Zinc8 Energy Solutions Announces Second Quarter 2021 Financial Results And Strategic Additions to Management

Vancouver, British Columbia, Canada – **August 30, 2021** Zinc8 Energy Solutions Inc. ("**Zinc8**" or the "**Company**") (CSE:ZAIR)(OTC PINK:MGXRF)(FSE:0E9) today announced its financial results for the second quarter ending June 30, 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.

Second Quarter Highlights Include:

- Ended the second quarter of June 30, 2021 with working capital balance of $13.5 million.
- On April 8, 2021, the Company announced the planned deployment of the Zinc-Air System at the University of Buffalo, in collaboration with the New York Power Authority ("NYPA"). The site will allow for the demonstration of a 100kW/1MWh Zinc-Air System to facilitate the wider use of renewable resources.
- On April 23, 2021, the Company announced it had signed a US$200,000 contract with a cloud data center provider to demonstrate its 10kW/80kWh Zinc-Air System for resilient backup application. The unit will undergo assessment tests to address unique use cases in data centers and represents an expansion into broader new markets for the Company's Zinc-Air System. Zinc8 will provide a demonstration of its Zinc-Air System combined with an uninterruptible power supply ("UPS") to be compared with the performance of a traditional generator set. The demonstration consisted of the Zinc-Air System connected to a UPS and operated in standby and black started into discharge. The successful completion of the pilot demonstration will validate a low-cost, long duration (8 to 100 hour) and sustainable energy storage technology which can provide megawatt-scale standby power solutions.

"We're in a strong financial position and executing on our stated plan towards commercial production in the fourth quarter of 2022," commented Ron MacDonald, President and CEO of Zinc8 Energy Solutions. "We have expanded our engineering team on our path to production and moved into a new dedicated facility. This new facility will house multiple test batteries for systems-level evaluation and UL certification, each with their own unique requirements and results for data collection and analysis, some of which are for commercial demonstration projects underway."

"Our ability to attract talented and experienced individuals to our team reflects the strength of our organization, our technology, the fast-paced development culture we're cultivating at Zinc8 and the scale of opportunity we're pursuing. We believe our zinc-air energy storage system (or ZESS) is a viable and practical long duration energy storage solution. The addition of senior members to our management team is strategic and their experience and knowledge will be an asset as we move towards commercialization."

"The topic of long duration energy storage remains deeply seated in the minds of investors. Wind and solar capacity will need to greatly increase if we are going to achieve our net-zero carbon emission targets by 2050 and energy storage is an essential piece of the puzzle. We are acutely aware of the breadth of technologies and investments in this industry which we believe validates the importance of our achieving success in commercializing our technology. It is an exciting time for our company and our industry, and we look forward to advancing our corporate and product development."

Facility Update

The Company has moved key members of its engineering team to its new upgraded facility in Richmond, B.C., which will allow for parallel testing to be conducted for certification of final product specifications. As a result, the Company expects to be on track for the initial production of a 40KW battery in the fourth quarter of 2022.

Strategic Management Additions

Zinc8 Energy Solutions has made senior management hires which will assist the company as it transitions from a pure research and development company and expands into the pre-commercialization phase. The company also announces the addition of three senior management members: Dr. Graham Duck, Kemal Ozgur and Babak Rezania.

Dr. Graham Duck, B. Eng., Ph.D., P. Eng., MBA is a Mechanical Engineer with over 20 years of experience in R&D, product development and operations. Graham has leadership experience in telecommunications, process automation and consumer product industries in both growth stage and multi-national sized organizations. As the Director of Engineering Products, he is responsible for managing on-going prototype development projects and implementing Systems Engineering methods throughout the product development process.

Kemal Ozgur, Ph.D., P.Eng. is a Mechanical Engineer with over two decades of experience managing and delivering projects to customers within a specific set of parameters. Kemal's experience, which includes developing hydrogen fuel cells and flow battery stacks, power generation and energy storage systems, gives him the necessary background to lead the productization of our novel electrochemical stacks in the role of Senior Stack Engineer.

Babak Rezania, Ph.D., P. Eng. is a Chemical Engineer with over 15 years of process engineering and technology development experience for the cleantech and water industries. A recipient of the NSERC Innovation Challenge Award, Mr. Rezania's strong background in electrochemistry and multidisciplinary full-scale projects make him a valuable addition to the team. As our Senior Chemical Process Engineer, he will be responsible for developing a scalable fuel management system to ensure the chemical processes within our product operate efficiently and reliably.

The Market Outlook

As industry and government embark on aggressive decarbonization targets and transition to clean energy, the outlook for long-duration battery storage technology continues to remain compelling. According to the U.S. Energy Information Association (EIA), installed battery storage capacity reached 1,650 MW by the end of 2020, a relatively modest 35% increase from just over 1,200 MW at year-end 2019 compared to the ten-fold increase the Association is forecasting by 2024. According to the EIA, more than 12 GW of battery storage power capacity additions are anticipated between 2021 and 2024, which implies exceptional growth ahead.

Battery storage ventures continue to attract meaningful investment, as funding remains extremely active and supportive of a variety of technologies and applications. Almost US$10 billion in corporate funding was raised by companies in the battery storage industry in the first half of 2021 through 41 transactions, according to research firm Mercom Capital Group's most recent quarterly update.

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 Solutions 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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