

News Release



Ivrnet Completes First Closing of Previously Announced Financing; Raises \$515,174.90

Calgary, Alberta, (January 7, 2020) - Ivrnet Inc. (TSX.V: IVI) (“Ivrnet”) is pleased to announce that it has raised \$515,174.90 via the private placement of 20,606,996 common shares at a price of \$0.025 per share. This is the first closing of a private placement offering by Ivrnet of up to 60,000,000 common shares (the “Offered Shares”) at a price of \$0.025 per Offered Share for gross proceeds of up to \$1,500,000 (the “Offering”). The Offering is available to accredited investors and to Ivrnet’s existing shareholders resident in Canada (except Newfoundland and Labrador). All Offered Shares to be issued pursuant to the Offering will be subject to a statutory four month hold period. The Offering is being made pursuant to the grant of a discretionary waiver from the TSX Venture Exchange, pursuant to its bulletin dated April 7, 2014, of the TSXV’s minimum \$0.05 pricing requirement. Further closings of the Offering are subject to receipt of subscription agreements from suitable investors and receipt of TSX Venture Exchange approval. Ivrnet also announces that it has entered into a Third Amending Agreement to the Loan Agreement with its senior commercial lender to revise the repayment terms and amend Ivrnet’s financial covenants.

Insider Participation

In the first closing, Ivrnet issued the following shares to certain insiders of the Company or their affiliates: (i) David Snell, the largest shareholder of the Company, a current Director and the former President and CEO (6,120,000 Offered Shares (\$153,000.00)); (ii) Andrew Watts, the current President and CEO and a Director (1,680,000 Offered Shares (\$42,000.00)); and (iii) Scott Pickard, the current Chairman of the Board (2,728,400 Offered Shares (\$68,210.00)). The balance of the proceeds from the first closing (\$251,964.90) was raised from parties at arm’s length to Ivrnet.

The aforementioned participation by insiders in the Offering is exempt from the valuation and minority shareholder approval requirements of Multilateral Instrument 61-101 (“MI 61-101”) by virtue of the exemptions contained in sections 5.5(a) and 5.7(1)(a) of MI 61-101 in that the fair market value of the Offered Shares issued to such insiders does not exceed 25% of Ivrnet’s pre-transaction market capitalization.

Maximum Offering

The maximum amount to be raised pursuant to the Offering is \$1,500,000. Ivrnet will seek to raise the balance of the Offering of \$984,825.10 (39,393,004 Offered Shares) from accredited investors and from existing shareholders resident in Canada (except Newfoundland and Labrador). If the maximum proceeds of \$1,500,000 are raised, it is anticipated that the net proceeds will be used to pay certain trade payables (\$675,000) and for general working capital.

Existing Shareholder Offering

The Offering will be open to participation by existing shareholders (that portion of the Offering referred to herein as the “**Existing Shareholder Offering**”) resident in Canada (except Newfoundland and Labrador) as of the record date of **September 12, 2019** (the “**Record Date**”) until January 28, 2020 (the “**Expiry Date**”).

Shareholders interested in participating in the Existing Shareholder Offering should contact, or have their registered broker contact, Andrew Watts, Chief Executive Officer of Ivrnet, at investors@ivrnet.com to obtain a copy of the subscription agreement for the subscription of Offered Shares by existing shareholders. Requests should be received by no later than Friday January 17, 2020 so that subscription agreements can be signed and funds can be received by Ivrnet by no later than Friday January 24, 2020.

For further details on the Offering, including the Existing Shareholder Offering, please see Ivrnet’s news releases dated September 13, 2019, September 26, 2019, October 29, 2019 and December 16, 2019 available under Ivrnet’s SEDAR profile at www.sedar.com.

Loan Amendment

The repayment terms of the loan were modified such that monthly payments are made from January 2020 onwards equal to the lesser of: (i) 60% of Ivrnet’s prior month positive operating cash flow, or (ii) such amount that would reduce Ivrnet’s combined cash balance to \$150,000.00.

- The financial covenants have been reset in relation to Ivrnet’s 2020 budget, with amended events of default under the Loan Agreement as follows:
 - if the Month End EBDA of any month is more than 10% lower than such amount(s) set out in the most recent approved Ivrnet cash forecast, for three consecutive months;
 - if the Month End EBDA of any month is more than 20% lower than such amount(s) set out in the most recent approved Ivrnet cash forecast;
 - if the cash balance in Ivrnet’s bank accounts as shown on the weekly cash flow certificate is less than \$100,000 at any time, beginning on January 15, 2020; and/or
 - if Ivrnet’s working capital is negative at the last day of any month, beginning on January 31, 2020.

- For the purposes of the Loan Agreement, “EBDA” means earnings before depreciation and amortization but including interest, calculated for Ivrnet,

determined in accordance with GAAP and in doing so:

- EBDA shall not include any gains, losses or profits realized from the sale of any assets other than in the ordinary course of business; and
- EBDA shall be calculated including Depreciation – Right of Use Asset charges.

About Ivrrnet

Ivrrnet is a software and communications company that develops, hosts, sells and supports value-added business automation software. The company's products and services are delivered through the Internet and traditional phone network. These applications facilitate automated interaction through personalized communication between people, mass communication for disseminating information to thousands of people concurrently, and personalized communication between people and automated systems.

Forward-looking Information

Certain statements in this news release, other than statements of historical fact, are forward-looking information that involves various risks and uncertainties. Such statements relating to, among other things, Ivrrnet's intention to complete a private placement of Offered Shares to raise up to \$1,500,000, are forward-looking and are necessarily subject to risks and uncertainties, some of which are significant in scope and nature. There is no assurance that Ivrrnet will be able to raise any additional funds pursuant to the Offering. Further, there is no assurance that Ivrrnet will be able to satisfy any conditions to additional closings of the Offering that may arise, including receipt of any required regulatory approvals. These uncertainties may cause actual results to differ from information contained herein. There can be no assurance that such statements will prove to be accurate. Actual results and future events could differ materially from those anticipated in such statements. These and all subsequent written and oral forward-looking statements are based on the estimates and opinions of the management on the dates they are made and expressly qualified in their entirety by this notice. Ivrrnet assumes no obligation to update forward-looking statements should circumstances or management's estimates or opinions change

For further information: please contact Andrew Watts, President and CEO, Ivrrnet Inc.; Bay U, 1338 - 36 Avenue NE, Calgary, Alberta T2E 6T6; Tel/fax 1.800.351.7227; E-mail: investors@ivrrnet.com; www.ivrrnet.com

Neither the TSX Venture Exchange nor its regulation services provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.