



TSX-V: CST

For Immediate Release

CO₂ Solutions Announces 2018 First Quarter Results

Quebec City, Quebec, November 22, 2017 – CO₂ Solutions Inc. (the “Corporation” or “CO₂ Solutions”) (TSX-V: CST) today announced its financial results for the three-month period ended September 30, 2017. The Corporation’s detailed financial statements and management’s discussion and analysis (“MD&A”) will be filed and available on www.sedar.com.

Three-month Period ended September 30, 2017 and Subsequent Operational Highlights

Saint-Félicien project

- The Corporation continues to execute on the plan to install its first commercial project in Saint-Félicien, Quebec. Engineering is under way and construction is expected to start in the next few weeks. The project is on schedule and on budget.

Valorisation Carbone Québec (“VCQ”) project

- During the three-month period ended September 30, 2017, a critical milestone was reached when CO₂ Solutions’ 10 tonne per day capture plant started operating and performed beyond expectations. In addition, several partners, including Kiverdi Inc. and Carbon Consult Group Inc., were welcomed to the VCQ project. The VCQ project aims to demonstrate carbon capture and utilization (CCU) solutions to close the carbon cycle and ultimately reduce greenhouse gases (GHG). The Corporation is now partnering with a number of companies whose solutions convert captured CO₂ using CO₂ Solutions’ proprietary carbon capture technology into value-added products, such as oils, proteins, methanol and acetic acid, all being materials with substantial commercial applications.

NRG COSIA XPRIZE

- During the quarter, the Corporation announced partnerships with Carbicrete Inc., Breathe Applied Sciences Private Limited and Hago Energetics Inc. for joint entries in the second round of the NRG COSIA XPRIZE. Prizes to be awarded in Round 2 are US\$500,000 per winning entry and, in the case of a joint entry, this would be split 50/50 between the partners. With these joint entries noted above, along with the Corporation’s two individual entries, CO₂ Solutions will now have seven opportunities to be successful for round 2, for potential winnings of \$2.25 million, and to be amongst the ten Round 3 finalists to be selected on February 28, 2018.

Other

- As announced on September 7, 2017, the Corporation is partnering with Seneca on a preliminary engineering study to assess the technical and economic viability of the implementation of its technology for an approximately 32-tonne per day capture unit in the metallurgical industry.
- Subsequent to the close of the quarter, the Corporation was awarded the Gold Leaf Award by BIOTECCanada as *Emerging Company of the Year*, recognizing CO₂ Solutions’ unique, proprietary carbon capture technology’s contribution to the biotech industry in Canada.

Management Commentary

“We are pleased that our first commercial project in Saint-Félicien continues as planned with an expected commissioning in 2018,” said Evan Price, President and Chief Executive Officer at CO₂ Solutions. “In addition, we are very encouraged by the activities in our Valorisation Carbone Québec (VCQ) project. This project is exceeding our expectations and shaping up to be the world’s most comprehensive CO₂ capture and utilization (CCU) demonstration site. Our business development pipeline is active and our recent

announcement with Seneca to realize the preliminary engineering of a commercial unit, is a confirmation of this.”

Summary of financial results

Revenues and net loss

The Corporation recorded \$0.02 million in revenues for the three-month period ended September 30, 2017 related to a preliminary engineering study performed during the period. The Corporation had no revenues for the same period in 2016. Net loss for the three-month period ended September 30, 2017 decreased by \$0.65 million from the same period last year to \$0.74 million, reflecting the increase in government assistance relating to the Saint-Félicien and VCQ projects, partially offset by the increase in research and development expenses associated with these same projects.

Research and Development Expenses

Research and development expenditures, before tax credits and government assistance, increased by \$3.0 million to \$3.6 million for the three-month period ended September 30, 2017, compared with \$0.60 million for the same period last year. The change reflects an increase in research and development activities associated with the Saint-Félicien and VCQ projects.

Government assistance for the three-month period ended September 30, 2017 was \$3.5 million, compared to \$nil million for the same period in 2016. This government assistance comes in the form of subsidies granted to the Corporation mainly by the Government of Québec for the VCQ project, as well as assistance received from Sustainable Development Technology Canada, and Technoclimat (Transition Énergétique Québec) associated with the Saint-Félicien project.

General and administrative expenses

General and administrative expenses totalled \$0.44 million for the three-month period ended September 30, 2017, down slightly from the \$0.46 million for the same period in 2016.

Liquidity and financial position

As at September 30, 2017, the Corporation held approximately \$3.29 million in cash and cash equivalents, consisting primarily of advances received from the Government of Quebec applicable to the VCQ project, \$0.62 million in receivables, and \$0.25 million in provincial tax credits receivable in the short-term, for total liquid assets of approximately \$4.15 million (\$3.43 million as at June 30, 2017).

Such amounts may prove insufficient to fund the Corporation’s forecasted working capital requirements for the next 12 months. Through current and ongoing negotiations with potential funding partners and Provincial and Federal government agencies, the Corporation’s management is actively seeking to raise the necessary additional capital to meet its funding requirements.

A more comprehensive discussion of the Corporation’s operations and financing activities along with CO₂ Solutions’ audited consolidated financial statements for the year ended June 30, 2017, the unaudited condensed interim consolidated financial statements for the three-month period ended September 30, 2017 and related notes included therein and the Management’s Discussion and Analysis for the three-month period ended September 30, 2017, will be found on the Corporation’s website at www.co2solutions.com and in the Corporation’s filings on www.sedar.com.

Grant of Options

The Corporation announced that it has granted, on November 22, 2017, a total of 2,118,000 stock options to certain of its directors, officers and employees. 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 22, 2022 for a price of \$0.11 per common share.

Grant of Deferred Share Units (DSU's) and Restrictive Share Units (RSU's)

On November 22, 2017, in accordance with the terms of the respective DSU and RSU plans that were approved in November 2015, the Corporation's Board of Directors granted 1,652,642 RSU's to certain officers, consultants and employees and 1,313,636 DSU's to the non-executive Directors of the Corporation. In accordance with the terms of the respective plans, these DSU's and RSU's were valued at \$0.11 per share, that being the last closing price of the Corporation's Common Shares on the TSXV immediately prior to the date as at which market value of the units is determined, that date being November 21, 2017. The RSU's granted will fully vest on January 1, 2018.

Results of Annual General Meeting of Shareholders

At the Annual General Meeting of Shareholders of the Corporation, held today, November 22, 2017, in Quebec City, QC, shareholders re-elected Evan Price, Glenn R. Kelly, Robert Manherz, Kimberley Okell, and Jocelyn Proteau to the Board of Directors. Shareholders also voted to reappoint PricewaterhouseCoopers LLP/s.r.l./s.e.n.c.r.l., Chartered Professional Accountants, as auditor of the Corporation for the fiscal year ending June 30, 2018.

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, including statements relating to the Saint-Félicien project, potential results from the preliminary engineering study in the metallurgical industry, NRG COSIA XPRIZE and the VCQ projects of the Corporation and their evolution, the transformation of the Corporation from a development company to a commercial operator and its progression, and the ability of the Corporation to meet working capital requirements. These statements reflect the current assumptions and expectations of management. Factors that could cause actual results to differ materially from such forward-looking statements include, but are not limited to, the ability of the Corporation to meet its working capital requirements, general business and economic uncertainties, third party events and adverse market conditions as well as those risks set out in the Corporation's public documents filed on SEDAR. Readers are cautioned not to place undue reliance on such forward-looking statements. 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.

- 30 -

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