



CHARBONE HYDROGEN CORPORATION

PRESS RELEASE
For immediate release

CHARBONE HYDROGEN Announces the Execution of a Non-Binding Memorandum of Understanding with NORTHWOODS HYDROPOWER Inc. for the Acquisition of the Hydropower Plant Located in Shawano, Wisconsin

Brossard, Québec, August 17, 2022 – CHARBONE HYDROGEN Corporation (TSXV:CH) (“**Charbone**”) is pleased to announce the execution, as of August 16, 2022, of a non-binding memorandum of understanding (the “**MOU**”) between its fully owned subsidiary, Charbone Corporation USA (“**Charbone USA**”), and NORTHWOODS HYDROPOWER INC. (“**Northwoods**”), pursuant to which the parties are entering into discussion and negotiation for the acquisition by Charbone USA of the Wolf River Hydro Limited Partnership, which own a 700 kW operating hydropower plant in Shawano, Wisconsin.

Further to the acquisition by Charbone USA of the Wolf River Hydro Limited Partnership, Charbone USA will complete and update its due diligence on the Tower Kleber Limited Partnership and the Black River Limited Partnership (collectively with the Wolf River Hydro Limited Partnership, the “**Limited Partnerships**”), consisting of a total of 2,760 kW portfolio of three operating hydropower plants located in the Onaway region in Michigan.

The terms and conditions for the acquisition of each of the Limited Partnership will be in the form of a purchase & sale agreement to be concluded for each of the Limited Partnerships (the “**PSA’s**”). The parties wish to conclude a PSA and close the acquisition of each Limited Partnership in stages, starting with the acquisition of the Wolf River Limited Partnership to be concluded on or before November 15, 2022, and the acquisition of the two remaining Limited Partnerships to be concluded on or before December 15, 2022.

The Limited Partnerships are parties to long-term power purchase agreements (the “**PPA’s**”) with large local utilities and are expected to provide Charbone USA with recurrent revenues starting in Q4-2022. Charbone’s strategy is to acquire its own hydropower plants and to modernize and optimize them in order to increase the production and the value of the assets for its shareholders, and further assist Charbone with its deployment of a green hydrogen regional hub.

Charbone brings to the table its expertise in the development and the construction of modular and scalable facilities dedicated to the production of green hydrogen. All plants provide access to Charbone for land space so as to accommodate the green hydrogen facilities while Charbone believes that the actual capacities of the existing plants can be increased by the automation and modernization of the facilities with newer hydro turbine technologies.



Northwoods management and operation team have agreed to continue to perform their duties under Charbone ownership and will work and assist Charbone's engineering team to implement optimisation, modernization, and automation projects at each of the plants. Charbone intends to be one of the first green hydrogen producer in the Midwestern United States.

“Charbone is pursuing its original plans to acquire hydropower plants to support its green hydrogen regional hubs that will grow with the market in specific regions where we believe there is an actual industrial market for hydrogen. They are high quality assets that can be modernized and optimized so as to increase the value of such assets will secure a reliable and consistent revenue stream for Charbone as well as unlock good pricing baseload energy with low operating costs to produce green hydrogen,” said Dave B. Gagnon, Chairman and CEO of Charbone. *“Charbone’s model is unique, with its capabilities of managing low-cost renewable and reliable infrastructure energy sources. This supports Charbone in its work to prepare for the renewable energy industry transition toward local production of green hydrogen with a limited cost of transportation to the market”.*

About Charbone

Charbone is a Canadian green hydrogen company established in North America. The company's strategy consists of developing modular and expandable hydrogen facilities. Through the acquisition of hydropower plants in the United States and in Canada, Charbone intends to produce green dihydrogen molecules using reliable and sustainable energy to distinguish itself as a supplier of an environmentally friendly solution for industrial and commercial companies.

About Northwoods

Northwoods, Wolf River Hydro Limited Partnership, Tower Kleber Limited Partnership and Black River Limited Partnership are U.S. based businesses, wholly owned by a Canadian family, that have been operating the Michigan and the Wisconsin hydropower plants for over 20 years.

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. Specifically, this news release includes forward-looking statements regarding Charbone's expected revenues to be generated by the acquisition of the Limited Partnerships, the negotiation and completion of the PSA's between Charbone USA and each of the Limited Partnerships, other statements regarding future product developments, and markets, including with respect to specific indications, and any other statements which are other than statements of historical fact and the expected timing of such events. The forward-looking statements reflect Charbone's respective 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. Among the key factors that could cause actual results to differ materially: whether Charbone USA and each of the Limited Partnerships are successful in negotiating and entering the PSAs and the availability of, substantial capital in the future to fund its operations. The forward-looking statements may be affected by risks and uncertainties in the business of Charbone.

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

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Contacts

Dave B. Gagnon
Chief Executive Officer and Chairperson of
the Board

CHARBONE Hydrogen Corporation

Telephone: +1 450 678-7171
Email: dg@charbone.com

Daniel Charette
Chief Operating Officer

CHARBONE Hydrogen Corporation

Telephone: 1 514 980 5841
Email: dc@charbone.com

Benoit Veilleux
Chief Financial Officer

CHARBONE Hydrogen Corporation

Telephone: +1 450 678-7171
Email: bv@charbone.com