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November 21, 2023

Re: Traynor Ridge Capital Inc., TR1 Fund, TR1-I Fund, TR3 Fund, TR1 GP Ltd., TR1 International Fund, and TR1 Master Fund (the “Debtors”)

Pursuant to an application by the Ontario Securities Commission (the “OSC”) under Section 129 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “**Securities Act**”), the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) made an order dated November 3, 2023 (the “**Receivership Order**”) appointing Ernst & Young Inc. as the receiver and manager (the “**Receiver**”) of all the assets, undertakings and properties of the Debtors.

A copy of the Receivership Order and other materials filed in the receivership proceeding is available on the Receiver’s case website at <https://ey.com/ca/Traynorridge>.

Traynor Ridge Capital Inc.’s (“**Traynor Ridge**”) primary business is the management of a number of investment funds. Traynor Ridge is registered under the Securities Act as an investment fund manager and advisor in the category of portfolio manager and as a dealer in the category of exempt market dealer. The TR1 Fund, the TR1-I Fund, the TR1 International Fund and TR1 Master Fund are investment funds that were managed by Traynor Ridge. The TR3 Fund and TR1 GP Ltd. are the limited and general partners respectively in the TR1 Fund.

The Receiver is seeking proposals from select parties to assist the Receiver in the orderly liquidation of the securities of the Debtors. Proposals must be submitted to the Receiver by 5:00 p.m. (Toronto time) on **November 30, 2023**. Details of the process and the content to be included in the proposal are attached as Appendix “A”.

Should you have any questions with respect to the above, please contact the undersigned at (416) 943-3545.

Yours very truly,

ERNST & YOUNG INC.

In Its Capacity as Court-appointed Receiver and Manager
of Traynor Ridge Capital Inc., TR1 Fund, TR1-I Fund,
TR3 Fund, TR1 GP Ltd., TR1 International Fund and TR1 Master Fund
and not in its personal capacity

Per:

Jeffrey D. Kerbel, CPA, CA, CIRP, LIT
Senior Vice President

Appendix “A”

Request for Proposals for Investment Advisory Services

Re: Traynor Ridge Capital Inc., TR1 Fund, TR1-I Fund, TR3 Fund, TR1 GP Ltd., TR1 International Fund, and TR1 Master Fund (the “Debtors”)

Pursuant to an application by the OSC, the Court made an order dated November 3, 2023, appointing Ernst & Young Inc. as the Receiver of all the other assets, undertakings and properties of the Debtors.

A. Background

- The Receiver is inviting you to provide investment advisory services to assist the Receiver with, among other things, a strategy or process for the sale of the Debtors’ assets (the “**Sale Process**”), which may include, among other things, the sale of bonds and privately and publicly held shares and warrants (the “**Securities**”) that are currently held by the Debtors.
- Proposals must be submitted to Jeffrey Kerbel, Senior Vice President, Ernst & Young Inc. at jeffrey.d.kerbel@parthenon.ey.com by 5:00 p.m. (Toronto time) on November 30, 2023.
- Copies of all Court materials relating to these proceedings are available on the Receiver’s website at: <https://ey.com/ca/Traynorridge>.
- Information regarding the Debtors’ Securities will be provided upon execution of a non-disclosure agreement in the form provided by the Receiver.
- The terms of the Sale Process are subject to Court approval.

B. Investment Advisor’s Role

- As advisor to the Receiver, the investment advisor's role will include, among other things:
 - providing an overall strategy for realizing on the Securities in the investment portfolio and developing the Sale Process;
 - assisting the Receiver with valuing the Securities;
 - assisting the Receiver with reviewing offers submitted and making recommendations to the Receiver;
 - executing on the Sale Process; and
 - providing a report summarizing the results of the Sale Process.

C. Proposal Content

- The proposal must contain the following:
 - **Work plan:** proposals shall include a high-level strategy and work plan for the disposition of the Debtors’ Securities.
 - **Value estimate:** proposals shall provide an estimate of the value of the Securities or a mechanism for valuing the Securities (with industry standard caveats), together with supporting assumptions including a discussion concerning the optimal sale strategy to obtain the best possible price for the Securities (net of fees).

- **Firm background and staff experience:** proposals shall provide background information concerning the applicant's investment advisory related experience, including, but not limited to, credentials, confirmation of registration with applicable regulators, and relevant experience in dealing with the type and nature of the Securities held by the Debtors.
- **Sale Process:** proposals shall include a draft of the proposed Sale Process, including, an approximate timeline for carrying out the Sale Process to completion.
- **Liability insurance certificate:** a copy of your liability insurance certificate is to be included.
- **Compensation structure:** proposals shall detail the proposed compensation structure for the sale of the Securities, including all work fees, commissions, trading fees, advisor fees, and any other methods of compensation of the investment advisor.
- **Conflict of interest statement:** all proposals shall certify the disclosure of any professional or personal financial interests that could be a possible conflict of interest. For greater certainty, proposals shall detail any potential creditor claims against the Debtors as well as any direct or indirect equity interests. In addition, any arrangements to derive additional compensation shall also be disclosed and certified.

D. Proposal Considerations

- The factors on which each proposal will be considered include, among other things, the following:
 - the overall Sale Process strategy;
 - relevant experience liquidating similar Securities and portfolios;
 - experience acting in a Court-supervised situation;
 - timeline to complete the proposed liquidation;
 - compensation structure; and
 - other factors, in the Receiver's sole discretion.