

## FORM 9

### **NOTICE OF ISSUANCE OR PROPOSED ISSUANCE OF LISTED SECURITIES**

**(or securities convertible or exchangeable into listed securities<sup>1</sup>)**

Name of Listed Issuer:

Symbol(s):

Sharc International Systems Inc. (the "Issuer").	SHRC
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Date: May 7, 2019

Is this an updating or amending Notice:  Yes  No

If yes provide date(s) of prior Notices: March 26, 2019.

Issued and Outstanding Securities of Issuer Prior to Issuance: 38,720,176.

#### **Pricing**

Date of news release announcing proposed issuance: March 26, 2019 .

Closing Market Price on Day Preceding the news release: \$0.29 .

#### **Closing**

Number of securities to be issued: 1,330 Debenture Units

Issued and outstanding securities following issuance: 38,720,176

#### **Part 1. Private Placement**

##### **Table 1A – Summary**

Each jurisdiction in which purchasers reside	Number of Purchasers	Price per Security	Total dollar value (CDN\$) raised in the jurisdiction
British Columbia	14	\$1,000 per Debenture Unit	\$344,000
Alberta	14	\$1,000 per Debenture Unit	\$922,000
Ontario	4	\$1,000 per Debenture Unit	\$64,000
Total number of purchasers:	32		
Total dollar value of distribution in all jurisdictions:			\$1,330,000.00

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**Table 1B – Related Persons**

Full Name & Municipality of Residence of Placee	Number of Securities Purchased or to be Purchased	Purchase price per Security (CDN\$)	Conversion Price (if Applicable) (CDN\$)	Prospectus Exemption	Total Securities Previously Owned, Controlled or Directed	Payment Date <sup>(1)</sup>	Describe relationship to Issuer <sup>(2)</sup>
N/A							

<sup>1</sup>An issuance of non-convertible debt does not have to be reported unless it is a significant transaction as defined in Policy 7, in which case it is to be reported on Form 10.

1. Total amount of funds to be raised: up to \$5,000,000 (First Tranche - \$1,330,000).
2. Provide full details of the use of the proceeds. The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the transaction without reference to any other material. The Issuer will use the net proceeds of the Offering for general corporate and working capital purposes and the development of the Issuer’s projects in the United Kingdom.
3. Provide particulars of any proceeds which are to be paid to Related Persons of the Issuer: N/A
4. If securities are issued in forgiveness of indebtedness, provide details of the debt agreement(s) or and the agreement to exchange the debt for securities. N/A
5. Description of securities to be issued:

- (a) Class: Debenture Units. Each Debenture Unit consists of \$1,000 principal amount of 8% convertible unsecured debenture (each a "Debenture") and 1,563 share purchase warrants (each a "Warrant")
  - (b) Number: up to 5,000 Debenture Units (First Tranche - 1,330 Debenture Units).
  - (c) Price per security: \$1,000 per Debenture Unit
  - (d) Voting rights: None
6. Provide the following information if warrants, (options) or other convertible securities are to be issued:
- (a) Number: up to 7,815,000 Warrants (First Tranche - 2,078,790 Warrants).
  - (b) Number of securities eligible to be purchased on exercise of warrants (or options): 2,078,790 common shares of the Issuer (the "Common Shares")
  - (c) Exercise price: \$0.40 per Common Share
  - (d) Expiry date: 36 months following the closing date
7. Provide the following information if debt securities are to be issued:
- (a) Aggregate principal amount: up to \$5,000,000 Debentures (First Tranche - \$1,330,000 Debentures)
  - (b) Maturity date: three years from the issue date
  - (c) Interest rate: 8% per annum (the "Interest")
  - (d) Conversion terms: The Debentures are convertible into Common Shares at the option of the holder after one year after the closing date and at any time prior to the close of business on the earlier of: (i) the last business day immediately preceding the maturity date, and (ii) the last business day immediately preceding the date fixed for redemption, at a conversion price of \$0.32 per Common Share subject to adjustment in certain events. If after one year after the closing date the closing price of the Common Shares on the CSE is \$0.64 or greater for 20 consecutive trading days, the Issuer may, at its option, convert the Debentures and any accrued and unpaid interest thereon into Common Shares by disseminating a press release, in which case the Debentures shall be converted into

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Common Shares on the second business day after dissemination of such press release.

(e) Default provisions: N/A

8. Provide the following information for any agent's fee, commission, bonus or finder's fee, or other compensation paid or to be paid in connection with the placement (including warrants, options, etc.):

(a) Details of any dealer, agent, broker or other person receiving compensation in connection with the placement (name, and if a corporation, identify persons owning or exercising voting control over 20% or more of the voting shares if known to the Issuer):

<b>Finders</b>	<b>Cash Fee</b>	<b>Number of Finder Warrants</b>
Canaccord Genuity Corp. #2200 - 609 Granville Street Vancouver, BC V7Y 1H2	\$31,200	31
PI Financial Corp. 1900 - 666 Burrard Street Vancouver, BC V6C 3N1	\$48,600	49

(b) Cash: See above.

(c) Securities: See above. Each finder's warrant will entitle the holder thereof to acquire Debenture Units at \$1,000 per Debenture Unit.

(d) Other: N/A .

(e) Expiry date of any options, warrants etc.: 36 months from the closing date .

(f) Exercise price of any options, warrants etc.: \$1,000 to purchase one Debenture Unit .

9. State whether the sales agent, broker, dealer or other person receiving compensation in connection with the placement is Related Person or has any other relationship with the Issuer and provide details of the relationship: N/A .

10. Describe any unusual particulars of the transaction (i.e. tax “flow through” shares, etc.):

The Debentures and Warrants are not convertible or exercisable, as applicable, if such exercise would result in the holder holding 9.9% or more of the outstanding Common Shares.

11. State whether the private placement will result in a change of control.

No .

12. Where there is a change in the control of the Issuer resulting from the issuance of the private placement shares, indicate the names of the new controlling shareholders. N/A .

13. Each purchaser has been advised of the applicable securities legislation restricted or seasoning period. All certificates for securities issued which are subject to a hold period bear the appropriate legend restricting their transfer until the expiry of the applicable hold period required by National Instrument 45-102 Resale of Securities.

## **Part 2. Acquisition**

1. Provide details of the assets to be acquired by the Issuer (including the location of the assets, if applicable). The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the transaction without reference to any other material:

N/A .

2. Provide details of the acquisition including the date, parties to and type of agreement (eg: sale, option, license etc.) and relationship to the Issuer. The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the acquisition without reference to any other material: \_\_\_\_\_

N/A \_\_\_\_\_

3. Provide the following information in relation to the total consideration for the acquisition (including details of all cash, securities or other consideration) and any required work commitments:

(a) Total aggregate consideration in Canadian dollars: N/A .

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- (b) Cash: N/A .
- (c) Securities (including options, warrants etc.) and dollar value: N/A .
- (d) Other: N/A .
- (e) Expiry date of options, warrants, etc. if any: N/A .
- (f) Exercise price of options, warrants, etc. if any: N/A .
- (g) Work commitments: N/A .

4. State how the purchase or sale price was determined (e.g. arm's-length negotiation, independent committee of the Board, third party valuation etc).

N/A .

5. Provide details of any appraisal or valuation of the subject of the acquisition known to management of the Issuer: N/A .

6. The names of parties receiving securities of the Issuer pursuant to the acquisition and the number of securities to be issued are described as follows:

Name of Party (If not an individual, name all insiders of the Party)	Number and Type of Securities to be Issued	Dollar value per Security (CDN\$)	Conversion price (if applicable)	Prospectus Exemption	Total Securities, Previously Owned, Controlled or Directed by Party	Describe relationship to Issuer <sup>(1)</sup>

(1) Indicate if Related Person

7. Details of the steps taken by the Issuer to ensure that the vendor has good title to the assets being acquired: N/A .

8. Provide the following information for any agent's fee, commission, bonus or finder's fee, or other compensation paid or to be paid in connection with the acquisition (including warrants, options, etc.):

- (a) Details of any dealer, agent, broker or other person receiving compensation in connection with the acquisition (name, and if a corporation, identify persons owning or exercising voting control over 20% or more of the voting shares if known to the Issuer): N/A .

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- (b) Cash N/A .
- (c) Securities N/A .
- (d) Other N/A .
- (e) Expiry date of any options, warrants etc. N/A .
- (f) Exercise price of any options, warrants etc. N/A .

9. State whether the sales agent, broker or other person receiving compensation in connection with the acquisition is a Related Person or has any other relationship with the Issuer and provide details of the relationship. N/A  
\_\_\_\_\_  
\_\_\_\_\_

10. If applicable, indicate whether the acquisition is the acquisition of an interest in property contiguous to or otherwise related to any other asset acquired in the last 12 months. N/A  
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## Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance on behalf of the Issuer.
2. As of the date hereof there is not material information concerning the Issuer which has not been publicly disclosed.
3. the Issuer has obtained the express written consent of each applicable individual to:
  - (a) the disclosure of their information to the Exchange pursuant to this Form or otherwise pursuant to this filing; and
  - (b) the collection, use and disclosure of their information by the Exchange in the manner and for the purposes described in Appendix A or as otherwise identified by the Exchange, from time to time
4. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CSE Policy 1).
5. All of the information in this Form 9 Notice of Issuance of Securities is true.

Dated May 7, 2019.

Hanspaul Pannu  
Name of Director or Senior  
Officer

"Hanspaul Pannu"  
Signature

Interim Chief Financial Officer \_\_  
Official Capacity