



CHARBONE HYDROGEN CORPORATION

PRESS RELEASE
For immediate release

CHARBONE HYDROGEN ANNOUNCES Q3 FINANCIAL HIGHLIGHTS

Brossard, Quebec, November 29, 2023 – CHARBONE HYDROGEN CORPORATION (TSXV: CH, OTCQB: CHHYF, FWB:K47) (“**Charbone**” or “**Company**”) is pleased to announce the financial highlights for the nine-month period ending September 30, 2023.

(Unaudited)

	Three-month Period ended September 30 2023	Three-month Period ended September 30 2022	Nine-month Period ended September 30, 2023	Nine-month Period ended September 30, 2022
INCOME				
Hydroelectricity income	\$ 89,290	\$ -	\$ 212,680	\$ -
EXPENSES				
General and administrative expenses (Note 17)	\$ 412,317	\$ 1,405,534	1,948,336	3,018,812
Depreciation of property, plant and equipment	36,687	29,291	111,285	72,579
Depreciation of right-of-use-assets	16,784	11,617	27,772	30,546
Amortization of intangible assets	6,237	1,647	18,711	4,621
	472,025	1,448,089	2,106,104	3,126,558
OPERATING LOSS BEFORE THE FOLLOWING:	(382,735)	(1,448,089)	(1,893,424)	(3,126,558)
FINANCIAL EXPENSES (INCOME) (Note 18)	172,525	18,656	314,980	201,962
REVERSE ACQUISITION OF ORLETTO CAPITAL II (Note 5)	-	-	-	2,788,422
NET LOSS	\$ (555,260)	\$ (1,466,745)	\$ (2,208,404)	\$ (6,116,942)

- ✓ Well executed tightening of spendings, refocusing of activities and reorganizing of administration expenses resulted in a decrease of \$1,070,476 of general and administrative expenses (\$1,948,336 in 2023 compared to \$3,018,812 in 2022).
- ✓ Increase of revenues by \$212,680 (\$212,680 in 2023 compared to \$nil in 2022) generated from the Wolf River acquisition on December 1, 2022.



(Unaudited)

	Nine-month period ended September 30, 2023	Nine-month period ended September 30, 2022
OPERATING ACTIVITIES		
Net loss	\$ (2,208,404)	\$ (6,116,942)
Adjustments:		
Depreciation of property, plant and equipment	111,285	72,579
Depreciation of right-of-use-assets	27,772	30,546
Amortization of intangible assets	18,711	4,621
Interest on debentures (Note 18)	53,567	75,003
Unrealized loss (gain) on foreign exchange (Note 18)	(6,259)	(1,191)
Interest on lease obligations (Notes 13 and 18)	5,203	8,097
Change on fair value of debentures (Note 18)	-	69,394
Gain on settlement of account payable	-	(2,783)
Consideration transferred in excess of net liabilities assumed on reverse acquisition (Notes 5 and 15)	-	2,559,245
Share based compensation	-	180,948
Changes in non-cash working capital items (Note 22)	942,924	149,780
Cash flows used in operating activities	<u>(1,055,201)</u>	<u>(2,970,703)</u>
INVESTING ACTIVITIES		
Changes in advances to key management personnel	318,648	(25,497)
Additions of property, plant and equipment (Note 7)	(188,034)	(769,405)
Security deposits	51,914	-
Cash flows used in investing activities	<u>182,528</u>	<u>(794,902)</u>
FINANCING ACTIVITIES		
Interest received (paid)	-	(44,684)
Changes in short term loan/Issuance of secured convertible debentures	282,323	(42,622)
Due to a company, without interest nor specific repayment terms	-	(4,000)
Payment of lease obligation (Note 13)	(71,099)	(48,399)
Proceeds from issuance of units from private placement (Note 15)	758,420	4,508,000
Share issuance costs (Notes 15 and 16)	(15,226)	(503,257)
Exercise of stock options (Note 16)	-	13,600
Cash flows from financing activities	<u>954,418</u>	<u>3,878,638</u>
NET CHANGE IN CASH	81,745	113,033
EFFECT OF MOVEMENT IN EXCHANGE RATE ON CASH HELD	10,713	(4,234)
CASH (BANK INDEBTEDNESS) AT BEGINNING OF PERIOD	<u>(28,467)</u>	<u>(4,960)</u>
CASH (BANK INDEBTEDNESS) AT END OF PERIOD	<u>\$ 63,991</u>	<u>\$ 103,839</u>

- ✓ The net cash position on September 30, 2023 was a cash of \$63,991 in comparison with indebtedness of \$28,467 at December 31, 2022:
- The Company less usage of cash from operating activities, disbursing only \$1,055,201 in 2023 compared to \$2,970,703 in 2022.
 - The Company has closed tranches of private financings for aggregate proceeds amounting to \$758,420 and Units for debt settlement of \$516,061.
 - The Company received advances' reimbursements of \$318,648 from key management personnel.
 - The Company also obtained an additional \$282,323 in 2023 from Finexcorp financing agreement converted on September 30, 2023, to secured convertible debentures at a deemed price of \$0.10 for a total of \$300,000.



“The management team resilience and the re-focused business plan are the main factors bringing Charbone in a better position to deploy its updated financing plan to complete its first project at Sorel-Tracy (Quebec, Canada), which is under construction and planned to be in production in the first semester of 2024, said Benoit Veilleux, Chief Financial Officer and Corporate Secretary of Charbone, ‘and to continue the development and the deployment of a network of up to 15 facilities in Canada and the United States for the production and distribution of renewable hydrogen by 2028.’”

About Charbone Hydrogen Corporation

Charbone is a green hydrogen group established in North America. The company's strategy is to develop modular and expandable hydrogen facilities and regional hubs. Charbone will be able to produce green dihydrogen molecules using reliable and sustainable energy in order to distinguish itself as a supplier of an ecological solution for industrial, commercial and mobility users.

Forward-Looking Statements

This news release contains statements that are “forward-looking information” as defined under Canadian securities laws (“forward-looking statements”). These forward-looking statements are often identified by words such as “intends”, “anticipates”, “expects”, “believes”, “plans”, “likely”, or similar words. The forward-looking statements reflect management's expectations, estimates, or projections concerning future results or events, based on the opinions, assumptions and estimates considered reasonable by management at the date the statements are made. Although Charbone believes that the expectations reflected in the forward-looking statements are reasonable, forward-looking statements involve risks and uncertainties, and undue reliance should not be placed on forward-looking statements, as unknown or unpredictable factors could cause actual results to be materially different from those reflected in the forward-looking statements. The forward-looking statements may be affected by risks and uncertainties in the business of Charbone. These risks, uncertainties and assumptions include, but are not limited to, those described under “Risk Factors” in the Corporation’s Filing Statement dated March 31, 2022, which is available on SEDAR at www.sedar.com; they could cause actual events or results to differ materially from those projected in any forward-looking statements.

Except as required under applicable securities legislation, Charbone undertakes no obligation to publicly update or revise forward-looking information.

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