



## TERAGO FILES PRELIMINARY SHORT FORM PROSPECTUS IN CONNECTION WITH BOUGHT DEAL OFFERING

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**Toronto, Ontario** – June 4, 2018 - TeraGo Inc. ("**TeraGo**" or the "**Company**") (TSX: TGO, [www.terago.ca](http://www.terago.ca)), announces that further to its previously announced bought deal offering (the "**Offering**") on May 29, 2018, it has entered into an underwriting agreement with a syndicate of underwriters led by TD Securities Inc., and including Cormark Securities Inc. and Desjardins Securities Inc. (collectively, the "**Underwriters**") who have agreed to buy on a bought deal basis 1,133,000 common shares of TeraGo ("**Common Shares**") at a price of \$5.30 per Common Share (the "**Offering Price**") for gross proceeds of \$6,004,900. In connection with the Offering, the Company has also filed today a preliminary short form prospectus (the "**Preliminary Prospectus**").

In addition, the Company has also granted the Underwriters an over-allotment option (the "**Over-Allotment Option**") to purchase up to an additional 169,950 Common Shares, exercisable at any time up to 30 days after the closing of the Offering at a price equal to the Offering Price. In the event the Over-Allotment Option is exercised in full, the gross proceeds to TeraGo will be \$6,905,635.

The Offering is anticipated to close on or about June 18, 2018 and is subject to certain customary conditions and regulatory approvals, including the approval of the Toronto Stock Exchange and the securities regulatory authorities.

The Company intends to use the net proceeds of the Offering to fund its acquisition of six 24 GHz spectrum licences for which it is currently leasing and any associated costs of such acquisition, as further disclosed in the Preliminary Prospectus.

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.

The Preliminary Prospectus containing important information relating to these securities has been filed with securities commissions or similar authorities in each province of Canada. The Preliminary Prospectus is still subject to completion or amendment. Copies of the Preliminary Prospectus may be obtained from TD Securities Inc., TD Tower, 9th Floor, 66 Wellington Street, Toronto, Ontario, M5K 1A2 (email: [sdconfirms@td.com](mailto:sdconfirms@td.com)). A copy of the Preliminary Prospectus can also be obtained under the Company's corporate profile on SEDAR at [www.sedar.com](http://www.sedar.com). There will not be any sale or any acceptance of an offer to buy the securities until a receipt for the final short form prospectus has been issued.

### **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" sections in each of the Preliminary Prospectus and 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), the failure to receive ISED approval with respect to the proposed acquisition of additional spectrum, and certain counterparty risks in dealing with the current holder of the 24 GHz spectrum licences from whom the Company will be acquiring the licences from. 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 MarketScape 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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