

CSE: ATHR FRA: 2OZ

Aether Catalyst Announces Program for Catalyst Technology to Reduce Greenhouse Gas Emissions from Small Motors

Burnaby, British Columbia – August 11, 2020 – Aether Catalyst Solutions, Inc. ("Aether" or the "Company") (CSE: ATHR) (FSE: 2QZ) announces that it is launching a development program targeting the reduction of greenhouse gas emissions from small motors.

The global COVID-19 pandemic has not affected activity in Aether's lab, however, it has temporarily shut down facilities at our Original Equipment Manufacturer ("OEM") testing partners and the measurement/characterization facilities at local universities that we rely on for guidance on our development. Data obtained from external testing and being able to characterize the catalyst iterations that arise from it are necessary for our continued autocatalyst development efforts. We have taken this interruption as an opportunity to shift some of our resources towards exploring an alternative use for our technology.

Aether has been focused on developing its base-metal catalyst technology to meet the difficult emission standards for automobile catalytic converters. However, the technology is also applicable to reduce greenhouse gas emissions from gasoline powered small motors that include generator sets, leaf blowers and lawn mowers. Currently, emissions from these small motors are lessened to the extent possible by simple factory tuning of the motors that allow them to meet minimal requirements. Thus, these devices are still responsible for considerable volumes of urban air pollution, causing significant amounts of smog and greenhouse gas emissions.

The common argument used to justify current emission requirements for small motors has been the cost of precious metal based catalytic converters being too high for consumers. However, with Aether's low-cost emission reduction technology, the cost argument is no longer valid. Additionally, over time, the general awareness of urban air pollution and greenhouse gas emissions has become a major political talking point, and voters are demanding improvements be made. In discussions with a small motor OEM, they say it now appears likely that small motor emissions will be tightened soon, creating a legislated demand for Aether's technology.

Through funding from NRC-IRAP, Aether has been awarded access to a Certified Management Consultant (https://www.cmc-canada.ca/) who will develop a market assessment report for the small motor market. This research will commence shortly and will provide guidance on the requirements for this application. In parallel, Aether is developing a detailed plan for the technical development that will encompass the following activities:

- 1. Design and build test equipment to fully characterize a small motor for the important parameters including, emission levels, pressure drop, and gas temperature.
- 2. Use the characterization from activity 1, to evaluate current technology to quantify effectiveness of Aether's catalytic converter through full range of operation.



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- 3. Scale up technology and build initial non optimized prototype to verify emission reduction on small motors.
- 4. Produce a series of prototypes optimizing catalytic converter size while maintaining high emission reduction and low pressure drop; the target size being roughly equivalent to the existing muffler.
- 5. Using optimized catalytic converters, partner up with local municipalities to validate the technology through field operation.

Aether views the small motor market as a near term opportunity for the commercialization of its technology, and a stepping-stone to the automotive market.

The catalyst technology is the same, however with the small motor application, the durability requirements are much lower, and the low temperature conversion during start up will not be an issue. This makes Aether confident that its technology can successfully tackle the urban air pollution issue due to small motors at a price point that will not adversely affect the sales of small motors.

The Company's main activities remain directed towards the automotive market.

Chief Operating Officer Greg James commented, "We've been intrigued by the possibilities in the small motor market for our technology for some time; in fact, one of the OEMs we've tested with on the automotive side is one of the largest players in the small motor sector. We are also mindful that unlike autocatalyst, where we are trying to replace incumbent technology with a less expensive alternative, in the small market we can have a direct impact on the air quality of major urban centres."

ABOUT AETHER CATALYST SOLUTIONS, INC.:

Aether Catalyst Solutions, Inc. is focused on providing an order of magnitude cost reduction in automotive catalytic converter catalyst, while meeting, or exceeding government emission standards. Aether is working to quickly advance its technology through rapid screening of new materials directed at enhancing end of life conversion levels after accelerated aging. While Aether's primary focus is automotive, other potential applications for this low-cost technology are also being explored. Aether is looking to supplant precious metals in automotive catalysts for gasoline powered engines, a greater than \$20 billion cost annually at today's prices. For more information, please visit our website: www.aethercatalyst.com

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