



## UPSNAP ANNOUNCES CLOSING OF DEBT FINANCING

**Toronto, Ont. June 22, 2017** – UpSnap Inc. (CSE: UP) ("**UpSnap**" or the "**Company**"), a leading provider of mobile advertising solutions, today announced that it has arranged a debt financing ("**Financing**") with User Friendly Media (or an affiliate thereof, "**UFM**") by way of a secured debenture (the "**Debenture**") in the aggregate principal amount of CAD \$200,000. The Debenture is due on June 22, 2018 and will entitle UFM to an annual interest rate of 13.5% (the "**Interest**") on the principal amount of the Debenture. Pursuant to the terms of the Debenture, the Interest shall be paid quarterly to UFM commencing on September 30, 2017 through the issuance of common shares in the capital of UpSnap ("**Shares**") based on the five day volume weighted average price of the Shares immediately preceding an interest payment date. In connection with the Financing, the Company will grant a security interest to UFM under a general security agreement covering all of the assets of the Company.

"Securing this Financing will ensure that we have the working capital necessary to pursue our sales strategy," said Bruce Howard, CEO of UpSnap. "The capital secured is a vote of confidence from the UFM management team, and I look forward to continuing to work towards creating shareholder value."

User-Friendly Media currently owns 49.48% of the Shares of UpSnap. The Debenture will not be listed on the Canadian Securities Exchange. However the Shares issuable upon any payment of the Interest will be listed and will be subject to a four month and one day hold period from the date of closing. The closing of the Financing is subject to complying with the applicable filing requirements of the Canadian Securities Exchange.

The issuance of the Debenture to UFM will be considered a related party transaction within the meaning of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). UpSnap intends to rely on exemptions from the formal valuation and minority approval requirements in sections 5.5(a) and 5.7(1)(a) of MI 61-101 in respect of this transaction based on a determination that the fair market value of the Debenture issued to UFM will not exceed 25% of the market capitalization of the Company, as determined in accordance with MI 61-101. The Company expects to file a material change report in respect of this related party transaction less than 21 days prior to the closing of the Financing, which the Company deems reasonable in the circumstances so as to be able to avail itself of the proceeds from the Financing in an expeditious manner.

### **About UpSnap**

UpSnap provides highly-targeted, data-driven mobile advertising to attract the ideal audience for brands big and small. Utilizing real-time analytics, UpSnap goes beyond location to deliver app-agnostic and results-driven campaigns that produce qualified,



engaged customers. UpSnap tailors each campaign to align with unique business goals, delivering the right customers for more meaningful exposure and better business results.

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**Caution Regarding Forward Looking Information**

*Certain information set out in this News Release constitutes forward-looking information. Forward-looking information is often, but not always, identified by the use of words such as "seek", "anticipate", "hope", "plan", "continue", "estimate", "expect", "may", "will", "intend", "could", "might", "should", "scheduled", "believe" and similar expressions.*

*Although the forward-looking statements contained in this news release are based upon what management of the Company believes are reasonable assumptions on the date of this news release, the Company cannot assure investors that actual results will be consistent with these forward-looking statements. Forward-looking statements involve substantial known and unknown risks, uncertainties and other factors which cause actual results to vary from those express or implied by such forward looking statements. These statements should not be read as guarantees of future performance or results, and they will not necessarily be accurate indications of whether or not such results will be achieved.*

*The forward-looking statements contained in this press release are made as of the date hereof and based on what management of the company believes are reasonable assumptions. The Company disclaims any intention or obligation to update or publicly revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required under applicable securities laws. Furthermore, the Company does not assume responsibility for the accuracy and completeness of the forward looking statements set out in this news release. The Company's forward looking statements are expressly qualified in their entirety by the foregoing cautionary statements.*

The CSE has not reviewed, approved or disapproved the content of this press release.