



**TSX-V: CST**

Outstanding Shares: 101,302,858

*For Immediate Release*

## **CO<sub>2</sub> Solutions Announces Fiscal 2015 Third Quarter Results**

Accelerated progress towards commercialisation

**Quebec City, Quebec, May 29, 2015** – CO<sub>2</sub> Solutions Inc. (“the Corporation”) (TSX-V: CST) announced today the filing of its financial results for the third quarter ended March 31, 2015. The Corporation’s detailed financial statements and management report can be found on [www.sedar.com](http://www.sedar.com).

### **Third quarter operational highlights**

On February 3<sup>rd</sup>, CO<sub>2</sub> Solutions announced that procurement of components for its 10 tonnes per day demonstration plant was completed, and construction had commenced. The unit was completed subsequent to quarter’s end.

CO<sub>2</sub> Solutions received a \$400,000 commitment from Canada Economic Development for Quebec Regions towards optimization of the Corporation’s carbon capture process and new enzyme production at industrial scale. In November 2014, the Company had announced the development of a new and proprietary enzyme, 1T1, which has a longer lifespan in the CO<sub>2</sub> capture process, and delivers greater stability in meeting the required specifications for CO<sub>2</sub> capture efficiency. At the same time, initial manufacturing results suggest that the production cost per unit weight of enzyme protein are likely to be substantially less than that for the third-party enzymes used to date.

### **Subsequent material events**

On April 20, 2015, the Corporation announced that in light of her new appointment as the President & CEO for Sustainable Development Technology Canada (SDTC), Leah Lawrence resigned as a member of the Board of Directors of CO<sub>2</sub> Solutions.

On April 23<sup>rd</sup> preliminary results from the University of North Dakota’s Energy & Environmental Research Center (EERC) testing were announced, with the full results presented and published on April 29<sup>th</sup>. The results conclusively show that CO<sub>2</sub> Solutions’ proprietary enzyme-based technology reduces the costs of carbon capture to commercially viable levels. Operating costs were found to be significantly below those achieved by current benchmark amine-based technologies, ten years ahead of cost targets set by the U.S. Department of Energy.

Subsequent to and as a result of these breakthrough results, Management decided the Company was in a position to bring forward its demonstration project in order to accelerate the pursuit of commercial opportunities, as announced on May 6<sup>th</sup>. First commissioning of the unit at Salaberry-de-Valleyfield was announced on May 19<sup>th</sup>.

On May 26<sup>th</sup> the Company announced a proposed offering for gross proceeds of between \$3 million and \$5 million, with units priced at \$0.25 per Unit. Each Unit will be comprised of one common share and one common share purchase warrant, entitling its holder to acquire one common share at a price of \$0.35 for a period of 36 months from the date of issuance. As at May 28<sup>th</sup>, subject to completion of necessary documentation, indications of interest had been received from potential subscribers to purchase approximately 14,000,000 Units for total gross proceeds of at least \$3.5 million.

## **Management commentary**

“We are entering into a very exciting phase in our development,” stated Evan Price, President & CEO of CO<sub>2</sub> Solutions. “The EERC results and subsequent start-up of our demonstration project at Salaberry-de-Valleyfield, have caused a definite stir, and consequently we are experiencing increased interest on a global scale from industry players, potential customers and other stakeholders. Test results from our demonstration project will be published following independent review by a third-party. Data from the project will be used for determining operating parameters and costing for commercial units.”

“We are successfully delivering on our strategy, ahead of our own timeline. The recent developments have increased the visibility of our Company and allow us to actively pursue commercial opportunities we have identified in the re-use of captured CO<sub>2</sub>. We look forward to updating the market on a regular basis on future developments.”

## **Summary of financial results**

### Revenues

The Corporation recorded no revenues for the three and nine month periods ended March 31, 2015. Fiscal 2014 revenues were generated from agreements undertaken during the previous fiscal years to provide certain project data and reports. Revenue related to these types of agreements is recognized when non-refundable amounts are billed as per the contracts. There were no such agreements in force during the periods under review. Funds received from subsidy agreements signed with federal and provincial government agencies (ecoENERGY, CCEMC & IRAP) are not treated as revenue but are accounted for as a deduction from research and development expenses.

### Research and development expenses

Research and development expenses, before tax credits and government assistance, increased by \$1.6 million to \$2.1 million for the three-month period ended March 31, 2015, compared with \$0.5 million for the same period in 2014. The increase is attributable primarily to work associated with the ecoENERGY project. For the nine-month period ended March 31, 2015, research and development expenditures, before tax credits and government assistance, increased by \$2.5 million to \$3.9 million, as compared with \$1.5 million for the same period in 2014. Increases in the nine-month period expenses are also a result of work associated with the ecoENERGY project.

Government assistance for the three-month period ended March 31, 2015, amounted to \$1.3 million (\$0.08 million in 2014). Government assistance for the nine-months ended March 31, 2015, was \$2.8 million (\$1.2 million in 2014). Both the three-month and nine-month periods included amounts for eligible expenses claimed from federal and provincial government agencies (ecoENERGY, CCEMC & IRAP) for approved subsidized projects. Variances between periods reflect timing and type of work completed and the level of subsidy available in each period based on projects undertaken and claims made to funding agencies.

### General and administrative expenses

General and administrative expenses for the quarter came in at \$0.4 million, up slightly (\$0.1 million) from the same period in fiscal 2014.

### Loss and comprehensive loss for the quarter

The Corporation recorded a loss of \$1.4 million, or \$0.01 per share, for the three-month period ended March 31, 2015, an increase of \$0.5 million from \$0.9 million, or \$0.01 per share, for the same period in 2014. For the nine-month period ended March 31, 2015, the Corporation recorded a loss of \$3.0 million, or \$0.03 per share, an increase of \$1.3 million from \$1.7 million, or \$0.02 per share, for the same period in 2014. The increased loss reflects an increase in expenditures related to the Corporation's projects and efforts to bring its technology to commercialization.

### Liquidity and financial position

As at March 31, 2015, the Corporation had an aggregate cash balance of \$976,876 and positive working capital (current assets less current liabilities) of \$544,848. The Corporation has negative cash flows from

operations of \$1,938,305 for the nine months ended March 31, 2015. In addition, as noted above, management is currently raising additional necessary capital to meet its longer term funding requirements.

**About CO<sub>2</sub> Solutions Inc.**

CO<sub>2</sub> Solutions is an innovator in the field of enzyme-enabled carbon capture and has been actively working to develop and commercialize the technology for stationary sources of carbon pollution. CO<sub>2</sub> Solutions' technology lowers the cost barrier to Carbon Capture, Sequestration and Utilization (CCSU), positioning it as a viable CO<sub>2</sub> mitigation tool, as well as enabling industry to derive profitable new products from these emissions. CO<sub>2</sub> Solutions has built an extensive patent portfolio covering the use of carbonic anhydrase, or analogues thereof, for the efficient post-combustion capture of carbon dioxide with low-energy aqueous solvents. Further information can be found at [www.co2solutions.com](http://www.co2solutions.com).

**CO<sub>2</sub> Solutions Forward-looking Statements**

Certain statements in this news release may be forward-looking. These statements relate to future events or CO<sub>2</sub> Solutions' future economic performance and reflect the current assumptions and expectations of management. Certain unknown factors may affect the events, economic performance and results of operation described herein. CO<sub>2</sub> Solutions undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable law.

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