



TSX-V: CST

For Immediate Release

CO₂ Solutions Announces 2017 Fourth Quarter Results

Quebec City, Quebec, October 25, 2017 – CO₂ Solutions Inc. (the “Corporation” or “CO₂ Solutions”) (TSX-V: CST) today announced its financial results for the fourth quarter and financial year ended June 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.

Fourth Quarter and Subsequent Operational Highlights

- The Corporation remains on track with its Saint-Félicien project in Quebec, where the Corporation will be installing a unit to capture CO₂ from a pulp and paper mill, and supply that captured CO₂ to a nearby greenhouse. Detailed engineering was completed and preparatory work on site has commenced.
- The Corporation partnered 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.
- The Corporation announced partnerships with CERT, Carbicrete, Breathe and Hago for round 2 of the NRG COSIA XPrize. With these joint entries, and its two entries on its own, CO₂ Solutions will now have six opportunities to be amongst the round 3 finalists.
- The Corporation extended the expiry date of common share purchase warrants of the Corporation originally issued in connection to a private placement of units on July 3 and July 17, 2014 (the “Warrants”) to July 3, 2018.
- Several partners, amongst which Kiverdi Inc. and Carbon Consult Group Inc. were welcomed to the Valorisation Carbone Quebec (“VCQ”) project to demonstrate various solutions to close the carbon cycle and measure the impacts on greenhouse gas (GHG) reductions. The Corporation is now partnering with a number of companies whose solutions convert CO₂ captured by the Corporation into value-added products, such as oils, proteins, methanol and acetic acid, all materials with substantial commercial applications.

Management Commentary

“Our transformation from technology development company to commercial operator continues to progress well,” stated Evan Price, President and CEO of CO₂ Solutions. “In addition to the Saint-Félicien project, we have a growing pipeline of opportunities, including a significant potential project in the metallurgical industry. Through our leadership of the VCQ project and our progression through the NRG COSIA XPrize, our profile continues to expand and consequently we are witnessing an increase in companies interested in our technology. This coming year the focus will remain on execution of our commercialization programme, which includes leveraging our existing partnerships and exploring new opportunities. Through the VCQ project, our goal is to become one of the cornerstones of a new industry focused on the commercial utilization of CO₂ in closing the carbon cycle, and we are very satisfied with progress made to date, and the opportunities this implies for the Corporation going forward.”

Summary of financial results

Revenues and net loss

Revenues of \$0.05 million were recorded for the financial year ended June 30, 2017, relating to the sale of enzymes. No revenue was recorded for the same period in the prior year. Net loss for financial year June 30, 2017 decreased by \$0.37 million from the prior year to \$4.6 million, reflecting an increase in government grants relating to the Saint-Félicien and VCQ projects, offset partially by an 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 \$0.8 million to \$3.6 million for the financial year ended June 30, 2017, compared with \$2.77 million for the prior year. The change reflects an increase in research and development activities related to VCQ and Saint-Félicien projects.

Government assistance for the financial year ended June 30, 2017 was \$2.0 million, a \$1.4 million increase from the prior financial year. 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 Sustainable Development Technology Canada, and Technoclimat (Transition Énergétique Québec) for the Saint-Félicien project.

Business Development Expenses

Business development expenses were \$0.65 million for the financial year ended June 30, 2017, compared to \$1.01 million for the prior financial year.

General and administrative expenses

General and administrative expenses totalled \$2.23 million for the financial year ended June 30, 2017, as compared to \$2.04 million for the prior financial year

Liquidity and financial position

As at June 30, 2017, the Corporation held approximately \$3.03 million in cash and cash equivalents, consisting predominately of advances received from the Government of Quebec for use with the VCQ project, \$0.18 million in receivables, and \$0.22 million in provincial tax credits receivable in the short-term for total liquid assets of approximately \$3.43 million (\$2.09 million as at June 30, 2016).

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 capital to meet its funding requirements.

A more comprehensive discussion of the Corporation's operations, financing activities as well as CO₂ Solutions' audited consolidated financial statements will be found on the Corporation's website at www.co2solutions.com and in the Corporation's filings on www.sedar.com.

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.

Investor Relations and Media Contact:

CO₂ Solutions:

Jérémie Lavoie

418-842-3456, ext. 223

jeremie.lavoie@co2solutions.com

www.co2solutions.com

or

NATIONAL Equicom

Marc Lakmaaker

416-848-1397

MLakmaaker@national.ca

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.