



CHARBONE CORPORATION AND ORLETTO CAPITAL II INC.

PRESS RELEASE
For immediate release

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the United States*

CHARBONE CORPORATION AND ORLETTO CAPITAL II INC. ANNOUNCE CLOSING OF BROKERED PRIVATE PLACEMENT OF SUBSCRIPTION RECEIPTS

Brossard, Québec, March 17, 2022 – Charbone Corporation (“**Charbone**”) and Orletto Capital II Inc. (TSXV: OLT.P) (“**Orletto**”) a capital pool company listed on the TSX Venture Exchange (the “**Exchange**”) are pleased to announce that Charbone has completed its previously announced brokered private placement of subscription receipts of Charbone (the “**Subscription Receipts**”), as previously announced on October 22, 2021 and March 4, 2022, consisting of 11,270,000 Subscription Receipts at a price of \$0.40 for total gross proceeds of \$4,508,000 (the “**Private Placement**”). The Private Placement was led by Desjardins Capital Markets (“**Desjardins**”). The Private Placement was conducted in connection to the proposed reverse takeover of Orletto by Charbone (the “**Qualifying Transaction**”).

The total gross proceeds of the Private Placement will be held in escrow by TSX Trust Company, until the closing of the Qualifying Transaction and the satisfaction of certain escrow release conditions (collectively, the “**Release Conditions**”). Each Subscription Receipt will entitle its holder, after the closing of the Qualifying Transaction, to receive one common share and one-half warrant of the resulting issuer of the Qualifying Transaction (respectively the “**Resulting Issuer Share**” and the “**Resulting Issuer Warrant**”). Each Resulting Issuer Warrant shall entitle its holder thereof to purchase one Resulting Issuer Share at an exercised price of \$0.60 per Resulting Issuer Share for a period of 18 months following the Qualifying Transaction date.

Charbone has paid to Desjardins a corporate finance fee, through the issuance of 250,000 Subscription Receipts and agreed to pay an 8% cash commission on the gross proceeds from the Private Placement.

As further consideration for the services rendered in connection with the Private Placement, Charbone also issued an aggregate of 901,600 non-transferable compensation options, which will, after the closing of the Qualifying Transaction, give the right to its holder thereof to purchase 901,600 Resulting Issuer Shares at a price of \$0.40 per Resulting Issuer Share for a period of 18 months.





If the Release Conditions are not met on or before April 30, 2022, then all of the Subscription Receipts will be cancelled and all funds will be released from escrow and returned to subscribers.

The net proceeds of the Private Placement will be used on the hydrogen facility project of Charbone and related equipment purchases; maintenance and repair of hydropower plant, payment of interest of Charbone debentures and for working capital and general corporate purposes.

All Subscription Receipts are subject to a Canadian statutory hold period of four months plus one day from the closing date. However, after the Qualifying Transaction, all Resulting Issuer Shares and all Resulting Issuer Warrants will be freely tradeable.

For more information on the Qualifying Transaction, see the press release dated August 3, 2021.

About Charbone

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

About Orletto

Orletto is a capital pool company pursuant to the Exchange's Policy 2.4. Except as specifically contemplated in such policy, until the completion of its Qualifying Transaction, Orletto will not carry on business, other than identification and evaluation of companies, businesses or assets with a view to completing a Qualifying Transaction. Investors are cautioned that trading in the securities of a capital pool company is considered highly speculative.

Other Matters

A draft filing statement respecting the Resulting Issuer and the Qualifying Transaction has been prepared and filed for review in accordance with the policies of the Exchange and the applicable securities laws.

Trading in Orletto's common shares has been halted in compliance with the policies of the Exchange, and will remain halted pending the review of the Qualifying Transaction by the Exchange and the *Autorité des marchés financiers* and satisfaction of the conditions of the Exchange for resumption of trading. It is likely that trading in Orletto's common shares will not resume prior to the closing of the Qualifying Transaction.

Charbone has supplied all information contained in this news release with respect to Charbone and Orletto and its directors and officers have relied on Charbone for any such information.





The securities described in this press release, and the securities into which they may be converted or exchanged, have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the U.S. Securities Act of 1933, as amended) absent registration or an exemption from registration. This press release shall not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction where such offer, solicitation, or sale would be unlawful.

Cautionary Note

Completion of the Qualifying Transaction is subject to a number of conditions, including but not limited to, Exchange acceptance and if applicable pursuant to Exchange requirements, majority of the minority shareholder approval. Where applicable, the Qualifying Transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the Qualifying Transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the filing statement to be prepared in connection with the Qualifying Transaction, any information released or received with respect to the Qualifying Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of a capital pool company should be considered highly speculative.

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

All information contained in this news release with respect to Orletto and Charbone was supplied by the parties, respectively, for inclusion herein, and Orletto and its respective directors and officers have relied on Charbone for any information concerning Charbone.





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 the potential Qualifying Transaction, the intend use of proceeds, the satisfaction of the Release Conditions before April 30, 2022, and the timing for those events. The forward-looking statements reflect the Orletto and 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 Orletto and Charbone believe 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 the parties are successful in negotiating and entering a definitive agreement for the Qualifying Transaction, whether they are able to obtain all necessary regulatory approvals for the Qualifying Transaction and whether they are able to satisfy the listing conditions for the listing of the common shares of the resulting issuer of the Qualifying Transaction on the Exchange; whether they are able to complete any necessary financing; and whether they are able to obtain all shareholder and third party consents necessary to complete the Qualifying Transaction. The forward-looking statements may be affected by risks and uncertainties in the business of Orletto and Charbone.*

Except as required under applicable securities legislation, Orletto and Charbone undertake 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.





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