

February 3, 2025

We hope this update finds you well.

With the enacting of tariffs by Donald Trump, we face some challenging times ahead for Canada and the United States, both individually and collectively.

We wanted to let you know that we will continue to evaluate our holdings, raise some extra cash, shore up income, and look for opportunities in the face of this challenge.

There is a great deal of noise and differing opinion right now and it is important to look at what we do know.

A depreciating Canadian dollar will be good for foreign investment, and we can look to strengthen many of our industries, especially film and tourism. We can also use this opportunity to strengthen our economy by working together provincially and eliminate trade barriers that have held us back. This also includes strengthening our East-West transportation infrastructure, allowing us to serve ourselves, build foreign markets, and strengthen ties with the EU.

We don't know how long this will last, but what we do know is that American elected officials are not united in this attack. We are also seeing lobbying against the Trump tariffs from some of the largest industry leaders including Farmers for Free Trade, The US Industry Leaders Association, The Auto Sector, and Steel and Aluminum Manufacturers.

Bi-lateral trade with the United States is worth over 700 billion dollars annually, and we are the number one export market for over 30 states including Michigan, New-York, Ohio, Texas, and Illinois.

Raising tariffs on Mexico is also problematic for the United States because they may cause a Mexican recession which will force migrant workers to cross the US border looking for work which flies in the face of Trump's immigration reform.

We do believe that there will ultimately be a solution. However, in the meantime Canada has the opportunity to make some difficult decisions toward a more resilient future.

Please reach out with any questions.

The Andras Group

Research Capital is a national investment firm with offices in Vancouver, Calgary, Regina, Toronto and Montreal.

The opinions, estimates and projections contained herein are those of the author as of the date hereof and are subject to change without notice and may not reflect those of Research Capital Corporation ("RCC"). The information and opinions contained herein have been compiled and derived from sources believed to be reliable, but no representation or warranty, expressed or implied, is made as to their accuracy or completeness. Neither the author nor RCC accepts liability whatsoever for any loss arising from any use of this report or its contents. Information may be available to RCC which is not reflected herein. This report is not to be construed as an offer to sell or a solicitation for an offer to buy any securities. This newsletter is intended for distribution only in those jurisdictions where both the author and RCC are registered to do business in securities. Any distribution or dissemination of this newsletter in any other jurisdiction is strictly prohibited. RCC and its officers, directors, employees and their families may from time to time invest in the securities discussed in this newsletter.

© 2025 Research Capital Corporation. Member-Canadian Investor Protection Fund / member-fonds canadien de protection des épargnants.

Research Capital Corporation (RCC) makes no representations whatsoever about any other website which you may access through this one. When you access a non-RCC website please understand that it is independent from RCC and that RCC has no control over the content on that website. The content, accuracy, opinions expressed, and other links provided by these resources are not investigated, verified, monitored, or endorsed by RCC.