



## CHARBONE HYDROGEN CORPORATION

PRESS RELEASE

### CHARBONE HYDROGEN PROVIDES CORPORATE UPDATE ON STRATEGIC PRIORITIES

**Brossard, Quebec, February 29, 2024** – [CHARBONE HYDROGEN CORPORATION](#) (TSXV: CH; OTCQB: CHHYF; FWB: K47) (the “**Company**” or “**Charbone**”), North America’s only publicly traded pure-play green hydrogen company, today provided a company update, including significant progress being made with operating expenses and cash burn rate reductions over the last year, steps to strengthen its balance sheet and reconfirmation of its 100% near-term focus on advancing green hydrogen production and deploying a network of modular and scalable production facilities throughout hydrogen-dependent industrial areas across North America.

"We have been taking important and deliberate steps toward creating long-term shareholder value through a series of successful recapitalization efforts and focusing business activities on green hydrogen production delivery, commercial growth scalability and strengthening our balance sheet," said Dave B. Gagnon, Chairman and CEO of Charbone. "We have completed two recent financings for \$500K and \$850K and expect that our cost reduction efforts will continue to result in a significant decrease in our monthly cash burn-rate, down to approximately \$150,000 vs. the \$450,000 as seen in previous periods."

#### **Burn-Rate and Payables Reductions**

Charbone has implemented a range of significant cost-cutting actions designed to sharpen its capital structure through significant payables and monthly burn-rate reduction, while maintaining a healthy balance sheet and strengthening liquidity.

- The Company has right-sized its monthly burn rate from c. \$450,000 per month to c. \$150,000\$ as per the latest financials dated September 30, 2023.
- As of September 30, 2023, Charbone had 2,800,000\$ in trade payables, and as part of its ongoing plan to recapitalize its balance sheet and clean its payables as well as its debt the following was completed:
  - \$479,162 of third-party payables settled via the issuance of 4,791,619 Units Shares were confirmed as per the press release dated November 9, 2023;
  - \$195,000 of management, including Chief Executive Officer, remuneration debts were settled via the issuance of 1,950,000 Units Shares as per the press release dated November 17, 2023; and



- \$88,066 of third-party payables were settled via the issuance of 880,660 Units Shares as per the press release dated December 7, 2023.

### **Recapitalization Efforts**

Additionally, the Company has recapitalized its balance sheet via the following two financings:

- Equity raise \$499,877 via issuance of 9,997,540 Units Shares closed in two tranches on December 6 and December 15, 2023 as at \$0.05 per Unit; and
- Equity raise of \$849,622 closed on February 1, 2024 via the issuance of 16,992,440 Units Shares as at \$0.05per Unit.

### **Advancing Green Hydrogen Production Efforts**

The Charbone team has worked diligently to refine its technology and proprietary processes with the goal of delivering a network of 16 modular and scalable green hydrogen production facilities in strategic areas across North America by 2030. Development of Charbone’s flagship green hydrogen facility, located in the City of Sorel-Tracy, Quebec along Highway 30’s “Steel Highway,” is set to come online in mid-2024. Production will follow a phased approach, gradually accelerating to produce approximately 200 kg per day once reaching initial full capacity. In the US, plant development will begin with the recently announced project in the Detroit, Michigan area.

"The decisions made to improve operational efficiencies have provided us with a clear path toward achieving several important milestones throughout the course of 2024," Gagnon continued. "I want to thank our shareholders and business partners for their support as we push forward with an exciting green hydrogen production agenda in the months ahead."

### **About Charbone Hydrogen Corporation**

Charbone is an integrated green hydrogen group focused on delivering a North American network of production facilities and technological solutions for the creation and distribution of green hydrogen produced from clean and renewable energies. Providing eco-friendly energy solutions for industrial, institutional, commercial and future mobility users, the Company's strategy is to develop modular and expandable hydrogen facilities producing green and low carbon intensity dihydrogen molecules, with the goal of scaling to deliver 16 modular and scalable green hydrogen production facilities in strategic areas across North America by 2030.

As North America’s only publicly traded pure-play green hydrogen company, Charbone’s common shares are active on the TSX Venture Exchange (TSXV: CH); the OTC Markets (OTCQB: CHHYF); and the Frankfurt Stock Exchange (FWB: K47).



## **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](http://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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