



News Release

For Immediate Release

May 30, 2019

HTC Pureenergy Inc. (dba “HTC Extraction Systems”) announces unaudited condensed consolidated interim financial results for the first quarter period ending March 31, 2019

Regina, Saskatchewan - *HTC Extraction Systems* (the “Corporation” and/or “HTC”) (HTC: TSX-V) today announced its unaudited interim condensed consolidated financial results for the first quarter period ending March 31, 2019 (the “Quarter” or the “Period”).

HTC and its subsidiaries have developed proprietary gas, liquid and biomass extraction and purification systems, that have been designed to extract from gas, liquids and biomass and for the distillation and purification of ethanol and ethanol-based solvents used for this extraction in the clean energy and Hemp/CBD biomass industries.

HTC is an advanced Extraction and Purification Technology company with a focus on environmental sustainability. The acceptance of climate change and the social license that corporations are moving towards, are upon us in force. A reduced environmental footprint, through the use of Reclaim, Recycle and Reuse extraction and purification systems, has become effectively a currency of business, a vehicle for penalty and taxation, and a statement to shareholders who expect environmental responsibility from the companies they invest in. The natural gas industry has taken on a new challenge of gas cleanup of CO₂, SO₂ and other contaminants, while ensuring that the ethanol-based solvents and the glycols that are used in the clean-up process are purified, reclaimed, recycled and reused, while at the same time providing a significant cost reduction to the customer.

The **Delta Purification**[™] technology allows the customer to recycle and reuse the existing ethanol used in the CBD extraction process, while managing and reducing CBD waste losses, reducing costs and shrinking the environmental footprint. HTC’s **Delta Purification**[™] division is showing promising results, as the energy industry, the biomass Hemp/CBD extraction industry, and other specialty industries have joined the *re3* revolution: ***Reclaim, Recycle, Reuse.***

HTC has developed a strategic initiative whereby the agri-infrastructure assets, owned by its subsidiary, will be monetized moving forward and the proceeds of these transactions will be invested in the deployment of HTC’s extraction and purification equipment technology product offer. HTC will continue to pursue a strategy of BOOM (build, own, operate and maintain) whereby it will own physical assets at extraction and/or purification facilities, serving the clean energy and Hemp/CBD biomass industries. The business model calls for either participating equity ownership, tolling revenue or a combination thereof, whereby HTC will utilize its technologies, constructability experience and operating skills, to extract and purify at targeted facilities.

“**Reclaim, Recycle, Reuse**” is more than a tag line for our company, *WE ARE WORLD LEADERS* in delivering **Advanced Extraction and Purification Technologies.**

Financial Results

In reviewing 1st Quarter results, HTC felt it necessary to add some commentary to highlight the overall improvement in operations.

Quarter results included one-time transitioning costs of \$2,116,846 associated with the settlement of prior commitments. The Corporation felt it was necessary to resolve all matters in order to facilitate the transition of the Corporation. With the removal of these one-time transitioning costs, HTC would have had net income realized in the Quarter of \$114,592 vs the 2018 loss of \$229,663.

The Corporation further observes that the stock compensation expense of \$149,777 recorded in the 1st Quarter is not a cash flow item and relates to the issuance of options in the Period as part of the transitioning plan. If this non-cash flow item was removed, the revised income referenced above would improve by \$149,777 to \$264,369.

When the above items were adjusted to Comprehensive Loss, the restatement would result in Comprehensive Income of \$678,127 for the Quarter.

Selected financial information of HTC is summarized below. Financial results for HTC have been prepared in accordance with International Financial Reporting Standards.

	<u>3 Month Period</u> <u>Ending March 31, 2019</u>	<u>3 Month Period</u> <u>Ending March 31, 2018</u>
Revenue	\$768,880	\$21,884
Expenses	\$1,327,154	\$690,179
Loss from Operations	(558,274)	(668,295)
Net Loss	\$(2,002,254)	\$(229,663)
Comprehensive Loss	\$(1,588,496)	\$(159,086)
Common Shares outstanding	38,663,741	32,413,741
Weighted Average Shares Outstanding - Basic	34,889,929	32,413,741
Weighted Average Shares Outstanding - Diluted	40,925,997	33,104,243
Loss per Common Share (weighted average) * see commentary below	\$(0.05)	\$(.007)
Fully Diluted Profit per Common Share (weighted average)* see commentary below	-	-
Loss per share on continuing operations	\$(0.05)	\$(.007)

**Diluted net loss per common share is not presented, when the effect would be anti-dilutive.*

	<u>3 Month Period</u> <u>Ending March 31, 2019</u>	<u>Year Ending</u> <u>December 31, 2018</u>
Total Assets	\$32,140,345	\$34,070,462
Current Liabilities	\$2,595,087	\$4,602,068
Long Term Debt	\$8,680,902	\$7,665,319

Revenue for the Period was \$768,880 compared to \$21,884 for the period ending March 31, 2018. Revenue for the Period is due to operations in Port LaJord Terminal Corp. (“PLT”). Revenue for the comparative time frame in 2018 relate to HTC operations.

Expenses are comprised of the following:

Operating expenses for the Period was \$659,152 compared to \$589,457 for the corresponding period in 2018. The 2019 increase reflects expenses incurred from the commencement of PLT operations.

Amortization for the Period was \$586,123 (March 31, 2018 – \$91,362). The increase in amortization is relating to completion of capital projects at PLT during the 2018 year. Amortization is a non-cash flow item. *Finance expenses* realized during the Period was \$81,879 (March 31, 2018 - \$9,360). The increase during the Period is reflective of the increased debt of Maxx Group of Companies Corp., and its subsidiaries relating to the capital expansion that occurred.

Net Loss for the Period was \$(2,002,254) compared to net loss of \$(229,663) as at March 31, 2018. The loss in 2019 is largely due to severance expenses (transition costs – see above) incurred during the Period paired with depreciation of \$586,123 and stock compensation of \$149,777 which do not involve cash.

Comprehensive Loss for the Period is \$(1,588,496) compared to \$(159,086) at March 31, 2018. Comprehensive Income (Loss) includes the unrealized gains and losses on investments classified as available for sale of \$413,758 (March 31, 2018 – \$70,577) and represents the net change in the carrying value of the investments to the quoted value and transfer of impaired investments to the Consolidated Statement of Loss. These adjustments do not involve cash.

Total Assets for the Period were \$32,140,345 compared to \$34,070,462 as at December 31, 2018. The decrease is attributable to decrease in cash, change in accounts receivables and net changes in property, plant and equipment associated with a credit from the development of grain and fertilizer handling facility projects and amortization.

Current Liabilities are \$2,595,087 for the Period as compared to \$4,602,068 as at December 31, 2018. Of the total decrease of \$2,006,981, \$1,031,513 of amounts payable at December 31, 2018 has been reclassified to related party loan and is considered long-term.

Changes reported on Long Term Liabilities during the Period is \$8,680,902 (December 31, 2018 – 7,665,319). Long Term Liabilities increased due to reclassification of debt.

HTC further announces that, conditional upon TSX Venture Exchange Inc. approval, it will issue 7,950,000 units (“**Units**”) at a price of \$0.10 per Unit, for the gross proceeds of \$795,000 (“**Private Placement**”). Each Unit will consist of one common share (“**Common Share**”) and one Common Share purchase warrant (“**Warrant**”). Each Warrant will entitle the holder to purchase one Common Share of HTC at \$0.15 per Common Share for a period of five years after the date of issuance. Warrants are convertible by HTC, in its discretion, into Common Shares at the conversion price of \$0.15 per common share in the event that the Common Shares trade at \$0.80 or more for 20 or more consecutive trading days on the TSX Venture Exchange Inc. The Private Placement is a non-brokered Private Placement. Currently HTC has 38,663,741 common shares issued and outstanding. After issuance of the previously disclosed private placement of 29,750,000 units, together with this Private Placement, HTC will have 76,363,741 common shares issued and outstanding.

Proceeds of the Private Placement will be used for business development, including hemp biomass toll extraction, processing and general corporate purposes.

The information and opinions expressed herein involve known and unknown risks and uncertainties that may cause the Corporation’s actual results or outcomes to be materially different from those anticipated and discussed herein. In assessing forward-looking statements contained herein, readers are urged to read carefully all cautionary statements contained in this news release, and in those other filings with the Corporations’ Canadian regulatory authorities as found in ‘www.sedar.com’. Although we believe that the expectations reflected in our forward-looking statement are reasonable, we cannot guarantee future results, levels of activity, performance or achievements or other future events. We are under no duty to

update any of our forward-looking statements after the date of this news release, other than as required and governed by law.

***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 THE RELEASE.***

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HTC corporate developments can be followed on www.htcextraction.com and is traded under the symbol

HTC