



ABOUND Energy Inc. enters into a Letter of Intent with Alluvial Capital Corp., Marking a Key Step Toward Sustainable Energy Solutions

RICHMOND, BC, December 16, 2024 /— ABOUND Energy Inc (“ABOUND” or the “Company”) (CSE: ABND) (OTC PINK: ZAIRF) (FSE: 0E9) is pleased to announce that it entered into a letter of intent to acquire all the issued and outstanding shares (the “Transaction”) of Alluvial Capital Corp. (“Alluvial”), a company with the exclusive North American license for a groundbreaking Resource Recovery Technology previously deployed globally under an OEM label, which ABOUND will reintroduce under the “FlexGen Array” brand. This milestone marks a significant advancement in ABOUND’s evolution into a full-spectrum Energy Solutions Provider. Following months of strategic negotiations, this acquisition underscores ABOUND’s dedication to advancing innovative, sustainable energy solutions while positioning the company for near-term revenue growth.

Innovating Energy: The Synergy of Generation and Storage

The integration of Alluvial's FlexGen Array with ABOUND's Zaeras™ energy storage technology creates a meaningful platform for clean energy solutions. Together, these technologies aim to enable a scalable, environmentally sustainable energy system that:

- **Eliminates Landfills:** Converts discarded resources into energy, reducing landfills environmental impact.
- **Minimizes Emissions:** Provides cleaner air and a healthier environment, compared to common landfill gasses.
- **Avoids Incineration:** Provides an advanced alternative to burning waste, avoiding harmful pollutants.
- **Eliminates Generator Liability:** Neutralizes waste, utilizing advanced thermal technology, converting it into compliant byproducts, thereby eliminating cradle-to-grave liability.

"Advanced Thermal Conversion (ATC), the innovative foundation of the FlexGen Array, efficiently transforms discarded resources into clean energy with minimal environmental impact," said Greg Beddoes, CEO of Alluvial. "This technology perfectly complements ABOUND’s energy storage solutions, maximizing efficiency and sustainability. ABOUND’s vision and commitment to clean energy make it the ideal partner to bring the FlexGen Array to its full potential across North America.

Driving Financial and Environmental Impact

The FlexGen Array not only generates clean energy but also seeks to establish a recurring revenue stream for ABOUND and its partners. By integrating the Zaeras™ energy storage technology, ABOUND seeks to optimize energy utilization and amplify long-term value creation for a variety of stakeholders, included but not limited to site owners and developers. This dual-revenue model proposes to capture value across multiple points in the energy ecosystem, strengthening ABOUND’s position as a leader in the clean energy sector.

"This acquisition is a key step for ABOUND, as we expand our portfolio with cutting-edge technologies that accelerate sustainable energy adoption," said Keith Morlock, COO of ABOUND. "The FlexGen Array not only complements our existing energy solutions but also positions ABOUND as a leader in clean energy innovation."

Strategic Acquisition and Growth Plans and Financing

The Transaction, which is proposed to be structured as a share exchange agreement, grants ABOUND full control over the FlexGen Array technology. This strategic move is expected to accelerate ABOUND's ability to access revenue opportunities while supporting its long-term goals for sustainability and market leadership.

By addressing the challenges of deferred revenue generation—previously anticipated to begin with Zaeras™ in late 2026—this acquisition positions ABOUND to achieve its strategic objectives more rapidly. With revenue from FlexGen Array anticipated much sooner, subject to site and regulatory approval, and satisfaction of other conditions, this proposed Transaction lays the foundation for a sustainable and scalable financial trajectory, driving long-term growth and innovation.

“With the integration of the FlexGen Array Resource Recovery technology, we are not just seeking to accelerate our revenue timeline—we are redefining what it means to provide sustainable and innovative energy solutions,” said Jason Birmingham, CEO at ABOUND Energy. “This transaction delivers accelerated value to our shareholders and advances a greener future.”

Looking Ahead

The FlexGen Array is expected to play a pivotal role in expanding ABOUND's technological capabilities while laying the foundation for the deployment of Zaeras™ energy storage technology. This dual focus on resource recovery conversion and energy storage exemplifies ABOUND's commitment to creating a greener, more sustainable future.

We invite investors, stakeholders, and clean energy advocates to join us in this exciting journey. Learn more about ABOUND's mission and investment opportunities by visiting ABOUND Energy's website or contacting us directly.

Proposed Terms of Transaction

The Company has entered into a non-binding letter of intent with Alluvial for the proposed Transaction. Completion of the Transaction is subject to a number of conditions, including entry into a definitive share exchange agreement. Alluvial is an arm's length party to the Company.

Pursuant to the Transaction, ABOUND proposes to acquire all of the issued and outstanding shares of Alluvial by issuing an aggregate of 8,648,647 common shares of ABOUND (the “Consideration Shares”) to current shareholders of Alluvial (the “Vendors”) in exchange for their Alluvial shares. The Consideration Shares are expected to be issued at a deemed price of \$0.045 per share. These shares will be subject to resale restrictions as may be required by Canadian Securities Exchange (“CSE”) and applicable securities laws. All directors and officers of Alluvial will resign on completion of the Transaction.

Completion of the Transaction is subject to a number of conditions, including without limitation, the satisfactory completion of due diligence by ABOUND, entry into a definitive share exchange agreement, completion of certain business milestones by Alluvial and there being no objection from the CSE or any other regulatory body having jurisdiction. The letter of intent may be terminated by ABOUND at any time if it is not satisfied with the results of its due diligence investigations of Alluvial, and may be terminated by either party if (a) the definitive agreement has not been entered into by January 15, 2025; (b) the closing has not taken place by January 31, 2025; or (c) the CSE indicates that it will not approve the Transaction.

Private Placement

ABOUND seeks to raise gross proceeds of up to \$1,000,000 through a non-brokered private placement of units at a subscription price of \$0.075 per unit (the "Offering"). Each unit will be comprised of one (1) common share of Abound and one (1) common share purchase warrant of Abound ("Warrant"). Each Warrant will be exercisable for two (2) years into one common share of Abound at an exercise price of \$0.125 per share in the first twelve (12) months from issuance of the Warrant and at \$0.30 per share after twelve (12) months but before twenty-four (24) months from the date of issuance of the Warrant. The proceeds of the Offering are expected to be used general working capital purposes and to help raise the necessary financing needed to deploy the FlexGen Array technology, integrate it with ABOUND's energy storage solutions, and build a scalable platform for future growth. Completion of the Offering is not conditional upon closing of the Transaction, and the completion of the Transaction is not conditional upon completion of the Offering. The Offering may be closed in one or more tranches, and the securities issued pursuant to the Offering will be subject to a hold period of four months and one day from the date of issuance.

About ABOUND Energy Inc.

ABOUND specializes in developing scalable, environmentally friendly, long-lasting energy technology. Our patented Zaeras™ long-duration energy storage technology, leveraging zinc-air chemistry, guarantees the storage and on-demand delivery of electricity without the limitations or environmental risks associated with current market leaders.

About ABOUND's Zaeras™ Technology

Zaeras™ is precision-engineered to meet future energy requirements, with a specific emphasis on simplifying long-duration energy storage. Harnessing the potential of its multi-patented Zaeras™ technology, ABOUND is poised to facilitate the seamless integration of green energy sources into the grid. This is achieved by minimizing curtailment, bridging the gap between supply and demand, and efficiently integrating green energy into the grid. ABOUND's strategic initiatives encompass opportunities for peak demand reduction, leveraging time-of-use arbitrage, participating in value stacking programs, and entering the distributed long-duration energy storage sector. These endeavors are aligned with our central objective of increasing the integration and resiliency of green energy, while stabilizing the grid.

Distinguished by its inherent safety—free from fire or explosion hazards—Zaeras™ guarantees sustained capacity over an extensive lifecycle. Simultaneously, it showcases versatility by independently managing charge and discharge operations. Comparable to other Flow Battery technologies, scaling up the energy capacity of Zaeras™ is as simple as increasing the size of the fuel tank; a cost-effective solution, from kWh to MWh. This is a welcome alternative to the fixed power-to-energy ratio constraints ingrained in traditional systems, such as Li-ion and Zinc Hybrid Batteries.

To learn more about ABOUND's technology, please visit: <https://Abound.Energy>

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Notice Regarding Forward Looking Statements

All statements and disclosures, other than those of historical fact, which address activities, events, outcomes, results or developments that Abound 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 the proposed Transaction will be completed as described herein, that the Company will derive benefits from the Transaction as described herein, that the completion of the Transaction will accelerate revenue generation for the Company, the timeline for attainment of revenue, the integration and synergies between the technologies of Alluvial and Abound, the proceeds of the Offering will be used as described herein, that the Company will close the Offering, 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. Abound 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 the Company may not enter into a definitive agreement for the Transaction; that the Transaction may not be completed as described herein or at all; that the intended benefits of the Transaction will not be realized; that the Company will not achieve revenue on the timeline described herein or at all; that the technology fo Alluvial may not perform as expected; that the Company may not complete the Offering; that the Company may not use the proceeds of the Offering as described herein, that we are not able to raise additional funds as expected on terms that are favorable to the Company or at all; 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; and certain other risks detailed from time to time in Abound'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.