



NEWS RELEASE

HEALTHSPACE DATA SYSTEMS ANNOUNCES PRIVATE PLACEMENT LED BY ECHELON WEALTH PARTNERS

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VANCOUVER, BC – April 16, 2020 - HealthSpace Data Systems Ltd. (the “Company” or “HealthSpace”) (CSE:HS) (Frankfurt:38H) (OTC:HDSLFI) is pleased to announce a brokered private placement for gross proceeds of up to approximately CAD\$2,000,000 (the “Offering”). Echelon Wealth Partners Inc. (the “Agent”) will act as sole agent and bookrunner for the Offering.

The Offering will consist of up to 30,769,300 units of the Company (each, a “Unit”), at a price of C\$0.065 per Unit, to be sold on a commercially-reasonable efforts basis pursuant to applicable private placement exemptions. Each Unit shall consist of one common share in the capital of the Company (each, a “Common Share” and collectively the “Common Shares”) and one common share purchase warrant (each, a “Warrant” and collectively the “Warrants”). Each Warrant will entitle the holder thereof to acquire one Common Share at a price of C\$0.10 per Common Share for a period of 36 months from the closing date of the Offering.

The Company will pay a cash commission to the Agent equal to 8% of the aggregate gross proceeds of the Offering (4% from the sale of Units to purchasers identified on the Company’s president’s list) and will issue broker warrants equal to 8% of the number of Units sold under the Offering (4% of the number of Units from the sale of Units to purchasers identified on the Company’s president’s list), each exercisable to acquire one Common Share at a price of C\$0.065 per Common Share for a period of 36 months from the closing date of the Offering.

The Units will be offered and sold by private placement in Canada to “accredited investors” within the meaning of National Instrument 45-106 – Prospectus Exemptions and other exempt purchasers in each province of Canada, and may be sold outside of Canada on a basis which does not require the qualification or registration of any of the Common Shares or the Warrants comprising the Units in the subscriber’s jurisdiction. The Company may also concurrently offer and sell Units outside of Canada on a non-brokered, unregistered private placement basis to a limited number of “accredited investors” (as defined in Regulation D under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”)) with whom the Company has substantive pre-existing relationships, in reliance on exemptions from the registration requirements of the U.S. Securities Act and applicable state securities laws. The securities issued in the Offering will be subject to applicable hold periods imposed under applicable securities legislation,

including a hold period of 4 months and one day from the date of issuance. The net proceeds from the Offering will be used for and general corporate and working capital purposes.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities described in this news release. Such securities have not been, and will not be, registered under the U.S. Securities Act, or any state securities laws, and, accordingly, may not be offered or sold within the United States, or to or for the account or benefit of persons in the United States or “U.S. Persons”, as such term is defined in Regulation S promulgated under the U.S. Securities Act, unless registered under the U.S. Securities Act and applicable state securities laws or pursuant to an exemption from such registration requirements.

HealthSpace Data Systems Ltd.

HealthSpace is a government Software as a Service (SaaS) company focused on providing efficiencies to state and local government agencies through its powerful enterprise cloud and mobile platform. Over the last decade, HealthSpace has successfully developed both cloud and mobile applications currently serving over 500 state and local government organizations across North America. HealthSpace offers one of the only self-serve enterprise suites for government, providing greater power to the end-user. Further, HealthSpace now delivers its government grade technologies to private businesses enabling them to gain visibility and predictability into their own organizations and move from a reactive to a proactive operational status. HealthSpace continues to deliver focused service and innovative solutions to government organizations, while expanding into commercial enterprise verticals to enable new customers with proactive environmental health best practices and policies. HealthSpace has now entered into the FinTech space by creating a payment platform that streamlines the intake of government revenue for the agencies it serves.

Forward-Looking Statements

This news release contains forward-looking statements, including statements regarding the attributes of the securities to be offered and sold by the Company and other statements that are not historical facts. Forward-looking statements are often identified by terms such as “will”, “may”, “should”, “anticipate”, “expects” and similar expressions. All statements other than statements of historical fact included in this release are forward-looking statements that involve risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements.

The reader is cautioned that assumptions used in the preparation of any forward-looking information may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted, as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the Company, and which are described in the Company’s public filings available under its profile at www.sedar.com. The reader is cautioned not to place undue reliance on any forward-looking information. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. Forward-looking statements contained in this news release are expressly qualified by this cautionary statement. The forward-looking statements contained in this news release are made as of the date of this news release and the Company does not intend to update any of the included forward-looking statements except as required by Canadian securities laws.

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