

FORM 7

MONTHLY PROGRESS REPORT

Name of CNSX Issuer: TruTrace Technologies Inc. (the "Issuer" or "TruTrace").

Trading Symbol: TTT

Number of Outstanding Listed Securities: 110,061,732

Date: July 7, 2020

**Report on Business**

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

During the month of June 2020, the Issuer 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 Issuer's proprietary StrainSecure™ platform, thereby securing valuable rights to the Issuer's intellectual property.

Pursuant to the settlement of the Indebtedness (the "Debt Settlement"), the Issuer issued 9,500,000 common shares of the Issuer (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 Issuer, Thomas Stephenson, who was a second assignee of HD. The Issuer chose to settle the Indebtedness through the issuance of Common Shares to preserve cash and improve the Issuer's balance sheet. Furthermore, concurrent to the Debt Settlement, HD has agreed to advance credit for additional services to the Issuer.

The Issuer continues to closely monitor the ongoing impact of the COVID-19 pandemic and adjusting its operations and priorities as necessary. As a technology company, the Issuer is well suited to adopting remote working arrangements while maintaining its high standards of client service. The Issuer will continue to place the highest priority on the health and safety of its employees and other stakeholders and remain in full compliance with guidelines from public health authorities. The Issuer is also exploring ways to adapt its technology to help support an ecosystem of solution providers offering assistance in our current or future global crises.

The Issuer's business is currently focused on the Canadian medical cannabis sector, which continues to service patients and is generally considered to be an essential service. Full-scale implementation continues on the Shoppers Drug Mart ("Shoppers") medical cannabis verification pilot program (the "Pilot Program"), built around the Issuer's StrainSecure™ traceability platform. The Issuer anticipates that some cannabis industry participants may, however, opt to delay their plans for adoption of the Issuer's technology as part of their own cost-reduction efforts in response to the overall economic slowdown. While the Issuer does not foresee a decrease in long-term demand for its technology, the potential delay of certain near-term initiatives may affect operating results in the coming quarters.

2. Provide a general overview and discussion of the activities of management.

See Item 1 above.

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions

of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

**None.**

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

**None.**

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

**None.**

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

**None.**

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provides details of the relationship.

**None.**

8. Describe the acquisition of new customers or loss of customers.

**None.**

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trademarks.

**None.**

10. Report on any employee hiring's, terminations or lay-offs with details of anticipated length of lay-offs.

**None.**

11. Report on any labour disputes and resolutions of those disputes if applicable.

**None.**

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.



**None.**

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

**See Item 1 above.**

14. Provide details of any securities issued and options or warrants granted.

**See Item 1 above.**

15. Provide details of any loans to or by Related Persons.

**None.**

16. Provide details of any changes in directors, officers or committee members.

**None.**

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

**None.**

## 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.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to CNSX 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 CNSX Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated July 7, 2020

**Robert Galarza**  
Name of Director/Senior Officer

*“Robert Galarza”*  
Signature

**CEO, interim CFO and Director**  
Official Capacity

<b>Issuer Details</b> Name of Issuer <b>TruTrace Technologies Inc.</b>	For Month End <b>June 2020</b>	Date of Report YY/MM/DD <b>20/07/07</b>
Issuer Address <b>L120, 2303 4th Street SW</b>		
City/Province/Postal Code <b>Calgary, AB T2S 2S7</b>	Issuer Fax No. <b>888.241.5996</b>	Issuer Telephone No. <b>844.656.3629</b>
Contact Name <b>Robert Galarza</b>	Contact Position <b>CEO, interim CFO and Director</b>	Contact Telephone No. <b>844.656.3629</b>
Contact Email Address <b>robert@trutrace.co</b>	Web Site Address <b>https://trutrace.co</b>	