

News Release



Virtutone Announces New \$10 Million USD Line of Credit

July 21st, 2014 – Sherwood Park, Alberta – Virtutone Networks Inc. (“Virtutone” or the “Company”) (TSX Venture: VFX.V) is pleased to announce that it has secured a new \$10 million line of credit with a tier one U.S. bank.

The line of credit is a one-year renewable term at a rate of prime plus 1.5% per annum. The facility is based on 85% of good accounts receivable.

“This new facility will significantly increase our revenues and goes a long way to helping us meet and potentially exceed our financial projections for this year,” said Jason Allen, Chief Executive Officer. “It will also substantially lower our cost of capital and therefore help drive profitability. We see a lot of attractive business that, prior to obtaining this line, we were unable to land, so we will have no trouble deploying this capital to the benefit of our shareholders.

“We are pleased to be working with this new bank, which understands our business and is willing to work with us to grow it. Although it took longer than we expected to find the right lending partner, finding this one has made the wait worthwhile.”

With this new line of credit, the Company has declined the previously announced \$7.5 million credit facility on November 1st, 2013, as the cost of the capital was very high, and had restrictive terms. The Company required a larger and more long-term partnership providing the Company with more flexibility and a lower cost of capital.

For further information please contact Jason Allen at 780-702-5777.

About Virtutone Networks Inc.

Virtutone Networks Inc. is a technology company based in Sherwood Park and is listed on the TSX Venture Exchange in Canada. The company is a leading supplier of wholesale telecommunication services, serving as an intermediary between large carriers and local telephone companies in many countries worldwide. Over the years, Virtutone has built lasting and secure business relationships with a number of key strategic partners.

News Release

We pride ourselves in providing unsurpassed service to customers and suppliers worldwide. Our customers choose us for three primary reasons: quality voice services, competitive rates, and superior customer service.

Additional information can be found on the company's website at www.virtutone.com.

This document may contain certain forward-looking information or statements ("Forward-looking statements") as defined under applicable securities legislation that involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward-looking statements. These risks include, without limitation, risks related to: the termination, non-renewal of or default under of any current or new wholesale contracts; changes in the global economy; a failure to negotiate new customer contracts; changes in legislation or the interpretation thereof, particularly in the telecommunications industry. Forward-looking statements are any statements other than statements of historical fact. The use of any "plan" "expect" "project" "believe" "should" "anticipate" or other similar words or statements that certain events "may" or "will" occur are intended to identify forward-looking statements. In particular, forward-looking statements included in the press release include, without limitation, statements regarding: the impact of the new voice traffic contracts; timing and completion of the transition of new voice traffic; the sustainability of the new revenue stream; increased leverage with suppliers; additional deals currently being worked on and the impact thereof; and negotiations relating to potential new customers. The forward-looking statements contained herein are based on certain assumptions including, without limitation, assumptions regarding: global economic conditions; changes in laws and regulations; the impact of Virtutone's new contracts; the market for wholesale telephony services; the maintenance of new and current wholesale contracts; and the ability to add new wholesale clients. Although management believes the expectations reflected in the forward-looking statements contained herein are reasonable, no assurances can be given that any of the events anticipated in forward-looking statements will occur, or, if they do, what benefits Virtutone will derive therefrom. As such readers are cautioned not to place undue reliance on forward-looking statements, which are effective only as of the date of this document or as of the date otherwise specifically indicated herein. Virtutone assumes no obligation to update forward-looking statements, except as required by applicable law. The historical revenue numbers for the new wholesale contracts do not represent estimates of future revenues to be received by the Company. As these contracts do not contain any minimum traffic requirements, revenue generated on such contracts will vary from month to month, and such variations may be material. The Company cannot provide any assurances as to the revenues to be generated by such contracts once the transition is complete.

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