

ORM 51-102F3
Material Change Report

1. Name and Address of Company:

TraceSafe Inc.
(the "Company")
Sea Meadow House, Blackburne Highway
P.O. Box 116
Road Town, Tortola
VG 1110 British Virgin Islands

2. Date of Material Change:

August 7, 2020

3. News Release:

The news release with respect to the material change was disseminated through Accesswire Canada Ltd. on August 7, 2020 and filed on SEDAR.

4. Summary of Material Change:

The Company closed its private placement (the "Offering") of 4,005,000 units of the Company (each, a "Unit"), at a price of \$1.00 per Unit for gross proceeds of \$4,005,000. The Offering was led by Canaccord Genuity Corp. (the "Agent").

5. Full Description of Material Change:

5.1 Full Description of Material Change

The Company s closed the Offering of 4,005,000 Units at a price of \$1.00 per Unit (the "Issue Price") for gross proceeds of \$4,005,000. The Offering was led by the Agent.

Concurrent with the Offering, the Company issued 43,750 Units at the Issue Price to a third-party consultant to settle existing debts owed for consulting services.

Each Unit consists of one (1) common share of the Company (a "Common Share") and one-half of one (1/2) Common Share purchase warrant (each whole warrant, a "Warrant"). Each Warrant entitles the holder to acquire one (1) Common Share (a "Warrant Share") at an exercise price of \$1.50 per Warrant Share for a period of twenty-four months from the date of issuance, subject to early acceleration.

The net proceeds of the Offering are expected to be directed toward the Company's inventory, software, sales and marketing and working capital purposes.

In connection with the Offering, the Company: (i) issued an aggregate of 215,850 agent warrants ("Agent Warrants") to the Agent and certain other brokers; and (ii) issued 80,100 Units to the Agent as a corporate finance fee. Each Agent Warrant entitles the holder to acquire one (1) Unit (an "Agent Warrant Unit") at an exercise price equal to the Issue Price per Agent Warrant Unit for a period of twenty-four months from the date of issuance. Each Agent Warrant Unit consists of one (1) Common Share and one-half of one (1/2) Warrant.

All securities issued pursuant to the Offering are subject to a statutory hold period of four months plus a day from the date of issuance in accordance with applicable securities laws.

5.2 Disclosure of Restructuring Transactions

Not applicable.

6. Reliance on Subsection 7.1(2) or (3) of National Instrument 51-102 *Continuous Disclosure Obligations*:

Not Applicable

7. Omitted Information:

Not Applicable

8. Executive Officer:

Betty Anne Loy, Corporate Secretary
Telephone: 604-283-2339 ext 702

9. Date of Report:

August 7, 2020