

FORM 51-102F3

MATERIAL CHANGE REPORT OF CO₂ SOLUTIONS INC.

1. **Name and Address of Company**

CO₂ Solutions Inc. (“**CO₂ Solutions**” or the “**Corporation**”)
2300, rue Jean-Perrin
Québec, Québec
G2C 1T9

2. **Date of Material Change**

August 9, 2013.

3. **News Release**

The Corporation issued a press release on August 12, 2013 through the services of the CNW Group with respect to the material change described below.

4. **Summary of Material Change**

On August 9, 2013, the Corporation completed a non-brokered private placement of 1,200 units of the Corporation (the “**Units**”) at a price of \$1,000 per Unit for aggregate gross proceeds of \$1,200,000 (the “**Offering**”). The Offering was fully subscribed.

Each Unit is comprised of (i) \$1,000 principal amount of convertible subordinated redeemable debentures (the “**Convertible Debentures**”) and (ii) 4,167 common share purchase warrants (the “**Warrants**”). The Convertible Debentures will bear interest at a rate of 10% per annum payable annually on June 30. Interest will be payable, at the option of the Corporation, in cash or, subject to applicable regulatory approvals, in common shares of the Corporation (the “**Common Shares**”) at a deemed price per share equal to the market price at the time of payment. The Convertible Debentures will be convertible at a conversion price of \$0.12 per Common Share and will have a maturity date of June 30, 2016. Each Warrant will entitle its holder to acquire one Common Share at a price of \$0.15 per Common Share until June 30, 2016.

Proceeds of the Offering will be used by CO₂ Solutions for working capital and general corporate purposes.

As previously announced on June 27, 2013, certain insiders of the Corporation participated in the Offering and subscribed for an aggregate 945 Units representing an aggregate amount of \$945,000. Participation of insiders of the Corporation in the Offering constitutes a “related party transaction” as defined under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions Regulation* 61-101 respecting *Protection of Minority Security Holders in Special Transactions* in Quebec (“**MI 61-101**”). The Offering is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101, as neither the fair market value of securities being issued to insiders nor the consideration being paid by insiders will exceed 25% of the Corporation’s market capitalization. The Corporation did not file a material

change report 21 days prior to the closing of the Offering as the details of the participation of insiders of the Corporation had not been confirmed at that time.

All securities issued under the Offering were issued pursuant to exemptions from the prospectus requirements of applicable securities laws and are subject to a statutory resale restriction until December 10, 2013.

5. Full Description of Material Change

Reference is made to the press release attached as Schedule “A” hereto.

6. Reliance on Section 7.1(2) of Regulation 51-102

Not applicable.

7. Omitted Information

Not applicable.

8. Executive Officer

For further information, please contact Thom Skinner, Senior Vice President, Finance and Chief Financial Officer of the Corporation at (418) 842.3456.

9. Date of report

August 13, 2013.

SCHEDULE A

Press release dated August 12, 2013

See attached document.



TSX-V: CST

Outstanding shares: 79,687,836

CO₂ Solutions Announces Closing of Previously Announced Private Placement

Quebec City, QC, August 12, 2013 – CO₂ Solutions Inc. (“**CO₂ Solutions**” or the “**Corporation**”) is pleased to announce the closing of the previously announced non-brokered private placement of 1,200 units of the Corporation (the “**Units**”) at a price of \$1,000 per Unit for aggregate gross proceeds of \$1,200,000 (the “**Offering**”). The Offering was fully subscribed.

Each Unit is comprised of (i) \$1,000 principal amount of convertible subordinated redeemable debentures (the “**Convertible Debentures**”) and (ii) 4,167 common share purchase warrants (the “**Warrants**”). The Convertible Debentures will bear interest at a rate of 10% per annum payable annually on June 30. Interest will be payable, at the option of the Corporation, in cash or, subject to applicable regulatory approvals, in common shares of the Corporation (the “**Common Shares**”) at a deemed price per share equal to the market price at the time of payment. The Convertible Debentures will be convertible at a conversion price of \$0.12 per Common Share and will have a maturity date of June 30, 2016. Each Warrant will entitle its holder to acquire one Common Share at a price of \$0.15 per Common Share until June 30, 2016.

Proceeds of the Offering will be used by CO₂ Solutions for working capital and general corporate purposes.

As previously announced on June 27, 2013, certain insiders of the Corporation participated in the Offering and subscribed for an aggregate 945 Units representing an aggregate amount of \$945,000. Participation of insiders of the Corporation in the Offering constitutes a “related party transaction” as defined under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions Regulation 61-101 respecting Protection of Minority Security Holders in Special Transactions* in Quebec (“**MI 61-101**”). The Offering is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 as neither the fair market value of securities being issued to insiders nor the consideration being paid by insiders will exceed 25% of the Corporation’s market capitalization. The Corporation did not file a material change report 21 days prior to the closing of the Offering as the details of the participation of insiders of the Corporation had not been confirmed at that time.

All securities issued under the Offering were issued pursuant to exemptions from the prospectus requirements of applicable securities laws and are subject to a statutory resale restriction until December 10, 2013.

About CO₂ Solutions Inc.

CO₂ Solutions is an innovator in the field of enzyme-enabled carbon capture and has been actively working to develop and commercialize the technology for stationary sources of carbon pollution. CO₂ Solutions’ technology lowers the cost barrier to Carbon Capture, Sequestration and Utilization (CCSU), positioning it as a viable CO₂ mitigation tool, as well as enabling industry to derive profitable new products from these emissions. CO₂ Solutions has built an extensive patent portfolio covering the use of carbonic anhydrase, or analogues thereof, for the efficient post-combustion capture of carbon dioxide with low-energy aqueous solvents. Further information can be found at www.co2solutions.com.

CO₂ Solutions Forward-looking Statements

Certain statements in this news release may be forward-looking. These statements relate to future events or CO₂ Solutions' future economic performance and reflect the current assumptions and expectations of management. Certain unknown factors may affect the events, economic performance and results of operation described herein. CO₂ Solutions undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable law.

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Investor and Media Contact:

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