such certificates, the depositing Shareholder must submit the serial numbers shown on the particular certificates evidencing the Shares to be withdrawn and the signature on the notice of withdrawal must be guaranteed by an Eligible Institution (as defined in Section 5 of this Offer To Purchase, "Procedure for Depositing Shares"), except in

the case of Shares deposited by an Eligible Institution. **A withdrawal of Shares deposited pursuant to the Offer may only be accomplished in accordance with the foregoing procedure. The withdrawal will take effect only upon actual receipt by the Depository of a written or printed copy of a properly completed and executed notice of withdrawal.**

A Shareholder who wishes to withdraw Shares under the Offer and who holds Shares through an investment dealer, stock broker, bank, trust company or other nominee should immediately contact such nominee in order to take the necessary steps to be able to withdraw such Shares under the Offer. Participants of CDS should contact these depositories with respect to the withdrawal of Shares under the Offer.

All questions as to the form and validity (including time of receipt) of notices of withdrawal will be determined by the Company, in its sole discretion, which determination will be final and binding. None of the Company, the Depository or any other person will be obligated to give any notice of any defects or irregularities in any notice of withdrawal and none of them will incur any liability for failure to give any such notice.

Any Shares properly withdrawn will thereafter be deemed not deposited for purposes of the Offer. However, withdrawn Shares may be redeposited prior to the Expiration Date by again following the procedures described in Section 5 of this Offer To Purchase, "Procedure for Depositing Shares".

If the Company extends the period of time during which the Offer is open, is delayed in its purchase of Shares or is unable to purchase Shares pursuant to the Offer for any reason, then, without prejudice to the Company's rights under the Offer, the Depository may, subject to applicable law, retain on behalf of the Company all Deposited Shares, and such Shares may not be withdrawn except to the extent that depositing Shareholders are entitled to withdrawal rights as described in this Section 6 "Withdrawal Rights".

7. Certain Conditions of the Offer

Notwithstanding any other provision of the Offer, the Company will not be required to accept for purchase, to purchase or to pay for any Shares deposited, and may terminate or cancel the Offer or may postpone the payment for Shares deposited, if, at any time before the payment for any such Shares, any of the following events will have occurred (or will have been determined by the Company to have occurred) which, in the Company's sole judgment, acting reasonably, in any such case and regardless of the circumstances, makes it inadvisable to proceed with the Offer or with such acceptance for purchase or payment:

- (a) there will have been threatened, taken or pending any action or proceeding by any government or governmental authority or regulatory or administrative agency in any jurisdiction, or by any other person in any jurisdiction, before any court or governmental authority or regulatory or administrative agency in any jurisdiction (i) challenging or seeking to cease trade, make illegal, delay or otherwise directly or indirectly restrain or prohibit the making of the Offer, the acceptance for payment of some or all of the Shares by the Company or otherwise directly or indirectly relating in any manner to or affecting the Offer, or (ii) that otherwise, in the sole judgment of the Company, acting reasonably, has or may have a material adverse effect on the Shares or the business, income, assets, liabilities, condition (financial or otherwise), properties, operations, results of operations or prospects of the Company and its subsidiaries taken as a whole or has impaired or may materially impair the contemplated benefits of the Offer to the Company;
- (b) there will have been any action or proceeding threatened, pending or taken or approval withheld or any statute, rule, regulation, stay, decree, judgment or order or injunction proposed, sought, enacted, enforced, promulgated, amended, issued or deemed applicable to the Offer or the Company or any of its subsidiaries by any court, government or governmental authority or regulatory or administrative agency in any jurisdiction that, in the sole judgment of the Company, acting reasonably, might directly or indirectly result in any of the consequences referred to in clauses (i) or (ii) of paragraph (b) above or would or might prohibit, prevent, restrict or delay consummation of or materially impair the contemplated benefits to the Company of the Offer;

- (c) there will have occurred (i) any general suspension of trading in, or limitation on prices for, securities on any securities exchange or in the over-the-counter market in Canada or the United States, (ii) the declaration of a banking moratorium or any suspension of payments in respect of banks in Canada or the United States (whether or not mandatory), (iii) any actual or potential existence, occurrence or continuation of any force majeure events, including any earthquakes, floods, hurricanes, disasters, an outbreak or escalation of hostilities, disease, war, acts of terrorism, political instability or any other national, international or regional calamity, crisis, emergency, epidemic or natural disaster, act of God or any governmental or other response to any of the foregoing, in each case where or not involving Canada, the United States or any other region where the Company conducts business or has operations, (iv) any limitation by any government or governmental authority or regulatory or administrative agency or any other event that, in the sole judgment of the Company, acting reasonably, might affect the extension of credit by banks or other lending institutions, (v) any significant decrease, in the sole judgment of the Company, acting reasonably, in the market price of the Shares since the close of business on December 2, 2022, (vi) any change in the general political, market, economic or financial conditions that, in the sole judgment of the Company, acting reasonably, has or may have a material adverse effect on the Company's business, operations or prospects or the trading in, or value of, the Shares, (vii) any decline in any of the S&P/TSX-V Composite Index, the Dow Jones Industrial Average or the S&P 500 by an amount in excess of 10%, measured from the close of business on December 2, 2022, (viii) any material change in the short-term or long-term interest rates in Canada or the United States, or (ix) in the case of any of the foregoing existing at the time of the commencement of the Offer, a material acceleration or worsening thereof;
- (d) there will have occurred any change or changes (or any development involving any prospective change or changes) in the business, assets, liabilities, properties, condition (financial or otherwise), operations, results of operations or prospects of the Company or its subsidiaries that, in the sole judgment of the Company, acting reasonably, has, have or may have material adverse significance with respect to the Company and its subsidiaries taken as a whole;
- (e) any take-over bid or tender or exchange offer with respect to some or all of the securities of CTI, or any merger, business combination or acquisition proposal, disposition of assets, or other similar transaction with or involving CTI or any of its affiliates, other than the Offer, will have been proposed, announced or made by any individual or entity;
- (f) Evans & Evans will have withdrawn or amended its opinion with respect to the valuation of the Shares;
- (g) the Company will have determined, in its sole judgment, acting reasonably, that the Purchase Price for a Share exceeds the fair market value of such Share at the time of the acquisition of such Share by the Company pursuant to the Offer, determined without reference to the Offer;
- (h) the Company will have determined that the consummation of the Offer is reasonably likely to cause the Shares to be delisted from the TSX-V;
- (i) the Company will have determined, in its sole judgment, acting reasonably, that it would be subject to Part VI.1 tax under the Tax Act in connection with the Offer;
- (j) the completion of the Offer subjects the Company to any material tax liability;
- (k) any changes shall have occurred or been proposed to the United States Internal Revenue Code of 1986, as amended, the Treasury regulations promulgated thereunder, or publicly available administrative policies of the U.S. Internal Revenue Services that, in the sole judgment of the Company, acting reasonably, is detrimental to CTI and its affiliates taken as a whole or to a Shareholder, or with respect to making the Offer or taking up and paying for Shares deposited under the Offer;
- (l) the Company will have concluded, in its sole judgment, acting reasonably, that the Offer or the take-up and payment for any or all of the Shares by the Company is illegal or not in compliance with applicable law, or that necessary exemptions under applicable securities or gaming legislation, are not

available to the Company for the Offer and, if required under any such legislation, the Company will not have received the necessary exemptions from or waivers of the appropriate courts or securities or gaming regulatory authorities in respect of the Offer; or

- (m) any changes will have occurred or been proposed to the Tax Act, the publicly available administrative policies or assessing practices of the Canada Revenue Agency or to relevant tax jurisprudence that, in the sole judgment of the Company, acting reasonably, are detrimental to CTI or a Shareholder.

The foregoing conditions are for the sole benefit of the Company and may be asserted by the Company in its sole discretion, acting reasonably, regardless of the circumstances (including any action or inaction by the Company) giving rise to any such conditions, or may be waived by the Company, in its sole discretion, in whole or in part at any time. The failure by the Company at any time to exercise its rights under any of the foregoing conditions will not be deemed a waiver of any such right; the waiver of any such right with respect to particular facts and other circumstances will not be deemed a waiver with respect to any other facts and circumstances; and each such right will be deemed an ongoing right which may be asserted at any time or from time to time. Any determination by the Company concerning the events described in this Section 7 “Certain Conditions of the Offer” will be final and binding on all parties.

Any waiver of a condition or the withdrawal of the Offer by the Company will be deemed to be effective on the date on which notice of such waiver or withdrawal by the Company is delivered or otherwise communicated to the Depository. CTI, after giving notice to the Depository of any waiver of a condition or the withdrawal of the Offer, will immediately make a public announcement of such waiver or withdrawal and provide or cause to be provided notice of such waiver or withdrawal to the TSX-V and the applicable Canadian securities regulatory authorities. If the Offer is withdrawn, the Company will not be obligated to take up, accept for purchase or pay for any Shares deposited under the Offer, and the Depository will return all certificates for Deposited Shares, Letters of Transmittal and Notices of Guaranteed Delivery and any related documents to the parties by whom they were deposited.

8. Extension and Variation of the Offer

Subject to applicable law, the Company expressly reserves the right, in its sole discretion, and regardless of whether or not any of the conditions specified in Section 7 of this Offer To Purchase, “Certain Conditions of the Offer” will have occurred, at any time or from time to time, to extend the period of time during which the Offer is open or to vary the terms and conditions of the Offer by giving written notice, or oral notice to be confirmed in writing, of extension or variation to the Depository and by causing the Depository to provide to all Shareholders, where required by law, as soon as practicable thereafter, a copy of the notice in the manner set forth in Section 12 of this Offer To Purchase, “Notice”. Promptly after giving notice of an extension or variation to the Depository, but, in the case of an extension, no later than 9:00 a.m. (Toronto time) on the next business day following the last previously scheduled or announced Expiration Date, the Company will make a public announcement of the extension or variation and provide or cause to be provided notice of such extension or variation to the TSX-V and the applicable Canadian securities regulatory authorities. Any notice of extension or variation will be deemed to have been given and be effective on the day on which it is delivered or otherwise communicated by facsimile or electronic mail to the Depository at its principal office in Toronto, Ontario.

Where the terms of the Offer are varied (other than a variation consisting solely of the waiver of a condition of the Offer), the period during which Shares may be deposited pursuant to the Offer will not expire before 10 days (except for any variation increasing or decreasing the percentage of Shares to be purchased, the consideration provided for under the Offer, in which case the Offer will not expire before 10 business days) after the date of the notice of variation, unless otherwise permitted by applicable law. In the event of any variation, all Shares previously deposited and not taken up or withdrawn will remain subject to the Offer and may be accepted for purchase by the Company in accordance with the terms of the Offer, subject to Section 6 of this Offer To Purchase, “Withdrawal Rights”. An extension of the Expiration Date or a variation of the Offer does not constitute a waiver by the Company of its rights in Section 7 of this Offer To Purchase, “Certain Conditions of the Offer”.

If the Company makes a material change in the terms of the Offer or the information concerning the Offer, the Company will extend the time during which the Offer is open to the extent required under applicable Canadian securities legislation.

The Company also expressly reserves the right, in its sole discretion, (a) to terminate the Offer and not take up and pay for any Shares not theretofore taken up and paid for upon the occurrence of any of the conditions specified in Section 7 of this Offer To Purchase, “Certain Conditions of the Offer”, and/or (b) at any time or from time to time, to vary the Offer in any respect, including increasing or decreasing the aggregate number of Shares that the Company may purchase or the Purchase Price, subject to compliance with applicable Canadian securities legislation.

Any such extension, delay, termination or variation will be followed as promptly as practicable by a public announcement. Without limiting the manner in which the Company may choose to make any public announcement, except as provided by applicable law, the Company will have no obligation to publish, advertise or otherwise communicate any such public announcement other than by making a release through its usual news wire service.

9. Taking Up and Payment for Deposited Shares

Upon the terms and provisions of this Offer (including pro-ration) and subject to and in accordance with applicable securities laws, CTI will take up and pay for Shares to be purchased pursuant to the Offer promptly after the Expiration Date, but in any event no later than 10 days after such time, provided that the conditions of the Offer (as the same may be amended) have been satisfied or waived. CTI will pay for such Shares within three business days after taking up the Shares.

Number of Shares

For purposes of the Offer, we will be deemed to have accepted for payment, subject to proration and the preferential acceptance of Shares deposited by Odd Lot Holders, Shares deposited and not withdrawn pursuant to Auction Tenders equal to or less than the Purchase Price and pursuant to Purchase Price Tenders if, as and when we give written notice to the Depositary of its acceptance of such Shares for payment pursuant to the Offer.

Payment

Payment for Shares accepted for purchase pursuant to the Offer will be made on the date on which we deliver funds on account of the purchase price of the accepted Shares to the Depositary by bank transfer or other means satisfactory to the Depositary, who will act as agent for the depositing Shareholders for the purpose of receiving payment from CTI and transmitting such payment to the depositing Shareholders. **Under no circumstances will interest accrue or be paid by CTI or the Depositary on the Purchase Price to any person depositing Shares regardless of any delay in making payment, including any delay in making payment to any person using the guaranteed delivery procedures.**

In the event of pro-ration of Shares deposited pursuant to Auction Tenders and Purchase Price Tenders, the Company will determine the pro-ration factor and pay for those Deposited Shares accepted for payment promptly after the Expiration Date. However, the Company does not expect to be able to announce the final results of any such pro-ration for at least three business days after the Expiration Date.

All Deposited Shares not purchased, including all Shares deposited pursuant to Auction Tenders at prices in excess of the Purchase Price, Shares not purchased due to pro-ration and Shares not accepted for purchase, will be returned promptly after the Expiration Date or termination of the Offer without expense to the depositing Shareholder. Certificates for all Shares not purchased, including Shares not purchased due to pro-ration and Shares not accepted for purchase, will be returned as soon as practicable after the Expiration Date or termination of the Offer without expense to the depositing Shareholder.

The Company reserves the right, in its sole discretion, to delay taking up or paying for any Shares or to terminate the Offer and not take up or pay for any Shares if any condition specified in Section 7 of this Offer To Purchase, “Certain Conditions of the Offer” is not satisfied or waived, by giving written notice thereof or other communication confirmed in writing to the Depositary. The Company also reserves the right, in its sole discretion and notwithstanding any other condition of the Offer, to delay taking up and paying for Shares in order to comply, in whole or in part, with any applicable law.

The Purchase Price for Shares deposited and purchased will be paid by cheque issued to the order of, and certificate(s) or equivalent DRS positions or ownership statements representing Shares not deposited or not purchased pursuant to the Offer will be issued to, the person signing the relevant Letter of Transmittal or to the order of such other person as identified by the person signing such Letter of Transmittal, by properly completing the appropriate boxes in such Letter of Transmittal. In the absence of an address being provided, cheques or certificates will be forwarded to the address of the person as shown on the share register for the Shares. Payments will be made net of any applicable withholding taxes. A Shareholder may also request that the Purchase Price for Shares deposited and purchased be paid by wire payment by properly completing the appropriate box in the Letter of Transmittal. The Purchase Price for Shares deposited by book-entry transfer and purchased will be paid by credit to the relevant account at CDSX.

The Depository will forward, at the Company's expense, cheques and certificates representing all certificated Shares not purchased by first-class insured mail, postage pre-paid, to the person signing the relevant Letter of Transmittal or to such other person or such other address as identified by the person in such Letter of Transmittal (unless, in the case of a cheque, the person signing the Letter of Transmittal instructs the Depository to hold such certificates for Shares and/or cheques for pickup or, alternatively, to make a wire payment) by properly completing the appropriate boxes in such Letter of Transmittal. See Section 10 of this Offer To Purchase, "Payment in the Event of Mail Service Interruption", in the event of real or possible mail service interruption. Any Shares deposited by book-entry transfer and not purchased will be credited to the relevant account at CDSX.

All Shares purchased by the Company pursuant to the Offer will be cancelled.

Each registered Shareholder who has tendered Shares pursuant to the Offer and whose Shares are taken up will receive payment of the Purchase Price in Canadian dollars, unless such Shareholder exercises the applicable election in the Letter of Transmittal and Notice of Guaranteed Delivery to use the Depository's currency exchange services to convert payment of the Purchase Price into U.S. dollars as described below. There is no additional fee payable by Shareholders who elect to use the Depository's currency exchange services.

Each non-registered Shareholder who has tendered Shares through its nominee pursuant to the Offer and whose Shares are taken up will receive payment of the Purchase Price through its nominee in Canadian dollars, unless such non-registered Shareholder contacts the nominee in whose name such Shareholder's Shares are registered and timely requests that the nominee make an election on its behalf to receive the Purchase Price in U.S. dollars as described below.

The exchange rate that will be used to convert payments from Canadian dollars into U.S. dollars will be the rate established by Computershare Trust Company of Canada, in its capacity as foreign exchange service provider, on the date the funds are converted, which rate will be based on the prevailing market rate on the date the funds are converted. The risk of any fluctuations in such rates, including risks relating to the particular date and time at which funds are converted, will be solely borne by the Shareholder. Computershare Trust Company of Canada will act as principal in such currency conversion transactions. Computershare Trust Company of Canada may earn a commercially reasonable spread between its exchange rate and the rate used by any counterparty from which it purchases the elected currency.

10. Payment in the Event of Mail Service Interruption

Notwithstanding the provisions of the Offer, cheques in payment for Shares purchased under the Offer and certificates for any Shares to be returned will not be mailed if the Company determines that delivery by mail may be delayed. Persons entitled to cheques or certificates that are not mailed for this reason may take delivery at the office of the Depository at which the deposited certificates for the Shares were delivered until the Company has determined that delivery by mail will no longer be delayed. CTI will provide notice, in accordance with Section 12 of this Offer To Purchase, "Notice", of any determination not to mail under this Section 10 as soon as reasonably practicable after such determination is made.

11. Liens and Dividends

Shares acquired pursuant to the Offer will be acquired by the Company free and clear of all liens, charges, encumbrances, security interests, claims, restrictions and equities whatsoever, together with all rights and benefits arising therefrom, provided that any dividends or distributions that may be paid, issued, distributed, made or transferred on or in respect of such Shares to Shareholders of record on or prior to the date upon which the Shares are taken up and paid for under the Offer will be for the account of such Shareholders. Each Shareholder of record on that date will be entitled to receive that dividend or distribution whether or not such Shareholder deposits Shares pursuant to the Offer. The Company has not declared any dividends on the Shares to date, and the Company has no formal dividend policy. See Section 6 of the Circular, “Dividends and Dividend Policy”.

12. Notice

Without limiting any other lawful means of giving notice, any notice to be given by the Company or the Depositary under the Offer will be deemed to have been properly given if it is mailed by first-class mail, postage prepaid, to the registered holders of Shares at their respective addresses as shown on the share registers maintained in respect of the Shares and will be deemed to have been received on the first business day following the date of mailing. These provisions apply despite (i) any accidental omission to give notice to any one or more Shareholders, and (ii) an interruption of mail service following mailing. In the event of an interruption of mail service following mailing, the Company will use reasonable efforts to disseminate the notice by other means, such as publication. If post offices are not open for deposit of mail, or there is reason to believe there is or could be a disruption in all or any part of the postal service, any notice which the Company or the Depositary may give or cause to be given under the Offer will be deemed to have been properly given and to have been received by Shareholders if it is issued by way of a news release and if it is published once in the National Edition of the *Globe and Mail* or the *National Post* and in a French language daily newspaper of general circulation in the Province of Québec.

13. Other Terms

No broker, dealer or other person has been authorized to give any information or to make any representation on behalf of the Company other than as contained in the Offer, and, if any such information or representation is given or made, it must not be relied upon as having been authorized by the Company.

It is a term of the Offer that for the purposes of subsection 191(4) of the Tax Act, the “specified amount” in respect of each Share will be an amount equal to the closing trading price for the Shares on the TSXV on the Expiration Date.

Shareholders should carefully consider the income tax consequences of accepting the Offer. See Section 14 of the Circular, “Certain Canadian Federal Income Tax Considerations”.

The Offer and all contracts resulting from the acceptance thereof will be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.

CTI, in its sole discretion, will be entitled to make a final and binding determination of all questions relating to the interpretation of the Offer, the validity of any acceptance of the Offer and the validity of any withdrawals of Shares. The Offer is not being made to, and deposits of Shares will not be accepted from or on behalf of, Shareholders residing in any jurisdiction in which the making of the Offer or the acceptance thereof would not be in compliance with the laws of such jurisdiction. CTI may, in its sole discretion, take such action as it may deem necessary to make the Offer in any such jurisdiction and extend the Offer to Shareholders in any such jurisdiction.

The accompanying Circular, together with this Offer to Purchase, constitutes the issuer bid circular required under Canadian provincial securities legislation applicable to CTI with respect to the Offer.

The accompanying Circular contains additional information relating to the Offer.

DATED this 2nd day of December, 2022 at Vancouver, British Columbia.

COLOURED TIES CAPITAL INC.

(Signed) *Kulwant Malhi*
Chief Executive Officer

CIRCULAR

This Circular is being furnished in connection with the Offer by CTI to purchase up to \$3,375,000 Shares validly tendered pursuant to the Offer. Terms defined in the Offer to Purchase and not otherwise defined herein have the same meaning in this Circular. The terms and conditions of the Offer to Purchase, Letter of Transmittal and the Notice of Guaranteed Delivery are incorporated into and form part of this Circular. Reference is made to the Offer to Purchase for details of its terms and conditions.

1. Coloured Ties Capital Inc.

The registered office of the Company is located at Suite 1500-1055 West Georgia, Vancouver, British Columbia, and the principal place of business and corporate head office is located at 206 – 1045 West 8th Avenue, Vancouver, British Columbia, telephone: (604) 805-4602. The Company is governed by the *Business Corporations Act* (British Columbia).

CTI is subject to the continuous disclosure requirements of applicable Canadian provincial securities legislation and the rules of the TSX-V, and in accordance therewith, files periodic reports and other information with Canadian provincial and territorial securities regulators and the TSX-V relating to its business, financial condition and other matters. Shareholders may access documents filed with Canadian provincial and territorial securities regulators through the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

2. Authorized Capital

Authorized Capital

Our authorized share capital consists of unlimited number of Shares without nominal or par value and unlimited number of preferred shares without nominal or par value.

The holders of Shares are entitled to: (i) receive notice of, and to one vote per Share at, meetings of shareholders; (ii) dividends if, as and when declared by the Board, out of funds legally available therefor, subject to preferential rights of the preferred shares; and (iii) in the event of liquidation, receive all of the assets of the Company remaining after payment of the Company's liabilities, subject to the preferential rights of the preferred shares or any other shares which may rank prior to the Shares at the time.

Issued and Outstanding Share Capital

As at December 2, 2022, our issued share capital consisted of 22,111,859 Shares and no preferred shares are issued and outstanding.

Shares Subject to the Offer

The shares that are the subject of the Offer are our Shares.

3. Purpose and Effect of the Offer

The Offer is being made to enable the Company to afford the Shareholders an opportunity to realize an immediate cash return for all their investments in the Company. The Offer will also afford an increased degree of liquidity in the market. Prior to the announcement of the Offer, the Shares last traded on the TSX-V on October 18, 2022 and the closing price on such date was \$0.41.

The Company has been retiring debt and returning surplus cash above its operating requirements to shareholders by way of normal course issuer bid programs. The Company is continually assessing its leverage and excess liquidity to maintain an efficient capital structure. For the nine months ended June 30, 2022, the Company distributed \$378,229 of its surplus cash by repurchasing Shares under the normal course issuer bid. The Company believes that a return of capital financed by additional surplus cash and debt is an efficient use of excess liquidity

while maintaining a flexible and more efficient capital structure to pursue its future growth plans. The Board of Directors has determined that the Offer is in the best interests of the Company and its Shareholders and is both an equitable and efficient way to distribute up to \$3,375,000 to its Shareholders.

On October 18, 2022, the Board of Directors determined that it would be in the best interests of the Company and its Shareholders to proceed with an issuer bid. In considering whether the Offer would be in the best interests of the Company and its Shareholders, the Board of Directors gave careful consideration to a number of factors, including, without limitation, the following:

- (a) after giving effect to the Offer, the Company will continue to have sufficient financial resources to conduct its ongoing operations and expects that it will continue to have sufficient financial resources to pursue its foreseeable new business opportunities, which may include strategic acquisitions;
- (b) the Offer represents an opportunity for the Company to return up to \$3,375,000 of capital to Shareholders who elect to tender, while increasing the proportionate ownership interest of Shareholders who elect not to tender;
- (c) the positive impact that the purchase of Shares would have on the Company's earnings calculated on a per Share basis, as well as on the return on equity on the Shares;
- (d) the Offer provides Shareholders with an opportunity to realize on all or a portion of their investment in the Company;
- (e) the deposit of Shares under the Offer is optional, the option is available to all Shareholders, and all Shareholders are free to accept or reject the Offer;
- (f) the Offer provides Shareholders who are considering the sale of all or a portion of their Shares with the opportunity to sell such Shares for cash without the usual transaction costs associated with market sales; and
- (g) the Offer is not conditional on any minimum number of Shares being deposited.

The Board of Directors of the Company has approved the making of the Offer, the pricing of the Offer, the Offer to Purchase, this Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery.

Subject to certain exceptions, Canadian provincial securities legislation prohibits the Company and its affiliates from acquiring any Shares, other than pursuant to the Offer, until at least 20 business days after the Expiration Date or date of termination of the Offer. Subject to applicable law, CTI may purchase additional Shares in the future on the open market, in private transactions, through issuer bids or otherwise. Any such purchases may be on the same terms or on terms that are more or less favourable to Shareholders than the terms of the Offer. Any possible future purchases by the Company will depend on many factors, including the market price of the Shares, the Company's business and financial position, the results of the Offer and general economic and market conditions.

Neither CTI nor its Board of Directors makes any recommendation to any Shareholder as to whether to deposit or refrain from depositing any or all of such Shareholder's Shares. No person has been authorized to make any such recommendation. Shareholders are urged to evaluate carefully all information in the Offer, consult their own investment and tax advisors and make their own decisions whether to deposit Shares and, if so, how many Shares to deposit. Shareholders should carefully consider the income tax consequences of accepting the Offer. See Section 14 of this Circular, "Certain Canadian Federal Income Tax Concerns".

4. Financial Statements

The comparative audited consolidated financial statements of CTI as at and for the year ended September 30, 2021 and the comparative unaudited condensed consolidated financial statements of CTI as at and for the three months and nine month periods ended June 30, 2022, are available on SEDAR at www.sedar.com. Shareholders may obtain copies of these financial statements, without charge, upon request to the Company from the Company's Corporate Secretary, at 10589 Ladner Trunk Road, Delta, British Columbia V4G 1K2, telephone: (604) 805-4602.

5. Price Range of Shares

The Shares are listed on the TSX-V under the symbol “TIE”. The following table sets forth the high and low closing prices per Share and the monthly trading volume of Shares traded on the TSX-V, as compiled from published financial sources for the six months preceding the date of Offer:

<u>Period</u>	<u>High (\$)</u>	<u>Low (\$)</u>	<u>Volume</u>
December 1, 2022	0.515	0.50	26,800
November 2022	0.535	0.39	736,084
October 2022	0.43	0.30	571,601
September 2022	0.475	0.31	890,630
August 2022	0.375	0.29	56,300
July 2022	0.40	0.27	90,229
June 2022	0.36	0.295	354,635
May 2022	0.325	0.28	349,615

On October 17, 2022, the last full trading day prior to the announcement by CTI of the Offer, the closing price of the Shares on the TSX-V was \$0.30.

Shareholders are urged to obtain current market quotations for the Shares.

6. Dividends and Dividend Policy

The Company has not declared any dividends on the Shares to date, and the Company has no formal dividend policy. CTI may alter its policy relating to dividends at any time, in its sole discretion, after taking into account such factors as the Company’s financial condition, results of operations, current and anticipated cash needs, regulatory capital requirements, the requirements of any future financing agreements and other factors that the Board of Directors of the Company may deem relevant, with a view to paying dividends whenever operational circumstances permit.

7. Valuation

The Valuation Report

On November 24, 2022, the Valuator delivered its preliminary valuation report to the Board of Directors of the Offer and a final version of its Valuation Report, which is substantially the same form as the preliminary report, was delivered to the Board of Directors on December 2, 2022. The Valuation Report has been prepared in compliance with the provisions of MI 61-101. A copy of the Valuation Report is attached to the Circular as Schedule A.

Shareholders should carefully review and consider the Valuation Report in its entirety. The Valuation Report is subject to the assumptions, limitations and qualifications set out therein and the conclusions of Evans & Evans in the Valuation Report are premised on the various assumptions including the value of the Shares. Changes in the trading price of the Shares or changes in the other underlying assumptions could cause the value conclusions to change.

Evans & Evans is a financial advisory services firm with offices and affiliates in Canada, the United States and Asia who provides various services in the areas of valuations, fairness opinions and business due diligence. Evans & Evans was retained by the Board of Directors to provide a “formal valuation” (as such term is defined in MI 61-101) with respect to the fair market value of the issued and outstanding Shares at a current date. For the purposes of the Valuation Report the Valuation Date was defined as October 31, 2022.

Evans & Evans is an independent, valuation firm, is not an insider, associate or affiliate of the Company and neither it nor any of its affiliates have ever acted as an advisor to the Company in connection with the subject transaction. Evans & Evans has not participated in any transactions of the Company. The compensation of Evans &

Evans is not dependent in whole or in part on any agreement or understanding which gives Evans & Evans or any of its affiliates a financial incentive in respect of the conclusions of Evans & Evans reached in the Valuation Report or in the outcome of the Offer, and Evans & Evans has no financial interests, outside the ordinary course of its business, in any future business involving the Company.

There are no understandings or agreements between Evans & Evans and the Company with respect to future business dealings between them. Evans & Evans may in the future, in the normal course of its business, perform valuation services for the Company.

The Valuation Report, dated December 2, 2022, contains Evans & Evans's opinion that, based on the scope of their review and subject to the restrictions, definitions and assumptions noted therein, the fair market value of the Shares at October 31, 2022 was in the range of \$0.68 to \$0.72. The valuation was based upon securities market, economic and general business conditions prevailing at the Valuation Date and the conditions and prospects, financial and otherwise, of the Company as reflected in the information and documents reviewed by Evans & Evans and as they were represented to Evans & Evans in its discussions with the Company's management. For the purposes of the Valuation Report, Evans & Evans stated that fair market value is defined as the monetary consideration that, in an open and unrestricted market, a prudent and informed buyer would pay to a prudent and informed seller, each acting at arm's length with the other and under no compulsion to act.

Prior Valuation

To the knowledge of the Company and its directors and officers, no independent valuations or appraisals, and no material non-independent valuations or appraisals, of the Company, the Shares or material assets of the Company have been prepared within the last two years.

8. Previous Distributions and Purchases of Securities

During the 12 months preceding the date of the Offer, excluding securities purchased or sold pursuant to the exercise of employee stock options, no securities were sold by the Company. On October 19, 2022, the Company granted 1,365,000 restricted share units to certain directors, officers, employees and consultants of the Company.

On December 13, 2021, the Company received approval from the TSX-V to commence a normal course issuer bid for up to 1,163,782 of its Shares. The bid commenced on December 15, 2021 and ended in August 2022 when the Company purchased for cancellation 1,163,782 Shares at an average price per Share of \$0.325 under this issuer bid. Purchases were made by way of open market purchases through the facilities of the TSX-V, and other Canadian market places, and payment for the shares was in accordance with the TSX-V's rules. No purchases were made other than by means of open market transactions during the term of the normal course issuer bid and conducted at the market price at the time of acquisition. All shares purchased by the Company were subsequently cancelled.

During the five years preceding the date of the Offer, the Company has distributed the following securities:

Year of Distribution	Number of Securities	Weighted Average Price Per Security (\$)	Proceeds Realized (\$)
2017	Nil	Nil	Nil
2018	Nil	Nil	Nil
2019	Nil	Nil	Nil
2020	Nil	Nil	Nil
2021	18,830,769 units ⁽¹⁾	0.065	1,224,000
2022 (through to December 2, 2022)	1,900,000 options	0.31	Nil
	1,365,000 RSUs	0.42	Nil

Note:

(1) Each unit consisted of one Share and one Share purchase warrant of the Company with each warrant entitling the holder thereof to acquire one additional Share at \$0.08 per Share until July 23, 2023.

9. Interest of Directors and Officers and Transactions and Arrangements Concerning Securities

Interest of Directors and Officers. Except as set forth in the Offer, neither the Company nor, to the Company's knowledge, any of its officers or directors or any of the officers or directors of its subsidiaries, is a party to any contract, arrangement or understanding, formal or informal, with any security holder relating, directly or indirectly, to the Offer or with any other person or company with respect to any securities of the Company in relation to the Offer, nor are there any contracts or arrangements made or proposed to be made between the Company and any of its directors or officers and no payments or other benefits are proposed to be made or given by way of compensation for loss of office or as to such directors or officers remaining in or retiring from office if the Offer is successful.

Except as disclosed in the Offer, neither the Company nor, to the Company's knowledge, any of its officers or directors has current plans or proposals which relate to, or would result in, any extraordinary corporate transaction involving the Company, such as a merger, a reorganization, the sale or transfer of a material amount of its assets or the assets of any of its subsidiaries (although the Company from time to time may consider various acquisition or divestiture opportunities), any material change in its present Board of Directors or management, any material change in its indebtedness or capitalization, any other material change in its business or corporate structure, any material change in its Articles, or any actions similar to any of the foregoing.

Ownership of the Securities of the Company. To the knowledge of the Company, after reasonable inquiry, the following table indicates, as at December 2, 2022, the number of securities of the Company beneficially owned or over which control or direction is exercised, by each director and officer of the Company and, after reasonable inquiry, by (a) each associate or affiliate of an insider of the Company, (b) each associate or affiliate of the Company, (c) an insider of the Company (other than a director or officer of the Company), and (d) each person acting jointly or in concert with the Company.

Name	Relationship with Company	Shares ⁽¹⁾		Options ⁽²⁾		Warrants ⁽³⁾		RSUs ⁽⁴⁾	
		Number	% of o/s	Number	% of o/s	Number	% of o/s	Number	% of o/s
Kulwant Malhi	Chairman, Chief Executive Officer and Director	1,038,893	4.7	700,000	36.8%	1,113,385	59.1%	700,000	51.3%
Bala Pratap Reddy Udumala	Director	Nil	Nil	200,000	10.5%	Nil	Nil	75,000	5.5%
Desmond Balakrishnan	Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Christopher R. Cooper	Director	Nil	Nil	250,000	13.2%	Nil	Nil	75,000	5.5%
Zara Kanji	Chief Financial Officer	Nil	Nil	150,000	7.9%	Nil	Nil	75,000	5.5%
Nancy Boufeas	Corporate Secretary	Nil	Nil	50,000	2.6%	Nil	Nil	25,000	1.8%

Notes:

- (1) As of December 2, 2022, 22,111,859 common shares were issued and outstanding
- (2) As of December 2, 2022, 1,900,000 options were issued and outstanding.
- (3) As of December 2, 2022, 1,883,076 warrants were issued and outstanding.
- (4) As of December 2, 2022, 1,365,000 RSUs were issued and outstanding.

10. Commitments to Acquire Shares

CTI has no agreements, commitments or understandings to acquire securities of the Company, other than pursuant to the Offer. To the knowledge of the Company, after reasonable inquiry, no person named under Section 9 of this Circular, “Interest of Directors and Officers and Transactions and Arrangements Concerning Securities – *Ownership of the Securities of the Company*” has any agreement, commitment or understanding to acquire securities of the Company.

11. Benefits from the Offer and Effect on Interested Parties

No person named under Section 9 of this Circular, “Interest of Directors and Officers and Transactions and Arrangements Concerning Securities – *Ownership of the Securities of the Company*” will receive any direct or indirect benefit from accepting or refusing to accept the Offer other than the Purchase Price for any Shares tendered to the Offer and purchased by the Company in accordance with the terms of the Offer.

12. Material Changes in the Affairs of the Company

Except as described below, or referred to in the Offer to Purchase or this Circular, the directors and officers of the Company are not aware of any plans or proposals for material changes in the affairs of the Company, or of any undisclosed material changes that have occurred since June 30, 2022:

- (a) On July 20, 2022, the Company purchased 100% interest in 62 mineral claims, in the Cadillac-Pontiac region (Quebec) for \$50 subject to a 2% NSR that can be reduced to \$1 at any time by the Company making a payment of \$1 million to the vendors.
- (b) On August 19, 2022 The Company acquired 46 additional claims in the area from the same vendor group for \$40 subject to a 2% NSR. This is in addition to the purchased 62 mineral claims in the Cadillac-Pontiac region (Quebec). The lithium claims will be acquired with 100% interest to the Company for the cash consideration subject to a 2% NSR that can be reduced to 1% with \$1M payout at any time in the future.
- (c) On September 22, 2022, Quebec Pegmatite Corp., a subsidiary of the Company acquired 100% interest, subject to a 3% NSR that may be reduced to 1.5% with a \$2,000,000 payment in 84 mineral claims in the Corvette Lithium District in Quebec from an arm’s length vendor. The claims have been acquired for cash payment and issuance of common shares in Quebec Pegmatite Corp.
- (d) On October 18 and November 28, 2022, the Company announced the Offer; and
- (e) On November 14, 2022, the Company announced the grant of 1,365,000 grants.

13. Intention to Deposit Shares

To the knowledge of the Company and its directors and officers, after reasonable inquiry, no director or officer of the Company, no associate or affiliate of a director or officer of the Company, no associate or affiliate of the Company, nor any other insider of the Company (including Rauni Malhi who beneficially own or control more than 10% of the Company’s outstanding Shares), and no person or company acting jointly or in concert with the Company, has indicated any present intention to deposit any of such person’s or company’s Shares pursuant to the Offer.

The intentions of Rauni Malhi, the directors and officers of the Company and their respective associates or affiliates as described above may change or Shares may be sold on the TSX-V during the period of the Offer.

14. Certain Canadian Federal Income Tax Considerations

General

CTI has been advised by McMillan LLP that the following summary describes, as at the date hereof, the principal Canadian federal income tax consequences generally applicable to a sale of Shares pursuant to the Offer by a Shareholder who, for purposes of the Tax Act and at all relevant times, (i) holds the Shares as capital property, (ii) deals at arm's length and is not affiliated (within the meaning of the Tax Act) with CTI, and (iii) is not exempt from tax under the Tax Act (each, a "Holder"). Generally, a Holder will be considered to hold Shares as capital property provided the Holder does not hold the Shares in the course of carrying on a business and the Holder has not acquired the Shares in one or more transactions considered to be an adventure or concern in the nature of trade. Certain Holders who are, or are deemed to be, resident in Canada for purposes of the Tax Act and whose Shares might not qualify as capital property may be entitled to make an irrevocable election in accordance with subsection 39(4) of the Tax Act to have the Shares, and every other "Canadian security", as defined in the Tax Act, owned by such Holder in the taxation year of the election and in all subsequent taxation years, deemed to be capital property. A Holder considering making such an election should consult with their own tax advisors in this regard with respect to whether an election under subsection 39(4) of the Tax Act is available or advisable having regard to their particular circumstances.

This summary does not apply to a Holder: (i) that is a "financial institution" (as defined in the Tax Act for the purposes of the mark-to-market rules), (ii) an interest in which is a "tax shelter investment" (as defined in the Tax Act), (iii) that is a "specified financial institution" (as defined in the Tax Act), (iv) that reports its "Canadian tax results" (as defined in the Tax Act) in a currency other than Canadian dollars, (v) that has entered into, or enters into, a "derivative forward agreement", "synthetic disposition arrangement" or "dividend rental arrangement" (each as defined in the Tax Act) with respect to its Shares, (vi) who is or was an employee of the Company and who acquired Shares in respect of, in the course of, or by virtue of, their employment, including pursuant to an employee stock option, (vii) is a foreign affiliate of a taxpayer resident in Canada; or (viii) that is a corporation that is resident in Canada (or a corporation that does not deal at arm's length with a corporation resident in Canada) that is, or becomes as part of a transaction or event or series of transactions or events that includes the prior acquisition of Shares, controlled by non-resident persons for the purposes of the foreign affiliate dumping rules in section 212.3 of the Tax Act. Such Holders should consult their own tax advisors. This summary also does not address the application of alternative minimum tax to individuals and certain trusts.

This summary is based on the current provisions of the Tax Act and the regulations thereunder in force on the date of this Circular and on counsel's understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency (the "CRA") publicly available prior to the date of this Circular. This summary also takes into account all specific proposals to amend the Tax Act and the regulations thereunder which have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date of this Circular (the "Proposed Amendments"), and assumes all such Proposed Amendments will be enacted in their present form. No assurances can be given that Proposed Amendments will be enacted in the form proposed, or at all. This summary is not exhaustive of all possible Canadian federal income tax considerations and, except for the Proposed Amendments, does not take into account or anticipate any changes in law, whether by judicial, governmental or legislative action or decision, or changes in the administrative policies or assessing practices of the CRA, nor does it take into account any other federal or any provincial, territorial or foreign income tax legislation or considerations, which may differ significantly from the Canadian federal income tax consideration described herein.

This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to a Holder in connection with a sale of Shares to the Company pursuant to the Offer. Accordingly, this summary is of a general nature only and is not intended to be, nor should it be construed as, legal or tax advice to any particular Holder, and no representation is made with respect to the income tax consequences to any particular Holder. Accordingly, Holders should consult their own tax advisors with respect to their particular circumstances.

The deemed dividend tax treatment described below on a sale of Shares to the Company pursuant to the Offer differs from the capital gains treatment which would generally apply to a sale of Shares by a Holder in the market. Holders who are contemplating selling their Shares pursuant to the Offer should consult their

own tax advisors to determine whether participating in the Offer would be advantageous to them in their own particular circumstances.

Holders Resident in Canada

This portion of the summary generally applies to Holders who, for the purposes of the Tax Act and at all relevant times, are resident (or deemed to be resident) in Canada (each, a “Resident Holder”).

Individual Resident Holders

Resident Holders who are individuals, including trusts (each an “Individual Resident Holder”), and who sell Shares to CTI pursuant to the Offer will be deemed to have received a taxable dividend equal to the amount by which the aggregate Purchase Price received by the Individual Resident Holder from CTI for the Shares sold exceeds the paid-up capital in respect of such Shares for the purposes of the Tax Act. CTI estimates that on the Expiration Date the paid-up capital per Share for purposes of the Tax Act will be approximately \$203,889,898. Counsel has not verified this amount.

The deemed dividend will be included in computing an Individual Resident Holder’s income subject to the gross-up and dividend tax credit rules generally applicable to taxable dividends received by individuals from taxable Canadian corporations, including the enhanced dividend gross-up and tax credit where the deemed dividend has been validly designated as an eligible dividend by the taxable Canadian corporation. There may be limitations on the ability of the Corporation to designate dividends as eligible dividends. Subject to such limitations, CTI has advised that it will make all of the necessary designations so that any deemed dividend arising on a sale of the Shares to CTI pursuant to the Offer will qualify as an eligible dividend.

The amount equal to the excess of the aggregate Purchase Price received by the Individual Resident Holder from CTI for the Shares sold over the amount deemed to be received by the Individual Resident Holder as a dividend (as described above) will be treated as the proceeds of disposition of the Shares to the Individual Resident Holder for the purposes of computing any capital gain or capital loss arising upon the sale of the Shares pursuant to the Offer. The Individual Resident Holder will realize a capital gain (or a capital loss) on the sale of the Shares equal to the amount by which the Individual Resident Holder’s proceeds of disposition so determined, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base to the Individual Resident Holder of the Shares. Under the Tax Act, an Individual Resident Holder will generally be required to include one-half of a capital gain (a “taxable capital gain”) in computing income for the taxation year in which the disposition occurs, and will be required to deduct one-half of any capital loss (an “allowable capital loss”) from taxable capital gains realized in that year. Allowable capital losses in excess of taxable capital gains for the year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years, subject to and in accordance with the provisions of the Tax Act. If the Individual Resident Holder is a trust of which a corporation is a beneficiary, the amount of any such capital loss otherwise determined will generally be reduced by the amount of dividends received or deemed to be received on the Shares (including any dividends deemed to have been received as a result of the sale of Shares to CTI pursuant to the Offer) to the extent and under the circumstances prescribed by the Tax Act. Similar rules may apply where a Share is owned by a partnership or trust of which a corporation, trust or partnership is a member or beneficiary. Such Individual Resident Holders should consult their own tax advisors.

An Individual Resident Holder who has realized a capital loss on the sale of Shares pursuant to the Offer may have all or a portion of the capital loss denied if the “superficial loss” rules in the Tax Act apply. A “superficial loss” may arise where the Individual Resident Holder (or a person affiliated with the Individual Resident Holder) has acquired additional Shares in the period commencing 30 days prior to the sale of Shares pursuant to the Offer and ending 30 days after the sale of Shares pursuant to the Offer. Individual Resident Holders should consult with their own tax advisors with respect to the potential application of the above “superficial loss” rules to them in their own particular circumstances.

Individual Resident Holders (other than certain specified trusts) who realize a capital gain or receive a dividend (or are deemed to receive a dividend) as a result of a sale of Shares pursuant to the Offer may be subject to the “alternative minimum tax” rules set out in the Tax Act, and should consult their own tax advisors in this regard.

Corporate Resident Holders

A Resident Holder that is a corporation (herein, a “Corporate Resident Holder”) and that sells shares to CTI pursuant to the Offer will (subject to the potential application of subsection 55(2) of the Tax Act, described below) be deemed to have received a taxable dividend equal to the amount by which the aggregate Purchase Price received by the Corporate Resident Holder from CTI for the Shares sold exceeds the paid-up capital in respect of such Shares for the purposes of the Tax Act. CTI estimates that on the Expiration Date the paid-up capital per Share for purposes of the Tax Act will be approximately \$203,889,898. Counsel has not verified this amount.

The amount of any deemed dividend received by the Corporate Resident Holder that is not required to be recognized as proceeds of disposition of the Shares pursuant to subsection 55(2) of the Tax Act (described below) will be included in computing the Corporate Resident Holder’s income as a dividend, and will generally be deductible in computing its taxable income, subject to all limitations under the Tax Act. To the extent that such a deduction is available, private corporations (as defined in the Tax Act) and certain other corporations may be liable to pay a tax under Part IV of the Tax Act (refundable in certain circumstances) at a rate of 38 1/3% on the amount of the deemed dividend. Corporate Resident Holders should consult their own tax advisors in this regard.

Under subsection 55(2) of the Tax Act, a Corporate Resident Holder may be required to treat all or a portion of a deemed dividend that is deductible in computing taxable income as proceeds of disposition and not as a dividend. In general terms, subsection 55(2) of the Act will apply to recharacterize the deemed dividend arising on the disposition of a Share under the Offer as proceeds of disposition in circumstances where the Corporate Resident Holder would have realized a capital gain had it disposed of the Share for proceeds equal to its fair market value immediately before the sale of the Share to CTI pursuant to the Offer and that sale to CTI resulted in a significant reduction in such capital gain. However, subsection 55(2) of the Tax Act does not apply to the portion (if any) of the dividend that is subject to tax under Part IV of the Tax Act where that tax is not refunded under the circumstances specified in subsection 55(2) of the Tax Act and does not apply if the dividend would not be deductible in computing taxable income. The application of subsection 55(2) of the Tax Act involves a number of factual considerations that will differ for each Corporate Resident Holder, and a sufficient explanation of all relevant factors is beyond the scope of this summary. Corporate Resident Holders should consult their own tax advisors for specific tax advice with respect to the potential application of subsection 55(2) of the Tax Act having regard to their particular circumstances.

The amount of the aggregate Purchase Price received by the Corporate Resident Holder from CTI for the Shares sold less the amount deemed to be received by the Corporate Resident Holder as a dividend, taking into account the potential application of subsection 55(2) of the Tax Act, will be treated as proceeds of disposition of the Shares for the purposes of computing any capital gain or capital loss arising from the sale of the Shares. The Corporate Resident Holder will realize a capital gain (or a capital loss) on the sale of the Shares equal to the amount by which the Corporate Resident Holder’s proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base to the Corporate Resident Holder of the Shares. Under the Tax Act, a Corporate Resident Holder will be required to include one-half of a capital gain (a “taxable capital gain”) in computing income for the taxation year in which the disposition occurs, and will be required to deduct one-half of any capital loss (an “allowable capital loss”) against taxable capital gains realized in that year. Allowable capital losses in excess of taxable capital gains for the year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years, subject to and in accordance with the Tax Act. The amount of any capital loss otherwise determined will generally be reduced by the amount of dividends or deemed dividends received by the Corporate Resident Holder on the Shares (including any dividends deemed to have been received as a result of the sale of Shares to CTI pursuant to the Offer) to the extent and under the circumstances prescribed by the Tax Act. Similar rules will apply where a corporation is a member of a partnership or a beneficiary of a trust that disposes of Shares pursuant to the Offer.

A Corporate Resident Holder that has realized a capital loss upon the sale of Shares pursuant to the Offer may have all or a portion of the capital loss suspended, in general terms, if the Corporate Resident Holder (or a person affiliated with the Corporate Resident Holder) has acquired additional Shares in the period commencing 30 days prior to the sale of Shares pursuant to the Offer and ending 30 days after the sale of Shares pursuant to the Offer. Corporate Resident Holders should consult with their own tax advisors with respect to the application of these rules having regard to their own circumstances.

A Corporate Resident Holder that is a Canadian-controlled private corporation (as defined in the Tax Act) or a “substantive CCPC” (as proposed to be defined in the Tax Act pursuant to the legislative proposals released by the Minister of Finance (Canada) on August 9, 2022) throughout the year may be liable for an additional tax (refundable in certain circumstances) on its “aggregate investment income” for the year, which is defined to include an amount in respect of taxable capital gains (but not to include dividends or deemed dividends that are deductible in computing taxable income).

Holders Not Resident in Canada

This portion of the summary generally applies to a Holder (as defined above) who, at all relevant times, for the purposes of the Tax Act and any applicable income tax treaty or convention (i) is not resident, nor deemed to be resident, in Canada, (ii) does not use or hold, and is not deemed to use or hold, Shares in connection with carrying on business in Canada, (iii) has not, either alone or in combination with persons with whom the Holder does not deal at arm's length (within the meaning of the Tax Act) or with any partnership in which the Holder or persons with whom the Holder did not deal at arm's length held a membership interest directly or indirectly through one or more partnerships, owned 25% or more of the issued shares of any class of the capital stock of the Company at any time within the 60-month period preceding the sale of the Shares pursuant to the Offer; and (iv) to whom the Shares do not, and are not deemed to, otherwise constitute “taxable Canadian property” (as defined in the Tax Act) (a “Non-Resident Holder”). Special rules, which are not discussed in this summary, may apply to a Non-Resident Holder that is an insurer carrying on business in Canada and elsewhere or to an authorized foreign bank. Such Non-Resident Holders should consult their own tax advisors.

A Non-Resident Holder who sells Shares to CTI pursuant to the Offer will be deemed to have received a dividend equal to the amount by which the aggregate Purchase Price received by the Non-Resident Holder from CTI for the Shares sold exceeds the paid-up capital in respect of such Shares for the purposes of the Tax Act. CTI estimates that on the Expiration Date the paid-up capital per Share for purposes of the Tax Act will be approximately \$203,889,898. Counsel has not verified this amount. This deemed dividend will be subject to Canadian withholding tax at a rate of 25% subject to reduction under the provisions of any applicable income tax treaty or convention between Canada and the jurisdiction in which the Non-Resident Holder is resident. For example, a dividend received or deemed to be received by a Non-Resident Holder that (i) is a resident of the United States for the purposes of the Canada-United States Income Tax Convention (the “U.S. Treaty”), (ii) is eligible for benefits under the U.S. Treaty, and (iii) is the beneficial owner of such dividends will generally be subject to withholding tax at a treaty-reduced rate of 15% (or 5% if the beneficial owner of the dividends is a company that owns at least 10% of the issued and outstanding Shares). Non-Resident Holders should consult their own tax advisors regarding the applicability of the provisions of any applicable income tax treaty or convention in their own particular circumstances, as well as the ability to claim foreign tax credits with respect to any Canadian withholding tax.

A Non-Resident Holder will not be subject to tax under the Tax Act in respect of any capital gain realized on the disposition of Shares pursuant to the Offer.

IN VIEW OF THE DEEMED DIVIDEND TAX TREATMENT DESCRIBED ABOVE ON A SALE OF SHARES PURSUANT TO THE OFFER, AND THE RESULTING CANADIAN WITHHOLDING TAX, SHAREHOLDERS THAT ARE NOT RESIDENT IN CANADA SHOULD CONSULT THEIR OWN ADVISORS REGARDING THE POSSIBILITY OF SELLING SHARES IN THE MARKET AS AN ALTERNATIVE TO ACCEPTING THE OFFER.

15. Legal Matters and Regulatory Approvals

CTI is not aware of any license or regulatory permit that is material to the Company’s business that might be adversely affected by the Company’s acquisition of Shares pursuant to the Offer or, except as noted below, of any approval or other action by any government or governmental, administrative or regulatory authority or agency in any jurisdiction, that would be required for the acquisition of Shares by the Company pursuant to the Offer and that has not been obtained on or before the date hereof. Should any such approval or other action be required, the Company currently contemplates that such approval will be sought or other action will be taken. CTI cannot predict whether it may determine that it must delay the acceptance for payment of Shares deposited pursuant to the Offer pending the outcome of any such matter.

There can be no assurance that any such approval or other action, if needed, would be obtained or would be obtained without substantial conditions or that the failure to obtain any such approval or other action might not result in adverse consequences to the Company's business.

The Company's obligations under the Offer to take up and pay for Shares are subject to certain conditions. See Section 7 of the Offer To Purchase, "Certain Conditions of the Offer".

16. Source of Funds

The Company will fund any purchases of Shares pursuant to the Offer from available cash on hand.

17. Depositary

CTI has appointed Computershare Investor Services Inc. to act as a depositary for, among other things, (a) the receipt of certificates representing Shares and related Letters of Transmittal deposited under the Offer, (b) the receipt of Notices of Guaranteed Delivery delivered pursuant to the procedures for guaranteed delivery set forth in Section 5 of the Offer To Purchase, "Procedure for Depositing Shares", (c) the receipt from the Company of cash to be paid in consideration of the Shares acquired by the Company under the Offer, as agent for the depositing Shareholders, and (d) the transmittal of such cash to the depositing Shareholders, as agent for the depositing Shareholders. The Depositary may contact Shareholders by mail, telephone or facsimile and may request brokers, dealers and other nominee Shareholders to forward materials relating to the Offer to beneficial owners.

18. Fees and Expenses

Evans & Evans has been retained by the Company to provide the Valuation Report. Evans & Evans will receive a fee of \$18,750 from CTI for the delivery of the Valuation Report. None of the fees payable to Evans & Evans are contingent upon the conclusions reached by Evans & Evans.

CTI has retained Computershare Investor Services Inc. to act as the depositary in connection with the Offer. The Depositary will receive reasonable and customary compensation for its services, will be reimbursed for certain reasonable out-of-pocket expenses and will be indemnified against certain liabilities and expenses in connection with the Offer, including certain liabilities under Canadian provincial securities laws. CTI will not pay any fees or commissions to any broker or dealer or any other person for soliciting deposits of Shares pursuant to the Offer. Brokers, dealers, commercial banks and trust companies will, upon request, be reimbursed by the Company for reasonable and necessary costs and expenses incurred by them in forwarding materials to their customers.

CTI is expected to incur expenses of approximately \$100,000 in connection with the Offer, which includes filing fees, the fees for the Valuation Report, legal, accounting, depositary and printing fees.

19. Statutory Rights

Securities legislation in the provinces and territories of Canada provides security holders of the offeree issuer with, in addition to any other rights they may have at law, one or more rights of rescission, price revision or to damages, if there is a misrepresentation in a circular or notice that is required to be delivered to those security holders. However, such rights must be exercised within prescribed time limits. Security holders should refer to the applicable provisions of the securities legislation of their province or territory for particulars of those rights or consult a lawyer.

APPROVAL AND CERTIFICATE

December 2, 2022

The Board of Directors of Coloured Ties Capital Inc. (the “Company”) has approved the contents of the Offer to Purchase and the accompanying Circular dated December 2, 2022 and the delivery thereof to Shareholders. The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

(Signed) “*Kulwant Malhi*”
Chief Executive Officer

(Signed) “*Zara Kanji*”
Chief Financial Officer

On behalf of the Board of Directors

(Signed) “*Christopher Cooper*”
Director

(Signed) “*Bala Pratap Reddy Udumala*”
Director

CONSENT OF EVANS & EVANS, INC.

TO: The Board of Directors of Coloured Ties Capital Inc.

We refer to our report entitled “Comprehensive Valuation Report – Coloured Ties Capital Inc.” dated December 1, 2022 (the “**Valuation Report**”), which we prepared for Coloured Ties Capital Inc. (the “**Company**”) in connection with the Offer dated December 2, 2022 made by the Company to all of its shareholders. We hereby consent to the filing of the Valuation Report with the securities regulatory authority, the inclusion of the Valuation Report as Schedule A of the Circular dated December 2, 2022 accompanying the Offer made by the Company to the its Shareholders and to the references in the Circular to our Valuation Report, and to our having provided advice in connection therewith.

December 2, 2022

(Signed) *Evans & Evans, Inc.*

CONSENT OF MCMILLAN LLP

TO: The Board of Directors of Coloured Ties Capital Inc.

We consent to the inclusion of our name in the sections titled “Income Tax Considerations – Certain Canadian Federal Income Tax Considerations” in the Circular dated December 2, 2022 of Coloured Ties Capital Inc. in connection with its offer to the holders of its Shares.

December 2, 2022

(Signed) *McMillan LLP*

SCHEDULE A – VALUATION REPORT

[See attached]

COMPREHENSIVE VALUATION REPORT

COLOURED TIES CAPITAL INC.

British Columbia, Canada

December 1, 2022

EVANS & EVANS, INC.

COLOURED TIES CAPITAL INC.

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1.0 ASSIGNMENT AND BACKGROUND

1.1 Assignment

Evans & Evans, Inc. (“Evans & Evans” or the “authors of the Report”) was engaged by Coloured Ties Capital Inc. (“CTI”, the “Company” or the “Issuer”) to prepare an independent Comprehensive Valuation Report (the “Report”) with regard to the fair value of the Issuer’s common shares (the “Shares”) on a per share basis as of October 31, 2022 (the “Valuation Date”). The Valuation Date was chosen as one month from the date of the most recent financial information on the Issuer.

CTI is a reporting issuer and the Shares are listed for trading on the TSX Venture Exchange (the “Exchange”) under the symbol “TIE”. Evans & Evans understand CTI is contemplating a substantial issuer bid (“SIB”) with respect to a purchase a portion of the Shares. Given the planned SIB, the Board of Directors of the Issuer (the “Board”) has requested the Report in order to have an independent opinion as to the fair value of the Shares as at a current date.

The Report may be used for inclusion in any public disclosure documents in connection with the SIB and for submission to the Exchange as part of the regulatory approval of the SIB. The Report may also be placed on CTI’s electronic file and included or referenced in any information circular provided to the CTI shareholders.

As Evans & Evans will be relying extensively on information, materials and representations provided to us by the Issuer’s management and associated representatives, the authors of the Report will require that the Issuer’s management confirm to Evans & Evans in writing that the information and management’s representations contained in the Report are accurate, correct and complete, and that there are no material omissions of information that would affect the conclusions contained in the Report.

Evans & Evans, or its staff and associates, will not assume any responsibility or liability for losses incurred by CTI and/or its shareholders, management or any other parties as a result of the circulation, publication, reproduction, or use of the Report, or any excerpts thereto contrary to the provisions of this section of the Report. Evans & Evans also reserves the right to review all calculations included or referred to in the Report and, if Evans & Evans considers it necessary, to revise the Report in light of any information existing at the Valuation Date which becomes known to Evans & Evans after the date of the Report.

Unless otherwise indicated, all monetary amounts are stated in Canadian dollars.

1.2 Background of CTI

CTI (formerly GrowMax Resources Corp.) was incorporated under the *Business Corporations Act (British Columbia)* on January 27, 2020. In the past years, the Company was focused on the exploration, evaluation, and development of phosphate and potassium-rich brine resources in northwestern Peru. After a review of the Company’s resources and strategic options, the Board determined that the optimal allocation of the Company’s working capital would be within the framework of an investment company. On August 19,

2021, the Company announced the receipt of final approval from the Exchange with respect to the change of business from mineral exploration to an investment issuer.

CTI is now considered a “non-redeemable investment fund” as the Company meets the definition of a non-redeemable investment fund contemplated under the *Securities Act* (British Columbia) or the National Instrument 81-106 Investment Fund Continuous Disclosure (“NI 81-106”).

To govern the investment activities and strategy, CTI has adopted an investment policy under which, CTI may invest in equity, debt and convertible securities, which the Company intends will be acquired and held for long-term capital appreciation and shorter-term gains. The Company may also invest in concentrated, long-term positions in public companies.

As of the Valuation Date, the investment portfolio of the Company was comprised of i) public equity investment and derivatives (“Public Investments”), ii) private equity investment and derivatives (“Private Investments”), and iii) mineral properties, with book values of \$14.7 million, \$1.7 million and \$0.09 million respectively as of September 30, 2022. Most invested companies are engaged in metal and mining business.

CTI has investments in 2 private companies. In November 2021, the Company subscribed 7,272 preferred shares of Ride Vision Ltd (“Ride Vision”) at investment cost of \$1,266,000. Ride Vision develops advanced rider assistance system to keeps motorcycle and scooter riders aware of potential threats around them in real-time so they can ride safely. Ride Vision was founded in 2018 and is based in Herzliya, Israel. Coloured Ties has also acquired a total of 3 million common shares in privately held Hertz Lithium Inc. (“Hertz Lithium”), which holds the Lucky Mica Lithium property, 114 contiguous lode mining claims.

Summarized below is the key invested companies and projects in each segment.

Public Investments

Invested Companies	Securities	Industry	Book value as of Sept 30, 2022 C\$ 000	
Patriot Battery Metals Inc. (TSXV:PMET)	Common Shares	Diversified Metals and Mining	10,873	74%
Maverix Metals Inc. (TSX:MMX)	Common Shares	Gold	914	6%
Endurance Gold Corp. (TSXV:EDG)	Common Shares	Gold	400	3%
Others	Common Shares and Warrants	Application Software, Asset Management and Custody Banks, Oil and Gas Exploration and Production, Pharmaceuticals, etc.	2,485	17%
Total			14,672	100%

Private Investments

Invested Companies	Securities	Industry	Book value as of Sept 30, 2022	
			C\$ 000	
Ride Vision Ltd.	Preferred Shares	Electronic Equipment and Instruments	1,371	79%
Hertz Lithium Corp.	Common Shares	Diversified Metals and Mining	355	21%
			1,726	100%

Mineral Properties

Projects	Book value as of Sept 30, 2022	
	C\$ 000	
62 claims in the Cadillac-Pontiac region 9 (Quebec)	50	56%
Additional 46 claims in the Cadillac-Pontiac region 9 (Quebec)	40	44%
	90	100%

Financial History and Position

CTI's fiscal year ("FY") ends on September 30. After the change of business to an investment fund, the Company invested more in Public Investments, with balances increased from \$5.4 million as of September 30, 2021 to \$14.7 million as of September 30, 2022. The Public Investment accounted for approximately 68% of total assets at the end of FY2022. During the year, fair value gain on equity and derivatives was \$5.2 million, which was offset by the loss on sale of equity investments and impairment on private equity investments amounted to \$6.4 million in total, causing net loss of \$0.1 million for FY 2022. As of September 30, 2022, CTI had no debt and approximately \$4.3 million in cash on its balance sheet.

A summary of the Issuer's financial data at the Valuation Date is provided in the table below.

C\$'000	For the Fiscal Years Ended Sept 30		
	2022	2021	2020
	Management	Audited	Audited
Fair value gain (loss) on equity investments and derivatives	5,233	(3,678)	6,644
Gain/(loss) on sale of equity investments	(3,858)		
Loss on impairment of private investments	(2,560)		
Recovery of bad debts	1,350		
Other income	61	27	50
Discontinued operations		1,885	(64)
Foreign exchange gain (loss)	673	(491)	433
General and administrative expenses	(999)	(909)	(430)
Non-controlling interests	-	105	(1)
Net income (loss)	(100)	(3,166)	6,633

C\$'000	For the Fiscal Years Ended Sept 30		
	2022 Management	2021 Audited	2020 Audited
Cash	4,259	14,253	13,506
Private equity investments and derivatives	1,726	2,236	2,579
Public equity investments and derivatives	14,672	5,375	10,037
Mineral Properties	90	-	-
Other	798	60	1,420
Total Assets	21,545	21,924	27,542
Total Liabilities	321	244	1,038
Non-controlling interest	111	111	2,855
Net Asset Value	21,113	21,569	23,649

Share Capital

In FY2022, the Issuer had repurchased 1,163,782 Shares for a total cost of \$378,229 through a normal course issuer bid. All shares were purchased at the prevailing market price at the time of purchase. The Shares repurchased represent 5% of the issued and outstanding shares of the Company.

The capital structure of the Company as of the Valuation Date is summarized as below.

Issued and outstanding share/unit	
Common Shares	22,111,859
Warrant	1,883,077 at exercise price of \$0.8 until July 23, 2026
Option	1,900,000 at exercise price of \$0.31 until September 25, 2025 and vested immediately
Restricted Share Units	1,365,000 granted on October 19, 2022 and vested on October 19, 2023
Total	27,259,936

1.3 Market Outlook

In determining the fair value of the Shares as of the Valuation Date, Evans & Evans did review of the overall metal and mining industry that the Company's investment portfolio focuses on.

The world, and the mining industry, were struck by a pandemic in early 2020, leading to massive disruption of the world economy through restrictive public health measures, massive government spending to support individuals and businesses, and severe impacts to supply chains. Despite continued challenges posed by the pandemic, 2021 proved to be profitable for the mining industry. Prices for most commodities continued to track upward from the last half of 2020, with some touching new highs. The bullish sentiment made its way into capital markets, boosting financings by junior and intermediate companies to US\$21.55 billion in 2021 — approaching twice the US\$12.13 billion raised in 2020. The resulting increase in exploration activity year over year led to reported results from 68,880 drillholes — nearly 70% more than the 41,026 reported in 2020.¹

¹ <https://pages.marketintelligence.spglobal.com/World-Exploration-Trends-2022-EMC.html>

Looking forward, the increased government spending to support those impacted by the pandemic and to aid in economic recovery has led to high inflation, which, combined with labor shortages and higher energy costs, has increased costs for the mining industry — more severely for mining compared with exploration. With commodity prices forecast to remain elevated in the near term, however, margins should remain well above pre-pandemic levels.

The energy sector both propelled and obstructed economic growth in 2021. The green energy transition advanced in many nations, which set goals for expanding renewable energy portfolios and electric vehicle, or EV, markets. The former increased demand for silver and copper, and the latter boosted demand for battery metals nickel, cobalt and lithium. On the other hand, rising energy costs in Europe and China caused many smelters and refineries to shut down, notably for zinc, while power curbs in China in the second half to further the country's decarbonization goals strongly curtailed steel production. In China, low coal inventories prompted a rise in coal imports and a ramp-up in domestic supply in the final quarter, to restock for the winter.

Canada's exploration budgets rose 62% in 2021, or US\$799 million, year over year to US\$2.09 billion, a nine-year high. This was the largest gain in both dollar and percentage terms among the regions. Budget increases for Australia and the United States also surpassed the global average increase at 39% and 37%, respectively. The increase for Canadian targets made it the second most-favored region for exploration, behind Latin America, and the top country. Most of the budget increase was by junior companies, which took full advantage of the favorable capital markets to raise funding — primarily for gold exploration. The juniors' Canada budget nearly doubled year over year to US\$1.23 billion and their share of the region's total rose to 59% from 50% in 2020, ending three consecutive years of decline in share. The majors' Canada budget increased 41% to US\$755 million, but fell to a 36% share of the total from 41% in 2020. Junior companies focused mainly on gold exploration in Canada, more than doubling their gold budget year over year to US\$901 million — almost three-quarters of their total Canada budget.¹

2.0 VALUATION OPINION

It is the opinion of Evans & Evans, given the scope of its engagement and with reference to its engagement letter that the fair value of a Share, as at the Valuation Date (i.e., October 31, 2022), is in the range of \$0.68 to \$0.72.

A Comprehensive Valuation Report provides the highest level of assurance regarding the valuation conclusion. This Valuation Opinion as well as the entire Report is subject to the scope of the work conducted (refer to section 4.0) as well as the assumptions made (refer to section 6.0) and to all of the other sections of the Report.

¹ <https://pages.marketintelligence.spglobal.com/World-Exploration-Trends-2022-EMC.html>

3.0 DEFINITION OF FAIR VALUE

For the purposes of our Report, Evans & Evans has been requested by the Issuer to refer to Multilateral Instrument 61-101 (the “Instrument”). Fair value as defined in the Instrument is “*the monetary consideration that, in an open and unrestricted market, a prudent and informed buyer would pay to a prudent and informed seller, each acting at arm’s length with the other and under no compulsion to act*”.

The Instrument definition of fair value is in line with the Canadian Institute of Chartered Business Valuators definition of fair market value – “*the highest price, expressed in terms of cash equivalents, at which property would change hands between a hypothetical willing and able buyer and a hypothetical willing and able seller, acting at arms-length in an open and unrestricted market, when neither is under compulsion to buy or sell and when both have reasonable knowledge of the relevant facts.*”

With respect to the market for the shares of a company viewed “en bloc” there are, in essence, as many “prices” for any business interest as there are purchasers and each purchaser for a particular “pool of assets”, be it represented by overlying shares or the assets themselves, can likely pay a price unique to it because of its ability to utilize the assets in a manner peculiar to it. In any open market transaction, a purchaser will review a potential acquisition in relation to what economies of scale (e.g., reduced or eliminated competition, ensured source of material supply or sales, cost savings arising on business combinations following acquisitions, and so on), or “synergies” that may result from such an acquisition. Theoretically, each corporate purchaser can be presumed to be able to enjoy such economies of scale in differing degrees and therefore each purchaser could pay a different price for a particular pool of assets than can each other purchaser.

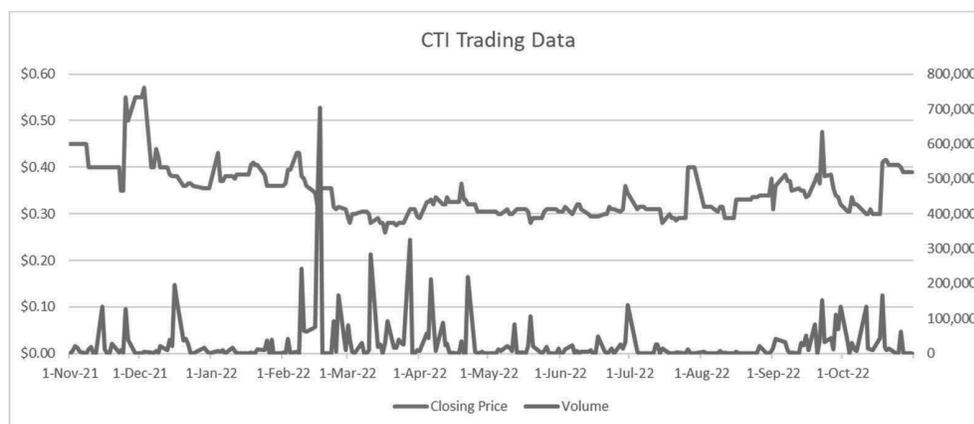
Based on our experience, it is only in negotiations with such a special purchaser that potential synergies can be quantified and even then, the purchaser is generally in a better position to quantify the value of any special benefits than is the vendor. The Shares have been valued initially *en bloc*.

4.0 SCOPE OF THE REPORT

The authors of the Report have reached the assessments contained herein by relying on the following:

- Interviews with management and representatives of management to gain an understanding of the Company’s past and planned operations.
- Reviewed the CTI website (colouredtiescapital.com).
- Reviewed CTI’s press releases for the 18 months preceding the Valuation Date.
- Reviewed CTI’s management-prepared financial statements for the year ended September 30, 2022.

- Reviewed the financial statements for the years ended September 30, 2019 to 2021 as audited by Smythe LLP, Chartered Professional Accountants of Vancouver, British Columbia.
- Reviewed CTI's management discussion and analysis reports for the nine months ended June 30, 2022 and the year ended September 30, 2021.
- Reviewed background information of CTI's Public Investment portfolio, including list of invested companies, number of shares and broker statements.
- Reviewed background information of CTI's Private Investment portfolio, including list of invested companies, historical financial statements, draft IPO prospectus, capital structure, terms of preferred share, business update and cashflow projection.
- Reviewed CTI's management-prepared document summarizing the key terms of derivatives held by the Company
- Reviewed CTI's management-prepared cash balance breakdown as of the Valuation Date
- Reviewed CTI's management-prepared fully diluted share capitalization table.
- Reviewed trading data for the Shares on the Exchange as outlined in the chart below. The following chart highlights the trading price and volume of the Shares for the 12 months preceding the Valuation Date. The share price achieved a high of \$0.57 in December of 2021 before declining to \$0.26 in March of 2022 and has remaining at a range of \$ 0.28 to \$0.48 for the six months preceding the Valuation Date. Overall, trading volume tends to be low, with the only 8.3% of the total issued Shares being traded in the 90-days preceding the Valuation Date.



- Reviewed information on the Issuer's market from a variety of sources.

- Reviewed stock market trading and financial data on the following companies: Senvest Capital Inc.; TCV Acquisition Corp.; Metal Sky Star Acquisition Corporation; Mountain Crest Acquisition Corp. III; Stack Capital Group Inc.; Aberdeen International Inc.; H2 Ventures 1 Inc.; Cuspis Capital III Ltd.; Lions Bay Capital Inc.; Hopefield Ventures Inc.; Olive Resource Capital Inc.; Minco Capital Corp.; Bastion Square Partners Inc.; GobiMin Inc.; Mundoro Capital Inc.; EMX Royalty Corporation
- **Scope Restriction:** Evans & Evans did not undertake a site visit to the Issuer's facilities.

5.0 CONDITIONS OF THE REPORT

- The Report may be included in public disclosure documents regarding the SIB and may be submitted to the Exchange. The Report may be referenced or included in any information circular provided to CTI shareholders and may be placed on the Issuer's public file on SEDAR.
- The Report is not intended for submission to any tax authorities or for use in any court proceedings.
- Any use beyond that defined above is done so without the consent of Evans & Evans and readers are advised of such restricted use as set out above.
- Evans & Evans did rely only on the information, materials and representations provided to it by the Issuer. Evans & Evans did apply generally accepted valuation principles to the financial information it did receive from the Issuer.
- We have assumed that the information, which is contained in the Report, is accurate, correct and complete, and that there are no material omissions of information that would affect the conclusions contained in the Report that the Issuer is aware of. Evans & Evans did attempt to verify the accuracy or completeness of the data and information available.
- Should the assumptions used in the Report be found to be incorrect, then the valuation conclusion may be rendered invalid and would likely have to be reviewed in light of correct and/or additional information.
- Evans & Evans denies any responsibility, financial or legal or other, for any use and/or improper use of the Report however occasioned.
- Evans & Evans's assessments and conclusion is based on the information that has been made available to it. Evans & Evans reserves the right to review all information and calculations included or referred to in the Report and, if it considers it necessary, to revise part and/or its entire Report in light of any information which becomes known to Evans & Evans during or after the date of this Report.

- The Report, and more specifically the assessments and views contained therein, is meant as independent review of the Shares as at October 31, 2022. The authors of the Report make no representations, conclusions, or assessments, expressed or implied, regarding the Issuer, the Shares or events after the date of which final information was provided to Evans & Evans. The information and assessments contained in the Report pertain only to the conditions prevailing at the time the Report was substantially completed from November of 2022 through to the date of the Report.
- Evans & Evans as well as all of its Principal's, Partner's, staff or associates' total liability for any errors, omissions or negligent acts, whether they are in contract or in tort or in breach of fiduciary duty or otherwise, arising from any professional services performed or not performed by Evans & Evans, its Principal, Partner, any of its directors, officers, shareholders or employees, shall be limited to the fees charged and paid for the Report. No claim shall be brought against any of the above parties, in contract or in tort, more than two years after the date of the Report.

6.0 ASSUMPTIONS OF THE REPORT

In arriving at its conclusions, Evans & Evans has made the following assumptions:

- 1) An audit of the Issuer's financial statements for the year ended September 30, 2022 would not result in any material changes to the reviewed and management-prepared financial statements provided to the authors of the Report.
- 2) As at the Valuation Date all assets and liabilities of the Issuer have been recorded in its accounts and financial statements and follow International Financial Reporting Standards.
- 3) There was no material change in the financial position of the Company between the date of the most recent financial statements and the Valuation Date and the date of the Report unless noted herein.
- 4) The Issuer has satisfactory title to all of its assets, intellectual property and there are no liens or encumbrances on such assets nor have any assets been pledged in any way.
- 5) Evans & Evans has assumed that the Issuer and all of its related parties and its principals have no current and/or other contingent liabilities, unusual contractual arrangements, or substantial commitments, other than in the ordinary course of business, nor litigation pending or threatened, nor judgments rendered against, other than those disclosed by management and included in the Report, (the Report is not a formal fairness opinion) that would affect Evans & Evans' evaluation or comments.
- 6) The Issuer has complied with all government taxation, import and export and regulatory practices as well as all aspects of its contractual agreements that would have an effect on the Report, and there are no other material agreements entered into by the Issuer that are not disclosed in the Report.

- 7) At the Valuation Date, no specific special purchaser(s) was/were identified that would pay a premium to purchase the issued and outstanding shares of the Issuer

This Report is based upon information made available to Evans & Evans and on the assumptions that have been made. Evans & Evans reserves the right to review all information and calculations included or referred to in this Report and, if we consider it necessary, to revise our views in the light of any information which becomes known to us during or after the date of this Report.

7.0 FINANCIAL HISTORY

The authors of the Report reviewed management-prepared financial statements for the year ended September 30, 2022 and the audited financial statements for the years ended September 30, 2019 - 2021. The reader is advised to refer to the summary of such financial statements in Exhibits 2.0 and 3.0. Historical results have been common-sized to indicate trends.

8.0 METHODOLOGIES

8.1 Overview of Methodologies

In valuing an asset and/or a business, there is no single or specific mathematical formula. The particular approach and the factors to consider will vary in each case. Where there is evidence of open market transactions having occurred involving the shares, or operating assets, of a business interest, those transactions may often form the basis for establishing the value of the company. In the absence of open market transactions, the three basic, generally-accepted approaches for valuing a business interest are:

- (a) The Income / Cash Flow Approach;
- (b) The Market Approach; and
- (c) The Cost or Asset-Based Approach.

A summary of these generally-accepted valuation approaches is provided below.

The Income/Cash Flow Approach is a general way of determining a value indication of a business (or its underlying assets), using one or more methods wherein a value is determined by capitalizing or discounting anticipated future benefits. This approach contemplates the continuation of the operations, as if the business is a “going concern”.

The Market Approach to valuation is a general way of determining a value indication of a business or an equity interest therein using one or more methods that compare the subject entity to similar businesses, business ownership interests and securities (investments) that have been sold. Examples of methods applied under this approach include, as appropriate: (a) the “Guideline Public Issuer Method”, (b) the “Merger and Acquisition Method”; and (c) analyses of prior transactions of ownership interests in the subject entity.

The Cost Approach is based upon the economic principle of substitution. This basic economic principle asserts that an informed, prudent purchaser will pay no more for an asset than the cost to obtain an opportunity of equal utility (that is, either purchase or construct a similar asset). From an economic perspective, a purchaser will consider the costs that they will avoid and use this as a basis for value. The Cost Approach typically includes a comprehensive and all-inclusive definition of the cost to recreate an asset. Typically the definition of cost includes the direct material, labor and overhead costs, indirect administrative costs, and all forms of obsolescence applicable to the asset.

The Asset-Based Approach is adopted where either: (a) liquidation is contemplated because the business is not viable as an ongoing operation; (b) the nature of the business is such that asset values constitute the prime determinant of corporate worth (e.g., vacant land, a portfolio of real estate, marketable securities, or investment holding company, etc.); or (c) there are no indicated earnings/cash flows to be capitalized. If consideration of all relevant facts establishes that the Asset-Based Approach is applicable, the method to be employed will be either a going-concern scenario (“Net Asset Method”) or a liquidation scenario (on either a forced or an orderly basis), depending on the facts.

Lastly, a combination of the above approaches may be necessary to consider the various elements that are often found within specialized companies and/or are associated with various forms of intellectual property.

9.0 VALUATION APPROACH FOR THE SHARES

9.1 Selected Valuation Approach

With respect to CTI, Evans & Evans believed it was appropriate to value the Issuer on a going concern basis. The reason for this is CTI does have sufficient working capital to maintain operations, and the going concern approach yields a higher value than under a liquidation value approach.

Given the nature and status of the Issuer at the Valuation Date as well as the approaches of valuation outlined above, it is the view of the authors of the Report that the most appropriate approach in determining the range of the fair value of the Shares at the Valuation Date was a weighting of the an Asset-Based Approach, specifically the Net Asset Method and a Market Approach, specifically the Guideline Public Company Method. Evans & Evans considered the two approaches most appropriate as most assets of the Issuer are marketable securities and cash. The results of the two methods reflect the prices investors are willing to pay for similar investment holding companies.

In view of the Issuer’s business and the natures of the key investments held by CTI, the application of the Net Asset Method involves a four-step process, as outlined below.

1. Evans & Evans determined the fair market value of Public Investments by referencing the market share prices of invested companies and applying of Black-Scholes option model to estimate the fair market values of the warrants held by the Company as of the Valuation Date. The reader is advised to refer to Exhibit 7.0 – Public Equity Investments and Derivates for detailed calculations.

2. Evans & Evans determined the fair market value of Private Investments by using the Guideline Public Company Method and analysis of prior transactions of invested company under the Market Approach. More detail discussion was provided in section 10.0 below.
3. Evans & Evans determined the fair market value of mineral properties by referencing the recent acquisition costs transacted prior to the Valuation Date. According to disclosure made by CTI and information provided by the management, the mineral properties related to three claims acquired by the Company on an arms-length basis in July to September of 2022. Since the mineral properties were recently purchased and still at exploration stage, there is no history of generating cash flows, and future cash flows are so uncertain as to be speculative, Evans & Evans considered that the acquisition costs could reflect the fair market value of the properties substantially.
4. The balance sheet of CTI was then adjusted to reflect the fair value of its 100% equity interest.

9.2 Methods Considered but Not Utilized

Evans & Evans also attempted to use a variety of other confirmation approaches. In this regard, Evans & Evans examined and considered the following traditional valuation approaches, but were unable to use any of them:

- (a) **Cost Approach.** The Cost Approach is generally appropriate under certain circumstances where an asset is still under development, there is no history of generating cash flows, and future cash flows are so uncertain as to be speculative. A weakness of the Cost Approach is that the cost of the opportunity may bear little relationship to the economic benefits that a purchaser might anticipate to derive from such opportunity upon commercial exploitation of the asset. In the case of the Issuer, the Cost Approach was inappropriate as the original cost of the CTI's investments is not necessarily reflective of their fair value as at a recent date.
- (b) **Income Approach – Discounted Cash Flow Method.** The Discounted Cash Flow Method involves forecasting the future cash flows the Issuer could generate from the CTI's investments (interest and gains / losses), interest and advisory fees and discounting the potential cash flows at a risk-adjusted rate to arrive at the present value of the expected future cash flows. However, in the case of the CTI, the Issuer generates realized and unrealized gains on the CTI's investments based on events that are often out of the Issuer's control. Accordingly, future gains and losses on the portfolio of CTI's investments are very difficult to predict and would be highly speculative, particularly given a portion of the investments are in private companies which are inherently illiquid. Given all of the aforementioned, a Discounted Cash Flow Method on consolidated results was deemed inappropriate.
- (c) **Market Approach – Trading Price Method.** As the Shares are listed for trading on the Exchange, the authors of the Report carefully considered the use of a Trading Price Method in determining the fair value of the Shares as at the Valuation Date. The

authors of the Report reviewed the trading data for the Shares for the period November 1, 2020 to October 31, 2022. While a period of 24 months was reviewed, Evans & Evans focused on the 180 trading days preceding the Valuation Date. The authors of the Report found for the 180 trading days preceding the Valuation Date (October 31, 2022) the Shares closed at an average price of \$0.32 to \$0.40 per Share with daily average trading volumes of less than 33,000 shares per day.

<u>Trading Price - CS</u>	October 31, 2022		
	<u>Minimum</u>	<u>Average</u>	<u>Maximum</u>
10-Days Preceding	0.39	0.40	0.42
30-Days Preceding	0.30	0.36	0.48
90-Days Preceding	0.28	0.34	0.48
180-Days Preceding	0.26	0.32	0.48

<u>Trading Volume</u>	October 31, 2022				
	<u>Minimum</u>	<u>Average</u>	<u>Maximum</u>	<u>Total</u>	<u>%</u>
10-Days Preceding	0	27,501	166,205	275,010	1.2%
30-Days Preceding	0	41,627	166,205	1,248,807	5.6%
90-Days Preceding	0	20,431	166,205	1,838,820	8.3%
180-Days Preceding	0	32,655	702,740	5,877,944	26.6%

The authors of the Report deemed it necessary to examine the trading history of the Shares to determine the actual ability of shareholders to realize the implied value of their Shares (i.e., sell). In examining the trading volumes of the Shares over 180 trading days preceding the Valuation Date it is apparent that daily trading volumes are very low. While Shares traded on 131 of the 180 trading days, only 8.3% of the Issuer's Shares traded in the 90 days preceding the Valuation Date. Given the limited liquidity in the Shares, the authors deemed the value implied by the Trading Price Method not representative of the fair value of the Shares as at the Valuation Date.

9.3 Selected Valuation Approach – Private Investments

Given the approaches to valuation outlined above, it is the view of the authors of the Report that the most appropriate method in determining the range of the fair market values of the Private Investments was Market Approach, specifically the Guideline Public Company Method (“GPC”) and analysis of prior transactions for the invested companies as below.

<u>Invested Companies</u>	<u>Valuation Method</u>
Ride Vision Ltd	Guideline Public Company Method Option Pricing Allocation Method
Hertz Lithium Corp.	Analysis of prior transactions

Evans & Evans considered the GPC Method appropriate for Ride Vision as it reflects the prices investors are willing to pay for similar companies operating in the electronic industry. Since there was private placement for Hertz Lithium in September of 2022, Evans & Evans considered the price of the recent private placement was a reliable indicator of fair market value of the invested company as of the Valuation Date. The reader is advised to refer to Exhibit 8.0 – Equity Investment-Hertz Lithium for the detailed calculations.

9.4 Methods Considered but Not Utilized – Ride Vision.

The reader should note that Evans & Evans also attempted to use a variety of other valuation approaches to determine the fair market value of Ride Vision. In this regard, Evans & Evans considered the following approaches, but were unable to use any of them:

- (1) **Cost Approach.** The Cost Approach is generally appropriate under certain circumstances where an asset is still under development, there is no history of generating cash flows, and future cash flows are so uncertain as to be speculative. A weakness of the Cost Approach is that the cost of the opportunity may bear little relationship to the economic benefits that a purchaser might anticipate to derive from such opportunity upon commercial exploitation of the asset. In the case of the Private Investment, since Ride Vision has been generating revenues, the Cost Approach was deemed inappropriate to determine fair market value.
- (2) **Income Approach – Discounted Cash Flow (“DCF”) Method.** Evans & Evans requested the long-term financial projections for Ride Vision. However, the uncertainty regarding adequately risk-adjusting cash flows and the potential high-level variance in year over year operating results (i.e., high revenue growth or elevated investment in sales and marketing or research and development) makes the income approach less reliable.
- (3) **Asset-Based Approach.** The Asset-Based Approach is generally utilized where either: (i) the company is not deemed to be a going concern; (ii) the nature of the business is such that asset values represent the largest portion of the company’s worth (e.g., real estate holding companies); and, (iii) there are no earnings or cash flow to be capitalized. Given Ride Vision has been generating revenues, the Asset-Based Approach is inappropriate.
- (4) **Market Approach – Mergers & Acquisition Method.** Evans & Evans also considered the Mergers & Acquisition Method where recent acquisition transactions of firms similar to Ride Vision would be used to derive a multiple to apply to the results of Ride Vision to determine the fair market value. Evans & Evans researched but did not find any transactions which were sufficiently comparable to the invested company.

10.0 VALUATION OF PRIVATE INVESTMENTSS

10.1 Valuation of Ride Vision

10.1.1 Guideline Public Company Method

The Guideline Public Company (“GPC”) Method involves identifying stocks that trade freely in the public markets on a daily basis. The objective of the GPC Method is to derive multiples to apply to the fundamental financial variables of the subject investment under review. Since the indication of value is based on minority interest transactions, if one is valuing a controlling interest, it may sometimes be necessary to consider applying a premium for control. A discount for lack of marketability may also be appropriate.

Evans & Evans identified 14 companies as outlined in Exhibit 11.0 – Guideline Public Company Trading Multiples – Ride Vision. Companies identified were operating in a similar space to Ride Vision.

The reader of the Report should note that although the comparable companies may not be direct competitors to Ride Vision, they do or may offer similar products and/or services to their target markets and embody similar business and financial risk/reward characteristics that a notional investor would consider as being comparable.

Evans & Evans used multiples of enterprise value (“EV”) to trailing twelve months (“TTM”) revenues as a means of deriving the fair market value of Ride Vision at the Valuation Date.

Evans & Evans selected EV / TTM revenues multiple range of 4.0x which was the median of the multiples of the selected guideline public companies.

A discount ranging from 25% to 30% was applied to the selected multiple range to reflect the risk due to lack of liquidity and smaller size of Ride Vision as compared to the guideline public companies to arrive at the adjusted revenue multiple range of 3.00x to 3.22x.

Thereafter, the enterprise value to revenues multiples were applied to the TTM revenues to calculate the enterprise value. Cash and redundant assets were then added, and debt was subtracted to arrive at the fair market value of the equity of the Ride Vision in the range of US\$5.1 million to US\$5.3 million.

The reader is advised to refer to Exhibit 10.0 for detailed calculations.

10.1.2 Option Pricing Method

Upon arriving at the equity value of Ride Vision as of Valuation Date, it was then necessary to determine the fair market value of the Class A-1 Preferred Shares held by CTI by using the Option Pricing Method (“OPM”).

In determining the fair market value of the Class A-1 Preferred Shares, Evans & Evans did account for both conversion and liquidation preferences of all classes of preferred shares. The OPM is a commonly used method for allocating equity value between common and preferred shares. The OPM values invested capital as a call option on a company’s value. The first step in using the OPM is to determine the key variables for use in the OPM:

1. Business Value - the amount claim holders would receive in a liquidity event. The estimated equity value of Ride Vision is in the range of US\$5.1 million to US\$5.3 million as outlined in section 10.1.1 above.
2. Time to Liquidity Event – Evans & Evans has made this assumption based on the stage of the Company, the date of the original investment and discussions with management with respect to a potential liquidity event. Evans & Evans has assumed a 3.2-year time period to liquidity event-based on discussion with management.

3. Risk-Free Rate - the rate available on government security whose term matches the assumed time to liquidity. Evans & Evans considered the risk-free are based on the US government bond yield with terms comparable to the estimated time to expiration. The risk-free rate considered is 4.46%.
4. Volatility – Evans & Evans has estimated by analyzing comparable GPC's historical stock performances. Evans & Evans utilized the median volatility of 75% of the GPCs.

The next step in the analysis is to determine at what point of value each class of equity participates based on its liquidation preference and conversion rights. This work is outlined in Exhibits 12.0 and 15.0.

Once the capital structure has been modelled and the behavior of the equity classes at different levels of value was determined, Evans & Evans then derived the value of the respective call options by using the Black-Scholes model. The value of each equity tranche represents the difference between each call option price (or the incremental change in value for each option).

Last, the value of each equity tranche was allocated to the equity classes that participate in it, based on their respective percentage of ownership, as summarized in the Exhibits. The total value for the various classes of equity must total the value of the respective invested capital.

The OPM resulted in a per share value of Class A-1 Preferred Shares. Considered the number of shares held by CTI, the fair market value of the investment in Ride Vision arrives in the range of \$0.47 million to \$0.49 million.

10.2 Valuation of Hertz Lithium

10.2.1 Analysis of prior transaction

On September 8, 2022, Hertz Lithium completed a non-brokered private placement of 3,795,000 units at a price of \$0.125 for gross proceeds of \$474,375. Each unit was comprised of one common share and one common share warrant exercisable at a price of \$ 0.25 until September 8, 2024.

Since the price of \$0.125 includes common share and warrant values, Evans & Evans estimated the implied common share value by using a backsolve technique and iterative approach to solve for the total common and warrant value consistent with the price of \$0.125. To calculate the warrant value, Evans & Evans applied Black-Scholes call option model.

The analysis of prior transaction resulted in a per share value of common share of Hertz Lithium. Considered the number of shares held by CTI, the fair market value of the investment in Hertz Lithium arrives in \$0.26 million.

11.0 VALUATION OF THE SHARES

11.1 Net Asset Method

Net Book Value Method involves determining the fair market value of the Company's assets and liabilities and adjusting the balance sheet accordingly. Thereafter, the fair market value of equity is calculated as the difference between the current fair market value of the assets and liabilities.

Upon arriving at the fair market values of the Company's assets, which are mainly Public Investment and Private Investment as outlined in section 9 and 10 of the Report, the liabilities was subtracted from the fair market value of the Company's assets to arrive at the fair value range of the equity of \$18.5 million to \$18.6 million as at the Valuation Date.

The reader is advised to refer to Exhibit 4.0 – Net Book Value Method for detailed calculation.

11.2 Guideline Public Company Method

Evans & Evans used a multiple of market capitalization to NAV in determining the fair value of the CTI. Evans & Evans calculated the market capitalization to book value multiple for the 16 guideline public companies outlined in Table 1 of Exhibit 5.0. Thereafter, the seven (7) guideline public companies outlined in Table 2 were deemed to be most comparable and utilized in the analysis. The reader of the Report should note that although the guideline companies may not be direct competitors to CTI, they do or may offer similar products and/or services to their target markets and embody similar business, technical and financial risk/reward characteristics that a notional investor would consider as being comparable.

The selected companies had market capitalization to NAV multiples ranging from 0.26x to 1.32x with an average and median of approximately 0.69x and 0.66x. As at the Valuation Date, the Company was trading at a multiple below that of its peers.

Evans & Evans selected a multiple of 0.66x and 0.69X in calculating the fair value of the Issuer. The selected multiples were reflective of the average and median trading multiples of selected guideline companies.

Under the GPC Method, the fair value of the Issuer as calculated in Exhibit 5.0 was in the range of \$13.9 to \$14.6 million.

11.3 Fair Value per Share

Upon arriving at the fair value of 100% of the equity of the Issuer, it was then necessary to determine the fair value per Share. In the first step, Evans & Evans determined the value per issued and outstanding Share as outlined in section 11.1 and 11.2 above and Exhibit 1.0. Thereafter, Evans & Evans determined the number of options in-the-money outstanding based on the calculated value per Share to determine the fully diluted number of Shares based on the valuation range. As at the Valuation Date, based on the fair value,

the options were in-the money while the warrants were out-of-the money. The adjusted fair value was then divided by the number of shares issued and outstanding to arrive at the fair value per Share.

The concluded fair value of the Issuer is below the NAV as outlined in Exhibit 1.0. Evans & Evans was of view this was reasonable given the risk associated with the underlying investments and the ability to realize gains on the sale of investments. Further, the book value of investments does not include the costs to sell such investments, accordingly, the net proceeds can often be less than the gross proceeds upon sale. Lastly, there would be latent taxes associated with gains and losses on the investments that would be factored into the sale of the Issue

Exhibit 1.0 calculates the fair value of the Issuer on a per Share basis. ***The end result is a calculated fair value of \$0.68 to \$0.72.*** The fair value per Share outlined in Exhibit 1.0 represents a premium of 67% to 76% of the Issuer's 10-day average trading price.

12.0 QUALIFICATIONS AND CERTIFICATION

12.1 Qualifications

The Report preparation, and related fieldwork and due diligence investigations, were carried out by Jennifer Lucas and certain qualified employees of Evans & Evans and thereafter reviewed by Michael Evans.

Mr. Michael A. Evans, MBA, CFA, CBV, ASA, Principal, founded Evans & Evans, Inc. in 1989. For the past 36 years, he has been extensively involved in the financial services and management consulting fields in Vancouver, where he was a Vice-President of two firms, The Genesis Group (1986-1989) and Western Venture Development Corporation (1989-1990). Over this period he has been involved in the preparation of over 3,000 technical and assessment reports, business plans, business valuations, and feasibility studies for submission to various Canadian stock exchanges and securities commissions as well as for private purposes.

Mr. Michael A. Evans holds: a Bachelor of Business Administration degree from Simon Fraser University, British Columbia (1981); a Master's degree in Business Administration from the University of Portland, Oregon (1983) where he graduated with honors; the professional designations of Chartered Financial Analyst (CFA), Chartered Business Valuator (CBV) and Accredited Senior Appraiser. Mr. Evans is a member of the CFA Institute, the Canadian Institute of Chartered Business Valuators ("CICBV") and the American Society of Appraisers ("ASA").

Ms. Jennifer Lucas, MBA, CBV, ASA, Managing Partner, joined Evans & Evans in 1997. Ms. Lucas possesses several years of relevant experience as an analyst in the public and private sector in British Columbia and Saskatchewan. Her background includes working for the Office of the Superintendent of Financial Institutions of British Columbia as a Financial Analyst. Ms. Lucas has also gained experience in the Personal Security and Telecommunications industries. Since joining Evans & Evans Ms. Lucas has been

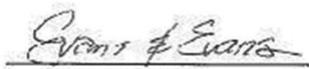
involved in writing and reviewing over 2,500 valuation and due diligence reports for public and private transactions.

Ms. Lucas holds: a Bachelor of Commerce degree from the University of Saskatchewan (1993), a Masters in Business Administration degree from the University of British Columbia (1995). Ms. Lucas holds the professional designations of Chartered Business Valuator and Accredited Senior Appraiser. She is a member of the CICBV and the ASA.

12.2 Certification

The analyses, opinions, calculations and conclusions were developed, and this Report has been prepared in accordance with the standards set forth by the Canadian Institute of Chartered Business Valuators. Evans & Evans was paid a fixed fee for the preparation of the Report. The fee established for the Report has not been contingent upon the value or other opinions presented or the success of the SIB. The authors of the Report have no present or prospective interest in CTI and we have no personal interest with respect to the parties involved.

Yours very truly,



EVANS & EVANS, INC.

13.0 RESTRICTIONS AND CONDITIONS

This Report is intended for the purpose stated in section 1.0 hereof and, in particular, is based on the scope of work and assumptions as to results that could reasonably be expected at the Valuation Date.

The authors of the Report advise the reader to carefully review sections on the Conditions of the Report and the Assumptions of the Report to understand the critical assumptions that the Report is based on. It is not to be the basis of any subsequent valuation and is not to be reproduced or used other than for the purpose of this Report without prior written permission in each specific instance.

Evans & Evans reserves the right to review all information and calculations included or referred to in this Report and, if it considers necessary, to revise its views in the light of any information which becomes known to it during or after the date of this Report. The authors of the Report disclaim any responsibility or liability for losses occasioned to CCPI, the Issuer, their respective investors, shareholders and all other related and other parties including potential investors as a result of the circulation, publication, reproduction or use of this Report or its use contrary to the provisions of this paragraph.

14.0 EXHIBITS

EVANS & EVANS, INC.

Coloured Ties Capital Inc.
Comprehensive Valuation Report
Index of Exhibits
Valuation as of October 31, 2022

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Coloured Ties Capital Inc.
Comprehensive Valuation Report
Valuation Summary

Valuation as of October 31, 2022

Exhibit 1.0

	Note	Fair Market Value		Weighting	
		Low	High	Low	High
Net Asset Value Method	1	18,489	18,619	60%	75%
Guideline Public Company Method	2	13,896	14,582	40%	25%
Fair Value		\$16,700	\$17,600		
Proceeds from In-the Money Options		589	589		
		\$17,289	\$18,189		
Fully Diluted Shares Outstanding		25,376,859	25,376,859		
Fair Value per Share (CAD)		0.68	0.72		

Notes

- 1 Please see Exhibit 4.0.
- 2 Please see Exhibit 5.0.

EVANS & EVANS, INC.

Coloured Ties Capital Inc.
Comprehensive Valuation Report
Historical Balance Sheet
Valuation as of October 31, 2022.

Exhibit 2.0

	For the Fiscal Years Ended Sept 30			Common size		
	2022	2021	2020	2022	2021	2020
	Management	Audited	Audited	Management	Audited	Audited
(Canadian Dollar Thousands)						
Assets						
Cash at bank	3,311	11,591	13,506	15%	53%	49%
Cash with investment brokers	948	2,662		4%	12%	0%
Private equity investments and derivatives	1,736	2,236	2,579	8%	10%	9%
Public equity investments and derivatives	14,672	5,375	10,037	68%	25%	36%
Prepaid and deposits	23			0%	0%	0%
Loan receivable	762	60	1,420	4%	0%	0%
Other current asset	3			0%	0%	5%
Mineral Properties	90			0%	0%	0%
Total Assets	21,545	21,924	27,542	100%	100%	100%
Liabilities and Shareholders' Equity						
Accounts payables and accrued liabilities	60	244	128	0%	1%	0%
Due to related parties	261		910	1%	0%	0%
Provision and other current liabilities				0%	0%	3%
Payable to Peruvian Group			1,948	0%	0%	8%
Total Liabilities	321	244	1,038	1%	1%	14%
Shareholders' Equity						
Share Capital	203,890	215,435	214,211	946%	982%	778%
Contributed surplus	39,195	39,195	39,195	182%	179%	142%
Accumulated other comprehensive income	3,450	3,450	3,443	16%	16%	13%
Deficit	-225,422	-236,491	-233,220	-1046%	-1078%	-847%
Total Equity	21,113	21,589	23,649	98%	98%	86%
Non-controlling interest	111	111	2,855	1%	1%	10%
	21,545	21,944	27,542	100%	100%	100%

Notes

1. Source: financial statement provided by the management and public financial statements of the Company

EVANS & EVANS, INC.

Coloured Ties Capital Inc.
Comprehensive Valuation Report
Historical Income Statement
Valuation as of October 31, 2022

Exhibit 3.0

	For the Fiscal Years Ended Sept 30			
	2022 Management	2021 Audited	2020 Audited	2019 Audited
Expenses				
Salaries and benefits		-126	-82	-1,146
Insurance				-107
Management fees	-271	-273	-142	-155
Professional and consulting	-369	-371	-100	-1,135
Office expenses	-64			
Rent		-33	-27	-79
Travel			-16	-129
Broker's commission	-183	-97		
Other	-36	-4	-47	-1,014
Property investigation	-52			
Depreciation				-82
Foreign exchange gain (loss)	673	-491	433	-1,063
Fair value gain (loss) on equity investments and derivatives	5,233	-3,678	6,644	-480
Interest income	32	15	50	508
Dividend income	29	12	0	
Other expenses		-5	-16	
Discontinued operations		1,885	-64	
Other income				247
Write-off loan receivable	1,350			-1,946
Recovery of bad debts				
Finance costs				
Gain / (loss) on sale of equity investments	-3,858			
Loss on impairment of private investments	-2,560			
Legal settlement	-24			
Net income (loss)	-100	-3,166	6,633	-6,581
Non-controlling interests		105	-1	-72
Net income (loss) attributable to the owners of the Company	-100	-3,271	6,634	-6,509

Notes

1. Source: financial statement provided by the management and public financial statements of the Company

EVANS & EVANS, INC.

	Book Value Sept 30, 2022		Adjustment		Fair Market Value October 31, 2022		Notes
	Low	High	Low	High	Low	High	
ASSETS							
Cash at bank	3,311		-269	-269	3,042	3,042	1
Cash with investment brokers	948		-861	-861	87	87	2
Private equity investments and derivatives							
AUAG Exploration Inc.	0		0	0	0	0	3a
Ride Vision Ltd.	1,371		-897	-882	474	488	3b
Hertz Lithium Corp	355		-97	-97	258	258	3c
Quebec Pegmatite Corp	10		0	0	10	10	3d
Public equity investments and derivatives	14,672		-637	-521	14,035	14,151	4
Prepaid and deposits	23				23	23	
Loan receivable	762				762	762	5
Other current asset	3				3	3	
Mineral Properties	90		137	137	227	227	6
TOTAL ASSETS	21,545				18,921	19,051	
LIABILITIES							
Accounts payables and accrued liabilities	60				60	60	
Due to related parties	261				261	261	7
Non-controlling interest	111				111	111	8
TOTAL LIABILITIES	432				432	432	
ADJUSTED NET ASSET VALUE					18,489	18,619	

EVANS & EVANS, INC.

**Coloured Ties Capital Inc.
Comprehensive Valuation Report
Net Asset Value Method
Valuation as of October 31, 2022**

Notes

- 1 As at October 31, 2022, the cash balance of the Company was: 3,042
- 2 As at October 31, 2022, the cash balance with investment brokers of the Company was: 87
- 3 The Company marks its investments in financial assets to market at the end of each quarter. Evans & Evans reviewed the investments and made the following adjustments.

	Book Value Sept 30, 2022	Adjustment		Fair Market Value	
		Low	High	Low	High
a AuAg Exploration Inc.	0	0	0	0	0 i
b Ride Vision Ltd.	1,371	-897	-882	474	488 ii
c Hertz Lithium Corp	355	-97	-97	258	258 iii
d Quebec Pegmatite Corp	10	0	0	10	10 iv

- i After review the operation, the Company found that there was no active exploration. Thus, 3.5 million common shares of AuAg Exploration Inc. equivalent to approximately 14.23% equity interest at investment cost of CAD 460,000 was fully impaired by the management.
Given the minority stake held by the Company and the operating status, no adjustment was made.
- ii Please see Exhibit 9.0
- iii Referenced to the price of private placement on Sept 8, 2022. Please see Exhibit 8.0
- iv Being investment cost of CTI's subsidiary. It was set up as the holding vehicle of mineral properties in the future. No adjustment was made.
- 4 The Company marks its investments in financial assets to market at the end of each quarter. Evans & Evans reviewed the October 31, 2022 statements and made the following adjustment.

	Book Value Sept 30, 2022	Adjustment		Fair Market Value	
		Low	High	Low	High
Public equity investments and derivatives	14,672	-637	-521	14,035	14,151 i)
- i Please see Exhibit 7.0
- 5 Being loan receivable from Fertimar Mineracao E Navegacao SA ("Fertimar"), whereby Fertimar shall repay the debt of Brazilian Reals 6,000,000 (CAD 1,350 K) in 12 monthly instalments. Full repayment is expected by the management.
- 6 The Company acquired 3 Claims in July -Sept 2022. Total purchase prices and costs up to October 31, 2022 was: 227.44
Since they were newly acquired on arm-length basis, Evans & Evans assumed the fair market value has no substantial change from the acquisition costs.
- 7 As at September 30, 2022, due to related parties comprises of amounts payable to key management or companies owned directly or indirectly by key management. Evans & Evans assumed the future cash outflow of other liabilities and provision are equal to the book values.
- 8 As at September 30, 2022, the Company held a 95% interest in GrowMax Agri Corp ("GAC"), with the remaining 5% interest in GAC held by non-controlling interests. The accumulated non-controlling interest of GAC at Sept 30, 2022 was CAD 11.1K. After the disposal of Americas Potash Peru S.A. ("APPSA") in July 2021, GAC has no major asset or operation, and the main liability was amount due to the Company. Given the nature of the account, no adjustment was made.

Table 1 - Identified Comparable Companies

Company Name	Ticker	Market Capitalization	Enterprise Value	Net Asset Value	Cash & Equivalent	Cash as % of NAV	TTM Revenues	Mkt. Cap. / NAV
Coloured Ties Capital Inc.	TSXV:CTIE	6.3	-5.3	13.3	12.4	93%	n/a	0.47 (x)
Senvest Capital Inc.	TSX:SEC	526.3	-2,256.4	1,053.7	3,192.1	303%	-713.1	0.5 (x)
TCV Acquisition Corp.	NasdaqCM:TCVA	503.8	103.0	-7.4	402.6	-5461%	n/a	n/a
Metal Sky Star Acquisition Corporation	NasdaqGM:MSSA	147.3	32.2	-2.7	115.7	-4305%	n/a	n/a
Mountain Crest Acquisition Corp. III	NasdaqCM:MCAE	70.8	16.6	-2.0	54.4	-2718%	n/a	n/a
Stack Capital Group Inc.	TSX:STCK	39.0	-39.8	79.0	79.1	100%	2.8	0.49 (x)
Aberdeen International Inc.	TSX:AAB	5.3	-24.0	31.0	31.7	102%	-4.4	0.17 (x)
H2 Ventures 1 Inc.	TSXV:HO.P	4.8	1.1	3.6	3.6	100%	n/a	1.32 (x)
Cuspis Capital III Ltd.	TSXV:CIIL.P	3.2	-0.7	4.3	4.3	100%	n/a	0.75 (x)
Lions Bay Capital Inc.	TSXV:LBI	3.6	-2.9	6.7	7.0	105%	-0.2	0.54 (x)
Hopefield Ventures Inc.	TSXV:HVI.P	1.5	-0.6	2.3	2.3	97%	n/a	0.66 (x)
Olive Resource Capital Inc.	TSXV:OC	1.8	-2.2	4.1	4.3	106%	-2.9	0.45 (x)
Minco Capital Corp.	TSXV:MMIM	1.2	-3.7	4.5	4.4	98%	-2.1	0.26 (x)
Bastion Square Partners Inc.	TSXV:BASQ.P	1.2	-0.1	1.3	1.3	100%	n/a	0.86 (x)
GobiMin Inc.	TSXV:GMN	31.4	17.2	92.9	71.0	76%	0.0	0.34 (x)
Mundoro Capital Inc.	TSXV:IMUN	13.7	10.7	2.8	3.2	114%	n/a	4.9 (x)
EMX Royalty Corporation	TSXV:EMX	192.8	207.9	126.4	20.4	16%	16.7	1.53 (x)
							1st quartile	0.46 (x)
							Average	0.95 (x)
							Median	0.52 (x)
							3rd Quartile	0.83 (x)

Table 2 - Selected Comparable Companies

Company Name	Ticker	Market Capitalization	Enterprise Value	Net Asset Value	Cash & Equivalent	Cash as % of NAV	TTM Revenues	Mkt. Cap. / NAV
H2 Ventures 1 Inc.	TSXV:HO.P	4.8	1.1	3.6	3.6	100%	n/a	1.32 (x)
Cuspis Capital III Ltd.	TSXV:CIIL.P	3.2	-0.7	4.3	4.3	100%	n/a	0.75 (x)
Lions Bay Capital Inc.	TSXV:LBI	3.6	-2.9	6.7	7.0	105%	-0.2	0.54 (x)
Hopefield Ventures Inc.	TSXV:HVI.P	1.5	-0.6	2.3	2.3	97%	n/a	0.66 (x)
Olive Resource Capital Inc.	TSXV:OC	1.8	-2.2	4.1	4.3	106%	-2.9	0.45 (x)
Minco Capital Corp.	TSXV:MMIM	1.2	-3.7	4.5	4.4	98%	-2.1	0.26 (x)
Bastion Square Partners Inc.	TSXV:BASQ.P	1.2	-0.1	1.3	1.3	100%	n/a	0.86 (x)
							1st quartile	0.5 (x)
							Average	0.69 (x)
							Median	0.66 (x)
							3rd Quartile	0.8 (x)

	Low	High
Net Asset Value	\$21,113	\$21,113
Multiple	0.66	0.69
Fair Value of Equity	13,896	14,582
Fair Value per share (CAD)	\$0.628	\$0.659

Notes
 1. Source: Capital IQ



EVANS & EVANS, INC.

Selected Guideline Public Companies	Ticker	Description
H2 Ventures 1 Inc.	TSXV:HO.P	H2 Ventures 1 Inc. does not have significant operations. It intends to identify and evaluate assets or businesses with a view to complete a qualifying transaction in the hydrogen, fuel cell, and clean energy industries. The company was incorporated in 2021 and is headquartered in Victoria, Canada.
Cuspis Capital III Ltd.	TSXV:CIII.P	Cuspis Capital III Ltd. does not have significant operations. It intends to identify, evaluate, and acquire assets or businesses with a view to complete the qualifying transaction. The company was incorporated in 2019 and is headquartered in Toronto, Canada.
Lions Bay Capital Inc.	TSXV:LBI	Lions Bay Capital Inc., an investment holding company, focuses on acquiring strategic stakes in companies operating in the resource, energy, and resource related technology sectors. Its portfolio of investments comprises gold, energy, water, and resources, including electric vehicle and battery material exposure in tin. The company is based in Vancouver, Canada.
Hopefield Ventures Inc.	TSXV:HVI.P	Hopefield Ventures Inc. does not have significant operations. It intends to identify and evaluate operating company with a view to complete a qualifying transaction. The company was incorporated in 2021 and is headquartered in Vancouver, Canada.
Olive Resource Capital Inc.	TSXV:OC	Olive Resource Capital Inc. operates as a resource-focused merchant bank and investment company. It invests in a portfolio of companies that are involved in the exploration of base and precious metals; and agricultural sectors. The company was formerly known as Norvista Capital Corporation and changed its name to Olive Resource Capital Inc. in January 2022. Olive Resource Capital Inc. was founded in 2014 and is headquartered in Toronto, Canada.
Minco Capital Corp.	TSXV:MMM	Minco Capital Corp. operates as an investment company. It invests in public and private companies and assets, as well as indirect and direct ownership stakes in resource projects. The company was formerly known as Minco Gold Corporation and changed its name to Minco Capital Corp. in February 2019. Minco Capital Corp. was incorporated in 1982 and is headquartered in Vancouver, Canada.
Bastion Square Partners Inc.	TSXV:BASQ.P	Bastion Square Partners Inc. intends to identify and evaluate assets or businesses with a view to complete a qualifying transaction. The company was incorporated in 2021 and is headquartered in Victoria, Canada.

EVANS & EVANS, INC.

Exhibit 7.0

Coloured Ties Capital Inc.
Comprehensive Valuation Report
Public Equity Investments and Derivatives
 Valuation as of October 31, 2022

	No. of shares / derivatives	Closing Price as of Oct 31, 2022 CAD	Fair Market Value as of Oct 31, 2022 CAD'000
	Note 1	Note 2	
EQUITY INVESTMENT			
Intrepid Metal Corp	1,200,000	0.145	174.00
Alberon Pharmaceuticals Inc.	41,600	2.7	112.32
Beyond Medical Technologies Inc.	7,700,000	0.0003	2.31
Blue Sky Uranium Corp.	330,000	0.13	42.90
Canagold Resources Ltd.	676,000	0.23	155.48
DLV Resources Ltd.	74,000	0.5	37.00
Endurance Gold Corp.	1,000,000	0.4	400.00
First Uranium Resources Ltd.	678,286	0.09	61.05
Garibaldi Res Corp	300,000	0.255	76.50
Gobmin Inc.	186,900	0.87	162.60
Graphite One Inc.	364,900	1.12	408.69
Patriot Battery Metals Inc.	1,934,200	5.07	9,806.39
Red Lake Gold Inc.	24,500	0.035	0.86
Revival Gold Inc.	28,500	0.63	17.96
Southern Energy Corp	379,000	1.01	382.79
Seventy Metals Inc	200,000	4.32	864.00
Camalix Tech Inc	320,000	0.57	182.40
Cyberpunk Holdings Inc.	1,000,000	0.075	75.00
First Responder Technologies Inc.	3,000,000	0.005	15.00
First Uranium Res Ltd	115,000	0.09	10.35
Hexafusion Wellness Inc.	240,000	0.035	8.40
LQWID FinTech Corp.	450,000	0.8	360.00
Mining Ventures Inc	485,500	0.035	75.85
Midland Exploration Inc	1,485,500	0.38	184.49
Tudor Gold Corp	276,500	1.16	320.74
DERIVATIVE INSTRUMENTS (Note 3)			
WT - Alpha Metaverse Technologies Inc	1,428,571	0.001	1.01
WT - First Uranium Res Ltd.	214,543	0.018	3.75
WT - LQWID FinTech Corp.	37,500	0.591	22.16
WT - Graphite One Inc.	500,000	0.122	60.93
WT - Intrepid Metals Corp	600,000	0.013	7.67
WT - Blue Sky Uranium Corp	330,000	0.061	20.01
WT - Hemfruson Wellness Inc.	120,000	0.005	0.60
DEBENTURES			
Icanic Brands - Debenture			97.62
Total			<u>14,150.82</u>

Notes

- Source: provided by the management
- Capital IQ or broker statements provided by the management.
- For some non-tradeable warrants, Black Scholes model is applied to estimate the fair market value.

	Stock Price	Expiry Date	Exercise Price	Remaining Years 2022-10-31	Discount Rate i)	Volatility ii)	Value per warrant CAD
WT - Alpha Metaverse Technologies Inc	0.08	2022-12-22	0.5	0.14	3.9%	220%	0.001
WT - First Uranium Res Ltd.	0.09	2023-05-27	0.2	0.57	4.6%	140%	0.018
WT - LQWID FinTech Corp.	0.8	2023-10-28	0.25	0.99	4.7%	110%	0.591
WT - Graphite One Inc.	1.1	2023-05-12	1.5	0.53	4.6%	70%	0.122
WT - Intrepid Metals Corp	0.145	2024-04-21	0.35	1.47	4.7%	65%	0.013
WT - Blue Sky Uranium Corp	0.13	2025-06-14	0.25	2.62	4.5%	100%	0.061

- Yield of US government bond.
- Referenced to volatilities of the underlying stocks over the period that match with the remaining warrant period.



Coloured Ties Capital Inc.
Comprehensive Valuation Report
Equity Investment - Hertz Lithium
 Valuation as of October 31, 2022

Exhibit 8.0

Hertz Lithium Corp

Private Placement Date	Securities	CAD per share / unit
Sept 8, 2022	Common + warrant	0.125
Aug 29, 2022	Common	0.025

Input Variables

Stock Price	\$0.086	<= goal seek
Exercise Price	\$0.250	
Term to exit (years)	2.0	
Volatility	130.0%	
Annual Rate of Quarterly Dividends	0.0%	
Discount Rate	3.56%	

Intermediate Calculations

PV of Stock Ex-dividend	\$0
PV of Exercise Price	\$0
Cumulative Volatility	183.8%

Call Options

Proportion of Stock PV	64.7%
Proportion of Exercise Price PV	-7.2%

Warrant Value

\$0.039 b

Common + Warrant Value

\$0.125 a

Implied Per Common Share Value

\$0.086 a-b

Fair Market Value of the Investment

No. of common shares held by the Company	3,000,000
Per share value (CAD)	\$0.086
Fair Market Value (C\$ '000s)	257.6

Notes

1. The fair market value per common share of Hertz Lithium was referenced to the latest price of private placement on Sept 8, 2022 at a price of CAD 0.125 per unit. Each unit includes one common share and one warrant. The implied common share value was determined using a backsolve technique and iterative approach to solve for the total common and warrant value consistent with the price of CAD 0.125
2. Referenced to volatilities of comparable companies over the past 2 years.
3. Yield of US government bond.

EVANS & EVANS, INC.

Coloured Ties Capital Inc.
Comprehensive Valuation Report
Valuation Summary - Ride Vision
Valuation as of October 31, 2022

Exhibit 9.0

(USD'000)

Method	Low	High
Guideline Public Company Method	2,133	2,289 (1)
FMV of Business Enterprise Value	2,133	2,289
Less: Debt	0.83	0.83
Add: Cash	2,990	2,990 (2)
Fair Market Value of Equity (rounded)	5,100	5,300

Fair Market Value per Preferred A-1 \$47.8 \$49.2

Number of Shares Owned By Coloured Ties Capital Inc. 7,272 7,272

Fair Market Value of Equity Interest in Ride Vision Owned by Coloured Ties Capital Inc. 348 358

Ex. Rate 1.36 1.36

Canadian Dollar '000s 474 488

Notes:

(1) See Exhibit 10.0.

(2) Cash balance at latest financial statement (Dec 31 2021)

Less: Operating cash requirement in Jan -Oct, 2022, extracted from cash flow projection provided by the management of Ride Vision

5,705
(2,716)
<u>2,990</u>

EVANS & EVANS, INC.

	(USD'000)	Financial Metric		Selected Multiple		Discounted Selected Multiple (2)		Indicated BEV	
		Low	High	Low	High	Low	High	Low	High
TTM									
Revenue	711	4.00 x	4.60 x	3.00 x	3.22 x	2,133	2,289	2,133	2,289
Estimated BEV range						2,133	2,289	2,133	2,289

(1)

Note:

- (1) Based on the information provided by Management.
- (2) Support for the discount applied to the selected multiples:

	Low	High
Size	10.0%	15.0%
Liquidity	15.0%	15.0%
	25.0%	30.0%
- (3) Evans & Evans selected the median of trailing multiples of guideline companies.

EVANS & EVANS, INC.

(US Dollars, in millions)

Table 1 - Identified Guideline Public Companies (1)

Company Name	Ticker	Market Capitalization	Enterprise Value	TTM Revenue	NFY Revenue	TTM EBITDA	NFY EBITDA	EV / TTM Revenue
Zicom Electronic Security Systems Limited	BSE:531404	0.9	107.4	0.2	n/a	0	n/a	589.6 x
Bercman Technologies AS	TLSE:BERCM	4.2	4.1	0.9	n/a	-1	n/a	4.5 x
Pintel Co., Ltd.	KOSDAQ:A291810	58.8	-	n/a	n/a	n/a	n/a	n/a
Predictmedix Inc.	CNSX:PMED	3.9	3.7	0.1	n/a	-1	n/a	42.5 x
Kernex Microsystems (India) Limited	BSE:532686	60.8	60.7	0.8	n/a	-1	n/a	79.7 x
Spectur Limited	ASX:SP3	3.9	4.2	4.0	n/a	-1	n/a	1.0 x
Inspiorion AB (publ)	OM:INSP	4.7	1.9	0.7	n/a	-1	n/a	2.6 x
Microsaic Systems plc	AIM:MSYS	3.3	0.5	1.4	n/a	-2	n/a	0.3 x
JonDeTech Sensors AB (publ)	OM:JDT	2.4	3.4	1.0	n/a	-3	n/a	3.5 x
SaverOne 2014 Ltd	TASE:SVRE	7.7	(3.7)	0.2	n/a	-7	n/a	n/a
Rail Vision Ltd.	NasdaqCM:RVSN	11.6	(0.1)	0.7	1	-10	-15	n/a
Sichuan Etrol Technologies Co., Ltd.	SZSE:300370	330.3	452.1	73.5	n/a	-30	n/a	6.2 x
Plymouth Rock Technologies Inc.	CNSX:PRT	3.0	3.1	0.5	n/a	-3	n/a	6.0 x
INEO Tech Corp.	TSXV:INEO	4.4	3.4	1.0	5	-2	0	3.5 x

Minimum: 0.32 x
 Lower (First) Quartile: 3.0 x
 Average: 67.2 x
 Median: 4.5 x
 Upper (Third) Quartile: 24.3 x
 Maximum: 589.6 x

Table 2 - Selected Guideline Public Companies (1)

Company Name	Ticker	Market Capitalization	Enterprise Value	TTM Revenue	NFY Revenue	TTM EBITDA	NFY EBITDA	EV / TTM Revenue
Bercman Technologies AS	TLSE:BERCM	4.2	4.1	0.9	n/a	-0.8	n/a	4.5 x
Predictmedix Inc.	CNSX:PMED	3.9	3.7	0.1	n/a	-1.1	n/a	42.5 x
Kernex Microsystems (India) Limited	BSE:532686	60.8	60.7	0.8	n/a	-1.2	n/a	79.7 x
Spectur Limited	ASX:SP3	3.9	4.2	4.0	n/a	-1.2	n/a	1.0 x
Inspiorion AB (publ)	OM:INSP	4.7	1.9	0.7	n/a	-1.4	n/a	2.6 x
Microsaic Systems plc	AIM:MSYS	3.3	0.5	1.4	n/a	-2.4	n/a	0.3 x
JonDeTech Sensors AB (publ)	OM:JDT	2.4	3.4	1.0	n/a	-3.2	n/a	3.5 x
Sichuan Etrol Technologies Co., Ltd.	SZSE:300370	330.3	452.1	73.5	n/a	-29.5	n/a	6.2 x
Plymouth Rock Technologies Inc.	CNSX:PRT	3.0	3.1	0.5	n/a	-2.8	n/a	6.0 x
INEO Tech Corp.	TSXV:INEO	4.4	3.4	1.0	4.5	-2.5	-0.4	3.5 x

Minimum: 0.3 x
 Lower (First) Quartile: 2.3 x
 Average: 15.0 x
 Median: 4.0 x
 Upper (Third) Quartile: 6.1 x
 Maximum: 79.7 x

Notes:

(1) Source: Capital IQ

*N/A represents not available or not applicable.

EVANS & EVANS, INC.

Coloured Ties Capital Inc.
 Comprehensive Valuation Report
 Option Pricing Method - Ride Vision - Low Case
 Valuation as of October 31, 2022

Low Case

US\$ '000s

Equity Value Summary		Option-Pricing Assumptions	
Enterprise Value	\$2,133	Risk-Free Rate	4.46%
Less: Debt	\$1	Volatility	75.00%
Add: Cash	\$2,990	Time to Liquidity Event (Years)	3.2

Underlying Value Attributable to Remaining Invested Capital
\$5,100

Summary of Equity

Class	Return of Capital	Value for Liquidation Preference	Underlying Value for Conversion/Exercise	Shares Outstanding	% of CSE
Preferred Seed	5%	\$3,123	21,058	52,941	23.3%
Preferred A	5%	\$7,792	35,302	51,326	22.6%
Preferred A-1	5%	\$4,213	42,137	22,749	10.0%
Common				100,531	44.2%
Claims to be paid prior to equity participation		\$15,127		227,547	100.0%

Inputs	Call Option 1	Call Option 2	Call Option 3	Call Option 4	Call Option 5
Underlying Value	\$5,100	\$5,100	\$5,100	\$5,100	\$5,100
Volatility	75.00%	75.00%	75.00%	75.00%	75.00%
Risk-Free Rate	4.46%	4.46%	4.46%	4.46%	4.46%
Strike Price	\$0	\$15,127	21,058	35,302	42,137
Time to Liquidity	3.2	3.2	3.2	3.2	3.2
Call Option Price	\$5,100	\$1,371	\$1,029	\$604	\$491
Tranche Value	\$3,729	\$343	\$425	\$113	\$491

Threshold to Underlying Value	Call Option Tranche	Applicable Classes			Preferred Seed	Preferred A	Preferred A-1	Common	Total
		Tranche Value	Applicable Shares	% of CSE					
\$0 to \$15,127	1-2	\$3,729	Preferred Seed, A and A-1	127,016	20.6%	51.5%	27.8%	0.0%	100.0%
\$15,127 to \$21,058	2-3	\$343	Common Shares	100,531	0.0%	0.0%	0.0%	100.0%	100.0%
\$21,058 to \$35,302	3-4	\$425	Common Shares, Preferred Seed	153,472	34.5%	0.0%	0.0%	65.5%	100.0%
\$35,302 to \$42,137	4-5	\$113	Common Shares, Preferred Seed, A	204,798	25.9%	25.1%	0.0%	49.1%	100.0%
> \$42,137	Over 5	\$491	All	227,547	23.3%	22.6%	10.0%	44.2%	100.0%
		\$5,100		Value	\$1,060	\$2,060	\$1,087	\$893	
				Shares	52,941	51,326	22,749	100,531	
				Per Share Value	\$20.0	\$40.1	\$47.8	\$8.9	

EVANS & EVANS, INC.

Coloured Ties Capital Inc.
Comprehensive Valuation Report
Black Scholes - Call Options Valuation - Ride Vision - Low Case
 Valuation as of October 31, 2022

(USD'000)

	Call Option 1	Call Option 2	Call Option 3	Call Option 4	Call Option 5
Input Variables					
Stock Price	\$5,100	\$5,100	\$5,100	\$5,100	\$5,100
Exercise Price	\$0	\$15,127	\$21,058	\$35,302	\$42,137
Term to exit (years) (1)	3.2	3.2	3.2	3.2	3.2
Volatility (2)	75.0%	75.0%	75.0%	75.0%	75.0%
Annual Rate of Quarterly Dividends	0.0%	0.0%	0.0%	0.0%	0.0%
Discount Rate (3)	4.46%	4.46%	4.46%	4.46%	4.46%
Intermediate Calculations					
PV of Stock Ex-dividend	\$5,100	\$5,100	\$5,100	\$5,100	\$5,100
PV of Exercise Price	\$0	\$13,136	\$18,286	\$30,656	\$36,591
Cumulative Volatility	134.2%	134.2%	134.2%	134.2%	134.2%
Call Options					
Proportion of Stock PV	100.0%	48.6%	38.9%	25.3%	21.2%
Proportion of Exercise Price PV	-100.0%	-8.4%	-5.2%	-2.2%	-1.6%
Call Option Value	\$5,100	\$1,371	\$1,029	\$604	\$491

Notes:

(1) The time to expiration was estimated according to the management estimation on exit event that requires at least 2 years of commercialize the sale and then go IPO

Date of Opinion 2022-10-31
 End of Put Option 2025-12-31

No. of Years 3.2

(2) Evans & Evans estimated volatility as the total equity volatility of the subject company based on guideline companies.

(3) Represented by yields on US Government Long-Term Bond Yield with terms comparable to the estimated time to expiration. Source: Capital IQ

EVANS & EVANS, INC.

High Case

US\$ '000s

Equity Value Summary

Enterprise Value	\$2,289
Less: Debt	\$1
Add: Cash	\$2,990

Option-Pricing Assumptions

Risk-Free Rate	4.46%
Volatility	75.00%
Time to Liquidity Ever	3.2

Underlying Value Attributable to Remaining Invested Capital

\$5,300

Summary of Equity

Class	Return of Capital		Value for Liquidation Preference		Underlying Value for Conversion/Exerc		Shares	
	Capital		Preference		Conversion	Exercise	Outstanding	% of CSE
Preferred Seed	5%		\$3,123		21,058		52,941	23.3%
Preferred A	5%		\$7,792		35,302		51,326	22.6%
Preferred A-1	5%		\$4,213		42,137		22,749	10.0%
Common							100,531	44.2%
Claims to be paid prior to equity participation							227,547	100.0%

Inputs	Call Option 1	Call Option 2	Call Option 3	Call Option 4	Call Option 5
	Underlying Value	\$5,300	\$5,300	\$5,300	\$5,300
Volatility	75.00%	75.00%	75.00%	75.00%	75.00%
Risk-Free Rate	4.46%	4.46%	4.46%	4.46%	4.46%
Strike Price	\$0	\$15,127	21,058	35,302	42,137
Time to Liquidity	3.2	3.2	3.2	3.2	3.2
Call Option Price	\$5,300	\$1,470	\$1,108	\$655	\$534
Tranche Value	\$3,830	\$362	\$452	\$121	\$534

Threshold to Underlying Value	Call Option Tranche	Tranche Value	Applicable Classes	Applicable Shares	Preferred Seed	Preferred A	Preferred A-1	Common	Total
\$0 to \$15,127	1-2	\$3,830	Preferred Seed, A and A-1	127,016	20.6%	51.5%	27.8%	0.0%	100.0%
\$15,127 to \$21,058	2-3	\$362	Common Shares	100,531	0.0%	0.0%	0.0%	100.0%	100.0%
\$21,058 to \$35,302	3-4	\$452	Common Shares, Preferred Seed	153,472	34.5%	0.0%	0.0%	65.5%	100.0%
\$35,302 to \$42,137	4-5	\$121	Common Shares, Preferred Seed, A	204,798	25.9%	25.1%	0.0%	49.1%	100.0%
> \$42,137	Over 5	\$534	All	227,547	23.3%	22.6%	10.0%	44.2%	100.0%
		\$5,300	Value		\$1,102	\$2,124	\$1,120	\$954	
			Shares		52,941	51,326	22,749	100,531	
			Per Share Value		\$20.8	\$41.4	\$49.2	\$9.5	

EVANS & EVANS, INC.

Coloured Ties Capital Inc.
Comprehensive Valuation Report
Black Scholes - Call Options Valuation -Ride Vision - High Case
 Valuation as of October 31, 2022

(USD'000)

	Call Option 1	Call Option 2	Call Option 3	Call Option 4	Call Option 5
Input Variables					
Stock Price	\$5,300	\$5,300	\$5,300	\$5,300	\$5,300
Exercise Price	\$0	\$15,127	\$21,058	\$35,302	\$42,137
Term to exit (years) (1)	3.2	3.2	3.2	3.2	3.2
Volatility (2)	75.0%	75.0%	75.0%	75.0%	75.0%
Annual Rate of Quarterly Dividends	0.0%	0.0%	0.0%	0.0%	0.0%
Discount Rate (3)	4.46%	4.46%	4.46%	4.46%	4.46%
Intermediate Calculations					
PV of Stock Ex-dividend	\$5,300	\$5,300	\$5,300	\$5,300	\$5,300
PV of Exercise Price	\$0	\$13,136	\$18,286	\$30,656	\$36,591
Cumulative Volatility	134.2%	134.2%	134.2%	134.2%	134.2%
Call Options					
Proportion of Stock PV	100.0%	49.8%	40.0%	26.2%	22.1%
Proportion of Exercise Price PV	-100.0%	-8.9%	-5.5%	-2.4%	-1.7%
Call Option Value	\$5,300	\$1,470	\$1,108	\$655	\$534

Notes:

(1) The time to expiration was estimated according to the management estimation on exit event that requires at least 2 years of commercialize the sale and then go IPO

Date of Opinion 2022-10-31
 End of Put Option 2025-12-31

No. of Years 3.2

(2) Evans & Evans estimated volatility as the total equity volatility of the subject company based on guideline companies.

(3) Represented by yields on US Government Long-Term Bond Yield with terms comparable to the estimated time to expiration. Source: Capital IQ

EVANS & EVANS, INC.

Coloured Ties Capital Inc.
Comprehensive Valuation Report
Guideline Transactions Method -Ride Vision
 Valuation as of October 31, 2022

Table 1 - Identified Transactions (US Dollars Millions)		Enterprise				EV/
Date	Target	Description	Value	TTM Revenues	TTM EBITDA	TTM Revenues
31-Jan-22	Kernex Microsystems (India) Limited	Kernex Microsystems (India) Limited, together with its subsidiaries, manufactures and sells safety systems for railways.	13.05	2.63	-0.40	5.0 (x)
29-Nov-21	Zhicheng Technology Group Ltd. (nka)Min Fu International Holding Limited)	Min Fu International Holding Limited, an investment holding company, provides precision 3D testing and machining solutions in the People's Republic of China.	10.40	5.60	-0.70	1.9 (x)
24-Feb-22	ParaZero Technologies Ltd.	ParaZero Technologies Ltd., an aerospace company, engages in the design, development, manufacturing, distribution, and sale of autonomous parachute safety systems for commercial drones in the United States, Israel, Canada, Europe, and internationally.	10.61	0.72	-0.92	14.6 (x)
06-Feb-22	HYSONIC Co., Ltd.	HYSONIC Co., Ltd. develops, produces, and sells precision micro miniature electro-mechanical actuator products for optical application in Korea and internationally.	11.04	9.39	-5.40	1.2 (x)
07-Jul-22	Synthesis Electronic Technology Co.,Ltd.	Synthesis Electronic Technology Co.,Ltd. engages in the offline identity authentication and internet trusted identity authentication business in China.	466.87	55.10	-12.16	8.5 (x)

Average	6.22 (x)
Median	4.97 (x)
Low	1.18 (x)
High	14.64 (x)

Notes:
 Source: S&P Capital IQ.



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Identified Guideline Public Company Ticker

Company Name	Ticker	Description
Berman Technologies AS	TLSE:BERCM	Berman Technologies AS provides solutions for traffic safety.
Kernex Microsystems (India) Limited	BSE:532686	Kernex Microsystems (India) Limited, together with its subsidiaries, manufactures and sells safety systems for railways.
Spectur Limited	ASX:SP3	Spectur Limited designs, develops, manufactures, and sells solar remote sensing, thinking, and acting solutions in Australia.
Inspiorion AB (publ)	OM:INSP	Inspiorion AB (publ) develops and markets scientific instrument systems for scientists in various fields of research worldwide.
Microsaic Systems plc	AIM:MSYS	Microsaic Systems plc engages in the research, development, and commercialization of miniaturised mass spectrometry (MS) instruments in the United Kingdom, Japan, the United States, Europe, China, South Korea, and internationally.
JonDeTech Sensors AB (publ)	OM:JDT	JonDeTech Sensors AB (publ) engages in the development and customization of IR sensor detectors.
Sichuan Etrol Technologies Co., Ltd.	SZSE:300370	Sichuan Etrol Technologies Co., Ltd. manufactures and sells smart industry, automation, and oil and gas products and solutions in China.
Plymouth Rock Technologies Inc.	CNSX:PRT	Plymouth Rock Technologies Inc. focuses on developing security screening and threat detection technology solutions using radar imaging and signal processing technology.
INEO Tech Corp.	TSXV:INEO	INEO Tech Corp., through its subsidiary, INEO Solutions Inc., offers location-based advertising, analytics, and theft detection platform for retailers.

Notes:

Source: S&P Capital IQ.

EVANS & EVANS, INC.

Coloured Ties Capital Inc.
Comprehensive Valuation Report
Historical Balance Sheet - Ride Vision
 Valuation as of October 31, 2022

	Audited		Common Size																										
	For the years ending December 31,		For the years ending December 31,																										
	2021	2020	2021	2020																									
(US Dollars '000)																													
ASSETS																													
Current Assets																													
Cash and cash equivalents	5,705	1,188	89.1%	34.3%																									
Trade receivable	39	-	0.6%	0.0%																									
Short term investments	-	2,000	0.0%	57.8%																									
Other account receivable	65	28																											
Inventories	453	168																											
Total Current Assets	6,263	3,384	97.9%	97.8%																									
Property, plant and equipment	13	12																											
Property, plant and equipment	124	64	1.9%	1.9%																									
TOTAL ASSETS	6,400	3,460	100.0%	100.0%																									
LIABILITIES AND EQUITY																													
Current Liabilities																													
Current maturities of long-term loan	6		0.1%	0.0%																									
Trade payable	104	10	0.02	0.3%																									
Other account payable and accrued expenses	308	317	0.05	9.2%																									
Total Current Liabilities	419	327	6.5%	9.4%																									
Long term loan	0.83	-	0.0%	0.0%																									
			0.0%	0.0%																									
TOTAL LIABILITIES	420	327	6.6%	9.4%																									
Shareholder's equity																													
Ordinary shares	0.288	0.288	0.0%	0.0%																									
Preferred Seed shares	0.152	0.152																											
Preferred A shares	0.150	0.140	0.0%	0.0%																									
Preferred A-1 shares	0.070																												
Additional paid-in capital	11,718	7,141																											
Accumulated deficit	(5,738)	(4,009)																											
TOTAL EQUITY	5,981	3,133	93.4%	90.6%																									
TOTAL LIABILITIES & EQUITY	6,400	3,460	100.0%	100.0%																									
<table border="0" style="width: 100%;"> <tr> <td style="width: 50%;">Cash-Free Debt-Free Net Working Capital</td> <td style="width: 10%; text-align: right;">139</td> <td style="width: 10%; text-align: right;">1,869</td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> </tr> <tr> <td>% of LTM Revenue</td> <td style="text-align: right;">19.5%</td> <td></td> <td style="text-align: right;">10.4 x</td> <td></td> </tr> <tr> <td>Current Ratio</td> <td style="text-align: right;">15.0 x</td> <td></td> <td style="text-align: right;">0.0 x</td> <td></td> </tr> <tr> <td>Long Term Debt to Equity Ratio</td> <td style="text-align: right;">0.0 x</td> <td></td> <td style="text-align: right;">0.0 x</td> <td></td> </tr> <tr> <td>Total Debt to Equity</td> <td style="text-align: right;">0.0 x</td> <td></td> <td style="text-align: right;">0.0 x</td> <td></td> </tr> </table>					Cash-Free Debt-Free Net Working Capital	139	1,869			% of LTM Revenue	19.5%		10.4 x		Current Ratio	15.0 x		0.0 x		Long Term Debt to Equity Ratio	0.0 x		0.0 x		Total Debt to Equity	0.0 x		0.0 x	
Cash-Free Debt-Free Net Working Capital	139	1,869																											
% of LTM Revenue	19.5%		10.4 x																										
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Total Debt to Equity	0.0 x		0.0 x																										

Notes:

(1) Balance sheet provided by Management.



Coloured Ties Capital Inc.
Comprehensive Valuation Report
Historical Income Statement - Ride Vision
 Valuation as of October 31, 2022

Exhibit 19.0

	Audited For the years ending December 31, 2021	Common Size For the years ending December 31, 2020
(US Dollars '000)		
Revenue	711	100.0%
Cost of revenue	(363)	-51.0%
Gross margin	348	49.0%
Operating expenses		
Research and development	(1,514)	-213.0%
Sales and marketing	(183)	-25.8%
General and administrative	(356)	(0.50)
Total operating expense	(2,053)	-288.9%
Operating profit (loss)	(1,705)	-239.9%
Financial expenses, net	(24)	(19)
Net earnings (loss) for the year	(1,729)	-243.3%

Notes:

(1) Income statement provided by Management.

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