

A final base shelf prospectus dated November 23, 2015 containing important information relating to the securities described in this document has been filed with the securities regulatory authorities in the provinces of British Columbia, Alberta, Ontario and Quebec.

A copy of the final base shelf prospectus, any amendment to the final base shelf prospectus and any applicable shelf prospectus supplement that has been filed, is required to be delivered with this document.

This document does not provide full disclosure of all material facts relating to the securities offered. Investors should read the final base shelf prospectus, any amendment and any applicable shelf prospectus supplement for disclosure of those facts, especially risk factors relating to the securities offered, before making an investment decision.

TERM SHEET

DECEMBER 7, 2017

Treasury Offering of Debentures and Warrants

- Issuer:** CO₂ Solutions Inc. (the “**Corporation**”).
- Offering:** Between 1,500 and 2,500 Units (the “**Units**”), or as such number of Units as the Corporation and the Agent may agree. Each Unit consists of \$1,000 principal amount of 8% convertible unsecured debentures (the “**Debentures**”) and 8,333 share purchase warrants (each single share purchase warrant, a “**Warrant**”) of the Corporation, (the “**Offering**”).
- Offering Basis:** Treasury offering under a short-form base shelf prospectus and prospectus supplement (the “**Prospectus Supplement**”).
- Offering Price:** \$1,000 per Unit.
- Aggregate Amount:** Aggregate gross proceeds of between \$1,500,000 and \$2,500,000 pursuant to the short form prospectus Offering (all figures in Canadian dollars).
- Debentures:** The Debentures will mature three years from the Closing Date (the “**Maturity Date**”) and will bear interest at a rate of 8% per annum payable semi-annually in arrears on May 31 and November 30 of each year commencing on May 31, 2018 (the “**Interest**”). The Interest will be payable in cash or in Common Shares, at the option of the Corporation, at the Current Market Price (as defined herein).

Each Debenture will be convertible, at the option of the holder at any time prior to the close of business on the tenth business day immediately preceding the Maturity Date, into the number of common shares in the share capital of the Corporation (the “**Common Shares**”) computed on the basis of (i) an amount equal to the principal amount of the Debentures that is an integral multiple of \$1,000 principal amount divided by the conversion price of \$0.12 per Common Share (the “**Conversion Price**”), which is subject to adjustments in certain events, and (ii) an amount equal to the Make-Whole Amount (as defined herein) divided by the Current Market Price of the Common Shares on the last trading date prior to the date of conversion. The “**Make-Whole Amount**” will be equal to an amount corresponding to the Interest that would have been payable on the Debentures from the date of conversion to the maturity date, provided, however, that such amount will be reduced by 1% for each 1% that the Current Market Price as at the date preceding the notice of conversion exceeds the Conversion Price. For greater clarity, if the Current Market Price were 10% higher than the Conversion Price, the Make-Whole Amount would be 90% of the amount of Interest that would have been payable on the Debentures from the date of conversion to the maturity date. Notwithstanding the foregoing, the aggregate number of Common Shares to be issued upon conversion of the Debentures and for any payment of the Make-Whole Amount in Common Shares shall not exceed the number of Common Shares that is equal to the principal amount of the Debentures divided by the Current Market Price of the Common Shares at the time of the

pricing of the Offering less the 25% maximum discount allowable in accordance with the rules of the TSX Venture Exchange (the “TSXV”). Holders will also be entitled to receive accrued and unpaid Interest since the last Interest payment date, payable in cash or Common Shares, at the Corporation’s option. The Corporation will pay any accrued and unpaid Interest that it elected to pay in Common Shares by issuing and delivering to the Holder that number of fully paid and non-assessable Common Shares obtained by dividing the amount of any accrued and unpaid Interest by the Current Market Price on the last trading date prior to the date of conversion.

The term “**Current Market Price**” will be defined in the indenture governing the Debentures to mean the higher of (i) the closing price of the Common Shares on the TSXV on the date prior to the determination; or (ii) the volume weighted average trading price of the Common Shares on the TSXV for the five consecutive trading days ending on the trading day preceding the date of the applicable event or the date otherwise specified, subject to adjustments in certain circumstances as provided in the indenture.

The Debentures will also be convertible in Common Shares at the option of the Corporation after the first anniversary of the closing date of the Offering subject to certain conditions, through the issuance of a number of Common Shares computed on the same basis as a conversion by holders.

The Corporation will not be able to effect a conversion with respect to any holder beyond a level that would result in such holder holding over 9.9% of the outstanding Common Shares.

The repayment of the principal of the Debentures at maturity will be made in Common Shares exclusively, with holders being entitled to receive a number of Common Shares computed on the basis of the Conversion Price.

The Debentures will be direct, unsecured obligations of the Corporation, ranking equally with one another and with all other existing and future unsecured indebtedness of the Corporation. **The Debentures are non-voting securities of the Corporation and carry no right to participate in earnings of the Corporation and, on liquidation or winding up of the Corporation, in its assets.**

Warrants:

Each full Warrant entitles the holder thereof to purchase one Common Share at \$0.12 for a period of 36 months following the Closing Date. **The Warrants are non-voting securities of the Corporation and carry no right to participate in earnings of the Corporation and, on liquidation or winding up of the Corporation, in its assets, and may not be exercised if their exercise would result in the holder holding over 9.9% of the outstanding Common Shares.**

Use of Proceeds:

The Corporation intends to use the net proceeds of the Offering to pay down existing debt balances, for general and working capital purposes.

Distribution:

The Units will be offered for sale in the Provinces of Quebec, Ontario, Alberta and British Columbia by way of a prospectus supplement filed with applicable securities regulators.

TSXV Listing:

The Corporation shall use its commercially-reasonable efforts to list the Common Shares issuable upon conversion of the Debentures or exercise of the Warrants, on the TSXV.

There is currently no market through which the Debentures and the Warrants may be sold and purchasers may not be able to resell the securities purchased under this Prospectus Supplement. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation.

Tax:

Provided that, at all relevant times, the Common Shares are listed on a “designated stock exchange” within the meaning of the Tax Act (which currently includes the TSXV), the Debentures, Warrants and Common Shares, if issued on the date hereof, would be “qualified investments” under the Tax Act for a trust governed by a registered retirement savings plan (“RRSP”), a registered retirement income fund (“RRIF”), a registered education savings plan, deferred profit sharing plan (in the case of the Debentures, other than a deferred profit sharing plan to which the Corporation, or an employer that does not deal at arm’s length with the Corporation, has made a contribution), registered disability savings plan and a tax-free savings account (“TFSA”) (all as defined by the Tax Act) (each a “Registered Plan”), provided that, in the case of the Warrants, neither the Corporation, nor any person with whom the Corporation does not deal with at arm’s length for purposes of the Tax Act, is an annuitant, a beneficiary, an employer or a subscriber under, or a holder of, such a Registered Plan.

Prospective investors should be aware that the acquisition or disposition of the securities described herein may have tax consequences in Canada. The Prospectus Supplement may not fully describe the tax consequences applicable to investors. Investors should consult and rely on their own tax advisor with respect to their own particular circumstances.

Additional Terms:

Closing is subject to regulatory approvals, including approval of the TSXV.

Agent:

Echelon Wealth Partners Inc.

Agent’s Commission:

The Corporation shall pay to the Agent a cash commission of up to 7% of the gross proceeds realized by the Corporation from the Offering and broker warrants representing up to 7% of the number of Common Shares issuable upon conversion of the Debentures distributed in the Offering, with each broker warrant exercisable to purchase one Common Share at \$0.12 for a period of 36 months following the Closing Date.

Closing Date:

On or about December 19, 2017 or such other date as the Corporation and Agent may agree.

Risk Factors:

An investment in the Units involves a high degree of risk. Before acquiring the Units, prospective investors should consider the risk factors described under “Risk Factors” in the Prospectus Supplement and in the documents that are incorporated by reference in this Prospectus Supplement, which can be found at www.sedar.com.

The Corporation has limited financial resources and negative cash flow from its operations.