

Form 62-103F1

Required Disclosure under the Early Warning Requirements

Item 1 – Security and Reporting Issuer

1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.

Common shares (“**Common Shares**”) in the capital of TraceSafe Inc. (“**TraceSafe**”, formerly Blockchain Holdings Ltd.).

Craigmuir Chambers
P.O. Box 71
Road Town, Tortola,
British Virgin Islands
VG1110

1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.

The transaction took place pursuant to an issuance of securities from treasury.

Item 2 – Identity of the Acquiror

2.1 State the name and address of the acquiror.

WiSilica Inc. (“**WiSilica**”)
23282 Mill Creek Drive #340
Laguna Hills, CA
USA
92653

2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.

As previously disclosed on April 23, 2020, Tracesafe Technologies Inc., a subsidiary of TraceSafe, acquired certain technology from WiSilica (the “**Assets**”) and under the terms of that transaction, WiSilica received consideration of (a) a cash payment of USD\$250,000, and (b) 4,516,395 non-voting common shares in the capital of Tracesafe Technologies Inc. (the “**Sub Common Shares**”), which, subject to certain voluntary conversion restrictions, were exchangeable for 4,516,395 Common Shares on April 23, 2020. In addition, WiSilica received an aggregate of 1,483,605 preferred shares in the capital of Tracesafe Technologies Inc. (the “**Sub Preferred Shares**”), which were convertible into an aggregate of up to 19,286,865 Sub Common Shares, upon satisfaction of three separate performance milestones relating to the commercialization of the Assets. Such Sub Common Shares could, subject to certain voluntary conversion restrictions, be exchangeable for an aggregate of up to 19,286,865 Common Shares (collectively, the “**Transaction**”).

The Sub Common Shares were subject to the following voluntary conversion restrictions (which, effectively, have been voluntary resale restrictions on the Common Shares): (a) in the first four months, no Sub Common Shares could be exchanged; (b) after such time until January 1, 2021, no more than 20% of the Sub Common Shares could be exchanged; (c) after such time until the first anniversary of the date of issuance, no more than 66.67% of the Sub Common Shares could be exchanged; (d) after such time until January 1, 2022,

no more than 83.33% of the Sub Common Shares could be exchanged; and (e) after January 1, 2022, all outstanding Sub Common Shares may be exchanged.

As such, as of January 1, 2022, the voluntary restrictions outlined above expired, and all of the Sub Common Shares held by WiSilica may be converted into Common Shares.

The exchange of Sub Common Shares may be settled, in the sole and absolute discretion of Tracesafe Technologies Inc. and TraceSafe, by way of cash payment in lieu of the issuance of Common Shares.

A press release was issued by TraceSafe on April 23, 2020 outlining the Transaction and the securities issued to WiSilica pursuant thereto which can be found on sedar.com.

2.3 State the names of any joint actors.

Not applicable.

Item 3 – Interest in Securities of the Reporting Issuer

3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file this report and the change in the acquiror's securityholding percentage in the class of securities.

There has been no triggering event to file this report.

As of January 10, 2022, the holdings of WiSilica in TraceSafe are as follows:

Pursuant to the Transaction, WiSilica acquired the 4,516,395 Sub Common Shares, which were exchangeable into 4,516,395 Common Shares and 1,483,605 Sub Preferred Shares, which could be converted into 19,286,865 Sub Common Shares and later converted into 19,286,865 Common Shares.

Since the Transaction, 989,070 of the Sub Preferred Shares held by WiSilica have been converted into 12,857,910 Sub Common Shares.

On March 19, 2021 WiSilica converted 3,000,000 Sub Common Shares into 3,000,000 Common Shares and on June 16, 2021 WiSilica converted 1,400,000 Sub Common Shares into 1,400,000 Common Shares.

As of January 10, 2022, WiSilica holds 4,400,000 Common Shares and 12,974,305 Sub Common Shares, which may be converted into an additional 12,974,305 Common Shares. WiSilica holds approximately 26.9% of the total number issued and outstanding Common Shares on a fully diluted basis.

3.2 State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file this report.

On April 23, 2020, WiSilica acquired securities which could be converted, following the removal of certain restrictions, into Common Shares of TraceSafe. This was disclosed in a press release of TraceSafe dated April 23, 2020.

3.3 If the transaction involved a securities lending arrangement, state that fact.

Not applicable.

3.4 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.

See item 3.1. WiSilica did not hold any securities in TraceSafe prior to the Transaction.

3.5 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities referred to in Item 3.4 over which

(a) the acquiror, either alone or together with any joint actors, has ownership and control,

WiSilica owns, directly or indirectly, or exercises control or direction over, 4,400,000 Common Shares, or approximately 9.7% of the issued and outstanding Common Shares.

If all of the Sub Common Shares were to be converted, WiSilica would own, directly or indirectly, or exercise control or direction over, approximately 26.9% of the total number of issued and outstanding Common Shares on a fully diluted basis.

(b) the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and

Not applicable.

(c) the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.

Not applicable.

3.6 If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's securityholdings.

Not applicable.

- 3.7** If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.

Not applicable.

- 3.8** State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.

Not applicable.

- 3.9** If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.

Not applicable.

Item 4 – Consideration Paid

- 4.1** State the value, in Canadian dollars, of any consideration paid or received per security and in total.

See item 3.1.

- 4.2** In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.

See item 2.2.

- 4.3** If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.

Not applicable.

Item 5 – Purpose of the Transaction

State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following:

- (a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;
- (b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;

- (c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;
- (d) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;
- (e) a material change in the present capitalization or dividend policy of the reporting issuer;
- (f) a material change in the reporting issuer's business or corporate structure;
- (g) a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;
- (h) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;
- (i) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;
- (j) a solicitation of proxies from securityholders;
- (k) an action similar to any of those enumerated above.

WiSilica received the Sub Common Shares and subsequently the Common Shares as consideration for the Assets. In accordance with applicable securities laws, WiSilica may, from time to time and at any time, acquire additional shares and/or other equity, debt or other securities or instruments (collectively, "**Securities**") of TraceSafe in the open market or otherwise, and reserves the right to dispose of any or all of such Securities in the open market or otherwise at any time and from time to time, and to engage in similar transactions with respect to the Securities, the whole depending on market conditions, the business and prospects of TraceSafe and other relevant factors.

Item 6 – Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer

Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.

Not applicable.

Item 7 – Change in Material Fact

If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer's securities.

Not applicable.

Item 8 – Exemption

If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.

Not applicable.

Item 9 – Certification

I, as the acquiror, certify, or I, as the agent filing this report on behalf of an acquiror, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

January 10, 2022

Date

“Suresh Singamsetty”

Signature

Suresh Singamsetty, CEO

Name and Title