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## SHARC International Announces Settlement Terms for Maturing Convertible Debentures And \$2.0M Private Placement of Debenture Units

**Vancouver – (May 27, 2020) – SHARC International Systems Inc. (CSE: SHRC) (FSE: IWIA) (OTCQB: INTWF) ("SHARC" or the "Company")** announced today it has agreed with all holders ("**Debentureholders**") of the Company's \$1.32M and \$1.023M 12% unsecured, convertible debentures due May 30, 2020 and June 29, 2020 (the "**Maturing Debentures**"), respectively, to terms of settlement of the Maturing Debentures.

The Debentureholders have entered into settlement agreements with the Company (the "**Settlement Agreements**") pursuant to which the Debentureholders accepted 75% cash payout of the outstanding principal amount of the Maturing Debentures, the payout of any accrued and unpaid interest up to the date of maturity and the amendment of 1,673,571 common share purchase warrants (the "**Warrants**") in consideration for the cancellation of the Maturing Debentures and a release of the Company's obligations under the Maturing Debentures. The expiry date of the Warrants will be extended by two years from May 30, 2020 and June 29, 2020 to May 30, 2022 and June 29, 2022, respectively, and the exercise price of the Warrants will be repriced to \$0.25 from \$1.05 (collectively, the "**Warrant Amendments**"). The Warrant Amendments are subject to the approval of the Canadian Securities Exchange (the "**CSE**"). If the Warrant Amendments are not approved by the CSE, the Company will issue warrants via private placement under the same terms.

In connection with the Settlement Agreements, the Company announces a non-brokered private placement of up to 2,000 convertible debenture units (the "**Debenture Units**") at a price of \$1,000 per Debenture Unit for aggregate gross proceeds of up to \$2,000,000 (the "**Offering**"). Each Debenture Unit will consist of: (i) \$1,000 principal amount of 2.0% unsecured convertible debentures (the "**Debentures**"); and (ii) 3,333 warrants (the "**Debenture Warrants**"). The Company will use the net proceeds of the Offering for the payout under the Settlement Agreements and general working capital purposes.

The Debentures will bear interest from their issue date at 2.0% per annum calculated and payable semi-annually in arrears on June 30 and December 31 of each year commencing on June 30, 2020 and will mature three years following the closing of the Offering (the "**Maturity Date**"). The Debentures are unsecured and will rank *pari passu* in right of payment of principal and interest with all the existing and future unsecured indebtedness of the Company.

The Debentures (including any accrued and unpaid interest) will be convertible at the option of the holder into common shares of the Company (the "**Common Shares**") at any time after the first anniversary of the Closing Date (as defined below) and prior to the close of business on the last business day prior to the Maturity Date at a conversion price of \$0.15 per Common Share.

Each Debenture Warrant will be exercisable to acquire one Common Share (a "**Warrant Share**") at an exercise price of \$0.25 per Warrant Share for a period of three years following the Closing Date.

The Debenture Units will be eligible for RRSP, RESP, RRIF, TFSA and DPSP accounts. The Debentures and the Debenture Warrants comprising each Debenture Unit, and any Common Shares issuable upon conversion or exercise thereof, will be subject to a statutory hold period lasting four months and one day following the Closing Date.

Closing of the Offering is expected to occur on or about May 29, 2020 (the "**Closing Date**"). The Offering is subject to certain conditions including, but not limited to, the receipt of all necessary regulatory and stock exchange approvals, including the approval of the CSE.

The securities being offered have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons absent registration or an applicable exemption from the registration requirements. This press

release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

### **About SHARC International Systems**

SHARC International Systems Inc. is a world leader in thermal heat recovery. SHARC systems recycle thermal energy from wastewater, generating one of the most energy efficient and economical systems for heating, cooling & hot water preheating for commercial, residential and industrial buildings. SHARC is publicly traded in Canada (CSE: SHRC), the United States (OTCQB: INTWF) and Germany (Frankfurt: IWIA).

Further information about the Company is available on our website at [www.sharcenergy.com](http://www.sharcenergy.com) or under our profile on SEDAR at [www.sedar.com](http://www.sedar.com).

### **ON BEHALF OF THE BOARD**

"Lynn Mueller"

Chairman and Chief Executive Officer

### **For further information, please contact:**

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*The Canadian Securities Exchange does not accept responsibility for the adequacy or accuracy of this release.*

**Forward-Looking Statements**

*Certain statements contained in this news release may constitute forward-looking information. Forward-looking information is often, but not always, identified by the use of words such as "anticipate", "plan", "estimate", "expect", "may", "will", "intend", "should", and similar expressions. Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. SHARC's actual results could differ materially from those anticipated in this forward-looking information as a result of regulatory decisions, competitive factors in the industries in which the Company operates, prevailing economic conditions, and other factors, many of which are beyond the control of the Company. SHARC believes that the expectations reflected in the forward-looking information are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking information should not be unduly relied upon. Any forward-looking information contained in this news release represents the Company's expectations as of the date hereof, and is subject to change after such date. The Company disclaims any intention or obligation to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required by applicable securities legislation.*