



News Release

For Immediate Release

August 24, 2020

HTC Extraction Systems Announces Asset Sale Agreement

Regina, Saskatchewan – *HTC Pureenergy Inc. (dba “HTC Extraction Systems”)* (“HTC”) (TSX-V: HTC) is pleased to announce that it has entered into an asset sale agreement, pursuant to which, it will sell its approximately 19,000 square foot building, situate at Lajord, Saskatchewan, conditional upon TSX Venture Exchange Inc. approval (“**Asset Sale Agreement**”).

The sale of the building will be to a related party, Purely Canada Terminals Corp. (“**PCTC**”), for the purchase price of \$2,979,000, payable by promissory note, to be paid in cash within 60 days of closing of the transaction. PCTC is a related party to HTC, due to the fact that it shares mutual directors and officers with HTC and a subsidiary, and 50% of the controlling shareholder of PCTC is owned by director Lionel Kambeitz.

The Asset Sale Agreement has been approved by an independent board committee comprising of three independent board members of HTC, who has considered and approved the terms of these transactions. In assessing the terms of the Asset Sale Agreement, the independent board members, Mr. Fredrickson, a successful Saskatchewan commercial and industrial property developer with extensive knowledge regarding property and commercial industrial building and land asset values; Mr. Allison, with over 20 years of experience in corporate finance, commercial industrial building lending and business development; and Mr. Bernakevitch, a senior partner, with extensive commercial industrial real estate experience, in a very large and reputable Saskatchewan based law firm, have relied upon (i) a valuation performed by an independent recognized appraiser and (ii) a reconciliation of the construction costs of the building performed by a CPA firm.

As HTC is a public company, it is subject to Multilateral Instrument 61-101 (“**MI 61-101**”) governing, among other things, transactions between listed issuers and related parties of such issuers. In accordance with MI 61-101, each of the Asset Sale Agreements constitute a “related party transaction” for the purposes of MI 61-101 due to the fact that, HTC will sell assets to a related party. In accordance with MI 61-101, absent an exemption, MI 61-101 would require HTC to receive a formal valuation of the subject matter and “majority of the minority” shareholder approval to proceed with the Asset Sale Agreements. HTC is relying on the exemptions set forth in Section 5.5(a) of MI 61-101 (as it relates to formal valuations) and the exemption set out in 5.7(1)(a) of MI 61-101 (as it relates to shareholder approval), which exemptions provide that at the time the Asset Sale Agreements were agreed to, neither the fair market value of the assets, nor the fair market value of the consideration for the assets, insofar as it involves interested parties, exceeded 25 percent of HTC’s market capitalization.

No finder’s fee is payable relating to the Asset Sale Agreements. As a result of the sale of the building pursuant to the Asset Sale Agreement, the previously announced land sale agreement, dated October 24, 2019, for the sale of land upon which the building is situated, will be terminated.

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.

This press release contains "forward-looking statements" or "forward-looking information" (collectively referred to herein as "forward-looking statements") within the meaning of applicable securities legislation. Such forward-looking statements include, without limitation, forecasts, estimates, expectations and objectives for future operations that are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of HTC. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur or be achieved. This press release contains forward-looking statements pertaining to, among other things, the timing and ability of the Corporation to close the Asset Sale Agreement, if at all and the timing.

Forward-looking information is based on current expectations, estimates and projections that involve a number of risks, which could cause actual results to vary and, in some instances, to differ materially from those anticipated by HTC and described in the forward-looking information contained in this press release.

Although HTC believes that the material factors, expectations and assumptions expressed in such forward-looking statements are reasonable based on information available to it on the date such statements were made, no assurances can be given as to future results, levels of activity and achievements and such statements are not guarantees of future performance.

HTC Pureenergy Inc. (OTCQB:HTPRF) trades on the OTCQB Venture Market for early stage and developing U.S. and international companies. Companies are current in their reporting and undergo an annual verification and management certification process. Investors can find Real-Time quotes and market information for the company on www.otcm Markets.com.

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