



## **CHITRCHATR COMMUNICATIONS INC.**

### **Trading Symbols:**

**February 15, 2017**

Canada CSE: CHA  
Germany FRA: CA9  
ISIN: CA1701771091, WKN: A1W6GD

### **CHITRCHATR PROVIDES CORPORATE UPDATE**

**Calgary, Alberta** – February 15, 2017. ChitrChatr Communications Inc. ([www.chitrchatr.com](http://www.chitrchatr.com)), (“**ChitrChatr**” or the “**Company**”) is pleased to provide a corporate update on the proposed transactions to bring the Company into good standing with regulators, raise financing and settle debt, among other things. In conjunction with the transactions, ChitrChatr intends to apply for re-instatement of trading of the Company's common shares on the Canadian Securities Exchange (CSE). The Company has arranged for a loan to provide funds necessary to begin carrying out its plans to reorganize its capital structure, complete a financing and re-instate trading.

#### **Applications to Revoke Cease Trade Orders**

On December 2, 2016 the Alberta Securities Commission, the BC Securities Commission and the Ontario Securities Commission issued cease trade orders for the Company's failure to file (a) annual audited financial statements, annual management's discussion and analysis, and certification of the annual filings for the year ended 31 July 2016; and (b) certification of the interim filings for the interim nine-month period ended 30 April 2016. On December 5, 2016, the CSE suspended trading of ChitrChatr's common shares. As a first step, the Company will prepare and file on SEDAR all outstanding financial statements, related management's discussion and analysis, and certifications. Once the Company's filings with the securities commissions are in good standing, it will apply to the securities commissions for orders revoking the cease trade orders.

Subject to revocation of the cease trader orders, ChitrChatr proposes to complete the transactions described below.

#### **Share Consolidation**

The Company is proposing to consolidate its issued and outstanding common shares to provide greater flexibility in structuring acquisitions and financings that may be completed in the future. Additionally, management believes it will be beneficial to the current shareholders if the number of outstanding common shares is reduced. The Company would consolidate all the issued and outstanding common shares on the basis of five (5) pre-consolidation common shares being consolidated into one (1) new post-consolidation common share, with all resulting fractional shares being rounded down to the

nearest whole number. The share consolidation will require the approval of ChitrChatr's shareholders by special resolution.

### **Private Placement**

Following revocation of the cease trade orders, ChitrChatr would arrange for a private placement of up to 4,000,000 post-consolidation common shares at a price of \$0.25 per share to raise up to \$1,000,000 in proceeds. The Company may pay finder's fee in cash or securities in connection with the financing. The proceeds of the private placement would be used to fund transaction costs, filing fees, costs to reinstate trading on the CSE etc., and to provide general working capital. Management also continues to seek opportunities for the acquisition of additional assets and proceeds of the private placement may also be used for that purpose.

### **Debt Settlement**

The Company would enter into a full and final settlement of outstanding secured loans and accrued interest totaling \$1,222,594.00 by the issuance of 4,890,376 post-consolidation common shares at a deemed price \$0.25 per share to the lender Transglobal Assets Management Incorporated, a company owned by a shareholder of ChitrChatr. The lender provided the loans under a line of credit of up to \$2,000,000 from which the Company could request draw-down payments at any time during the year following the date of the promissory note dated January 1, 2016. The promissory note bears interest at 7% per annum and is secured with a floating charge security interest over all of the Company's present or after acquired assets. The maturity date of the note was accelerated upon the Company's suspension of trading on the CSE. On closing of the debt settlement, the lender would provide a full discharge and release of its security interest over the Company's assets.

ChitrChatr cannot proceed with the foregoing transactions until the securities commissions have revoked all cease trade orders.

### **AGM**

The Company will call an annual general meeting (AGM) of its shareholders to be held in April 2017 to elect directors, appoint the auditor, approve other AGM matters as well as approve the proposed share consolidation.

### ***About ChitrChatr***

ChitrChatr is a technology company that is developing a Comprehensive Universal Unified Communications Platform ("CUUCP") application program. The CUUCP features voice, video, conference calls, chat, text/SMS, fax/email, and social networking all rolled into one application. CUUCP services are made available to the end users as an application they can access via a browser and optionally install on their desktop, tablet, PC, smart phone and on dedicated hardware devices. The initial release of the CUUCP after beta testing is successfully completed will be limited to an IOS/Mac version.

The common shares of ChitrChatr are listed in Canada but suspended from trading on the Canadian Securities Exchange (CSE) under the trading symbol 'CHA', and are listed in Germany on the Frankfurt Stock Exchange (FRA) under the symbol 'CA9'.

The Company's website is [www.chitrchatr.com](http://www.chitrchatr.com). Company documents are available for viewing under the Company's profile at both [www.sedar.com](http://www.sedar.com) and [www.thecse.com](http://www.thecse.com).

***On Behalf of ChitrChatr Communications Inc.***

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Neither the CSE nor the Frankfurt Stock Exchange has reviewed, approved or disapproved the content of this press release.

**Forward-Looking Information:**

This press release may include 'forward-looking information' within the meaning of Canadian securities legislation, concerning the business of ChitrChatr. The forward looking information is based on certain key expectations and assumptions made by the Company's management. Although the Company believes that the expectations and assumptions on which such forward- looking information is based are reasonable, undue reliance should not be placed on the forward- looking information because the Company can give no assurance that it will prove to be correct. These forward-looking statements are made as of the date of this press release, and the Company disclaims any intent or obligation to update publicly any forward-looking information, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.