

Aduro Clean Technologies Corporate Update

2022-05-18

Sarnia, ON, May 18, 2022 – **Aduro Clean Technologies** Inc. ('Aduro' or the 'Company') (CSE: ACT) (OTCQB: ACTHF) (FSE: 9D50), a Canadian developer of patented water-based technologies to chemically recycle plastics and transform heavy crude and renewable oils into new-era resources and higher-value fuels, is pleased to provide shareholders with an update on some of the Company's most significant developments since the start of 2022.

Highlights

- Closed oversubscribed financing of CAD \$2.35M, with management and insider participation of approximately \$245,000
- Signed a letter of intent with Switch Energy for pilot plant and waste plastic feedstock supply
- Developed a go-to-market strategy to accelerate the path towards commercialisation
- Received independent third-party validation of their patented Hydrochemolytic™ Technology process
- Strengthened its board of directors and management with the addition of an experienced independent board member, a COO, and a CFO
- Expanded into Mexico and established local presence with newly hired country manager

Closed oversubscribed financing

On April 28, 2022, Aduro strengthened its balance sheet by successfully closing a non-brokered private placement offering of **C\$2,352,666**, which exceeded the previously announced funding target of C\$2 million. Each Unit was comprised of one common share of the Company at 70 cents per share (each, a "Common Share") and one Common Share purchase warrant (each, a "Warrant"). Each Warrant entitles the holder to acquire one additional Common Share at a price of \$1.00 per Common Share, for a period of two years from the closing date. As previously announced, all board members participated in the Offering. Including both tranches, 349,981 Units were

issued to directors, officers, and other related parties of the Company for gross proceeds of \$244,987. The vote of confidence by our investors will enable the company to continue to focus its attention on execution.

Signed a letter of intent with Switch Energy for pilot plant and waste plastic feedstock supply

Aduro entered into a **letter of intent** on March 28th, 2022 with Switch Energy Corp to develop, build and supply a pre-commercial pilot plant to convert waste agricultural polyethylene into high-value products.

The pilot plant will be scaled at a tons-per-day capacity. The letter of intent outlines a gated plan with three main phases. Phase one, which commenced immediately, included the design and development of a pre-treatment process and unit to handle agricultural waste plastics, test runs, and process optimization, and the provision of the feedstock required. Phase two included the design, building, and commissioning of the pilot plant with phase three detailing the framework for expanding the pilot project into a post-pilot commercial phase.

Developed a go-to-market strategy

Over the past few months, Aduro has streamlined a go-to-market strategy that includes:

- Near term revenue from feedstock assessment through an established customer trials program commencing in 2022
- Building a pilot-scale unit (tons per day scale) and engaging in discussions with a range of potential customers for feedstock trial programs.
- Aduro has a CAPEX light business strategy based on a licensing model stemming from ongoing conversations with potential industry partners. This will allow the Company to operate at a lower burn rate, reducing the need for significant capital injections.

Independent technology validation

On January 20, 2022, Aduro announced the receipt of an **Independent Technology Validation**. "Third-party evaluation increases confidence that our projections regarding lower operating costs and lower energy consumption in commercial applications are technically grounded," said Marc Trygstad, Chief Technology Officer of Aduro.

The results of the work completed by Aduro, and evaluated by Dr. Charpentier, support the continuation of efforts to establish the foundation for HCT scaleup to pilot plants, pre-commercial deployments, and full-scale commercial systems—while creating opportunities for Aduro to continue engagement of potential partners and customers through demonstration projects.

Strengthened management team and board

Appointed **Mena Beshay as Chief Financial Officer** (CFO): Mr. Beshay is a senior executive with over 20 years of progressive experience in financial leadership roles. He has an extensive background in financial stewardship, strategic planning, mergers & acquisitions, debt, and equity financing, and he has led operational and financial turnarounds. He was recently appointed as Director on the Board at Charbone Hydrogen, a TSX-V listed company developing Canadian green hydrogen facilities. Previously, Mr. Beshay served as Chief Financial Officer and Global Head of Corporate Development at CloudMD, a TSX-V listed company developing a connected healthcare ecosystem. His prior experience also includes senior finance, audit, and compliance roles at Enercare (acquired by Brookfield Infrastructure), Domtar, and Deloitte.

Appointed **Gene Cammack as Chief Operating Officer** (COO): Mr. Cammack brings more than 30 years of global experience in the oil & gas and chemical industries. Most recently, he was the Solutions Consulting Manager with the Process Safety Consulting group of Siemens Energy. Just prior, he oversaw Systems Consulting and Product Management for Yokogawa USA.

Appointed **James E. Scott as an Independent Director** to the Aduro Board of Directors. Jim has been an entrepreneur and investor for over 20 years, and he possesses a unique blend of operating and leadership experience including business operations and serving as a director for many private companies and non-profit organizations. Jim has extensive experience in capital raises, M&A activities for start-ups to multi-billion-dollar companies.

Expansion into Mexico with new Country Manager

In November 2021, Aduro joined Canada's commercial trade mission to the Mexican Petroleum Congress 2021 in Monterrey, Nuevo Leon, Mexico. Over the past few months, Aduro has been actively engaging stakeholders in the region, and the appointment of **Humberto Parra as Country Manager** for Mexico marked the first step in establishing a local presence in the market. Humberto will help Aduro with market analysis, business development, and community engagement. He will also establish partnerships with local stakeholders and businesses committed to climate action, sustainability, and growth.

"We continue to focus our attention and resources on the execution of our path forward towards commercializing our Hydrochemolytic™ Technology Platform," said Ofer Vicus, the CEO of Aduro Clean Technologies. "We look forward to sharing further updates that we anticipate will unlock shareholder value," added Vicus.

About Aduro Clean Technologies

Aduro Clean Technologies is a developer of patented water-based technologies to chemically recycle waste plastics; convert heavy crude and bitumen into lighter, more valuable oil; and transform renewable oils into higher-value fuels or renewable chemicals. The Company's Hydrochemolytic™ technology activates unique properties of water in a chemistry platform that operates at relatively low temperatures and cost, a game-changing approach that converts low-value feedstocks into 21st-century resources. With funding and support from **Bioindustrial Innovation Canada**, the company has developed a pre-pilot reactor system to upgrade heavy petroleum into lighter oil.

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Forward-Looking Statements

This news release contains forward-looking statements. All statements, other than statements of historical fact that address activities, events, or developments that the Company believes, expects or anticipates will or may occur in the future, are forward-looking statements. The forward-looking statements reflect management's current expectations based on information currently available and are subject to a number of risks and uncertainties that may cause outcomes to differ materially from those discussed in the forward-looking statements. Although the Company believes that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and, accordingly, undue reliance should not be put on such statements due to their inherent uncertainty. Important factors that could cause actual results to differ

materially from the Company's expectations include adverse market conditions and other factors beyond the control of the parties. The Company expressly disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required by applicable law.

The CSE has not reviewed, approved, or disapproved the content of this news release.