

*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.*

**July 18, 2023**

## **OFFER TO PURCHASE FOR CASH**

**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**

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or the “Company”) hereby offers to purchase common shares of the Company (the “Shares”) validly tender and not properly withdrawn having an aggregate purchase price not exceeding \$9,000,000. The purchase price per Share (the “Purchase Price”) will be determined in the manner described below but will not be less than \$0.92 per Share and not more than \$1.00 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 July 24, 2023 and expires at 5:00 p.m. (Toronto time) on August 28, 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 \$0.92 and not more than \$1.00 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 \$0.92 per Share.

If the Purchase Price is determined to be \$0.92 per Share (which is the minimum Purchase Price under the Offer), the maximum number of Shares that may be purchased by us will be 9,782,608 Shares. If the Purchase Price

(continued on following page)

is determined to be \$1.00 per Share (which is the maximum Purchase Price under the Offer), the maximum number of Shares that may be purchased by us will be 9,000,000 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 \$0.92 per Share and not more than \$1.00 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 \$9,000,000.

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 \$0.92 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 \$0.92 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 \$9,000,000, 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 July 18, 2023, 17,369,552 Shares were outstanding. The Shares are listed on the TSX-V Venture Exchange (“TSX-V”) under the symbol “TIE”. On June 9, 2023 (the last trading day before the Offer was announced), the closing price of the Shares on the TSX-V was \$0.78 per Share. During the past six months, the closing prices of the Shares on the TSX-V have ranged from a low of \$0.59 to a high of \$1.15 per Share. The range of the closing prices may have been influenced by the substantial issuer bid that the Company undertook last year. From December 12, 2022 to January 17, 2023, the Company purchased and cancelled a total of 5,192,307 Shares at a price of \$0.65 per Share under the substantial 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 August 28, 2023, unless extended, varied or withdrawn.**

**Computershare Investor Services Inc.**  
100 University Avenue, 8<sup>th</sup> 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](http://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 \$0.92 and not more than \$1.00 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 August 28, 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 \$9,000,000 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 \$0.92 and not more than \$1.00 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 \$0.92 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 \$9,000,000 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 \$9,000,000 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 \$.92 per Share and not more than \$1.00 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 \$0.92 and not more than \$1.00 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 \$0.92 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-ration 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 \$0.92 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 9,782,608 Shares. Assuming that the Offer is fully subscribed, if the Purchase Price is determined to be \$1.00 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 9,000,000 Shares. As of July 18, 2023, 17,369,552 Shares were issued and outstanding and, accordingly, the Offer is for approximately 56% of the total number of issued and outstanding Shares if the Purchase Price is determined to be \$0.92 (which is the minimum price per Share pursuant to the Offer) or approximately 52% of the total number of issued and outstanding Shares if the Purchase Price is determined to be \$1.00 (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 August 28, 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 \$0.92 and not more than \$1.00 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 \$0.92 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 \$0.92 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 August 28, 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 June 9, 2023 (the last trading day before the Offer was announced), the closing price of the Shares on the TSX-V was \$0.78 per Share. The minimum price per Share of \$0.92 offered in the Offer is more than the closing price per Share on the TSX-V on June 9, 2023 (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 \$0.59 to a high of \$1.15 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](mailto: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 \$0.92 and not more than \$1.00, 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 \$0.92.

The Offer will commence on July 24, 2023, the date of this Offer to Purchase, and expire at 5:00 p.m. (Toronto time) on August 28, 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 \$0.92 per Share, the minimum Purchase Price pursuant to the Offer, the maximum number of Shares that will be purchased pursuant to the Offer is 9,782,608 Shares. If the Purchase Price is determined to be \$1.00 per Share, the maximum Purchase Price pursuant to the Offer, the maximum number of Shares that will be purchased pursuant to the Offer is 9,000,000 Shares. See Section 2 of this Offer To Purchase, "Purchase Price".

As of July 18, 2023, 17,369,552 Shares were issued and outstanding. Accordingly, the Offer is for (i) a maximum of 9,782,608 Shares, representing approximately 56% of the total number of issued and outstanding Shares, if the Purchase Price is determined to be \$0.92 (which is the minimum price per Share pursuant to the Offer), or (ii) a maximum 9,000,000 Shares, representing approximately 52% of the total number of issued and outstanding Shares, if the Purchase Price is determined to be \$1.00 (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 Depositary 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 \$0.92 per share or more than the maximum price per Share under the Offer of \$1.00 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 \$0.92 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 \$0.92 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 \$0.92 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 \$0.92 per Share, the minimum Purchase Price pursuant to the Offer, the maximum number of Shares that will be purchased pursuant to the Offer is 9,782,608 Shares. If the Purchase Price is determined to be \$1.00 per Share, the maximum Purchase Price pursuant to the Offer, the maximum number of Shares that will be purchased pursuant to the Offer is 9,000,000 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-ration 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 July 18, 2023, (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 July 18, 2023, (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 18<sup>th</sup> day of July, 2023 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 9,782,608 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 8<sup>th</sup> 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](http://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 July 18, 2023, our issued share capital consisted of 17,369,552 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 June 9, 2023 and the closing price on such date was \$0.78.

The Company has been retiring debt and returning surplus cash above its operating requirements to shareholders by way of share buyback programs, including normal course issuer bids and substantial issuer bids. The Company is continually assessing its leverage and excess liquidity to maintain an efficient capital structure. During the year ended September 30, 2022, the Company distributed approximately \$376,000 of its surplus cash by repurchasing Shares under the normal course issuer bid. On January 18, 2023, the Company distributed

approximately \$3,375,000 of its surplus cash by repurchasing Shares under a substantial 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 \$9,000,000 to its Shareholders.

On June 11, 2023, 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 \$9,000,000 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, 2022 and the comparative unaudited condensed consolidated financial statements of CTI as at and for the three months and six month periods ended March 31, 2023, are available on SEDAR at [www.sedar.com](http://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:

Period	High (\$)	Low (\$)	Volume
July 1 – 17, 2023	\$0.97	\$1.05	281,007
June 2023	\$1.05	\$0.77	628,440
May 2023	\$0.80	\$0.68	329,447
April 2023	\$0.74	\$0.68	95,367
March 2023	\$0.97	\$0.70	653,967
February 2023	\$1.15	\$0.83	1,693,244
January 2023	\$0.81	\$0.59	1,432,138

On June 9, 2023, 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 \$0.78.

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 or around May 18, 2023, the Company engaged the Valuator to provide a valuation report as required pursuant to section 3.3(1) Of MI 61-101. The Company determined that it was unable to rely on the liquidity exemption provided in section 3.4(b) of MI 61-101 as the market value of the Shares on the TSX-V was not at least \$75,000,000. Accordingly, a liquid market did not exist at the time of determination and the Company does not expect a liquid market to exist following the completion of the SIB. The Company confirms that following the completion of the SIB, the Company will continue to meet the continued listing requirements of the TSX-V, including the public distribution and market capitalization requirements. On June 9, 2023, 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 June 20, 2023. 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 M1 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 April 30, 2023.

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 June 30, 2023, 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 April 30, 2023 was in the range of \$0.93 to \$1.00. 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***

The Company received a valuation report, dated December 2, 2022, which contained the opinion of Evans & Evans’s 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 prior valuation is available for inspection at 10589 Ladner Trunk Road, Delta, British Columbia V4G 1K2. A copy of the prior valuation will be sent to any security holder upon request for a nominal charge sufficient to cover printing and postage.

To the knowledge of the Company and its directors and officers, no other 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 May 25, 2023, the Company issued 840,000 restricted share units to certain directors, officers, and consultants of the Company.

On January 23, 2023, the Company issued 250,000 stock options to the Corporate Development Officer of the Company pursuant to the Company’s stock option plan.

On January 17, 2023, the Company completed a substantial issuer bid pursuant to which it purchased for cancellation a total of 5,192,307 common shares at a price of \$0.65 per share under its substantial issuer bid for a total price of \$3,375,000.

On January 10, 2023, pursuant to the exercise of stock options, the Company issued 450,000 common shares of the Company.

On October 19, 2022, the Company granted 1,365,000 restricted share units to certain directors, officers and consultants of the Company.

On September 1, 2022, the Company granted 1,900,000 stock options to certain directors, officers, and consultants of the Company.

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

<b>Year of Distribution</b>	<b>Number of Securities</b>	<b>Price Per Security (\$)</b>	<b>Proceeds Realized (\$)</b>
<b>2018</b>	Nil	Nil	Nil
<b>2019</b>	Nil	Nil	Nil
<b>2020</b>	Nil	Nil	Nil
<b>2021</b>	18,830,769 units <sup>(1)</sup>	0.065	1,224,000
<b>2022</b>	1,900,000 options	0.31	Nil
	1,365,000 RSUs	0.42	Nil
<b>2023 (through to July 17, 2023)</b>	840,000 RSUs	0.78	Nil
	250,000 options	0.75	Nil
	450,000 common shares	0.53	139,500

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 July 18, 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	1,302,285	7.5%	700,000	41.18%	615,384	32.68%	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	Nil	Nil	250,000	29.41%	Nil	Nil	400,000	18.14%

Notes:

(1) As of July 18, 2023, 17,369,552 common shares were issued and outstanding

(2) As of July 18, 2023, 1,700,000 options were issued and outstanding.

(3) As of July 18, 2023, 1,883,076 warrants were issued and outstanding.

(4) As of July 18, 2023, 2,205,000 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 March 31, 2023:

- (a) On April 21, 2023, the Company announced that Mike Stier was named to the position of Chief Executive Officer and Director of Quebec Pegmatite Corporation (“QPC”);
- (b) On May 8, 2023, QPC, a subsidiary of the Company entered into a share exchange agreement with First Responder Technologies Inc. (“First Responder”) in respect of a proposed business transaction. It is intended that common shares of First Responder will be issued to holders of common shares of

QPC on the basis of one (1) First Responder share for everyone (1) QPC share at a deemed price of \$0.42 per First Responder share, resulting in the issuance of an aggregate 11,000,000 First Responder shares to the shareholders of QPC;

(c) On May 25, 2023, the Company issued 840,000 RSU to certain directors, officers, and consultants of the Company; and

(d) On June 12, 2023 the Company announced the Offer.

### **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 owns or controls 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.**

#### *Holdings 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, if any, 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 \$9.08. Counsel has not verified this amount.

Any taxable dividend deemed to be received by an Individual Resident Holder (as described above) will be included in computing such 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, if any, 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 \$9.08. 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 any deemed dividend arising on the disposition of a Share by a Corporate Resident Holder 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, if any, 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 \$9.08. 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 \$7,500 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

July 18, 2023

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 July 18, 2023 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 June 20, 2023 (the “**Valuation Report**”), which we prepared for Coloured Ties Capital Inc. (the “**Company**”) in connection with the Offer dated July 18, 2023 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 July 18, 2023 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.

July 18, 2023

(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 July 18, 2023 of Coloured Ties Capital Inc. in connection with its offer to the holders of its Shares.

July 18, 2023

(Signed) *McMillan LLP*

**SCHEDULE A – VALUATION REPORT**

[See attached]

# **COMPREHENSIVE VALUATION REPORT**

## **COLOURED TIES CAPITAL INC.**

**British Columbia, Canada**

**June 20, 2023**

**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 April 30, 2023 (the “Valuation Date”).

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 the purchase of 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. Initially, 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 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”), and ii) private equity investment and derivatives (“Private Investments”), with book values of approximately \$15.0 million and \$4.6 million respectively as of April 30, 2023. Most invested companies are engaged in metal and mining business.

*Significant Private Investments*

As of the Valuation Date, the Company held 6,572 preferred shares of Ride Vision Ltd (“Ride Vision”) at an investment cost of \$1,260,165. Ride Vision develops advanced rider assistance systems 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.

As of the Valuation date, the Company held 7,000,000 common shares of Canadian Towers and Fiber Optics Inc. (“CTFO”) at an investment cost of \$350,000. CTFO is a company based in Vancouver, BC that develops, constructs and owns telecommunications infrastructure throughout Mexico, focusing on tower development and operating its fiber network.

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

Private Investments

Invested Companies	Securities	Industry	Book value as of April 30, 2023 C\$ 000	
Ride Vision Ltd.	Preferred Shares	Electronic Equipment and Instruments	1,260	27%
Canadian Towers and Fiber Optics Inc.	Common Shares	Telecommunication	350	8%
Others	Common Shares and Warrants	Diversified Metals and Mining, Pharmaceuticals, Oil and Gas, etc.	3,005	65%
			<u>4,615</u>	<u>100%</u>

Public Investments					
Invested Companies	Securities	Industry	Book value as of April 30, 2023 CS 000		
Patriot Battery Metals Inc. (TSXV:PMET)	Common Shares	Diversified Metals and Mining	4,983	33%	
Azimut Exploration Inc. (TSXV:AZM)	Common Shares	Diversified Metals and Mining	3579	24%	
Power Metals Corp (TSXV:PWM)	Common Shares	Diversified Metals and Mining	1061	7%	
Others	Common Shares and Warrants	Application Software, Asset Management and Custody Banks, Oil and Gas Exploration and Production, Pharmaceuticals, etc.	5,386	36%	
Total			15,009	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, and balances increased from \$5.4 million as of September 30, 2021, to \$15.0 million as of April 30, 2023. The Public Investments accounted for approximately 96% of total assets at the Valuation Date. As of the six months ended March 31, 2023, the fair value gain on equity and derivatives was \$12.8 million, resulting in net income of \$12.4 million for the period. As of April 30, 2023, CTI had no debt but did have a negative margin account of approximately \$4.8 million with investment brokers on its balance sheet, along with cash in bank accounts of \$733,000 as of the Valuation Date.

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

CS'000	6 months ended	For the Fiscal Years Ended Sept 30		
	March 31, 2023 Management	2022 Audited	2021 Audited	2020 Audited
Fair value gain (loss) on equity investments and derivatives	12,820	2,723	(7,996)	6,644
Gain/(loss) on sale of equity investments	3,038	(3,858)	4,318	-
Loss on impairment of private investments	-	-	-	-
Recovery of bad debts	-	1,350	-	-
Other income	(1,941)	61	27	34
Discontinued operations	-	-	1,885	(64)
Foreign exchange gain (loss)	(126)	673	(496)	433
General and administrative expenses	(1,308)	(1,471)	(904)	(414)
Non-controlling interests	-	-	(105)	1
<b>Net income (loss)</b>	<b>12,483</b>	<b>(522)</b>	<b>(3,271)</b>	<b>6,634</b>

C\$'000	March 31, 2023	For the Fiscal Years Ended Sept 30		
		2022	2021	2020
	Management	Audited	Audited	Audited
Cash	(4,071)	4,259	14,273	13,506
Private equity investments and derivatives	4,615	1,736	2,236	2,579
Public equity investments and derivatives	15,009	14,722	5,375	10,037
Mineral Properties	-	90	-	-
Other	156	788	60	1,420
Total Assets	15,710	21,595	21,944	27,542
Total Liabilities	642	373	244	1,038
Non-controlling interest	-	111	111	2,855
<b>Net Asset Value</b>	<b>15,067</b>	<b>21,111</b>	<b>21,589</b>	<b>23,649</b>

### ***Share Capital***

In FY2022, the Issuer 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 represented 5% of the issued and outstanding shares of the Company at that time.

On October 18, 2022, the Board authorized a Substantial Issuer Bid (the “2022 SIB”) to buy back up to 7,500,000 common shares at \$0.45 per Share. The purchase price was later amended, and the Offer proceeded as a modified Dutch Auction between \$0.55 per Share and \$0.65 per Share in increments of \$0.01 within that range. On January 17, 2023, the Company announced successful completion of the 2022 SIB pursuant to which it bought back 5,192,307 Shares for cancellation for a total consideration of approximately \$3,375,000. On January 24, 2023, the Company cancelled the Shares purchased under the 2022 SIB.

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

<b>Issued and outstanding share/unit</b>	
Common Shares	17,369,552
Warrant	1,883,076 at exercise price of \$0.8 until July 23, 2026
Option	1,450,000 at exercise price of \$0.31 until September 25, 2025 and vested immediately
Option	250,000 at exercise price of \$0.75 until March 31, 2028 and vested immediately
Restricted Share Units	1,365,000 granted on October 19, 2022 and vested on October 19, 2023
Total	22,317,628

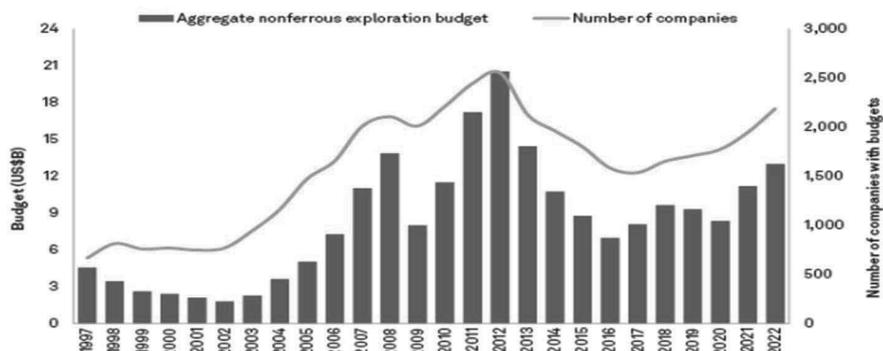
### **1.3 Market Outlook**

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

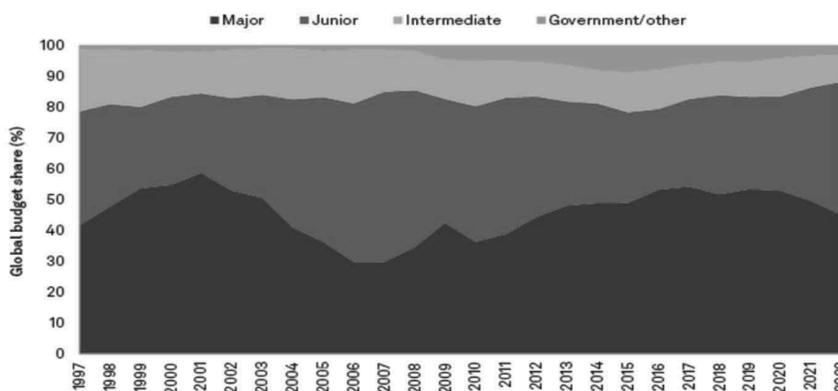
Most junior exploration companies are generally reliant on equity financings to advance their properties (as they lack producing assets) and accordingly, their ability to advance

property is dependent on market conditions and investor interest. According to S&P Global Market Intelligence the industry recovery, which began in late 2016, faltered in 2019 and 2020, but did recover in 2021 and 2022. The global nonferrous exploration budget increased by 16% year-over-year to US\$13.0 billion in 2022 from US\$11.2 billion in 2021. The total comprises US\$13.0 billion in aggregate company budgets plus an estimated total for companies spending less than US\$100,000 and private companies that do not report their data.

**Annual nonferrous exploration budgets, 1997-2022**



Major companies held 45.0% of the annual 2022 budget with junior companies holding a 43% share. Junior companies did, however, experience the largest increase in the share of the budget, up 37.0 from 2021<sup>1</sup>. With the number of active junior companies increasing substantially since 2020, this should result in continued high junior budgets throughout 2023, while major companies have secured their cash to be able to explore new deposits. However, volatility in the markets has resulted in a more challenging financing market for early-stage companies.



<sup>1</sup> <https://www.spglobal.com/marketintelligence/en/news-insights/research/early-2022-optimism-pushes-exploration-budgets-up-16-yoy>

During 2022, Canada saw a US\$596 million increase of the global exploration budget, up 29% to US\$2.68 billion; representing 20.6% of the budget. Canada was the most explored country in 2022 with their budget for all stages of exploration accounting for nearly 10% more than second-ranked Australia. Allocations to the country grew across all stages of project development, mainly focused on gold.<sup>2</sup>

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 forecasted to remain elevated in the near term, however, margins should remain well above pre-pandemic levels.

The green energy transition advanced in many nations, which set goals for expanding renewable energy portfolios and electric vehicle (“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.

Automotive lithium-ion battery demand increased by about 65% to 550 gigawatt hours (“GWh”) in 2022, from about 330 GWh in 2021, primarily as a result of growth in electric passenger car sales, with new registrations increasing by 55% in 2022 relative to 2021<sup>3</sup>. The increase in battery demand drives the demand for critical materials. In 2022, lithium demand exceeded supply (as in 2021) despite an 180% increase in production since 2017<sup>4</sup>. In 2022, about 60% of lithium, 30% of cobalt and 10% of nickel demand was for EV batteries. Just five years earlier, in 2017, these shares were around 15%, 10% and 2%, respectively. According to the International Energy Agency, similar to lithium, mining and processing of critical minerals like cobalt and nickel, will need to increase rapidly to support the energy transition, not only for EVs but more broadly to keep up with the pace of demand for clean energy technologies.

## **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., April 30, 2023), is in the range of \$0.93 to \$1.00.

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<sup>2</sup><https://www.spglobal.com/marketintelligence/en/news-insights/research/canada-mining-by-the-numbers-2021>

<sup>3</sup> <https://www.iea.org/reports/global-ev-outlook-2023/trends-in-batteries>

<sup>4</sup> <https://www.iea.org/reports/global-ev-outlook-2023/trends-in-batteries>

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.

### **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.

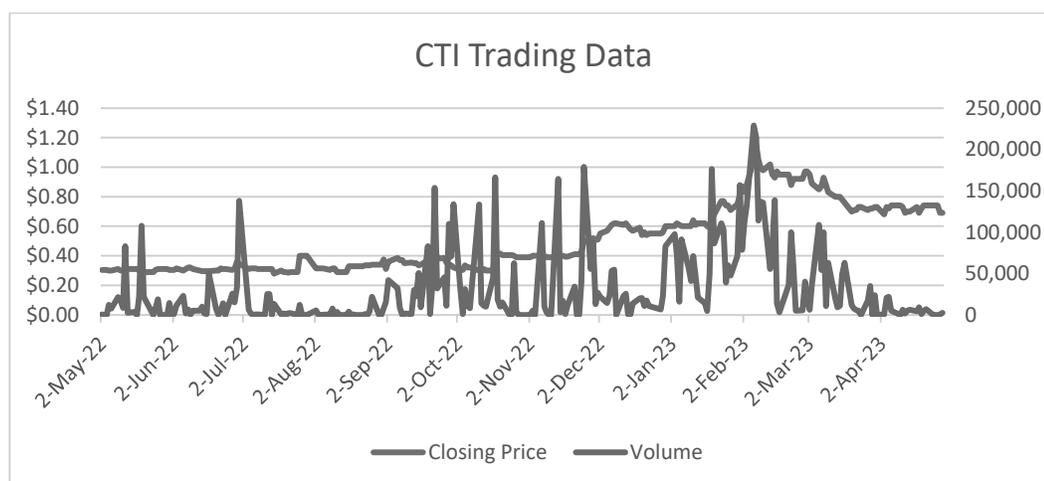
Based on our experience, it is only in negotiations with such a special purchaser that potential synergies can be quantified and even then, the purchaser is generally in a better position to quantify the value of any special benefits than is the vendor. The Shares have been valued initially *en bloc*.

### **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 periods ended December 31, 2023 and March 31, 2023.
- Reviewed CTI’s management-prepared balance sheet as of April 30, 2023.
- Reviewed CTI’s financial statements for the years ended September 30, 2019 to 2022 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, the year ended September 30, 2021, three months ended December 31, 2023 and the six months ended March 31, 2023.
- Reviewed background information of CTI’s Public Investment portfolio, including a list of invested companies, number of shares and broker statements.
- Reviewed background information of CTI’s Private Investment portfolio, including a 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 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 \$1.15 in February 2023 before declining to \$0.69 in April 2023. Overall, trading volumes are moderate, with 23.4% 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.; and 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 April 30, 2023. 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 in June of 2023.
- 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 periods ended March 31, 2023, and the balance sheet date April 30, 2023, 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) In arriving at the fair value of the Shares, the authors of the Report made certain assumptions as outlined in the Exhibits of the Report.
- 8) 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 period ended March 31, 2023, the balance sheet for the period ended April 30, 2023, and the audited financial statements for the years ended September 30, 2019 to 2022. 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 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 nature of the key investments held by CTI, the application of the Net Asset Method involves a three-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 a 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, an analysis of prior transactions involving the investee company under the Market Approach as well as a Cost Approach. More detailed discussion is provided in section 10.0 of the Report. The reader is also advised to refer to Exhibit 4.0 – Net Asset Value Method for detailed calculations.
3. The balance sheet of CTI was then adjusted to reflect the fair value of the Issuer's Public and Private Investments as of the Valuation Date.

## **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) **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.
- (b) **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 May 2, 2021 to April 28, 2023. 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 (April 30, 2023) the Shares closed at an average price of \$0.58 to \$0.72 per Share with daily average trading volumes of less than 46,000 shares per day.

<u>Trading Price - C\$</u>	<u>April 28, 2023</u>		
	<u>Minimum</u>	<u>Average</u>	<u>Maximum</u>
10-Days Preceding	0.69	0.72	0.74
30-Days Preceding	0.68	0.72	0.76
90-Days Preceding	0.54	0.76	1.15
180-Days Preceding	0.29	0.58	1.15

<u>Trading Volume</u>	<u>April 28, 2023</u>				
	<u>Minimum</u>	<u>Average</u>	<u>Maximum</u>	<u>Total</u>	<u>%</u>
10-Days Preceding	0	2,873	9,000	28,727	0.2%
30-Days Preceding	0	8,796	62,800	263,872	1.5%
90-Days Preceding	0	45,175	229,146	4,065,767	23.4%
180-Days Preceding	0	36,465	229,146	6,563,656	37.8%

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 157 of the 180 trading days, only 23.4% 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 selected based on the timing of the investment. The following table outlines the Market Approach and Cost Approaches utilized for the Private Investments.

<u>Invested Companies</u>	<u>Valuation Method</u>
Ride Vision Ltd.	Guideline Public Company Method Option Pricing Allocation Method
Canadian Towers and Fiber Optics Inc.	Financing Price
Questcorp Mining Inc.	Financing Price

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. As CTI made a recent investment into Canadian Towers and Fiber Optics Inc. in January of 2023, Evans & Evans assumed the price of this recent transaction to be representative of fair market value. Since there was private placement for Questcorp Mining Inc. (“Questcorp Mining”) in December 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 4.0 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 Ride Vision, the company has been generating revenues, and as such 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 10.0 – 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 an EV / TTM revenues multiple range of 4.25x to 4.75x which was between the average and the median of the multiples of the selected guideline public companies.

A discount ranging from 30% to 35% 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 as well as to reflect the fact that budgeted current fiscal year revenues were utilized as opposed to TTM revenues to arrive at the adjusted revenue multiple range of 2.98x to 3.09x.

Thereafter, the enterprise value to revenue multiples were applied to the budgeted December 31, 2023, revenues to calculate the enterprise value for Ride Vision. Budgeted current fiscal year revenues were utilized as Ride Vision saw a large decline in revenues over 2022 but has seen an increase in the first three months of 2023 and is anticipating revenues to continue to bounce back over the remainder of the year. 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\$728,000 to US\$836,000.

The reader is advised to refer to Exhibit 9.0 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\$728,000 to US\$836,000 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 2.7-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 3.84%.
4. Volatility – Evans & Evans has estimated by analyzing comparable GPC’s historical stock performances. Evans & Evans utilized the median volatility of 80% 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 11.0 to 14.0.

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. Considering the number of shares held by CTI, the fair market value of the investment in Ride Vision was determined to be in the range of \$74,400 to \$84,600.

## **10.2 Valuation of Canadian Towers and Fiber Optics Inc.**

### **10.2.1 Historical Transaction Method**

On January 9, 2023, CTI acquired 7,000,000 common shares of CTFO at a price of \$0.05 for a total investment of \$350,000.

The analysis of the prior transaction resulted in a per share value of common share of CTFO. Considering the number of shares held by CTI, the fair market value of the investment in CTFO arrives at \$350,000, equivalent to its cost as outlined in Exhibit 4.0.

**10.3 Valuation of Questcorp Mining Inc.**

**10.3.1 Historical Transaction Method**

On December 30, 2022, Questcorp Mining completed a non-brokered private placement of 5,650,000 common shares at a price of \$0.05 for gross proceeds of \$282,500.

The analysis of the prior transaction resulted in a per share value of common share of Questcorp Mining. Considering the number of shares held by CTI, the fair market value of the investment in Questcorp Mining arrives at \$153,000, equivalent to its cost as outlined in Exhibit 4.0.

**11.0 VALUATION OF THE SHARES**

**11.1 Net Asset Method**

The Net Asset 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 the 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 \$27.2 million to \$28.2 million as at the Valuation Date.

The reader is advised to refer to Exhibit 4.0 – Net Asset 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 13 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 0.31x to 1.19x with an average and median of approximately 0.66x and 0.69x, respectively. As at the Valuation Date, the Company was trading at a multiple in line with 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 \$9.9 million to \$10.4 million.

### **11.3 Valuation Conclusion**

Upon arriving at the fair value of equity for the Company under the Net Asset Value Method and GPC Method as outlined above, Evans & Evans placed an equal weighting on both approaches in calculating the fair value of equity in the low scenario and slightly more weight at 55% on the Net Asset Method in the high scenario to arrive at the fair value equity for the Company in the range of \$18,600,000 to \$20,200,000.

### **11.4 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 and warrants 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 and warrants were both in-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 \$0.93 to \$1.00.*** The fair value per Share outlined in Exhibit 1.0 represents a premium of 30% to 40% 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 37 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").

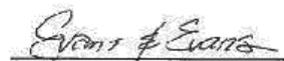
Ms. Jennifer Lucas, MBA, CBV, ASA, Managing Partner, joined Evans & Evans in 1997. Ms. Lucas possesses several years of relevant experience as an analyst in the public and private sector in British Columbia and Saskatchewan. Her background includes working for the Office of the Superintendent of Financial 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**

**Coloured Ties Capital Inc.**  
**Comprehensive Valuation Report**  
**Index of Exhibits**  
Valuation as of April 30, 2023

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Public Equity Investments and Derivates.....	7.0
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Guideline Public Companies Trading Multiples - Ride Vision.....	10.0
Option Pricing Method - Ride Vision - Low Case.....	11.0
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**Coloured Ties Capital Inc.  
Comprehensive Valuation Report  
Valuation Summary**

Valuation as of April 30, 2023

**Exhibit 1.0**

	Note	Fair Market Value		Weighting	
		Low	High	Low	High
Net Asset Value Method	1	27,167	28,152	50%	55%
Guideline Public Company Method	2	9,981	10,405	50%	45%
<b>Fair Value</b>		<b>18,600</b>	<b>20,200</b>		
Proceeds from In-the Money Options and Warrants		2,143	2,143		
		20,743	22,343		
Fully Diluted Shares Outstanding		22,317,628	22,317,628		
<b>Fair Value per Share (CAD)</b>		<b>0.93</b>	<b>1.00</b>		

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 April 30, 2023

Exhibit 2.0

	For the Fiscal Years Ended Sept. 30					Common size				
	As at April 30, 2023 Management	2022 Audited	2021 Audited	2020 Audited	2019 Audited	As at April 30, 2023 Management	2022 Audited	2021 Audited	2020 Audited	2019 Audited
<b>(Canadian Dollar Thousands)</b>										
<b>Assets</b>										
Cash at bank	733	3,311	11,611	13,506	16,162	5%	15%	53%	49%	70%
Cash with investment brokers	(4,803)	948	2,662	-	-	-31%	4%	12%	0%	0%
Private equity investments and derivatives	4,615	1,736	2,236	2,579	4,330	-	8%	10%	9%	19%
Public equity investments and derivatives	15,009	14,722	5,375	10,037	412	96%	68%	24%	36%	2%
Prepaid and deposits	45	23	25	-	-	0%	0%	0%	0%	0%
Loan receivable	-	762	-	-	-	0%	4%	0%	0%	0%
Amount receivable	20	3	35	1,420	2,063	0%	0%	0%	5%	9%
Promissory Note	21	-	-	-	-	0%	0%	0%	0%	0%
Due from related parties	29	-	-	-	-	0%	0%	0%	0%	0%
Property Plant & Equipment	42	-	-	-	-	0%	0%	0%	0%	0%
Mineral Properties	-	90	-	-	-	0%	0%	0%	0%	0%
<b>Total Assets</b>	<b>15,710</b>	<b>21,595</b>	<b>21,944</b>	<b>27,542</b>	<b>22,967</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Liabilities and Shareholders' Equity</b>										
Accounts payables and accrued liabilities	642	59	187	128	265	4%	0%	1%	0%	1%
Due to related parties	-	314	57	-	-	0%	1%	0%	0%	0%
Provision and other current liabilities	-	-	-	910	902	0%	0%	0%	3%	4%
Payable to Peruvian Group	-	-	-	-	1,948	0%	0%	0%	0%	8%
<b>Total Liabilities</b>	<b>642</b>	<b>373</b>	<b>244</b>	<b>1,038</b>	<b>3,115</b>	<b>4%</b>	<b>2%</b>	<b>1%</b>	<b>4%</b>	<b>14%</b>
<b>Shareholders' Equity</b>										
Share Capital	157,746	204,663	215,435	214,211	214,211	1004%	948%	982%	778%	933%
Contributed surplus	39,890	39,615	39,195	39,195	39,195	254%	183%	179%	142%	171%
Accumulated other comprehensive income	2,156	3,450	3,450	3,463	3,445	14%	16%	16%	13%	15%
Deficit	(184,725)	(226,617)	(236,491)	(233,220)	(239,854)	-1176%	-1049%	-1078%	-847%	-1044%
<b>Total Equity</b>	<b>15,067</b>	<b>21,111</b>	<b>21,589</b>	<b>23,649</b>	<b>16,997</b>	<b>96%</b>	<b>98%</b>	<b>98%</b>	<b>86%</b>	<b>74%</b>
Non-controlling interest	-	111	111	2,855	2,855	0%	1%	1%	10%	12%
<b>Total Equity</b>	<b>15,710</b>	<b>21,595</b>	<b>21,944</b>	<b>27,542</b>	<b>22,967</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Notes

I. 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 April 30, 2023

Exhibit 3.0

	For the Fiscal Years Ended Sept 30				
	6 months ended March 31, 2023 Management	2022 Audited	2021 Audited	2020 Audited	2019 Audited
<b>Expenses</b>					
Salaries and benefits	(178)	(323)	(273)	(82)	(1,146)
Share based comp.	(375)	(420)	-	-	-
Transfer and filing fees	(127)	(36)	(88)	-	-
Insurance	-	-	-	-	(107)
Management fees	-	-	-	(142)	(155)
Professional and consulting	(360)	(369)	(398)	(100)	(1,135)
Office expenses	(151)	(64)	(11)	-	-
Rent	-	-	(36)	(27)	(79)
Travel	-	-	-	(16)	(129)
Broker's commission	(99)	(183)	(97)	-	-
Other	(18)	-	(1)	(47)	(1,014)
Property investigation	-	(52)	-	-	-
Depreciation	-	-	-	-	(82)
Foreign exchange gain (loss)	(126)	673	(496)	433	(1,063)
Fair value gain (loss) on equity investments and derivatives	12,820	2,723	(7,996)	6,644	(480)
Interest income	57	32	15	50	508
Dividend income	1	29	12	-	-
Other expenses	-	-	-	(16)	-
Discontinued operations	-	-	1,885	(64)	-
Other income	-	-	-	-	247
Write-off loan receivable	-	-	-	-	(1,946)
Recovery of bad debts	-	1,350	-	-	-
Finance costs	-	-	-	-	-
Gain / (loss) on sale of equity investments	3,038	(3,858)	4,318	-	-
Loss on allowance on due from related parties	(1,554)	-	-	-	-
Loss on loan written off	(445)	-	-	-	-
Loss on impairment of private investments	-	-	-	-	-
Legal settlement	-	(24)	-	-	-
	12,483	(522)	(3,166)	6,633	(6,581)
<b>Net income (loss)</b>	<b>12,483</b>	<b>(522)</b>	<b>(3,166)</b>	<b>6,633</b>	<b>(6,581)</b>
Non-controlling interests	-	-	105	(1)	(72)
<b>Net income (loss) attributable to the owners of the Company</b>	<b>12,483</b>	<b>(522)</b>	<b>(3,271)</b>	<b>6,634</b>	<b>(6,509)</b>

Notes

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

EVANS & EVANS, INC.

	Book Value April 30, 2023		Adjustment		Fair Market Value April 30, 2023		Notes
	Low	High	Low	High	Low	High	
<b>ASSETS</b>							
Cash at bank	733	-	-	-	733	733	1
Cash with investment brokers	(4,803)	-	-	-	(4,803)	(4,803)	2
Private equity investments and derivatives							3
AuAg Exploration Inc.	460	(460)	(460)	(460)	-	-	
BMGB Capital Corp.	50	(17)	(17)	(17)	33	33	
Canadian Towers and Fiber Optics Inc.	350	-	-	-	350	350	
Honey Badger Silver Inc.	150	20	20	20	170	170	
Pike Therapeutics Ltd.	133	(133)	(133)	(133)	-	-	
Quality Green Inc	1,777	(1,777)	(1,777)	(1,777)	-	-	
Quebec Pegmatite Corp	10	(3)	(3)	(3)	7	7	
Questcorp Mining Inc.	153	-	-	-	153	153	
Trio Petroleum Corp.	273	283	283	283	556	556	
Ride Vision Ltd.	1,260	(1,186)	(1,186)	(1,176)	74	85	
Public equity investments and derivatives	15,009	15,371	15,371	16,345	30,380	31,353	4
Prepaid and deposits	45	-	-	-	45	45	
Loan receivable	-	-	-	-	-	-	
Amount receivable	20	-	-	-	20	20	
Promissory Note	21	-	-	-	21	21	
Due from related parties	29	-	-	-	29	29	
Property Plant & Equipment	42	-	-	-	42	42	
Mineral Properties	-	-	-	-	-	-	
<b>TOTAL ASSETS</b>	<b>15,710</b>				<b>27,809</b>	<b>28,794</b>	
<b>LIABILITIES</b>							
Accounts payables and accrued liabilities	642	-	-	-	642	642	
Due to related parties	-	-	-	-	-	-	
Provision and other current liabilities	-	-	-	-	-	-	
<b>TOTAL LIABILITIES</b>	<b>642</b>				<b>642</b>	<b>642</b>	
<b>ADJUSTED NET ASSET VALUE</b>	<b>15,067</b>				<b>27,167</b>	<b>28,152</b>	

EVANS & EVANS, INC.

Notes

- 1 As at April 30, 2023, the cash balance of the Company was: 733
- 2 As at April 30, 2023, the cash balance with investment brokers of the Company was: (4,803)
- 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 April 30, 2023	Adjustment		Fair Market Value		
		Low	High	Low	High	
AuAg Exploration Inc.	460.0	(460.0)	(460.0)	-	-	a
BMGB Capital Corp.	50.0	(16.7)	(16.7)	33.3	33.3	b
Canadian Towers and Fiber Optics Inc.	350.0	-	-	350.0	350.0	c
Honey Badger Silver Inc.	150.0	20.0	20.0	170.0	170.0	d
Pike Therapeutics Ltd.	133.0	(133.0)	(133.0)	-	-	e
Quality Green Inc	1,776.5	(1,776.5)	(1,776.5)	-	-	f
Quebec Pegmatite Corp	10.0	(3.2)	(2.5)	6.8	7.5	g
Questcorp Mining Inc.	153.0	-	-	153.0	153.0	h
Trio Petroleum Corp.	272.6	283.4	283.4	556.0	556.0	i
Ride Vision Ltd.	1,260.2	(1,185.8)	(1,175.5)	74.4	84.6	j

a 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.

b Referenced to the trading price of BMGB Capital Corp. as of April 30, 2023.

No. of common shares held by the Company	333,333
Per share value as at April 30, 2023	0.10
Fair Market Value (CAD '000s)	33.3

c CTI acquired 7,000,000 shares at a price of \$0.05 on January 9, 2023. Evans & Evans has assumed the price of this recent transaction is representative of FMV.

d Referenced to the trading price of Honey Badger Silver Inc. as of April 30, 2023.

No. of common shares held by the Company	1,000,000
Per share value as at April 30, 2023	0.17
Fair Market Value (CAD '000s)	170.0

e Management has indicated this investment should be impaired to zero.

f Management has indicated this investment should be impaired to zero.

g Referenced to the April 24, 2023 Estimate Valuation Report on Quebec Pegmatite Corp as prepared by Evans & Evans. FMV has been adjusted to reflect the Company's 90% interest in Quebec Pegmatite Corp:

FMV on a controlling, non-marketable basis	Low	High
Adjusted to 90%	7,510,000	8,310,000
	6,759,000	7,479,000

h Referenced to the price of private placement on December 30, 2022. No adjustment required.

No. of common shares held by the Company	3,060,000
Per share value as per PP (CAD)	0.05
Fair Market Value (CAD '000s)	153.0

i Trio Petroleum Corp. listed on the NYSE on April 18, 2023. Referenced to the trading price as of April 30, 2023.

No. of common shares held by the Company	200,000
Per share value as at April 30, 2022	2.78
Fair Market Value (CAD '000s)	556.0

j Please refer to Exhibit 8.0

4 The Company marks its investments in financial assets to market at the end of each quarter. Evans & Evans reviewed the April 30, 2023 statements and made the following adjustment.

	Book Value April 30, 2023	Adjustment		Fair Market Value	
		Low	High	Low	High
Public equity investments and derivatives	15,009	15,371	16,345	30,380	31,353

i Please see Exhibit 7.0. Low FMV utilizes the book value of warrants and derivatives as provided by Management.

**Coloured Ties Capital Inc.**  
**Comprehensive Valuation Report**  
**Market Approach-Guideline Public Company Method**  
 Valuation as of April 30, 2023

Canadian Dollars (Million)

**Table 1 - Identified Comparable Companies**

Company Name Coloured Ties Capital Inc.	Ticker TSXV:TIE	Market Capitalization 15.3	Enterprise Value (6.5)	Net Asset Value 22.6	Cash & Equivalent 21.9	Cash as % of NAV 97%	TTM Revenues n/a	Mkt. Cap. / NAV 0.67 (x)
Senvest Capital Inc.	TSX:SEC	742.7	(3,207.7)	1,636.8	4,735.0	289%	-588.6	0.45 (x)
Metal Sky Star Acquisition Corporation	NasdaqGM:MSSA	124.4	(33.8)	(5.2)	78.7	-1522%	n/a	n/a
Stack Capital Group Inc.	TSX:STCK	57.4	(43.2)	100.6	98.9	98%	-9.0	0.57 (x)
Aberdeen International Inc.	TSX:AAB	6.5	(23.1)	28.8	29.6	103%	-8.7	0.23 (x)
H2 Ventures 1 Inc.	TSXV:HO.P	5.9	0.9	5.0	5.0	100%	n/a	1.19 (x)
Cuspis Capital III Ltd.	TSXV:CIII.P	3.8	(1.7)	5.4	5.5	101%	n/a	0.69 (x)
Lions Bay Capital Inc.	TSXV:LBI	4.3	(3.0)	5.9	6.8	117%	-3.5	0.73 (x)
Olive Resource Capital Inc.	TSXV:OC	3.3	(3.2)	7.2	4.8	67%	-3.2	0.47 (x)
Minco Capital Corp.	TSXV:MMM	3.1	(3.8)	6.8	6.9	101%	-2.4	0.46 (x)
Mundoro Capital Inc.	TSXV:MUN	22.8	19.2	2.9	5.3	184%	n/a	7.91 (x)
EMX Royalty Corporation	TSXV:EMX	288.8	308.6	160.0	26.2	16%	26.1	1.8 (x)
49 North Resources Inc.	TSXV:FNR	3.3	3.4	10.7	8.9	83%	-4.6	0.31 (x)
Elysee Development Corp.	TSXV:ELC	12.5	0.9	15.7	12.1	77%	-1.7	0.8 (x)
							<b>1st quartile</b>	<b>0.46 (x)</b>
							<b>Average</b>	<b>1.25 (x)</b>
							<b>Median</b>	<b>0.67 (x)</b>
							<b>3rd Quartile</b>	<b>0.8 (x)</b>

**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	5.9	0.9	5.0	5.0	100%	n/a	1.19 (x)
Cuspis Capital III Ltd.	TSXV:CIII.P	3.8	(1.7)	5.4	5.5	101%	n/a	0.69 (x)
Lions Bay Capital Inc.	TSXV:LBI	4.3	(3.0)	5.9	6.8	117%	-3.5	0.73 (x)
Olive Resource Capital Inc.	TSXV:OC	3.3	(3.2)	7.2	4.8	67%	-3.2	0.47 (x)
Minco Capital Corp.	TSXV:MMM	3.1	(3.8)	6.8	6.9	101%	-2.4	0.46 (x)
49 North Resources Inc.	TSXV:FNR	3.3	3.4	10.7	8.9	83%	-4.6	0.31 (x)
Elysee Development Corp.	TSXV:ELC	12.5	0.9	15.7	12.1	77%	-1.7	0.8 (x)
							<b>1st quartile</b>	<b>0.46 (x)</b>
							<b>Average</b>	<b>0.66 (x)</b>
							<b>Median</b>	<b>0.69 (x)</b>
							<b>3rd Quartile</b>	<b>0.76 (x)</b>

(Canadian Dollar Thousands)	Low	High
<b>Net Asset Value</b>	<b>15,067</b>	<b>15,067</b>
Multiple	0.66	0.69
<b>Fair Value of Equity</b>	<b>9,981</b>	<b>10,405</b>
<b>Fair Value per share (CAD)</b>	<b>\$0.575</b>	<b>\$0.599</b>

Notes

1: Source: Capital IQ

**EVANS & EVANS, INC.**

<b>Selected Guideline Public Companies</b>	<b>Ticker</b>	<b>Description</b>
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.
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.
49 North Resources Inc.	TSXV:FNR	49 North Resources Inc. is a venture capital firm specializing in seed capital and early stage investments. The firm typically invests in a diversified portfolio of common shares and other securities of resource issuers including all sectors of mineral exploration as well as oil and gas exploration and production around the globe. It focuses on resource issuers with exploration programs in Saskatchewan. The firm also seeks to co-invest. 49 North Resources Inc. was founded in 2005 and is based in Saskatoon, Canada.
Elysee Development Corp.	TSXV:ELC	Elysee Development Corp. operates as an investment and venture capital firm that makes growth capital investments. The firm makes investments, with a focus on the natural resource sector. Its investment portfolio consists of equity investments in small and medium sized public companies, with a focus on precious and specialty metals; and investments in convertible debentures of mining companies. The company was formerly known as Alberta Star Development Corp. and changed its name to Elysee Development Corp. in July 2015. Elysee Development Corp. was incorporated in 1996 and is headquartered in Vancouver, Canada.

Source: Capital IQ

**EVANS & EVANS, INC.**

**Coloured Ties Capital Inc.**  
**Comprehensive Valuation Report**  
**Public Equity Investments and Derivates**  
Valuation as of April 30, 2023

Exhibit 7.0

	No. of shares / derivatives	Closing Price as of Apr 30, 2023 CAD	Fair Market Value as of Apr 30, 2023 CAD'000	Note 1	
					Note 2
<b>EQUITY INVESTMENT</b>					
Azimut Exploration Inc.	2,528,600	1.28	3,237		
Beyond Medical Technologies Inc.	770,000	0.06	45		
Cannabix Tech Inc.	115,500	0.32	36		
CULT Food Science Corp.	250,000	0.09	23		
Cypherpunk Holdings Inc.	21,000	0.09	2		
First Responder Technologies Inc.	143,500	0.25	35		
First Uranium Res Ltd.	115,000	0.15	17		
Graphite One Inc.	5,600	1.57	9		
Hertz Lithium Corp.	4,730,000	0.26	1,230		
Makara Mining Corp.	1,500,000	0.02	30		
Manning Ventures Inc.	7,767,000	0.03	233		
MCF Energy Ltd.	300,000	0.39	117		
Midland Exploration Inc.	70,500	0.62	44		
Patriot Battery Metals Inc.	1,857,200	12.57	23,345		
Power Metals Corp.	3,208,500	0.26	818		
Powerstone Metals Corp.	1,445,000	0.09	123		
Red lake Gold Inc.	24,500	0.09	2		
Rockland Resources Ltd.	3,100,000	0.06	171		
SPEY Resources Corp.	150,000	0.05	8		
Starr Peak Mining Ltd.	1,219,000	0.53	646		
Hemifusion Wellness Inc.	240,000	0.01	2		
Winsome Resources Ltd.	83,000	1.27	106		
<b>DERIVATIVE INSTRUMENTS (Note 3)</b>					
WT - Hemifusion Wellness Inc.	120,000	0.005	0.60		
WT - Graphite One Inc.	500,000	0.128	64		
WT - BMBG Capital Corp.	333,333	0.031	10		
WT - Hertz Lithium Corp.	2,800,000	0.140	393		
WT - Honey Badger Silver Inc.	500,000	0.097	48		
WT - Intrepid Metals Corp.	600,000	0.047	28		
WT - LQWD Fintech Corp.	29,000	0.706	20		
WT - Rockland Resources Ltd.	3,000,000	0.022	65		
WT - Trio Petroleum Corp.	200,000	1.682	336		
WT - Blue Sky Uranium Corp.	330,000	0.017	5		
WT - First Uranium Res Ltd.	214,143	0.011	2		
<b>DEBENTURES</b>					
Leef Brands Inc. - Debenture (fka: Icanic Brands)			103		
<b>TOTAL</b>			<b>31,353</b>		

**Notes**

- Source: provided by the management
- Source: 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 2023-04-30	Discount Rate	Volatility	Value per warrant CAD
1.57	2023-05-12	1.50	0.03	4.35%	83%	0.128
0.10	2025-03-31	0.25	1.92	4.10%	100%	0.031
0.26	2025-03-31	0.25	1.92	4.10%	100%	0.140
0.17	2026-04-11	0.18	2.95	3.76%	89%	0.097
0.18	2024-04-21	0.35	0.98	4.81%	114%	0.047
0.92	2023-10-28	0.25	0.50	5.06%	162%	0.706
0.06	2024-11-25	0.10	1.58	4.36%	112%	0.022
2.78	2025-03-31	2.03	1.92	4.10%	100%	1.682
0.09	2025-06-14	0.25	2.13	4.00%	77%	0.017
0.15	2023-05-27	0.20	0.07	4.35%	164%	0.011

- Yield of US government bond.
- Referenced to volatilities of the underlying stocks over the period that match with the remaining warrant period.
- Source: S&P Capital IQ / TMX Money



**EVANS & EVANS, INC.**

**Coloured Ties Capital Inc.**  
**Comprehensive Valuation Report**  
**Valuation Summary - Ride Vision**  
 Valuation as of April 30, 2023

(USD'000)

<b>Method</b>	<b>Low</b>	<b>High</b>
Guideline Public Company Method	2,931	3,039 (1)
<b>FMV of Business Enterprise Value</b>	2,931	3,039
Less: Debt	2,203	2,203 (2)
Add: Cash	-	-
<b>Fair Market Value of Equity (rounded)</b>	<b>728</b>	<b>836</b>
<b>Fair Market Value per Preferred A-1</b>	<b>\$8.41</b>	<b>\$9.56 (3)</b>
<b>Number of Shares Owned By Coloured Ties Capital Inc.</b>	<b>6,527</b>	<b>6,527</b>
<b>Fair Market Value of Equity Interest in Ride Vision Owned by Coloured Ties Capital Inc.</b>	<b>54.86</b>	<b>62.40</b>
<b>Exchange Rate</b>	1.36	1.36
	<b>74.40</b>	<b>84.62</b>

Notes:

- (1) See Exhibit 9.0.
- (2) We received FY2022 and Q1 2023 ended trial balances from Management of Ride Vision. Cash and debt balances have been extracted accordingly.
- (3) Refer to Exhibit 11.0 and Exhibit 13.0

**EVANS & EVANS, INC.**

	(USD'000)	Selected Multiple (2)		Discounted Selected Multiple (3)		Indicated BEV	
		Low	High	Low	High	Low	High
<b>Current Financial Year ("CFY") - 2023</b>							
Revenue	983	4.25 x	4.75 x	2.98 x	3.09 x	2,931	3,039
<b>Estimated BEV range</b>						<b>2,931</b>	<b>3,039</b>

Note:

- (1) Budgeted revenue for financial year ending December 31, 2023 as provided by Management.
- (2) Evans & Evans selected the multiples based on the median and average of the TTM multiple range of the selected guideline public companies. Refer to Exhibit 10.0
- (3) Support for the discount applied to the selected multiples:

	Low	High
Forward Looking Results	5.0%	5.0%
Size	10.0%	15.0%
Liquidity	15.0%	15.0%
	30.0%	35.0%

**EVANS & EVANS, INC.**

**Coloured Ties Capital Inc.**  
**Comprehensive Valuation Report**  
**Guideline Public Companies Trading Multiples - Ride Vision**  
 Valuation as of April 30, 2023

(US Dollars, millions)

**Table 1 – Identified Guideline Public Companies (1)**

Company Name	Ticker	Market Capitalization	Enterprise Value	TTM Revenue	NFY Revenue	TTM EBITDA	EV / TTM Revenue
Zicom Electronic Security Systems Limited	BSE:531404	0.9	108.7	0.2	n/a	0	596.9 x
Bercman Technologies AS	TLSE:BERCM	5.1	4.9	1.9	n/a	-1	2.7 x
Pintel Co., Ltd.	KOSDAQ:A291810	51.1	-	n/a	n/a	n/a	n/a
Predictmedix Inc.	CNSX:PMED	9.3	9.2	0.0	n/a	-1	351.3 x
Kernex Microsystems (India) Limited	BSE:532686	57.6	57.6	0.6	n/a	-2	98.1 x
Spectur Limited	ASX:SP3	3.6	2.6	4.5	n/a	-1	0.6 x
Inspilorion AB (publ)	OM:INSP	3.8	2.1	0.6	n/a	-2	3.2 x
Microsaic Systems plc	AIM:MSYS	3.0	(0.1)	1.4	n/a	-2	n/a
JonDeTech Sensors AB (publ)	OM:JDT	4.3	4.9	1.2	n/a	-3	4.2 x
SaverOne 2014 Ltd	TASE:SVRE	5.9	(1.9)	0.3	11	-8	n/a
Rail Vision Ltd.	NasdaqCM:RVSN	15.6	8.4	0.4	n/a	-11	20.0 x
Sichuan Etrol Technologies Co., Ltd.	SZSE:300370	618.4	622.8	64.3	n/a	-28	9.7 x
Plymouth Rock Technologies Inc.	CNSX:PRT	6.5	6.6	0.5	n/a	-1	13.1 x
INEO Tech Corp.	TSXV:INEO	5.6	4.7	1.2	3	-2	3.9 x

**Minimum:** 0.58 x  
**Lower (First) Quartile:** 3.5 x  
**Average:** 100.3 x  
**Median:** 9.7 x  
**Upper (Third) Quartile:** 59.1 x  
**Maximum:** 596.9 x

**Table 2 – Selected Guideline Public Companies (1)**

Company Name	Ticker	Market Capitalization	Enterprise Value	TTM Revenue	NFY Revenue	TTM EBITDA	EV / TTM Revenue
Bercman Technologies AS	TLSE:BERCM	5.1	4.9	1.9	n/a	-0.7	2.7 x
Predictmedix Inc.	CNSX:PMED	9.3	9.2	0.0	n/a	-1.3	n/a
Kernex Microsystems (India) Limited	BSE:532686	57.6	57.6	0.6	n/a	-2.0	n/a
Spectur Limited	ASX:SP3	3.6	2.6	4.5	n/a	-1.2	0.6 x
Inspilorion AB (publ)	OM:INSP	3.8	2.1	0.6	n/a	-1.7	3.2 x
Microsaic Systems plc	AIM:MSYS	3.0	-0.1	1.4	n/a	-2.4	n/a
JonDeTech Sensors AB (publ)	OM:JDT	4.3	4.9	1.2	n/a	-3.2	4.2 x
Sichuan Etrol Technologies Co., Ltd.	SZSE:300370	618.4	622.8	64.3	n/a	-27.6	9.7 x
Plymouth Rock Technologies Inc.	CNSX:PRT	6.5	6.6	0.5	n/a	-1.2	13.1 x
INEO Tech Corp.	TSXV:INEO	5.6	4.7	1.2	3.2	-2.3	3.9 x

**Minimum:** 0.6 x  
**Lower (First) Quartile:** 2.9 x  
**Average:** 5.3 x  
**Median:** 3.9 x  
**Upper (Third) Quartile:** 6.9 x  
**Maximum:** 13.1 x

Notes:

(1) Source: Capital IQ

\*n/a represents not available or not applicable.

**Coloured Ties Capital Inc.**  
**Comprehensive Valuation Report**  
**Option Pricing Method - Ride Vision - Low Case**  
 Valuation as of April 30, 2023

Low Case

US\$ '000s

**Equity Value Summary**

Enterprise Value	\$2,931	
Less: Debt	\$2,203	
Add: Cash	\$0	
<b>Underlying Value Attributable to Remaining Invested Capital</b>	<b>\$700</b>	

**Option-Pricing Assumptions**

Risk-Free Rate	3.84%
Volatility	80.00%
Time to Liquidity Event (Years)	2.7

**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	\$700	\$700	\$700	\$700	\$700
Volatility	80.00%	80.00%	80.00%	80.00%	80.00%
Risk-Free Rate	3.84%	3.84%	3.84%	3.84%	3.84%
Strike Price	\$0	\$15,127	21,058	35,302	42,137
Time to Liquidity	2.7	2.7	2.7	2.7	2.7
Call Option Price	\$700	\$14	\$8	\$3	\$2
Tranche Value	\$686	\$6	\$5	\$1	\$2

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	\$686	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	\$6	Common Shares	100,531	0.0%	0.0%	0.0%	100.0%	100.0%
\$21,058 to \$35,302	3-4	\$5	Common Shares, Preferred Seed	153,472	34.5%	0.0%	0.0%	65.5%	100.0%
\$35,302 to \$42,137	4-5	\$1	Common Shares, Preferred Seed, A	204,798	25.9%	25.1%	0.0%	49.1%	100.0%
> \$42,137	Over 5	\$2	All	227,547	23.3%	22.6%	10.0%	44.2%	100.0%
		\$700	Value	\$144	\$354	\$191	\$11		
			Shares	52,941	51,326	22,749	100,531		
			Per Share Value	\$2.7	\$6.9	\$8.4	\$0.1		

**EVANS & EVANS, INC.**

**Coloured Ties Capital Inc.**  
**Comprehensive Valuation Report**  
**Black Scholes - Call Options Valuation - Ride Vision - Low Case**  
 Valuation as of April 30, 2023

(USD'000)

	Call Option 1	Call Option 2	Call Option 3	Call Option 4	Call Option 5
<b>Input Variables</b>					
Stock Price	\$700	\$700	\$700	\$700	\$700
Exercise Price	\$0	\$15,127	\$21,058	\$35,302	\$42,137
Term to exit (years) (1)	2.7	2.7	2.7	2.7	2.7
Volatility (2)	80.0%	80.0%	80.0%	80.0%	80.0%
Annual Rate of Quarterly Dividends	0.0%	0.0%	0.0%	0.0%	0.0%
Discount Rate (3)	3.84%	3.84%	3.84%	3.84%	3.84%
<b>Intermediate Calculations</b>					
PV of Stock Ex-dividend	\$700	\$700	\$700	\$700	\$700
PV of Exercise Price	\$0	\$13,652	\$19,004	\$31,859	\$38,027
Cumulative Volatility	131.5%	131.5%	131.5%	131.5%	131.5%
<b>Call Options</b>					
Proportion of Stock PV	100.0%	5.5%	3.2%	1.2%	0.9%
Proportion of Exercise Price PV	-100.0%	-0.2%	-0.1%	0.0%	0.0%
<b>Call Option Value</b>	<b>\$700</b>	<b>\$14</b>	<b>\$8</b>	<b>\$3</b>	<b>\$2</b>

**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
- (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.**

US\$ '000s

<b>Equity Value Summary</b>	
Enterprise Value	\$3,039
Less: Debt	\$2,203
Add: Cash	\$0
<b>Underlying Value Attributable to Remaining Invested Capital</b>	<b>\$800</b>

**Option-Pricing Assumptions**

Risk-Free Rate	3.84%
Volatility	80.00%
Time to Liquidity Event	2.7

**Summary of Equity**

Class	Return of Capital		Value for Liquidation Preference		Underlying Value for Conversion/Exercise		Shares Outstanding		% of CSE
	Capital		Preference		Conversion/Exercise	Outstanding			
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	\$800	\$800	\$800	\$800
Volatility	80.00%	80.00%	80.00%	80.00%	80.00%
Risk-Free Rate	3.84%	3.84%	3.84%	3.84%	3.84%
Strike Price	\$0	\$15,127	21,058	35,302	42,137
Time to Liquidity	2.7	2.7	2.7	2.7	2.7
Call Option Price	\$800	\$20	\$11	\$4	\$3
Tranche Value	\$780	\$9	\$7	\$1	\$3

Threshold to Underlying Value	Call Option Tranche	Tranche Value	Applicable Classes	Applicable Shares			Total
				Preferred Seed, A and A-1	Preferred A	Preferred A-1	
\$0 to \$15,127	1-2	\$780	Preferred Seed, A and A-1	127,016	51.5%	27.8%	100.0%
\$15,127 to \$21,058	2-3	\$9	Common Shares	100,531	0.0%	0.0%	100.0%
\$21,058 to \$35,302	3-4	\$7	Common Shares, Preferred Seed	153,472	0.0%	0.0%	100.0%
\$35,302 to \$42,137	4-5	\$1	Common Shares, Preferred Seed, A	204,798	25.1%	0.0%	100.0%
> \$42,137	Over 5	\$3	All	227,547	22.6%	10.0%	100.0%
Value				\$800	\$164	\$403	\$15
Shares					52,941	22,749	100,531
<b>Per Share Value</b>				<b>\$3.1</b>	<b>\$7.8</b>	<b>\$9.6</b>	<b>\$0.2</b>

**EVANS & EVANS, INC.**

**Coloured Ties Capital Inc.**  
**Comprehensive Valuation Report**  
**Black Scholes - Call Options Valuation -Ride Vision - High Case**  
 Valuation as of April 30, 2023

(USD'000)

	Call Option 1	Call Option 2	Call Option 3	Call Option 4	Call Option 5
<b>Input Variables</b>					
Stock Price	\$800	\$800	\$800	\$800	\$800
Exercise Price	\$0	\$15,127	\$21,058	\$35,302	\$42,137
Term to exit (years) (1)	2.7	2.7	2.7	2.7	2.7
Volatility (2)	80.0%	80.0%	80.0%	80.0%	80.0%
Annual Rate of Quarterly Dividends	0.0%	0.0%	0.0%	0.0%	0.0%
Discount Rate (3)	3.84%	3.84%	3.84%	3.84%	3.84%
<b>Intermediate Calculations</b>					
PV of Stock Ex-dividend	\$800	\$800	\$800	\$800	\$800
PV of Exercise Price	\$0	\$13,652	\$19,004	\$31,859	\$38,027
Cumulative Volatility	131.5%	131.5%	131.5%	131.5%	131.5%
<b>Call Options</b>					
Proportion of Stock PV	100.0%	6.7%	4.0%	1.6%	1.1%
Proportion of Exercise Price PV	-100.0%	-0.2%	-0.1%	0.0%	0.0%
<b>Call Option Value</b>	<b>\$800</b>	<b>\$20</b>	<b>\$11</b>	<b>\$4</b>	<b>\$3</b>

**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
- (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.**

**Table 1 - Identified Transactions**  
 (US Dollars Millions)

Date	Target	Description	Enterprise Value	TTM Revenues	TTM EBITDA	EV / 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.

**EVANS & EVANS, INC.**

**Identified Guideline Public Company 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 April 30, 2023

	Audited For the years ending December 31, 2021	Common Size For the years ending December 31, 2021	2020	2020
(US Dollars '000)				
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	5,705	89.1%	1,188	34.3%
Trade receivable	39	0.6%	-	0.0%
Short term investments	-	0.0%	2,000	57.8%
Other account receivable	65		28	
Inventories	453		168	
<b>Total Current Assets</b>	<b>6,263</b>	<b>97.9%</b>	<b>3,384</b>	<b>97.8%</b>
Restricted Deposit	13		12	
Property, plant and equipment	124	1.9%	64	1.9%
<b>TOTAL ASSETS</b>	<b>6,400</b>	<b>100.0%</b>	<b>3,460</b>	<b>100.0%</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current Liabilities</b>				
Current maturities of long-term loan	6	0.1%		0.0%
Trade payable	104	0.02	10	0.3%
Other account payable and accrued expenses	308	0.05	317	9.2%
<b>Total Current Liabilities</b>	<b>419</b>	<b>6.5%</b>	<b>327</b>	<b>9.4%</b>
Long term loan	0.83	0.0%	-	0.0%
<b>TOTAL LIABILITIES</b>	<b>420</b>	<b>6.6%</b>	<b>327</b>	<b>9.4%</b>
<b>Shareholder's equity</b>				
Ordinary shares	0.288	0.0%	0.288	0.0%
Preferred Seed shares	0.152		0.152	
Preferred A shares	0.150		0.140	
Preferred A-1 shares	0.070			
Additionl paid-in capital	11,718		7,141	
Accumulated deficit	(5,738)		(4,009)	
<b>TOTAL EQUITY</b>	<b>5,981</b>	<b>93.4%</b>	<b>3,133</b>	<b>90.6%</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>6,400</b>	<b>100.0%</b>	<b>3,460</b>	<b>100.0%</b>
<b>Additional Metrics</b>				
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	

Notes:

(1) Balance sheet provided by Management.



**Coloured Ties Capital Inc.  
Comprehensive Valuation Report  
Historical Income Statement - Ride Vision**  
Valuation as of April 30, 2023

Exhibit 18.0

	Audited		Common Size
	For the years ending December 31, 2021	For the years ending December 31, 2020	For the years ending December 31, 2021
(US Dollars '000)			
<b>Revenue</b>	<b>711</b>	-	<b>100.0%</b>
Cost of revenue	(363)	-	-51.0%
<b>Gross margin</b>	<b>348</b>	-	<b>49.0%</b>
<b>Operating expenses</b>			
Research and development	(1,514)	(1,372)	-213.0%
Sales and marketing	(183)	(95)	-25.8%
General and administrative	(356)	(300)	(0.50)
<b>Total operating expense</b>	<b>(2,053)</b>	<b>(1,767)</b>	<b>-288.9%</b>
<b>Operating profit (loss)</b>	<b>(1,705)</b>	<b>(1,767)</b>	<b>-239.9%</b>
Financial expenses, net	(24)	(19)	
<b>Net earnings (loss) for the year</b>	<b>(1,729)</b>	<b>(1,786)</b>	<b>-243.3%</b>

Notes:

(1) Income statement provided by Management.

**EVANS & EVANS, INC.**

