PLEASE READ THIS MATERIAL CAREFULLY AS YOU ARE REQUIRED TO MAKE A DECISION PRIOR TO 5:00 P.M. (TORONTO TIME) ON OCTOBER 15, 2025.

This rights offering circular is prepared by management. No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this circular. Any representation to the contrary is an offence.

*This is the circular we referred to in the September 11, 2025 rights offering notice (the "**Rights Offering Notice**"), which you should have already received. Your DRS Advice (as defined herein) and relevant forms were enclosed with the Rights Offering Notice. This circular should be read in conjunction with the Rights Offering Notice and our continuous disclosure prior to making an investment decision.*

*The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or the securities laws of any state of the "United States" (as defined in Regulation S under the U.S. Securities Act). This rights offering circular does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States, and the securities offered herein may not be offered or sold in, or exercised in, the United States or to U.S. persons unless registered under the U.S. Securities Act and applicable state securities laws, or pursuant to an exemption from such registration requirements. "United States" and "U.S. persons" are as defined in Regulation S under the U.S. Securities Act.*

Rights Offering Circular **September 11, 2025**

TERAGO INC.

OFFERING OF RIGHTS TO SUBSCRIBE FOR UP TO 20,053,411 COMMON SHARES

Price: $0.84 per Common Share

We currently have sufficient working capital to last nil months. We require 50% of the offering to last 12 months.

SUMMARY OF THE RIGHTS OFFERING

References in this circular to we, our, us and similar terms refer to TERAGO Inc. ("**Terago**" or the "**Corporation**"). References in this circular to you, your and similar terms refer to holders of common shares in the capital of the Corporation (the "**Common Shares**" and each, a "**Common Share**"). Unless otherwise indicated, references herein to "$" or "dollars" are to Canadian dollars.

Why are you reading this circular?

We are issuing to the holders ("**Shareholders**") of our outstanding Common Shares of record at the close of business on September 23, 2025 (the "**Record Date**") and who are resident in a province or territory of Canada ("**Eligible Jurisdictions**"), rights ("**Rights**") to subscribe for Common Shares on the terms described in this circular (the "**Rights Offering**"). The purpose of this circular is to provide you with detailed information about your rights and obligations in respect of this Rights Offering. This circular should be read in conjunction with the Rights Offering Notice which you should have already received by mail.

What is being offered?

Each holder of the Corporation's Common Shares on the Record Date who is resident in an Eligible Jurisdiction will receive one Right for each Common Share held.

What does one Right entitle you to receive?

Each whole Right entitles you to subscribe for one Common Share upon payment of the Subscription Price (as defined herein) (the "**Basic Subscription Privilege**"). Holders will need to exercise one Right and pay the Subscription Price to acquire one Common Share. No fractional Common Shares will be issued. If you exercise your Basic Subscription Privilege in full, you will also be entitled to subscribe *pro rata* for Common Shares (the "**Additional Common Shares**") not otherwise purchased, if any, pursuant to the Basic Subscription Privilege (the "**Additional Subscription Privilege**").

What is the subscription price?

Payment in the amount of $0.84 (the "**Subscription Price**") is required to subscribe for each Common Share. On September 10, 2025 being the last trading day prior to announcement of the Rights Offering, the closing price of the Common Shares on the Toronto Stock Exchange (the "**TSX**") was $1.05. The 5-day volume weighted average trading price of the Common Shares on the TSX to September 10, 2025 was $1.05 per Common Share.

When does the offer expire?

The offer expires at 5:00 p.m. (Toronto time) on October 15, 2025 (the "**Expiry Time**").

What are the significant attributes of the Rights issued under the Rights Offering and the securities to be issued upon the exercise of Rights?

Each Right entitles you to subscribe for one Common Share at the Subscription Price. Terago is authorized to issue an unlimited number of Common Shares, of which, as at the date hereof, 20,053,411 Common Shares are issued and outstanding.

The holders of the Common Shares are entitled to receive notice of and to attend all meetings of Shareholders of the Corporation and are entitled to one vote in respect of each Common Share held. The holders of the Common Shares are entitled to dividends, if and when declared by the board of directors of the Corporation, and to the distribution of the residual assets of the Corporation in the event of the liquidation, dissolution or winding-up of the Corporation. The Corporation has not paid dividends to Shareholders to date and does not currently intend to pay dividends on its Common Shares in the near future. The declaration and payment of dividends on Common Shares is within the discretion of the board of directors of the Corporation.

What are the minimum and maximum number or amount of Common Shares that may be issued under the Rights Offering?

The Rights Offering is not subject to any minimum subscription level. However, assuming the fulfilment or waiver of all closing conditions to the Standby Purchase Agreements (as defined herein), the commitments provided therein will ensure that the Corporation realizes gross proceeds under the Rights Offering of at least $5,200,000. **In the event that the conditions precedent to the Standby Purchase Agreements are not satisfied or waived, the Corporation will not receive any funds from the Standby Purchasers (as defined herein) and the Rights Offering will not be completed**. In such circumstances, Odyssey Trust Company (the "**Subscription Agent**") will return all subscription funds delivered by subscribers without interest or deduction.

A maximum of 20,053,411 Common Shares will be issued under the Rights Offering.

The Refinanced Facility (as defined herein) is conditional on Terago securing $12,000,000 in financing from the completion of the Rights Offering and the Concurrent Private Placement (as defined herein). At this time, only $5,200,000 has been currently committed in connection with the Standby Commitment (as defined herein) for the Rights Offering. As a result, Terago must raise a minimum additional $6,800,000 from the Concurrent Private Placement and the Rights Offering to close the Recapitalization Transactions (as defined herein). If Terago does not raise this additional amount, the Standby Purchase Agreements (as defined herein) will be terminated. If Terago does not receive the funds from the Standby Purchasers (as defined herein) pursuant to such termination, the Rights Offering will not be completed. In addition, if the Rights Offering were not to be completed, although any subscription payments paid in connection with the exercise of Rights would be returned promptly to subscribers by the Subscription Agent (as defined herein) without interest or deduction, any person who had purchased Rights in the market would lose the entire purchase price paid to acquire such Rights. If the Recapitalization Transactions were to be terminated, Terago would have limited cash resources and anticipates that it would not have sufficient capital to repay the Term Debt Facility (as defined herein) on September 29, 2025 (the "**Maturity Date**").

Where will the Rights and the Common Shares issuable upon exercise of the Rights be listed for trading?

The Corporation's Common Shares are listed on the TSX under the trading symbol "TGO".

The Rights will trade on the TSX under the trading symbol "TGO.RT" until 12:00 p.m. (Toronto time) on October 15, 2025.

FORWARD-LOOKING INFORMATION

This circular contains forward-looking information. All statements, other than statements of historical fact, that address activities, events or developments that we believe, expect or anticipate will or may occur in the future are forward-looking information. This forward-looking information reflects our current expectations or beliefs based on information currently available to us. Forward-looking information in this circular includes, without limitation, statements with respect to: our expectations regarding the successful completion of the Rights Offering; the availability of the Additional Subscription Privilege; the acceptance by the Corporation of Ineligible Holders (as defined herein) for participation in the Rights Offering; the estimated costs of the Rights Offering and the net proceeds to be available upon completion; the listing and trading of the Common Shares and the Rights on the TSX; our expectations regarding insider participation in the Rights Offering; the impact of the Rights Offering on control of Terago; the anticipated number of Common Shares to be issued under the Rights Offering and expected dilution to Shareholders who do not participate in the Rights Offering; the anticipated number of Common Shares to be issued under the Concurrent Private Placement (as defined herein) and expected dilution to Shareholders who do not

participate in the Concurrent Private Placement; our expectations with respect to shareholder approval of the Rights Offering; the satisfaction or waiver of closing conditions to the Standby Purchase Agreements; the fulfilment of the Standby Commitment by the Standby Purchasers (each as defined herein); the use of proceeds from the Rights Offering and the Concurrent Private Placement; our expectations regarding the sufficiency of our working capital; the availability of funds from sources other than the Rights Offering; the Corporation's anticipated operating results and funds flow from operations; the trigger of anti-dilution provisions under the Cymbria Warrants (as defined herein) and CrowdOut Warrants (as defined herein); and our expectations with respect to the timing of the Rights Offering, including the Expiry Time, the date of de-listing of Rights from the TSX and the expected closing date of the Rights Offering.

Forward-looking statements involve significant risk and uncertainties. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements including, but not limited to, the operating expenses of the Corporation following the Expiry Time, general economic and financial market conditions, the Corporation's ability to continue as a going concern, delays resulting from or inability to obtain required regulatory approvals, ability to access sufficient capital from internal and external sources and the risk factors outlined under "Risk Factors" in the Corporation's annual information form for the year ended December 31, 2024.

Forward-looking statements are based on a number of factors and assumptions which have been used to develop such forward-looking statements, but which may prove to be incorrect. Although Terago believes that the expectations reflected in such forward-looking statements are reasonable, undue reliance should not be placed on forward-looking statements because Terago can give no assurance that such expectations will prove to be correct. In addition to other factors and assumptions which may be identified in this document, assumptions have been made regarding, among other things: the impact of increasing competition; the general stability of the economic and political environment in which Terago operates; the regulatory framework in which Terago operates; the timely receipt of any required regulatory approvals; the ability of Terago to obtain and retain qualified technical, sales, marketing, and management personnel in a timely and cost efficient manner; the ability of Terago to obtain financing on acceptable terms; currency, exchange and interest rates; timing and amount of capital expenditures; future sources of funding; advancing technologies; and the ability of Terago to successfully market its products and services.

Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on these and other factors that could affect Terago's operations and financial results are included in reports on file with Canadian securities regulatory authorities and may be accessed through the SEDAR+ website (www.sedarplus.ca), and at Terago's website (www.terago.ca).

Although the forward-looking statements contained herein are based upon what management believes to be reasonable assumptions, management cannot assure that actual results will be consistent with these forward-looking statements. Investors should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date hereof and Terago assumes no obligation to update or review them to reflect new events or circumstances except as required by applicable securities laws. Forward-looking statements contained herein concerning the telecommunications industry and Terago's general expectations concerning this industry are based on estimates prepared by management using data from publicly available industry sources as well as from market research and industry analysis and on assumptions based on data and knowledge of this industry which Terago believes to be reasonable. However, this data is inherently imprecise, although generally indicative of relative market positions, market shares and performance characteristics. While Terago is not aware of any misstatements regarding any industry data presented herein, the industry involves risks and uncertainties and is subject to change based on various factors.

NOTICE TO SHAREHOLDERS IN THE UNITED STATES

NEITHER THIS RIGHTS OFFERING NOR THE COMMON SHARES ISSUABLE IN CONNECTION WITH THIS RIGHTS OFFERING HAVE BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (THE "**SEC**") OR THE SECURITIES REGULATORY AUTHORITIES IN ANY STATE OF THE UNITED STATES, NOR HAS THE SEC OR THE SECURITIES REGULATORY AUTHORITIES IN ANY STATE OF THE UNITED STATES PASSED UPON THE FAIRNESS OR MERITS OF THIS RIGHTS OFFERING OR UPON THE ADEQUACY OR ACCURACY OF THE INFORMATION CONTAINED IN THIS RIGHTS OFFERING CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

The Rights and Common Shares issuable upon exercise of the Rights have not been and will not be registered under the U.S. Securities Act or applicable state securities laws. The Rights and the Common Shares issuable upon the exercise of the Rights may not be offered or re-offered or sold or re-sold within the United States except pursuant to an exemption from the registration requirements of the U.S. Securities Act. Any Shareholder that is a U.S. resident cannot participate in the Rights Offering (and exercises of Rights by Ineligible Holders, including holders resident in the U.S., will not be accepted) unless such Shareholder executes such documentation as Terago may require to demonstrate compliance with applicable securities laws. See "*How to Exercise the Rights – Who is Eligible to Receive the Rights*" below.

USE OF AVAILABLE FUNDS

What will our available funds be upon closing of the Rights Offering?

Terago estimates it will have the following available funds (the "**Available Funds**") upon closing of the Rights Offering:

		Assuming Standby Commitment only[(1)]	**Assuming 50% of Rights Offering**	**Assuming 75% of Rights Offering**	**Assuming 100% of Rights Offering**
A	Amount to be raised by this offering	$5,200,000	$8,422,432	$12,633,648	$16,844,865
B	Selling commissions and fees	$NIL	$NIL	$NIL	$NIL
C	Estimated offering costs (e.g., legal, accounting, audit)	$200,000	$200,000	$200,000	$200,000
D	Available funds: D = A – (B + C)	$5,000,000	$8,222,432	$12,433,648	$16,644,865
E	Additional sources of funding required[(2)]	$5,500,000	$5,500,000	$5,500,000	$5,500,000

F	Working capital as of July 31, 2025 (deficiency)[3]	($6,315,000)	($6,315,000)	($6,315,000)	($6,315,000)
G	Total: G = D + E+ F	$4,185,000	$7,407,432	$11,618,648	$15,829,865

(1) Pursuant to the Standby Purchase Agreements, the Standby Purchasers have agreed to purchase from the Corporation, at the Subscription Price, up to an aggregate of 6,190,476 Common Shares, so that the minimum amount of proceeds raised by the Rights Offering will be $5,200,000. See "*Standby Commitment*" for more information.

(2) Concurrently with the Rights Offering, Terago intends to complete a private placement of Common Shares (the "**Concurrent Private Placement**") for additional gross proceeds of up to $5,500,000, at a price per Common Share equal to the Subscription Price. The Concurrent Private Placement will only be available to persons who qualify as "accredited investors" pursuant to the laws of the jurisdiction where such persons reside and is expected to close on or around the Expiry Time.

(3) The working capital deficiency as of August 31, 2025 was not available as of the date of this circular. The working capital figure does not include amounts owed under the Term Debt Facility (as defined herein) of $29,199,000.

How will we use the Available Funds?

The Available Funds will be used to fund each of the principal purposes set out in the table below:

Description of intended use of Available Funds listed in order of priority[1]	**Assuming Standby Commitment only[2]**	**Assuming 50% of Rights Offering**	**Assuming 75% of Rights Offering**	**Assuming 100% of Rights Offering**
Incremental Capital Expenditures and Growth	$1,185,000	$1,607,432	$5,618,648	$9,329,865
Working capital and general corporate purposes[3]	$3,000,000	$5,800,000	$6,000,000	$6,500,000
Total: Equal to G in the "Available Funds" above	$4,185,000	$7,407,432	$11,618,648	$15,829,865

(1) See Row D of the table under "*Use of Available Funds – What will our available funds be upon closing of the Rights Offering?*" for the determination of Available Funds.

(2) See "*Standby Commitment*" for more information.

(3) General corporate purposes includes satisfying interest payments under the Term Debt Facility.

As set out in the table above, Terago intends to use some of the proceeds from the Rights Offering and Concurrent Private Placement for capital expenditures, to fulfill future growth opportunities, and for general working capital purposes. We intend to spend the available funds as stated, but may reallocate funds for business reasons.

We estimate that approximately $8,000,000 is required for the Corporation to meet its short-term liquidity requirements and overhead expenses for the next 12 months, which represents approximately 50% of the Rights Offering. As a result, the Corporation will continue to have a working capital deficiency at 50% or less of the Rights Offering, unless the Corporation is able to secure additional sources of funding, including pursuant to the Concurrent Private Placement. Furthermore, if the Corporation is unsuccessful in securing agreements to defer, forgive or convert into equity any of the amounts that are included in the working capital deficiency, or if the Corporation defaults on the payments as they become due, the Corporation's liquidity, operations and solvency may be adversely affected.

At 100% of the Rights Offering, the funds raised will be sufficient to cover the Corporation's short-

term liquidity requirements and overhead expenses for the next 24 months. Additional capital is required in order to continue to operate as a going concern and advance the Corporation's day-to-day activities. As a result, **there are material uncertainties that cast significant doubt upon the Corporation's ability to continue as a going concern.**

The above use of the Available Funds reflects Terago's current intentions based on information currently available to it and current circumstances, economic and otherwise. The actual use of the Available Funds may vary depending on operational and capital needs and the Corporation's progress on various projects and other high-priority initiatives from time to time. The Available Funds will be used by Terago in furtherance of its business and consistent with its business objectives. We intend to spend the available funds as stated. We will reallocate funds only for sound business reasons.

How long will the Available Funds last?

Terago's management expects the Available Funds at 100% of the Rights Offering to be sufficient to cover the Corporation's anticipated expenses for the next 24 months, and, together with ongoing funds flow from operations, to adequately meet planned growth and development activities over the same period.

We expect that at 50% of the Rights Offering, the Corporation will have adequate funds to cover anticipated expenses for the next 12 months. The funds raised pursuant to the Concurrent Private Placement, if fully subscribed, will bring the total amount raised pursuant to the Rights Offering and the Concurrent Private Placement to approximately $22,344,865. These activities are subject to negotiations with other parties and are affected by the volatile capital markets environment in which the Corporation operates, and there is no assurance that these activities will occur on the terms or in the timeframe acceptable to the Corporation or at all.

There is no assurance that we will be able to raise additional financing in the future, including completion of the Concurrent Private Placement, or successfully defer or convert any of our payables and **there are material uncertainties that cast significant doubt upon our ability to continue as a going concern**.

INSIDER PARTICIPATION

Will insiders be participating?

The Corporation believes that its directors and officers, as well as certain Shareholders that beneficially own, directly or indirectly, control or direct more than 10% of the issued and outstanding Common Shares, may exercise their Rights to purchase Common Shares under their Basic Subscription Privilege; however, the number of Rights that may be exercised by such insiders of the Corporation cannot be ascertained as at the date of this circular.

This reflects the intentions of such "insiders" (as defined in applicable Canadian securities legislation) as of the date hereof to the extent such intentions are reasonably known to the Corporation, but such insiders may alter their intentions before the Expiry Time. No assurance can be given that the respective insiders will exercise their Rights.

As of the date hereof, Cymbria (as defined herein), acting at the direction of its portfolio manager, EdgePoint Investment Group Inc. ("**EdgePoint**") beneficially owns, directly or indirectly, or has control or direction over 4,706,715 Common Shares, representing approximately 23.47% of the issued and outstanding Common Shares as of the date hereof on a non-diluted basis. Cymbria has agreed, upon and subject to the terms and conditions of a Standby Purchase Agreement, to purchase 4,706,715 Common Shares under its Basic Subscription Privilege. In addition thereto, assuming the fulfilment or waiver of all closing conditions to the Standby Purchase Agreement, Cymbria has agreed to purchase from the Corporation at the Subscription Price, any Common Shares not issued

upon exercise of the Rights under the Rights Offering (after giving effect to all exercises of the Basic Subscription Privilege and the Additional Subscription Privilege by Eligible Holders (as defined herein)) (the "**Unsubscribed Shares**") up to an aggregate maximum number of Unsubscribed Shares equal to $4,000,000 divided by the Subscription Price, less the aggregate number of Common Shares purchased by Cymbria pursuant to its Basic Subscription Privilege and, if applicable, its Additional Subscription Privilege (the "**Cymbria Standby Maximum**"). See "*Standby Commitment*" below for more information.

As of the date hereof, Hunsbury Capital – Belco Special Situations Fund LP ("**Hunsbury**", and collectively with Cymbria, the "**Standby Purchasers**") beneficially owns, directly or indirectly, or has control or direction over 1,295,000 Common Shares, representing approximately 6.46% of the issued and outstanding Common Shares as of the date hereof on a non-diluted basis. Hunsbury has agreed, upon and subject to the terms and conditions of a Standby Purchase Agreement, to purchase 1,295,000 Common Shares under its Basic Subscription Privilege. In addition thereto, assuming the fulfilment or waiver of all closing conditions to the Standby Purchase Agreement, Hunsbury has agreed to purchase from the Corporation at the Subscription Price, any Common Shares not issued upon exercise of the Rights under the Rights Offering (after giving effect to all exercises of the Basic Subscription Privilege and the Additional Subscription Privilege by Eligible Holders (as defined herein)) up to an aggregate maximum number of Unsubscribed Shares equal to $1,200,000 divided by the Subscription Price, less the aggregate number of Common Shares purchased by Hunsbury pursuant to its Basic Subscription Privilege and, if applicable, its Additional Subscription Privilege (the "**Hunsbury Standby Maximum**" and collectively with the **Cymbria Standby Maximum**, the "**Standby Maximum**"). Although Hunsbury is not currently an insider of the Corporation, depending on the number of Rights exercised, they may become an insider of Terago. See "*Standby Commitment*" below for more information.

The Corporation does not expect that Shareholder approval will be required if any new control person is created through the exercise of Rights pursuant to the Rights Offering or fulfilment of the Standby Commitment (as defined herein) given that the Subscription Price is at a "significant discount" to the 5-day volume weighted average trading price of the Common Shares on the TSX to September 10, 2025.

Who are the holders of 10% or more of our securities before and after the Rights Offering?

To the knowledge of the Corporation, after reasonable inquiry, as at the date hereof, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, more than 10% of the issued and outstanding Common Shares other than as set out below:

Name	Holdings before the Rights Offering(1)	Holdings after the Rights Offering(2)
Cymbria Corporation, acting at the direction of its portfolio manager, EdgePoint Investment Group Inc.	4,706,715 (23.47%)	9,468,619 (36.08%)
Hunsbury Capital – Belco Special Situations Fund LP	1,295,000 (6.46%)	2,723,571 (10.38%)

(1) On a non-diluted basis. Based on 20,053,411 Common Shares outstanding as of the date of this circular. Information as to the number and percentage of Common Shares beneficially owned, directly or indirectly, controlled or directed, by such Shareholders, is not within the direct knowledge of the Corporation and has been obtained from the System for Electronic Disclosure by Insiders maintained by the Canadian Securities Administrators or furnished by such person.

(2) On a non-diluted basis. Assumes that no Rights are exercised by any person other than the Standby Purchasers and the aggregate maximum of 6,190,476 Common Shares issuable to the Standby Purchasers pursuant to the respective Standby Purchase Agreements are acquired by the Standby Purchasers. Based on there being 26,243,887 Common Shares issued and outstanding as of the date of the closing of the Rights Offering (20,053,411 Common Shares outstanding as of the date of this circular plus the aggregate maximum 6,190,476 Common Shares issuable pursuant to the Standby Purchase Agreements).

Since Cymbria beneficially owns or exercises control or direction over, directly or indirectly, more than 10% of the issued and outstanding Common Shares, they are considered to be a related party of the Corporation under Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). However, the Rights Offering is not subject to the related party transaction rules under MI 61-101 based on the exemption in Section 5.1(k) thereof applicable to certain rights offerings.

DILUTION

If you do not exercise your Rights, by how much will your security holdings be diluted?

If you wish to retain your current percentage ownership of the Common Shares, you should exercise your Rights and pay the Subscription Price for the Common Shares to which you are entitled under the Basic Subscription Privilege. If you fail to do so, your percentage ownership of the Common Shares will be diluted by 50%, assuming all 20,053,411 Common Shares are issued under the Rights Offering.

In addition, the Concurrent Private Placement will trigger certain anti-dilution rights under the following Common Share purchase warrants held by Cymbria (the "**Cymbria Warrants**") and CrowdOut (as defined herein) (the "**CrowdOut Warrants**"):

- 216,463 CrowdOut Warrants exercisable at a price per Common Share of $4.43 until 5:00 p.m. on September 29, 2027;
- 54,100 Cymbria Warrants exercisable at a price per Common Share of $4.43 until 5:00 p.m. on September 29, 2027;
- 200,000 Cymbria Warrants exercisable at a price per Common Share of $2.50 until 5:00 p.m. on March 30, 2028;
- 200,000 Cymbria Warrants exercisable at a price per Common Share of $2.00 until 5:00 p.m. on March 30, 2028;
- 200,000 Cymbria Warrants exercisable at a price per Common Share of $1.50 until 5:00 p.m. on March 30, 2028; and
- 200,000 Cymbria Warrants exercisable at a price per Common Share of $1.06 until 5:00 p.m. on March 30, 2028.

Pursuant to the terms of the Cymbria Warrants and the CrowdOut Warrants, the exercise price of the Cymbria Warrants and the CrowdOut Warrants will be adjusted based upon the number of Rights that are exercised pursuant to this Rights Offering. Assuming the Rights Offering is exercised in full, the exercise price will be reduced by 10%.

Pursuant to the Cymbria Warrants and CrowdOut Warrants, Cymbria and CrowdOut, respectively, have certain participation rights in future equity offerings by the Corporation to maintain their respective pro-rata ownership interest in the Common Shares (on a fully-diluted basis) at the time of such offering.

Cymbria and CrowdOut have chosen to waive their participation rights under the Cymbria Warrants or CrowdOut Warrants, respectively, in the Concurrent Private Placement.

STANDBY COMMITMENT

Who are the Standby Purchasers and what are the fees?

We have entered into standby purchase agreements with the Standby Purchasers dated September 11, 2025 (the "**Standby Purchase Agreements**") with respect to the Rights Offering, pursuant to which each of Cymbria and Hunsbury has agreed, upon and subject to the terms and conditions

thereof, to purchase 4,706,715 Common Shares and 1,295,000 Common Shares, respectively, under their Basic Subscription Privilege.

Name	Holdings Before the Rights Offering (Common Shares)	Basic Subscription Privilege (Common Shares)
Cymbria Corporation, acting at the direction of its portfolio manager, EdgePoint Investment Group Inc.	4,706,715	4,706,715
Hunsbury Capital – Belco Special Situations Fund LP	1,295,000	1,295,000

In addition, assuming the fulfilment or waiver of all closing conditions to the Standby Purchase Agreements, the Standby Purchasers have agreed to purchase from the Corporation, at the Subscription Price, the Unsubscribed Shares up to the Standby Maximum (the "**Standby Commitment**"). Assuming the fulfilment or waiver of all closing conditions to the Standby Purchase Agreements, the Standby Commitment will ensure that the Corporation realizes gross proceeds under the Rights Offering of at least $5,200,000. There is no fee payable by Terago to the Standby Purchasers for providing the Standby Commitment.

The Standby Purchase Agreements contain certain conditions precedent in favour of each of the Corporation and the Standby Purchasers that must be satisfied by November 10, 2025 (the "**Outside Date**"), and if any such conditions precedent are not satisfied (or waived by the applicable party) on or before the Outside Date, the Standby Purchase Agreements may be terminated by the party for which such unsatisfied (and un-waived) conditions precedent are in favour. Additionally, the Standby Purchase Agreements may be terminated by either the Corporation or the Standby Purchasers if the closing of the Rights Offering has not occurred on or before the Outside Date. The Standby Purchase Agreements may also be terminated by the Standby Purchasers if a "Material Adverse Change" (as defined in the Standby Purchase Agreements) occurs with respect to the Corporation.

The Standby Purchase Agreements also contain conditions precedent in favour of the (respective) Standby Purchasers, including that the Corporation has satisfied (or waived) all conditions precedent in connection with the initial closing of the Refinanced Facility (as defined herein), except for the closing of the Rights Offering and the Concurrent Private Placement.

In the event that the conditions precedent to the Standby Purchase Agreements are not satisfied or waived, the Corporation will not receive any funds from the Standby Purchasers and the Rights Offering will not be completed. In such circumstances, the Subscription Agent will return all subscription funds delivered by subscribers without interest or deduction.

Cymbria is an "insider" and a "related party" of the Corporation (as such terms are defined under applicable securities laws, including MI 61-101) by virtue of having beneficial ownership of, or control or direction over, directly or indirectly, Common Shares carrying more than 10% of the voting rights attached to all of the Corporation's outstanding voting securities. However, as noted above, the Rights Offering is exempt from the related party transaction rules under MI 61-101. Cymbria currently holds 4,706,715 Common Shares and is an Eligible Holder (see "*How to Exercise the Rights – Who is eligible to receive the Rights?*" below for the definition of an Eligible Holder) entitled to a Basic Subscription Privilege of 4,706,715 Common Shares.

The foregoing is a summary of certain terms of the Standby Purchase Agreements and is qualified in its entirety by reference to the full text of the Standby Purchase Agreements, a copy of which will

be filed on SEDAR+ and is available electronically under the Corporation's issuer profile at www.sedarplus.ca.

Have we confirmed that the Standby Purchasers have the financial ability to carry out the Standby Commitment?

Yes. Upon reasonable inquiry, Terago has confirmed that the Standby Purchasers have the financial ability to carry out the Standby Commitment.

What are the security holdings of the Standby Purchasers before and after the Rights Offering?

Name	Holdings before the Rights Offering[(1)]	Holdings after the Rights Offering if the Standby Purchaser takes up the entire Standby Commitment[(1)(2)]
Cymbria Corporation, acting at the direction of its portfolio manager, EdgePoint Investment Group Inc.	4,706,715 (23.47%)	9,468,619 (36.08%)
Hunsbury Capital – Belco Special Situations Fund LP	1,295,000 (6.46%)	2,723,571 (10.38%)

(1) Based on 20,053,411 Common Shares outstanding as of the date of this circular.
(2) Represents each of the Standby Purchasers' holdings after giving effect to the Rights Offering if each Standby Purchaser exercises its Basic Subscription Privilege and takes up the entire Standby Commitment and no other holders of Rights exercise their Rights to subscribe for Common Shares.

MANAGING DEALER, SOLICITING DEALER AND UNDERWRITING CONFLICTS

Who is the managing or soliciting dealer and what are its fees?

No managing or soliciting dealer has been appointed, and Terago will not pay any fees to brokers or anyone else for soliciting the exercise of Rights.

HOW TO EXERCISE THE RIGHTS

Subscriptions for Common Shares made in connection with this Rights Offering either directly or through a Participant (as defined herein) will be irrevocable. However, in the event the Rights Offering is terminated prior to the closing date for the Rights Offering, including in the event the Corporation does not receive funds from the Standby Purchasers, or the Standby Purchase Agreements are otherwise terminated, the Subscription Agent will return all subscription funds delivered by subscribers without interest or deduction, whether under the Basic Subscription Privilege or Additional Subscription Privilege.

How does a security holder that is a registered holder participate in the Rights Offering?

If you are a registered Eligible Holder, a statement issued by the Subscription Agent under the

direct registration system (a "**DRS Advice**") representing the total number of transferable Rights to which you are entitled as at the Record Date has been mailed to you with a copy of the Rights Offering Notice. To exercise the Rights represented by the DRS Advice, you must complete the subscription form attached to the DRS Advice (the "**Subscription Form**") and deliver the DRS Advice and Subscription Form in accordance with the instructions set out below. Rights not exercised at or prior to the Expiry Time will be void and of no value. The method of delivery is at the discretion and risk of the holder of the Rights and delivery to the Subscription Agent will only be effective upon receipt by the Subscription Agent. A DRS Advice with the accompanying Subscription Form and payments received after the Expiry Time will not be accepted.

In order to exercise your Rights, you must:

1. **Basic Subscription Privilege**. Complete Section (a) of Form 1 on the Subscription Form to exercise Rights under the Basic Subscription Privilege. The maximum number of Rights that you may exercise under the Basic Subscription Privilege is shown on the face of the DRS Advice. If you exercise some but not all of the Rights exercisable under the Basic Subscription Privilege, you will be deemed to have waived the unexercised balance of such Rights, unless you otherwise specifically advise the Subscription Agent at the time the DRS Advice and Subscription Form are surrendered to the Subscription Agent.

2. **Additional Subscription Privilege**. Complete Section (b) of Form 1 on the Subscription Form only if you also wish to participate in the Additional Subscription Privilege (see "*What is the Additional Subscription Privilege and how can you exercise this privilege?*" below).

3. **Sign Form 2**. Complete and sign Form 2 on the Subscription Form.

4. **Enclose payment in Canadian funds by certified cheque, bank draft or money order payable to the order of "Odyssey Trust Company, as Rights Agent"**. To exercise the Rights, you must pay $0.84 per Common Share. In addition to the amount payable for any Common Shares you wish to purchase under the Basic Subscription Privilege, you must also pay the amount required for any Common Shares subscribed for under the Additional Subscription Privilege.

5. **Delivery**. Deliver or mail the DRS Advice with the completed Subscription Form and payment in the enclosed return envelope addressed to the Subscription Agent so that it is received by the Subscription Agent before the Expiry Time. If you are mailing your documents, registered mail is recommended. Please allow sufficient time to avoid late delivery. The address for the Subscription Agent is as follows:

   Odyssey Trust Company
   Trader's Bank Building
   1100 - 67 Yonge Street
   Toronto, Ontario M5E 1J8
   Attn: Corporate Actions

The signature on the Subscription Form must correspond in every particular with the name that appears on the face of the DRS Advice.

Signatures by a trustee, executor, administrator, guardian, attorney, officer of a company or any person acting in a fiduciary or representative capacity should be accompanied by evidence of authority satisfactory to the Subscription Agent. We will determine all questions as to the validity, form, eligibility (including time of receipt) and acceptance of any subscription in our sole discretion. Subscriptions are irrevocable. We reserve the right to reject any subscription if it is not in proper form or if the acceptance thereof or the issuance of Common Shares pursuant thereto

could be unlawful. We also reserve the right to waive any defect in respect of any particular subscription. Neither we nor the Subscription Agent is under any duty to give any notice of any defect or irregularity in any subscription, nor will we be liable for the failure to give any such notice.

If a holder of Rights has any questions with respect to the proper exercise of Rights, such holder should contact the Subscription Agent by mail at Odyssey Trust Company, Trader's Bank Building, 1100 – 67 Yonge Street, Toronto, Ontario, M5E 1J8, Attention: Corporate Actions; or toll-free by telephone at 1-587-885-0960 (North America); or by email at corp.actions@odysseytrust.com.

How does a security holder that is not a registered holder participate in the Rights Offering?

You are a beneficial Eligible Holder if: (i) you hold your Common Shares through a securities broker or dealer, bank or trust company or other participant (each, a "**Participant**") in the book-based system administered by CDS Clearing and Depository Services Inc. ("**CDS**"); and (ii) you are resident in an Eligible Jurisdiction. The total number of Rights to which all beneficial Eligible Holders as at the Record Date are entitled will be issued to CDS and will be deposited with CDS following the Record Date. We expect that each beneficial Eligible Holder will receive a confirmation of the number of Rights issued to it from its Participant in accordance with the practices and procedures of that Participant. Beneficial Eligible Holders who do not receive such confirmation should contact their Participant directly. CDS will be responsible for establishing and maintaining book-entry accounts for Participants holding Rights.

Neither we nor the Subscription Agent will have any liability for: (i) the records maintained by CDS or Participants relating to the Rights or the book-entry accounts maintained by them; (ii) maintaining, supervising or reviewing any records relating to such Rights; or (iii) any advice or representations made or given by CDS or Participants with respect to the rules and regulations of CDS or any action to be taken by CDS or Participants. The ability of a person having an interest in Rights held through a Participant to pledge such interest or otherwise take action with respect to such interest (other than through a Participant) may be limited due to the lack of a physical DRS Advice. Holders of Rights that hold such Rights through a Participant must arrange exercises of Rights through their Participant.

If you are a beneficial Eligible Holder:

1. to exercise your Rights held through a Participant, you must instruct such Participant to exercise all or a specified number of such Rights, and forward to such Participant the Subscription Price for each Common Share that you wish to subscribe for; and

2. you may subscribe for Additional Common Shares pursuant to the Additional Subscription Privilege by instructing such Participant to exercise the Additional Subscription Privilege in respect of the number of Additional Common Shares you wish to subscribe for and forwarding to such Participant the Subscription Price for such Additional Common Shares requested. Any excess funds will be returned to the relevant Participant for the account of the beneficial holder, without interest or deduction (see "*What is the Additional Subscription Privilege and how can you exercise this privilege?*" below).

Participants may not issue Rights to Ineligible Holders.

If a holder of Rights has any questions with respect to the proper exercise of Rights, such holder should contact the Subscription Agent by mail at Odyssey Trust Company, Trader's Bank Building, 1100 – 67 Yonge Street, Toronto, Ontario, M5E 1J8, Attention: Corporate Actions; or toll-free by telephone at 1-587-885-0960 (North America); or by email at corp.actions@odysseytrust.com.

Who is eligible to receive the Rights?

The Rights are offered only to Shareholders resident in Eligible Jurisdictions (the "**Eligible Holders**"). Shareholders will be presumed to be resident in the place of their registered address, unless the contrary is shown to our satisfaction. This Rights Offering circular is not to be construed as an offering of the Rights, or the Common Shares issuable upon exercise of the Rights, for sale in any jurisdiction outside the Eligible Jurisdictions, including the United States (each, an "**Ineligible Jurisdiction**"), or to Shareholders who are residents of any jurisdiction other than the Eligible Jurisdictions (the "**Ineligible Holders**"), or a solicitation therein of an offer to buy any securities therein or thereto. This Rights Offering circular will not be delivered to any Ineligible Holder resident in the United States, and Rights may not be exercised by or on behalf of an Ineligible Holder, unless such Ineligible Holder satisfies us that it is an Approved Eligible Holder, as provided below. Instead, Ineligible Holders will be sent: (1) a letter advising them that their Rights will be held by the Subscription Agent, who will hold such Rights as agent for the benefit of all such Ineligible Holders; and (2) an exempt purchaser status certificate (the "**Exempt Purchaser Status Certificate**"), whereby an Ineligible Holder can confirm that the delivery of their DRS Advice, and the exercise of their Rights, is lawful and complies with all applicable securities and other laws in the jurisdiction in which the Ineligible Holder resides.

An Ineligible Holder that satisfies us that such offering to and subscription by such holder or transferee is lawful and in compliance with all applicable securities and other laws (including, without limitation, by delivering an Exempt Purchaser Status Certificate) (each an "**Approved Eligible Holder**") may have its DRS Advice issued and forwarded by the Subscription Agent upon direction from us. The Subscription Agent will hold the Rights until October 5, 2025 (10 days prior to the Expiry Time), in order to give the beneficial holders an opportunity to claim the DRS Advice by satisfying us that they are an Approved Eligible Holder. Following such date, the Subscription Agent for the account of Ineligible Holders will, prior to the Expiry Time, attempt to sell the Rights allocable to such Ineligible Holders in the possession of the Subscription Agent on such date or dates and at such price or prices as the Subscription Agent shall determine in its sole discretion.

No charge will be made for the sale of Rights by the Subscription Agent except for a proportionate share of any brokerage commissions incurred by the Subscription Agent and the costs of or incurred by the Subscription Agent in connection with the sale of the Rights. Registered Ineligible Holders will not be entitled to instruct the Subscription Agent in respect of the price or the time at which the Rights are to be sold. The Subscription Agent will endeavour to effect sales of Rights on the open market and any proceeds received by the Subscription Agent with respect to the sale of Rights net of brokerage fees and costs incurred and, if applicable, the Canadian tax required to be withheld, will be divided on a *pro rata* basis among such registered Ineligible Holders and delivered by mailing cheques in Canadian funds as soon as practicable to such registered Ineligible Holders at their addresses recorded on the Corporation's books. Amounts of less than $10.00 will not be remitted. The Subscription Agent will act in its capacity as agent of the registered Ineligible Holders on a best-efforts basis only, and we and the Subscription Agent do not accept responsibility for the price obtained on the sale of, or the inability to sell, the Rights on behalf of any registered Ineligible Holder. Neither we nor the Subscription Agent will be subject to any liability for the failure to sell any Rights of registered Ineligible Holders or as a result of the sale of any Rights at a particular price or on a particular day. There is a risk that the proceeds received from the sale of Rights will not exceed the costs of or incurred by the Subscription Agent in connection with the sale of such Rights and, if applicable, the Canadian tax required to be withheld. In such event, no proceeds will be remitted.

Holders of Rights should be aware that the acquisition and disposition of Rights or Common Shares may have tax consequences in Canada as well as the jurisdiction where they reside, which are not described herein. Accordingly, holders should consult their own tax advisors about the specific tax consequences to them of acquiring, holding and disposing of Rights or Common Shares having regard to their particular circumstances.

What is the Additional Subscription Privilege and how can you exercise this privilege?

Registered holders of Rights

If you exercise all of your Rights under the Basic Subscription Privilege, you may subscribe for Additional Common Shares that have not been subscribed and paid for pursuant to the Basic Subscription Privilege pursuant to the Additional Subscription Privilege, subject to the availability and pro rata allocation of Common Shares among Shareholders exercising this Additional Subscription Privilege.

If you wish to exercise the Additional Subscription Privilege, you must first exercise your Basic Subscription Privilege in full by completing Section (a) of Form 1 on the Subscription Form for the maximum number of Common Shares that you may subscribe for, and also complete Section (b) of Form 1 on the Subscription Form, specifying the number of Additional Common Shares desired. Next, you must send the Subscription Price for the Additional Common Shares under the Additional Subscription Privilege (in addition to the Subscription Price payable for the Common Shares purchased under the Basic Subscription Privilege) with your DRS Advice and Subscription Form to the Subscription Agent. The Subscription Price is payable in Canadian funds by certified cheque, bank draft or money order payable to the order of "Odyssey Trust Company, as Rights Agent". These funds will be placed in a segregated account pending allocation of the Additional Common Shares, with any excess funds being returned by mail without interest or deduction. Interest, if any, earned on such funds will be for our benefit.

If the aggregate number of Additional Common Shares subscribed for by those who exercise their Additional Subscription Privilege is less than the number of available Additional Common Shares, each such holder of Rights will be allotted the number of Additional Common Shares subscribed for under the Additional Subscription Privilege.

If the aggregate number of Additional Common Shares subscribed for by those who exercise their Additional Subscription Privilege exceeds the number of available Additional Common Shares, each such holder of Rights will be entitled to receive the number of Additional Common Shares equal to the lesser of:

1. the number of Additional Common Shares subscribed for by the holder under the Additional Subscription Privilege; and

2. the product (disregarding fractions) obtained by multiplying the aggregate number of Additional Common Shares available through unexercised Rights by a fraction, the numerator of which is the number of Rights previously exercised by the holder under its Basic Subscription Privilege, and the denominator of which is the aggregate number of Rights previously exercised by all holders of Rights under their Basic Subscription Privilege who have subscribed for Additional Common Shares under the Additional Subscription Privilege.

If any Rights holder has subscribed for fewer Additional Common Shares under the Additional Subscription Privilege than such holder's *pro rata* allotment of Additional Common Shares, the excess Additional Common Shares will be allotted in a similar manner among the Rights holders who were allotted fewer Additional Common Shares than they subscribed for under the Additional Subscription Privilege.

As soon as practicable after the Expiry Time, the Subscription Agent will mail to each holder of Rights who completed Section (b) of Form 1 on the Subscription Form, a certificate for the Additional Common Shares which that holder has purchased and shall return to the holder any excess funds paid for the subscription of Additional Common Shares by such holder under the Additional Subscription Privilege, without interest or deduction, in the same currency as the funds received by the Subscription Agent.

Beneficial holders of Rights

If you are a beneficial holder of Rights through a Participant in CDS and you wish to exercise your Additional Subscription Privilege, you must deliver your payment and instructions to the Participant sufficiently in advance of the Expiry Time to allow the Participant to properly exercise the Additional Subscription Privilege on your behalf.

How does a Rights holder sell or transfer Rights?

Registered holders of Rights

The Rights will trade on the TSX under the trading symbol "TGO.RT" until 12:00 p.m. (Toronto time) on October 15, 2025. If you do not wish to exercise your Rights, you may sell or transfer them directly or through your stockbroker or investment dealer at your expense, subject to any applicable resale restrictions (see "*How to exercise the Rights – Are there restrictions on the resale of securities?*" below). You may elect to exercise a portion of your Rights and dispose of the remainder, or dispose of all your Rights. Any commission or other fee payable in connection with the exercise or any trade of Rights (other than the fee for services to be performed by the Subscription Agent as described herein) is the responsibility of the holder of such Rights. Depending on the number of Rights a holder may wish to sell, the commission payable in connection with a sale of Rights could exceed the proceeds received from such sale.

If you wish to transfer your Rights, the following steps shall be required: (a) complete Forms 3, 4 and 5 (collectively, the "**Transfer Forms**") on the Subscription Form; (b) have the signature (i) "Medallion Guaranteed" by a North American bank, broker, investment dealer or other institution under an acceptable STAMP, SEMP, or MSP Medallion Signature Guarantee program, or (ii) "Signature Guaranteed", "Signature and Authority to Sign Guaranteed" or "Endorsement Guaranteed" by a participating Canadian Schedule 1 bank; and (c) deliver the DRS Advice and Subscription Form to the transferee.

It is not necessary for a transferee to obtain a new DRS Advice and Subscription Form to exercise the Rights or the Additional Subscription Privilege, but the signature of the transferee on Form 2 (on the Subscription Form) must correspond in every particular with the name of the transferee shown on the Transfer Forms. If the Transfer Forms are properly completed, Terago and the Subscription Agent will treat the transferee (or the bearer if no transferee is specified) as the absolute owner of the DRS Advice and Subscription Form for all purposes and will not be affected by notice to the contrary. A DRS Advice and Subscription Form so completed should be delivered to the appropriate person in ample time for the transferee to use it before the expiration of the Rights.

Beneficial holders of Rights

If you hold Common Shares through a Participant, you must arrange for the exercise, transfer or purchase of Rights through that Participant.

When can you trade the securities issuable upon the exercise of your Rights?

The Common Shares issuable upon the exercise of your Rights will be listed on the TSX under the trading symbol "TGO" and will be available for trading as soon as practicable after closing of the Rights Offering.

Are there restrictions on the resale of securities?

Rights and the Common Shares issuable upon exercise of such Rights distributed to Shareholders in the Eligible Jurisdictions may be resold without hold period restrictions under the applicable

securities laws of the Eligible Jurisdictions provided that: (i) the sale is not by a "control person" of the Corporation; (ii) no unusual effort is made to prepare the market or create a demand for the securities being resold; (iii) no extraordinary commission or consideration is paid to a person or company in respect of the resale; and (iv) if the selling security holder is an insider or officer of Terago, the selling security holder has no reasonable grounds to believe that Terago is in default of securities legislation. There may be further restrictions on Common Shares acquired by Approved Eligible Holders in Ineligible Jurisdictions, including the United States, subject to the laws of that respective jurisdiction.

The Rights and Common Shares issuable upon exercise thereof may not be offered, sold, pledged or transferred, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. Person (as defined in the U.S. Securities Act) except pursuant to an exemption from the registration requirements of the U.S. Securities Act.

The foregoing is a summary only and is not intended to be exhaustive. Holders of Rights or any of the underlying securities should consult with their advisors concerning restrictions on resale, and should not resell their securities until they have determined that any such resale is in compliance with the requirements of applicable legislation.

Will we issue fractional underlying securities upon exercise of the Rights?

No. The Corporation will not issue fractional Common Shares upon the exercise of the Rights and only whole Rights may be exercised. Where the exercise of Rights would otherwise entitle the holder of Rights to fractional Common Shares, the holder's entitlement will be reduced and rounded down to the next lowest whole number of Common Shares and no cash or other consideration will be paid in lieu thereof.

APPOINTMENT OF DEPOSITORY

Who is the depository?

Odyssey Trust Company is the depository for the Rights Offering. You may contact the Subscription Agent: by hand, by courier or by registered mail at Odyssey Trust Company, Trader's Bank Building, 1100 – 67 Yonge Street, Toronto, Ontario, M5E 1J8, Attention: Corporate Actions; or toll-free by telephone at 1-587-885-0960 (North America); or by email at corp.actions@odysseytrust.com. The Subscription Agent has been appointed to receive subscriptions and payments from holders of Rights and to perform the services relating to the exercise and transfer of the Rights.

What happens if we do not receive funds from the Standby Purchasers?

The Standby Purchase Agreements contain certain conditions precedent that, if not satisfied or waived by the closing date for the Rights Offering, allow either or both of Terago and the Standby Purchasers to terminate the Standby Purchase Agreements (see "*Standby Commitment*" above). **If Terago does not receive the funds from the Standby Purchasers pursuant to such termination, the Rights Offering will not be completed**. In such circumstances, the Subscription Agent will return all subscription funds delivered by subscribers without interest or deduction.

If the Rights Offering is not completed, will my funds be returned to me?

Yes. The Subscription Agent will hold all funds it receives in a segregated bank account for the benefit of subscribers until completion of the Rights Offering. If the Rights Offering is not completed for any reason, including in the event the Corporation does not receive funds from the Standby Purchasers or the Standby Purchase Agreements are otherwise terminated, all funds received by the Subscription Agent, whether pursuant to the Basic Subscription Privilege or Additional Subscription Privilege, will be returned promptly, without interest or deduction. If the Rights Offering is

completed, the subscription funds will be released to the Corporation as soon as practicable after the Expiry Time.

RISK FACTORS

An investment in the Rights or Common Shares issuable upon exercise of the Rights is subject to certain risks, including those described below, as well as those risks related to our business and operations that are described in our annual information form dated March 26, 2025, management's discussion and analysis for the year ended December 31, 2024, and our other continuous disclosure documents. You can access our continuous disclosure documents filed with Canadian securities regulators under our issuer profile at www.sedarplus.ca.

Risks relating to the Rights Offering

Dilution

If you do not exercise all of your Rights pursuant to the Basic Subscription Privilege, your current percentage ownership in Terago will be diluted by the issuance of Common Shares upon the exercise of Rights by other holders of Rights.

Use of Proceeds

We currently intend to allocate the proceeds received from the Rights Offering as described under "*Use of Available Funds*". However, management will have discretion in the actual application of the proceeds and may elect to allocate proceeds differently than those described if it believes that it would be in the best interests of the Corporation to do so as circumstances change. The failure of management to apply these funds effectively could have a material adverse effect on Terago.

Standby Commitment Not Guaranteed

The Standby Purchase Agreements contain certain conditions precedent that, if not satisfied or waived by the closing date for the Rights Offering, allow either or both of Terago and the Standby Purchasers to terminate the Standby Purchase Agreements. If we do not receive the funds from the Standby Purchasers pursuant to such termination, the Rights Offering will not be completed.

The Refinanced Facility (as defined herein) is conditional on Terago securing $12,000,000 in financing from the completion of the Rights Offering and the Concurrent Private Placement. At this time, only $5,200,000 has been currently committed in connection with the Standby Commitment for the Rights Offering. As a result, Terago must raise a minimum additional $6,800,000 from the Concurrent Private Placement and the Rights Offering to close the Recapitalization Transactions (as defined herein). If Terago does not raise this additional amount, the Standby Purchase Agreements will be terminated. If Terago does not receive the funds from the Standby Purchasers pursuant to such termination, the Rights Offering will not be completed. In addition, if the Rights Offering were not to be completed, although any subscription payments paid in connection with the exercise of Rights would be returned promptly to subscribers by the Subscription Agent without interest or deduction, any person who had purchased Rights in the market would lose the entire purchase price paid to acquire such Rights. If the Recapitalization Transactions were to be terminated, Terago would have limited cash resources and anticipates that it would not have sufficient capital to repay the Term Debt Facility on September 29, 2025 (the "**Maturity Date**").

Increased Holdings of Standby Purchasers

If the aggregate maximum of 6,190,476 Common Shares issuable to the Standby Purchasers pursuant to the Standby Purchase Agreements are acquired by the Standby Purchasers and if no

other holders of Rights exercise their Rights to acquire Common Shares, up to 46.46% of our outstanding Common Shares will be held by the Standby Purchasers which may affect the trading volume and liquidity of our Common Shares and would enable the Standby Purchasers to exercise a significant level of control over all matters requiring Shareholder approval, including the election of directors, amendments to the Corporation's articles of incorporation, and approval of significant corporate transactions. This control could have the effect of delaying or preventing a change of control of the Corporation or changes in management and would make the approval of certain transactions difficult without the support of the Standby Purchasers. Additionally, the perception that the Standby Purchasers would have the ability to control or significantly influence the Corporation could cause our Common Shares to be less attractive to certain investors or otherwise result in a decline in the trading price of our Common Shares.

Trading Market for Rights

Although the Rights are expected to be listed on the TSX, there is no assurance that an active or any trading market in the Rights will develop or that Rights can be sold on the TSX at any time. There is currently no market through which the Rights may be sold, and purchasers may not be able to resell Rights. There can be no assurance that an active trading market will develop for the Rights, or if developed, that such a market will be sustained.

Exercises of Rights Irrevocable

You may not revoke or change the exercise of your Rights after you send in your Subscription Form and payment. The trading price of the Common Shares could decline below the Subscription Price for the Common Shares, resulting in a loss of some or all of your subscription payment.

Subscription Price Not Necessarily Indication of Value

You should not consider the Subscription Price to be an indication of Terago's value, and the Common Shares may trade at prices above or below the Subscription Price. The Subscription Price is $0.84 per Common Share, which is significantly lower than the 5-day volume weighted average trading price of the Common Shares on the TSX to September 10, 2025, which was $1.05. In accordance with the TSX Company Manual, the Subscription Price must be at least a 20% discount to the market price of our Common Shares, determined in accordance with the rules of the TSX. The Subscription Price does not necessarily bear any relationship to the book value of our assets, net worth, past operations, cash flows, losses, financial condition, or any other established criteria for valuing the Corporation.

Price Volatility

The Common Shares are currently listed on the TSX under the symbol "TGO". The market price of the Rights and the underlying Common Shares may be volatile and subject to wide fluctuations and will be based on a number of factors, including, without limitation: (i) variations in quarterly results of operations; (ii) deviations in our earnings from publicly disclosed forward-looking guidance; (iii) changes in earnings estimates by analysts; (iv) our announcements or our competitors' announcements of significant contracts, acquisitions, strategic partnerships or joint ventures; (v) general conditions in the telecommunications industry; (vi) sales of our Common Shares by our significant shareholders; (vii) fluctuations in stock market price and volume; and (viii) other general economic conditions.

The announcement of this Rights Offering, the Subscription Price, and the number of Common Shares to be issued if this Rights Offering is completed could result in an immediate decrease in the trading price of our Common Shares. This decrease may occur before the expiration of this Rights Offering and continue after consummation of this Rights Offering. If such a decrease occurs, your purchase of Common Shares in this Rights Offering may be at a price greater than the prevailing

trading price. Further, if a substantial number of Rights are exercised and the holders of Common Shares received upon exercise of those Rights choose to sell some or all of those shares, the resulting sales could depress the market price of our Common Shares.

Responsibilities of Holders of Rights

If you fail to follow the subscription procedures and meet the subscription deadline your subscription may be rejected. None of Terago, the Subscription Agent or any Participant undertakes to contact you concerning, or will attempt to correct, an incomplete or incorrect payment or Subscription Form. Whether a Subscription Form properly follows subscription procedures is solely within our discretion.

Interest

You will not earn any interest on your subscription funds while they are being held by the Subscription Agent pending the closing of this Rights Offering. In addition, if you exercise your Additional Subscription Privilege and are not allocated all of the Common Shares for which you subscribe pursuant to the exercise of the Additional Subscription Privilege, neither we, nor the Subscription Agent, will have any obligation with respect to the Rights except to return, without interest or deduction, any subscription payments to you.

Additional Common Shares Limited

If an insufficient number of Common Shares are available to fully satisfy all properly exercised Additional Subscription Privilege requests, the available Common Shares will be distributed proportionately among Shareholders who properly exercised their Additional Subscription Privileges based on the number of Common Shares each shareholder subscribed for under its Basic Subscription Privilege. If this pro rata allocation results in any Shareholder receiving a greater number of Common Shares than the Shareholder subscribed for pursuant to the exercise of the Additional Subscription Privilege, then such Shareholder will be allocated only that number of Common Shares for which the Shareholder subscribed for pursuant to the exercise of the Additional Subscription Privilege, and the remaining Common Shares will be allocated among all other Shareholders exercising the Additional Subscription Privilege on the same pro rata basis described above. The proration process will be repeated until all Common Shares have been allocated or all over-subscription exercises have been fulfilled, whichever occurs earlier.

ADDITIONAL INFORMATION

Where can you find more information about us?

You can access our continuous disclosure documents filed with Canadian securities regulators under our issuer profile at www.sedarplus.ca.

You can also access information about us at our website at www.terago.ca.

MATERIAL FACTS AND MATERIAL CHANGES

On September 29, 2022, TERAGO Networks Inc., Terago's wholly-owned subsidiary, entered into a Credit and Guaranty Agreement (the "**Original Agreement**") with CrowdOut Capital LLC ("**CrowdOut**") in the amount of US$20,000,000 (the "**Term Debt Facility**"). On March 31, 2025, the Corporation, CrowdOut, and Cymbria Corporation ("**Cymbria**"), executed a Second Amendment to the Credit and Guaranty Agreement (the "**Second Amending Agreement**"), which amended certain terms of the Original Agreement, as amended by the First Amendment to the Credit and Guaranty Agreement dated as of May 29, 2024 among CrowdOut, Cymbria and Terago

relating to the Corporation's secured debt facility (the "**First Amending Agreement**", collectively with the Original Agreement and the Second Amending Agreement, the "**Credit Agreement**"). The First Amending Agreement served to reduce the amount of the Term Debt Facility from US$20 million to US$19 million, and add Cymbria to the syndicate of lenders under the Term Debt Facility. The Second Amending Agreement served to increase the amount of the Term Debt Facility from US$19 million to US$21 million, while maintaining consistency with the initial framework of the Credit Agreement, with the US$2 million increase in the Term Debt Facility funded by Cymbria. CrowdOut and Cymbria have agreed to extend the Maturity Date of the Term Debt Facility to October 31, 2025 pursuant to a third amendment to the Credit Agreement to provide additional time to close the Refinanced Facility.

As disclosed in the press release issued by Terago on the date hereof, it has entered into a Commitment Letter with EdgePoint in respect of a 36 month term loan in the principal amount of U.S. $21,000,000 (the "**Refinanced Facility**", and collectively with the Rights Offering and Concurrent Private Placement, the "**Recapitalization Transactions**") to refinance the Term Debt Facility, contingent on the satisfaction of customary conditions, including the definitive loan documents including such terms and provisions reasonably satisfactory to EdgePoint and conditional on Terago securing $12,000,000 in financing from the completion of the Rights Offering and the Concurrent Private Placement (including a Standby Commitment from EdgePoint in the amount of $4,000,000). The Refinanced Facility will be subject to an annual interest rate of 15% on the annual balance of the Refinanced Facility, with 10% payable in cash on an annual basis and 5% shall be accrued to the balance of the Refinanced Facility and shall be payable upon maturity. Further, in connection with the Refinanced Facility, Cymbria shall be issued 2,053,411 warrants to purchase one Common Share at the Subscription Price for a period of 60 months.

The Corporation is relying on the "financial hardship exemption" from subsection 604 (a)(ii), subsection 607 (g)(i), and subsection 608 (a)(ii) of the TSX Company Manual for the Recapitalization Transactions, as further discussed in a news release dated as of the date hereof.

There are no other material facts or material changes about Terago that have not been generally disclosed.