Deepspatial Announces Closing of 1st Tranche of Convertible Debenture Financing

Toronto, ON--(ACCESSWIRE – October 27, 2022) - Deepspatial Inc. (CSE:DSAI)(OTCQB:DSAIF) ("Deepspatial" or the "Company") announces it has closed the first tranche of a non-brokered private placement of unsecured convertible debentures (each, a "Debenture") of the Company for total gross proceeds of $572,500 (the "Financing").

The Debentures will bear interest at 10% per annum, from the date of issuance (the "Closing"), payable upon the earlier of the Maturity Date (as defined below) or the date of any conversion thereof. The Debentures will mature on the date that is two years from the date of issuance (the "Maturity Date").

Until the Maturity Date, the holders of the outstanding Debentures may convert the principal into units of the Company (each, a "Unit") at a conversion price of $0.15 per Unit (the "Conversion Price"), with each Unit consisting of one common share in the capital of the Company (each, a "Share") and one-half of one share purchase warrant (each whole warrant, a "Warrant"), with each Warrant exercisable into one Share (each, a "Warrant Share") at a price of $0.30 per Warrant Share for a period of two years from the date of the Closing.

In the event that the Shares close at a trading price of at least $0.30 for 10 consecutive trading days, the Company may cause the Debentures to be converted into Units at the Conversion Price upon the Company delivering a notice (a "Forced Conversion Notice") to the Debenture holders not less than a minimum of 30 days and a maximum of 60 days prior to the conversion date specified in such Forced Conversion Notice.

All securities issued in connection with the first tranche will be subject to a hold period expiring February 27, 2023. The proceeds of the Financing are for general working capital. The Company expects to close a second tranche of the Financing in a timely manner.

About Deepspatial

Deepspatial is an outcome based artificial intelligence company, enabling organizations to enhance their decision-making capabilities by leveraging the power of data and AI. From finding the most efficient supply chain routes to knowing where to develop next, Deepspatial's AI-driven platform enables its clients to visualize what's going on, predict what's coming, analyze data, and optimize processes to make smarter decisions for a better future. For more information, visit www.Deepspatial.ai and follow us on Twitter, Instagram or LinkedIn.

Caution regarding Forward Looking Information:

THE CANADIAN SECURITIES EXCHANGE HAS NOT REVIEWED NOR DOES IT ACCEPT RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE.

This news release may contain forward-looking statements and information based on current expectations. These statements should not be read as guarantees of future performance or results of the Company. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from those implied by such statements. Although such statements are based on management's

reasonable assumptions, there can be no assurance that such assumptions will prove to be correct. We assume no responsibility to update or revise them to reflect new events or circumstances. The Company's securities have not been registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or applicable state securities laws, and may not be offered or sold to, or for the account or benefit of, persons in the United States or "U.S. Persons", as such term is defined in Regulations under the U.S. Securities Act, absent registration or an applicable exemption from such 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 the United States or any jurisdiction in which such offer, solicitation or sale would be unlawful. Additionally, there are known and unknown risk factors which could cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information contained herein, such as, but not limited to dependence on obtaining regulatory approvals; the ability to obtain intellectual property rights related to its technology; limited operating history; general business, economic, competitive, political, regulatory and social uncertainties, and in particular, uncertainties related to COVID-19;risks related to factors beyond the control of the company, including risks related to COVID-19; risks related to the Company's shares, including price volatility due to events that may or may not be within such party's control; reliance on management; and the emergency of additional competitors in the industry.

All forward-looking information herein is qualified in its entirety by this cautionary statement, and the Company disclaims any obligation to revise or update any such forward-looking information or to publicly announce the result of any revisions to any of the forward-looking information contained herein to reflect future results, events or developments, except required by law.

Contacts

For more information, please contact:

Investor Relations

Corey Matthews Investors@deepspatial.ai

Chief Executive Officer

Dr. Rahul Kushwah Rahul@deepspatial.ai