

# Zinc8 Energy Solutions Issued US\$10 Million Non-Taxable Revenue Bond from the Ulster County Industrial Development Agency

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VANCOUVER, BC, March 15, 2023 /CNW/ - Zinc8 Energy Solutions Inc. ("**Zinc8**" or the "**Company**") (CSE: ZAIR) (OTC: ZAIRF) (FSE: 0E9) is pleased to announce the approval from the Ulster County Industrial Development Agency ("UCIDA") of the issuance of tax-exempt revenue bonds for up to US\$10 million to undertake the buildout and completion of Zinc8's first commercial manufacturing facility within Ulster County, New York.



Zinc8 Energy Storage System (ESS) (CNW Group/Zinc8 Energy Solutions Inc.)

The proceeds from the US\$10 million are expected to be utilized for the acquisition of machinery, equipment, fit-up and improvements to the facility.

"I am extremely thankful for the support shown from the people of Ulster County, and I personally want to thank the Board Members of the Ulster County IDA who have expressed their support for Zinc8 Energy Solutions to locate in their community," said Ron MacDonald, CEO and President of Zinc8 Energy Solutions. "Our company is very grateful for the issuance of the US\$10 million revenue bond, as it supports the company's long-term plan to make Ulster County Zinc8's US base for assembly and manufacturing of our Zinc-air Energy Storage systems."

The mission of the UCIDA is to advance the job opportunities, general prosperity and long-term economic vitality of Ulster County residents by utilizing tax incentives, municipal bonds and other forms of financial assistance to foster the creation and attraction of new business and the retention and expansion of existing business within Ulster County, New York.

Once a lease has been entered into for the Company's inaugural manufacturing facility in the United States, the Company expects that additional financial investment will need to be made into the facility over the first three years after taking possession. The Company is currently reviewing the capital requirements to fund the buildout of the manufacturing facility and will provide any updates as they arise.

"This bond combined with the US\$9 Million tax incentive package recently awarded to Zinc8 by Governor Hochul through the Excelsior Jobs Program, is expected to cover a substantial portion of

the initial investment into the plant," added MacDonald. "The support that has been shown for Zinc8's energy storage technology and the clean energy sector from all three levels of the US government, at the municipal level through the Ulster County IDA, at the state level through the Governor of New York and Empire State Development and federally by Senator Schumer and through legislation such as Section 45X of the *Inflation Reduction Act* (United States) (the "IRA") is encouraging for the Company. We look forward to working closely with members of the UCIDA over the coming months as we play our role in helping the great State of New York accelerate their ambitious climate change initiatives."

The Company continues to work diligently towards securing a lease for its manufacturing facility in Ulster County and pursuing options for financing the manufacturing facility build out, completion of ongoing product demonstrations, commercialization of the Zinc8 battery products, and ongoing working capital requirements. Additional funding will be required beyond the municipal bond and tax incentives in order to fund the build out of the manufacturing facility and commercialization of the Company's product through the first three years after the Company secures possession of a manufacturing facility. As noted above, the Company is still reviewing the financial requirements and required funding to build out the manufacturing facility. The Ulster County tax-exempt municipal bonds are subject to various terms and conditions, including limitations on the use of funds and repayment terms. In connection with the issuance of the municipal bonds, the Company has engaged KeyBanc Capital Markets Inc. ("KBCM") as placement agent to place the bonds with eligible investors in accordance with applicable securities laws. The terms of the placement of the bonds have not yet been determined, and the Company expects placement fees to be paid to KBCM in connection with the placement of the bonds. Upon settlement of the terms of the placement of the bonds, the Company will provide such terms in a future release.

For additional information regarding the Excelsior Jobs Program tax inducements provided to the Company and the IRA, please refer to the Company's news releases dated January 26, 2023 ([see press release](#)) and September 1, 2022 ([see press release](#)) respectively which are available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

## **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 learn more about 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**

*This news release contains certain statements or disclosures relating to Zinc8 Energy Solutions that are based on the expectations of its management as well as assumptions made by and information currently available to Zinc8 Energy Solutions which may constitute forward-looking statements or information ("forward-looking statements") under applicable securities laws. All such 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 Zinc8 will locate its first production facility in Ulster County, New York, that Zinc8 plans to make a significant investment to build out its manufacturing facility over the next three years; that the UCIDA municipal bond and Excelsior Jobs Program tax inducements will provide a significant portion of the funding required for the build out of the manufacturing facility; that the Company will seek additional funding to finance the build out of a manufacturing facility and working capital expenses; that the placement agent will place the municipal bonds with eligible investors; that Zinc8's involvement with energy storage projects will be as described in this news release; that we can execute the development and commercialization of a dependable low cost zinc-air battery; that the Company will be in a position to open a manufacturing facility and commence commercialization of its Zinc Air Batteries as described herein the proposed benefits of the funding and the proposed use of the funding and the risk that the benefits may not prove to be as stated in the news release and that the funds may be used for other purposes; 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 Zinc8 may not secure a site for its manufacturing facility in New York, that the Company and/or placement agent may not be able to place the municipal bonds with eligible investors; that the Company may not receive the full amount of the municipal bonds if it cannot place them with eligible investors or for various other reasons; that the Company may not be able to meet its obligations pursuant to the municipal bonds; that the Excelsior Jobs Program tax credits will not be available to the Company if it does*

*not secure a manufacturing facility in New York, that the Company may not be able to open a manufacturing facility on the timeline herein or at all; that the Company may not be able to secure the financing necessary to fund its business plan, including meeting its ongoing working capital requirements and building out a manufacturing facility, and that such financing may not be on terms favourable to the Company; that the municipal bonds and tax credits may not provide the expected benefits or funding; that our technology fails to work as expected or at all; that we are not able to commercialize our technology in a timely manner; 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; 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](http://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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