



## TruTrace Technologies Announces Shares for Debt Transactions to Secure Rights to Intellectual Property

June 26, 2020. **TruTrace Technologies Inc.** (CSE: TTT; OTCQB: TTTSF) ("**TruTrace**" or the "**Company**"), creator of a fully-integrated blockchain platform that registers and tracks intellectual property for the cannabis industry, today announced it has settled \$950,000 of indebtedness (the "**Indebtedness**") previously owed to Heated Details, Inc. ("**HD**") the primary vendor responsible for software development, design and maintenance of the Company's proprietary StrainSecure™ platform, thereby securing valuable rights to the Company's intellectual property.

Pursuant to the settlement of the Indebtedness (the "**Debt Settlement**"), the Company issued 9,500,000 common shares of the Company (each, a "**Common Share**") at a deemed price of \$0.05 per Common Share to an assignee of HD and 9,500,000 Common Shares at a deemed price of \$0.05 per Common Share to an officer of the Company, Thomas Stephenson, who was a second assignee of HD. The Company chose to settle the Indebtedness through the issuance of Common Shares to preserve cash and improve the Company's balance sheet. Furthermore, concurrent to the Debt Settlement, HD has agreed to advance credit for additional services to the Company.

"With the changes in the global market, and the desire for trust and transparency at an all time high, it became imperative for TruTrace to secure rights to its intellectual property and ensure that the commitment of its key technology partner" stated TruTrace CEO Robert Galarza "The willingness and desire of Heated Details to invest into the future of our Company is a testament to our vision and global opportunity.

The Common Shares issued in the Debt Settlement are subject to resale restrictions imposed by applicable law or regulation, including a statutory hold period expiring October 27, 2020.

The Debt Settlement with Thomas Stephenson (the "**Officer Settlement**") was a "related party transaction" within the meaning of Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions ("**MI 61-101**"). The Officer Settlement was exempt from the valuation requirement of MI 61-101 by virtue of the exemptions contained in section 5.5(b) of MI 61-101 as the Company's Common Shares are not listed on a specified market and from the minority shareholder approval requirements of MI 61-101 by virtue of the exemption contained in section 5.7(1)(b) of MI 61-101 in that the fair market value of the Officer Settlement did not exceed \$2,500,000 and the other conditions set out in section 5.7(1)(b) of MI 61-101 were met. As the material change report disclosing the Officer Settlement is being filed less than 21 days before the transaction, there is a requirement under MI 61-101 to explain why the shorter period was reasonable or necessary in the circumstances. In the view of the Company it was

necessary to immediately close the Officer Settlement and therefore, such shorter period was reasonable and necessary in the circumstances to improve the Company's financial position.

**For More Information:**

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