

Zonetail Inc. Announces Closing of First Tranche of Non-Brokered Private Placement; Completes Initial Closing for Proceeds of \$511,790

Toronto, Ontario--(Newsfile Corp. - October 5, 2022) - Zonetail Inc. (TSXV: ZONE) ("Zonetail" or the "Company"), is pleased to announce the closing of the first tranche of its previously announced private placement. The Offering consists of units of the Company (the "Units") being issued at a price of \$0.04 per Unit, with each Unit being comprised of one common share (a "Share") and one half of one (1/2) common share purchase warrant (a "Warrant"). Each whole Warrant will entitle its holder to purchase one (1) additional Share of the Company at an exercise price of \$0.06, for a period of thirty six (36) months from the closing date of the Offering.

In connection with the initial closing of the Offering, the Company has issued an aggregate of 12,794,750 Units, for gross proceeds of \$511,790, including the acceptance by the Company of a subscription of an insider of the Company for 3,419,750 Units generating aggregate gross proceeds of \$136,790 (the "Insider Subscription"). The Company has also paid eligible finders ("Finders"), all of whom are at arm's length to the Company and its insiders within the meaning of Policy 5.1 of the TSX Venture Exchange (the "Exchange"), cash compensation as finders fees of approximately \$10,200 in aggregate and has issued an aggregate of 255,000 finders warrants of the Company to such eligible finders ("Finders Warrants"). Each Finder Warrant entitles the holder to purchase one Share of the Company at an exercise price of \$0.06, for a period of thirty six (36) months from the closing date of the Offering. All securities issuable pursuant to the Offering, including the Finders Warrants and the Shares, if any, issuable on their exercise are subject to a four month and one day hold period from the date of issuance in accordance with applicable Canadian securities laws.

As previously disclosed, the issuance of Units to an insider under to the Offering is considered a related party transaction within the meaning of Policy 5.9 of the Exchange and Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions ("MI 61-101"). See press releases dated August 26, 2022 for full details. The Company relied on exemptions from the formal valuation and minority approval requirements of MI 61-101 on the basis of financial hardship.

"Zonetail is very pleased with the support we received from directors, existing shareholders and long-time supporters," said Mark Holmes, President and CEO of Zonetail. "100% of the financing came from this group, which was the Company's goal. The stock is in secure hands."

The Company is seeking to raise up to \$1,000,000 under the Offering and hopes to complete the final tranche of the Offering prior to October 10, 2022. Any such closing will be subject to receipt of all required consents and approvals, including any further approvals of the Exchange. There is no assurance that the final tranche of the Offering will be completed on a timely basis or at all.

About Zonetail

Zonetail Inc. (TSXV: ZONE, OTCQB: ZTLLF) is a mobile platform and market network. Our Mission is to provide a state-of-the-art mobile platform that enables high-rise residents to better manage their homes by connecting people to products, amenities, and services. Our Vision is to build a critical mass of users in the hard-to-reach, high rise residential vertical, through a unique mobile market network model - providing vital information, products, and services at the tap of a screen. We are the search engine to optimize your home. Zonetail is partnered with Yardi, Shiftsuite and now MRI Software which together account for an estimated 50 million households across North America.

Please visit <https://www.zonetail.com>.

For more information, please contact:

Mark Holmes
President and CEO
Zonetail Inc.
Telephone: (416) 994-5399
mark@zonetail.com

Legal Disclaimer and Forward-Looking Statements

This press release contains forward-looking statements that relate to Zonetail's current expectations and views of future events. In some cases, these forward-looking statements can be identified by words or phrases such as "may", "will", "expect", "anticipate", "aim", "estimate", "intend", "plan", "seek", "believe", "potential", "continue", "is/are likely to" or the negative of these terms, or other similar expressions intended to identify forward-looking statements. Certain matters discussed in this announcement contain statements, estimates and projections about the growth of Zonetail's business, potential distribution partnerships and/or clients, and related business strategy. Such statements, estimates and projections may constitute forward-looking statements within the meaning of the federal securities laws. Factors or events that could cause our actual results to differ may emerge from time-to-time. Zonetail undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The recipient of this information is cautioned not to place undue reliance on forward-looking statements. Forward-looking statements are based on certain assumptions and analysis made by Zonetail in light of its experience and perception of historical trends, current conditions and expected future developments and other factors Zonetail believes are appropriate and are subject to risks and uncertainties. Although Zonetail believes that the assumptions underlying these statements are reasonable, they may prove to be incorrect. Given these risks, uncertainties and assumptions, prospective purchasers should not place undue reliance on these forward-looking statements.

NOT FOR DISTRIBUTION TO U.S. NEWS WIRE SERVICES OR FOR DISSEMINATION IN THE
UNITED STATES



To view the source version of this press release, please visit
<https://www.newsfilecorp.com/release/139552>