



## TeraGo Announces Bought Deal Offering of Common Shares

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TORONTO, May 29, 2018 (GLOBE NEWSWIRE) -- TeraGo Inc. ("TeraGo" or the "Company") (TSX:TGO) ([www.terago.ca](http://www.terago.ca)), has announced today that it has entered into an agreement with a syndicate of underwriters (collectively, the "Underwriters") led by TD Securities Inc., under which the Underwriters have agreed to buy on a bought deal basis an aggregate of 1,133,000 common shares (the "Shares"), at a price of \$5.30 per Share for gross proceeds of \$6 million (the "Offering"). TeraGo has granted the Underwriters an over-allotment option, exercisable at the offering price for a period of 30 days following the closing of the Offering, to purchase up to an additional 15% of the total number of Shares sold under the Offering to cover over-allotments, if any (the "Over-Allotment Option"). If the Over-Allotment Option is exercised in full, the gross proceeds will be approximately \$6.9 million.

The Company intends to use the net proceeds of the Offering to fund the acquisition of additional spectrum (as discussed below), the associated costs of the acquisition and for general corporate purposes.

The Company currently has a number of subordinated 24 GHz spectrum licences (as identified below) issued pursuant to a lease with a third party (the "24 GHz Subordinated Licences"). TeraGo intends on exercising a purchase option it has within the lease to acquire the 24 GHz Subordinated Licences for an aggregate purchase price of \$5.7M, subject to Innovation, Science and Economic Development's ("ISED") approval.

Geographic Tier 3 Area	Total MHz	MHz-Pop <sup>1</sup>
Calgary	80	111,218,240
Edmonton	80	117,127,040
Montreal	160	672,776,000
Ottawa	160	230,851,520
Toronto	160	1,063,400,000
Vancouver	320	859,044,800
Total	960	3,054,417,600

<sup>1</sup>Based on ISED's population figures for 2011.

On or before June 4, 2018, the Company will file with the securities commissions or similar regulatory authorities in all of the provinces of Canada, a preliminary short form prospectus relating to the issuance of the Shares. The Offering is anticipated to close on or about June 18, 2018 and is subject to certain customary conditions and regulatory approval, including the approval of the Toronto Stock Exchange and the securities regulatory authorities.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

### Forward-Looking Statements

This news release includes certain forward-looking statements that are made as of the date hereof. Such forward-looking statements may include, but are not limited to, statements relating to the size of the Offering, the intended use of proceeds of the Offering, the proposed closing date of the Offering and the proposed acquisition by the Company of additional spectrum. All such statements constitute "forward-looking information" as defined under, applicable Canadian securities laws. Any statements contained herein that are not statements of historical facts constitute forward-looking information. The forward-looking statements reflect the Company's views with respect to future events and is subject to risks, uncertainties and assumptions, including risks relating to the inability of the Company to complete the Offering and the proposed acquisition of additional spectrum and those risks set forth in the "Risk Factors" section in the annual MD&A of the Company for the year ended December 31, 2017, which is available on [www.sedar.com](http://www.sedar.com) under the Company's corporate profile. Factors that could cause actual results or events to differ materially include the ability to settle the terms of the Offering and to satisfy conditions of the Offering, the failure to receive regulatory approvals with respect to the Offering, changes in the Canadian securities markets, the inability to satisfy conditions of the proposed acquisition of additional spectrum (including an inability to pay the purchase price) and the failure to receive ISED approval with respect to the proposed acquisition of additional spectrum. Accordingly, readers should not place undue reliance on forward-looking statements as a number of factors could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed with the forward-looking statements. Except as may be required by applicable Canadian securities laws, TeraGo does not intend, and disclaims any obligation, to update or revise any forward-looking statements whether in words, oral or written as a result of new information, future events or otherwise.

### About TeraGo

TeraGo provides businesses across Canada with cloud, colocation and connectivity services. TeraGo manages over 3,000 cloud workloads, operates five data centres in the Greater Toronto Area, the Greater Vancouver Area, and Kelowna, and owns and manages its own IP network. The Company serves business customers in major markets across Canada including Toronto, Montreal, Calgary, Edmonton, Vancouver and Winnipeg. TeraGo Networks is a Competitive Local Exchange Carrier (CLEC) and was recognized by IDC as a Major Player in MarketScope Cloud Vendor Assessment. TeraGo Networks was also selected as one of Canada's Top Small and Medium

Employers for 2017.

For more information about TeraGo, please visit [www.terago.ca](http://www.terago.ca).

**TeraGo Investor Relations**

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