



## News Release

For Immediate Release

May 3, 2019

### **HTC Pureenergy Inc. (“HTC Extraction Systems”) announces financial results for fiscal year ending December 31, 2018**

**Regina, Saskatchewan - *HTC Extraction Systems*** (the “Corporation” and/or “HTC”) (HTC: TSX-V) today announced its audited financial results for the fiscal year ending December 31, 2018 (“Year”).

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 CO<sub>2</sub>, SO<sub>2</sub> 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**<sup>™</sup> 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**<sup>™</sup> 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

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

	<u>Fiscal Year Ending December 31, 2018</u>	<u>Fiscal Year Ending December 31, 2017</u>
Total Assets	\$34,070,462	\$27,222,061
Current Liabilities	\$4,602,068	\$1,584,236
Long Term Debt	\$7,433,339	-
Revenue	\$1,024,421	\$269,493
Expenses	\$4,372,949	\$4,609,385
Loss from operations	\$(3,348,528)	\$(4,339,892)
Net Income (Loss)	\$(3,856,636)	\$2,372,965
Common Shares outstanding as of year end	32,413,741	30,309,195
Weighted Average Shares Outstanding - Basic	32,246,531	30,309,195
Weighted Average Shares Outstanding - Diluted	34,351,077	32,149,361
Profit (Loss) per Common Share (weighted average)	(0.09)	\$0.07
Fully Diluted Profit (Loss) per Common Share (weighted average)*	-	\$0.07

*\*(Loss) per common share is not presented, on a fully diluted basis as the effect of common share options would be anti-dilutive.*

Total Assets for the Year were \$34,070,462 compared to \$27,222,061 as at December 31, 2017. The increase is primarily attributable to increase in property, plant and equipment associated with the development of grain and fertilizer handling facility projects.

Current Liabilities are \$4,602,068 for the Year as compared to \$1,584,236 as at December 31, 2017. The increase of \$3,017,832 is largely due to an increase in payables related to completed projects of **HTC**'s subsidiary, Port LaJord Terminal Corp. ("**PLT**") and the inclusion of the current portion of long-term debt. **PLT** is now fully operational and generating income required to support payment of liabilities.

As of December 31, 2018, Long Term Debt is \$7,433,339 compared to Nil for the 2017 year. The loan was for the construction of **PLT** facilities and is amortized over 20 years. The Corporation also has a line of credit available through its subsidiaries, of \$5,300,000 that was not in use at December 31, 2018.

Revenues for the Year are \$1,024,421 compared to \$269,493 for the year ending 2017. The increase is due to start-up operations in the fourth quarter in **PLT**.

**Expenses are comprised of the following:** Cost of sales is \$340,605 which relates to **PLT** inventory sales. Cost of sales as at December 31, 2017 was \$102,837 and relates to sales of equipment inventories in **PLT**. Operating Expenses as at December 31, 2018 were \$2,970,261 compared to \$3,589,145 for the year ending 2017. The decrease is due to a reduction in consulting fees in **Maxx** net of increased operating expenditures in **PLT** due to commissioning of fertilizer and grain operations. Amortization for the Year was \$1,056,999 (December 31, 2017 – \$370,793). The increase in amortization is relating to capital additions completed in the Year. The **PLT** Fertilizer Storage Facility was completed April 30, 2018, amortization commenced May 1, 2018. The **PLT** Grain Storage Handling Facility was completed November 2018 at which time amortization commenced. Finance expenses realized during the Year was \$5,084 (December 31, 2017 - \$425,610).

The Corporation had an operating loss at December 31, 2018 of \$(3,348,528) as compared to \$(4,339,892) at the year ending December 2017, and a net loss of \$(3,856,636) compared to net income of \$2,372,965 as at December 31, 2017.

The change in net loss is primarily due to the commencement of depreciation and amortization of recently completed PLT facilities in the amount of \$(1,056,999) and the one-time impairment adjustment of \$(1,400,000) regarding intangibles, reflecting a non-cash loss of \$(2,456,999).

*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.*

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*HTC corporate developments can be followed on [www.htcextraction.com](http://www.htcextraction.com) and is traded under the symbol  
**HTC***