Zinc8 Energy Solutions First Quarter 2021 Financial Results

Vancouver, British Columbia, Canada – **May 31, 2021** Zinc8 Energy Solutions Inc. ("**Zinc8**" or the "**Company**") (TSXV:ZAIR)(OTC PINK:MGXRF)(FSE:0E9) today filed its financial results for the first quarter ending March 31, 2021. For further information on these results, please see Zinc8 Energy Solutions Inc. Condensed Consolidated Financial Statements and Management Discussion and Analysis as filed on SEDAR.

First Quarter Highlights Include:

- Ended the quarter ending March 31, 2021 with a working capital balance of over $15.5 million.
- In February, closed a private placement offering of 28,750,000 common shares at a price of $0.54 per share for gross proceeds of $15,525,000.

Subsequent to March 31, 2021:

- Signed a host site agreement with the New York Power Authority ("NYPA") and The University at Buffalo, The State University of New York ("UB"). The selection of the site allows for the demonstration of a 100-kilowatt/one-megawatt-hour zinc-air battery energy storage system in Buffalo, N.Y., to level out peaks in electricity consumption, increase campus resiliency and assist in training campus utility staff with new energy storage technology.
- Signed a $200,000 (U.S.) contract with one of the leading cloud providers to demonstrate its patented zinc-air energy storage system ("ZESS") and to validate and assess the zinc-air long-duration energy storage technology. Zinc8's technology will be tested for resilient backup application; the 10-hour kilowatt/80-kilowatt-hour unit will undergo required assessment tests agreed upon by the cloud provider to address its unique use cases in data centres.
- Leased a new 16,000-square-foot testing and assembly facility to build and run the required tests to complete the certification of the various system levels of the battery.

"As a result of the successful financing in the first quarter, we have been able to drive a number of initiatives that get us steps closer to commercial production," said Ron MacDonald, President & CEO of Zinc8 Energy Solutions. "As evidenced by the subsequent events to the quarter, we have new customers, an accelerated build program going on for several batteries at the new facility and additional business development opportunities on the horizon. We have specific plans and timelines to certify and test zinc-air energy storage systems over the course of this year with additional catalysts and related milestones we expect to announce along the way."

"We have a strong balance sheet and understand that we are in the early innings for the transformation of the energy market," added MacDonald. "We believe that long duration energy storage solutions will play a significant role during this transformation and that fact has been reinforced by the growing demand in the energy storage market. It has taken our dedicated team years to get the technology to this point and believe we have the right solution for the customers and markets we have identified that are looking to reduce their carbon footprint."

The Market Outlook

The outlook for long-duration energy storage remains robust as the energy transition continues and demand for reliable power grids remains in the spotlight. In the U.S. the storage sector has grown significantly over the past few years and the Energy Storage Association has said the U.S. needs 100 GigaWatts of storage by the end of the decade to support the power sector's clean energy transition.

According to consultancy Wood Mackenzie, the global energy storage market exceeded 15 GW/27 GWh last year, and is expected to grow 27 times by the end of the decade, adding 70 GWh of storage capacity a year to surpass a total of 729 GWh in 2030. The consultancy anticipates global spending to reach US$86 billion by the middle of the decade. Research firm IHS Markit points to 2021 as not only a record year of growth in battery storage, building off the record of over 2.2 GWh of non-residential capacity installed in the fourth quarter of 2020, but also the start of a period of sustained growth through 2030 with larger, longer-duration utility-scale projects gaining momentum.

In addition, President Biden's US$1.7 trillion infrastructure spending proposal includes a policy that would make standalone energy storage projects eligible for the federal investment tax credit, which many believe could promote and accelerate private sector investment and help monetize the value of energy storage technology. California's governor has recently proposed US$350 million in funding to support pre-commercial long-duration energy storage projects.

About Zinc8 Energy Solutions Inc.

Zinc8 has assembled an experienced team to execute the development and commercialization of a dependable low-cost zinc-air battery. This mass storage system offers both environmental and efficiency benefits. Zinc8 strives to meet the growing need for secure and reliable power.
To watch a short video outlining Zinc8's technology, please visit https://zinc8energy.com

More about the Zinc8 Energy Storage System (ESS)

The *Zinc8* ESS is a modular Energy Storage System designed to deliver power in the range 20kW - 50MW with capacity of 8 hours of storage duration or higher. With the advantage of rechargeable zinc-air flow battery technology, the system can be configured to support a wide range of long-duration applications for microgrids and utilities. Since the energy storage capacity of the system is determined only by the size of the zinc storage tank, a very cost-effective and scalable solution now exists as an alternative to the fixed power/energy ratio of the lithium ion battery.

Technology

The *Zinc8* ESS is based upon unique patented zinc-air battery technology. Energy is stored in the form of zinc particles, similar in size to grains of sand. When the system is delivering power, the zinc particles are combined with oxygen drawn from the surrounding air. When the system is recharging, zinc particles are regenerated, and oxygen is returned to the surrounding air.

Applications

The flexibility of the *Zinc8* ESS enables it to service a wide range of applications. Typical examples include:

- Smoothing energy derived from renewable sources such as wind and solar
- Commercial/Industrial backup replacing diesel generators
- Industrial and grid scale, on-demand power for peak shaving and standby reserves

- Grid-scale services such as alleviating grid congestion, deferring transmission/distribution upgrades, energy trading and arbitrage, and increasing renewable energy penetration.

Architecture

The *Zinc8* ESS is designed according to a modular architecture that enables a wide variety of system configurations to be created from a small number of common subsystems. Each subsystem implements a single element of the technology:

- The Zinc Regeneration Subsystem (ZRS) provides the recharging function
- The Fuel Storage Subsystem (FSS) provides the energy storage function
- The Power Generation Subsystem (PGS) provides the discharging function

Notice Regarding Forward Looking Statements

All statements and disclosures, other than those of historical fact, which address activities, events, outcomes, results or developments that Zinc8 Storage anticipates or expects may or will occur in the future (in whole or in part) should be considered forward-looking statements.

Forward looking statements in this press release include that we can execute the development and commercialization of a dependable low cost zinc-air battery; that our mass storage system offers both environmental and efficiency benefits; and that we can help meet the needs for secure and reliable power. Zinc8 Energy Solutions believes the material factors, expectations and assumptions reflected in the forward-looking statements are reasonable at this time, but no assurance can be given that these factors, expectations and assumptions will prove to be correct. The forward-looking statements included in this news release are not guarantees of future performance. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements including, without limitation: that we are not able to raise funds as expected; that our technology fails to work as expected or at all; that our technology proves to be too expensive to implement broadly; that customers do not adapt our products for being too complex, costly, or not fitting with their current products or plans; our competitors may offer better or cheaper solutions for battery storage; general economic, market and business conditions; increased costs and expenses; inability to retain qualified employees; our patents may not provide protection as expected and we may infringe on the patents of others; the completion of our planned private placement or are unable to raise all of the funds we are seeking to raise; and certain other risks detailed from time to time in Zinc8 Energy Solution's public disclosure documents, copies of which are available on the Company's SEDAR profile at www.sedar.com. Readers are cautioned that the foregoing list of factors is not exhaustive and are cautioned not to place undue reliance on these forward-looking statements.

The forward-looking statements contained in this news release are made as of the date hereof and the Company undertakes no obligations to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

Neither the CSE nor any Market Regulator (as that term is defined in the policies of the CSE) accepts responsibility for the adequacy or accuracy of this release.

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