

ESSTRA INDUSTRIES INC.

Esstra Industries Announces Letter of Intent to Acquire ExSorbtion Inc.

Vancouver, December 15, 2020 – Esstra Industries Inc. (“Esstra” or the “Company”) (TSX.V: ESS) announces that it has entered into a non-binding letter of intent as of December 11, 2020 (the “**LOI**”) which contemplates an arm’s length acquisition of ExSorbtion Inc. (“**ExSorbtion**”). The acquisition, which is subject to signing of a definitive agreement (the “**Definitive Agreement**”), will result in the Company acquiring 100% of the issued and outstanding common shares of ExSorbtion by way of Reverse Take-Over or Change of Business (the “**Transaction**”). The Company currently owns 5% of ExSorbtion. No finder’s fee will be payable in connection with the Transaction.

The Company will issue approximately 20,000,000 common shares (the “**Transaction Shares**”) pro rata to the ExSorbtion shareholders other than the Company for its existing position, (the “**Remaining ExSorbtion Shareholders**”), pursuant to a share exchange which will result in the Remaining ExSorbtion Shareholders receiving shares of the Company in exchange for their shares of ExSorbtion upon closing the Transaction.

The LOI provides that the final structure of the Transaction will be determined once all of the tax, corporate and securities laws issues have been reviewed in detail. Further information will be disseminated in a subsequent news release as soon as further details are available regarding the definitive terms of the Transaction.

To assist the Company in its due diligence of ExSorbtion and its technology the Company has entered into a consulting agreement with Hains Engineering Company Limited (the “**Consultant**”) for a comprehensive analysis and report on the ExSorbtion technology. The Consultant is an industrial minerals exploration and economic geologist with more than 30 years of experience in development, use and analysis of industrial minerals properties and materials, including lithium, and is the author of the ‘Best Practice Guidelines for Reporting of Lithium Brine Resources and Reserves’. Fees payable to the Consultant are not contingent on a favourable opinion related to the ExSorbtion technology or the proposed Transaction. The Consultant has also agreed to provide the Company with technical advice going forward in the event that the Transaction is completed.

Concurrent Financing

In connection with the Transaction, the Company intends to complete a concurrent brokered or non-brokered private placement financing of a minimum of 2,500,000 units (each a “**Unit**”) at a deemed value of \$0.40 per Unit, with each Unit consisting of one common share and one common share purchase warrant exercisable at \$0.80 for a period of one year from the date of issuance (the “**Concurrent Financing**”), for a minimum raise of \$1,000,000. Following completion of the Transaction, the Company will use the net proceeds from the Concurrent Financing to fund post-closing operations. The Units issued in the Concurrent Financing will be subject to a statutory four month hold period. Closing of the Concurrent Financing is subject to negotiation and execution of a Definitive Agreement and receipt of all regulatory approvals.

Conditions Precedent

The Transaction is subject to a number of conditions precedent, including, without limitation, completion of satisfactory due diligence by the Company, receipt of all required corporate and regulatory approvals, third-party approvals and the negotiation and execution of Transaction and Concurrent Financing documents.

About ExSorbtion Inc.

ExSorbtion Inc. was incorporated on December 27, 2017 pursuant to the laws of Nevada and is a research-driven market-focused company that is developing and commercializing a selective adsorption (or direct lithium extraction) technology for extracting lithium from oilfield and geothermal brines and salars (the “**Technology**”). ExSorbtion purchased the global patent and patent-applications portfolio of the Technology from SRI International, an independent research center that has a successful track record of commercializing deep technologies working with Global 2000 corporations and launching more than 50 ventures. ExSorbtion conducted work materially with SRI during 2018 from January 2019 to 2020 to advance the original SRI work and move the Technology closer to commercialization. The Technology is patented and has been developed over 5 years. The Technology has demonstrated faster reaction time, higher lithium selectivity and uptake, and longer sorbent life compared to leading selective adsorption technologies. “Selective Adsorption” is a process similar to ion-exchange, wherein a brine containing lithium is passed through a bed of porous particles (sorbent), and the sorbent selectively adsorbs lithium from the brine. The adsorbed lithium is then extracted from the sorbent using regeneration and other post-processing steps. ExSorbtion’s mission is to be the highest-value supplier of energy storage materials that enable electrification of everything and is engaged in creating innovative solutions that would allow ExSorbtion to provide the most compelling energy storage materials to its partners and customers. ExSorbtion’s August 31, 2020 unaudited financial statements indicate that it had total assets of \$1,720,083 and total liabilities of \$77,625 with no recorded revenue and operating losses of \$16,262.

About Esstra Industries Inc.

Esstra Industries Inc. is listed on the TSX Venture Exchange (the “**Exchange**”) and is classified as an “Investment Company” under applicable Exchange policies.

About the Combined Company

Upon completion of the Transaction, the resulting Company (the “**Combined Company**”) will continue to carry on the business of ExSorbtion.

Listing Statement and Caution

Further details about the Transaction and the Combined Company will be provided in a filing statement of the Company to be prepared and filed in respect of the Transaction. Investors are cautioned that, except as disclosed in the filing statement, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon.

Shareholder Approval and Sponsorship

The Transaction is anticipated to constitute a change of business and/or a reverse takeover in accordance with the policies of the Exchange and, as such, it is expected that approval of the shareholders of Esstra will be required. In addition, unless a waiver is granted by the Exchange, the Transaction will also require that the Combined Company be sponsored by a participating organization of the Exchange. If a waiver is not granted, Esstra will engage a sponsor to fulfil the sponsorship requirements.

Resumption of Trading in the Company Shares and Further News

Trading in the common shares of the Company has been halted and will remain halted pending the satisfaction of all

applicable requirements of the Exchange. Esstra will issue a further news release as soon as further details are available regarding the definitive terms of the Transaction and the resumption of trading. There can be no assurance that trading in the common shares will resume prior to the completion of the Transaction.

Completion of the Transaction is subject to a number of conditions, including but not limited to, Exchange acceptance and if applicable, disinterested shareholder approval. Where applicable, the Transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the Transaction will be completed as proposed or at all. Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the Transaction, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of Esstra should be considered highly speculative. The Exchange has in no way passed upon the merits of the proposed Transaction and has neither approved nor disapproved the contents of this news release.

**On behalf of the Board of Directors,
Esstra Industries Inc.**

Ms. Virginia Olnick
Chief Executive Officer

For further information, please contact the Company at:

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Reader Advisory

This news release may include forward-looking information that is subject to risks and uncertainties. All statements within, other than statements of historical fact, are to be considered forward-looking. Although the Company believes the expectations expressed in such forward-looking information are based on reasonable assumptions, such information is not a guarantee of future performance and actual results or developments may differ materially from those contained in forward-looking information. Factors that could cause actual results to differ materially from those in forward-looking information include, but are not limited to, fluctuations in market prices, successes of the operations of the Company, continued availability of capital and financing and general economic, market or business conditions. There can be no assurances that such information will prove accurate and, therefore, readers are advised to rely on their own evaluation of such uncertainties. The Company does not assume any obligation to update any forward-looking information except as required under the applicable securities laws.

Neither the TSX Venture Exchange nor the Investment Industry Regulatory Organization of Canada accepts responsibility for the adequacy or accuracy of this release.