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Terra CO₂ Technologies completes the purchase of CO₂ Conversion Technology

September 27, 2016 -- Terra CO₂ Technologies Ltd. ("Terra CO₂"), announces that it has completed the purchase of the Sequestration, Mitigation and Remediation Technology ("SMARTs") from Strategic Metals Ltd. (TSX-V: SMD) ("Strategic").

Since 2013, Strategic has been working on a carbon dioxide (CO₂) conversion and mine waste remediation research project. Work to date has been carried out under contract at the University of British Columbia ("UBC") and has been under the direction of Dr. Lee Groat, a faculty member at UBC and a Director of Strategic. All intellectual property has been retained by the company. To date, the process has successfully been demonstrated at proof of concept stage and has reached technology readiness level (TRL) 4. A more advanced prototype has recently been assembled, and is providing data needed to allow the process to be integrated into a continuous flow operational unit.

Patent protection for the initial technology concept has been obtained in both the United States and Canada and is pending in other jurisdictions including Australia, Europe and Japan. The patent is entitled "Processing of Sulphate and/or Sulphide-Rich Waste Using CO₂-Enriched Gases to Sequester CO₂, Reduce Environmental Impacts Including Acid Mine Drainage, And Produce Valuable Reaction Products". Additional protection is being sought for detailed aspects of the technology and subsequent patents are pending.

Dylan Jones, chief executive officer, stated: "This purchase allows Terra CO₂ to focus on developing a technology that has the potential to bring value to a variety of industries by providing new environmental solutions. Terra CO₂'s business goal is to help future customers lower their emissions and achieve social license to operate within their respective communities."

The goal of the technology is twofold:

- (i) to reduce the levels of heavy metal contamination and mine rock acid drainage present in groundwater at some producing and past producing metal mining operations; and
- (ii) to permanently convert and stabilize CO₂ discharged from industrial operations such as hydrocarbon fueled electrical generation plants, large scale heating units, cement furnaces or other point source emitters.

In brief, the technology operates by reacting aqueous iron ions present in acidic mine drainages with alkali-absorbed CO₂ from flue gases to precipitate an iron carbonate mineral called siderite (FeCO₃). A proprietary process involving the use of absorption columns and electrochemical cells is used to achieve this reaction. Siderite is chemically stable under atmospheric conditions and can be stored as non-reactive treated tailings or used as back fill material in mining operations. The sulphate ions present in dilute form in the acid mine runoff is concentrated to produce sulphuric acid, which is potentially a marketable commercial product.

Current provincial and federal regulations and the financial climate around environmentally clean technological innovation are very favourable for accelerated development of applicable technologies. Terra CO₂ has applied for and is preparing applications for several government and private research grants and awards.

For further information concerning Terra CO₂ please visit our website at www.terraco2.com

The purchase price paid by Terra CO₂ for the technology was \$1,000,000, paid by the issuance of 20,000,000 units to Strategic at a deemed price of \$0.05 per unit, each unit consisting of one common share in the capital of Terra CO₂ and one-half (1/2) of a share purchase warrant, with each whole warrant entitling Strategic to purchase one additional common share in the capital of Terra CO₂ at a price of \$0.25 for a period expiring on the earlier of:

- (i) September 23, 2021; and
- (ii) the date Terra CO₂ completes an initial public offering of its securities, if applicable.

ON BEHALF OF THE BOARD

“Dylan Jones”