

POSaBIT Announces Brokered Private Placement

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TORONTO--(BUSINESS WIRE)--June 19, 2019--POSaBIT Systems Corporation (CSE: PBIT) ("POSaBIT" or the "Company") is pleased to announce that it has engaged Canaccord Genuity Corp. (the "Lead Agent"), on behalf of a syndicate of agents (together with the Lead Agent, the "Agents"), in connection with a private placement offering, on a "commercially reasonable efforts" basis, of up to 16,666,667 units of the Company (the "Units") at a price of C\$0.30 per Unit (the "Issue Price") for gross proceeds of up to C\$5,000,000.10 (the "Offering").

Each Unit will consist of one common share (a "Common Share") and one common share purchase warrant of the Company (each whole common share purchase warrant, a "Warrant"). Each Warrant will entitle the holder to purchase one common share of the Company (a "Warrant Share") for a period of two years following the closing of the Offering at an exercise price of C\$0.45 per Warrant Share, subject to adjustment in certain events.

The Agents have been granted an option (the "Agents' Option") to sell up to an additional 2,500,000 Units at the Issue Price pursuant to the Offering, which Agent's Option is exercisable in whole or in part at any time up to 48 hours prior to the closing of the Offering.

The net proceeds raised under the Offering will be used for expansion and business development activities and general working capital and corporate purposes.

The Company has agreed to pay the Agents a cash commission equal to 7% (reduced to 3.5% in respect of certain president's list sales) of the gross proceeds of the Offering and to issue the Agents such number of brokers' warrants (the "Brokers' Warrants") as is equal to 7% (reduced to 3.5% in respect of certain president's list sales) of the number of Units issued pursuant to the Offering. Each Brokers' Warrant will be exercisable to acquire one common share of the Company for a period of two years following the closing of the Offering at an exercise price of C\$0.30 per share, subject to adjustment in certain events. The Company has also agreed to pay the Lead Agent a corporate finance fee of C\$75,000 in connection with the Offering, which fee shall be payable as to C\$37,500 in cash and as to C\$37,500 in common shares of the Company (at a deemed issue price of C\$0.30 per share).

The closing of the Offering is expected to occur on or about July 9, 2019, and is subject to receipt of all necessary regulatory approvals, including the approval of the Canadian Securities Exchange (the "CSE"). All securities issued pursuant to the Offering will be subject to a four month hold period in accordance with applicable Canadian securities laws.

This press release shall not constitute an offer to sell or solicitation of an offer to buy the securities in any jurisdiction. The securities will not be and have not been registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or applicable exemption from the registration requirements.

Forward-Looking Statements

This press release contains forward-looking statements, including statements regarding our business strategy, product development, timing of product development, events and courses of action. Statements which are not purely historical are forward-looking statements and include any statements regarding beliefs, plans, outlook, expectations or intentions regarding the future including words or phrases such as "anticipate," "objective," "may," "will," "might," "should," "could," "can," "intend," "expect," "believe," "estimate," "predict," "potential," "plan," "is designed to" or similar expressions suggesting future outcomes or the negative thereof or similar variations. Forward-looking statements may include, among other things, statements about: the Company's expectations regarding the Offering, including the proposed use of the net proceeds thereof, the closing date of the Offering and the receipt of required regulatory approvals. Although the Company believes the assumptions underlying these statements are reasonable, they may prove to be incorrect. Given these risks, uncertainties and assumptions, you should not unduly rely on these forward-looking statements.

Forward-looking statements are subject to known and unknown risks, uncertainties and other important factors that may cause the actual results to be materially different from those expressed or implied by such forward-looking statements, including but not limited to, business, economic and capital market conditions; the ability to manage operating expenses, which may adversely affect the Company's financial condition; the Company's ability to remain competitive as other better financed competitors develop and release competitive products; regulatory uncertainties; market conditions and the demand and pricing for the Company's products; the Company's relationships with its customers, distributors and business partners; the Company's ability to successfully define, design and release new products in a timely manner that meet the Company's customers' needs; the Company's ability to attract, retain and motivate qualified personnel; competition in its industry; the Company's ability to maintain technological leadership; the Company's ability to manage risks inherent in foreign operations; the impact of technology changes on the Company's products and industry; the Company's failure to develop new and innovative products; the Company's ability to successfully maintain and enforce our intellectual property rights and defend third-party claims of infringement of their intellectual property rights; the impact of intellectual property litigation that could materially and adversely affect the Company's business; the Company's ability to manage working capital; and the Company's dependence on key personnel. POSaBIT is an early stage company with a short operating history; it may not achieve profitability; and it may not actually achieve its plans, projections, or expectations.

Important factors that could cause actual results to differ materially from POSaBIT's expectations include, consumer sentiment towards POSaBIT's products and blockchain/cryptocurrency exchange technology generally, litigation, global economic climate, loss of key employees and consultants, additional funding requirements, changes in laws, technology failures, competition, and failure of counterparties to perform their contractual obligations. Except as required by law, POSaBIT undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future event or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

About POSaBIT

POSaBIT (CSE: PBIT) is a financial technology company that delivers unique and innovative, blockchain-enabled payment processing and point-of-sale systems for cash-only businesses. POSaBIT specializes in resolving pain points for complex, high-risk, emerging industries like cannabis with an all-in-one solution that is compliant, user-friendly and utilizes top-of-the-line hardware. POSaBIT's unique solution provides a safer and transparent environment for merchants while creating a better overall experience for the consumer. For additional information, visit: www.posabit.com.

CONTACT:

Investor Relations:

Chelsea Lish
The Blueshirt Group for POSaBIT
415-217-7722
investors@posabit.com

Media Relations:

Katie North
The Blueshirt Group for POSaBIT
415-828-8298
katie@blueshirtgroup.com

Management:

Ryan Hamlin
Co-founder and CEO of POSaBIT
415-217-7722
investors@posabit.com