



ORLETTO CAPITAL II AND CHARBONE CORPORATION

PRESS RELEASE
For immediate release

ORLETTO CAPITAL II INC. AND CHARBONE CORPORATION TRANSACTION UPDATE ON ITS FINANCING

Brossard, Québec, March 4, 2022 – Orletto Capital II Inc. (TSXV: OLT.P) (“**Orletto**”) a capital pool company listed on the TSX Venture Exchange (the “**Exchange**”) and Charbone Corporation (“**Charbone**”) are pleased to announce that Charbone entered into a leasing agreement on February 16, 2022 (the “**Leasing Agreement**”) of up to \$2,500,000 with Finexcorp Inc. (“**Finexcorp**”) in connection with the financing for the Qualifying Transaction. The Leasing Agreement is an arm’s length transaction and will provide increased financial flexibility in carrying out Charbone’s business plan. Proceeds from the Leasing Agreement will be used to acquire equipment for Charbone’s hydrogen facility located in Sorel-Tracy. The term of the Leasing Agreement will be 60 months and it will be secured by a first ranking security on the equipment to be acquired through the Leasing Agreement. The annualized interest rate under the Leasing Agreement is 14% and Charbone will benefit from a capital-interest moratorium for a six-month period. Charbone also paid \$7,500 as engagement fees and will pay a 0.1% monthly management fee payable on a quarterly basis, to Finexcorp under the Leasing Agreement.

Subsequent to the execution of the Leasing Agreement, and in recognition of the current market environment, Charbone has elected to reduce the minimum offering size of its previously announced concurrent financing (the “**Concurrent Financing**”) to the proposed reverse take over of Orletto by Charbone (the “**Qualifying Transaction**”). Charbone now expects to complete the Concurrent Financing by raising a minimum of \$4,500,000 through the issuance of 11,250,000 subscription receipts of Charbone. The Concurrent Financing and the Leasing Agreement will provide Charbone a total financing of \$7,000,000, which will allow Charbone to pursue its business plan. In the event that the Concurrent Financing secures an amount of proceeds greater than \$4,500,000, the amount of the Leasing Agreement will be reduced by a corresponding amount, such that the total amount of the financing available to the Resulting Issuer will be \$7,000,000.

The net proceeds of the Concurrent Financing and the Leasing Agreement are to be deployed 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.

Closing of the Concurrent Financing is expected to take place on or around March 17, 2022.





For more information on the Qualifying Transaction, see the press release dated August 3, 2021, and for more information on the Concurrent Financing, see the press release dated October 22, 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.

About Finexcorp

Finexcorp is a privately owned corporation based in the province of Québec and is specialized in asset-based financing and, more specifically, in financing partnerships.

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 completion of, and the terms and conditions of the Concurrent Financing, the completion of, and the terms and conditions of the Leasing Agreement, 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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