



TSX-V: CST

CO₂ Solutions Announces Fiscal 2017 First Quarter Results

Provides Update on projects and operations
Annual and Special Meeting results announced

Quebec City, Quebec, November 30, 2016 – CO₂ Solutions Inc. (“the Corporation”) (TSX-V: CST) announced today the filing of its financial results for its first quarter ended September 30, 2016. The Corporation’s detailed financial statements and management report can be found on SEDAR at www.sedar.com. Additionally, the Corporation announced the results of its annual and special meeting of shareholders, held today.

First quarter and subsequent highlights

- **Announcement of First Commercial Agreement for Carbon Capture Unit**
- **Acquisition of Intellectual Property of Akermin Inc.**
- **Announcement of Collaboration Agreement with Seneca**

On August 11, 2016, the Corporation announced the execution of a definitive agreement with Fibrek General Partnership, a subsidiary of Resolute Forest Products Inc., and Serres Toundra Inc. for the deployment of a carbon capture unit at a pulp mill near Saint-Félicien, in the Lac-St-Jean region of Quebec (Canada) and the commercial reuse of the CO₂ in an adjacent greenhouse (the “Project”).

The Project involves the capture of up to 30 tonnes- CO₂/day (tpd) from Resolute’s softwood kraft Saint-Félicien pulp mill and its piping to Serres Toundra’s neighbouring state-of-the-art vegetable greenhouse. The reuse of the captured CO₂ will provide tangible benefits to both Resolute and Serres Toundra by improving the performance of the greenhouse, while at the same time reducing the pulp mill’s carbon emissions. Following a six-month demonstration period, Serres Toundra has agreed to purchase the captured CO₂ for a period of ten (10) years thereafter. Based on the terms of the Agreement, CO₂ Solutions expects to realize revenues of at least \$400,000 annually from the sale of captured CO₂ and associated carbon credits.

As announced on March 4, 2016, and subject to obtaining total project funding commitments, Sustainable Development Technology Canada will provide \$2.4 million towards the Project in the form of a non-refundable grant. Additionally, CO₂ Solutions has applied for a further \$3.0 million grant through the Government of Quebec’s Technoclimat program. The Corporation anticipates their response in the coming weeks.

On November 8, 2016, the Corporation announced that it had entered into an asset purchase agreement (the “APA”) with Akermin Inc. of St. Louis, Missouri, pursuant to which the Corporation purchased certain intellectual property and other assets owned by Akermin for a value of \$400,000. This APA was negotiated when it was determined that Akermin, a former US-based competitor of CO₂ Solutions in the field of enzyme based carbon capture, who had unsuccessfully challenged various CO₂ Solutions patents in the US and Europe decided to cease its operations and liquidate its assets. Pursuant to the terms of the APA, the Corporation issued, as payment in full of the purchase price for the Assets, 2,000,000 common shares of CO₂ Solutions to Akermin at a deemed price of \$0.20 per common share.

On November 15, 2016, the Corporation announced it had entered into an independent collaboration agreement with Seneca Engineering Inc., a consulting and engineering firm specialized in the design and realization of industrial processing plants in Quebec and abroad, to jointly deploy market opportunities for carbon capture, storage and usage (CCSU) in an industrial setting. Under the terms of the agreement, CO₂ Solutions and Seneca will collaborate on bringing to market and building carbon capture solutions,

combining CO₂ Solutions' low-cost, nontoxic enzyme-enabled technology with Seneca's process engineering expertise. Through Seneca's collaboration, CO₂ Solutions will gain more ready access to a number of potential customers in industries such as food processing, biogas processing and carbonation processes in the mineral extraction sector.

Management Commentary

CO₂ Solutions is very proud to achieve the significant milestone of a first commercial agreement for the use of its technology alongside first-class partners. This project will enable the Corporation to demonstrate the breakthrough combination of its enzymatic carbon capture process in low cost, small footprint equipment. The project is not only expected to provide the Corporation with a long-term revenue stream, but will provide a reference installation, which will be leveraged towards further scale-up of its technology and its commercial deployment. CO₂ Solutions expects to complete the commissioning of the CO₂ capture unit by the end of 2017 and realize first revenues relative to the agreement in calendar 2018.

In addition, the acquisition of the intellectual property assets from Akermin further strengthens the Corporation's portfolio surrounding carbon capture using carbonic anhydrase and combined with the cessation of operations of Akermin, the Corporation believes that this asset acquisition confirms CO₂ Solutions' position as the leading provider of this demonstrated low-cost and environmentally friendly, enzyme-based technology to capture CO₂ and address the leading environmental issue of our day.

Finally, the Corporation believes the collaboration with Seneca will accelerate development of its business pipeline, as well as facilitate project realization. CO₂ Solutions looks forward to leveraging its excellent and successful collaboration with Seneca on the Valleyfield project, which conclusively proved the technology, its low-cost nature, as well as the stability and ease of operation. Furthermore, this collaboration with Seneca delivered the project on-time and on-budget, a positive experience the Corporation will be leveraging in pursuing the growing number of commercial opportunities for its technology.

Summary of financial results for the first quarter ended September 30, 2016

Revenues

The Corporation recorded no revenues for the quarters ended September 30, 2016 and 2015. Funds received from subsidy agreements signed with federal and provincial government agencies are not treated as revenue. Rather, these amounts are accounted for as a deduction from research and development expenses in the period the contribution is claimed and accrued.

Research and development expenses

Research and development expenses, before tax credits and government assistance, decreased by \$0.51 million to \$0.60 million for the quarter ended September 30, 2016. The decrease compared to the prior year reflects the work associated with the ecoENERGY project, which was started in January 2013 and substantially completed in fiscal 2016.

Quebec provincial research and development tax credits accrued during the quarter were \$0.04 million.

General and administrative expenses

General and administrative expenses for the quarter came in at \$0.46 million, down \$0.03 million from the same period in the prior year.

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 September 30, 2016, a decrease of \$0.20 million, reflecting the decreased expenses associated with the ecoEnergy project.

Liquidity and Financial Position

Cash and equivalents as at September 30, 2016 totalled \$0.54 million, compared to \$0.87 million as at June 30, 2016. The decrease was attributable to the use of cash for the ecoEnergy project and normal working capital requirements.

Cash flows used in operating activities amounted to \$0.87 million, a decrease of \$0.62 million over the same quarter in the prior year, attributable to a decreased net loss and a net increase in non-cash working capital items.

Grant of Options

The Corporation announces that it has granted, on November 30, 2016, a total of 1,380,000 stock options to certain of its directors and officers. Each stock option, governed by the stock option plan of the Corporation, allows the holder thereof to acquire one common share of the Corporation until November 30, 2021 for a price of \$0.15 per common share.

Results of Annual General and Special Meeting of Shareholders

At the Annual and Special Meeting of Shareholders of the Corporation, held today, November 30, 2016, in Québec, QC, shareholders approved all resolutions which were disclosed in the Corporation's Management Information Circular dated October 13, 2016 and put forth for vote.

Shareholders re-elected the following directors to the Corporation's Board of Directors: Evan Price, Glenn R. Kelly, Robert Manherz, Kimberley Okell, and Jocelyn Proteau.

Shareholders voted to re-appoint PricewaterhouseCoopers LLP/s.r.l./s.e.n.c.r.l., Chartered Professional Accountants, as auditors of the Corporation for the fiscal year ending June 30, 2017.

In addition, Shareholders also reconfirmed CO₂ Solutions' Shareholder Rights Plan.

About CO₂ Solutions Inc.

CO₂ 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. CO₂ Solutions' technology lowers the cost barrier to Carbon Capture, Sequestration and Utilization (CCSU), positioning it as a viable CO₂ mitigation tool, as well as enabling industry to derive profitable new products from these emissions. CO₂ 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.

CO₂ Solutions Forward-looking Statements

Certain statements in this news release may be forward-looking. These statements relate to future events or CO₂ 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. CO₂ 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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