

tracesafe

TRACESAFE INC.

ANNUAL INFORMATION FORM

For the year ended December 31, 2019

November 30, 2020

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INTRODUCTION

A reference to "we", "our", "us", "Company" or "TraceSafe" in this document is to the consolidated operations of TraceSafe Inc. and its subsidiaries, unless the context otherwise requires. Some figures and percentages may not total exactly due to rounding. Unless otherwise expressly stated or the context otherwise requires, the information in this annual information form (this "**Annual Information Form**") is given as of December 31, 2019.

We have obtained certain information contained in this Annual Information Form concerning the industries in which we operate from publicly available information from third party sources. We have not verified the accuracy or completeness of any information contained in such publicly available information. In addition, we have not determined if any such third party has omitted to disclose any facts, information or events which may have occurred prior to or subsequent to the date as of which any such information became publicly available or which may affect the significance or accuracy of any information contained in any such information and summarized herein.

CURRENCY AND EXCHANGE RATE

All dollar amounts in this Annual Information Form are in Canadian dollars, unless otherwise indicated. Our reporting currency is the United States dollar.

The following table (and notes thereto) sets forth, for each period indicated, information concerning the exchange rates between United States dollars and Canadian dollars. Such rates, which are expressed in Canadian dollars, are based on the exchange rate for one United States dollar, as reported by the Bank of Canada on its website at www.bankofcanada.ca.

Year	High	Low	Average ⁽¹⁾	End of Period
2020 ⁽²⁾	1.4496	1.2965	1.3470	1.2965
2019	1.3600	1.2988	1.3269	1.2988
2018	1.3642	1.2288	1.2957	1.3642
2017	1.3743	1.2128	1.2986	1.2545

Notes:

⁽¹⁾ The average of the daily nominal exchange rates during the year.

⁽²⁾ For the period from January 1, 2020 to the date of this Annual Information Form.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Annual Information Form constitute forward-looking statements and forward-looking information (collectively, the "**forward-looking statements**") within the meaning of applicable Canadian securities laws. Such forward-looking statements are presented to provide guidance to the reader, but their accuracy depends on a number of assumptions and is subject to various risks and uncertainties. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes" or variations of such words and phrases, or that state that certain actions, events, or results "may", "could", "would", "might", or "will" be taken, occur or be achieved, and the negative forms thereof. Forward-looking statements involve significant risks and uncertainties and, by their nature, are based on our estimates and assumptions, which are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking statements, and accordingly should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not or the times at or by which such results, level of activity, performance or achievements will or may be achieved. These forward-looking statements reflect our current expectations regarding future events and operating performance and speak only as of the date of this Annual Information Form.

The forward-looking statements in this Annual Information Form include, but are not limited to, statements regarding: access to sufficient capital resources, the timing and amount of future development projects, the timing of cash flows, capital and operating expenditures, the timing and receipt of required permits, employee relations, the availability of financing and other timing, development, operational, financial, economic, legal, regulatory and political factors that may influence future events or conditions. Material factors or assumptions that were applied in

drawing a conclusion or making an estimate set out in the forward-looking statements may include, but are not limited to, those disclosed in our filings on SEDAR at www.sedar.com, the availability and final receipt of required approvals, licenses and permits, our ability to acquire sufficient working capital to complete technology development projects, access to adequate services and supplies, favorable economic conditions, foreign currency exchange rates, interest rates, access to capital and debt markets and the associated cost of funds, the availability of a qualified skilled work force, positive employee relations, lack of social opposition and legal challenges and the ability to settle disputes.

A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to:

- Additional funding and financing risk;
- Our history of losses;
- Risks related to our limited operating history and evolving business;
- New business venture and technology adoption risk;
- Risks related to market's early stage industry;
- Government response measures to COVID-19;
- Pharmaceutical developments in the treatment of COVID-19 may adversely affect the need for the TraceSafe Technology (as defined herein);
- Ability to respond to changes in technology or customer demands;
- Dependence on key personnel, contractors and service providers;
- Insufficient, excess or obsolete inventory;
- Value of our common shares and share price volatility;
- Selling price erosion;
- Insufficient revenues;
- Potentially dilutive loans from related parties and other related party transactions;
- Risks related to exchange rate fluctuations on foreign currency;
- Regulatory matters;
- Privacy law compliance;
- Litigation risk;
- Risk of actual or perceived privacy breaches;
- Risks related to information systems and cybersecurity;
- Risk of defect or error in our software or the TraceSafe Technology that could damage reputation;
- Risk of potential product liability claims;
- Competition from existing and new competitors;
- Global competition;
- Conflicts of interest;
- Management of our growth;
- Marketing efforts;
- Development of new offerings and enhancement of existing offerings;
- Risk of damage to reputation and brand; and
- Interest rate risk.

Given these and other known and unknown risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results. Readers are cautioned that although the forward-looking statements contained in this Annual Information Form are based upon what we believe to be reasonable assumptions at the time at which they were made, investors cannot be assured that actual results will be consistent with these forward-looking statements, and the differences may be material. These forward-looking statements are made as of the date of this Annual Information Form and we disclaim any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws. All forward-looking statements contained in this Annual Information Form are expressly qualified by this cautionary statement. Readers should refer to our filings under our SEDAR profile at www.sedar.com for further information about the factors affecting forward-looking statements and management's assumptions and analysis thereof.

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DESCRIPTION OF OUR BUSINESS

Business Overview

We are a British Virgin Islands company. We currently offer and operate wearable device technology, which includes a full suite of real-time location management services and contact tracing solutions enabled through advanced Bluetooth beacons and an enterprise cloud platform. We also hold a minority investment in a private 5G-focused wireless semiconductor technology.

The self-quarantine monitoring technology suite collectively known as "iMSafe" or "TRACESafe" (the "**TraceSafe Technology**") was developed by WiSilica, Inc. ("**WiSilica**"), a private California company, as a global health product designed for senior homes and maternity wards and now deployed by governments and corporations to fight the global COVID-19 pandemic. In May 2020, we acquired, through our wholly-owned subsidiary, 100% of the rights and interest in the TraceSafe Technology from WiSilica in consideration of a cash payment and contribution of USD\$650,000 and the issuance of 4,516,935 non-voting common shares and 1,483,605 preferred shares of TraceSafe US (as defined herein). The TraceSafe Technology includes a suite of patent-protected health and safety products, including a bracelet with an embedded chip and related software to track the wearer's location.

With the acquisition of the TraceSafe Technology, we provide a range of wearable safety technology solutions including real-time location management services and contact tracing solutions not just in response to COVID-19, but also in service to companies wishing to improve operational efficiency by monitoring interactions of people in their work places or facilities. We believe that the TraceSafe Technology will also be applicable to any future pandemics. COVID-19 is among the most widespread pandemics the world has seen since 2000, but has been predated by the 2002-2004 SARS outbreak, the 2009 H1N1 pandemic, the 2012 MERS outbreak and the widespread Ebola virus outbreak in 2013.

We previously operated in the construction and transportation infrastructure maintenance business in Mongolia. On October 10, 2018, we changed our business to developing proprietary indexes and ancillary data products for emerging blockchain and digital currency markets, and no longer operate in the infrastructure maintenance business. For additional details, see "*Description of our Business – Three Year History*".

Our blockchain business focus is to develop proprietary information indexes and ancillary data products for emerging blockchain and digital currency markets. In addition, we may develop indexes for third parties. Our focus is to collect and aggregate the data from emerging blockchain software applications. Due to the decentralized nature of the blockchain, the data created by a blockchain application is often spread out and dispersed in a large number of locations. This makes data aggregation and information processing more costly and time-consuming than the centralized applications they are replacing. We believe the resulting increased cost and time required to process data presents the opportunity for us to provide to the marketplace a service (the collection and aggregation of data) and a product (datasets). Our proprietary portal, BCXdata.com, is a suite of services in development to provide investors and fund managers with unique insights into the ecosystem of crypto-assets, including an institutional-grade analysis package.

Corporate Strategy

Our strategic focus is to provide a full suite of real-time location management services and contact tracing solutions enabled through advanced Bluetooth beacons in a variety of form factors. Our leading cloud management solution ensures both user privacy and comprehensive administrative control. Our TraceSafe Technology is deployed in mission critical quarantine applications around the world in partnership with leading governments. In addition to our work with governments, we are developing solutions for enterprise, healthcare and large-scale venue management.

Corporate Structure

We are a reporting issuer in British Columbia and Ontario and our common shares trade on the Canadian Securities Exchange (the "CSE") under the trading symbol "TSF".

We were incorporated on July 5, 1996 as a private company under the *Business Corporations Act*, R.S.O. 1990, c. B-16 under the name "1188929 Ontario Inc.". On August 10, 1998, we amended our articles to remove the private company restrictions and to change our name from "1188929 Ontario Inc." to "Alyattes Resources Inc." to reflect our focus on the acquisition and exploration of mineral properties.

On June 28, 1999, we amended our articles to create a new class of an unlimited number of Series A Preference Shares issuable in series and to change our name from "Alyattes Resources Inc." to "Alyattes Enterprises Inc.". We also completed the consolidation of our common shares on the basis of one post-consolidated common share for every two pre-consolidated common shares.

On January 31, 2007, we completed the consolidation of our common shares on the basis of three post-consolidated common share for every four pre-consolidated common shares. We also completed a "three-cornered" amalgamation with our wholly-owned subsidiary, 1272639 Alberta Ltd., and Wedge Energy Inc. ("**WEI**") pursuant to the *Business Corporations Act*, R.S.A. 2000, c. B-9 (the "**ABCA**"), continuing under the name "Wedge Energy Inc.". WEI was incorporated pursuant to the ABCA on February 10, 2006 as a wholly owned subsidiary of "Wedge Energy International Inc.". On February 1, 2007, we amended our articles to change our name from "Alyattes Enterprises Inc." to "Wedge Energy International Inc.".

On November 8, 2010, we amended our articles to limit the number of Series A Preference Shares issuable to 70,000 and to change the rights, privileges, restrictions and conditions attached thereto such that the Series A Preference Shares had no rights to vote at meetings of shareholders of the Company and were not convertible, but had preferential rights on liquidation, dissolution or winding up over our common shares. The Series A Preference Shares were also redeemable by the Company at its sole discretion at the original subscription price.

On December 22, 2010, Undur Tolgoi Minerals Inc. ("**UTMI**") was incorporated as a private company under the *Business Corporations Act*, S.B.C. 2002, c. 57 (the "**BCBCA**"). On October 21, 2011, we completed the continuance of our corporate jurisdiction from the laws of Ontario to the laws of British Columbia. On November 14, 2011, we completed the consolidation of our common shares on the basis of one post-consolidated common share for every twenty pre-consolidated common shares and the Company and UTMI were amalgamated pursuant to the BCBCA, continuing under the name "Undur Tolgoi Minerals Inc.".

On December 18, 2013, we completed the continuance of our corporate jurisdiction from the laws of British Columbia to the laws of the British Virgin Islands. Pursuant to the continuation, we adopted a new memorandum of association and articles of association in compliance with the *BVI Business Companies Act*, 2004 (No. 16 of 2004), as amended from time to time (the "**BVI Act**"), and our existing notice of articles and articles were repealed. Our memorandum of association authorize us to issue an unlimited number of shares of a single class and single series with no par value.

On January 7, 2014, we amended our memorandum of association and articles of association to change our name from "Undur Tolgoi Minerals Inc." to "Khot Infrastructure Holdings, Ltd." to reflect our focus on cash generating, non-resource infrastructure projects within Mongolia.

On April 25, 2018, we amended our memorandum of association and articles of association to change our name from "Khot Infrastructure Holdings, Ltd." to "Blockchain Holdings Ltd." to reflect our focus on developing proprietary index products for resale to investment management firms and developing other complementary data products in-house for emerging blockchain and digital currency markets.

On April 28, 2018, the Company's wholly owned subsidiary, Great Hoard Holdings S.a.r.l, disposed of its shareholding in Ashid Munkhiin Zam LLC ("**AMZ**"), a company organized under the laws of Mongolia, for consideration in the amount of \$1. The sale of AMZ concluded the winding down of the Company's infrastructure construction operations in Mongolia.

On May 11, 2018, we completed the consolidation of our common shares on the basis of one post-consolidated common share for every ten pre-consolidated common shares.

On November 12, 2018, the Company's wholly owned subsidiary, Jucca Holdings Ltd., dissolved its shareholdings in its subsidiary, Great Hoard Holdings S.a.r.l, a company which had been incorporated in Luxembourg. The dissolution of Jucca Holdings Ltd. concluded the winding down of the subsidiary responsible for our infrastructure construction operations in Mongolia.

On June 9, 2020, we amended our memorandum of association and articles of association to change our name from "Blockchain Holdings Ltd." to "TraceSafe Inc." following our acquisition of the TraceSafe Technology.

Our head and registered and records office address is Sea Meadow House, Blackburne Highway, P.O. Box 116, Road Town, Tortola, British Virgin Islands VG 1110.

Intercorporate Relationships

As at the date of this Annual Information Form, our significant subsidiaries and their respective jurisdictions of organization are TraceSafe Technologies Inc. ("**TraceSafe US**"), which is organized under the laws of the State of Nevada, and TraceSafe Asia Pacific PTE Ltd. ("**TraceSafe Asia**"), which is organized under the laws of Singapore. We hold 100% of the outstanding voting securities of each of these subsidiaries.

Recent Developments

The following summarizes certain material developments of our business that took place subsequent to year end:

Business

- On March 13, 2020, we entered into a binding letter of intent to acquire 100% of the rights and interest in the TraceSafe Technology from WiSilica. The TraceSafe Technology is a global health monitoring product that may be deployed by governments and corporations as they fight the global COVID-19 pandemic.
- On April 23, 2020, we announced we had entered into a definitive agreement to acquire, through our wholly-owned subsidiary, TraceSafe US, the TraceSafe Technology from WiSilica.
- On May 12, 2020, TraceSafe US completed the acquisition of the TraceSafe Technology from WiSilica in consideration of a cash payment and contribution of USD\$650,000 and the issuance of 4,516,935 of our non-voting common shares and 1,483,605 preferred shares of TraceSafe US. Subject to certain voluntary conversion restrictions (the "**WiSilica Resale Restrictions**"), such non-voting common shares are exchangeable for 4,516,935 of our common shares and, upon satisfaction of three separate performance milestones related to the commercialization of the TraceSafe Technology, such preferred shares are exchangeable for (in three separate tranches) an aggregate of 19,286,865 of our non-voting common shares, subject to the WiSilica Resale Restrictions.

The WiSilica Resale Restrictions effect a timed release of WiSilica's common shares as follows: (a) in the first four months (until September 12, 2020), no non-voting common shares of TraceSafe US may be exchanged; (b) after such time and until January 1, 2021, no more than 20% of the non-voting common shares of TraceSafe US may be exchanged; (c) after January 1, 2021 and until May 12, 2021, no more than 66.67% of the non-voting common shares of TraceSafe US may be exchanged; (d) after May 12, 2021 and until January 1, 2022, no more than 83.33% of the non-voting common shares of TraceSafe US may be exchanged; and (e) after January 1, 2022, all outstanding non-voting common shares of TraceSafe US may be exchanged.

- On May 19, 2020, we announced that TraceSafe US had secured additional orders for the TraceSafe Technology with the Hong Kong Office of Government Chief Information Officer.
- On May 21, 2020, TraceSafe US entered into an advance stage pilot program for the TraceSafe Technology with Kuwait and an additional Southeast Asian country. The confidential Southeast Asian country uses our original hardware and software package to manage self-quarantine. Kuwait utilizes our hardware to deploy a safety and contact tracing program called "DeliverSafe" across the country's food delivery workforce.
- On May 27, 2020, Gordon Zeilstra (formerly of SAP SE, Taleo Corporation and Monster.com) was appointed as Chief Revenue Officer of TraceSafe US.
- On June 1, 2020, TraceSafe US executed a contract with Toronto Wolfpack Rugby League Football Club to exclusively deploy our TraceSafe Technology at Lamport Stadium during the 2020-2021 season, if played.

- On June 9, 2020, we amended our memorandum of association and articles of association to change our name from "Blockchain Holdings Ltd." to "TraceSafe Inc." and on June 18, 2020, our common shares began trading on the CSE under the new name and the new trading symbol "TSF".
- On June 22, 2020, we announced that Boustead Projects E&C Pte Ltd (Singapore), one of the largest construction firms in Singapore, had entered into an arrangement with our local nominee to provide contact tracing solutions to help meet the COVID-Safe Restart Criteria published by the Singapore Building and Construction Authority, which represents the first Enterprise Contact Tracing deployment of the product suite called "AllSafe".
- On July 6, 2020, we announced the introduction of our iMSafe Gateway, a Global Positioning System (GPS) and Long-Term Evolution (LTE) enabled device that replaces the need to pair mobile phones in our iMSafe and AllSafe products.
- Effective July 14, 2020, Marcin Samiec was appointed as Chief Privacy Officer and Vice President of Technology of TraceSafe US.
- On July 15, 2020, we announced the inclusion of Atmosic Technologies' ("**Atmosic**") Bluetooth 5.0 based M2 system-on-chip (SoC) solution in our AllSafe wristbands, which enable long-range connectivity of up to 100 meters and ultra-low power consumption. Their solutions can also be integrated into other wearables and sensor-based devices to advance health and safety.
- On July 28, 2020, we announced a partnership with Elite Event Management to deliver our TraceSafe Technology to sports stadiums and venues across the United Kingdom and Ireland.
- On July 30, 2020, we announced the establishment of an operating team in Singapore to support and expand the application of our products in government and the healthcare and construction sections. Jasling Ong was appointed Managing Director and Dean Seiff was appointed as Customer Success and Partnership Manager for South East Asia.
- On August 4, 2020, we executed a memorandum of understanding with Spykke Innovations Private Limited, an Indian technology startup founded by Ramani Iyer, to distribute our products in Bengaluru, India and to other local government authorities to help manage community quarantine for people with COVID-19 symptoms.
- On August 26, 2020, we announced that our wearable safety technology had increased its production capacity from approximately 30,000 wristbands and other wearable devices per month to 300,000. We also announced the sale of 180,000 wristbands to a single government customer during the first two financial quarters of 2020, with an average order size increasing approximately four times that of the first financial quarter of 2020.
- On September 10, 2020, we successfully bid on a contract to deliver 120,000 of our wristbands to the Hong Kong Government for use in Hong Kong's home Quarantine Support System.
- On September 23, 2020, we received a letter of authorization from a large Southeast Asian conglomerate focused on the technology, defense and engineering business sectors. The letter provides for an initial purchase of 30,000 of our wristbands and LTE gateways, with additional purchase options over twelve months, for sale to a major national government in the region. We also agreed to provide, for the first time, cloud management services.
- On September 24, 2020, we announced that we had partnered with the Government of the Cayman Islands on a quarantine management solution pilot project for the reopening of flights to the Cayman Islands. We have shipped our quarantine management wristbands to the Cayman Islands for immediate use and plan to ship additional wristbands as needed in the near future.
- On October 21, 2020, we announced that we had joined the UKG Dimensions Technology Partner Network, a collaborative ecosystem of organizations using the UKG Dimensions suite and intelligent

D5 platform. Through this technology partnership, UKG Dimensions customers can have access to our suite of real-time location management services and contact tracing solutions.

- On October 29, 2020, we announced the first deployment of over 1,000 wearable devices, TraceSafe Gateways and TraceSafe cloud management platform in our education project in Texas to provide contact tracing and quarantine management for students attending in-person learning.
- On November 11, 2020 we announced the launch of our new product line called "Patient Path" and concurrent launch of a pilot project at a 1000+ bed hospital in Singapore for use in their urology outpatient wing for a three-month trial.
- On November 18, 2020 we won the Singapore National Innovation Challenge award for "Digital Tool to Facilitate a COVID-Safe, Smart and Integrated Management of Worksite and Workforce" and received advance funding up to SGD\$300,000 for market deployment.

Financings

- On March 2, 2020, we completed a non-brokered private placement of 1,097,213 common shares at a price of \$0.30 per share for gross proceeds of \$329,164.
- On April 2, 2020, we issued 899,847 common shares at a price of \$0.30 per share to fully settle the convertible debentures issued on November 28, 2019 in the aggregate amount of \$269,954, including accrued interest.
- On April 6, 2020, we completed the first tranche of a non-brokered private placement of 4,918,997 units at a price of \$0.30 per unit for gross proceeds of \$1,475,699. Each unit was comprised of one common share and one-half of one non-transferable common share purchase warrant, with each whole warrant exercisable into one common share at a price of \$0.50 until April 6, 2022.
- On April 29, 2020, we completed the final tranche of a non-brokered private placement of 433,333 units at a price of \$0.30 per unit for gross proceeds of \$130,000 (together with the first tranche completed on April 6, 2020, the "**April 2020 Financing**"). Each unit was comprised of one common share and one-half of one non-transferable common share purchase warrant, with each whole warrant exercisable into one common share at a price of \$0.50 until April 29, 2022.
- On August 7, 2020, we completed a brokered private placement of 4,005,000 units at a price of \$1.00 per unit for gross proceeds of \$4,005,000 (the "**August 2020 Financing**") with Canaccord Genuity Corp. acting as agent pursuant to an agency agreement entered into on June 19, 2020 (the "**Agency Agreement**"). Each unit is comprised of one common share and one-half of one transferable common share purchase warrant, with each whole warrant exercisable into one common share at a price of \$1.50 per share until August 7, 2022, subject to early acceleration.

Three Year History

The following summarizes certain material developments of our business over the past three financial years.

Business

Financial Year Ended December 31, 2017

- On February 28, 2017, Sabino Di Paola resigned as our Chief Financial Officer ("**CFO**"). Mr. Alan Tam, our current CFO, was appointed as our CFO on August 2, 2017.
- On May 5, 2017, a cease trade order was issued by the Ontario Securities Commission (the "**OSC**"). For further details, see "*Directors and Executive Officers – Cease Trade Orders, Bankruptcies, Penalties or Sanctions*".

- On August 24, 2017, we called an annual general and special shareholders' meeting to be held on September 19, 2017 to approve, *inter alia*: (a) a change of business; (b) a share consolidation on the basis of one post-consolidated common share for every ten pre-consolidated common shares; and (c) a change of name. At the request of the OSC, we subsequently deferred the shareholders meeting to a later time in order to amend the information circular and prepare a CSE Form 2A Listing Statement in accordance with applicable policies of the CSE, including with respect to its proposed change of business. We rescheduled our shareholders' meeting to be held on April 9, 2018. For more information regarding the change of business, see "*Business – Financial Year Ended December 31, 2018*", below.

Financial Year Ended December 31, 2018

- On February 1, 2018, we obtained an order from the OSC revoking the cease trade order issued on May 5, 2017. For further details, see "*Directors and Executive Officers – Cease Trade Orders, Bankruptcies, Penalties or Sanctions*".
- On March 13, 2018, we called an annual general and special shareholders' meeting to be held on April 9, 2018 to approve, *inter alia*:
 - (a) a change of business from transportation infrastructure engaged in the construction of highways and regional roads in Mongolia to that of developing proprietary indexes and ancillary data products for emerging blockchain and digital currency markets;
 - (b) in connection with the change of business, the sale our Mongolian subsidiary, Ashid Munkhiin Zam LLC to an arm's length party;
 - (c) an amendment to our memorandum of association and articles of association to consolidate our common shares on the basis of one post-consolidated common share for up to every ten pre-consolidated common shares, with the directors authorized to determine the final consolidation basis within that range; and
 - (d) an amendment to our memorandum of association and articles of association to change our name from "Khot Infrastructure Holdings, Ltd." to "Blockchain Holdings Ltd.", or such other name that is acceptable to our board of directors (the "**Board**").
- On March 15, 2018, Kenneth Farrell resigned as one of our directors.
- At the annual general and special meeting of shareholders held on April 9, 2018 (the "**2018 Meeting**"), our shareholders approved all agenda items and proposals put forward by the Board, including the election of James Passin, Donald Padgett, Jeremy L Gardner, Wayne Lloyd and Gregory Kallinikos to the board. Erin Chutter and Orgilmaa Siizkhuu did not stand for re-election at the meeting.
- On April 25, 2018, we amended our memorandum of association and articles of association to change our name from "Khot Infrastructure Holdings Ltd." to "Blockchain Holdings Ltd.".
- On May 11, 2018, we completed the consolidation of our common share on the basis of one post-consolidated common share for every ten pre-consolidated shares.
- On September 20, 2018, we received conditional approval from the CSE for the change of business approved at the 2018 Meeting following the filing of our listing statement dated September 20, 2018.
- On October 10, 2018, we announced that we had received final approval from the CSE for the change of business, which constituted a "fundamental change" pursuant to the policies of the CSE, and our common shares resumed trading on the CSE under the symbol "BCX" on October 12, 2018.

Financial Year Ended December 31, 2019

- On February 27, 2019, we announced that our wholly-owned subsidiary, Wishland Properties Limited ("**Wishland**"), had entered into a share purchase agreement to purchase 21,000,000 shares of Airbeam

60 GHz Holdings Ltd. ("**Airbeam 60GHz**"), a private British Columbia company, for a purchase price of USD\$2,580,000. Airbeam 60GHz had entered into a definitive agreement to purchase the 60 gigahertz ("**GHz**") portfolio of gigabit-class wireless infrastructure assets and 5G-focused wireless technology (the "**Airbeam Technology**") from a leading publicly traded semiconductor company located in the United States.

- On March 25, 2019, we announced that Airbeam 60GHz had closed its acquisition of the Airbeam Technology, which included licenses to build the next-generation 60 GHz products, including WiGig and WiHD technologies (which make high-speed connectivity to the internet possible without fiber optic cables).
- On November 12, 2019, Wishland completed the acquisition of 9,876,191 Class A Voting common shares of Airbeam 60 GHz at a price of approximately USD\$0.09 per share (approximately \$0.12 per share) for an aggregate purchase price of approximately USD\$882,000 (approximately \$1,185,143).

Financings

The following summarizes certain of our financings over the past three financial years.

Financial Year Ended December 31, 2017

- In the first half of 2017, we entered into a series of loan agreements with certain of our directors and officers (the "**Director and Officer Loans**"), both current and proposed, and various other parties, to provide us with an aggregate of USD\$366,679. Each loan was repayable twelve months from the effective date. The loans accrued interest at a rate of 8% per annum, with the accrued interest to be paid at the time of the repayment of the loans. As of the date of this Annual Information Form, all such loans have been fully settled.

Financial Year Ended December 31, 2018

- On April 17, 2018, we completed a non-brokered private placement of subscription receipts for gross proceeds of \$500,000 at a price of \$0.10 per subscription receipt. Pursuant to the terms thereof, the subscription receipts converted into common shares (on a one-for-one basis) without any further action taken by the holders thereof and without payment of any additional consideration upon satisfaction of the following conditions: (i) the Company receiving all applicable regulatory approvals for the private placement and completing the transactions disclosed in our management information circular dated March 9, 2018; (ii) the receipt by the Company from the subscriber of any other documents required by the CSE and applicable securities laws; and (iii) the receipt of shareholder approval of the transactions, including the 10:1 share consolidation.
- On September 20, 2018, we announced that our director, James Passin, had provided us with a \$500,000 revolving operating line of credit at an interest rate of 8% per annum.
- On October 15, 2018, we issued 6,283,946 common shares at a post-consolidation price of \$0.10 per share to fully settle the Director and Officer Loans in the aggregate amount of USD\$487,376 (\$628,304), including accrued interest, and 5,000,000 common shares upon conversion of the subscription receipts issued on April 17, 2018.
- On December 21, 2018, we completed a non-brokered private placement of 1,515,532 common shares at a price of \$0.50 per share for gross proceeds of \$757,766 and issued 456,134 common shares at a price of \$0.50 per share to settle certain debt owed to senior management, directors and a consultant in the aggregate amount of \$228,067. We also terminated the revolving line of credit provided by Mr. Passin.

Financial Year Ended December 31, 2019

- On February 19, 2019, we completed a non-brokered private placement of 445,570 common shares at a price of \$0.50 per share for gross proceeds of \$222,785.
- On May 13, 2019, we completed a non-brokered private placement of 2,010,000 common shares at a price of \$0.50 per share for gross proceeds of \$1,005,000.
- On November 28, 2019, we completed a non-brokered private placement of 264 convertible debentures (the "**Convertible Debentures**") at a price of \$1,000 per debenture for gross proceeds of \$264,000. The debentures accrued interest at rate of 6.5% per annum and matured on November 28, 2020. The outstanding principal amount and accrued interest of the Convertible Debentures were converted by the holders thereof into 899,847 common shares at the conversion price of \$0.30 per share in April 2020.

Digital Contact Tracing and Wearable Safety Technology

In traditional contact tracing, public health officials interview an infected individual, identify contacts and advise exposed contacts to self-monitor for symptoms, self-quarantine or obtain medical evaluation and treatment. This approach has had success in reducing infection transmission in many epidemics, including severe acute respiratory syndrome-associated coronavirus (SARS-CoV) and Ebola. Traditional contact tracing is labour- and time-intensive. Furthermore, it is less effective with COVID-19, as it has a shorter time between successive cases in a chain of transmission (serial interval). Recall errors and exposures in public settings can further impede contact identification.

Digital contact tracing makes use of electronic information to identify exposures to infection; it has the potential to address limitations of traditional contact tracing, such as scalability, notification delays, recall errors and contact identification in public spaces. Voluntary approaches to digital tracing have focused on the development and deployment of Bluetooth-embedded technology (such as wearables) and the development of mobile applications that can be downloaded on an opt-in basis. Most COVID-19 contact tracing technology use Bluetooth signal strength to determine distance between devices and exposure status based on distance from, and duration of proximity to, an individual subsequently identified as infected.

Solutions

COVID-19 has changed how people shop, travel and work for the near future. As the world responds to COVID-19, health and safety is critical in reopening plans and mainstays in ongoing operations. We believe that the emerging category of health and safety wearable technology will be instrumental to reopening economies currently subject to various quarantine and lockdown restrictions related to the COVID-19 pandemic. We believe that our TraceSafe Technology can be an important tool for maintaining public health, assisting enterprises complying with new public health guidelines and providing a safer return to work for employees. Our health and safety wearables contain two ready to use solutions with the following features:

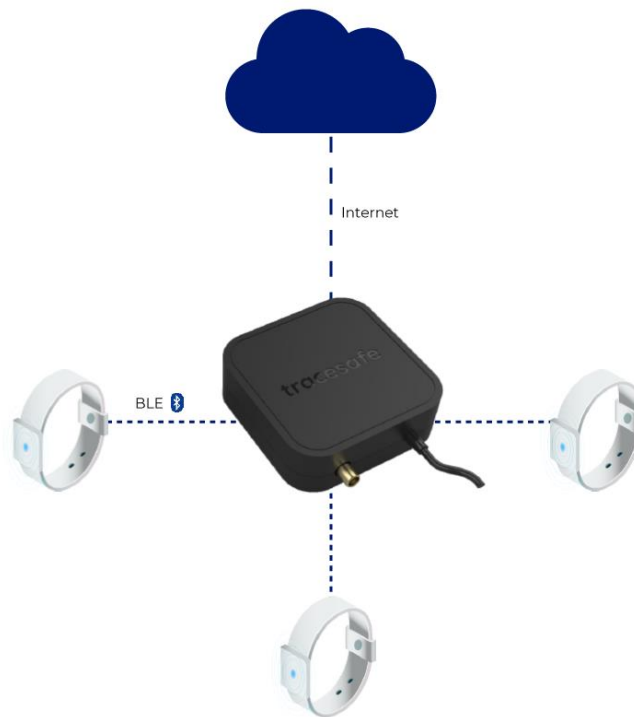
Contact Tracing and Social Distancing Solutions	Quarantine Management Solutions
<ul style="list-style-type: none"> • Provides intelligent cues to maintain safe physical distancing • Can quickly alert users in the case of exposure • Works with or without internet connectivity • No smartphone or app required • Has a virtually unlimited battery life for ongoing worry-free operation 	<ul style="list-style-type: none"> • Plug-and-play for simple set up • Works with or without internet connectivity • No charging needed for safe and reliable management • No smartphone or app required • Managed in real time through a cloud-based platform

Our solutions focus on local enterprise contact tracing rather than large scale national efforts. This means that our TraceSafe Technology only monitors user interactions with other people within authorized locations. Our localized contact tracing cannot function once users leave the contact site, reducing user fears of being "always on".

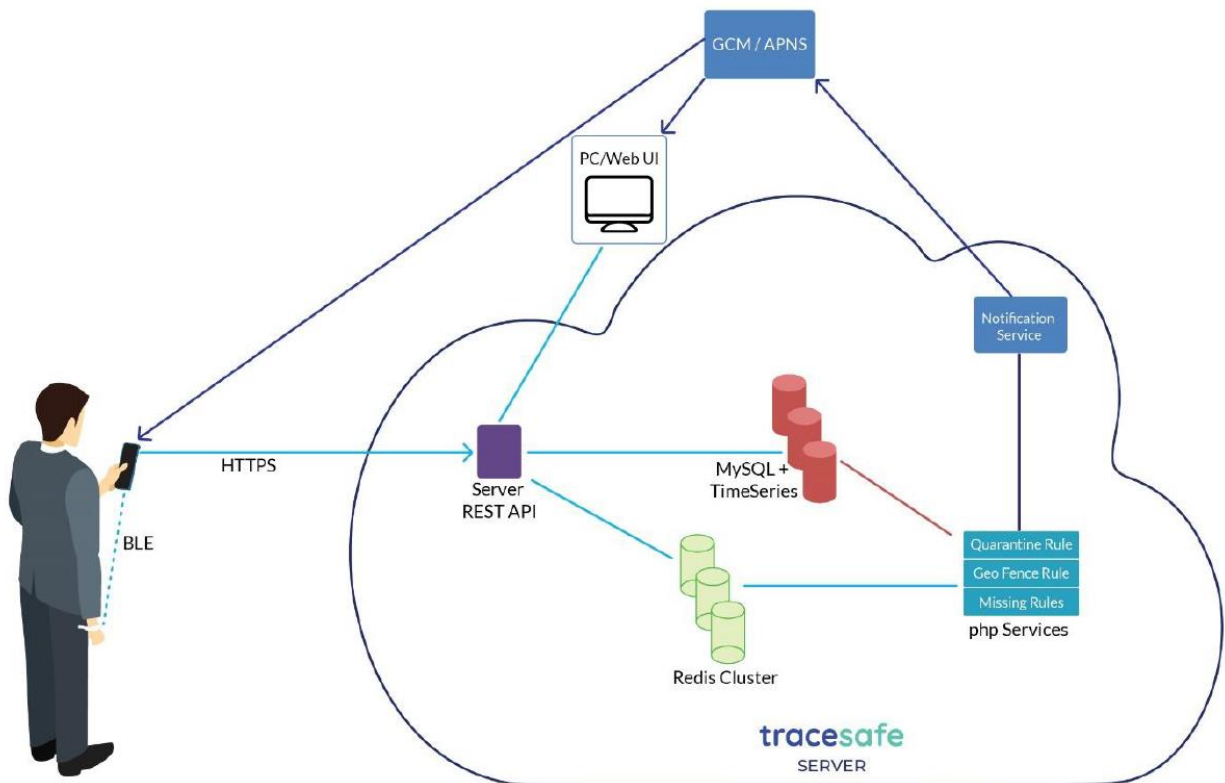
Products and Services

WTAB and TBDL (as described below), when used together, are a contact tracing and social distancing solution. WTAB, a Bluetooth Low Energy (BLE) controlled wrist tag known as "iMSafe Tags", gives visibility into the user's location data (with up to a 15 meter range from a smartphone) and can log time stamps and locations of the user through a single application used by both the user and system administrator via a central monitoring system (as described below). The iMSafe Tags come in different variants equipped with a barometric pressure sensor and temperature sensor. It is powered by a CR1225 coin-cell battery. iMSafe Tags give Light Emitting Diode (LED) indication for ON/OFF operations and are also capable of detecting tag-tampering and battery levels. The hospital-grade, lightweight band is waterproof, hypoallergenic, latex free and skin friendly.

TBDL is a LTE-M/NB-IoT and BLE gateway providing ubiquitous connectivity to BLE devices. It is powered by a 5-volt direct current adapter and has an external GPS. The following illustration shows how our TBDL gateway functions with our iMSafe Tag:



iMSafe is a self-quarantine management solution that tracks the time-based location of people in isolation. This system tracks people in real-time using WTAB wrist tags worn by them and generates alerts and notifications on quarantine violations for both administrators as well as users. The components of this system are: (i) iMSafe Tags; (ii) mobile application (iOS or Android) with Bluetooth, internet connectivity and location services (GPS); and (iii) web-application browser with internet connectivity. The following illustration shows how the iMSafe system works:



The system administrator begins by onboarding the quarantine user onto the system by assigning the iMSafe Tag to the user and scanning a Quick Response (QR) code and then entering relevant user details such as name, quarantine location, time to reach location and number of days subject to quarantine. The user then registers and assigns the iMSafe Tag to his smartphone by scanning the QR code using our mobile application to begin the tracking process. The BLE packets from the iMSafe Tag are captured by the user's smartphone and tag data and the smartphone's GPS location are sent to our secure server at regular intervals set by the system administrator. If data from the iMSafe Tag is not available, only the smartphone location information will be sent to the server.

iMSafe will continuously analyze the data sent by the smartphones and will identify and respond to the following issues:

- the user will be notified regularly about the remaining time to reach his or her quarantine location until he or she reaches the destination;
- if the user does not reach the quarantine destination by the pre-set time, the system will alert the system administrator and send a notification to the user;
- if the iMSafe Tag data is not received by his or her smartphone, the system will alert the system administrator and send a notification to the user;
- if a user's smartphone data does not reach our server by the pre-set interval, the system will alert the system administrator;
- if the distance from the user's current location and the required quarantine location is beyond a pre-set acceptable distance, the system will alert the system administrator and send a notification to the user;
- if the iMSafe Tag is damaged or has been tampered with, the system will alert the system administrator and send notifications to the user at pre-set intervals; and
- if the iMSafe Tag battery level drops below 30%, the system will alert the system administrator and send notifications to the user at pre-set intervals.

iMSafe can also generate online reports showing the GPS location of quarantined users as well as data on alerts and notifications.

Our recently developed iMSafe Gateway device is a GPS and LTE-enabled device that can replace the need to pair a smartphone in all of our products. Our products require an internet connection, which was previously provided by pairing a user's smartphone to their iMSafe Tag. Our new iMSafe Gateway eliminates the need for a smartphone entirely by pairing the iMSafe Tag to the iMSafe Gateway directly, which also enhances privacy protection by eliminating the need for a smartphone. Deployment of our iMSafe Gateway devices are designed to dramatically streamline the user experience because it provides a clean end-to-end solution with no app required or user initiated Bluetooth pairing required. Users simply plug in their iMSafe Gateway, which is already paired with their iMSafe Tag. We expect our iMSafe Gateway to accelerate adoption where privacy and security are paramount and limited user technical ability is a barrier to adoption. It also provides coverage for users who may not have access to smartphones, such as senior citizens, young children and the disenfranchised.

Our enterprise cloud platform is a secure, proprietary platform, built on the medical-grade requirements originally required to monitor infants across maternity wards. We most commonly deploy within the AWS (Amazon Web Services) environment which is ISO/IEC 27001:2013, 27017:2015, and 27018:2019 certified, and allows us to securely host data in geographical areas that correspond to our client's needs based on relevant privacy laws (e.g. the EU's General Data Protection Regulation, or GDPR). Our platform can also be customized to run on Azure, Google Cloud Platform, or a client or government data center as required.

As an example of how our iMSafe Gateway functions, for venues, our wristbands effectively act as two-way radios that enable public health directives such as contact-tracing and social distancing to be applied at large scale events. It also enables other location-based services, such as guidance to seating areas, access control and loyalty programs, to be personalized and location-aware, that further enhances the enjoyment and safety for all attendees. It does not require the use of attendees smartphones, thereby eliminating privacy concerns and any technical issues related to smartphone capabilities. Our iMSafe Tags transmit and receive signals from each other so that nearby contacts can be logged and data is seamlessly retrieved in the background via infrastructure local to each venue. Data can then be used for contact tracing should it be required, to help ensure the health and safety of attendees at a venue. Potential exposures to a confirmed case can be traced and isolated to the area or the groups of individuals in contact with particular persons. Real-time monitoring of social distancing violations can also be enabled so that the individuals concerned may be informed or authorities alerted. Data can be automatically deleted after a predetermined time, for example 14 days after each event. Individuals can be identified by a login ID created by the individual themselves, and any notifications can be sent anonymously to the persons involved without personal information being exchanged.

Data Communication and Security

We protect iMSafe Tag data with RC5 encryption with 128-bit encryption, and also protect it against replay attacks and tampering. The iMSafe Tags themselves do not store any personal information on users, only anonymous interaction data with wearables. Data from iMSafe Tags are processed and relevant information sent to our secure server over SSL encryption, which secures communications from eavesdropping. Our server validates the data and verifies it against the sender, then processes and stores the data in memory caches and database for further processing. Based on the data populated in the caches and database, observers for this cache start processing for various data points against system administrator imposed restrictions, such as the time for a user to reach his or her quarantine location, time permitted for a user to step out of the virtual boundary set up around a geographical location, known as a geo-fence before alerts and notifications are triggered and the maximum distance a user can be away from his or her smartphone, and then generate an alerts and are push notifications to the appropriate user via smartphone.

Similarly, data points for the online reports are processed in incremental batches for quicker availability while being accessible from a smartphone or personal computer with internet connectivity.

We automatically delete data after a predetermined time by the system administrator, and do not store data longer than required for notification and quarantine related purposes in compliance with applicable laws.

Our platform is security hardened on a routine basis. In September 2019 we received a professional security evaluation from Praetorian Cybersecurity Solutions and were benchmarked as "above average" / "good". We also work with BDO Cyber Security to further strength our security controls on a quarterly basis.

Pilot Projects

We are moving forward with the following business initiatives:

- deploying numerous pilot projects for large organizations for the purpose of converting successful pilot projects into material contracts;
- growing a world-class sales channels, including partnerships and integrations with leading Software as a service (SaaS) companies;
- implementing new technology in our wearable devices and gateways that take us beyond wristbands; and
- diversifying and scaling-up our supply chain globally.

We are currently running over 20 active pilot projects for our contact tracing products in the following segments: (i) enterprises and offices; (ii) construction sites; (iii) factories; (iv) universities and schools; (v) hospitals; (vi) stadiums; and (vii) the hospitality industry.

New Products

We have recently designed and manufactured five new products, including gateways and wearables:

- generation 2 iMSafe Tags in partnership with Atmosic;
- clip-on tags for office and industrial use;
- contact tracing gateway to facilitate seamless cloud uploads during mass gathering events;
- quarantine gateway which acts as a privacy-enhancing mobile phone substitute for government quarantine deployments; and
- new suite of innovative connected hospital products.

Returns and Warranty

We generally provide a one-year warranty on all of our products and services, during which time, if any of our products or services are defective or do not operate in accordance with agreed terms, we shall, at our own expense (including transportation costs), replace, re-perform or repair the defective product or service, as applicable, so long as the defect was not caused by the improper installation, operation, storage or maintenance by the customer. However, specific warranties will depend upon individually negotiated contracts.

Principal Markets, Sales and Distribution

Principal Markets

We offer our products and services to enterprises, governments, venues, healthcare facilities and education institutes. Global enterprises want to safely and responsibly open their workplaces, from offices to construction sites. Contact tracing provides a real time solution for reopening our economy while protecting employees and customers. Our solutions have been tested on the frontlines of the COVID-19 crisis, and have been successful to governments around the world. As we move forward, our TraceSafe Technologies can be a useful tool for governments to manage the health and welfare of their citizens. As performance and sporting venues large and small begin to reopen, they search for ways to entertain their fans while maintaining quarantine distancing and minimizing exposure via crowd density. Our accurate (within 12 feet) real time location services offer a solution for venues to begin the process of welcoming fans back into stadiums, concert halls, and the like. Our medical grade wearable technology provides hospitals, nursing homes and health facilitates with a data-driven solution to help stem the spread of COVID-19 safely. As colleges, universities, schools and educational institutions welcome students on campus or into their facilities, administrators are looking for a simple and reliable way to ensure safety. Our solutions can help ensure that people

are maintaining proper physical distancing and can allow for contact tracing and subsequent quarantine management in the instances where an outbreak is detected.

Sales and Distribution

Our typical sales cycle with a prospective customer begins with a small pilot project to prove the effectiveness of our technology in a workplace or facility and then make industry specific customizations and adjustments based on feedback. If successful, we take and fulfill an initial order and implement it across the company or organization. We then support the customer with ongoing training gear up for future orders and expanded offerings.

For a single government customer, we sold and shipped 180,000 wristbands within the last two financial quarters and the average order size quantity from government customers has increased fourfold from the first financial quarter of 2020. We continue to actively pursue new government orders and have recently participated in two government tenders, one for over 120,000 wristbands the other for over 30,000 wristbands and gateways.

In total, we have secured customers or pilot projects in seven countries, including Singapore, India, China (Hong Kong) and the United States, and are in active discussions with a number of additional global markets.

Manufacturing and Production

We have relied on contract assembling companies in jurisdictions such as China, Singapore and India to fulfill the role of manufacturing and production. We arrange and procure parts which are then shipped to the contract companies for assembly and fulfillment.

We have recently increased production capacity of our wearable safety technology business to 300,000 wristbands and other wearable devices per month, up from approximately 30,000 in the first financial quarter of 2020.

Economic Dependence

We are dependent on a technology licensing agreement with WiSilica, pursuant to which WiSilica granted us a non-exclusive, perpetual license to use WiSilica's platform to operate the TraceSafe Technology.

Competitive Conditions

We face competition from direct competitors developing wearable Bluetooth beacons and substitute technology products, including other location-based approaches to tracing that do not require Bluetooth, such as cell phone network data, GPS and Wi-Fi signals. Some of our current and potential competitors, alone or together with their trade associations and partners, have greater financial, technical, marketing, service and other resources, as well as greater name recognition, broader product offerings and longer operating histories. Our industry involves rapidly changing technology, frequent new product introductions and evolving standards and protocols. To maintain or improve our competitive position, we must continue to develop and introduce, on a timely and cost-effective basis, new products and services.

The principal competitive factors that affect the market for our products and services are:

1. product quality, technological innovation, compatibility with standards and protocols, reliability, functionality and ease of use;
2. market and general economic conditions and requirements for new and innovative products;
3. price of our products and services; and
4. potential customers' awareness and perception of our products and services.

We seek to maintain our competitive strength through our strategic relationships, research and development programs as well as by capturing leading customers in the real-time location management services and contact tracing solutions marketplace.

Intellectual Property

Our intellectual property and proprietary rights are important to our business. In our efforts to safeguard them, we rely on a combination of copyright, trade secret, patents, domain names, trademarks and other rights in Canada, the United States and other jurisdictions in which we conduct our business. Additionally, we have entered into a number of confidentiality agreements, assignment agreements and license agreements with employees, contractors, merchants, distributors and other third parties, which limit access to and use of our proprietary intellectual property. Though we rely, in part, upon these legal and contractual protections, we believe that factors such as the skills and ingenuity of our employees, as well as the functionality and frequent enhancements to our platform, make our intellectual property difficult to replicate.

We are subject to certain risks related to our intellectual property. For more information, see "Risk Factors - Risks Related to our Business and Industry."

Patents

Tracesafe continues to develop and file for patents related to its product functionality. The CTO is responsible for filing and overseeing the successful patent application, filing and maintenance process. To date, one granted patent, and two provisional patents have been filed as follows:

Registration	Title	Description
<i>Granted Patent</i>		
US10130285B1	Wearable apparatus for patient tracking	An apparatus for tracking patients utilizes a wristband with integrated radio frequency circuits (" RFIC "). The wristband may further incorporate an antenna on a flex printed circuit boards (" PCB "). The wristband may also be disposable and comprising means for replacing the RFIC.
<i>Provisional</i>		
FSP1823PROV	System for continuously determining location of electronic tags with methods to achieve low power consumption	This patent covers self-quarantine using Bluetooth wristband. Both mobile application based and gateway based mechanisms to synchronize data from the self-quarantine badge is discussed in this patent. The patent also covers the contact tracing wristband and the mechanism by which the logged data is used for contact tracing. It further discusses identification of locations using dedicated listeners/beacons.
FSP1828PROV	System for continuously determining location of electronic tags with methods to achieve low power consumption	This patent discusses methods by which mobile application can be integrated with wristband solution (discussed in FSP1823PROV) to provide warnings to public and health systems on spread of disease. It uses GPS based data and contact data to identify locations of local spread and warns public from avoiding such locations.

Research and Development

We are continually researching and developing our technology to improve our products or introduce new products. Our research and development activities are currently focused on:

1. investigating a partnership with a manufacturer of "smart" cards, containing a fingerprint sensor and E-Ink display, appropriate for use cases and industries that rely or prefer a slimmer form factor;
2. making improvements in location accuracy by making adjustments to our proximity-based machine learning algorithm; and

3. making improvements in form factor comfort, reliability and longevity, including enabling long-range connectivity of up to 100 meters and ultra-low power consumption.

Marketing Plans and Strategies

We continue to make the following investments in marketing:

- hiring of industry-specific personnel;
- investment in content strategy and website development;
- integrating our website and customer relationship management system, allowing us to track leads and advertising spend programs; and
- entry into marketing consulting agreements from time to time.

Environment and Health and Safety

Environment

The Board of Directors is developing an Environmental Waste Policy to affirm our commitment to protecting the environment. Pursuant to the Environmental Waste Policy, management is responsible for ensuring that environmental policies, programs and performance standards are an integral part of our planning and decision-making. Our directors, officers, employees and consultants are responsible and accountable for compliance and have an obligation to bring environmental issues forward to management for resolution.

Health and Safety

The Board of Directors is developing a Health and Safety Policy to affirm our commitment to the health and safety of our directors, officers, employees and consultants and the communities in which we conduct our activities. Pursuant to the Health and Safety Policy, management is responsible for ensuring that health and safety policies, programs and performance standards are an integral part of our planning and decision-making. Under the policy, our directors, officers, employees and consultants will be responsible and accountable for compliance and have an obligation to bring health and safety issues forward to management for resolution.

Employees, Specialized Skill and Knowledge

We have hired professionals with significant experience in our business and operations, including prior experience in wireless product design, startup tech companies, wireless and Bluetooth technologies, computer networking and cloud services.

As of the date of this Annual Information Form, we employed 13 personnel and contractors. Of these personnel, seven were engaged in research, development, services engagements and customer support activities, four were in sales and marketing and four were in administration.

RISK FACTORS

Investors should carefully consider the risks summarized below and all other information contained in this Annual Information Form before making any investment decision relating to our securities. Some statements in this Annual Information Form (including some of the following risk factors) are forward-looking statements. Please refer to our discussion of forward-looking statements in the introduction to this Annual Information Form. Any one or more of these risks could have a material adverse effect on the value of any investment in our Company and on our business, financial position or operating results and should be taken into account in assessing our activities. The risks noted below do not necessarily comprise all of the risks that we face.

Additional Funding and Financing Risk

We will require additional funds for future technology development and investment. There is no assurance that sufficient equity or debt financing will be available to us at reasonable terms, if at all. In addition, any future equity financings may result in substantial dilution for our existing shareholders. If we do not raise additional funds when needed, we may be forced to discontinue product development in certain areas, limit our sales and marketing efforts or forego attractive business opportunities. Our ability to arrange such financing in the future will depend in part on the prevailing capital market conditions as well as our business' performance. If we are unable to obtain such financing, it may have an adverse effect upon our business, financial condition or results of operations.

History of Losses

During the quarter ended June 30, 2020, we began generating revenue from operation for the first time since we acquired the TraceSafe Technology, however we did not have sufficient revenues to cover our operating costs. All of our short to medium-term development and investment project funding must be derived from our existing cash position or from external debt or equity financings. We expect to incur losses in the near future and anticipate that expenses will increase in the foreseeable future.

Limited Operating History and Evolving Business

Our relatively limited operating history in our current operations and evolving business makes it difficult to evaluate future prospects and the risks and challenges we may encounter. These risks and challenges include our ability to forecast revenue, budget for and manage expenses, plan for and manage capital expenditures for current and future offerings, anticipate and respond to macroeconomic changes and changes in the markets in which we operates, comply with existing and new laws and regulations applicable to our business, successfully develop new platform features, offerings and services to enhance the user experience, effectively manage growth, successfully expand geographic reach, maintain and enhance the value of our reputation and brand, hire, integrate and retain talented people of all levels and attract new users in a cost-effective manner.

If we fail to address the risks and difficulties that we faces, including those associated with the challenges listed above as well as those described elsewhere in this "Risk Factors" section, it may have an adverse effect upon our business, financial condition or results of operations.

Integration and Technology Adoption Risk

There is no assurance that we will be successful in integrating our Tracesafe Technology, that the TraceSafe Technology being developed will be adopted by intended end users and that our operations will eventually become profitable. If we are unsuccessful in any of our efforts, it may have an adverse effect upon our business, financial condition or results of operations.

Market's Early Stage Industry

Bluetooth contact tracing technology is still relatively new, and it is uncertain to what extent market acceptance will continue to grow, if at all. Our success will depend to a substantial extent on the willingness of people to widely-adopt Bluetooth contact tracing technology. If the public does not perceive contact tracing technology as beneficial, or chooses not to utilize contact tracing technology platforms as a result of concerns regarding privacy, affordability or for other reasons, whether as a result of incidents on our platform or on a competitors' platform or otherwise, then the market for our TraceSafe Technology may not further develop, may develop slower than expected or may not achieve the expected growth potential, any of which could adversely affect our business, financial condition or results of operations.

Government Response Measures to COVID-19

Our Tracesafe Technology is encouraged by present demand for efficient, pandemic-related contact tracing solutions by public health officials and by the needs resulting from government policies with respect to COVID-19 response measures. A change in the approach by or position of public health authorities or government regulation and policy, or the reduction or elimination of these response measures may result in a decrease in demand for our products and services, which may have an adverse effect upon our business, financial condition or results of operations.

Pharmaceutical Developments in the Treatment of COVID-19

There is currently no commercially available vaccine or effective transmission-suppression for COVID-19. While two separate vaccine candidates have announced promising vaccine results, these vaccine candidates have not yet been widely approved for use, including in Canada, the United States or Europe (other than the U.K. on an emergency use basis). The worldwide availability and rollout of such vaccines is also complex and is expected to take several years. Our pandemic-specific contact tracing technology is most beneficial during this pre-treatment, widespread pandemic stage. However, the development of pharmaceutical applications and vaccinations directed at the treatment of COVID-19 may reduce the demand for wearable contact tracing safety technology. This would limit the need for our products and services, which may have an adverse effect upon our business, financial condition or results of operations.

Existing Competition and Changes in Technology or Customer Demands

The market for our pandemic-specific contact tracing technology is still emerging and continued growth and demand for and acceptance of the TraceSafe Technology is uncertain. Even if the market for these products and services grows, businesses may purchase the products and services from our competitors. Our continued success will depend on our ability to keep pace with technological and marketplace change and to introduce, on a timely, cost effective basis, new and enhanced services that satisfy changing customer requirements and achieve market acceptance. Our competition may develop competitive products and services, which may have an adverse effect upon our business, financial condition or results of operations.

While we believe our products and services are currently competitive, no assurances can be given that our products and services will be commercially viable or that further modification or additional products or services will not be required in order to meet demands or to make changes necessitated by developments made by our competitors which might render our products or services less competitive, less marketable or even obsolete over time. Our future success will be influenced by our ability to continue to adapt our current technology and to develop new competitive products and services. Although we are committed to the development of new products and services and the improvement of our existing products and services, there can be no assurance that these research and development activities will prove profitable or that products or services resulting therefrom, if any, will be successfully produced and marketed.

New Competitors

The increased demand for contact tracing technology could encourage new market entrants and increased competition from providers of alternative technologies. Many providers of alternative technologies may have longer operating histories, greater name recognition and greater financial, technical and marketing resources than us. Should competition increase, this may have an adverse effect upon our business, financial condition or results of operations.

Global Competition

We operate in a global marketplace in which competition among providers of location management services and contact tracing solutions is rapidly emerging. Some of our competitors possess greater financial, marketing and sales resources and reach a larger geographic scope in certain parts of the world than we do which, in turn, provides them with additional leverage in the competition for contracts. In certain niche, regional or metropolitan markets, we face smaller competitors with specialized capabilities who may be able to provide competing services with greater economic efficiency. There can be no assurance that we will succeed in providing competitively priced products and services at levels of service and quality that will enable us to maintain and grow our market share. If we are unsuccessful, this may have an adverse effect upon our business, financial condition or results of operations.

Dependence on Key Personnel, Contractors and Service Providers

Our shareholders rely on the good faith, experience and judgment of our directors, senior officers, management, contractors and service providers in supervising and providing for the effective management of our business and operations and in selecting and developing new investment and expansion opportunities. We may need to recruit additional qualified contractors and service providers to supplement existing management. We will be dependent on a relatively small number of key persons, the loss of any one of whom could have an adverse effect on our business, financial condition or results of operations.

Dependence on Manufacturers and Suppliers

We have relied on a few third parties to manufacture our product components. If they do not manufacture our products properly or cannot meet our needs in a timely manner, we may be unable to fulfill our product delivery obligations and our costs may increase, and our revenue and margins could decrease. If we are unable to successfully manage these risks or to locate alternative or additional manufacturers or suppliers in a timely and cost-effective manner, we may not be able to deliver products in a timely manner, which could have an adverse effect on our business, financial condition or results of operations. To mitigate this risk where possible we source alternative component manufacturers.

There are a limited number of suppliers for some of the components that our contract manufacturers use in our products, and any disruption or delay in supply could have an adverse effect on our business, financial condition or results of operations. Because its suppliers have other customers, they may not have sufficient capacity to meet all of our needs during periods of excess demand. The recent global economic contraction has caused many of our suppliers to reduce their manufacturing capacity. As the global economy improves, suppliers are experiencing and may continue to experience supply constraints until they expand capacity to meet increased levels of demand. These supply constraints may adversely affect the availability and lead times of components for our products. Increased lead times mean that we may have to order materials earlier and in larger quantities. Further, supply constraints will likely result in increased expediting and overall procurement costs as we attempt to meet customer demand requirements. In addition, these supply constraints may affect our ability, as well as our contract manufacturers' ability, to meet customer demand and may result in missed sales opportunities and a loss of market share, which could have an adverse effect on our business, financial condition or results of operations.

Insufficient, Excess or Obsolete Inventory

If we fail to maintain sufficient inventory, we may not be able to meet demand for our products on a timely basis, and sales may suffer. If we overestimate demand, we could experience excess inventory of our products and be unable to sell those products at a reasonable price, or at all. As a result, we may need to record higher inventory reserves. In addition, from time to time we may assume greater inventory risk in connection with the purchase or manufacture of more specialized products in connection with higher volume sales opportunities. We expect that we will experience write-downs from time to time in the future related to existing and future commitments. Excess or obsolete inventory levels for these or other reasons could result in unexpected expenses or increases in reserves against potential future charges which could have an adverse effect on our business, financial condition or results of operations.

Value of our Common Shares

The value of our common shares could be subject to significant fluctuations in response to variations in quarterly and annual operating results, the success of our business strategy, competition and other factors which may affect our business. These fluctuations tend to be exaggerated if the trading volume is low. The market price of our common shares may rise or fall in response to announcements of technological or competitive developments, acquisitions or strategic alliances by us or our competitors, the gain or loss by us of significant orders or broad market fluctuations

Selling Price Erosion

Average selling prices of technology products typically are higher at the time of introduction of new products, which utilize the latest technology and tend to decrease over time as such products become commoditized and are ultimately replaced by even newer generation products. We cannot predict the timing or amount of any decline in the average selling prices of our products that they may experience in the future. In some instances, our agreements with distributors limit the ability to reduce prices unless it can make such price reductions available to them, or price protect

their inventory. If we are unable to decrease per unit manufacturing costs faster than the rate at which average selling prices continue to decline, it could have an adverse effect on our business, financial condition or results of operations.

Liquidly Risk

We actively manages our operating cash flows and the availability of funding so as to help ensure that all of our financing needs and obligations are met. As part of our overall prudent liquidity management, we believe we maintain sufficient levels of cash and cash equivalents to meet our immediate working capital requirements. We currently have a working capital deficit and may need to raise additional funding in the next 12 months to be able to meet our current obligations. If we are unable to obtain such financing, it may have an adverse effect upon our business, financial condition or results of operations.

Regulatory Matters

Changes in government policies, priorities and regulations could have an adverse effect on our business, financial condition or results of operations.

Our business is subject to various national, federal, provincial and local laws, both domestic and foreign, governing financial system technology development, taxes, labor standards and occupational health and safety, environmental standards and other regulatory matters. Development of technologies are also potentially subject to various national, federal, provincial and local laws and regulations, both domestic and foreign, relating to the protection of the financial monetary markets. A violation of these laws may result in the imposition of substantial fines and other penalties, which may have an adverse effect on our business, financial condition or results of operations.

Privacy Laws

We receive, transmit and store a large volume of personally identifiable information and other data relating to the users on our platform. Numerous laws and regulations address privacy, data protection and the collection, storing, sharing, use, disclosure and protection of certain types of data. These laws, rules and regulations evolve frequently and their scope may continually change, through new legislation, amendments to existing legislation and changes in enforcement, and may be inconsistent from one jurisdiction to another. The effects of such legislation potentially are far-reaching, and may require us to modify our data processing practices and policies and incur substantial compliance-related costs and expenses. Other changes in laws or regulations relating to privacy, data protection and information security, particularly any new or modified laws or regulations that require enhanced protection of certain types of data or new obligations with regard to data retention, transfer or disclosure, could greatly increase the cost of providing our offerings, require significant changes to our operations or even prevent it from providing certain offerings in jurisdictions in which we currently operate and in which it may operate in the future, any of which may have an adverse effect on our business, financial condition or results of operations.

International Business Operations

We continue to operate internationally. International sales and the related infrastructure support operations carry certain risks and costs such as the administrative complexities and expenses of administering a business abroad; complications in both compliance with and also unexpected changes in regulatory requirements, foreign laws, international import and export legislation, trading policies, tariffs and other barriers; potentially adverse tax consequences; and uncertainties of law and enforcement relating to the protection of intellectual property and unauthorized duplication of software. There can be no assurance that these factors will not be experienced in the future by us or that they will not have an adverse effect on our business, financial condition or results of operations.

Fluctuations in Operating Results

Our operating results have varied and may continue to vary significantly and are not necessarily an indication of future performance. These fluctuations may be a result of a variety of factors, some of which are beyond our control. In addition, our operating results may fluctuate as a result of factors including our ability to attract and retain new platform users, increased competition in the markets in which it operate, our ability to expand our operations in new and existing markets, our ability to maintain an adequate growth rate and effectively manage that growth, our ability

to keep pace with technological changes in the industries in which it operates, changes in governmental or other regulations affecting our business, harm to our brand or reputation, and other risks.

Intellectual Property Protection

Our ability to compete may be affected by our ability to protect our intellectual property rights. We rely primarily on a combination of intellectual property laws, confidentiality procedures and contractual provisions to protect our intellectual property rights. While we believe that our products and technologies are adequately protected against infringement, there can be no assurance of effective protection. Monitoring and identifying unauthorized use of our technology is difficult, and the prohibitive cost of litigation may impair our ability to prosecute any infringement.

Litigation Risk

Disputes are common in the technology industry where patents, processes and know-how are being developed and as such, in the normal course of business, we may be involved in various legal actions and proceedings, which arise from time to time, some of which may be substantial. However, there is no assurance that our insurance arrangements will be sufficient to cover claims that may arise in the future. Furthermore, we may be subject to the risk of claims and legal actions for various contractual matters, primarily arising from alleged intellectual property infringement, in respect of which insurance is not available. Our commercial success will also depend upon our products not infringing any intellectual property rights of others and upon no claims for infringement being made against us. We believe that we are not infringing any intellectual property rights of third parties, but there can be no assurance that such infringement will not occur. An infringement claim against us by a third party, even if it is invalid, could have an adverse effect on our business, financial condition or results of operations.

Actual or Perceived Privacy Breaches

Although we have developed systems and processes that are designed to protect our users' data, prevent data loss and prevent other security breaches, these security measures cannot fully exclude the possibility of such breaches happening. Our information technology and infrastructure may be vulnerable to cyberattacks or security breaches, and third parties may be able to access our users' personal information that is accessible through those systems. Employee error, malfeasance or other errors in the storage, use or transmission of personal information could result in an actual or perceived privacy or security breach or other security incident.

Any actual or perceived breach of privacy or security could interrupt our operations, result in the TraceSafe Technology platform being unavailable, result in loss or improper disclosure of data, harm our reputation and brand, damage our relationships with third party partners, result in significant legal, regulatory and financial exposure and lead to loss of confidence in, or decreased use of, the TraceSafe Technology, any of which may have an adverse effect on our business, financial condition or results of operations.

Information Systems and Cyber Security

We rely heavily on information technology systems across our operations. Our information technology systems, administrative functions and information technology systems contain proprietary or confidential information related to business and sensitive personal data, including personally identifiable information, entrusted to us by platform users. Computer malware, viruses, spamming, and phishing attacks have become more prevalent and may occur on our systems in the future. Various other factors may also cause system failures, including power outages, catastrophic events, inadequate or ineffective redundancy, issues with upgrading or creating new systems or platforms, flaws in third party software or services, errors by our employees or third party service providers, or breaches in the security of these systems or platforms. Although we have developed systems and processes that are designed to protect our data and that of platform users, and to prevent data loss, undesirable activities on our platform, and security breaches, we cannot provide assurance that such measures will provide absolute security. Any failures may have an adverse effect on our business, financial condition or results of operations.

Product Defects

The sale and use of our products under development may entail a risk of claims against us for damages caused by our products. We retain standard product liability insurance. However, as we expand, there can be no assurances that we will be able to obtain appropriate levels of product liability insurance prior to any use of our products. An

inability to obtain insurance on commercially reasonable terms or to otherwise protect against potential product liability claims could expose us to significant claims respecting product liability. The obligation to pay any product liability claim or a recall of a product may have an adverse effect on our business, financial condition or results of operations.

Foreign Exchange Risk

Currently, all of our sales have been denominated in United States dollars and other foreign currencies. We expect this to continue to be the case in the short and long-term. Fluctuations in the exchange rate between Canadian dollars and other foreign currencies could have an adverse effect on our business, financial condition or results of operations. Foreign currency risk is managed by satisfying foreign denominated expenditures with cash flows denominated in the same currency. We have not entered into any foreign currency contracts or other instruments to mitigate this risk.

Conflicts of Interest

Certain of our directors and officers also serve as directors and officers of other companies involved in technology development. Consequently, there exists the possibility that such directors and officers will be in a position of conflict of interest. Any decision made by such persons involving us are made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other technology companies. In addition, such directors and officers will declare, and refrain from voting on, any matter in which such persons may have a material conflict of interest.

Management of Growth

Our future results of operations will depend in part on the ability of our officers and other key employees to implement and expand operational, customer support and financial control systems and to expand, train and manage our employee base. Our future performance will also depend to a significant extent on our ability to identify, attract, train and retain highly skilled sales, technical, marketing and management personnel. If we are not successful, it could have an adverse effect on our business, financial condition or results of operations.

Marketing Efforts

Promoting awareness of our offerings is important to our ability to grow our business and to attract new customers and can be costly. Our marketing initiatives may become increasingly expensive and generating a meaningful return on those initiatives may be difficult. Even if we successfully increases revenue as a result of our marketing efforts, it may not offset the additional marketing expenses it incurs. If our marketing efforts are not successful in promoting awareness of our offerings or if we are not able to cost-effectively manage our marketing expenses, it may have an adverse effect on our business, financial condition or results of operations.

Development of New Offerings and Enhancement of Existing Offerings

Our ability to attract new customers and increase utilization of our offerings will depend on our ability to successfully create and introduce new offerings and to improve and enhance our existing offerings. Developing and launching new offerings or enhancements to the existing offerings on our platform involves significant risks and uncertainties, including risks related to the reception of such offerings, increases in operational complexity, unanticipated delays or challenges in implementing such offerings or enhancements, increased strain on our operational and internal resources and negative publicity in the event such new or enhanced offerings are perceived to be unsuccessful

Reputation and Brand

Building a strong reputation and brand and continuing to increase the strength of the network effects on our platform is critical to our ability to attract new customers. The successful development of our reputation, brand and network effects will depend on a number of factors, many of which are outside of our control. If we do not successfully develop our brand, reputation and network effects and successfully differentiate our offerings from those of our

competitors, our business may not grow, it may not be able to compete effectively, which could adversely affect our business, financial condition or results of operations.

Loans and Related Party Transactions

Historically, we had signed loan agreements and debt settlement agreements with individual investors and related parties to raise cash to continue to fund operations. There is no assurance that such loans will be available to us in the future on commercially reasonable terms, or at all. In addition, upon settlement of the loans through the issuance of our common shares, existing shareholders are potentially diluted.

Interest Rate Risk

Our exposure to market risk for changes in interest rates relates primarily to our fixed rate current accounts and loans. We have not adopted sensitivity analysis to measure interest rate risk due principally to the fact that we have no floating rate financial assets nor liabilities.

DIVIDENDS

We have not declared or paid any dividends on our common shares since incorporation and do not foresee the declaration or payment of any dividends on our common shares in the near future. Our Board will make any decision to pay dividends on our common shares on the basis of our earnings, financial requirements and other conditions existing at such future time and which our Board considers appropriate in the circumstances.

We are subject to certain restrictions on the declaration and payment of distributions set out in the BVI Act and in our articles of association. For the purposes of this section of the Annual Information Form, a "distribution" includes the direct or indirect transfer of an asset, other than our common shares, to or for the benefit of one of our members or the incurring of a debt to or for the benefit of a member, and whether by means of the purchase of an asset, the purchase, redemption or other acquisition of common shares, a transfer of indebtedness or otherwise, and includes a dividend (the BVI Act and our articles of association and memorandum of association use the term "member" when referring to a holder of common shares, which is the same as a shareholder). In particular, the BVI Act provides that a company will not authorize or make a distribution unless the directors determine that immediately after the making of the distribution the company will be able to satisfy its liabilities as they become due in the ordinary course of its business and the realizable value of the assets of the company will not be less than the sum of its total liabilities (the "**Solvency Test**"). Any resolution of directors authorizing or approving a distribution must contain a statement that, in the opinion of the directors, the company will, immediately after the distribution, satisfy the Solvency Test. Our articles of association contain similar restrictions.

DESCRIPTION OF CAPITAL STRUCTURE

We are authorized to issue registered shares only (and such shares may be in full or fractional form) and to issue an unlimited number of shares of a single class and single series with no par value, of which 35,513,998 common shares are issued and outstanding as of the date of this Annual Information Form. We are not authorized to issue bearer shares, convert registered shares to bearer shares or exchange registered shares for bearer shares.

Common Shares

The common shares entitle their holders to: (a) the right to one vote per common share at a meeting of the members or on any resolution of members; (b) the right to an equal share in any distribution paid by us; and (c) the right to an equal share in the distribution of our surplus assets on a winding up. This share structure is similar to the share structure of public companies in Canada that are authorized to issue an unlimited number of common shares, with the holders of the common shares entitled to receive dividends declared by the board of directors; entitled to participate rateably in the remaining property of the company in the event of the liquidation, dissolution or winding up of the company, whether voluntary or involuntary, or in the event of any other distribution of assets of the company among its shareholders for the purpose of winding up its affairs; and entitled to receive notice of and to one vote for each common share held at all meetings of the shareholders of the company.

ADVANCE NOTICE POLICY

Our articles of association include an advance notice policy regarding the nomination of directors (the "Advance Notice Policy"). The purpose of the Advance Notice Policy is to provide our shareholders, directors and management with direction on the procedure for shareholder nomination of directors. The Advance Notice Policy sets a deadline by which registered or beneficial holders of common shares must submit director nominations to us prior to any annual or special meeting of shareholders, and sets forth the information that a shareholder must include in the notice to us for the notice to be in proper written form. No person nominated by shareholders will be eligible for election as a director of the Company unless nominated in accordance with the provisions of the Advance Notice Policy.

MARKET FOR SECURITIES

Trading Price and Volume

Our common shares are listed on the CSE under the stock symbol "TSF". The following table (and note thereto) provides the monthly high and low sales price and trading volume of our common shares on the CSE for our financial year ended December 31, 2019 and the subsequent period up to the date of this Annual Information Form:

	Trading Summary		
	High (\$)	Low (\$)	Volume Traded (#)
2019			
January	0.60	0.11	119,141
February	0.70	0.32	53,787
March	0.91	0.40	326,717
April	0.75	0.44	372,345
May	0.61	0.40	304,052
June	0.48	0.30	180,697
July	0.41	0.26	165,345
August	0.37	0.28	79,374
September	0.30	0.21	98,200
October	0.25	0.15	299,886
November	0.30	0.18	147,550
December	0.27	0.20	163,466
2020			
January	0.25	0.17	325,153
February ⁽¹⁾	0.31	0.22	262,461
March ⁽¹⁾	0.60	0.31	660,603
April	1.08	0.54	1,463,779
May	1.05	0.79	906,468
June	1.70	0.93	1,885,750
July	1.70	1.04	2,655,148
August	1.20	0.65	2,129,021
September	0.75	0.45	1,399,283
October	0.64	0.41	1,015,817
November	0.51	0.23	1,086,115

Note:

⁽¹⁾ Our common shares were halted from trading on February 18, 2020 and resumed trading on March 23, 2020.

Prior Sales

The following table (and notes thereto) summarizes the issuances of our securities during our financial year ended December 31, 2019 and the subsequent period up to the date of this Annual Information Form:

Date	Price per Security	Number of Securities	Type of Security
November 28, 2019.....	\$1,000.00 ⁽¹⁾	264	Convertible Debenture ⁽²⁾
January 15, 2020.....	\$0.21 ⁽³⁾	4,250,000	PSU ⁽⁴⁾
March 2, 2020.....	\$0.30	1,097,213	Common Shares
April 2, 2020.....	\$0.30	899,847	Common Shares
April 6, 2020.....	\$0.30	4,918,997	Unit ⁽⁵⁾

April 29, 2020.....	\$0.30	433,333	Unit ⁽⁶⁾
August 7, 2020.....	\$1.00	4,128,850	Unit ⁽⁷⁾
August 7, 2020.....	\$1.00 ⁽⁸⁾	215,850	Agent's Warrant ⁽⁹⁾
September 18, 2020.....	\$0.62 ⁽¹⁰⁾	500,000	Stock Options ⁽¹¹⁾

Notes:

- (1) Represents the principal amount at which each Convertible Debenture was issued.
- (2) The outstanding principal amount and accrued interest of the Convertible Debentures were converted by the holders thereof into 899,847 common shares at the conversion price of \$0.30 per share on April 2, 2020.
- (3) Represents the deemed price at which the securities were issued.
- (4) "PSU" means performance share unit awards issued pursuant to performance share unit award agreements dated January 15, 2020 between the Company and each of the holders thereof (the "PSU Agreements"). Each PSU entitles the holder thereof to one common share on vesting upon satisfaction of certain performance milestones over a three-year period. 1,700,000 PSUs automatically vested into 1,700,000 common shares on January 15, 2020 and an additional 850,000 PSUs vested into 850,000 common shares upon the achievement of a performance milestone on April 9, 2020.
- (5) Each unit is comprised of one common share and one-half of one non-transferable common share purchase warrant, with each whole warrant exercisable into one common share at a price of \$0.50 per share until April 6, 2022.
- (6) Each unit is comprised of one common share and one-half of one non-transferable common share purchase warrant, with each whole warrant exercisable into one common share at a price of \$0.50 per share until April 29, 2022.
- (7) Each unit is comprised of one common share and one-half of one transferable common share purchase warrant, with each whole warrant exercisable into one common share at a price of \$1.50 per share until August 7, 2022, subject to early acceleration. 4,005,000 units were issued pursuant the August 2020 Financing, 80,100 units were issued to the agents in connection with the August 2020 Financing as the agent's finance fee and 43,750 units at the August 2020 Financing issue price were issued to a third-party consultant to settle existing debts owed for consulting services.
- (8) Represents the deemed price at which the securities were issued.
- (9) "Agent's Warrant" means non-transferable warrants issued pursuant to the Agency Agreement. Each Agent's Warrant is exercisable into one unit at a price of \$1.00 per unit until August 7, 2022. Each unit is comprised of one common share and one-half of one transferable common share purchase warrant, with each whole warrant exercisable into one common share at a price of \$1.50 per share until August 7, 2022, subject to early acceleration.
- (10) Represents the deemed price at which the securities were issued.
- (11) Stock Options were issued pursuant to the Company's Stock Option Plan. The Stock Options vest immediately and entitle the holders to purchase up to an aggregate of 500,000 common shares exercisable at a price of \$0.62 per share up to and including September 18, 2025 and to be otherwise governed in accordance with the terms and conditions of the Stock Option Plan.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER

The following table (and notes thereto) provides our securities that are, to the best of our knowledge, subject to escrow or a contractual restriction on transfer and the percentage that number represents of the outstanding securities of that class as of the date of this Annual Information Form:

Designation of Class	Number of Securities Subject to Escrow or a Contractual Restriction on Transfer	Percentage of Class
Common Share	1,480,966 ⁽¹⁾	4.41%
Common Share	463,636 ⁽²⁾	1.31%
Common Share	4,005,000 ⁽³⁾	11.28%

Notes:

- (1) 740,483 common shares shall be released from escrow by Computershare Trust Company of Canada on each of April 12, 2021 and October 12, 2021.
- (2) 51,515 common shares shall be released from contractual restrictions on trading on each of December 31, 2020, March 31, 2021, June 30, 2021, September 30, 2021, December 31, 2021, March 31, 2022, June 30, 2022, September 30, 2022 and December 31, 2022 pursuant to the terms of the PSU Agreements.
- (3) 4,005,000 common shares shall be released from contractual restrictions on trading in connection with the August 2020 Financing on December 8, 2020.

DIRECTORS AND EXECUTIVE OFFICERS

Our Board consists of five directors. The term of office for each of our directors will expire at the time of our next annual general meeting of shareholders. The following table (and notes thereto) sets forth, as at the date of this Annual Information Form, the name, province or state and country of residence, position(s) held and principal occupations during the past five years for each of our directors and executive officers, as well as the date of election of each of our directors:

Name, Province or State and Country of Residence and Current Position(s)	Principal Occupations During the Past Five Years	Director Since
Wayne Lloyd British Columbia, Canada <i>President, Chief Executive Officer and Director</i>	Chief Executive Officer and Director of TraceSafe. Previously founded financial data analytics firm Market Memory, providing data analytics to large commodity traders, since 2017; Active investor, advisor and board member to several fintech and technology startups. Chartered Financial Analyst.	April 9, 2018
James Passin ⁽¹⁾⁽²⁾ New York, USA <i>Chairman and Director</i>	Chief Executive Officer and Co-founder, BioVaxys Technology Corp.; former fund manager at Firebird Management LLC; Principal of FG2 Advisors LLC since 2004; Director and Co-founder, Mindset Pharma Inc.; Founder and Executive Chairman, Aduro Diamonds Pty Ltd.	November 14, 2011
Jeremy L. Gardner ⁽¹⁾⁽²⁾ Florida, USA <i>Director</i>	Chief Executive Officer of MadeMan. Co-founder and managing partner of Ausum Ventures, a venture firm investing in blockchain technology, since January 1, 2018. Co-founder of Augur, a decentralized prediction market platform, since August 15, 2014. In 2014, founded Blockchain Education Network, a global educational nonprofit. Founder and Chief Executive Officer SAAVHA, a corporate cybersecurity company, since 2016.	April 9, 2018
Gregory Kallinikos ⁽¹⁾⁽²⁾ Singapore <i>Director</i>	Deputy Chief Executive Officer, Asia, head of the Asia Pacific region for StoneX Group and Senior VP, Chief of Staff, managing strategic initiatives for StoneX Group's UK subsidiary, StoneC Financial Ltd. (formerly INTL FCStone Ltd.) from March 2015 to February 2018. Senior financial services executive with investment banking background.	April 9, 2018
Donald Padgett British Columbia, Canada <i>Director</i>	Mining executive, corporate finance and investment banking executive and director and officer of several public companies.	November 11, 2011
Alan Tam British Columbia, Canada <i>Chief Financial Officer</i>	Chief Financial Officer of Enlighta Inc., a TSX Venture Exchange (the "TSX-V") listed biotechnology company, since January 2012. Chief Financial Officer of The Wonderfilm Media Corporation (formerly Westshire Capital II Corp.), a TSX-V listed media company, from May 2016 to August 2019.	N/A
Betty Anne Loy British Columbia, Canada <i>Corporate Secretary</i>	Corporate Secretary of Adastra Labs Holdings Ltd. (formerly Arrowstar Resources Ltd.), a TSX-V listed company, from August 2007 to December 2019 and Warrior Gold Inc. (formerly War Eagle Mining Company Inc.), from December 2012 to February 26, 2020. Corporate Administrator with Primary Ventures Corp. since 1986.	N/A

Notes:

- (1) A member of the Audit Committee, which is comprised of Gregory Kallinikos (Chair), James Passin and Jeremy L. Gardner.
(2) A member of the Compensation Committee, which is comprised of James Passin (Chair), Gregory Kallinikos and Jeremy L. Gardner.

Based solely on publicly available information on SEDI at www.sedi.ca, our directors and executive officers, as a group, beneficially own, directly or indirectly, or exercise control or direction over 8,055,611 (approximately 22.73%) of our outstanding common shares as at the date of this Annual Information Form.

Set out below are profiles of our directors, including more particulars of their principal occupations for the past five years.

Wayne Lloyd is a CFA Charterholder based in Vancouver, British Columbia. Mr. Lloyd founded the financial analytics firm Market Memory, providing data analytics to physical commodity traders, and is an active investor and advisor to several fintech start-ups, including SecFi, a financial services company connecting institutional investors to late stage startups.

James Passin joined New York-based investment management company, Firebird Management LLC, in 1999. He cofounded and manages several hedge funds and private equity funds and has 18 years of experience as a professional investor and fund manager. Mr. Passin is a Chartered Market Technician and member of the CMT Association. He has deep experience in venture capital and capital markets and serves on the board of directors of several public companies, including Berkh Uul JSC ("**Berkh Uul**") and BDSec JSC, the largest investment bank in Mongolia. Mr. Passin is a recipient of the Friendship Medal, the highest honor awarded by the Mongolian state to a foreign citizen, and was named "Fund Manager of the Year" at the 2012 Mines and Money Conference in Hong Kong. Mr. Passin has been actively investing in cryptocurrencies and blockchain startups since 2016.

Donald Padgett is an experienced senior management leader with a history of developing and executing strategies for profitable international business ventures. He has served as Chairman, President and director of several public and private companies. Mr. Padgett has also enjoyed a successful investment banking career and has held several senior management positions, including Managing Director of the investment banking group at Canaccord Financial Ltd.'s Western Canadian office and more than 10 years as a senior member of the Investment Banking Group at Burns Fry, now Nesbitt Burns. Mr. Padgett holds a law degree from Dalhousie University, a Master of Business Administration degree from McMaster University and a Bachelor of Science degree from the University of Toronto.

Jeremy Gardner is currently the managing partner at Ausum Ventures, the only hybrid venture and hedge fund comprised of early-stage start-ups and crypto-assets for social good. Mr. Gardner founded Blockchain Education Network (BEN) in 2014 while attending the University of Michigan, which has become a renowned global educational nonprofit organization. He left his studies at the University of Michigan to co-found Augur, the decentralized prediction market platform, and led their initial coin offering, the first ever on Ethereum and first "utility token". In 2016, he founded SAAVHA, a corporate cybersecurity company, while working as an entrepreneur-in-residence at Blockchain Capital, where he sourced over a half dozen investments and helped structure the firm's landmark security token initial coin offering (ticker: BCAP). Mr. Gardner has served as the founding editor-in-chief of Distributed magazine. He advises startups in the industry and is often cited in the press surrounding blockchain technology.

Gregory Kallinikos is a senior management executive with broad international financial services experience. His areas of expertise include mergers and acquisitions, corporate and business development, strategic planning, and business digitization. He is Deputy Chief Executive Officer - Asia for StoneX Group Inc., a Fortune 500, NASDAQ listed diversified financial services firm. He is based in Singapore and is responsible for running the Asia Pacific region for StoneX, which includes offices in Singapore, Hong Kong, Shanghai and Sydney.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Other than as disclosed in this Annual Information Form, to the best of our knowledge, no director or executive officer is, as at the date of this Annual Information Form, or has been, within 10 years before the date of this Annual Information Form, a director, Chief Executive Officer ("**CEO**") or CFO of any company (including our Company) that:

- was the subject, while the director or executive officer was acting in the capacity as director, CEO or CFO of such company, of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days; or

- was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, CEO or CFO and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO of such company.

On May 5, 2017, the OSC issued a cease trade order (the "**OSC CTO**") under the securities legislation of Ontario that all trading in the securities of the Company cease until the Company filed its (i) audited annual financial statements for the year ended December 31, 2016, (ii) management's discussion and analysis for the year ended December 31, 2016 and (iii) certification of the annual filings for the year ended December 31, 2016, as required by applicable securities legislation.

On August 2, 2017, the Company filed its audited annual financial statements and management's discussion and analysis, along with the CEO and CFO certifications of the annual filings, for the year ended December 31, 2016, and paid the applicable filing fees, as required by applicable securities legislation. On August 10, 2017, the Company filed its interim financial report and management's discussion and analysis, along with the CEO and CFO certifications of the interim filings for the period ended March 31, 2017, as required by applicable securities legislation.

On February 1, 2018, the Company obtained an order from the OSC revoking the OSC CTO. As a condition of revoking the OSC CTO, the OSC requested that the Company undertake not to complete a restructuring transaction, significant acquisition or reverse takeover of a business not located in Canada unless the Company first receives a receipt for a final prospectus in respect of such business. The Company has given such undertaking.

Donald Padgett is President, CEO and Director of Vanoil Energy Ltd. ("**Vanoil**"), a TSX-V listed company, which is subject to a cease trade order issued by the British Columbia Securities Commission (the "**BCSC**") on February 3, 2017 (the "**BCSC CTO**") for failure to file audited annual financial statements and management's discussion and analysis, along with the CEO and CFO certifications of the annual filings, for the year ended September 30, 2016. Vanoil's shares were suspended from trading on the TSX-V (downgraded to the NEX board for inactive companies) in 2017 and then delisted in December 2018. James Passin was Chairman and Director of Vanoil from December 10, 2009 to September 20, 2017. The BCSC CTO order remains in effect.

Other than as disclosed in this Annual Information Form, to the best of our knowledge, no director, executive officer or a shareholder holding a sufficient number of our securities to affect materially the control of our Company:

- is, as at the date of this Annual Information Form, or has been within 10 years before the date of this Annual Information Form, a director or executive officer of any company (including our Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceeding, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;
- has, within the 10 years before the date of this Annual Information Form, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder;
- has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- has been subject to any penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

James Passin is a principal of FG2, which was fined MNT200,000 (USD\$153.40) by the Mongolian Financial Regulatory Commission for a technical violation of a Mongolian rule that prohibits a party engaged in a mandatory takeover offer, in the case of FG2 and certain related accounts managed by FG2, from trading in the stock, in this case Berkh Uul while the tender offer was ongoing. FG2 and related parties were required by Mongolian rules to make a

mandatory tender offer for the 0.12% of the outstanding stock of Berkh Uul that they did not already own. The Commission stated in its findings that the violation did not result in any losses to investors or customers.

Conflicts of Interest

Other than as disclosed in this Annual Information Form, to the best of our knowledge, there are no known existing or potential conflicts of interest among the Company and any of our directors or officers as of the date of this Annual Information Form.

Our directors and officers may be subject to potential conflicts of interest in connection with our operations. In particular, certain of our directors and officers may be involved in managerial or director positions with other companies whose operations may, from time to time, be in direct or indirect competition with our operations or with entities which may, from time to time, provide financing to, or make equity investments in, our competitors. See the sections of this Annual Information Form titled "*Directors and Executive Officers*" and "*Risk Factors*".

Any director who has a material interest or any person who is a party to a material contract, project or opportunity of the Company or a proposed material contract, project or opportunity with us is required by law to disclose that interest and generally abstain from voting on any resolution to approve the contract, project or opportunity. In addition, our directors are required to act honestly and in good faith with a view to the best interests of our Company. Certain of our directors and officers have either other employment or other business or time restrictions placed on them, and, accordingly, these directors and officers will only be able to devote part of their time to our affairs.

AUDIT COMMITTEE DISCLOSURE

Our Board appoints the Audit Committee to assist in monitoring: (i) the integrity of our financial statements; (ii) our compliance with legal and regulatory requirements; (iii) the qualifications, appointment, independence and performance of our external auditors and senior financial executives; and (iv) internal controls over our assets. The Audit Committee's authority and responsibilities include meeting with our auditor and reviewing our annual financial statements and making recommendations for the approval of such financial statements to the Board. Material issues related to the audit of our internal accounting controls and information systems are discussed with the Audit Committee as such issues arise. The Audit Committee has direct access to our auditors.

Audit Committee Charter

The Charter of the Audit Committee sets out the responsibilities and duties, qualifications for membership, procedures for committee member appointment and requirement of reporting to the Board. A copy of the Charter of the Audit Committee is attached hereto as Schedule "A".

Composition of the Audit Committee

Gregory Kallinikos is the chair of the Audit Committee. The other members of the Audit Committee are James Passin and Jeremy L. Gardner. Each member of the Audit Committee is "financially literate" within the meaning of National Instrument 52-110 — *Audit Committees* ("**NI 52-110**") and are "independent" members of the Audit Committee as that term is used in NI 52-110.

Relevant Experience

For a description of the education and experience of each member of the Audit Committee relevant to the performance of his responsibilities as a member of the Audit Committee, see the section of this Annual Information Form titled "*Directors and Executive Officers*".

Reliance on Certain Exemptions

At no time during our financial year ended December 31, 2019 and the subsequent period up to the date of this Annual Information Form have we relied on any exemptions from NI 52-110 other than the exemption available in Section 5 (Reporting Obligations) of NI 52-110, as the Company is a "Venture Issuer" (as defined in NI 52-110).

Pre-Approval Policies and Procedures

The Charter of the Audit Committee includes responsibilities regarding the provision of non-audit services by our auditors. The Charter of the Audit Committee states that the Audit Committee must pre-approve all non-audit services which are provided to us or our subsidiaries by our auditors.

Audit Committee Oversight

At no time during our financial year ended December 31, 2019 and the subsequent period up to the date of this Annual Information Form was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Audit, Tax and Other Fees

The following table (and notes thereto) summarize the fees paid or accrued to our external auditor for audit and other services for the years ended December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Audit fees ⁽¹⁾	\$ 18,000	\$ 20,000
Audit-related fees ⁽²⁾	Nil	Nil
Tax fees ⁽³⁾	Nil	Nil
Other fees	Nil	Nil
	<u>\$ 18,000</u>	<u>\$ 20,000</u>

Notes:

⁽¹⁾ Audit fees include the audit of our annual financial statements.

⁽²⁾ Audit-related services include assurance and related services reasonably related to the performance of the audit or review of our financial statements.

⁽³⁾ Tax services include tax compliance services and planning and related services.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

We were not party to, and our property was not the subject of, any material legal or regulatory proceedings, or subject to any regulatory penalties or sanctions, during our financial year ended December 31, 2019 and the subsequent period up to the date of this Annual Information Form, or which we know to be reasonably contemplated as of the date of this Annual Information Form.

REGISTRAR AND TRANSFER AGENT

Our registrar and transfer agent is Computershare Investor Services Inc., 510 Burrard Street, 3rd Floor, Vancouver, British Columbia V6C 3B9.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

There are no material interests, direct or indirect, of directors, executive officers, any shareholder who, to the best of our knowledge, beneficially owns, directly or indirectly, more than 10% of our outstanding common shares or any known associate or affiliate of any such persons, in any transaction during our last three financial years and the subsequent period up to the date of this Annual Information Form or in any proposed transaction which has materially affected or will materially affect our Company.

MATERIAL CONTRACTS

Except as otherwise described in this Annual Information Form, there are no contracts, other than contracts entered into in the ordinary course of business, that are material to our Company and that were entered into during our financial year ended December 31, 2019, the subsequent period up to the date of this Annual Information Form or before our most recently completed financial year, but are still in effect and have not been previously filed.

The following material contracts were entered into by us during our financial year ended December 31, 2019, the subsequent period up to the date of this Annual Information Form or before our most recently completed financial year but are still in effect:

1. Agency Agreement dated August 7, 2020 between Canaccord Genuity Corp. and us, which was entered into pursuant to the August 2020 Financing. For additional information, see "*Description of Our Business – Three Year History*";
2. Warrant Indenture dated August 7, 2020 between Computershare Trust Company of Canada and us, which provides for the issuance of warrants pursuant to the August 2020 Financing. For additional information, see "*Description of Our Business – Three Year History*"; and
3. Purchase Agreement entered into on April 23, 2020 between WiSilica and us, which was entered into pursuant to the acquisition of the Tracesafe Technology. See "*Description of Our Business – Three Year History*".

INTERESTS OF EXPERTS

Our auditors are Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants, and they have advised us that they are independent of our Company in accordance with the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia.

ADDITIONAL INFORMATION

Additional information regarding us, including directors' and officers' remuneration and indebtedness, principal holders of our securities and securities authorized for issuance under equity compensation plans, is contained in our information circular dated June 10, 2019 in respect of our annual and special meeting of shareholders held on July 15, 2019, which is available on SEDAR at www.sedar.com. Additional financial information is provided in our consolidated financial statements and related management's discussion and analysis for the year ended December 31, 2019 and the period ended June 30, 2020, which are available on SEDAR at www.sedar.com.

Additional information relating to our Company may be found on SEDAR at www.sedar.com.

SCHEDULE "A"
CHARTER OF THE AUDIT COMMITTEE
OF
TRACESAFE INC.

1. PURPOSE

The purpose of the Audit Committee (the "**Audit Committee**") of the Board is to provide an open avenue of communication between management, the Company's independent auditors and the Board and to assist the Board in its oversight of:

- (a) the integrity, adequacy and timeliness of the Company's financial reporting and disclosure practices;
- (b) the Company's compliance with legal and regulatory requirements related to financial reporting; and
- (c) the independence and performance of the Company's independent auditors.

The Audit Committee shall also perform any other activities consistent with this Charter, the Company's Articles and governing laws as the Audit Committee or the Board deems necessary or appropriate.

2. MEMBERS

The Board of Directors will appoint an Audit Committee of at least three (3) members, all of whom should be "independent" directors of the Board. "Independent" means a director who meets the definition of "independence" under National Instrument 52-110 or any successor policy promulgated by securities regulatory authorities.

All members of the Audit Committee should be "financially literate". An individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. Each appointed member of the Audit Committee shall be subject to annual reconfirmation and may be removed by the Board of Directors at any time.

3. PURPOSES, DUTIES, AND RESPONSIBILITIES

The Audit Committee represents the Board of Directors in discharging its responsibility relating to the accounting, reporting and financial practices of the Company and its subsidiaries, and has general responsibility for oversight of internal controls, accounting and audit activities and legal compliance of the Company and its subsidiaries; however, the Audit Committee's function shall not relieve the Company's management of its responsibilities for preparing financial statements which accurately and fairly present the Company's financial results and conditions or the responsibilities of the independent accountants relating to the audit or review of financial statements. Specifically, the Audit Committee will:

- (a) Recommend to the Board the appointment (including terms of appointment such as compensation and scope of duties) and discharge the external auditor of the Company (the "**auditor**") who perform the annual audit or other audit, review or attest services in accordance with applicable securities laws, which auditor shall be ultimately accountable to the Board of Directors through the Audit Committee. The auditor of the Company must report directly to the Audit Committee;
- (b) Have the authority to communicate directly with the auditor of the Company;

- (c) Review with the auditor the scope of the audit and the results of the annual audit examination by the auditor and any reports of the auditor with respect to reviews of interim financial statements or other audit, review or attest services. The Audit Committee will be responsible for resolving any disagreements between management and the auditor regarding financial reporting;
- (d) Review information, including written statements, if any, from the auditor concerning any relationships between the auditor and the Company or any other relationships that may adversely affect the independence of the auditor and assess the independence of the auditor;
- (e) Review and discuss with management and the auditor the Company's annual audited financial statements prior to their public disclosure, including a discussion with the auditors of their judgments as to the quality of the Company's accounting principles;
- (f) Review the Company's financial statements, MD&A and annual and interim earnings press releases before the Company publicly discloses this information;
- (g) Review the services to be provided by the auditor to assure that the auditor does not undertake any engagement for services for the Company that would constitute prohibited services under applicable securities laws under the rules of any stock exchange or trading market on which the Company's shares are listed for trading, or could be viewed as compromising the auditor's independence. The Audit Committee must pre-approve all non-audit services to be provided to the Company or its subsidiaries by the auditor;
- (h) Review with management and the auditor the results of any significant matters identified as a result of the auditor's interim review procedures prior to the filing of each quarterly financial statements or as soon thereafter as possible;
- (i) Review the annual program for the Company's internal audits, if any, and review audit reports submitted by the internal auditing staff, if any;
- (j) Periodically review the adequacy of the Company's internal controls;
- (k) Review changes in the accounting policies of the Company and accounting and financial reporting proposals that are provided by the auditor that may have a significant impact on the Company's financial reports, and make comments on the foregoing to the Board of Directors;
- (l) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the issuer;
- (m) Periodically review the adequacy of this Audit Committee Charter;
- (n) Make reports and recommendations to the Board of Directors within the scope of its functions;
- (o) Approve material contracts where the Board of Directors determines that it has a conflict;
- (p) Establish procedures for receipt, retention and treatment of complaints received by the Company regarding auditing, internal accounting controls or accounting matters and establish procedures for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;
- (q) Where considered necessary by the Audit Committee to carry out its duties, have the authority to engage independent counsel and/or other advisors at the Company's expense upon the terms and conditions, including compensation, determined by the Audit Committee;
- (r) Satisfy itself that management has put into place procedures that facilitate compliance with the disclosure and financial reporting controls provisions of applicable securities laws, including

adequate procedures for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements. The Audit Committee will assess the adequacy of these procedures annually;

- (s) Review all loans to officers;
- (t) Review and monitor all related party transactions which may be entered into by the Company as required by rules of the stock exchange or trading market upon which the Company's shares are listed for trading; and
- (u) Ensure all public disclosure regarding the audit committee is made in compliance with applicable stock exchange rules and securities legislation.

4. MEETINGS

The Audit Committee will, when expedient, meet to review the Company's quarterly and annual financial statements and MD&A, and will hold special meetings as it deems necessary or appropriate in its judgment. The Audit Committee will endeavor to meet at any time that the auditor believes that communication to the Audit Committee is required. As it deems appropriate, but not less than once each year, the Audit Committee will meet in private session with the independent accountants. The majority of the members of the Audit Committee constitute a quorum and shall be empowered to act on behalf of the Audit Committee. The members of the Audit Committee will designate one member as chair. Meetings may be held in person or by telephone, and shall be at such times and places as the Audit Committee determines.