

FORM 51-102F3
Material Change Report

1. Name and Address of Company:

TraceSafe Inc.
(Formerly Blockchain Holdings Ltd.)
(the "Company")
Sea Meadow House
P.O. Box 116
Road Town, Tortola
VG 1110 British Virgin Islands

2. Date of Material Change:

June 19, 2020

3. News Release:

The news release with respect to the material change was disseminated through Accesswire Canada Ltd. on June 19, 2020 and filed on SEDAR.

4. Summary of Material Change:

The Company has entered into an agreement with Canaccord Genuity Corp. to act as lead agent and sole bookrunner (on its own behalf and on behalf of a syndicate of agents which may be formed) to sell, by way of private placement on a commercially reasonable efforts basis, up to 10,000,000 units of the Company at a price of \$1.00 per Unit for gross proceeds of up to \$10,000,000.

5. Full Description of Material Change:

5.1 Full Description of Material Change

The material change described in item 4 is fully described in the Company's press release of June 19, 2020 attached hereto and as filed on SEDAR.

5.2 Disclosure of Restructuring Transactions

Not applicable.

6. Reliance on Subsection 7.1(2) or (3) of National Instrument 51-102 *Continuous Disclosure Obligations*:

Not Applicable

7. Omitted Information:

Not Applicable

8. Executive Officer:

Betty Anne Loy, Corporate Secretary
Telephone: 604-283-2339 xt 702

9. Date of Report:

June 19, 2020



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FOR DISSEMINATION IN THE UNITED STATES***

PRESS RELEASE

June 19, 2020

TraceSafe Announces \$10 Million Brokered Private Placement Led by Canaccord Genuity

Tortola, British Virgin Islands – TraceSafe Inc. (the "Company") (CSE: TSF) is pleased to announce that it has entered into an agreement with Canaccord Genuity Corp. (the "**Agent**") to act as lead agent and sole bookrunner (on its own behalf and on behalf of a syndicate of agents which may be formed) to sell, by way of private placement on a commercially reasonable efforts basis, up to 10,000,000 units of the Company (each, a "**Unit**"), at a price of \$1.00 per Unit (the "**Issue Price**") for gross proceeds of up to \$10,000,000 (the "**Offering**").

Each Unit will consist of one common share (a "**Common Share**") and one-half of one Common Share purchase warrant (each whole warrant, a "**Warrant**"). Each Warrant will entitle the holder to acquire one Common Share (a "**Warrant Share**") at an exercise price of \$1.50 per Warrant Share for a period of twenty-four months from closing of the Offering (the "**Closing Date**"). If, at any time following the date that is four months and one day from the Closing Date, the daily volume weighted average trading price of the Common Shares on the Canadian Securities Exchange is greater than \$2.50 per Common Share for each of the preceding 10 consecutive trading days, the Company shall have the right to accelerate the exercise of the Warrants at the Exercise Price. If the Company exercises its Warrant acceleration right, the new expiry date of the Warrants shall 30 days following the notice of such exercise.

The Company intends to use the net proceeds of the Offering to purchase TraceSafe inventory and software, for sales and marketing and general corporate and working capital purposes.

The Company will, upon closing of the Offering, (i) pay the Agent a cash commission equal to up to 6.0% of the aggregate gross proceeds of the Offering; (ii) issue to the Agent warrants (the "**Compensation Warrants**") to acquire that number of Units which is equal to 6.0% of the aggregate number of Units sold under the Offering at an exercise price equal to the Issue Price for a period of twenty-four months from the Closing Date; and (iii) pay the Agent a corporate finance fee in Units which is equal to 2.0% of the aggregate number of Units sold under the Offering.

Pursuant to the terms of the Offering, the Agent has been granted an option to arrange for the sale of up to an additional 1,500,000 Units at the Issue Price for additional gross proceeds to the Company of up to \$1,500,000 on the same terms as the Offering, which option is exercisable by the Agent at any time at least two business days prior to the Closing Date.

The Company expects to close the Offering on or about July 16, 2020. All securities issued pursuant to the Offering will be subject to a four-month and one day hold period in accordance with applicable Canadian securities laws.

This news release does not constitute an offer to sell or a solicitation of an offer to sell any of the securities in the United States. The securities have not been and will not be registered under the U.S. Securities Act of 1933 (the "**U.S. Securities Act**") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons (as defined in Regulation S under the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

About TraceSafe Inc.

TraceSafe is a full suite of real-time location management services and contact tracing solutions enabled through advanced bluetooth beacons in a variety of form factors. TraceSafe's leading cloud management solution ensures both user privacy and comprehensive administrative control. TraceSafe is deployed in mission critical quarantine applications around the world in partnership with leading governments. In addition to their government work, TraceSafe is developing leading edge solutions for Enterprise, Healthcare, and large-scale venue management.

For more information visit tracesafe.io

For further information, please contact:

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The Canadian Securities Exchange has in no way passed upon the merits of the proposed transaction and has neither approved or disapproved the contents of this press release.

Statements in this news release may contain forward-looking statements that are based on the Company's expectations, estimates and projections regarding its business, operations, assets and the economic environment in which it operates, including with respect to expectations regarding the size and completion of the Offering, if at all, the timing thereof and the expected use of proceeds therefrom. Forward-looking statements are based on certain material assumptions and analysis made by the Company and the opinions and estimates of management as of the date of this news release, including that the Company will be successful in completing the Offering in the timeframe currently contemplated, if at all, and that the Company will use the proceeds of the Offering as anticipated. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict, including the spread or containment of COVID-19 and government responses thereto, general economic and market conditions (including recent market volatility), any volatility in the price of the Company's securities and that the Company will be unable to obtain any necessary approvals to complete the Offering. Therefore, outcomes and results may differ materially from those expressed in these forward-looking statements and readers should not place undue reliance on such statements. These forward-looking statements speak only as of the date on which they are made, and the Company undertakes no obligation to update them publicly to reflect new information or the occurrence of future events or circumstances unless otherwise required to do so by law.