

Form 62-103F1

Required Disclosure under the Early Warning Requirements

State if this report is filed to amend information disclosed in an earlier report. Indicate the date of the report that is being amended.

Not applicable.

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 of TruTrace Technologies, Inc. (the “**Issuer**”)
L120, 2303 – 4th Street SW
Calgary, AB, T2S 2S7

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.

Not applicable.

Item 2 – Identity of the Acquiror

2.1 State the name and address of the acquiror.

Thomas Stephenson (the “**Acquiror**”)
2214 112th Place SE
Everett, WA 98208 USA

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.

The requirement to file this report was triggered by the following transactions (together, the “**Acquisitions**”):

- (i) on June 26, 2020, the Acquiror directly acquired 9,500,000 common shares in the capital of the Company (each, a “**Share**”) at a deemed price of \$0.05 per Share in settlement of outstanding debt owed by the Issuer in the amount of \$475,000; and
- (ii) on July 3, 2020, the Acquiror indirectly, through its joint actor, Orion (as defined in Item 2.3), acquired 7,700,000 Shares at a deemed price of \$0.05 per Share, in connection with the licensing of certain technology by Orion, for aggregate deemed consideration of \$385,000.

2.3 State the names of any joint actors.

OrionOne Global Inc. (“Orion”)
Ember Technology Partners, Ltd. (“Ember”)

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 security holding percentage in the class of securities.

See Item 2.2.

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.

The Acquiror acquired control over the securities that triggered the requirement to file this report.

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.

Before the Acquisitions, Ember, one of the joint actors set out in Item 2.3, which is owned by Mr. Stephenson but managed by an independent director, owned 2,500,000 Shares, representing 3.0% of the 83,361,732 Shares outstanding prior to the Acquisitions (on an undiluted basis), and Mr. Stephenson directly held 975,000 stock options, each of which is exercisable into one Share.

Following the Acquisitions, in addition to the 975,000 stock options, Mr. Stephenson owns, or exercises control and direction over, an aggregate of 19,700,000 Shares, representing 17.9% of the 110,061,732 Shares outstanding following the Acquisitions (on an undiluted basis), of which 9,500,000 are held directly and an aggregate of 10,200,000 are held by the joint actors set out in Item 2.3.

Assuming exercise of all stock options held by Mr. Stephenson, he would exercise control and direction over an aggregate of 20,675,000 Shares, representing 18.6% of the 111,036,732 issued and outstanding Shares following such exercise (on a partially-diluted basis giving effect only to such exercise).

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,

See Item 3.4.

- (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**

See Item 3.4.

- (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.**

As per Item 3.4, the Acquiror holds 975,000 stock options of the Issuer, each of which is exercisable into one Share in accordance with the provisions of the Issuer's stock option plan.

- 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.

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

Not applicable.

- 3.8 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.**

The aggregate 17,200,000 Shares issued in connection with the Acquisitions had an aggregate deemed value of \$860,000, based on a deemed issue price of \$0.05 per Share.

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.

See Item 2.2.

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.

The Shares were acquired for investment purposes. The Acquiror and his joint actors have no future plans with respect to

- (a) the acquisition of additional securities of the Issuer or the disposition of securities of the Issuer;
- (b) a corporate transaction, such as a merger, reorganization or liquidation, involving the Issuer or any of its subsidiaries;
- (c) a sale or transfer of a material amount of the assets of the Issuer or any of its subsidiaries;
- (d) a change in the board of directors or management of the 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 Issuer;
- (f) a material change in the Issuer's business or corporate structure;
- (g) a change in the 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 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.

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.

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Item 9 – Certification

The acquiror must certify that the information in this report is true and complete in every respect. In the case of an agent, the certification is based on the agent’s best knowledge, information and belief but the acquiror is still responsible for ensuring that the information filed by the agent is true and complete.

This report must be signed by each person on whose behalf the report is filed or his or her authorized representative.

It is an offence to submit information that, in a material respect and at the time and in the light of the circumstances in which it is submitted, is misleading or untrue.

Certificate

The certificate must state the following:

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.

July 3, 2020

Date

“Thomas Stephenson”

Signature

Thomas Stephenson

Name