

High Tide Resources. (CSE: HTRE) – Iron Ore Exploration in the prolific Labrador Trough in Canada

Investment Highlights

- High Tide Resources (CSE: HTRE)** (“HTRE”, or “Company”) is a junior exploration company focused on iron ore exploration and resource development at its flagship Labrador West Iron Project (LWIP) in the Labrador Trough region of Canada. The Company controls 2,475hectares of land in the area around Labrador City, Labrador & Newfoundland.
- Promising historical and recent drill results:** The LWIP saw some exploration drilling by Rio Tinto between 2007-2014 which yielded some promising intercepts, such as 191m @ 30% Fe and 254m @ 27.1% Fe. After HTRE took over the project a first round of additional drilling returned further encouraging results, such as 315m @ 29.6% Fe and 322m @ 26.8% Fe.
- Management** The management team at HTRE brings a wealth of experience to the table to advance this iron ore project. The team as a whole, has experience in iron ore exploration and the downstream segment of the industry as well. The financial expertise of the management team will prove key in raising funding to advance the project.
- Market Fundamentals:** The consensus outlook for the iron ore markets is fairly stable for the coming three years and prices for 66% Fe concentrate are currently above their long-term average, which is a conducive price environment for the project to progress.
- Funded to deliver further catalysts:** With approximately 3 MCAD in the treasury HTRE anticipates drilling up to 2500m of core this year and work towards a maiden inferred resource of over 500 MMT of contained iron with the goal of completing a PEA level study within 12 months.
- Based on our analysis we are initiating coverage with a positive outlook for the company's share price development over the next 12 months.**

PLEASE REVIEW IMPORTANT DISCLOSURES ON PAGE 23 OF 24



Tim Wright, MSc Geology

March 1st, 2022

Current Price (C\$):	0.145
Fair Value (C\$):	NA
Projected Upside:	NA
Action Rating:	BUY
Perceived Risk:	VERY HIGH

Shares Outstanding:	67,400,000
Market Cap (C\$):	9,773,000
P/E	NA
P/B	NA
YoY Return	NA
YoY TSXV Return	NA





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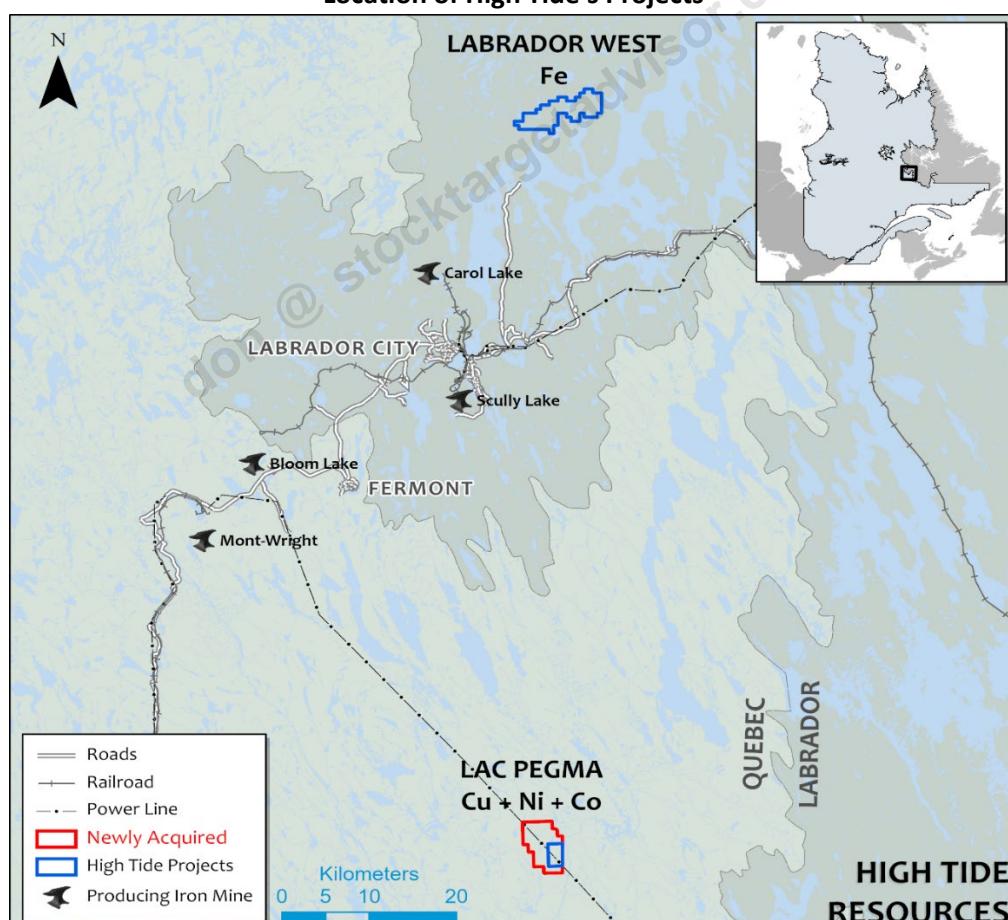
Projects and Geology overview

The company currently holds two core projects in its portfolio. The Labrador West Iron Project (LWIP) located in the province of Labrador & Newfoundland and the Lac Pegma Cu-Ni-Co project located in the province of Quebec, both located in eastern Canada.

The iron ore project in Labrador is currently the main focus of the company which it is looking to develop by sinking more drill holes into the ground in order to delineate a maiden resource. The property lies within the prolific Labrador Trough, a geological formation that is well endowed with iron and has been mined accordingly since the 1950s. From ongoing mining activities there is significant infrastructure already in the vicinity, including an electricity grid providing low-cost hydro-electric power and a common carrier rail system providing a transport link to the port of Sept Iles. As the company's flagship asset, most of the report will be dedicated the iron ore project. The land package covers an area of 2,475 hectares.

The Lac Pegma project in Quebec was discovered in 1955 and last explored in 1996. There has been some initial drilling done, proving the existence of two separate deposits, one of Cu-Ni-Co and one of zinc. While the company is reworking past exploration data, it is currently not planning significant exploration expenditures this year for this project. As such, only a small portion of this report will be dedicated to this project. The land package covers an area of 2,249 hectares (here hectares - previous page acres).

Location of High Tide's Projects



Source: High Tide Resources – Corporate Presentation

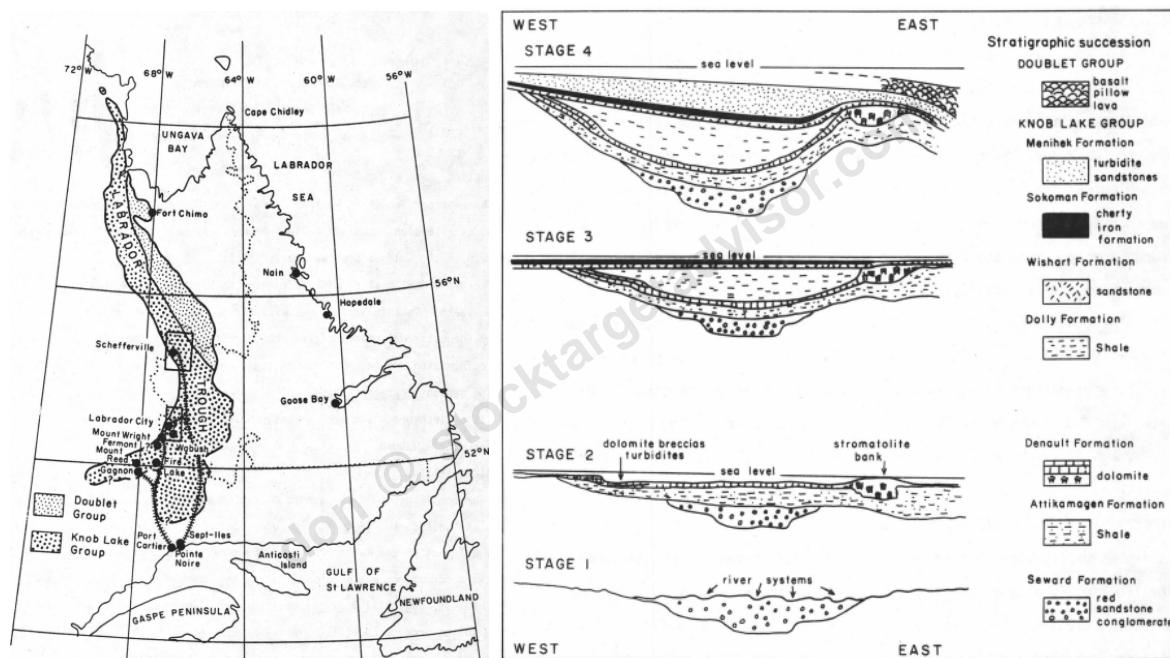


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Geology of the Labrador Trough

Summary: The Labrador Trough is an approximately 1,100km long geologic belt of Proterozoic age (with the more active extending south-southeast from Ungava Bay through Quebec and Labrador). Towards the south, the trough bends to the southwest past the producing mines of Wabush Lake and Mt. Wright before terminating roughly 300km from the St. Lawrence River, through which the iron ore is ultimately shipped out to world markets. The iron formation was essentially folded and faulted in many parts, being subjected to variable degrees of metamorphism along the way. The metamorphism that occurred was more intense in the northern and southern parts of the trough and less intense in the middle portions (greenschist facies). The faulting and folding have been a relevant factor with regards to the thickness of the iron formations that we see today, and the degree of metamorphism was key to make iron bearing minerals coarser grained.

Map of Eastern Canada showing the location of the Labrador Trough (left) and the stages of trough formation (right)



Source: Government of Newfoundland and Labrador (Labrador Trough – 2.3 billion years of history)

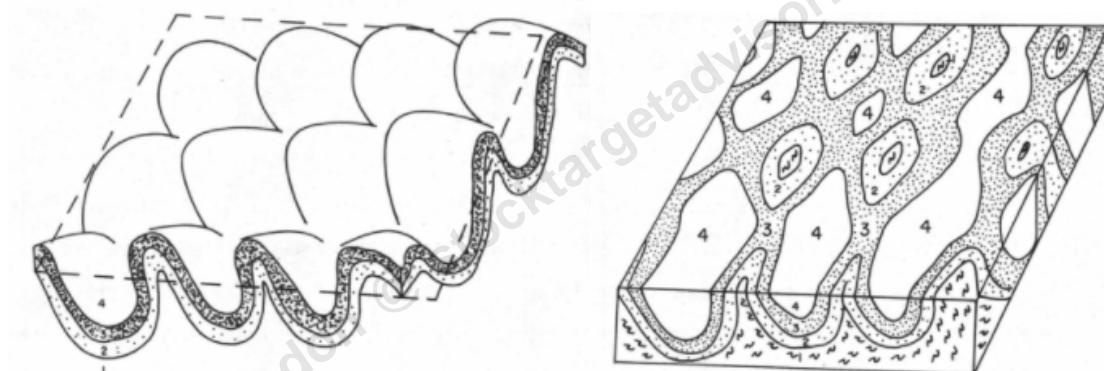
Geological History: In a first stage an elongated basin, which was likely a rift valley, began to be filled with fluvial depositions of sand and gravel starting around 2.3 billion years ago. These sediments lithified into sandstones and conglomerates. In a second stage, the nascent trough and areas surrounding it began to subside, allowing the sea to gradually cover the trough in a western direction until most of it was covered by the sea. Muds where the first sediments deposited in this shallow sea which later formed shale (Attikamagen Formation) followed by dolomites (Denault Formation) later on. In a third stage, certain portions of the trough sank further, where then uplifted and subsequently eroded and finally covered once again by a shallow seawater environment. It was in this shallow marine environment that the iron formation (up to 500m thick in some places) got deposited over time, which is commonly referred to as the Sokoman Formation. The iron bearing rock is essentially a chert, which was formed through the colloidal precipitation of silica and usually contains between 20-35% iron, mainly in the form of hematite and magnetite (which are both oxides). In a fourth stage, the trough first subsided and became covered with deep water turbidite sands and mud. Later there were extrusions of pillow basalt covering the previous formations.



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After the four initial stages described above had passed, there followed two distinct orogenic events leading to faulting and metamorphism in the Labrador Trough. The first was the Hudsonian Orogeny 1.75 billion years which affected the more northern sections of the trough including the area around Schefferville. This event was accompanied by low grade metamorphism, where the initial features of the sedimentary rocks are still recognizable, and extensive faulting. The second was the Grenvillian Orogeny 1.0 billion years ago which affected the more southern portions of the trough, including the area around Wabush and Labrador City. This event was accompanied by higher grade metamorphism and extensive faulting and folding. The metamorphism was so strong that it led to complete recrystallization of minerals, making any original features in the sedimentary rock hard to find and also made the iron bearing minerals coarser grained. The coarser the iron bearing minerals are, the easier the ore is to beneficiate into iron ore concentrate which impacts the economics of any deposit positively. The combination of numerous folding events led to what is called a dome and basin structure (image on the left). This is relevant because after the deformation occurred and erosion took place, in some areas the units that were higher up in the succession of lithologies comprise the centre of the basins. As the iron formations are high up in the succession, they occupy the centre of several basins. Their shape makes them amenable to open pit mining.

Structural geology conducive to open pit mining



Deposits located around the Schefferville area underwent a phase of secondary alteration during the Cretaceous period from 130-60 million years ago due to a period of intense weathering. Ground water circulated deep into the underground leaching out silicate and carbonate minerals, leaving behind a highly porous rock composed largely of iron oxides. Later on, fluids deposited additional iron oxides and hydroxides in these pores, leading to high iron content of ~65%. The porous nature of the rock makes it very friable and easy to mine as a consequence. Due to its high grade of iron the material is known as direct shipping ore, which can be dispatched to the steel making furnaces with only some basic prior processing (crushing, screening and drying).

Project History

Before 2007: As the project is located nearby the Carol Lake Mine the property has seen some exploration by the Iron Ore Company of Canada (IOC) in the late 1940s on outcrops surrounding the mine, including some mapping and drilling. Areas outside of the current producing areas received only limited attention and only some very broad mapping was done. Mapping, sampling, gravity surveys



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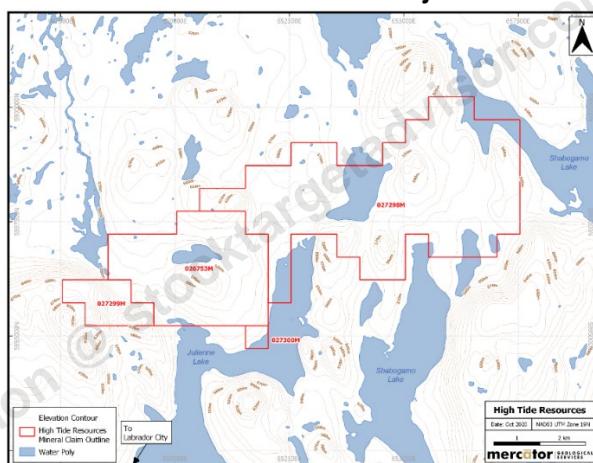
and magnetic surveys were carried out by IOC on portions of their past claims that lie within High Tide's project area, near Shabogamo Lake and Julianne Lake.

Between 2007-2014: Rio Tinto Exploration Canada Inc. staked a large land package in the Labrador West project area. During this time the company conducted some significant exploration work including 4,427 m of drilling, magnetic and electromagnetic surveys, gravity surveys, ground prospecting and outcrop sampling. Rio Tinto also conducted a metallurgical testing program. After 2014 no further work was done on the property by Rio Tinto, who despite drilling some large intercepts with Fe higher than 28% decided to drop the claim in 2018.

2018-2019: When Rio Tinto dropped the claim it was picked up by Altius Minerals Corp, who did not conduct any further work on the property and optioned it to High Tide in August of 2019.

From August 2019-Present: HTRC drilled four holes totalling 1000m, relogged certain core from Rio Tinto's exploration programs, simplified lithological codes, contracted COREM to complete an ore characterisation and metallurgical study, updated the geological model and obtained its drilling permits for planned additional drilling.

Labrador West Iron Project





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Potential for sizeable mineral resource at Labrador West

Diamond drilling to date on the property totals approximately 5,200m. Most of the drilling was done just to the west of the northern part of Lake Julienne. There was drilling carried out at 19 different locations, with some holes requiring twinning due to poor ground conditions (marked with an asterisk in the table below). While these first set of holes drilled confirms the presence of a sizeable ore body or even a number of ore bodies, the amount of drilling completed at present is insufficient to delineate the iron occurrences in any meaningful detail.

Table of holes drill on the property so far

Hole ID	Year	Easting [m]	Northing [m]	Azimuth [°]	Inclination [°]	Hole Length [m]	From [m]	To [m]	Interval [m]	Total Fe [%]
10LB0001	2010	651521	5896478	55	-60	150	39	40	2	31.4
10LB0002*	2010	651026	5896790	30	-70	31	0	0	0	0
10LB0003	2010	651026	5896790	30	-60	90	4	42	38	29.8
10LB0012	2010	649576	5895942	50	-80	252	9	96	87	31.5
11LB0024	2011	648662	5896560	307	-80	165	86	87	1	34.2
11LB0026	2011	649880	5895705	350	-80	255	25	118	93	29.6
11LB0027	2011	650837	5895342	10	-80	348	56	336	280	29.8
11LB0029	2011	650697	5895797	355	-80	306	114	234	120	29.4
11LB0030	2011	651310	5895721	6	-80	255	17	231	215	26.4
11LB0031	2011	650262	5896177	5	-80	207	26	123	98	28.4
11LB0032	2011	651892	5896004	357	-80	446	77	400	323	21.5
11LB0038	2011	650587	5897178	15	-80	294	9	197	187	26.9
12LB0045	2012	650451	5895554	3	-85	337	57	248	191	30
12LB0048	2012	651668	5895008	19	-85.8	348	11	81	70	32.8
12LB0051	2012	649082	5895328	15	-80	309	192	226	34	28.1
12LB0053*	2012	651248	5896290	338	-80	31	0	0	0	0
12LB0054*	2012	651248	5896290	338	-70	36	0	0	0	0
12LB0055	2012	651250	5896291	340	-80	366	35	289	254	27.1
12LB0055	2012	651250	5896291	340	-80	366	314	366	52	25.2
20LB0056	2020	650609	5895214	341	-80	128	32	57	26	35.3
20LB0056	2020	650609	5895214	341	-80	128	68	128	60	33.8
20LB0057	2020	650850	5895414	341	-80	347	23	338	315	29.6
20LB0058	2020	651068	5895589	340	-80	190	5	120	116	26.9
20LB0058	2020	651068	5895589	340	-80	190	133	190	57	31
20LB0059	2020	650631	5895442	340	-80	335	2	323	322	26.8

Source: High Tide Resources – Technical Report on Labrador West Iron Project

That said, with the data provided, one can neatly indicate all the drill holes (black dots) together in the below map and attempt to fit section lines between them (Sections A, B and C), which is challenging seeing as the holes were not drilled out on a specific grid due to these holes being sunk into the ground at very early stages in the exploration process. The thin black lines radiating from the black dots indicate the azimuth of the holes and a majority of the holes were drilled at an inclination of 80 degrees, which means that for most part they were drilled near vertical. Therefore, while the black lines indicate a strong directionality of the drill holes when viewed from above, in reality they do not cover much distance horizontally due to their steepness.

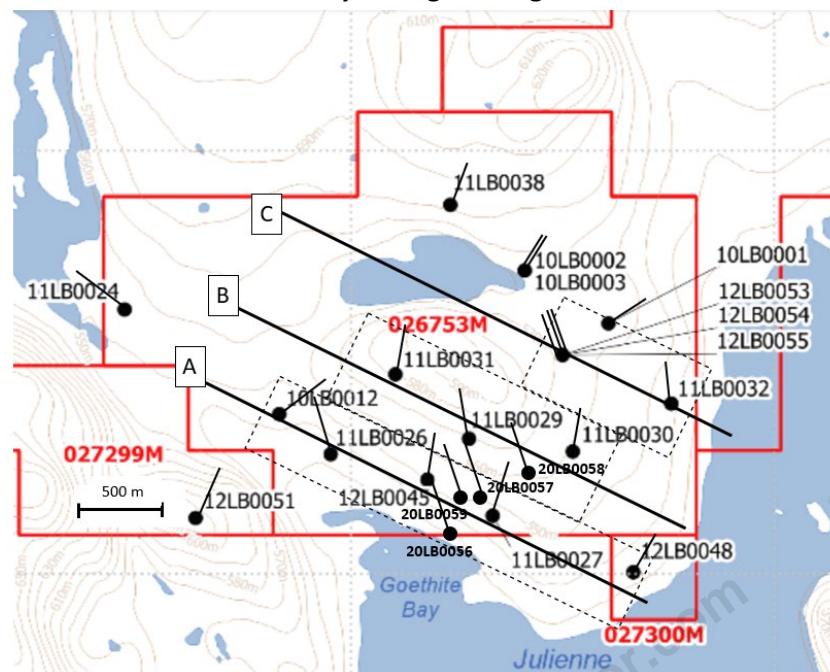
After fitting the three sections across the map, the drill holes along them can be plotted in very approximate fashion. With the mineralised intersections of each drill hole plotted, the area of the mineralised zone can be outlined as a rough estimate. We can then assign a width to each of these mineralised areas, equal to half the distance to the neighbouring section times two for sections A and C and equal to the weighted average of the distance to the neighbouring sections for section B. We can thus calculate a crude mineralised volume, assign a rock density of 3.4 g/cm³ as is typical of iron ore bodies with a similar iron grade in the region and apply an average iron grade based on the weighted average of existing mineralised intersections of 28% Fe.

With all the above assumptions one can infer an amount of iron present in the ground at the West Labrador project, which is a preliminary estimate and subject to a high level of uncertainty.



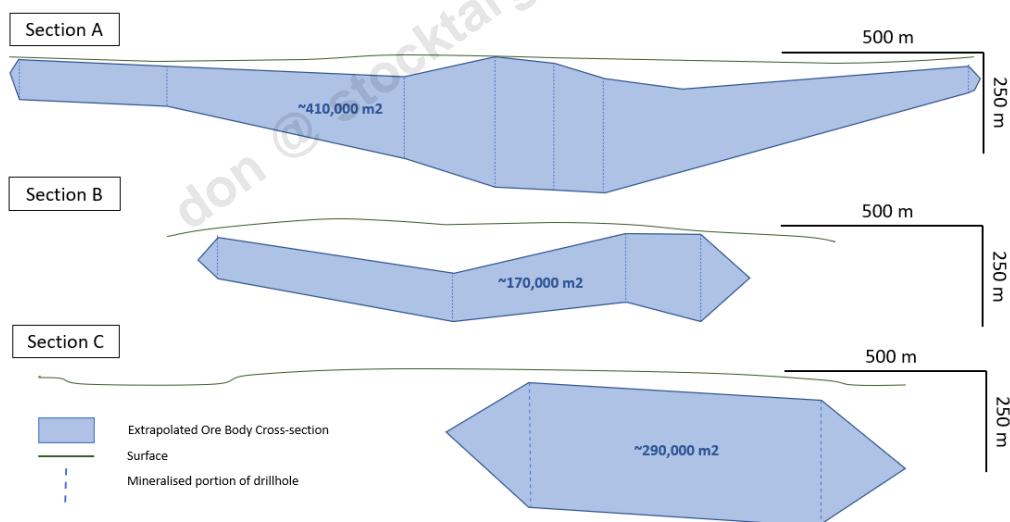
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Location of holes drilled at mostly 80 degrees angle and their indicative azimuth



Source: High Tide Resources – Technical Report on Labrador West Iron Project

Rough estimate of cross-sections





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The estimated amount of iron present is around 407,122,800 MT of iron. It needs to be stated again that this is a speculative estimation based on minimal datapoints and as such should not be considered reliable and actual resource estimates may vary considerably up or down from this figure.

Rough estimate of cross-sections

Distance between Section A and B [m]	470
Distance between Section B and C [m]	520
Thickness Section A [m]	470
Thickness Section B [m]	495
Thickness Section C [m]	520
Cross Section A [m ²]	410,000
Cross Section B [m ²]	170,000
Cross Section C [m ²]	290,000
Volume Block A [m ³]	192,700,000
Volume Block B [m ³]	84,150,000
Volume Block C [m ³]	150,800,000
Rock Density [MT/ m ³]	3.4
Fe Content [%]	28
Contained Fe [MT]	407,122,800

Lac Pegma Project

The property currently hosts two prospective deposits, one for copper-nickel-cobalt and the other for zinc.

The Cu-Ni-Co prospect received a significant amount of drilling in the past, totalling 84 drill holes overall. The result of the past work was a non-compliant 'mineral reserve' estimate of 2 MMT tons grading 0.62% Cu + 0.34% Ni + 0.03% Co (not sampled for Pt + Pd). The deposit remains open for expansion.

On the zinc prospect 13 drill holes were completed and non-compliant 'mineral resource' of 0.5 MMT grading 1.9% Zn was outlined. The deposit remains open for expansion.

Taking these non-compliant resources and making some assumptions about recoveries, we can calculate an estimation of what we can reasonably expect to find in the ground in terms of contained metal. The reader is directed to the table below to get an idea of the current resource size and is reminded that these numbers may well increase if additional drill holes are sunk into the ground and intersect mineralisation.



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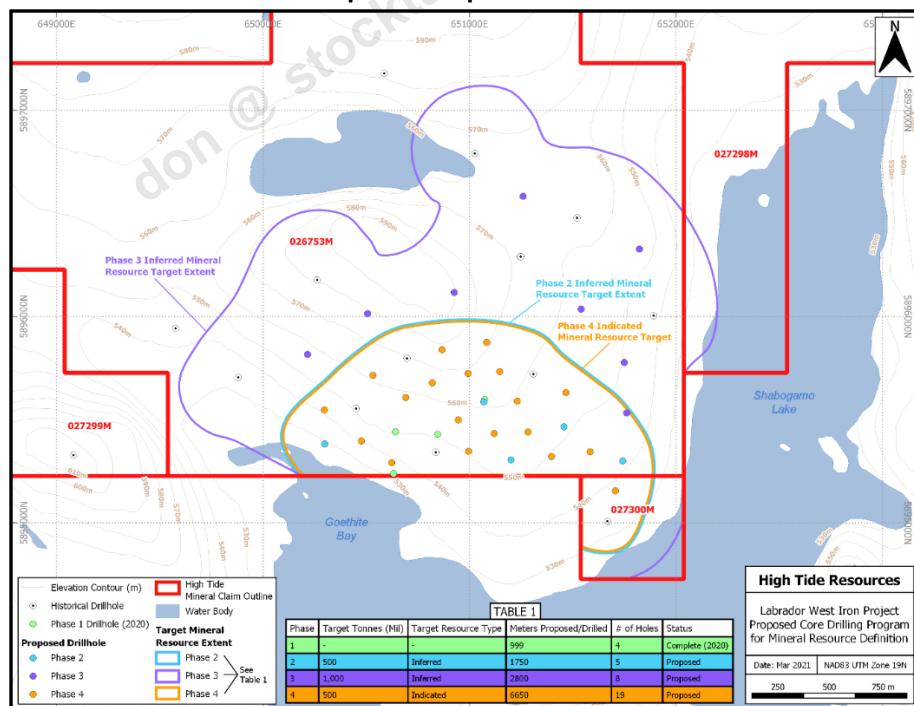
Non-compliant resources and estimated recoverable metal

Tonnage Cu-Ni-Co [MT]	Tonnage Zn [MT]	Mine Recovery [%]	Metallurgical Recovery [MT]
2,000,000	500,000	90%	85%
Cu [%]	Ni [%]	Co [%]	Zn [%]
0.62%	0.34%	0.03%	1.90%
Cu [MT]	Ni [MT]	Co [MT]	Zn [MT]
9,486	5,202	459	7,268

What is next for High Tide Resources

After its listing in early 2022 the company will have approximately 3.0 MCAD at hand that it will be able to put toward developing LWIP. The aim is for the company to drill additional holes on the property and work towards defining an NI 43-101 compliant inferred resource by the end of 2022, which the company hopes will be in excess of 500 MMT (iron contained or 28% grade). After completing its Phase 1 exploration in 2020 (4 holes totalling 999m), HTTRC anticipates it will complete its Phase 2 in H2 of 2022 and drill 5-7 holes totalling 1750-2500m. Phase 2 is fully funded and permitted and will culminate with a PEA level study. Once the PEA study is complete, the remaining exploration phases are anticipated to take place in 2023 to 2024 with a capital requirement of approximately \$3 to \$5 MCAD. Currently COREM is conducting metallurgical test work and a study for ore characterization. It will be interesting to see the results of this work, which should give us a better understanding of what type of processing facilities might be required in future and what the processed end product might be.

HTRC's exploration plans for the future

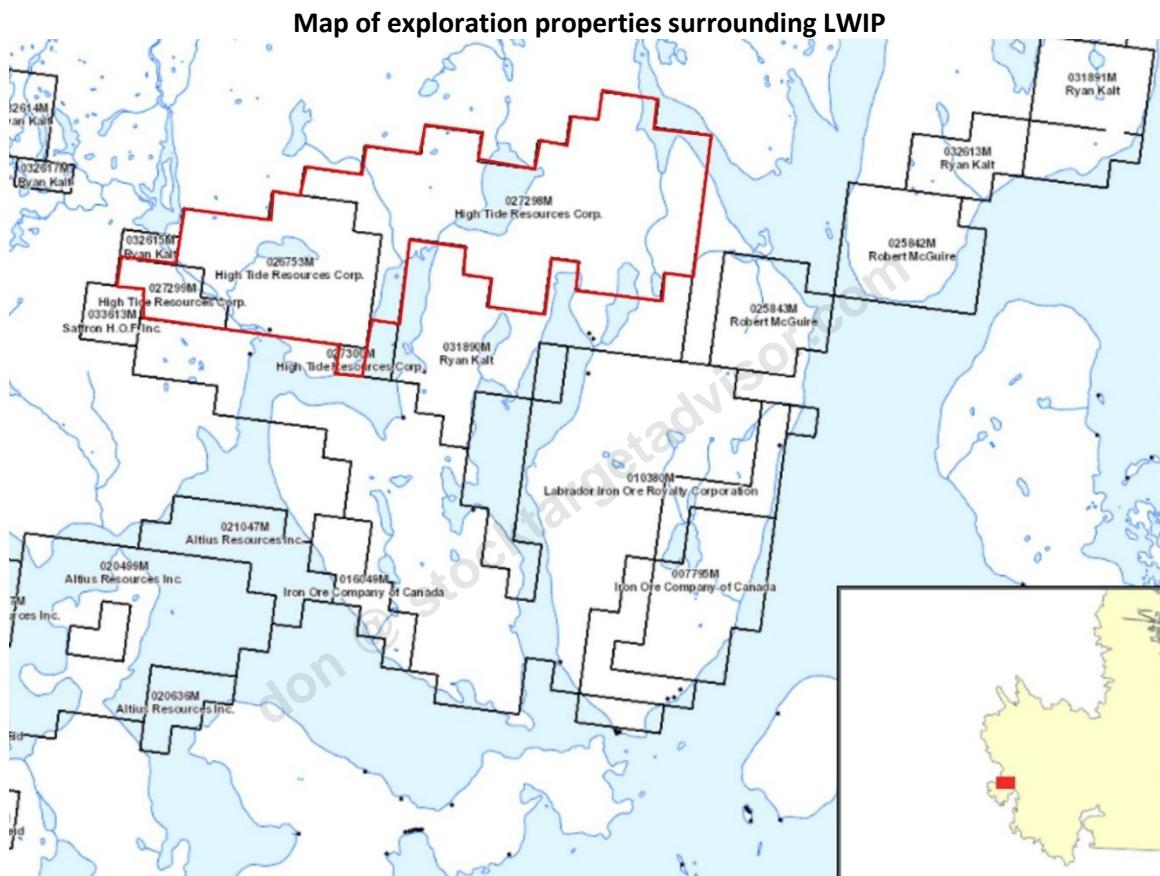


HTRC has drilled many holes on the South-eastern portion of lease 026753M but also a few towards the north end of that property, with some isolate holes having been drilled in other parts as well.



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Phases 2 and 4 should yield significant iron intersections, as this drilling is conducted in an area which previously yielded good intersects with some consistency along sections A & B. After these two phases are completed, we will be able to make a more reliable assessment of the possible size of the resource at LWIP. It will further be very interesting to see the results of Phase 3 drilling, which will test the extension of the mineral occurrence to the West and to the North. The occurrence generally seems to thin out towards the West and it will be important to determine the actual extent in that direction. The proposed drilling toward the Northern end of the property will be aimed at investigating if there is a significant presence of iron ore to the east of 11LB0038, which had a very good intersection of iron ore.



Source: Government of Newfoundland & Labrador

While some intercepts toward the southern portion of lease 026753M aren't the thickest we have seen to date, they do seem to indicate that the mineral body extends further to the south onto the adjacent property owned by the Labrador Iron Ore Royalty Corporation. The arguably thickest intersect recorded so far sits on the Eastern fringe of property 026753M and may well extend onto the neighbouring lease 027298M, which is also owned by HTRC.

Aside from extending the already discovered mineralisation, there is potential for additional mineralised intercepts on other leases held by the company that have not yet been drill tested.

Property ownership and royalties

Labrador West Iron Project: The property is currently still under option with Altius Minerals Corp. HTRC has the option to acquire 100% ownership in the property, if it spends 2 MCAD on exploration



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by December 2022 with half of that already spent. Upon public listing of the company Altius will retain a 19.9% interest in the company with the rights to maintain this percentage ownership as additional shares will be issued to fund activities to advance the project. Furthermore, the public listing is to occur within 36 months of deal closing and with an IPO cash threshold of 5 MCAD. Altius also has the right to appoint a member of the board at HTRE to help protect its interests in the company. Aside from its direct ownership in HTRE, Altius also owns 2.75% Gross Smelter Royalty (GSR) on any iron produced from the property.

At the time HTRE entered into the agreement with Altius Resources Inc. (August 2019), the average price that month for 66% iron ore concentrate was 103 USD/MT. The long-term average price (since September 2012) for this product is 110 USD/MT whereas the long-term average price assumption used for this report is 93 USD/MT (as outlined in the section "Iron Ore Market and Commodity Outlook". The negotiations between the two companies regarding the terms of their agreement thus took place in a price environment that is arguably around the long-term expected prices. This is a good thing for HTRE, because it could negotiate from a position with reasonable price levels. Would the price environment have been much above the long-term price, Altius would have been able to likely secure a more favourable deal (i.e. ask for a higher royalty).

Lac Pegma: On this property there is an existing purchase agreement with Globex Mining. HTRE owns a 100% interest in the project which it secured by paying 10,000 CAD in cash and issuing 650,000 shares to Globex mining upon going public. Globex keeps a 2% Gross Margin Royalty on any production from the property, of which HTRE can repurchase 1% for 1.5 MCAD.

Iron Ore Production in the Labrador Trough

The average ore grade mined in the trough ranges from 30-40% Fe content stems predominantly from Hematite and magnetite ore types. These ores are commonly beneficiated using gravity and magnetic separation and are mined in the more southern section of the trough around Labrador City. Direct shipping ore (DSO) is produced in the Schefferville area more to the north, the grades in this region can be as high as 65% iron content.

The Labrador Trough is Canada's main iron producing region, with reserves of approximately 2.3 Bt of contained crude iron ore (2019) and an annual production of approximately 58.5 Mt (2019). The main producers in the region are the Iron Ore Company of Canada (IOC), a joint venture with Rio Tinto as the main shareholder churning out around 18 Mt a year of iron ore concentrate and pellets from its operations at Carol Lake and Labrador City. This material is then transported down to the port Sept-Îles from where it finds its way to global markets. Arcelor Mittal (formerly Quebec Cartier Mining) produces iron ore concentrate from its Mount-Wright and Fire Lake operations which is moved to Port Cartier for pelletizing and onward shipment. These operations produce in the order of 28 Mt of concentrate and pellets (2019). The list of current producers, their output and the grade of their product is given in the table below.

List of current producing iron assets in Labrador & Quebec

Asset	Company	Country	Province	2020E [Mt]	Product Grade
Wabush / Carol Lake	Iron Ore Company of Canada (Rio Tinto (Canada	Labrador	18.6	66%
Mount-Wright	Arcelor Mittal	Canada	Quebec	21.0	65%
Bloom Lake	Champion Iron Ltd	Canada	Quebec	7.6	66%
Scully Mine	Tacora Resources	Canada	Labrador	2.1	66%
Howse / Schefferville	Tata Steel Minerals Canada (49%)	Canada	Labrador	4.0	60%

Source: Coulour Capital



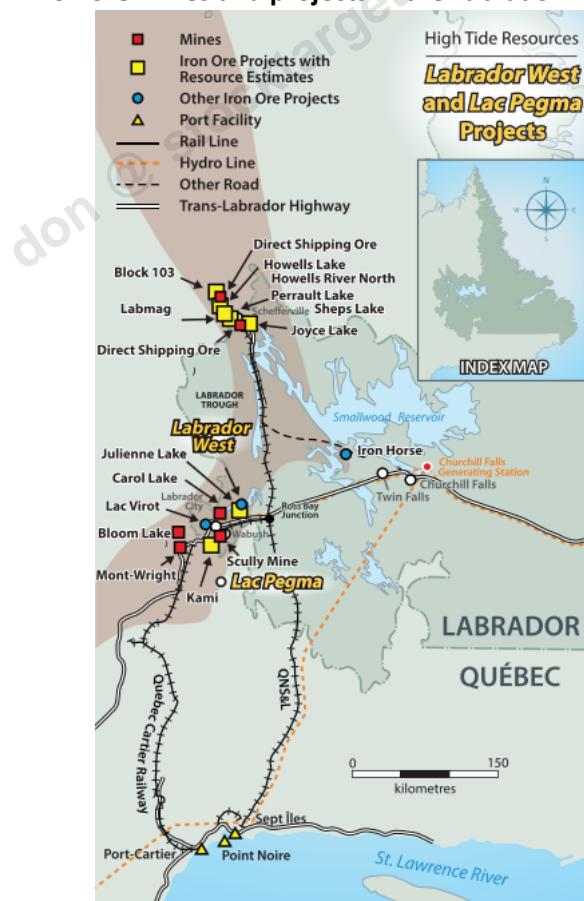
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Roughly 40km south-east of the project area (which itself is located about 40km north of Labrador City) lies the Emeril and Ross Bay Junctions. From Schefferville iron ore is transported down to the two junctions from where the material either goes to Port Cartier, Sept Iles or Point Noire. Material going to Port Cartier is transported using the Quebec Cartier Railway line, which is operated by the Cartier Railway Company which itself is a wholly owned Subsidiary of Arcelor Mittal which currently operates the Mount Wright mine. Material going to Sept Iles or Point Noire from Ross Bay Junction is transported via the Quebec North Shore and Labrador Railway (QNS&L). QNS&L is a wholly owned subsidiary of the Iron Ore Company of Canada (IOC) operating the Carol Lake (Wabush) mine. IOC itself is majority owned by Rio Tinto (58.7%), Mitsubishi (26.2%) and the Labrador Iron Ore Royalty Income Company (15.1%). Effectively the two railway links to Lawrence River ports, which are the gateway to global markets for iron ore produced in the region, are controlled by major corporations competing in the same industry. It is thus necessary to understand how transport from the project area to the relevant ports is regulated, in order to assess whether material can be transported economically to market.

Comparison to other iron ore companies in the region

There are two types of comparisons proposed in this report. One is to compare the estimate for the deposit size of the LWIP to the resources defined in projects that are currently in operation. A second type of comparison is to compare HTRC to other companies in the area which are also seeking to develop an iron ore project.

Iron ore mines and projects in the Labrador Trough



Source: High Tide Resources



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Looking at the resources indicated for current operations in the area, we see that the resource size encompassing the measured, indicated and inferred categories tends to reach around 1 bn MT or more. These figures however do not consider resources depleted by past mineral exploitation, hence the initial resources in place when the mine construction decision was made may have been even higher. The exception here is the Howse / Schefferville asset, which produces direct shipping ore in contrast to iron ore concentrate or pellets produced by the other assets. Considering that LWIP would likely end up producing iron ore concentrate based on the grades drilled, we can consider that 1bn MT target resource base of sufficient grade may well merit a standalone operation. We can also speculate that perhaps the company does not need to achieve a resource base of a given size and grade to merit a standalone operation, but rather may only need to prove up a resource base that might be appealing for a neighbouring operation to acquire to expand their own resource base. In this case the required resource size may be considerably below the 1bn MT mark.

Resource bases of producing iron ore assets in the region

Asset	Company	Province	Category	Tonnage [MMT]	Fe [%]
Wabush / Carol Lake	IOC / Rio Tinto	Labrador	Measured	151	40.9
		Labrador	Indicated	669	38.4
		Labrador	Inferred	972	38
Mount-Wright	Arcelor Mittal	Quebec	Resources	1000	30
Bloom Lake	Champion Iron Ltd	Quebec	Measured	439.7	31
		Quebec	Indicated	471.9	28.5
		Quebec	Inferred	80.4	29.7
Scully Mine	Tacora Resources	Labrador	Measured	213.6	35.1
		Labrador	Indicated	520.8	43.3
		Labrador	Inferred	236.9	34.6
Howse / Schefferville	Tata Steel Minerals Canada (49%)	Labrador	Measured&Indicated	85.1	59.2

Source: Coulour Capital

There are not many other junior iron ore explorers or developers in the area where HTRE operates and hence the scope for comparison is fairly limited. The below table lists other iron ore exploration and development companies in the region outlining their market capitalisations (as of 19 FEB 2022), their key projects as well as details of the type of study produced (technical reports, preliminary economic assessments, feasibility studies) and the associated resource. The top three entries allow for the best comparison at this point in time, seeing as all these projects would end up producing iron ore concentrate or pellets (and not DSO like Labrador Iron Mines Limited). Alderon Iron Ore Corp would have also been a useful comparison. However, the company went into bankruptcy after failing to repay a loan and is no longer actively traded. Century Global will be a reasonable basis for comparing with HTRE once the company lists, but this company will have DSO as well as lower grading iron deposits in its project portfolio, making harder to contrast than the first three companies in the list.

Looking through the “Comment/Resource” column of the table, it looks evident that targeting more than one billion tons of resource at around 30% Fe is the minimum requirement for projects in the region seeking to develop iron ore projects that will eventually produce iron ore concentrate or pellets. The required resource size for direct shipping ores is significantly lower due to reduced capital and operating costs.



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List of iron ore explorers + developers in the region

Company Name	Ticker	MCAP	FX	Project Name(s)	Comment / Resource
M3 Metals Corp	MLGCF	2.23	USD	Block 103	PEA with inferred resource 7.2 bn MT @ 29.2 %TFe and 18.9% magFe
Oceanic Iron Ore Corp	FEO.V	10.63	CAD	Ungava Bay	PEA with M&I 1.39 Bn MT @ 32.1% Fe
Cartier Iron Corporation	CFE.CN	11.91	CAD	Gagnon	TR Inferred 531 MMT @ 33% Fe. The company also has a gold project.
Century Global	CNT.T	NA	NA	Joyce Lake / Full Moon / Blackbird / Duncan Lake	Listing underway. Joyce Lake FS: 24.3 MMT of DSO @ 58.55% Fe. Blackbird: 1.5MMT Indicated DSO @ 59.93% Fe. Full Moon: 7.3 bn MT @ 30.18% Fe Indicated. Duncan Lake: 1.05 Bn MT M&I @ 24.42% Fe
Alderon Iron Ore Corp	AXXDF	NA	NA	Kamistiausset	Bankrupt. TR with 1.274 bn MT @ 29.67% Fe
Labrador Iron Mines Limited	LBRMF	17.05	USD	Houston / 20 DSO deposits total	Houston PEA 17.9 MMT (M&I) @ 62.7% Fe (DSO) and other areas with additional production.
Labmag GP Inc	Not listed				
Quebec Iron Ore	Not listed				
Saffron H.O.F. Inc	Not listed				

Source: Labrador and Newfoundland Government + Yahoo Finance

Jurisdiction Overview

The annual mining survey conducted by the Fraser Institute ranks various jurisdictions (on a national and regional level) globally according to a set of criteria to determine an “Investment Attractiveness Index”. The survey is carried out by surveying industry professional's views and perceptions regarding the various criteria set forth by the institute, such as uncertainty regarding regulation, the legal system and political stability to name a few.

In the latest edition (2020) of the survey Newfoundland & Labrador moved into eighth position out of 77 mining jurisdictions globally, moving up from 28th place in the previous year. The improved ranking in investment attractiveness perception was significantly driven by improving sentiment regarding the province's mineral potential, which is given a weighting of 60% in the index. Sentiment towards the regions mineral potential is increased substantially since the last report. Furthermore, the provinces also improved on their policy perception index on the back of decreased concerns from miners around enforcement of existing regulations, environmental regulations and socioeconomic agreements and community development conditions.

Quebec improved its investment attractiveness ranking from to 18th to 6th position and also managed to increase its scoring on the policy perception index to a similar degree as Newfoundland & Labrador. The reasons for the improvement in rankings is the same as outlined above for the other two provinces.

From a global perspective, Canada ranks 23rd out of 191 countries in the World Bank's “Doing Business Index”. When ranking the country in a list of iron ore producing nations within the same index, Canada ranks 3rd out of 14. While it ranks slightly behind the world's largest producing country Australia (ranking 14th), Canada ranks very favourably when compared to the second largest producing country Brazil (ranking 124th).

In addition to these favourable rankings, it is worth noting that Labrador and Newfoundland have a long-standing history of iron ore mining, with operations starting in back in the 1950s and continuing all the way to today. The iron ore industry employs thousands of people in the region, benefiting the population directly and also contributing a significant amount of tax dollars.

In short, both projects are located in jurisdiction that rank very favourably for doing business in the mineral industry and that are politically stable. Additionally, it is worth noting that the provinces in



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which High Tide operate tend to issue permits quickly and reliably, which is key for the company to obtain the necessary approvals to advance its project.

Iron Ore Market and Commodity Outlook (short term)

Iron ore market: China is the main consumer of iron ore products worldwide and as a result the majority of products are priced basis delivery to a Chinese port, namely Qingdao. Delivery at Qingdao infers that the material is shipped there by ocean going vessels hailing from producing regions, such as Australia and Brazil. Not all of the globally produced iron ore (~2,275 MMT in 2021) is shipped internationally, as some of it sold to nearby steel producers in the region. Of total global production in 2021 approximately 1,608 MMT was shipped internationally as part of the seaborne market. Historically there used to be annual benchmark negotiations between the major iron ore miners and steel producers to secure term contracts, nowadays the pricing for a variety of products is a lot more frequent which led to the development of liquid spot market for various iron ore products. With sinter fines and lumps making up a big portion of the sea borne cargoes, the most commonly used price indexes are 62% Fe Fines, 58% Fe Fines, 65% Fe Fines and lump premium references. As a general rule of thumb, a higher Fe content and low levels of impurities demand a higher price, because these attributes are beneficial when processing the iron ore. For the purpose of this report we shall consider the 66% Fe Concentrate index however, seeing as this is a the likely product that would end up being produced from the project and sold. Whether or not any produced concentrated would be pelletized at a potential future site or with at a neighbouring site is not considered in this report, as the project is too early stage for that.

Iron Ore Consumption by Country

Country / Region	2021 [MMT]
Japan	115
Western Europe	95
Other DM	50
China	1,188
Korea	71
India	14
Other EM	84
Total Seaborne	1,617

Source: Goldman Sachs

Iron Ore Price Indices published by Fastmarkets

Iron Ore Index		
DAILY INDICES	Code	Incoterm/Location
62% Fe Fines	MBI01-62 (\$/dry tonne)	CFR Qingdao
62% Fe Pilbara Blend Fines	MBI01-PBF (\$/drytonne)	CFR Qingdao
58% Fe Fines	MBI01-58 (\$/drytonne)	CFR Qingdao
58% Fe Fines - High Specification Premium	MBI01-58P (\$/dry tonne)	CFR Qingdao
58% Fe Fines - High Specification Premium Index	MBI01-58P Index (\$/dry tonne)	CFR Qingdao
65% Fe - Australian Lump Premium	MBI01-65-BZ (\$/dry tonne)	CFR Qingdao
65% Fe Australian Lump Premium	MBI01-LP (c/dmtu)	CFR Qingdao
62% Fe China Port Price Index	MBI01-CP5 (\$/Mwet tonne)	FOT Qingdao
Implied 62% Fe China Port Price (\$)	MBI01-CP5S (\$/dry tonne)	CFR Qingdao
WEEKLY INDICES	Code	Incoterm/Location
65% Fe Blast Furnace Pellet	MBI01-PT (\$/dry tonne)	CFR Qingdao
Implied Pellet Premium	Implied-PT-Premium (\$/dry tonne)	CFR Qingdao
66% Fe Concentrate	MBI01-CO (\$/drytonne)	CFR Qingdao
MONTHLY INDICES	Code	Incoterm/Location
DR-Grade Pellet Premium Index	MBI01-DRP (\$/dry tonne)	Middle East Reference
MONTHLY Value-In-Use INDICES	Code	Incoterm/Location
Fe - VIU	MBI01-Fe (%Fe)	CFR Qingdao
Fe - VIU 65% (63% to 66% range)	MBI01-Fe-65 (%Fe)	CFR Qingdao
SI - VIU	MBI01-SI (%Si)	CFR Qingdao
Al - VIU	MBI01-Al (%Al)	CFR Qingdao
P - VIU	MBI01-P (0.01%Phos)	CFR Qingdao
DAILY COKING COAL INDICES	Code	Incoterm/Location
Premium Hard Coking Coal CFR China	MBCCO-PHCC (\$/dry tonne)	CFR China
Hard Coking Coal CFR China	MBCCO-HCC (\$/drytonne)	CFR China
Premium Hard Coking Coal FOB Australia	MBCCO-PHCC (\$/drytonne)	FOB Australia
Hard Coking Coal FOB Australia	MBCCO-HCC (\$/drytonne)	FOB Australia
Product Differentials to MBI01-62	Code	Incoterm/Location
62% Fe Pilbara Blend Fines Differential	MBI01-DIFF - PBF (\$/dry tonne)	CFR China

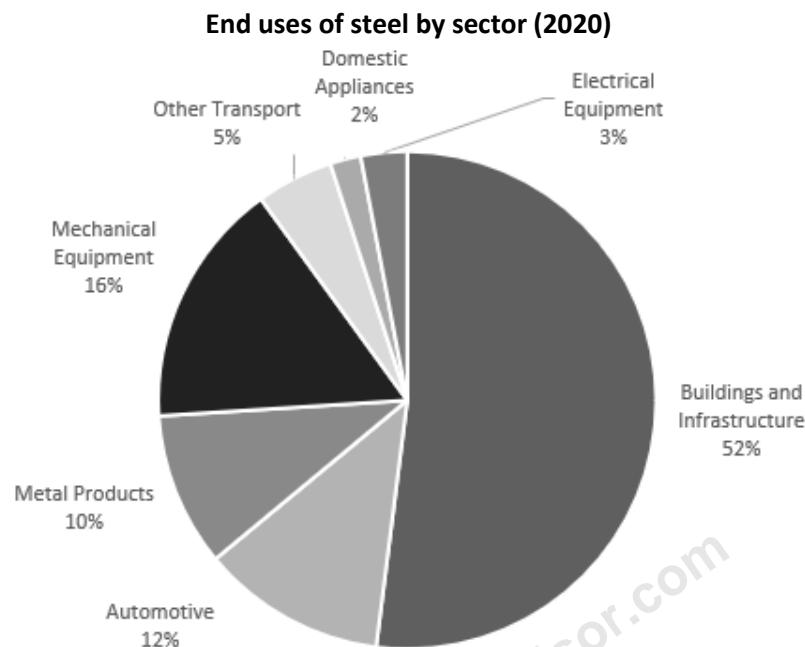
Source: Metal Bulletin

Source: Fastmarkets



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Commodity Outlook: At least 98% of iron ore consumed globally is used for the production of steel products. These steel products are then sold to and used in a variety of different sectors.



Source: World Steel Organisation

Demand and Supply: On the demand side, the consumption of steel products in each sector is first forecast for the years ahead. These forecast figures for steel are then used to infer a corresponding demand for iron ore, based on different conversion ratios. According to one bank study published in Q1 2021 (Goldman Sachs), the estimated global as well as the seaborne demand for iron ore is set to stay pretty much level all the way through to 2030 at a level of around 2,275 MMT and 1,617 MMT respectively. The same study forecasts that available seaborne supply of iron may inch up gradually toward 1,800 MMT in 2030 from 1,608 MMT in 2021. Overall, the prediction is a fairly balanced iron ore market in 2021 and an increasing supply surplus in the years ahead projected out to 2025.

Producing Countries (2020)

Country	2021 [MMT]
Australia	913
Brazil	376
South Africa	60
Canada	60
Sweden	26
Mauritania	13
Liberia	4
Chile	16
Peru	16
India	39
Iran	4
Ukraine	40
Russian Federation	21
Other (Mexico, Bosnia, etc.)	20
Total Seaborne	1,609

Source: Goldman Sachs

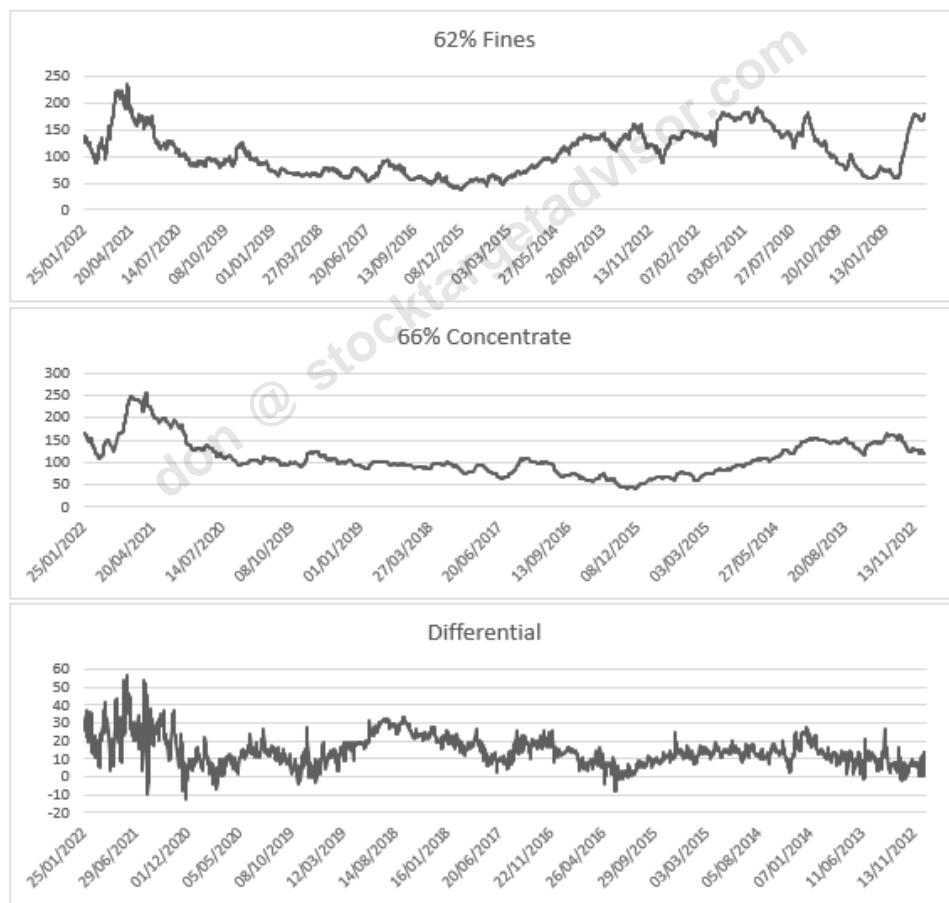


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Price: While the study mentioned above sees iron ore prices gradually decline down to 75 USD/MT in 2025, a consensus commodity price forecast by various financial institutions published by CIBC in Q1 estimates an average price for 62% iron ore fines (CFR Qingdao) in 2022 of 155 USD/MT, in 2023 of 133 USD/MT, in 2024 of 120 USD/MT and a long-term price of 110 USD/MT.

Looking at the price history of 62% Fe fines and 66% Fe concentrate we can make a number of observations that can help us determine a reasonable long-term price assumption. Over the time periods where prices are available, the unweighted average price is for 62% Fe fines was 106.42 USD/MT and for 66% Fe concentrate it was 110.0 USD/MT. These averages are in line with the long-term price forecasts in CIBC report mentioned above. The premium at which the concentrate traded above the 62% Fe fines was 14.5 USD/MT. This premium as well as the prices themselves are subject to high volatility over the years, with peaks above 200 USD/MT and lows of under 50 USD/MT in either product.

Historical prices for 62% Fe Fines, 66% Fe Concentrate and their price differential



Source: Fastmarkets

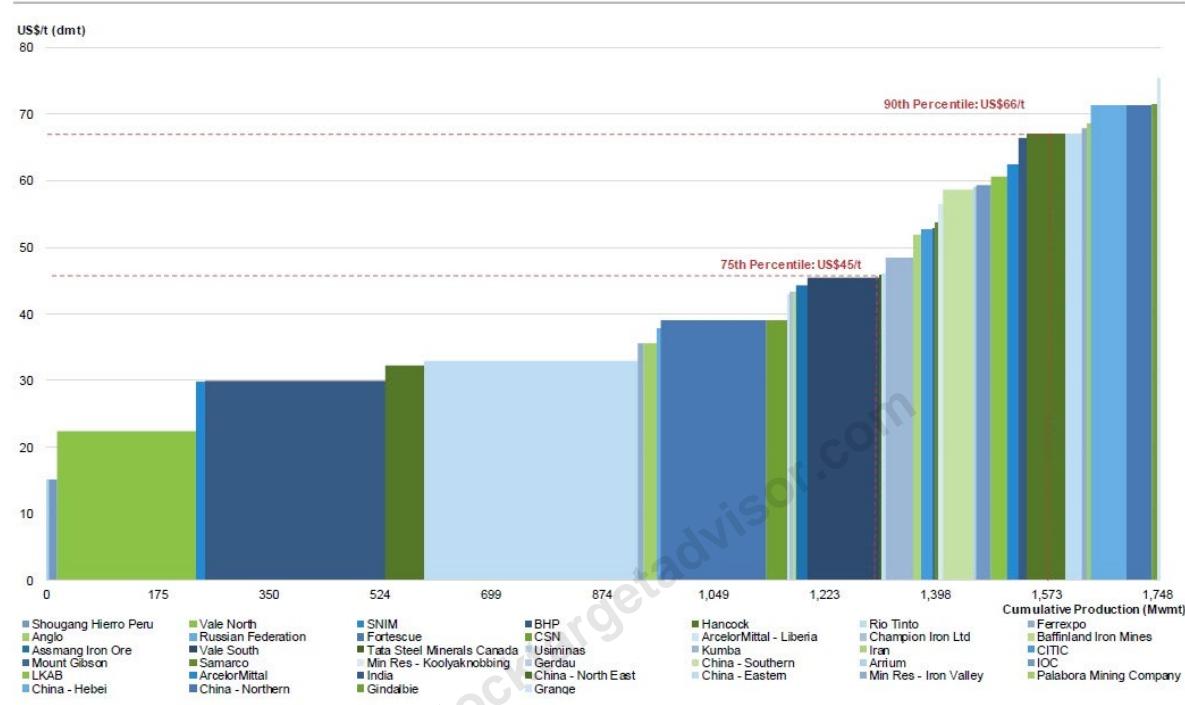
Looking at the global cost curve of seaborne iron ore market we see that at prices above 75 USD/MT the entire production is theoretically at least break-even. These cost curves are usually based on the total cost involved in extracting the metal and shipping it to China. Because freight is a significant component of the overall cost and these costs can vary widely, the cost curve can shift up or down in some sections based on changing freight costs and other costs (such as fuel). We can take a price level



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of 75 USD/MT as a long-term floor on prices, as high-cost producers would eventually have to throttle production due to incurring losses. In the past the spot price has dipped well below this level however for extended periods of time before making a recovery.

2020 Cost Curve for seaborne iron ore (grade adjusted)



Source: S&P Global Market Intelligence (Goldman Sachs)

For the purpose of this report, we shall take the average of the 75 USD/MT price bottom and the long-term consensus forecast of 110.0 USD/MT as the price outlook for iron ore: 93 USD/MT.

Management and Board of Directors Overview

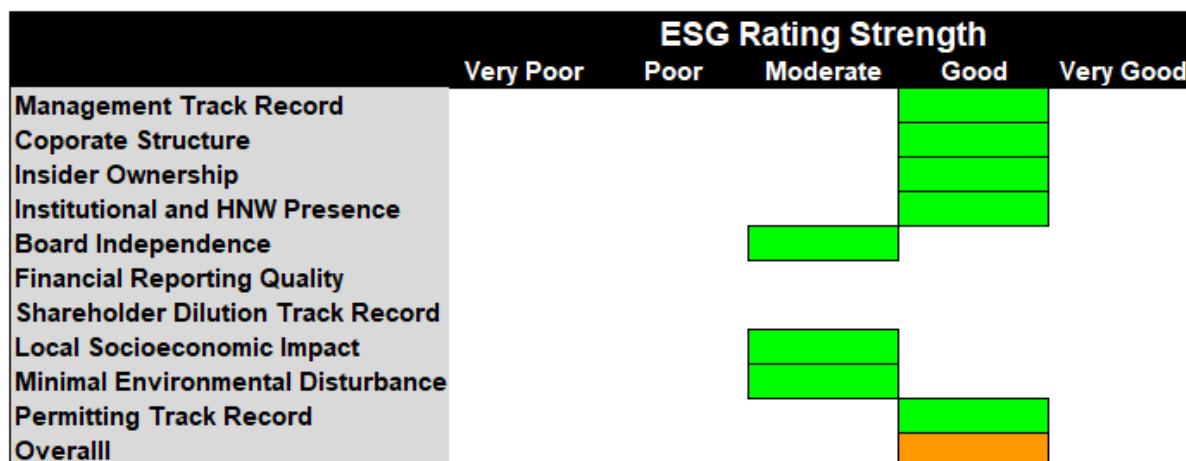
The biographies of key management individuals are outlined in Appendix 1 at the end of this report.

ESG Rating

In addition to our review of the company's management and directorship, the below table outlines our ESG rating parameters for FIND. Note that this is a largely qualitative rating measure based on publicly available information and may not fully reflect the company's true governance strength. Particularly strong governance ratings can positively impact a corporate's valuation, whilst a weak rating may call for a discount.



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Source: Coulour Capital

Financial Overview

As of January 2022, the company has approximately 1.0 MCAD in cash on and 2.0 MCAD worth of flow through. As per the company's corporate presentation this cash balance should be sufficient to cover the costs of the already permitted "Phase 2" drilling program mentioned in the "What is next for High Tide Resources" section. Once the company's treasury has been depleted due to the ongoing exploration effort, we will very likely see HTRE return to market for an additional round of equity funding.

The table below lists the various shareholder groups and their absolute and relative holdings in HTRE. As HTRE is a spin out of Avidian Gold we expect to see a high percentage ownership, adding the dividend paid in shares to Avidian Gold shareholders brings the total ownership in HTRE to over 46%.

Ownership groups of shares outstanding

Shareholder	Number of Shares [M]	[%]
Avidian Gold	21.84	32.4%
Altius	13.05	19.4%
Ferrum Corp	9.15	13.6%
Private and other HTR Shareholders	7.00	10.4%
Dividend of Shares	9.36	13.9%
New Raise	7.00	10.4%
Total Outstanding	67.40	

Source: High Tide Resources – Corporate Presentation

Insider Ownership

Avidian Gold	Security	# of Units
	Shares Outstanding	164,900,000
	Warrants	45,300,000
	Options	11,400,000
	Fully Diluted	221,600,000



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Name	Function	# of Shares in Avidian	% of Avidian	% of HTRC	% of Ferrum Corp.	% of HTRC	% of HTRC Total
Stephen Altmann	Chairman & Director	250,000	0.15%	0.07%	33.00%	4.48%	4.55%
Stephen Roebuck	Director, President & Interim CEO	1,200,000	0.73%	0.34%	NA	NA	0.34%
Donna R. McLean	CFO	250,000	0.15%	0.07%	NA	NA	0.07%
Dr. Joseph Poveromo	Director	Not listed yet	NA	NA	NA	NA	NA
Carol Seymour	Director	Not listed yet	NA	NA	NA	NA	NA

Shareholder Group	# of Shares in HTRC	% of Total
Avidian Ownership of HTR	21,840,000	32.4%
Dividend of Shares	9,360,000	13.9%
Total Avidian Ownership	31,200,000	46.3%
Ferrum Corp. Ownership	9,150,000	13.6%

Source: High Tide Resources – Corporate Presentation & SEDI

The company does have Altius Resources Inc. as a major shareholder, which is beneficial to retail investors as Altius will have the capacity to ensure its own interests in the company are protected and can be a potential source of non-dilutive financing for HTRE.

Revenue and EPS Forecasts

At current, HTRE is in the exploration stage and is many years away from commercial production. As a result, we will not be providing near-term revenue and EPS forecasts.

Net Asset Valuation Model

As the company has yet to achieve the Preliminary Economic Assessment (“PEA”) milestone, which provides the initial projections around potential production scheduling and forecasted cost structure, we will be unable to provide valuation based on a NAV model.

Valuation

Without any resource or PEA in place, a valuation at this early stage can only be attempted at a qualitative level at best. Unfortunately, the peer group of comparable companies is very small, but does offer a relative comparison on what the market can value these types of projects at in the region in question. An additional approach might be to try and approximate what amount an incumbent producer in the region may be willing to spend per ton of proven iron ore resource in the ground. However, this approach requires the availability of historic data for similar acquisitions in the past in the Labrador Thorough, which are very hard to come by and beyond the scope of this report.



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Conclusion

We are initiating coverage on HTRE and expect the following catalysts to drive the share price higher over the coming 12 months following the company's planned IPO at the end of FEB 2022:

- The Phase 2 drill program of up to 2500 m is aimed at enabling the publication of a maiden inferred resource above 500 MMT of contained iron with the goal of completing a PEA level study within 12 months.
- The company is operating in a tier 1 mining jurisdiction with access to transport and power infrastructure nearby its project. Furthermore, iron ore mining is engrained into the local economy and communities, which is favorable for any exploration and potential development plans.
- With spot prices for 66% Fe concentrate currently comfortably above their long-term average and a stable outlook in prices for the coming three years, the price environment is set to be supportive for this newly listed company.
- If results from Phase 2 are promising, this may lend the company some good momentum in a generally supportive price environment and enable it to raise additional funds for the project at a higher share price.

Risks

The following outlines some of the key risk considerations that investors should keep in mind when evaluating HTRE as an investment opportunity:

- **Insufficient exploration results:** While the initial drill results from the LWIP project show encouraging intersects and concentration of iron in the ground, the existence of large, mineralized body of sufficient size to merit extraction has yet to be outlined. Mineral exploration is a very risky business and chances of proving up an economically viable deposit are usually low. As such, should subsequent drill holes at LWIP fail to intersect some larger intervals of ~30% Fe, the stock may face selling pressure. Given the 2022 drill program is infill drilling between holes with known mineralization, the risk of this happening is low.
- **Iron ore price risk:** The rise and fall of natural resource stocks, including junior exploration companies, is usually tied to some degree to the price of the underlying commodity. In the case of HTRE, the only underlying commodity is iron ore and we have outlined a somewhat neutral to bullish outlook for the metal over the next three years before turning more bearish. The reader is cautioned however that the neutral to bullish scenario may not materialize, due to potential additional production and lackluster demand.
- **Wider market risk:** Like most other equities HTRE will be at the mercy of wider market fluctuations and will be affected by FED tapering, changes to the outlook for rate hikes and ongoing concerns surrounding the Covid pandemic.
- **Dilution of existing shareholders:** To fund further exploration in the coming years, the company may have to issue additional shares to cover the exploration expenditure, hence existing shareholders may well face some degree of dilution. If market developments are favorable the impact may be diminished, if the market developments are adverse the impact may be accentuated. The company may also sell a stake in the project or bring on a joint venture partner, both of which are non-dilutive ways to advance the project.



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Appendix 1 – Management and Board of Director Biographies

Directors & Management

Stephen Altmann – Chairman & Director

With over 30 years of experience Stephen is currently a Managing Director of an investment banking advisory firm in Toronto, Canada where he provides strategic advice and financial analysis to mining companies globally in their evaluation of strategic transactions

Steve Roebuck – Director, President & Interim CEO (Board of Directors & Management)

Steve Roebuck received his Bachelor of Science degree from Concordia University in 1994 and is a registered Professional Geoscientist with the Association of Professional Engineers and Geoscientists of Newfoundland and Labrador (PEGNL). Steve has a diverse background with both open pit and underground production experience having worked for Royal Oak Mines and BHP Billiton in the Northwest Territories and exploration experience working for Placer Dome, Aur Resources and Advanced Explorations Inc (iron ore) in Quebec and Nunavut. More recently Steve has taken on executive roles having been President of Scorpio Gold and is currently President and CEO of Avidian Gold, HTRC's largest shareholder.

Donna R. McLean – Chief Financial Officer

Over 25 years of experience specializing in the areas of financial reporting, controls and administration. Has held the positions of CFO and Controller for several mineral exploration companies including Unigold, Intrepid Mines, Metalla Royalty & Streaming, Firestone Ventures and Aurania Resources.

Dr. Joseph Poveromo – Independent Director (Board of Directors)

Dr. Joseph Poveromo received his Bachelor of Science in Chemical Engineering from RPI in 1968 and his MSc. (1971) and Ph.D. (1974) in Chemical Engineering from SUNY (Buffalo). He is President of Raw Materials & Ironmaking Global Consulting. Joe is an internationally recognized steel industry authority on the technical and economic aspects of ironmaking (blast furnace and direct reduction), ironmaking raw materials (iron ore, coke) including sintering and pelletizing processes, iron ore mining, processing & properties, steelmaking metallics (merchant pig iron, DRI, HBI). Joe has extensive experience working in the Labrador rough having worked for 15 years with ArcelorMittal Canada (the former Quebec Cartier Mining Company) as Director of Technology-International. During his time with Bethlehem Steel he served on the Technical Committee of IOC (Iron Ore Company of Canada). More recently, he has advised on a number of iron ore operations and projects in the region.

Serge Pelletier – Independent Director (Board of Directors)

Serge Pelletier is a mining engineer who graduated from Montana School of Mines in 1994. Upon graduation Serge joined BHP World Minerals at its New Mexico Operations. Following two years in New Mexico, Serge and his family moved around the world for BHP; Mali, Australia, Canada (NWT), South Africa, Canada (Saskatoon), US (Houston) before retiring in 2016 as the Manager North America Closed Sites. In 2018, he took over the Reconstruction Office in Lac-Megantic, Quebec to help rebuild the town after the train derailment disaster of 2013. During his career, Serge was involved in large mature mines, small operations, corporate office and exploration projects. During his tenure with BHP,



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Serge worked extensively in community relations with multiple stakeholders including municipal, provincial, state and federal governments including First Nations.

Carol Seymour - Director (Board of Directors)

Carol Seymour was born and raised in Labrador City and received a Bachelor of Science degree with Honors from Memorial University of Newfoundland in 2003. Since this time, she has been working as a geologist with Canadian junior mineral exploration companies where she has gained valuable work experience both in Canada and internationally in the mineral exploration field. Carol is a registered Professional Geoscientist with the Association of Professional Engineers and Geoscientists of Newfoundland and Labrador (PEGNL) and currently works as a senior geologist with Altius Resources Inc. Through her role with Altius and internships at the Iron Ore Company of Canada, she has gained extensive experience working throughout the Labrador Trough on various iron ore exploration projects and was the project geologist for Altius' Kami and Julienne Lake iron ore projects.



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1. A recommendation or rating, usually BUY, HOLD, or SELL;
2. A 12-month target price, which represents an analyst's current assessment of a company's potential stock price over the next year; and
3. An overall risk rating which represents an analyst's assessment of the company's overall investment risk.

These ratings are more fully explained below. Before acting on a recommendation, we caution you to confer with your investment advisor to determine the suitability of our recommendation for your specific investment objectives, risk tolerance and investment time horizon.



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The analyst believes that the security will outperform other companies in their sector on a risk adjusted basis or for the reasons stated in the research report the analyst believes that the security is deserving of a (continued) BUY rating.

Hold

The analyst believes that the security is expected to perform in line with other companies in their sector on a risk adjusted basis or for the reasons stated in the research report the analyst believes that the security is deserving of a (continued) HOLD rating.

Sell

Investors are advised to sell the security or hold alternative securities within the sector. Stocks in this category are expected to under-perform other companies on a risk adjusted basis or for the reasons stated in the research report the analyst believes that the security is deserving of a (continued) SELL rating.

Tender

The analyst is recommending that investors tender to a specific offering for the company's stock.

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An analyst comment about an issuer event that does not include a rating.

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Overall Risk Rating

Very High Risk: Venture type companies or more established micro, small, mid or large cap companies whose risk profile parameters and/or lack of liquidity warrant such a designation. These companies are only appropriate for investors who have a very high tolerance for risk and volatility and who can incur temporary or permanent loss of a very significant portion of their investment capital.

High Risk: Typically, micro or small cap companies which have an above average investment risk relative to more established or mid to large cap companies. These companies will generally not form part of the broad senior stock market indices and often will have less liquidity than more established mid and large cap companies. These companies are only appropriate for investors who have a high tolerance for risk and volatility and who can incur a temporary or permanent loss of a significant portion of their investment capital.