



CHARBONE HYDROGEN CORPORATION

CORRECTED PRESS RELEASE

CHARBONE Hydrogen is Acquiring Hydrogen Production Assets and Closing a First Tranche of \$1M Private Placement Financing

Brossard, Quebec, September 5, 2025 – [CHARBONE HYDROGEN CORPORATION](#) (TSXV: CH; OTCQB: CHHYF; FSE: K47) (the “Company” or “CHARBONE”), a company focused on green hydrogen production and distribution, is pleased to announce it has signed, on September 4, 2025, an Asset Purchase Agreement to acquire operational hydrogen production and refuelling equipment in Quebec. The strategic acquisition will enable CHARBONE to fast-track the commissioning of CHARBONE’s flagship Sorel-Tracy facility phase 1 and empower CHARBONE to produce and deliver first industrial high purity hydrogen (UHP) sales in the upcoming quarter.

The equipment, currently in use will be dismantled, repurposed and relocated to Sorel-Tracy.

This transaction follows CHARBONE’s signing of a **non-dilutive USD 50 million construction capital facility** announced on May 1 and June 4, 2025. While this facility is earmarked for broader project financing rather than this equipment purchase, it demonstrates CHARBONE’s strengthened capital position and ability to scale up its overall development plan.

Key Investor Highlights

- **Accelerated Timeline:** Repurposing proven operating equipment reduces installation costs of new equipment — enabling production by **early Q4 2025**.
- **Selection Process:** CHARBONE has been selected as the buyer of the equipment as the seller has accepted **\$1M in CHARBONE stock** as part of a portion of the purchase price at an issue price equal to the market price of CHARBONE’s shares on the TSX Venture Exchange on the effective date plus a cash balance payable in 3 tranches payment, with one-third payment on the effective date and the remaining paid over two years — preserving cash for growth.
- **Operational Progress:** Grid connection is completed; Hydro-Québec installed the energy meter on July 22, and completed the interconnection on August 13, while the Town of Sorel-Tracy completed the water connection to its main system, providing the site with the two elements needed for hydrogen production.

Private Placement Details

Additionally, CHARBONE is pleased to announce the sequential closings of its \$1M non-brokered private placement (the “Equity Offering”). The Company has already secured \$0.5 million to accelerate the completion of its flagship green hydrogen production facility in Sorel-Tracy, Quebec.

- The initial tranche involved the issuance of 7,699,666 units. A second tranche for the remaining \$0.5M is expected to close by October 15, 2025.



- The proceeds from the Equity Offering will be primarily allocated to the Company’s purchase of the operating hydrogen equipment, re-installation at the Sorel-Tracy site, and infrastructure development, and general working capital requirements.
- Each of the units offered (each a “Unit”), priced at \$0.06 per Unit, included one common share of the Company (each, a “Unit Share”) and one common share purchase warrant (each, a “Warrant”). Each Warrant gives the holder the right to buy one additional common share of the Company at an exercise price of \$0.08 for 24 months after the closing date of the Offering (the “Closing Date”). At the Closing Date, the Company paid a finder’s fee of \$17,222 and issued 287,040 finder’s warrants to registered dealers related to the sale of certain Units to qualified subscribers introduced by such dealers. The Units were offered under the “accredited investor” exemptions of National Instrument 45-106 – *Prospectus Exemptions* (in Québec, Regulation 45-106 – *Prospectus Exemptions*). However, the Company reserves the right to decline subscription amounts below \$5,000 (83,333 Units) to avoid excessive administrative costs.
- The closing of the Equity Offering remains subject to the approval of the TSX Venture Exchange and other customary closing conditions. The Company may close a second tranche in the coming days, but no later than October 15, 2025. All securities issued under the Offering are subject to a statutory four-month and one-day hold period in Canada following the Closing Date.
- This news release does not constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of securities in any jurisdiction where such offer, solicitation, or sale would be unlawful, including in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “1933 Act”) or any applicable state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the 1933 Act) unless registered under the 1933 Act and relevant state laws, or if an exemption from registration is available.

CEO Comment

“Investors have waited for Sorel-Tracy to move from development to revenue,” said **Dave Gagnon, President and CEO of CHARBONE**. “By repurposing proven equipment — at a lower cost of a new build — and structuring the deal to preserve cash, we’re entering execution mode with strong capital backing and minimal dilution. **He continues;** This acquisition positions us to deliver green and high purity hydrogen (UHP) to our industrial customers quicker, and with best-in-class operating equipment.”

Why This Matters

This acquisition signals a **turning point** for CHARBONE: after years of development, the company is positioned to deliver its first hydrogen revenues, leverage non-dilutive capital to scale, and capture early-mover advantages in the North American green hydrogen market.



About CHARBONE HYDROGEN CORPORATION

CHARBONE is an integrated company specialized in Ultra High Purity (UHP) hydrogen and the strategic distribution of industrial gases in North America and the Asia-Pacific region. It is developing a modular network of green hydrogen production while partnering with industry players to supply helium and other specialty gases without the need to build costly new plants. This disciplined strategy diversifies revenue streams, reduces risks, and increases flexibility. The CHARBONE group is publicly listed in North America and Europe on the TSX Venture Exchange (TSXV: CH), the OTC Markets (OTCQB: CHHYF), and the Frankfurt Stock Exchange (FSE: K47). For more information, visit www.charbone.com.

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.

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.

Contact Charbone Hydrogen Corporation

Telephone: +1 450 678 7171

Email: ir@charbone.com

Benoit Veilleux

CFO and Corporate Secretary