UrtheCast Corp. Closes $2.0 Million Financing and Provides Corporate Update

VANCOUVER, Feb. 3, 2020 /CNW/ - UrtheCast Corp. (TSX:UR) ("**UrtheCast**" or the "**Company**"), a leading provider of information-rich products and services in the rapidly growing geospatial and geo-analytics markets, is pleased to announce the closing of a $2.0 million (US$1.55 million) financing (the "**Financing**") with SMF Investments Limited (the "**Lender**"). The Company also provides a corporate update.

$2.0 Million Financing

The Financing consists of an unsecured convertible debenture of the Company in the principal amount of $2,025,773 (the "**Convertible Debenture**"). The Convertible Debenture accrues interest at a rate of 17% per annum, has a maturity date of March 31, 2020, and is convertible into common shares of the Company ("**Common Shares**") at the option of the Lender, at any time prior to the maturity date at a conversion price equal to $0.32 per Common Share (the "**Original Conversion Price**"). The Original Conversion Price is subject to adjustment in certain circumstances, including if the Company issues any Common Shares or securities convertible into Common Shares (other than pursuant to its equity incentive plan) at a lower price, in which case the conversion price shall be reduced to such lower price but not less than $0.24, subject to approval from the Toronto Stock Exchange (the "**TSX**"). In the event of default under the Convertible Debenture, the Lender will receive a license to certain intellectual property of the Company.

In connection with the Financing, the Company paid the Lender a 3% finance fee from the proceeds of the Financing and issued to the Lender 4,171,677 Common Share purchase warrants of the Company having an expiry date of January 27, 2025 and an exercise price of $0.48 per Common Share (the "**Original Exercise Price**"). The Original Exercise Price is subject to adjustment in certain circumstances, including if the Company issues any Common Shares or securities convertible into Common Shares (other than pursuant to its equity incentive plan) at a lower price, in which case the exercise price shall be reduced to such lower price but not less than $0.32, subject to approval from the TSX.

The proceeds of the Financing will be used primarily to fund upfront legal and advisory fees related to the expected financing of the UrtheDaily Constellation and debt service costs.

The Company is in discussion with the Lender regarding additional funding, subject to reaching mutually agreeable terms.

Corporate Update

As previously disclosed, the Company has received a number of indicative term sheets from institutional investors to finance the UrtheDaily Constellation project and has been actively working towards satisfying due diligence requirements with these prospective investors. The Company continues to make progress in this competitive process and remains focused on finalizing a binding commitment.

With regards to the sale of its Deimos Imaging business, the Company believes that it has successfully satisfied technical due diligence with a prospective buyer and the parties are progressing towards the completion of the remaining financial and legal due diligence activities in order to secure a binding sale agreement.

Extension of US$12.0 Million Term Loan

Effective January 15, 2020, the lenders of the previously announced US$12.0 million term loan entered into on January 14, 2019 (the "**Term Loan**") extended the maturity date of the Term Loan to April 14, 2020 (the "**Extension**"). In connection with the Extension, an aggregate extension fee of US$200,000 is payable to the lenders.

Extension of Other Loans and Convertible Debentures

The Company is in constructive discussions with its lenders for extensions of the maturity dates under the Company's (i) US$1.5 million secured term loan entered into in June 2019, (ii) US$1.5 million secured term loan entered into in July 2019 and (iii) convertible debentures in the aggregate principal amount of C$6.6 million issued in September 2019.

Deferral of Second Instalment Payable to Land O'Lakes

The Company and Land O'Lakes have agreed in principal to further defer the remaining US$4.25 million balance of the second instalment for the Geosys acquisition, which is due by February 14, 2020, such that US$0.75 million is to be paid on April 1, 2020 through a setoff of amounts owed by Land O'Lakes under its 13-year services agreement and US$3.5 million is to be paid by May 14, 2020.

About UrtheCast

UrtheCast Corp. is a Vancouver-based company that serves the rapidly growing and evolving geospatial and geo-analytics markets with a wide range of information-rich products and services.

For more information, visit UrtheCast's website at www.urthecast.com.

Forward Looking Information

This release contains certain information which, as presented, constitutes "forward-looking information" within the meaning of applicable Canadian securities laws. Forward-looking information involves statements that relate to future events and often addresses expected future business and financial performance, containing words such as "plan" and "propose", statements that an action or event "may" or "will" be taken or occur, or other similar expressions and includes, but is not limited to, statements relating to: UrtheCast's expectations with respect to its ability to raise capital and to continue as a going concern; expectations regarding UrtheCast's ability to meet its obligations and satisfy its liabilities under its existing indebtedness, the Convertible Debenture and the Term Loan; UrtheCast's expectations with respect to discussions with the Lender for additional funding; UrtheCast's expectations with respect to financing of the UrtheDaily Constellation, including UrtheCast's ability to enter into binding commitments with prospective investors on terms satisfactory to UrtheCast or at all; UrtheCast's expectations with respect to completing the remaining financial and legal due diligence and entering into a binding sale agreement with respect to the sale of Deimos Imaging; expectations regarding the Company's discussions with the lenders for extensions of the maturity dates under the Company's secured term loans and convertible debentures; and expectations regarding UrtheCast's ability to meet its obligations in connection with the Geosys acquisition, including its ability to pay the balance of the second instalment of the purchase price in a timely manner, or at all, and Land O'Lakes' agreement in principal to defer such payment. Such statements reflect UrtheCast's current views with respect to future events, and are necessarily based upon a number of estimates and assumptions that, while considered reasonable by UrtheCast as at the date of this press release, are inherently subject to significant uncertainties and contingencies. Many factors could cause UrtheCast's actual results or performance to be materially different from expectations that may be expressed or implied by such forward-looking statements, including, among others: the Company's ability to rectify its current cash constraints and to continue as a going concern; the Company's *ability to enter into alternative financing for the UrtheDaily Constellation, and any delays or failures in the design, development, construction, launch and operational commissioning of the such constellation; the Company's ability to comply with debt and repayment obligations and avoid the exercise of lenders' rights, including with respect to seizing secured assets and other rights available to lenders; the inability of the Company to obtain additional funding from the Lender on commercially reasonable terms or at all; the Company's inability to repay the Sabadell Loan; lower than expected revenues from the Company's products and services; the Company's ability to fund its future operations, which is contingent on its efforts to raise additional financing and/or sell certain assets of the Company; the Company's ability to successfully complete a sale or other transaction involving Deimos Imaging on commercially reasonable terms, or at all; loss, reduction in scope, termination, failure to satisfy conditions precedent or decline in general of the Company's agreements or relationships with its key partners, including Land O' Lakes, Inc. and the Company' lenders; the inability of the Company to obtain an extension of the maturity dates under its secured term loans and convertible debentures; and those factors and assumptions discussed in UrtheCast's Annual Information Form dated March 29, 2019, which is available under UrtheCast's SEDAR profile at www.sedar.com. UrtheCast cautions readers that such factors and uncertainties are not exhaustive and that should certain risks or uncertainties materialize, or should underlying estimates or assumptions prove incorrect, actual results, performance or achievements may vary significantly from those expected. UrtheCast undertakes no obligation to update forward-looking statements except as required by Canadian securities laws. Readers are cautioned against attributing undue certainty to forward-looking statements.*

SOURCE UrtheCast Corp.

View original content: http://www.newswire.ca/en/releases/archive/February2020/03/c1591.html

%SEDAR: 00021023E

For further information: Sai Chu, Chief Financial Officer, +1 (604) 669-1788

CO: UrtheCast Corp.

CNW 07:00e 03-FEB-20