

*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.*

*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.*

August 9, 2023

**NOTICE OF VARIATION OF ITS ORIGINAL OFFER TO PURCHASE UP TO \$9,000,000 IN VALUE OF ITS COMMON SHARES AT A PURCHASE PRICE OF NOT LESS THAN \$0.92 AND NOT MORE THAN \$1.00 PER COMMON SHARE**

**CTI has lowered the total aggregate purchase amount it will pay to not more than \$3,750,000 and has increased the price range offered to Shareholders who tender their Common Shares pursuant to the Offer to a price of not less than \$1.00 and not more than \$1.20 per Common Share (as outlined in more detail below).**

**All other terms of the Offer remain the same.**

Coloured Ties Capital Inc. (“CTI”, “we”, “us” or the “Company”) has determined that in order to provide greater financial flexibility and liquidity to respond to other business opportunities and any future downturn in the markets, the Board of Directors has determined it is in the best interest of the Company to amend the Offer (as defined herein) to lower the aggregate purchase amount. In addition, given that the volume-weighted average price of the common shares of the Company (the “Shares”) was \$0.9955 as of August 8, 2023, the Board of Directors has determined to increase the price range. The Company intends to fund any purchases of Shares pursuant to the Offer from available cash on hand, and if required, sale of some of its investments, including Ridevision, Makara Mining Corp., Hertz Lithium Inc., Manning Ventures Inc., Winsome Resources Ltd., Starr Peak Mining Ltd., Azimut Exploration Inc., Patriot Battery Metals Inc. or Power Metals Corp.

The Company hereby gives notice that it is exercising its right to vary the terms of its offer dated July 18, 2023 (the “Original Offer”) to purchase for cancellation Shares from holders of the Shares (the “Shareholders”) pursuant to (i) auction tenders (“Auction Tenders”) in which the tendering Shareholders specify a price of not less than \$0.92 per Share and not more than \$1.08 per Share in increments of \$0.01 per Share and a specified number of Shares owned by them, (ii) purchase price tenders pursuant to which Shareholders agree to tender a number of Shares to us at the Purchase Price determined pursuant to the Offer (“Purchase Price Tenders”), 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 \$0.92 per Share.

The Original Offer is being amended to: (i) decrease the aggregate purchase amount from not more than \$9,000,000, to not more than \$3,750,000; and (ii) increase the price range at which Shares will be purchased in the Offer to a price of not less than \$1.00 and not more than \$1.20 (the “New Range”) in increments of \$0.01 per Share, unless the Offer is further varied or withdrawn by the Company. See Section 2 “Change in Aggregate Purchase Price and Offer Range” in this Notice of Variation. All other terms of the Original Offer remain unchanged. The Original Offer, as varied hereby, is referred to herein as the “Offer”.

This Notice of Variation should be read in conjunction with the Original Offer and the accompanying issuer bid circular dated July 18, 2023 (the “**Circular**” and, together with the Original Offer, the “**Offer and Circular**”), the amended letter of transmittal (the “**Amended Letter of Transmittal**”), which accompanies this Notice of Variation (and reflects the New Range) and the amended notice of guaranteed delivery (the “**Amended Notice of Guaranteed Delivery**”) which accompanies this Notice of Variation (collectively, the “**Offer Documents**”). Except as otherwise set forth herein, the terms and conditions set forth in the Offer Documents continue to be applicable in all respects. Unless the context requires otherwise, capitalized terms used in this Notice of Variation and not defined herein that are defined in the Offer and Circular have the respective meanings ascribed thereto in the Offer and Circular.

Each Shareholder who has properly tendered Shares pursuant to an Auction Tender at or below the Purchase Price or pursuant to a Purchase Price Tender at or prior to the Expiration Date, and who has not properly withdrawn such Shares, 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 below. The Company will first accept for purchase Shares validly deposited by any Shareholders who beneficially hold, as of the close of business of August 28, 2023 (the “**Expiration Date**”), fewer than 100 Shares in the aggregate 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. Pursuant to applicable securities laws, an issuer conducting an issuer bid by way of a “modified Dutch auction” procedure may not extend its issuer bid if all the terms and conditions of the issuer bid have been complied with or waived without first obtaining exemptive relief from applicable Canadian securities regulatory authorities. The Company has not applied for, and does not intend to apply for, such exemptive relief. Accordingly, the Company will not be permitted to extend the Offer in the event the Offer is undersubscribed on the original Expiration Date and all conditions of the Offer have been satisfied or waived by the Company.

If the aggregate purchase amount for Shares validly tendered, and not withdrawn, pursuant to Auction Tenders (at prices at or below the Purchase Price) and Purchase Price Tenders (referred to as the “**Aggregate Tender Purchase Amount**”) is less than the Maximum Offer Amount, the Company will repurchase 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, the Company 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: (i) first, the Company will purchase at the Purchase Price all Shares tendered at or below the Purchase Price by Odd Lot Holders; and (ii) second, the Company 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 amount, based on the Purchase Price, equal to (A) the Maximum Offer Amount, less (B) the aggregate amount paid by us for Shares tendered by Odd Lot Holders. The pro-ration percentage for each individual Shareholder other than Odd Lot Holders within the Auction Tender/Purchase Price Tender pool 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. Shares that are tendered above the Purchase Price will not be taken into account and will therefore be excluded from the pro-ration calculation.

To tender Shares pursuant to the Offer, the certificates for all tendered Shares in proper form for transfer and/or Shares held through DRS, together with a properly completed and duly executed Amended 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 Amended Letter of Transmittal, and any other documents required by the Amended Letter of Transmittal, must be received by the Depository at one of the addresses listed in the Amended Letter of Transmittal by the Expiration Date. Alternatively, Shareholders may accept the Offer by following the procedure (i) for guaranteed delivery described in “Offer to Purchase – Procedure for Depositing Shares – Procedure for Guaranteed Delivery” in the Offer and Circular using the Amended Notice of Guaranteed Delivery, or (ii) for book-entry transfer described in “Offer to Purchase – Procedure for Depositing Shares – Book-Entry Transfer Procedures” in the Offer and Circular. If you wish to tender Shares held through DRS, you are only required to complete the Amended Letter of Transmittal and have it delivered to the Depository, and you do not need to obtain and deliver share certificates for these holdings.

**If a Shareholder has tendered Shares before the date of this Notice of Variation, such tender is no longer valid, and the Shareholder will be required to properly retender their Shares to accept the Offer. For greater**

**certainty, any and all Shares tendered before the date of this Notice of Variation will be deemed to be withdrawn, and the Shareholder must take additional steps if they wish to participate in the Offer.**

**Registered Shareholders who before the date of this Notice of Variation submitted a Letter of Transmittal (in its previous form) with their share certificate, are required to submit an Amended Letter of Transmittal to the Depositary, which for the purpose of the amended Offer, will be deemed to be submitted with the share certificate previously delivered to and held by the Depositary. Shareholders who before the date of this Notice of Variation submitted a Notice of Guaranteed Delivery (in its previous form) are required to submit an Amended Notice of Guaranteed Delivery to the Depositary.**

**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.**

Neither CTI nor its Board of Directors 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", as amended by this Notice of Variation.

## **FORWARD LOOKING STATEMENTS AND INFORMATION**

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 continuing to have sufficient financial resources to pursue its foreseeable new business opportunities including strategic acquisitions or investments; 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 SEDAR+ website at [www.sedarplus.ca](http://www.sedarplus.ca). 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.

## NOTICE OF VARIATION

As set forth in more detail in this Notice of Variation, CTI has varied the Offer to (i) decrease the aggregate purchase amount from not more than \$9,000,000 to not more than \$3,750,000; and (ii) increase the price range at which Shares will be purchased in the Offer to a price of not less than \$1.00 and not more than \$1.20. See Section 2 “Change in Aggregate Purchase Price and Offer Range” in this Notice of Variation. All other terms of the Offer remain unchanged. On August 9, 2023 (the last trading day before the Notice of Variation was announced), the closing price of the Shares on the TSX Venture Exchange was \$0.97 per Share.

Under “Extension and Variation of the Offer” in the Offer and Circular, the Company can at any time or from time to time, 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. Pursuant to applicable securities legislation, an issuer conducting an issuer bid by way of a “modified Dutch auction” procedure may not extend its issuer bid if all the terms and conditions of the issuer bid have been complied with or waived without first obtaining exemptive relief from applicable Canadian securities regulatory authorities. The Company has not applied for, and does not intend to apply for, such exemptive relief. Accordingly, the Company will not be permitted to extend the Offer in the event the Offer is undersubscribed on the original Expiration Date and all conditions of the Offer have been satisfied or waived by the Company. The Company has chosen to exercise its rights to vary the terms of the Offer as set out in this Notice of Variation.

Consequential amendments in accordance with this Notice of Variation are deemed made, where required, to the Offer Documents. Except as otherwise set forth in this Notice of Variation, the terms and conditions set forth in the Offer and Circular continue to remain in effect and unamended. An Amended Letter of Transmittal and an Amended Notice of Guaranteed Delivery have been prepared and accompany this Notice of Variation. The amended documents reflect the change in aggregate purchase amount and the change in price range and the Amended Letter of Transmittal and the Amended Notice of Guaranteed Delivery replace the previous versions of such documents sent with the Offer and Circular in all respects.

Shareholders must tender their Shares using the Amended Letter of Transmittal or Amended Notice of Guaranteed Delivery. Tenders using the Letter of Transmittal or Notice of Guaranteed Delivery delivered with the Original Offer will be rejected.

### 1. RECENT DEVELOPMENTS

#### *Notice of Variation*

On August 9, 2023, the Company gave notice to the Depository to the effect that it was (i) decreasing the aggregate purchase amount from not more than \$9,000,000, to not more than \$3,750,000; and (ii) increasing the price range at which Shares will be purchased in the Offer to a price of not less than \$1.00 and not more than \$1.20.

As of August 9, 2023, there were 17,369,552 Shares issued and outstanding, and accordingly, the Offer is now for approximately 21.6% of the total number of issued and outstanding Shares if the Purchase Price is determined to be \$1.00 (being the minimum Purchase Price under the Offer). If the Purchase Price is determined to be \$1.20 (which is the maximum Purchase Price under the Offer), the Offer is for a maximum of approximately 18.0% of the total number of issued and outstanding Shares.

### 2. CHANGE IN AGGREGATE PURCHASE AMOUNT AND OFFER RANGE

By notice to the Depository given on August 9, 2023, the Company decreased the aggregate purchase amount payable for Shares under the Offer to not more than \$3,750,000. 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 \$1.00 per Share, the minimum Purchase Price pursuant to the Offer, the maximum number of Shares that will be purchased pursuant to the Offer is 3,750,000. If the Purchase Price is determined to be \$1.20 per Share, the maximum Purchase Price pursuant to the Offer, the maximum number of Shares that will be purchased pursuant to the Offer is 3,125,000.

All references in the Offer and Circular (including in the definition of Maximum Offer Amount) to the aggregate purchase amount of “\$9,000,000” are deleted and replaced with “\$3,750,000”, and all references in the Offer and Circular to the price range of \$0.92 to \$1.00 are deleted and replaced with the new price range of \$1.00 to \$1.20.

### **3. MANNER OF ACCEPTANCE**

**If a Shareholder has previously tendered Shares before the date of this Notice of Variation, such tender is no longer valid, and the Shareholder will be required to properly retender their Shares to accept the Offer. For greater certainty, any and all Shares previously tendered before the date of this Notice of Variation will be deemed to be withdrawn, and the Shareholder must take additional steps if they wish to participate in the Offer.**

**Registered Shareholders who had previously before the date of this Notice of Variation submitted a Letter of Transmittal (in its previous form) with their share certificate, are required to submit an Amended Letter of Transmittal to the Depository, which for the purpose of the amended Offer, will be deemed to be submitted with the share certificate currently previously delivered to and held by the Depository. Shareholders who before the date of this Notice of Variation submitted a Notice of Guaranteed Delivery (in its previous form) are required to submit an Amended Notice of Guaranteed Delivery to the Depository.**

**Shares that have been deposited with the Depository will continue be held by the Depository until (i) the Shareholder properly deposits an Amended Letter of Transmittal; (ii) the Shareholder requests the return of the Shares; and (iii) the Expiry Date. If by the Expiry Date the Shareholder has not provided an Amended Letter of Transmittal, the Shares will be returned to the Shareholder.**

Except as otherwise set forth in this Notice of Variation, Shares may be tendered under the Offer in accordance with the provisions set forth in the Offer and Circular under “Offer to Purchase – Procedure for Depositing Shares”.

### **4. TAKE-UP AND PAYMENT FOR DEPOSITED SHARES**

CTI will take up and pay for Shares validly tendered under the Offer and not withdrawn as set forth in the Offer and Circular under “Offer to Purchase – Taking Up and Payment for Deposited Shares”.

### **5. WITHDRAWAL OF DEPOSITED SHARES**

Shareholders have the right to withdraw Shares tendered under the Offer in the circumstances and in the manner set forth in the Offer and Circular under “Offer to Purchase – Withdrawal Rights”.

### **6. AMENDMENTS AND VARIATIONS TO OFFER DOCUMENTS**

Consequential amendments in accordance with this Notice of Variation are deemed to be made, where required, to the Offer Documents. Except as otherwise set forth in this Notice of Variation, the terms and conditions set forth in the Offer and Circular continue to remain in effect, unamended. As described above, an Amended Letter of Transmittal and an Amended Notice of Guaranteed Delivery have been prepared to accompany this Notice of Variation.

### **7. INTEREST OF DIRECTORS AND OFFICERS AND TRANSACTIONS AND ARRANGEMENTS CONCERNING SECURITIES**

The Circular is hereby amended to delete the disclosure under the heading “Interest of Directors and Officers and Transactions and Arrangements Concerning Securities” in its entirety and replaced with the following:

*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.

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 August 9, 2023, 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 <sup>(1)</sup>		Options <sup>(2)</sup>		Warrants <sup>(3)</sup>		RSUs <sup>(4)</sup>	
		Number	% of o/s	Number	% of o/s	Number	% of o/s	Number	% of o/s
Kulwant Malhi	Chairman, Chief Executive Officer and Director	1,574,285	9.06%	700,000	41.18%	1,113,384	59.13%	1,280,000	58.05%
Bala Pratap Reddy Udumala	Director	Nil	Nil	200,000	11.76%	Nil	Nil	100,000	4.54%
Desmond Balakrishnan	Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Christopher R. Cooper	Director	Nil	Nil	250,000	14.71%	Nil	Nil	100,000	4.54%
Zara Kanji	Chief Financial Officer and Corporate Secretary	Nil	Nil	150,000	8.82%	Nil	Nil	75,000	3.40%
Milan Malhi	Corporate Development Officer	97,501	0.56%	250,000	29.41%	Nil	Nil	400,000	18.14%
Rauni Malhi	Insider	2,508,417	14.44%	Nil	Nil	769,692	40.87%	Nil	Nil

Notes:

- (1) As of August 9, 2023, 17,369,552 common shares were issued and outstanding
- (2) As of August 9, 2023, 1,700,000 options were issued and outstanding.
- (3) As of August 9, 2023, 1,883,076 warrants were issued and outstanding.
- (4) As of August 9, 2023, 2,205,000 RSUs were issued and outstanding.

## **8. STATUTORY RIGHTS**

Securities legislation of 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.

## **9. DIRECTORS' APPROVAL**

The contents of this Notice of Variation have been approved, and the sending of this Notice of Variation to Shareholders has been authorized, by the Board of Directors of the Company.

## APPROVAL AND CERTIFICATE

August 9, 2023

The Offer and Circular, as amended by 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