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News Release  
For Immediate Release

December 11, 2020

## HTC EXTRACTION SYSTEMS TO SPINOUT ITS INDUSTRY-LEADING ENERGY CLEAN TECH DIVISION INTO A PUBLIC COMPANY

**Regina, Saskatchewan** — **HTC Extraction Systems** ("HTC") (TSXV: HTC) (OTCQB: HTPRF) announces that, conditional upon TSX Venture Exchange Inc. ("TSXV") approval, and all other regulatory and shareholder requirements being met, HTC intends to spinout to its current shareholders, its existing energy clean tech business and assets ("**Clean Energy Division**"), in the form of a new energy clean tech company, namely "**Delta CleanTech Inc.**" (the "**Spinout**" and also "**Delta CleanTech**").

The Spinout of the *Clean Energy Division* will consist of the historic four pillars of its clean technologies and business: 1) CO<sub>2</sub> capture 2) hydrogen production 3) solvent and ethanol purification and 4) carbon credit certification and trading. This will be accomplished by bundling HTC's patented process design IP, as well as its CO<sub>2</sub> capture and related solvent IP together under one single entity, whose focused mandate will be on positioning itself as a leading technology provider in the energy clean technology sector.

### BUSINESS UNITS:

**CO<sub>2</sub> Capture:** Over the last 16 years, HTC Extraction Systems, through its three wholly owned subsidiaries, has developed cost-effective CO<sub>2</sub> capture solutions for CO<sub>2</sub> enhanced heavy oil production, food grade CO<sub>2</sub> markets and industrial CO<sub>2</sub> applications. **Delta CleanTech** will participate in this sector through leveraging its proprietary technologies to significantly reduce the cost of CO<sub>2</sub> capture. Trademarked as Delta's LCDesign®, this system has been engineered to reduce capital and operating costs while delivering superior performance by lowering emissions and producing concentrated, high quality of CO<sub>2</sub>. The LCDesign® unit will capture CO<sub>2</sub> from power plants and other flue gas source such as hydrogen reformers, cement plants, refineries, or diesel generators.



**Hydrogen Production CO<sub>2</sub> Capture - Blue Hydrogen:** The Clean Energy Division began IP development with hydrogen modelling/design/simulation processes and staging platforms for reactor and catalyst designs in 2003. It has set an industry benchmark for cost effective deployment of hydrogen production related CO<sub>2</sub> capture, recognized as **Blue Hydrogen**. The ability to cost effectively configure catalysts, adapt reactor designs, and capture CO<sub>2</sub> to accommodate multi-feed stocks, optimizes the deployment of methane hydrogen reforming systems manufactured by OEMs which have proven to date to be the most cost-effective method of producing hydrogen. The Clean Energy Division has developed and is in the early stages of commercializing technologies to produce hydrogen from crude ethanol and other bio-sources such as grains, and cellulosic effectively manufacturing bio-hydrogen that does not require hydrocarbon as a feed stock.

**Solvent and Ethanol Reclamation and Recycling:** HTC Purification's patented purification technology is utilized by reclamation and extraction industries looking to reclaim, recycle and reuse the extracted solvents and alcohols, rather than have these contaminated fluids disposed underground. **Delta's re3 (reclaim, recycle, reuse)** technology can save up to 30% of the required fluid costs. DeltaSolv® are custom designed, ethanol-based, solvent mixtures and additives that optimize extraction and ethanol reclaiming efficiency. This technology development work has been done in conjunction with research facilities at the University of Calgary.



**Carbon Rx Inc.:** Historically one of Canada's largest carbon traders with a long history of carbon credit validation, certification led by experienced carbon asset and transaction managers. Large emitters in Canada have a net requirement of carbon reduction or pay increased taxes under current legislation. Carbon trading leverages off-take agreements and clean technology investments to offset these costly expenses.

Carbon Rx Inc. ("**Carbon Rx**") is Regina-based and engaged in the development, verification and marketing of CO<sub>2</sub> offset credits. **Carbon Rx** owns two business units leading the way in the development of aggregation and sale of carbon credits from; municipal landfills and from agricultural no till and minimum tillage farming practices; having historically traded over \$30,000,000 of carbon credit units.



## TRANSACTION HIGHLIGHTS:

*HTC Extraction Systems'* existing shareholders will receive shares in *Delta CleanTech*, at a ratio yet to be determined; facilitating *Delta CleanTech's* access to pureplay Environmental Social Governance ("ESG") clean tech capital both from Europe and North America.

Contemporaneously with the Spinout, HTC intends to secure business and project development capital for *Delta CleanTech*, in the range of approximately \$3,000,000 to \$4,000,000, by way of capital raise or a strategic acquisition.

HTC intends for the *Delta CleanTech* to be a reporting issuer in Canada. A public company listing will be pursued contemporaneously with the Spinout.

## BENEFITS TO SHAREHOLDERS:

*HTC's Clean Energy Division* has differentiated itself by developing its proprietary and patented extraction and purification technologies. 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 capture of CO<sub>2</sub>, production of hydrogen and utilization of reclaimed, recycled and reused extraction fluids, has effectively become a currency of business, a vehicle for punitive penalties and taxation, and a statement to shareholders who expect Environmental Social Governance ("ESG") and Identity Preserved Waste (IPW<sup>TM</sup>) protocols from the companies they invest in.

The *Clean Energy Division's* patented and trademarked IP, and trade secrets have been developed by a recognized team of industry leaders led by Dr. Ahmed Aboudheir, Chief Technology Officer for over 16 years. Dr. Aboudheir is a highly regarded technology developer with a background in chemical and industrial systems engineering having extensively published over 35 process design, process engineering peer-reviewed publications and presentations as a keynote speaker in energy clean tech forums around the world.

HTC's Spinout of *Delta CleanTech* will be beneficial to shareholders. Among other benefits, it will unlock the value of the *Clean Energy Division* IP by allowing this business unit to be financed and its growth accelerated by a focused, skilled, and experienced management team, and it will allow our HTC shareholders to own shares in two public companies.



## **DELTA Extraction Technology Selected for Carbon XPrize Competition Demonstrating HTC's Leadership in CO<sub>2</sub> Extraction and Carbon Reduction**



*“Ten Teams from Five Countries Advance to Finals of \$20M NRG COSIA Carbon Xprize”*

*“The \$20 million NRG COSIA Carbon XPRIZE is a global competition to develop breakthrough technologies that will convert CO<sub>2</sub> emissions from power plants and industrial facilities into valuable products like building materials, alternative fuels and other items that we use every day.”*

**HTC's Delta Technology** was selected in December of 2018, to provide the extracted CO<sub>2</sub> for the *Alberta Carbon Conversion Technology Centre (ACCTC)*, test facility, for utilization by the finalists of the XPRIZE competition, and has custom designed the Delta CO<sub>2</sub> Extraction plant to provide the required CO<sub>2</sub> as well as provide the flexibility for future CO<sub>2</sub> extraction testing requirements. The plant was engineered, fabricated, and commissioned by **HTC's Delta Clean Energy Division** and its partners with the successful delivery of captured and purified CO<sub>2</sub> beginning in September 2020. The **Delta Clean Energy Division** has benefitted already from this renowned XPRIZE CO<sub>2</sub> utilization project showcase, with various new CO<sub>2</sub> capture spinoff projects being entered into. **HTC's Delta Technology** forms part of the **Clean Energy Division** that will be the subject matter of the Spinout.

Please visit <https://deltacleantech.ca/> for more information on **HTC** and its existing **Clean Energy Division**. For more detailed financial disclosure on the **Clean Energy Division**, please view HTC's third quarter filings, available at [www.htcextraction.com](http://www.htcextraction.com).

Upon completion of the Spin-out, **HTC Extraction Systems'** asset base and operations will consist of its Hemp – CBD/Biofibre/Protein Business Unit (“**Business Unit**”), which includes the production contracting of broad acre industrial hemp for: Cannabinoid Extraction; Biofibre for Bioplastics, Biochar and Cellulose, as well as Hemp Seeds, Protein and Hemp Seed Oil. By implementing its historical skillsets, process design and standard operating procedures (“**SOPs**”), **HTC** will aim to become one of Canada's largest hemp biofibre suppliers, hemp seed sellers and oil processors and cannabinoid extractors and refiners. In order to accomplish its objectives, the Corporation intends to leverage its relationships with successful farming leaders and draw on SOPs, best practices in genetics, fertility, fibre processing, seed cleaning and processing including experience



required in ingredient sales with multi-year contracts. HTC's current net book value is approximately \$34M, of which this remaining Business Unit represents over 80%.

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**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](http://www.htcextraction.com) and is traded under the symbol HTC.

*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 several 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 obtain regulatory and, if required, shareholders approvals to roll out the Clean Energy Division, the ability to successfully list this division as a public issuer, its ability to procure production contracting of broad acre industrial hemp and to leverage its relationships with successful farming leaders and the success of operations, both in the Business Unit and the Clean Energy Division.*

*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](http://www.otcm Markets.com). (links to: <http://www.otcm Markets.com/stock/htprf/quote>).*

