EnerSpar and Israeli-Based Nurexone Announce Definitive Agreement

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Calgary, January 18, 2022 - EnerSpar Corp. (TSXV: ENER) (FSE: 5E0) ("EnerSpar" or the "Company") is pleased to announce that they have entered into an arm's length securities exchange agreement dated January 3, 2022 (the "Agreement"), with Nurexone Biologic Ltd. ("Nurexone") and the shareholders of Nurexone (collectively, the "Vendors"), pursuant to which EnerSpar and Nurexone propose to complete a business combination (the "Proposed Transaction"). The Proposed Transaction will be considered a "Reverse Takeover Transaction" for purposes of TSX Venture Exchange Policy 5.2. Prior to completion of the Proposed Transaction, all of the existing assets, liabilities and operations of EnerSpar will be placed into a new subsidiary company, and the shares of the new subsidiary will be distributed to EnerSpar's existing shareholders.

Nurexone, an Israeli pharmaceutical corporation, is developing an off-the-shelf, minimally invasive, revolutionary treatment for the reversal or reduction in the harmful results of spinal cord injury, using Exosome-based patent-pending technology. The breakthrough treatment is based on licensed technologies from Israel's leading Universities, proven in animal studies to have the potential to treat spinal cord injury. In a joint study conducted on rats at the Technion, Israel's Institute of Technology together with the Tel Aviv University, the treatment showed spinal cord nerve regeneration following complete lesion of the spinal cord, allowing the rats to walk again.

Terms of the Proposed Transaction

Pursuant to the Agreement, EnerSpar will acquire each ordinary share of Nurexone in exchange for 17 post-Consolidation (as herein defined) EnerSpar shares from treasury (the "Consideration Shares"). Fractional Consideration Shares will not be issued. Where the number of Consideration Shares to be issued results in a fraction, the number of Consideration Shares will be rounded down to the nearest whole number. Existing common share purchase warrants of Nurexone inclusive of Nurexone Warrants issuable on the Nurexone Financing (as such terms are defined below) and stock options and other rights to acquire securities of Nurexone will be exchanged for like securities of EnerSpar on a 17 post-Consolidation (as herein defined) for one basis.

Prior to the consummation of the Proposed Transaction, EnerSpar will, subject to the approval of EnerSpar Shareholders, consolidate all the issued and outstanding common shares of EnerSpar ("EnerSpar Shares") on the basis of 10 pre-consolidation EnerSpar Shares for each one post-consolidation EnerSpar Share (the "Consolidation").

Pursuant to the terms of the Proposed Transaction, it is expected that the board of directors of the company resulting from the Proposed Transaction (the "Resulting Issuer") will consist of seven directors proposed to be nominated by Nurexone and expected to be approved by shareholders of Enerspar at an annual and special meeting of shareholders, to be held on February 7, 2022, among other matters including the approval of a name change of the Resulting Issuer to "Nurexone Biologic Inc." and an amended and restated stock option plan of the Resulting Issuer.

EnerSpar currently has 25,536,000 pre-Consolidation EnerSpar Shares, nil common share purchase warrants and 125,000 stock options issued pursuant to EnerSpar's stock option plan that are exercisable into 125,000 pre-Consolidation EnerSpar Shares issued and outstanding.

Nurexone currently has 1,409,690 ordinary shares ("Nurexone Shares"), 231,000 ordinary share purchase warrants issued to TRDF ("Nurexone TRDF Warrants"), 419,064 ordinary share purchase warrants ("Nurexone Other Warrants") and 277,735 stock options issued pursuant to Nurexone's stock option plan issued and outstanding.

Nurexone also has an aggregate principal amount of CAD $1,421,500 of convertible loans outstanding (the "Nurexone CLA"). The aggregate principal amount of the Nurexone CLA (not including accrued interest to the date of conversion) are convertible into an aggregate of 130,653 Nurexone Shares and 56,322 warrants of Nurexone (each a "Nurexone CLA Warrants") at a conversion price of CAD $10.88. Each Nurexone CLA Warrant is exercisable into one Nurexone Share at a price of CAD $20.40 for a period of 24 months from the date of issue of the Nurexone CLA Warrant. The Nurexone CLA bears interest at the rate of 8% per annum and matures on May 23, 2023, subject to Nurexone's right to force conversion immediately prior to the completion of the Proposed Transaction.

The Nurexone Offering

Pursuant to the Agreement, on or prior to the closing of the Proposed Transaction, Nurexone expects to complete a private placement financing for (i) up to a further principal amount of CAD $378,500 of Nurexone CLA which is convertible into 34,821 Nurexone Shares and nil Nurexone CLA Warrants at a conversion price of CAD $10.88 and (ii) up to CAD $1,578,695 being up to an aggregate of 219,263 units of Nurexone (the "Nurexone Private Placement Units") at a price of CAD $7.20 per Nurexone Unit (collectively the "Nurexone Offering"). There is no minimum under the Nurexone Offering. Each Nurexone Private Placement Unit will consist of one Nurexone Share and one ordinary purchase warrant of Nurexone (each a "Nurexone Offering Warrant"). Each Nurexone Offering Warrant is exercisable into one Nurexone Share at an exercise price of CAD $20.40 for a period of 24 months after the date of issue of the Nurexone Offering Warrant.

The Nurexone Offering is ongoing and the gross proceeds of the Nurexone Offering will not be held in escrow pending closing of the Proposed Transaction.

The EnerSpar Offering

In addition, pursuant to the Agreement, on or prior to the closing of the Proposed Transaction, EnerSpar expects to complete a private placement of up to 5,000,000 subscription receipts ("EnerSpar Subscription Receipts") at a price of CAD $0.80 per EnerSpar Subscription Receipt for gross proceeds of up to CAD $4,000,000 (the "EnerSpar Offering") to be held in escrow until the closing of the Proposed Transaction. There is no minimum under the EnerSpar Offering. Each EnerSpar Subscription Receipt will be automatically exchanged, for no additional consideration, into units of EnerSpar (each, an "EnerSpar Unit"). Each EnerSpar Unit consists of one post-Consolidation EnerSpar Share and one warrant of Enerspar ("EnerSpar Warrant"), with each such warrant being exercisable into one post-Consolidation EnerSpar Share at a price of $1.20 for a period of 24 months following the closing of the Proposed Transaction. All EnerSpar Subscription Receipts are held in escrow till the completion of the transaction. The exchange of the EnerSpar Subscription Receipts will be conditional upon the satisfaction of certain escrow release conditions including the completion of the Proposed Transaction and the receipt of all corporate, regulatory, and TSXV approvals relating to the Proposed Transaction.

Reverse Takeover Transaction

No finder's fees are to be paid in connection with the Proposed Transaction. However, immediately prior to completion of the Proposed Transaction, Nurexone will issue 67,647 Nurexone Shares to an arm's length financial advisor in connection with certain financial and advisory services related to the Proposed Transaction (the "Advisory Services Shares").

Upon completion of the Proposed Transaction, the Advisory Services Shares will be exchanged for 1,150,000 Resulting Issuer Shares (post 17:1 basis).

Assuming completion of the maximum Nurexone Offering, the completion of the maximum EnerSpar Offering, conversion of the EnerSpar Subscription Receipts, completion of the Consolidation, the conversion of the principal amount of Nurexone CLA (not including accrued interest), the issuance of the Advisory Services Shares and the completion of the Proposed Transaction on a 17:1 basis, the Resulting Issuer is expected to have 39,165,713 common shares outstanding on a non-diluted basis of which 7,536,000 common shares (representing approximately 19.2%) will be held by current EnerSpar shareholders, inclusive of the holders of the EnerSpar Subscription Receipts and of which 31,654,713 common shares (representing approximately 90.8%) will be held by current security holders of Nurexone (see table under "Pro-Forma fully

diluted shares upon the completion of the Proposed Transaction" below). No one shareholder is expected to own 10% or more of the issued and outstanding common shares in the capital of the Resulting Issuer upon completion of the Proposed Transaction.

Prior to the completion of the Proposed Transaction, the Company must have completed a court-approved arrangement (the "Arrangement") pursuant to the Business Corporations Act (Alberta), pursuant to which, among other things, all of the existing assets and operations of EnerSpar will have been placed into a new subsidiary company, and the shares of the new subsidiary will be distributed to EnerSpar's existing shareholders. The effect of this is that the existing Enerspar business will continue for the sole benefit of the existing EnerSpar shareholders.

The Proposed Transaction, together with, the name change and Consolidation will constitute a Reverse Takeover pursuant to the policies of the TSX Venture Exchange (the "TSXV").

The Proposed Transaction may require sponsorship under the policies of the TSXV unless an exemption from sponsorship is granted. The Company intends to apply for an exemption from sponsorship requirements of the TSXV in connection with the Proposed Transaction. There can be no assurance that such exemption will ultimately be granted.

The Company will not be seeking shareholder approval pursuant to TSXV Policy 5.2 Section 4.1 as: (i) the Proposed Transaction is not a Related Party Transaction (as such term is defined in the policies of the TSXV); (ii) the Issuer currently meets the Tier 2 Continued Listing Requirement (as defined in the policies of the TSXV) and is not listed on the NEX; (iii) the Company is not, and will not, be subject to a cease trade order and will not otherwise be suspended from trading upon completion of the Proposed Transaction; and (iv) shareholder approval for the Proposed Transaction is not required under applicable corporate and securities laws.

Pro-Forma fully diluted shares upon the completion of the Proposed Transaction

The following table outlines in aggregate the number of securities of each of EnerSpar, NurExone, and the Resulting Issuer upon the completion of the Proposed Transaction:

	EnerSpar Shareholders (On a Post-10:1 Consolidation Basis)	NurExone Shareholders (On a Post-17:1 Basis)	Resu Issuer
EnerSpar Shares(A)	2,536,000	-	2,536
EnerSpar Options (A)	12,500	-	12
EnerSpar Offering Shares (B)	5,000,000	-	4,975
EnerSpar Offering Warrants (B)	5,000,000	-	4,975
Nurexone Shares (C)	-	23,964,724	23,964
Nurexone Other Warrants (C)	-	7,124,090	7,124
Nurexone TRDF Warrants (C)	-	3,927,000	3,927
Nurexone CLA Conversion Shares (D)	-	2,221,101	2,221
Nurexone CLA Conversion Warrants (D)	-	957,472	957
Nurexone Offering Shares (E)	-	3,727,474	3,727
Nurexone Offering Warrants (E)	-	3,727,474	3,727
Nurexone Offering CLA Conversion Shares (F)	-	591,413	591
Nurexone Offering CLA Conversion Warrants (F)	-	-	
Advisory Services Shares	-	1,150,000	1,150
Nurexone Options (G)	-	4,721,495	4,721
Total Shares	7,536,000	31,654,713	39,190
Total Warrants	5,000,000	15,736,036	20,711
Total Options	12,500	4,721,495	4,733
Total Fully Diluted	12,548,500	52,112,244	64,660

(A) Outstanding as of January 17, 2021.

(B) Following the completion of the maximum EnerSpar Offering and the conversion of the EnerSpar

Subscription Receipts.

(C) Outstanding as of January 17, 2021.

(D) Issuable upon the forced conversion of the CAD $1,421,500 principal amount of the outstanding Nurexone CLA (but exclusive of accrued 8% interest) on completion of the Proposed Transaction.

(E) Following the completion of the Maximum Nurexone Offering.

(F) Issuable upon the forced conversion of the up to CAD $378,500 principal amount of the Nurexone CLA issuable as part of the maximum Nurexone Offering (but exclusive of accrued 8% interest) on completion of the Proposed Transaction at a conversion price of CAD $10.88 on a pre-17:1 basis (and a conversion price of CAD $0.64 on a post 17:1 basis).

(G) Outstanding as of January 17, 2021.

Management of the Resulting Issuer

Following the completion of the Proposed Transaction, the parties anticipate that the current Board of Directors and management of the Company will resign, with the exception of Mr. James Richardson, remaining as a director of the Company. It is proposed that the following persons will be appointed, in the capacities listed below. Brief biographies of the proposed nominees are as follows:

Yoram Drucker - Chairman of the board and Vice President Strategic Operations

Yoram Drucker has been for the last 20 years a serial entrepreneur in the Israeli biotech industry founding several companies. Mr. Drucker was a co-founder of several companies and is currently serving as a board member at several public companies, among them InnoCan Pharma and IR-Med. Mr. Drucker was co-founder and served as director/management position of Pluristem and Brainstorm presently serves as the CEO of ViruCure Ltd., an Israeli start-up developing a biological cancer treatment. Between 2011 and 2014 Mr. Drucker served as founder, CEO and Chairman of the board of Cell Source Ltd., an Israeli company developing cell therapy to treat transplant rejection and cancer. In 2014 Cell Source Ltd. became a wholly owned subsidiary of Cell Source Inc., by way of a reverse merger. Mr. Drucker was a member of the Cell Source Inc. board of directors until April 9, 2019. Mr. Drucker was co-founder and served as director/management position of Pluristem Therapeutic and BrianStorm Cell Therapeutics.

Dr. Lior Shaltiel - Chief Executive Officer and Director

Dr Lior Shaltiel is an entrepreneur and an awarded scientist with extensive multidisciplinary international experience, specializing in chemical engineering, molecular biology, electrophysiology, pharmacology and drug delivery systems. Lior has years of experience in accelerating Israeli start-ups. Lior has worked in several nano-drug delivery companies such as LipoCure and Ayana Pharma. Before joining Nurexone, Lior was a VP and Partner at a boutique Chinese investment bank operating in Israel mapping the investment landscape and opportunities in the Israeli pharmaceutical industry. Lior is also the initiator and head of the BioMed-MBA program at the Hebrew University. Lior holds a B.Sc in Chemical Engineering and M.Med.Sc in Physiology from Ben-Gurion University of the Negev (BGU), Israel and a Ph.D in Pharmacology from Ludwig-Maximilans University (LMU), Germany.

Gabi Eldor - Vice President Strategic Operations and Board Member

Gabi Eldor Israeli entrepreneur and an expert in IT and advanced technologies, Gabriel has established several high-tech and biotech start-up companies. Over the past 15 years, had extensive experience in multi-billion $USD infrastructure development projects. Profound experience in project management and funding.

Eyal Flom - Legal Counsel and Director

Eyal Flom has practiced as an independent lawyer in Israel since 1997. Prior thereto, Mr. Flom was an associate at Manusavitch Gotfried Law Firm, located in Israel, where he was engaged in commercial and corporate law, intellectual property registration and litigation matters. Mr. Flom has served as the Israeli Pharmaceutical Association legal counsel since April 1995. Mr. Flom has also served as a director in several start-up companies in the field of technology and biotech. Mr. Flom is a member of the board of directors of Innocan Pharma Corporation. Mr. Flom obtained his LLM from Tel Aviv University and his MBA from Derby University (Tel Aviv Campus).

Ron Mayron - Director

Ron Mayron was a senior executive in Teva Pharmaceuticals Industries Ltd. until 2014 and has since been a consultant and board member to several public and private healthcare companies. Since 2014, Mr. Mayron served as CEO of Ron Med Ltd., a private consulting firm, while also acting as a board member to several healthcare companies, including Biolight Ltd. and Icecure Ltd. (both traded on the TASE). Between 2009 and 2013 Mr. Mayron was Vice President - Israel & Africa and CEO of Teva Israel Ltd. at Teva Pharmaceutical Industries Ltd. Mr. Mayron has a B.Sc. in Industrial & Management Engineering from Ben-Gurion University of the Negev in Israel and an M.B.A from Tel Aviv University.

Oded Orgil - an external Director in Canada

Mr. Orgil has over 25 years of experience in Capital Markets as a Financial Advisor and Senior Executive for both bank-owned and national independent firms. As a financial advisor with Merrill Lynch he achieved executive status early in his career working with families, business owners, and professionals managing their wealth and estate planning.

He moved on to hold Senior Executive positions with Canaccord Genuity and Manulife Financial. He was CEO of Gravitas Securities, a national full-service boutique investment firm. During his time there Oded oversaw the firm's expansion to Vancouver, San Jose, and New York. In his career on Bay Street Oded has participated in over $10 Billion of capital market transitions and acquisitions.

Prior to entering the financial services sector, Mr. Orgil practiced law with a downtown Toronto firm.

Mr. Orgil is an active member of the community and has been President of the Canada Israel Chamber of Commerce since 2010. He is a member of the board of directors of Adcore Inc. He holds a Bachelor of Laws (BA) from The University of Western Ontario and a Bachelor of Arts in Political Science from York University.

James (Jay) Richardson, Director

Mr. Richardson is a Canadian Chartered Accountant (1970), a Singapore Certified Public Accountant (1986) and a Fellow of the Insolvency Practitioners' Association of the United Kingdom. He has practiced as a Partner of Clarkson Gordon Arthur Young (now Ernst & Young, Canada and Singapore) and a Partner of KPMG (UK) prior to establishing his own practice as a company doctor in Toronto in 1993. He has served as the CEO or Chairman of listed public companies on six occasions and in many other CFO and private company situations. He has extensive public company governance experience from over a dozen Board memberships including serving as Interim Chairman of the Argus Corporation. In his very extensive charitable and community activities, he is most commonly associated with the visual arts, having served among others as the Chairman of the Royal Canadian Academy.

About EnerSpar

EnerSpar is a TSX Venture Exchange Tier II listed exploration company focused on industrial minerals oriented to today and future energy requirements. Potassic feldspars are especially significant as a hardening agent in today's solar panels and tomorrow's solar shingles.

About Nurexone

Nurexone is an Israeli start-up pharmaceutical company developing a treatment for spinal cord injury based on exosome technology. Nurexone has signed an exclusive worldwide license agreement with the Technion, Israel Institute of Technology, Haifa, to take responsibility for the development and later on manage the clinical studies and commercialization of the technology.

Additional Information

Additional information regarding EnerSpar is available on SEDAR and EnerSpar's website at www.enerspar.com.

Additional information regarding the Proposed Transaction and Nurexone, including the proposed management team and board of directors of the Resulting Issuer, will be made publicly available by EnerSpar and Nurexone in accordance with applicable securities laws and stock exchange requirements upon the execution of a definitive agreement governing the Proposed Transaction.

ON BEHALF OF THE BOARD OF DIRECTORS OF ENERSPAR:

Jay Richardson, Chief Executive Officer, and Director
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READER ADVISORY

Completion of the Proposed 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 listing statement of the Company to be prepared in connection with the Proposed Transaction, any information released or received with respect to the Proposed Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of EnerSpar should be considered highly speculative.

The TSX Venture Exchange has in no way passed upon the merits of the Proposed Transaction and has neither approved nor disapproved of the contents of this press release.

The securities set forth herein have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or any U.S. state securities laws, and may not be offered or sold in the United States or to, or for the account or benefit of, United States persons absent registration or any applicable exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. This press release shall not constitute an offer to sell or the solicitation of an offer to buy securities in the United States, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

FORWARD-LOOKING STATEMENTS

This press release contains forward-looking statements and forward-looking information within the meaning

of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking information or statements. More particularly and without limitation, this press release contains forward looking statements and information concerning the Proposed Transaction, the financings of Nurexone, the expected business of the Resulting Issuer, the negotiation and execution of the Definitive Agreement and the timing thereof and the application to the TSXV in respect of the Proposed Transaction. The forward-looking statements and information are based on certain key expectations and assumptions made by EnerSpar, including expectations and assumptions concerning EnerSpar, Nurexone, the Resulting Issuer, and the Proposed Transaction, the timely receipt of all required securityholder, TSXV and regulatory approvals and the satisfaction of other closing conditions in accordance with the terms of a Definitive Agreement. Although EnerSpar believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward-looking statements and information because EnerSpar can give no assurance that they will prove to be correct. By its nature, such forward-looking information is subject to various risks and uncertainties, which could cause the actual results and expectations to differ materially from the anticipated results or expectations expressed. These risks and uncertainties, include, but are not limited to, the results of the due diligence review on either EnerSpar or Nurexone by the other are less than satisfactory, or the parties are unable to obtain the required TSXV and shareholder approvals. Readers are cautioned not to place undue reliance on this forward-looking information, which is given as of the date hereof, and to not use such forward- looking information for anything other than its intended purpose. EnerSpar undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by law.

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