

CHITRCHATR COMMUNICATIONS, INC.

Integrated Platform Could Emerge as New Standard

Rob Goldman
rob@goldmanresearch.com

January 16, 2014

CHITRCHATR COMMUNICATIONS, INC.

(OTC:PK – CHICF - \$1.22, CNSX:CHA, FRANKFURT FRA:CA9 WKN)

Price Target: \$3.75

Rating: Speculative Buy

COMPANY SNAPSHOT

ChitrChatr is a technology company that developing a proprietary Internet-based communications platform, the Comprehensive Universal Unified Communications Platform ("CUUCP"), which will offer communications services to users delivered through a fully integrated global communications platform and user friendly interface. Based on VOIP technology, the CUUCP will be a common unified application that integrates virtually all methods of communication, including audio, video, conference calling, messaging, chat room, texting, facsimile, email and social networking services, into one easy to use platform. The CUUCP will be made available to end users as an app that can be accessed using a web browser, and can be installed on multiple mobile and other devices.

KEY STATISTICS

Price as of 1/15/14	\$1.22
52 Week High – Low	\$1.30 – \$0.81
Est. Shares Outstanding	31.5M
Market Capitalization	\$37.6M
3 Mo Avg Vol	N/A
Exchange	OTC:PK

COMPANY INFORMATION

ChitrChatr Communications, Inc.
76 Marlyn Court NE
Calgary Alberta T2A 7H5
CANADA
702.475.5636
<http://ChitrChatr.com>
info@Chitrchatr.com

INVESTMENT HIGHLIGHTS

Newly public ChitrChatr Communications is set to launch a new and innovative, integrated platform that could emerge as a new standard bearer for users across the globe. The Company is delivering this unified application through the fast-growing, low cost and highly effective VoIP technology. For example, the growth in mobile VoIP minutes is expected to leap from 15 billion in 2010 to 470 billion in 2015.

Available as an app for use on multiple devices, the Company's Comprehensive Universal Unified Communications Platform ("CUUCP") integrates virtually all methods of communication, including audio, video, conference calling, messaging, chat room, texting, facsimile, email and social networking services, into one easy to use platform. For a small monthly fee, subscribers will be able to make unlimited calls to 65 countries. ChitrChatr aims to have the most competitive long distance rates for calls to the rest of the world.

As part of its initial marketing strategy, the Company recently announced that it is launching a worldwide promotion with the first 360,000 subscribers receiving free limited-time worldwide communication services and chances to win smartphones and tablets.

In our view, CHICF could ultimately be worth hundreds of millions since the ChitrChatr UUCP will offer competitive long term advantages that could lead to the displacement of current, non-app integrated popular tools such as *Skype* or *Whatsapp* which have at one time or another been valued at over \$1 billion. As new users are signed up and development milestones are reached, we believe the stock will be driven toward our \$3.75 price target. We rate these shares Speculative Buy.

CHITRCHATR COMMUNICATIONS (OTCPK - CHICF)**COMPANY OVERVIEW**

ChitrChatr Communications Inc. is an early stage company that offers new and innovative Voice over Internet Protocol (VoIP) and Instant Messaging (IM) communication services and products over its Universal Unified Communications Platform (UUCP), an all-in-one, integrated communications application. The UUCP is a socially oriented, Internet-based communication service that can be used by clients to communicate with anyone in the world. This platform provides a common unified application for current communications platform for Audio, Video and Conference phone, Messaging and Multi-protocol Chat service, Texting/SMS, Tele Fax Services, Email and Social Networking all rolled into one free messaging application. ChitrChatr technology uses Internet services and data transmission, rather than the public circuit-switched telephone networks of land telephone lines, cellular networks or satellite service. For a small monthly fee, subscribers will be able to make unlimited calls to 65 countries. It should be noted that ChitrChatr aims to have the most competitive long distance rates for calls to the rest of the world.

As part of its initial marketing strategy, the Company recently announced that it is launching a worldwide promotion with the first 360,000 subscribers receiving free limited-time worldwide communication services and chances to win smartphones and tablets. The first 10,000 subscribers will receive a \$100 (USD) credit with 90 days of international voice calls, Text/SMS and Fax service to 60 countries, the next 100,000 subscribers will receive a \$30 US credit with 60 days of International Voice Calls, Text/SMS and Fax to 60 countries the next 250,000 to receive a \$5 US credit for International Voice Calls, Text/SMS and Fax to 60 countries for 30 days. In addition to the free service promotion, ChitrChatr will also award 10 lucky subscribers with a new Smartphone or Tablet.

MARKET/INDUSTRY OVERVIEW

Both the VoIP and Instant Messaging sectors are projected to enjoy exponential growth over the next few years as consumer demand for innovative and easy-to-use integrated communications on multiple devices remain extremely high.

Mobile VoIP Minute Growth Is Forecast to Grow From 15 Billion → 470 Billion in 5 Years

The Voice over Internet Protocol (VoIP) offered to consumers is largely offered over the Public Switched Telephone network (PSTN) and cable infrastructures but can also be provided wirelessly or by satellite or power lines. Several market research firms forecast that the VOIP sector increasingly higher growth and estimates and utilization rates over the next several years. For example, the compound annual growth rate in the entire VoIP industry was 16.7% between 2007 and 2012 reaching a market size of \$15.4 billion. However, according to the consulting firm Visiongain, mobile VoIP applications alone are expected to reach \$36 billion by 2016, with the number of users rising to 180 million.

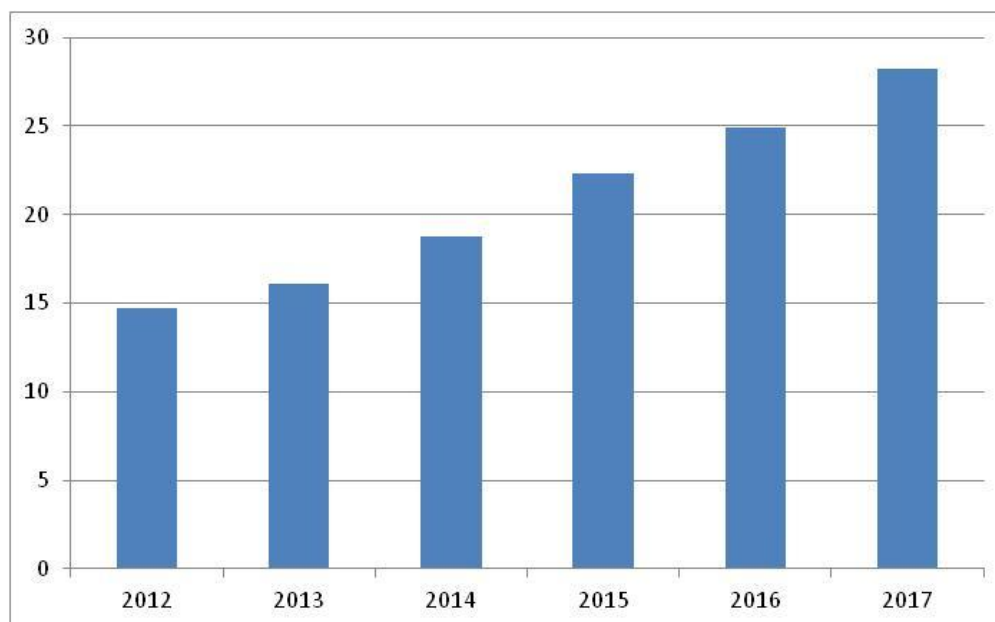
CHITRCHATR COMMUNICATIONS (OTCPK - CHICF)

Additionally, the number of mobile VoIP users throughout the world is expected to reach close to 170 million by 2015, according to research from IDATE Consulting & Research. Juniper Research forecasts worldwide mobile VoIP application minutes via 3G growth from just over 343 million minutes in 2010 to 30 billion in 2015, and mobile VoIP minutes carried on 3G and 4G networks will increase from 15 billion in 2010 to a whopping 470 billion in 2015.

The Instant Messaging (IM) market is also growing at a rapid pace and will continue to expand over the next few years according to leading market research firms. Globally, IM accounts are estimated to grow from 2.4 billion in 2010 to over 3.5 billion in 2014 at an average CAGR of 10% according to the Radicati Group. *Figure 1* below from Juniper Research indicates that the number of instant messages from 2012 will double by 2017 going from 14.7 trillion to 28.2 trillion.

Figure 1: Forecast in IM Traffic (Number in Trillions)

Source: Juniper Research 2013



COMPETITIVE ADVANTAGES: INTEGRATED, CONSOLIDATED APPS

The rapidly growing VoIP and IM are just part of the growth potential that will be offered on the ChitrChatr Universal Unified Communications Platform (UUCP). UUCP services are offered to users via internet browser or by installation on desktop, tablet, or smartphone. Key features serve as competitive advantages. For example, when logged onto the UUCP the user is automatically connected to his or her personal accounts in other services like Yahoo (NASDAQ – YHOO), MSN, Facebook (NASDAQ – FB), Skype, etc., and over 135 other messaging platforms currently used by consumers all over the world. Within ChitrChatr, the subscriber is able to communicate with their contacts in all other platforms, without having to log into each individual

CHITRCHATR COMMUNICATIONS (OTCPK - CHICF)

account. Screen sharing, sending and receiving file(s) are also features available in the Instant Messaging window. The initial release of ChitrChatr is available in various languages including: English, Spanish, French, German, Chinese and Russian.

ChitrChatr features chat and video calling, group messaging, conference calls, and text services are all free. It is not only a mobile messaging application; it can also be accessed from your desktop. The Comprehensive Universal Unified Communications Platform (CUUCP) allows users to communicate with another user (on any platform) by instant messaging, audio or video conference calls. ChitrChatr incorporates all users' contacts, and all chat and video calling applications under one umbrella, making it much easier to connect with contacts on different platforms. ChitrChatr users can obtain one or more phone numbers from over 65 countries. Incoming calls can be forwarded to any other phone number, whether the subscriber is on or offline.

Email

ChitrChatr email will incorporate all the features currently available on other major platforms like Microsoft Outlook, Gmail, Hotmail, Yahoo, and will allow the subscriber to receive emails from different email accounts into a consolidated ChitrChatr email management platform.

Social Media

When setting up the ChitrChatr preferences users input all their social network sites. Every time the user logs into ChitrChatr they will automatically be logged into all other social network sites. Users can easily be directed to the social media network of choice. If for example, a friend sends you a message through Facebook Chat, you will receive these messages in ChitrChatr with the reply back to their respective apps, without having to switch applications.

Text

One of the most unique features of the ChitrChatr Text/SMS will be the user's ability to reply from your forwarded number, the recipient will receive your actual SMS number instead of the cell phone number from which you have forwarded from.

The ChitrChatr Platform will be made available to end users as an app that can be accessed using a web browser, and optionally installed on various technology devices such as desktop and tablet computers, smart phones, mobile handheld devices and other dedicated hardware devices. Combining all communications into one easy to use application will eliminate the need to download individual applications for each and every use. One App is all that is needed to access and utilize ChitrChatr

We should note that since the ChitrChatr UUCP will offer competitive long term advantages and could ultimately displace current, popular tools such as *Skype* or *Whatsapp* which do not offer an integrated platform, which is a major differentiator. Skype provides niche applications for video conferencing, calls or SMS chatting while Whatsapp, serves as a cross-platform mobile messaging app, free of SMS charges.

CHITRCHATR COMMUNICATIONS (OTCPK - CHICF)

Figure 2 lists some of the key features and functionality in the UUCP platform offered by the Company in the first generation of products.

Figure 2: ChitrChatr UUCP Platform Features – First Generation Products

Source: ChitrChatr Communications, Inc.

Feature	Functionality
<i>Text/SMS, Voice Chat, Video Chat</i>	A UUCP user can communicate with another UUCP user by instant messaging or make an audio or a video call for free. Text/SMS can be viewed on the desktop and also forwarded to one or more Cell or Data Phones.
<i>Group Conference</i>	Contacts in UUCP can be organized as groups. It will be possible to audio / video / IM conference the entire group at the same time.
<i>Telephone Integration</i>	A user can subscribe for a premium plan and buy prepaid credits. The credits bought can be used for making phone calls, or to send Text/SMS messages not covered in the premium plan. UUCP users can obtain one or more phone number(s) available from over 65 different countries. Calls or Text/SMS is received for the user will be relayed as setup by the subscriber's Preferences.
<i>Call Forwarding</i>	Incoming phone calls to a UUCP user can be forwarded to any other phone number. When calls are received and the subscriber is on or off line, all calls can be forwarded to the user specified number or numbers and ring in priority or at the same time. These settings will be customized to the subscriber's preferences.
<i>Multi-Protocol IM</i>	Once a ChitrChatr subscriber logs into UUCP, it will automatically log into all other accounts of the subscriber in services such as Yahoo, MSN, GTalk, Facebook, Skype, Fringe etc. The subscriber will be able to communicate with its contacts in all those platforms within UUCP without having to log into each individual account. Screen sharing, sending and receiving files will also be a feature available in the Instant Messaging window.
<i>Fax</i>	This feature will allow subscribers to both send and receive faxes using the same assigned telephone number for voice calls. All faxes and files received can be forwarded to a dedicated fax machine and email accounts as preferred by the subscriber.
<i>Email</i>	UUCP includes a complete email service that is accessible with the same credentials used for accessing the UUCP messenger services. Due to the integration of telephone features, several advanced email features will be incorporated which are not available in traditional email software. These features include spam filter, antivirus scanning; filtered Email notification via SMS; filtered Email transcription via a voice call; retrieve email from other email services if the other service supports POP3 or IMAP protocol.
<i>Social Network</i>	ChitrChatr users will be able to receive from social networking services such as Facebook, Twitter, Bing, and LinkedIn right from your ChitrChatr application. Users will be able to update their status, publish messages into one or more social networks simultaneously.
<i>Invite Friends</i>	Friends can be invited to join the UUCP service by sending them an email or SMS message from within UUCP. Invitations can be sent by importing address books from various other email and social networking services including Gmail, Yahoo, Hotmail, Orkut, MySpace and (possibly Facebook) and over a 100 other services.
<i>Call Me Widget</i>	This useful feature allows people whom an UUCP user emails to call them directly. The widget may be included in blog pages, email, web sites and other applications, clicking the call me button will prompt for a phone number, after validating the phone number, the call will be placed and when answered the call is connected to the UUCP user.

CHITRCHATR COMMUNICATIONS (OTCPK - CHICF)

The Company's technology feature roadmap is impressive. As noted above, the first generation of products will enable the subscriber to communicate, in real-time, with their contacts on over 100 platforms including Skype, Google Talk, MSN, Facebook, and others. Future generations of the UUCP platform will include a data phone that will eliminate the need for a cell phone account. In the final generation, the Company plans to offer subscribers a "World Phone" where all that will be needed is an unlimited data plan and a local number to communicate using VoIP, Text/SMS, IM, Fax, Emails and Social Network in any country in the world. This technology platform combined with the rapid consumer demand will enable ChitrChatr to potentially generate significant profit and likely offer investors a premium return from current levels.

THE CHITRCHTR TEAM

The five leaders on the board and management team of ChitrChatr Communications have over 50 years of experience in IT technology and communications development, hardware and software development, human resources, and public and private finance.

Rahim Mohamed – President, Chairman of the Board

Mr. Mohamed has over 10 years of experience in the financial sector specializing in public and private equity offerings. He has had several roles in corporate finance, business development and investor relations.

Firoz Kassam – Chief Operating Officer

Mr. Kassam has over 20 years of experience in the telecomm industry in product development and commercialization. He has worked or consulted at Afghan Wireless Communications Company, Telecom Bermuda, and India-On-Line among others.

Karthik B – Software Architect and Chief Programmer

Karthik has over 10 years of experience in technology consulting, platform architecture, application core programming, VoIP integration, and application deployment.

Merlyne Priyadarshini – Operations Director

Mr. Priyadarshini has over 6 years of experience in schedule management, resource allocation, and human resource management.

Jakkir Hussain – Vendor Relations

Mr. Hussain has approximately 5 years of experience in hardware and software vendor relations and telecom development.

CHITRCHATR COMMUNICATIONS (OTCPK - CHICF)**RISK FACTORS**

In our view, the biggest factors in impeding CHICF's success would be delays in its prospective launch and a potentially slow ramp-up of users to the service. While it is expected that the early technology adopters and younger users would dominate the ranks in the weeks following the launch, pricing may become an issue down the road, as would be the impact of scalability on the back-end. Other risks could include a decline in popularity of the company's products, or glitches in the systems/features, especially in the integration of critical third-party applications. Risks such as those posed by larger firms or newer entrants with exciting new offerings are typical obstacles facing companies of CHICF's size and status. Separately since the Company's stock is newly traded, it is subject to big swings in its volume and share price.

CONCLUSION

Newly public ChitrChatr Communications is set to launch a new and innovative, integrated platform that could emerge as a new standard bearer for users across the globe. The Company is delivering this unified application through the fast-growing, low cost and highly effective VoIP technology. For example, the growth in mobile VoIP minutes is expected to leap from 15 billion in 2010 to 470 billion in 2015.

In our view, CHICF could ultimately be worth hundreds of millions since the ChitrChatr UUCP will offer competitive long term advantages that could lead to the displacement of current, non-app integrated popular tools such as Skype or Whatsapp which have at one time or another been valued at over \$1 billion. As new users are signed up and development milestones are reached, we believe the stock will be driven toward our \$3.75 price target. We rate these shares Speculative Buy.



CHITRCHATR COMMUNICATIONS (OTCPK - CHICF)

Senior Analyst: Robert Goldman

Rob Goldman founded Goldman Small Cap Research in 2009 and has over 20 years of investment and company research experience as a senior research analyst and as a portfolio and mutual fund manager. During his tenure as a sell side analyst, Rob was a senior member of Piper Jaffray's Technology and Communications teams. Prior to joining Piper, Rob led Josephthal & Co.'s Washington-based Emerging Growth Research Group. In addition to his sell-side experience Rob served as Chief Investment Officer of a boutique investment management firm and Blue and White Investment Management, where he managed Small Cap Growth portfolios and *The Blue and White Fund*.

Analyst Certification

I, Robert Goldman, hereby certify that the view expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the recommendations or views expressed in this research report.

Disclaimer

This *Opportunity Research* report was prepared for informational purposes only.

Goldman Small Cap Research, (a division of Two Triangle Consulting Group, LLC) produces research via two formats: *Goldman Select Research* and *Goldman Opportunity Research*. The *Select* format reflects the Firm's internally generated stock ideas along with economic and stock market outlooks. *Opportunity Research* reports, updates and Microcap Hot Topics articles reflect sponsored (paid) research but can also include non-sponsored micro cap research ideas that typically carry greater risks than those stocks covered in the *Select Research* category. It is important to note that while we may track performance separately, we utilize many of the same coverage criteria in determining coverage of all stocks in both research formats. Research reports on profiled stocks in the *Opportunity Research* format typically have a higher risk profile, and may offer greater upside. *Goldman Small Cap Research* was compensated by a third party in the amount of \$4000 for a research subscription service. All information contained in this report was provided by the Company via filings, press releases or its website, or through our own due diligence. Our analysts are responsible only to the public, and are paid in advance to eliminate pecuniary interests, retain editorial control, and ensure independence. Analysts are compensated on a per report basis and not on the basis of his/her recommendations.

Goldman Small Cap Research is not affiliated in any way with Goldman Sachs & Co.

The information used and statements of fact made have been obtained from sources considered reliable but we neither guarantee nor represent the completeness or accuracy. *Goldman Small Cap Research* did not make an independent investigation or inquiry as to the accuracy of any information provided by the Company, or other firms. *Goldman Small Cap Research* relied solely upon information provided by the Company through its filings, press releases, presentations, and through its own internal due diligence for accuracy and completeness. Such information and the opinions expressed are subject to change without notice. A *Goldman Small Cap Research* report or note is not intended as an offering, recommendation, or a solicitation of an offer to buy or sell the securities mentioned or discussed.

This report does not take into account the investment objectives, financial situation, or particular needs of any particular person. This report does not provide all information material to an investor's decision about whether or not to make any investment. Any discussion of risks in this presentation is not a disclosure of all risks or a



CHITRCHATR COMMUNICATIONS (OTCPK - CHICF)

complete discussion of the risks mentioned. Neither *Goldman Small Cap Research*, nor its parent, is registered as a securities broker-dealer or an investment adviser with FINRA, the U.S. Securities and Exchange Commission or with any state securities regulatory authority.

ALL INFORMATION IN THIS REPORT IS PROVIDED "AS IS" WITHOUT WARRANTIES, EXPRESSED OR IMPLIED, OR REPRESENTATIONS OF ANY KIND. TO THE FULLEST EXTENT PERMISSIBLE UNDER APPLICABLE LAW, *TWO TRIANGLE CONSULTING GROUP, LLC* WILL NOT BE LIABLE FOR THE QUALITY, ACCURACY, COMPLETENESS, RELIABILITY OR TIMELINESS OF THIS INFORMATION, OR FOR ANY DIRECT, INDIRECT, CONSEQUENTIAL, INCIDENTAL, SPECIAL OR PUNITIVE DAMAGES THAT MAY ARISE OUT OF THE USE OF THIS INFORMATION BY YOU OR ANYONE ELSE (INCLUDING, BUT NOT LIMITED TO, LOST PROFITS, LOSS OF OPPORTUNITIES, TRADING LOSSES, AND DAMAGES THAT MAY RESULT FROM ANY INACCURACY OR INCOMPLETENESS OF THIS INFORMATION). TO THE FULLEST EXTENT PERMITTED BY LAW, *TWO TRIANGLE CONSULTING GROUP, LLC* WILL NOT BE LIABLE TO YOU OR ANYONE ELSE UNDER ANY TORT, CONTRACT, NEGLIGENCE, STRICT LIABILITY, PRODUCTS LIABILITY, OR OTHER THEORY WITH RESPECT TO THIS PRESENTATION OF INFORMATION.

For more information, visit our Disclaimer: www.goldmanresearch.com