

## FORM 5

### QUARTERLY LISTING STATEMENT

Name of Listed Issuer: Hydrograph Clean Power Inc. (the "Issuer").

Trading Symbol: **HG**

#### **SCHEDULE A: FINANCIAL STATEMENTS**

Financial statements for the interim three and six months ended March 31, 2026 ("Financial Statements") are attached to this Quarterly Listing Statement.

#### **SCHEDULE B: SUPPLEMENTARY INFORMATION**

**1. Related party transactions**

Please refer to the Company's condensed consolidated interim financial statements and MD&A for the three and six months ended March 31, 2026.

**2. Summary of securities issued and options granted during the period.**

Please refer to the Company's condensed consolidated interim financial statements and MD&A for the three and six months ended March 31, 2026.

**3. Summary of securities as at the end of the reporting period.**

Please refer to the Company's condensed consolidated interim financial statements and MD&A for the three and six months ended March 31, 2026.

**4. List the names of the directors and officers, with an indication of the position(s) held, as at the date this report is signed and filed.**

| <b>Name</b>       | <b>Director</b> | <b>Positions Held</b>           |
|-------------------|-----------------|---------------------------------|
| Kjirstin Breure   | Chair           | CEO, President                  |
| Tom Wilkinson     | Director        | Independent                     |
| Grant Duthie      | Director        | Independent                     |
| Cordell Bennigson | Director        | Independent                     |
| Kerry Landis      | Director        | Independent                     |
| Matthew Anderson  |                 | Interim Chief Financial Officer |

## **SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS**

Management discussion and analysis for the interim three and six months ended March 31, 2026 ("MD&A") is attached to this Quarterly Listing Statement.

## Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Quarterly Listing Statement.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated: **May 29, 2026**

Matthew Anderson  
Name of Director or Senior Officer

"Matthew Anderson"  
Signature

Interim CFO  
Official Capacity

|  |  |  |   |
|--|--|--|---|
| <b>Issuer Details</b>                                    |  | For Quarter Ended  | Date of Report YY/MM/D                  |
| Name of Issuer<br>Hydrograph Clean Power Inc.            |  | March 31, 2026   | 26/05/29                                |
| Issuer Address<br>1100 – 1199 West Hastings Street       |  |  |   |
| City/Province/Postal Code<br>Vancouver, BC, V6E 3T5      |  | Issuer Fax No.<br>( ) NA   | Issuer Telephone No.<br>(480) 267-2556  |
| Contact Name<br>Matthew Anderson                         |  | Contact Position<br>Interim CFO  | Contact Telephone No.<br>(236) 326-2877 |
| Contact Email Address<br>Matthew.anderson@hydrograph.com |  | Web Site Address<br><a href="http://www.hydrograph.com">www.hydrograph.com</a> |   |

# SCHEDULE "A"

## HYDROGRAPH CLEAN POWER INC.

### CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended March 31, 2026 and 2025

(Expressed in United States Dollars)

(Unaudited)

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**HYDROGRAPH CLEAN POWER INC.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2026 AND SEPTEMBER 30, 2025**  
(Expressed in United States dollars)  
(Unaudited)

|   | Note | March 31,<br>2026<br>\$ | September 30,<br>2025<br>\$ |
|---|------|-------------------------|-----------------------------|
| <b>ASSETS</b>                                     |      |                         |                             |
| <b>CURRENT ASSETS</b>                             |      |                         |                             |
| Cash  |      | 42,781,891              | 8,737,793                   |
| Prepays   | 3    | 684,099                 | 218,069                     |
| Accounts Receivable                               |      | 9,318                   | -                           |
| Tax receivable                                    |      | 83,873                  | 47,265                      |
|   |      | 43,559,181              | 9,003,127                   |
| <b>NON-CURRENT ASSETS</b>                         |      |                         |                             |
| Deposits  | 6    | 284,070                 | 284,070                     |
| Technology and development costs                  | 4    | 3,159,078               | 3,178,078                   |
| Right-of-use asset                                | 6    | 1,325,743               | 47,068                      |
| Property, plant and equipment                     | 5    | 2,511,402               | 1,028,994                   |
|   |      | 7,280,293               | 4,538,210                   |
| <b>TOTAL ASSETS</b>                               |      | <b>50,839,474</b>       | <b>13,541,337</b>           |
| <b>LIABILITIES</b>                                |      |                         |                             |
| <b>CURRENT LIABILITIES</b>                        |      |                         |                             |
| Accounts payable and accrued liabilities          | 7    | 1,033,518               | 2,932,979                   |
| Lease liability                                   | 6    | 349,204                 | 62,444                      |
|   |      | 1,382,722               | 2,995,423                   |
| <b>NON-CURRENT LIABILITIES</b>                    |      |                         |                             |
| Other liabilities                                 | 7    | 48,000                  | 66,000                      |
| Lease liability                                   | 6    | 1,152,312               | -                           |
|   |      | 1,200,312               | 66,000                      |
| <b>TOTAL LIABILITIES</b>                          |      | <b>2,583,034</b>        | <b>3,061,423</b>            |
| <b>SHAREHOLDERS' EQUITY</b>                       |      |                         |                             |
| Share capital                                     | 8    | 59,676,189              | 31,335,485                  |
| Reserves  | 8    | 19,553,732              | 2,799,594                   |
| Accumulated other comprehensive loss              |      | (670,265)               | (326,119)                   |
| Deficit   |      | (30,303,216)            | (23,329,046)                |
| <b>TOTAL SHAREHOLDERS' EQUITY</b>                 |      | <b>48,256,440</b>       | <b>10,479,914</b>           |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b> |      | <b>50,839,474</b>       | <b>13,541,337</b>           |

|                      |    |
|----------------------|----|
| Nature of operations | 1  |
| Commitments          | 9  |
| Subsequent events    | 14 |

Approved on Behalf of the Board of Directors

"Kjirstin Breure"  
Kjirstin Breure, CEO, President, Director

"Tom Wilkinson"  
Tom Wilkinson, Director

**HYDROGRAPH CLEAN POWER INC.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**  
**FOR THE THREE AND SIX MONTHS ENDED MARCH 31, 2026 AND 2025**  
(Expressed in United States dollars)  
(Unaudited)

|   | Note | Three months ended<br>2026<br>\$ | March 31,<br>2025<br>\$ | Six months ended<br>2026<br>\$ | March 31,<br>2025<br>\$ |
|---|------|----------------------------------|-------------------------|--------------------------------|-------------------------|
| Sales   |      | 51,015                           | 22,632                  | 70,700                         | 22,948                  |
| Cost of sales   |      | (38,951)                         | (5,186)                 | (93,749)                       | (7,158)                 |
| Gross Profit  |      | 12,064                           | 17,446                  | (23,049)                       | 15,790                  |
| Expenses  |      |                                  |                         |                                |                         |
| Amortization  | 4    | 19,000                           | -                       | 19,000                         | -                       |
| Depreciation  | 5, 6 | 230,125                          | 73,357                  | 410,496                        | 145,948                 |
| Exchange and filing fees  |      | 43,431                           | 13,375                  | 56,661                         | 19,731                  |
| Insurance   |      | 46,295                           | 37,397                  | 74,999                         | 40,250                  |
| Lease accretion   | 6    | 30,492                           | 3,377                   | 60,807                         | 7,056                   |
| License maintenance fees  |      | 21,153                           | 11,228                  | 90,938                         | 79,161                  |
| Office and miscellaneous  |      | 84,353                           | 56,422                  | 221,658                        | 110,936                 |
| Professional fees   | 12   | 811,102                          | 141,231                 | 1,541,777                      | 279,225                 |
| Rent and occupancy  |      | 43,269                           | 6,534                   | 56,184                         | 13,068                  |
| Research  |      | 146,685                          | 94,909                  | 319,631                        | 111,321                 |
| Salaries  | 7    | 1,137,945                        | 385,580                 | 1,838,641                      | 815,346                 |
| Stock-based compensation  | 7, 8 | 1,159,333                        | 127,731                 | 2,077,791                      | 336,884                 |
| Travel and promotion  |      | 199,316                          | 152,526                 | 409,555                        | 233,260                 |
| Total Expenses  |      | 3,972,499                        | 1,103,667               | 7,178,138                      | 2,192,186               |
| Loss before other income (expenses)   |      | (3,960,435)                      | (1,086,221)             | (7,201,187)                    | (2,176,396)             |
| Foreign exchange loss   |      | (17,188)                         | (4,544)                 | (32,617)                       | (15,129)                |
| Other income  |      | 157,504                          | 11,511                  | 259,634                        | 17,103                  |
| Net loss  |      | (3,820,119)                      | (1,079,254)             | (6,974,170)                    | (2,174,422)             |
| Other comprehensive income<br>Item that will not be reclassified to<br>profit or loss |      |                                  |                         |                                |                         |
| Foreign exchange translation<br>adjustment  |      | (791,268)                        | (949)                   | (344,146)                      | (58,926)                |
| Comprehensive loss  |      | (4,611,387)                      | (1,080,203)             | (7,318,316)                    | (2,233,348)             |
| Net loss per share, basic and diluted   |      | (0.01)                           | (0.00)                  | (0.02)                         | (0.01)                  |
| Weighted average common shares<br>outstanding   |      | 342,756,195                      | 256,965,903             | 338,021,978                    | 246,246,227             |

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

**HYDROGRAPH CLEAN POWER INC.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE SIX MONTHS ENDED MARCH 31, 2026 AND 2025**  
**(Expressed in United States dollars)**  
**(Unaudited)**

|                                    | Note | Shares<br>Issued<br># | Share Capital<br>\$ | Reserves<br>\$ | Accumulated<br>Other<br>Comprehensive<br>Gain (Loss)<br>\$ | Accumulated<br>Deficit<br>\$ | Total<br>\$ |
|------------------------------------|------|-----------------------|---------------------|----------------|--|------------------------------|-------------|
| Balance, September 30, 2024        |      | 230,810,374           | 15,176,345          | 4,918,958      | (242,914)  | (15,179,754)                 | 4,672,635   |
| Private placement                  |      | 23,960,003            | 2,033,669           | 668,252        | -  | -                            | 2,701,921   |
| Share issue costs                  |      | -                     | (231,509)           | 62,103         | -  | -                            | (169,406)   |
| Shares issued for warrant exercise |      | 6,428,445             | 1,099,568           | (255,082)      | -  | -                            | 844,486     |
| Shares issued for option exercise  |      | 112,500               | 28,429              | (8,858)        | -  | -                            | 19,571      |
| Stock-based compensation           |      | -                     | -                   | 336,884        | -  | -                            | 336,884     |
| Net loss and comprehensive loss    |      | -                     | -                   | -              | (58,926)   | (2,174,422)                  | (2,233,348) |
| Balance, March 31, 2025            |      | 261,311,322           | 18,106,502          | 5,722,257      | (301,840)  | (17,354,176)                 | 6,172,743   |
| Balance, September 30, 2025        |      | 324,893,094           | 31,335,485          | 2,799,594      | (326,119)  | (23,329,046)                 | 10,479,914  |
| Private placement                  | 8    | 12,778,908            | 18,534,563          | 17,594,070     | -  | -                            | 36,128,633  |
| Share issue costs                  | 8    | -                     | (4,760,407)         | 1,878,903      | -  | -                            | (2,881,504) |
| Shares issued for warrant exercise | 8    | 10,420,396            | 12,253,308          | (4,711,559)    | -  | -                            | 7,541,749   |
| Shares issued for option exercise  | 8    | 925,000               | 217,770             | (85,067)       | -  | -                            | 132,703     |
| Shares issued for debt settlement  | 8    | 750,000               | 2,095,470           | -              | -  | -                            | 2,095,470   |
| Stock-based compensation           | 8    | -                     | -                   | 2,077,791      | -  | -                            | 2,077,791   |
| Net loss and comprehensive loss    |      | -                     | -                   | -              | (344,146)  | (6,974,170)                  | (7,318,316) |
| Balance, March 31, 2026            |      | 349,767,398           | 59,676,189          | 19,553,732     | (670,265)  | (30,303,216)                 | 48,256,440  |

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

**HYDROGRAPH CLEAN POWER INC.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE SIX MONTHS ENDED MARCH 31, 2026 AND 2025**  
**(Expressed in United States dollars)**  
**(Unaudited)**

|  | Notes | 2026<br>\$         | 2025<br>\$         |
|--|-------|--------------------|--------------------|
| <b>CASH PROVIDED BY (USED IN):</b>               |       |                    |                    |
| <b>OPERATING ACTIVITIES</b>                      |       |                    |                    |
| Net loss   |       | (6,974,170)        | (2,174,422)        |
| Add back non-cash items:                         |       |                    |                    |
| Amortization                                     | 4     | 19,000             | -                  |
| Depreciation                                     | 5, 6  | 410,496            | 145,948            |
| Lease accretion                                  | 6     | 60,807             | 7,056              |
| Stock-based compensation                         | 7, 8  | 2,077,791          | 336,884            |
| Unrealized foreign exchange gain                 |       | (70,245)           | (8,467)            |
| Changes in non-cash working capital balances:    |       |                    |                    |
| Prepays  |       | (466,030)          | (28,041)           |
| Accounts receivable                              |       | (9,318)            | (19,557)           |
| Tax receivable                                   |       | (36,608)           | (38,169)           |
| Accounts payable and accrued liabilities         |       | 196,009            | (175,846)          |
| Customer deposits                                |       | -                  | 4,896              |
| Other liabilities                                |       | (18,000)           | (15,000)           |
| <b>Cash used in operating activities</b>         |       | <b>(4,810,268)</b> | <b>(1,964,718)</b> |
| <b>INVESTING ACTIVITY</b>                        |       |                    |                    |
| Acquisition of property, plant and equipment     | 5     | (1,721,164)        | (29,291)           |
| <b>Cash used in investing activity</b>           |       | <b>(1,721,164)</b> | <b>(29,291)</b>    |
| <b>FINANCING ACTIVITIES</b>                      |       |                    |                    |
| Shares issued for cash, net                      | 8     | 33,247,129         | 2,532,515          |
| Shares issued on warrant exercise                | 8     | 7,541,749          | 844,486            |
| Shares issued on option exercise                 | 8     | 132,703            | 19,571             |
| Repayments of lease liability                    | 6     | (72,150)           | (37,375)           |
| <b>Cash provided by financing activities</b>     |       | <b>40,849,431</b>  | <b>3,359,197</b>   |
| Foreign currency translation differences on cash |       | (273,901)          | (50,459)           |
| Increase in cash                                 |       | 34,044,098         | 1,314,729          |
| Cash, beginning                                  |       | 8,737,793          | 780,966            |
| <b>Cash, ending</b>                              |       | <b>42,781,891</b>  | <b>2,095,695</b>   |

Supplemental cash flow information – Note 13

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**HYDROGRAPH CLEAN POWER INC.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE AND SIX MONTHS ENDED MARCH 31, 2026 AND 2025**  
**(Expressed in United States dollars)**  
**(Unaudited)**

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**1. NATURE AND CONTINUANCE OF OPERATIONS**

HydroGraph Clean Power Inc. (the “Company”) was incorporated under the Laws of the Province of British Columbia on June 26, 2017. The address of the Company’s corporate office and its principal place of business is 1100 – 1199 West Hastings Street, Vancouver, BC, Canada.

The Company’s principal business activity is the acquisition and development of graphene and hydrogen related products and services. The Company is listed on the Canadian Stock Exchange (the “CSE”) under the ticker symbol HG.

**2. BASIS OF PRESENTATION**

a) Basis of presentation and statement of compliance

These condensed interim consolidated financial statements are prepared in accordance with IFRS Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and the IFRS Interpretations Committee (“IFRIC”) applicable to the preparation of interim financial statements, including IAS 34 - Interim Financial Reporting. These condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended September 30, 2025, which have been prepared in accordance with IFRS as issued by the IASB.

In the preparation of these condensed interim consolidated financial statements, the Company has used the same accounting policies and methods of computation as in the annual consolidated financial statements for the year ended September 30, 2025, except as noted below. The preparation of condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

All amounts are expressed in United States Dollars (\$) except where otherwise noted as Canadian Dollars (CAD\$).

These condensed interim consolidated financial statements were approved and authorized for issue by the Board of Directors on May 29, 2026.

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Determination of functional currency involves certain judgments to determine the primary economic environments in which the entities operate. Management reconsiders the functional currency of our entities if there are changes in events and conditions.

Determination of going concern involves certain judgments to determine that the Company has sufficient working capital to continue operations for at least twelve months. Management has determined that there is no material uncertainty related to going concern at this time.

b) Basis of consolidation

Transactions of the Company’s individual entities are recorded in their own functional currency based. The functional currency and location of each entity is as follows:

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**HYDROGRAPH CLEAN POWER INC.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE AND SIX MONTHS ENDED MARCH 31, 2026 AND 2025****(Expressed in United States dollars)****(Unaudited)**

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| <b>Entity</b>               | <b>Location</b> | <b>Functional Currency</b> |
|-----------------------------|-----------------|----------------------------|
| HydroGraph Clean Power Inc. | Canada          | Canadian dollars           |
| HydroGraph USA, Inc.        | United States   | United States dollars      |
| HydroGraph UK Ltd.          | United Kingdom  | British Pounds             |

These condensed interim consolidated financial statements are presented in United States dollars.

The condensed interim consolidated financial statements include the accounts of the Company and the entities controlled by the Company (its subsidiaries). The results of each subsidiary will continue to be included in the condensed interim consolidated financial statements of the Company until the date that the Company's control over the subsidiary ceases. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

Details of the subsidiaries are as follows:

|   | <b>Incorporated in</b> | <b>Percentage owned</b> |                           |
|---|------------------------|-------------------------|---------------------------|
|   |                        | <b>March 31, 2026</b>   | <b>September 30, 2025</b> |
| HydroGraph Clean Power Inc.                   | Canada                 | 100%                    | 100%                      |
| HydroGraph USA, Inc.                          | United States          | 100%                    | 100%                      |
| HydroGraph UK Ltd.                            | United Kingdom         | 100%                    | 100%                      |
| HydroGraph Clean Power Ontario Inc. (dormant) | Canada                 | 0%                      | 100%                      |

On March 6, 2026, the Company dissolved HydroGraph Clean Power Ontario Inc.

c) Recent accounting pronouncements

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended March 31, 2026, and have not been early adopted in preparing these consolidated financial statements.

*IFRS 18 Presentation and Disclosure in Financial Statements*

In April 2024, the IASB issued IFRS 18 – Presentation and Disclosure in Financial Statements which will replace IAS 1, Presentation of Financial Statements. The key new concepts introduced in IFRS 18 relate to the structure of the statement of earnings (loss), required disclosures in the financial statements for certain earnings or loss performance measures that are reported outside an entity's financial statements and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. IFRS 18 will apply for reporting periods beginning on or after January 1, 2027, and also applies to comparative information. The Company is still in the process of assessing the impact of this standard on its consolidated financial statements.

*Amendments to the Classification and Measurement of Financial Instruments ("Amendments to IFRS 9 and IFRS 7")*

In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7 which clarify the date of recognition and derecognition of some financial assets and liabilities with a new exception for some financial liabilities settled through an electronic cash transfer system, clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest criterion, add new disclosures for certain instruments with contractual terms that can change cash flows such as instruments with features linked to the achievement of environment, social and governance targets; and update the disclosures for equity instruments designated as FVOCI. Amendments to IFRS 9 and IFRS 7 is effective for periods beginning on or after January 1, 2026, with early adoption permitted. The Company is still in the process of assessing the impact of this standard on its consolidated financial statements.

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**HYDROGRAPH CLEAN POWER INC.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE AND SIX MONTHS ENDED MARCH 31, 2026 AND 2025****(Expressed in United States dollars)****(Unaudited)**

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## d) Operating Segments

The Company has determined that it operates as a single reportable operating segment in accordance with IFRS 8 – Operating Segments. The Company’s operations consist of the development and commercialization of graphene and hydrogen-related products and are conducted across Canada, the United States and the United Kingdom. Management reviews financial results on a consolidated basis for the purposes of allocating resources and assessing performance, and discrete financial information by activity or geography is not regularly reviewed. Accordingly, the Company has one reportable operating segment and all revenues, assets and liabilities are attributable to that segment.

**3. PREPAIDS**

As at March 31, 2026 and September 30, 2025 prepaids consisted of the following:

|                       | March 31,<br>2026<br>\$ | September 30,<br>2025<br>\$ |
|-----------------------|-------------------------|-----------------------------|
| Equipment deposits    | 192,488                 | 13,181                      |
| Insurance             | 107,563                 | 41,520                      |
| Memberships           | 219,957                 | 29,639                      |
| Rent                  | 42,000                  | 41,000                      |
| Other                 | 122,091                 | 92,729                      |
| <b>Total prepaids</b> | <b>684,099</b>          | <b>218,069</b>              |

**4. TECHNOLOGY AND DEVELOPMENT COSTS**

The Company has executed a multiple license agreement with Kansas State University Research Foundation (“KSURF”) which grants the Company access to the technology developed including hydrogen and graphene detonation technology and certain applications of graphene technology (the “License Agreement”). The License Agreement carries several future commitments as disclosed in Note 9.

During the six months ended March 31, 2026, the Company determined that the intangible asset was available for use and accordingly, amortization commenced.

The technology and development costs are amortized on a straight-line basis over an estimated useful life of 13.8 years

The carrying amount of intangible assets is reviewed at each reporting date for indicators of impairment. Where indicators of impairment exist, the recoverable amount of the asset is estimated and compared to its carrying amount. An impairment loss is recognized when the carrying amount exceeds the recoverable amount.

**HYDROGRAPH CLEAN POWER INC.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE AND SIX MONTHS ENDED MARCH 31, 2026 AND 2025**  
**(Expressed in United States dollars)**  
**(Unaudited)**

|  | Total<br>\$ |
|--|-------------|
| <b>Cost</b>  |             |
| Balance, September 30, 2024, and 2025 and March 31, 2026 | 3,178,078   |
| <b>Accumulated amortization</b>                          |             |
| Balance, September 30, 2024 and 2025                     | -           |
| Additions  | 19,000      |
| Balance, March 31, 2026                                  | 19,000      |
| <b>Net book value</b>                                    |             |
| Balance, September 30, 2025                              | 3,178,078   |
| Balance, March 31, 2026                                  | 3,159,078   |

The Company determined that there were no indicators of impairment at March 31, 2026.

**HYDROGRAPH CLEAN POWER INC.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE AND SIX MONTHS ENDED MARCH 31, 2026 AND 2025**  
(Expressed in United States dollars)  
(Unaudited)

**5. PROPERTY, PLANT AND EQUIPMENT**

|                                 | Manufacturing<br>Equipment<br>\$ | Leasehold<br>Improvements<br>\$ | Furniture<br>\$ | Computer<br>\$ | Equipment in<br>Process<br>\$ | Total<br>\$ |
|---------------------------------|----------------------------------|---------------------------------|-----------------|----------------|-------------------------------|-------------|
| <b>Cost</b>                     |                                  |                                 |                 |                |                               |             |
| Balance, September 30, 2024     | 304,413                          | 769,001                         | 24,105          | 18,867         | 563,617                       | 1,680,003   |
| Additions                       | 9,900                            | 25,250                          | 7,050           | -              | 122,453                       | 164,653     |
| Transfer                        | 526,045                          | 92,377                          | -               | -              | (618,422)                     | -           |
| Write-down                      | -                                | -                               | -               | -              | (52,085)                      | (52,085)    |
| Balance, September 30, 2025     | 840,358                          | 886,628                         | 31,155          | 18,867         | 15,563                        | 1,792,571   |
| Additions                       | 257,910                          | 1,075,225                       | 50,492          | 9,518          | 410,663                       | 1,803,808   |
| Transfer                        | (4,443)                          | 4,443                           | -               | -              | -                             | -           |
| Write-down                      | -                                | (82,644)                        | -               | -              | -                             | (82,644)    |
| Balance, March 31, 2026         | 1,093,825                        | 1,883,652                       | 81,647          | 28,385         | 426,226                       | 3,513,735   |
| <b>Accumulated depreciation</b> |                                  |                                 |                 |                |                               |             |
| Balance, September 30, 2024     | 138,674                          | 369,900                         | 12,245          | 8,897          | -                             | 529,716     |
| Additions                       | 77,354                           | 143,682                         | 7,512           | 5,313          | -                             | 233,861     |
| Balance, September 30, 2025     | 216,028                          | 513,582                         | 19,757          | 14,210         | -                             | 763,577     |
| Additions                       | 82,859                           | 145,962                         | 7,950           | 1,985          | -                             | 238,756     |
| Balance, March 31, 2026         | 298,887                          | 659,544                         | 27,707          | 16,195         | -                             | 1,002,333   |
| <b>Net book value</b>           |                                  |                                 |                 |                |                               |             |
| Balance, September 30, 2025     | 624,330                          | 373,046                         | 11,398          | 4,657          | 15,563                        | 1,028,994   |
| Balance, March 31, 2026         | 794,938                          | 1,224,108                       | 53,940          | 12,190         | 426,226                       | 2,511,402   |

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**6. LEASE LIABILITY AND RIGHT OF USE ASSET**

The Company entered into a facility lease in Kansas on June 9, 2021 and recognized a lease obligation with respect to the lease expiring on June 30, 2023. The lease obligation included two extension options: one until June 30, 2025 and one until June 30, 2027, which were included in the calculation. On May 22, 2025, the Company extended the lease in Kansas to June 30, 2026 with an extension option to June 30, 2028. Monthly payments of \$9,350 include a fixed portion of \$7,172 and a variable portion initially estimated at \$2,178. The present value of the lease obligation was calculated using the rate of 8.0% per annum and the end date of June 30, 2026.

On August 8, 2025, the Company entered into a lease for a new 20,000-square-foot headquarters facility in Austin, Texas, which will replace its current space in Manhattan, Kansas. The lease commencement date for accounting purposes was determined to be October 2025. The term of the lease is 5 years and 2 months, with the Company having an option to renew the lease for 5 years at the then market rate. A security deposit of \$284,070 was paid to the lessor and \$102,775 of leasehold improvements allowance was provided to the Company. The total of estimated lease payments over the term of the lease is \$1,817,953, excluding variable operating costs. The present value of the lease obligation was calculated using the rate of 8.0% per annum and the end date of November 30, 2030.

(a) Right of use asset

|                        | March 31,<br>2026<br>\$ | September 30,<br>2025<br>\$ |
|------------------------|-------------------------|-----------------------------|
| Balance, beginning     | 47,068                  | 167,713                     |
| Additions              | 1,450,415               | -                           |
| Amortization charge    | (171,740)               | (60,083)                    |
| Lease remeasurement    | -                       | (60,562)                    |
| <b>Balance, ending</b> | <b>1,325,743</b>        | <b>47,068</b>               |

(b) Lease liability

|   | March 31,<br>2026<br>\$ | September 30,<br>2025<br>\$ |
|---|-------------------------|-----------------------------|
| Balance, beginning                          | 62,444                  | 188,943                     |
| Additions                                   | 1,450,415               | -                           |
| Lease payments                              | (72,150)                | (77,578)                    |
| Lease accretion                             | 60,807                  | 11,641                      |
| Lease remeasurement                         | -                       | (60,562)                    |
| Balance, ending                             | 1,501,516               | 62,444                      |
| Current portion                             | (349,204)               | (62,444)                    |
| <b>Balance, ending, non-current portion</b> | <b>1,152,312</b>        | <b>-</b>                    |

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The following is a schedule of the Company's future minimum lease payments related to the office lease obligation:

|   | March 31,<br>2026<br>\$ | September 30,<br>2025<br>\$ |
|---|-------------------------|-----------------------------|
| 2026  | 196,230                 | 64,544                      |
| 2027  | 363,412                 | -                           |
| 2028  | 378,006                 | -                           |
| 2029  | 393,012                 | -                           |
| 2030  | 408,839                 | -                           |
| 2031  | 70,846                  | -                           |
| Total minimum lease payments                  | 1,810,345               | 64,544                      |
| Less: imputed interest                        | (308,829)               | (2,100)                     |
| Total present value of minimum lease payments | 1,501,516               | 62,444                      |
| Less: current portion                         | (349,204)               | (62,444)                    |
| Non-current portion                           | 1,152,312               | -                           |

**7. RELATED PARTY TRANSACTIONS AND BALANCES**

Key management are those personnel having the authority and responsibility for planning, directing and controlling the Company and include the current and former board of directors, the Chief Executive Officer, the current and former Chief Financial Officer and the former Chief Accounting Officer. Key management compensation during the three and six months ended March 31, 2026 and 2025 included the following:

|  | Three months ended<br>March 31, |            | Six months ended<br>March 31, |            |
|--|---------------------------------|------------|-------------------------------|------------|
|  | 2026<br>\$                      | 2025<br>\$ | 2026<br>\$                    | 2025<br>\$ |
| Short-term benefits - management and director compensation | 348,055                         | 126,802    | 520,351                       | 233,148    |
| Share-based payments                                       | 699,243                         | 67,916     | 1,280,426                     | 208,435    |
| Total  | 1,047,298                       | 194,718    | 1,800,777                     | 441,583    |

As at March 31, 2026, \$67,676 (September 30, 2025 – \$65,418) was due to current and former related parties of the Company and has been included in accounts payable and accrued liabilities on the consolidated statement of financial position. As at March 31, 2026, \$48,000 (September 30, 2025 - \$66,000) was due to former related parties of the Company and has been included in other liabilities.

As at March 31, 2026, \$Nil (September 30, 2025 - \$15,000) is included in prepaid expenses in connection with Board fees advanced to directors.

**8. SHARE CAPITAL**

(a) Authorized Share Capital

The Company is authorized to issue an unlimited number of common shares without par value.

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*Six months ended March 31, 2026*

- (i) On November 4, 2025, the Company completed a private placement of 6,896,560 units at a price of \$2.06 (CAD\$2.90) per unit for gross proceeds of \$14,194,017 (CAD\$20,000,024).

Each unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder thereof to purchase one common share at a price of CAD\$3.50 up to November 4, 2028. The warrants were valued at \$6,328,525 using the Black-Scholes Option Pricing model with the following weighted-average assumptions: expected life – 3 years; volatility – 109.42%, risk-free rate – 2.43%, dividend yield – 0%. The Company allocated \$7,865,492 and \$6,328,525 to share capital and reserves, respectively.

In connection with the private placement, the Company issued 401,794 finders' warrants, incurred \$826,943 in cash finders' fees and \$350,590 in other issuance costs. Each finders' warrant is exercisable into one common share at a price of CAD\$3.50 up to November 4, 2028. The finders' warrants were valued at \$523,333 using the Black-Scholes Option Pricing model with the following weighted-average assumptions: expected life – 3 years; volatility – 109.42%, risk-free rate – 2.43%, dividend yield – 0%.

- (ii) On March 5, 2026, the Company completed a private placement of 5,882,348 units at a price of \$3.73 (CAD\$5.10) per unit for gross proceeds of \$21,934,616 (CAD\$29,999,975).

Each unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder thereof to purchase one common share at a price of CAD\$6.10 up to March 5, 2029. The warrants were valued at \$11,265,545 using the Black-Scholes Option Pricing model with the following weighted-average assumptions: expected life – 3 years; volatility – 109.47%, risk-free rate – 2.65%, dividend yield – 0%. The Company allocated \$10,669,071 and \$11,265,545 to share capital and reserves, respectively.

In connection with the private placement, the Company issued 347,634 finders' warrants, incurred \$1,296,288 in cash finders' fees and \$407,683 in other issuance costs. Each finders' warrant is exercisable into one common share at a price of CAD\$5.63 up to March 5, 2029. The finders' warrants were valued at \$1,355,570 using the Black-Scholes Option Pricing model with the following weighted-average assumptions: expected life – 3 years; volatility – 109.47%, risk-free rate – 2.65%, dividend yield – 0%.

- (iii) During the six months ended March 31, 2026, the Company issued 925,000 common shares on option exercise at the weighted average exercise price of \$0.14 (CAD\$0.20) for gross proceeds of \$132,703. The Company transferred the fair value of \$85,067 from reserves to share capital in connection with the exercises.
- (iv) During the six months ended March 31, 2026, the Company issued 10,420,396 common shares on warrant exercise at the weighted average exercise price of \$0.72 (CAD\$0.99) for gross proceeds of \$7,541,749. The Company transferred the fair value of \$4,711,559 from reserves to share capital in connection with the exercises.
- (v) On October 28, 2025, the Company issued 750,000 common shares at the fair value of CAD\$2.90 per share or CAD\$2,925,000 (\$2,095,470) in settlement of a commercial dispute. The settlement fee expense and accrued liability were recognized at September 30, 2025.

*Six months ended March 31, 2025*

- (i) On December 12, 2024, the Company closed a private placement by issuing 23,960,003 units at a price of CAD\$0.16 per unit for gross proceeds of \$2,701,921 (CAD\$3,833,600).

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Each unit consists of one common share and one-half of one common share purchase warrant. Each warrant entitles the holder thereof to purchase one common share at a price of CAD\$0.24 up to December 12, 2027. The warrants were valued at \$668,252 using the Black-Scholes Option Pricing model with the following weighted-average assumptions: expected life – 3 years; volatility – 82.84%, risk-free rate – 2.94%, dividend yield – 0%. The Company allocated \$2,033,669 and \$668,252 to share capital and reserves, respectively.

In connection with the private placement, the Company issued 1,113,350 finders' warrants and incurred \$125,550 in cash finders' fees. Each finders' warrant is exercisable into a finders' unit, consisting of one common share and one-half of one common share purchase warrant (the "Finder Unit Warrant"), at a price of CAD\$0.16 up to December 12, 2027. Each Finder Unit Warrant is exercisable into one common share at a price of CAD\$0.24 per common share up to December 12, 2027. The finders' warrants were valued at \$62,103 using the Black-Scholes Option Pricing model with the following weighted-average assumptions: expected life – 3 years; volatility – 82.84%, risk-free rate – 2.94%, dividend yield – 0%.

- (ii) On January 23, 2025, the Company issued 112,500 common shares on option exercise at the exercise price of \$0.17 (CAD\$0.25) for gross proceeds of \$19,571. The Company transferred the fair value of \$8,858 from contributed surplus to share capital in connection with the exercise.
- (iii) During the six months ended March 31, 2025, the Company issued 6,428,445 common shares on warrant exercise at the average exercise price of \$0.13 (CAD\$0.19) for gross proceeds of \$844,486. The Company transferred the fair value of \$255,082 from contributed surplus to share capital in connection with the exercises.

**(b) Stock Options**

The Company had a stock option plan. The stock option plan was amended effective August 1, 2025 to be a share compensation plan (the "Plan"), which includes Restricted Share Units, under which it can grant options or Restricted Share Units to directors, officers, employees and consultants. The Plan is a "rolling up to 15%" omnibus plan whereby the total number of common shares that are issuable pursuant to all stock options and restricted share units, in aggregate, is equal to up to a maximum of 15% of the issued and outstanding common shares of the Company. The maximum number of common shares reserved for issue to any one person under the Plan in any 12 month period cannot exceed 5% of the issued and outstanding number of common shares at the date of the grant and the maximum number of common shares reserved for issue to a consultant or a person engaged in investor relations activities in any 12 month period cannot exceed 2% of the issued and outstanding number of common shares at the date of the grant.

Under the Plan, the exercise price of options granted is determined by the Board of Directors, provided that the exercise price is not less than the price permitted by an exchange or a quotation system on which the Company's shares may be listed or quoted for trading. The term of any options granted under the Plan is fixed by the Board of Directors and may not exceed ten years from the date of grant. Vesting, if any, and other terms and conditions relating to such options shall be determined by the Board of Directors of the Company. Any options granted pursuant to the Plan will terminate generally within 120 days of the option holder ceasing to act as a director, officer, employee, or consultant. All stock options which have been issued are equity settled.

During the six months ended March 31, 2026, the Company granted a total of 2,132,758 stock options to directors, employees and officers of the Company. 1,044,220 options vest as follows: one-fourth on each 12, 24, 36 and 48 months anniversary following the grant date of December 5, 2025, 150,000 stock options vest as follows: 100% on the date, the company successfully lists on Nasdaq, 938,538 stock options vest as follows: one-fourth on each 12, 24, 36 and 48 months anniversary following the grant date of February 20, 2026.

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The fair value of each stock option granted during the six months ended March 31, 2026 and 2025 was estimated on the date of grant with the following weighted average assumptions:

|                             | 2026        | 2025      |
|-----------------------------|-------------|-----------|
| Risk-free interest rate (%) | 2.74 - 3.01 | 2.67-3.04 |
| Expected life (years)       | 5           | 5         |
| Expected volatility (%)     | 105-106     | 83-84     |
| Forfeiture rate (%)         | -           | -         |
| Expected dividends          | -           | -         |

The weighted average fair value of stock options at the grant date for three and six months ended March 31, 2026 was CAD\$3.66 per option (2025 – CAD\$0.15). The total share-based compensation expense recognized during the three and six months ended March 31, 2026 for stock options was \$1,048,548 and \$1,868,036 (2025 - \$115,789 and \$324,943, respectively).

The changes in options during the six months ended March 31, 2026 and the year ended September 30, 2025 are as follows:

|                             | Options #   | Weighted average exercise price (CAD\$) |
|-----------------------------|-------------|---|
| Balance, September 30, 2024 | 21,110,233  | 0.23                                    |
| Granted                     | 9,630,030   | 0.91                                    |
| Exercised                   | (9,065,933) | 0.24                                    |
| Forfeited                   | (675,000)   | 0.22                                    |
| Balance, September 30, 2025 | 20,999,330  | 0.54                                    |
| Granted                     | 2,132,758   | 3.66                                    |
| Exercised                   | (925,000)   | 0.20                                    |
| Forfeited                   | (631,800)   | 0.25                                    |
| Balance, March 31, 2026     | 21,575,288  | 0.87                                    |

The weighted average share price on the date of option exercise during the six months March 31, 2026 was CAD\$3.20.

Details of the options outstanding and exercisable as at March 31, 2026 are as follows:

| Outstanding # | Exercisable # | Exercise Price (CAD\$) | Expiry Date | Weighted average remaining life (in years) |
|---------------|---------------|------------------------|-------------|--|
| 1,000,000     | 1,000,000     | 0.25                   | 14-Jun-26   | 0.21                                       |
| 5,312,500     | 4,312,500     | 0.19                   | 21-Jun-29   | 3.23                                       |
| (1) 500,000   | 250,000       | 0.19                   | 18-Dec-29   | 3.72                                       |
| 200,000       | 100,000       | 0.31                   | 27-Feb-30   | 3.92                                       |
| (3) 100,000   | 50,000        | 0.33                   | 07-Mar-30   | 3.94                                       |
| 3,437,030     | -             | 0.26                   | 16-Apr-30   | 4.05                                       |
| 100,000       | 50,000        | 0.24                   | 28-Apr-30   | 4.08                                       |
| 4,143,000     | -             | 1.25                   | 01-Aug-30   | 4.34                                       |
| (2) 1,000,000 | -             | 2.16                   | 12-Aug-30   | 4.37                                       |
| 150,000       | -             | 2.43                   | 18-Aug-30   | 4.39                                       |
| 1,194,220     | -             | 3.02                   | 5-Dec-30    | 4.68                                       |
| (4) 938,538   | -             | 4.47                   | 20-Feb-31   | 4.90                                       |
| 1,500,000     | 1,500,000     | 0.25                   | 28-Feb-32   | 5.92                                       |

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|                   |                  |      |           |             |
|-------------------|------------------|------|-----------|-------------|
| 1,300,000         | 975,000          | 0.25 | 20-Apr-32 | 6.06        |
| 700,000           | 490,000          | 0.25 | 12-Jan-33 | 6.79        |
| <u>21,575,288</u> | <u>8,727,500</u> |      |           | <u>3.89</u> |

- (1) Subsequent to March 31, 2026, 250,000 of these options were exercised for gross proceeds of CAD\$47,500.
- (2) Subsequent to March 31, 2026, 50,000 of these options were exercised for gross proceeds of CAD\$108,000.
- (3) Subsequent to March 31, 2026, 50,000 of these options were forfeited and expired unexercised due to optionee being terminated
- (4) Subsequent to March 31, 2026, all of these options were forfeited and expired unexercised due to optionee being terminated

**(c) Restricted Share Units ("RSUs")**

The Plan authorizes the grant of RSUs. The Plan is a "rolling up to 15%" omnibus plan whereby the total number of common shares that are issuable pursuant to all stock options and restricted share units, in aggregate, is equal to up to a maximum of 15% of the issued and outstanding common shares of the Company. For greater certainty, any RSUs that must be settled in cash shall not count towards the maximum of 15%. Vesting, if any, and other terms and conditions relating to such RSUs shall be determined by the Board of Directors of the Company, provided that no RSUs vest before the date that is one year following the date of the grant. Vested RSUs can be settled in cash, shares or a combination of cash and shares, at the Company's discretion. Any RSUs granted pursuant to the Plan will terminate generally within 60 days of the holder ceasing to act as a director, officer, employee, or consultant.

During the six months ended March 31, 2026, the Company granted 54,184 RSUs to directors, officers and a consultant of the Company. The fair value of RSUs granted was determined based on the market price of the Company's common shares on the grant date. The weighted-average grant date fair value of RSUs granted during the six months ended March 31, 2026 was \$1.25 per RSU (2025 - \$nil). The RSUs vest as follows: one-third on each anniversary of the date of the grant.

| Grant date                     | RSUs<br>#      |
|--------------------------------|----------------|
| August 1, 2025                 | 446,667        |
| August 13, 2025                | 40,000         |
| August 18, 2025                | 75,000         |
| December 5, 2025               | 54,184         |
| <u>Balance, March 31, 2026</u> | <u>615,851</u> |

A summary of RSUs outstanding as at March 31, 2026 and September 30, 2025 and the changes for the periods then ended is presented below:

|  | RSUs<br>#      |
|--|----------------|
| Balance, September 30, 2024                                | -              |
| Granted  | 625,000        |
| Forfeited  | (63,333)       |
| <u>Balance outstanding, September 30, 2025</u>             | <u>561,667</u> |
| Granted  | 54,184         |
| <u>Balance outstanding, March 31, 2026</u>                 | <u>615,851</u> |
| <u>Balance outstanding and exercisable, March 31, 2026</u> | <u>-</u>       |

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The total share-based compensation expense recognized during the three and six months ended March 31, 2026 for RSUs was \$110,785 and \$209,755 (2025 - \$nil and \$nil respectively).

(d) Warrants

The changes in warrants during the six months ended March 31, 2026 and the year ended September 30, 2025 are as follows:

|                             | Warrants<br># | Weighted average<br>exercise price<br>(CAD\$) |
|-----------------------------|---------------|---|
| Balance, September 30, 2024 | 58,296,750    | 0.20  |
| Issued                      | 15,352,527    | 0.23  |
| Exercised                   | (61,056,787)  | 0.21  |
| Expired                     | (861,832)     | 0.20  |
| Balance, September 30, 2025 | 11,730,658    | 0.23  |
| Issued                      | 7,138,882     | 4.67  |
| Exercised                   | (10,420,396)  | 0.99  |
| Balance, March 31, 2026     | 8,449,144     | 3.05  |

The weighted average share price on the date of warrant exercise during the period ended March 31, 2026 was CAD\$4.63 (2025 - CAD\$0.22).

Details of the warrants outstanding as at March 31, 2026 are as follows:

| Outstanding<br># | Exercise Price<br>(CAD\$) | Expiry Date | Weighted average<br>remaining life (in<br>years) |
|------------------|---------------------------|-------------|--|
| 1,998,147        | 0.27                      | 11-Jun-27   | 1.20   |
| 1,655,626        | 0.24                      | 12-Dec-27   | 1.70   |
| 1,137            | 0.24                      | 12-Dec-27   | 1.70   |
| 875              | 0.16                      | 12-Dec-27   | 1.70   |
| 1,643,800        | 3.50                      | 4-Nov-28    | 2.60   |
| 2,801,925        | 6.10                      | 5-Mar-29    | 2.93   |
| 347,634          | 5.63                      | 5-Mar-29    | 2.93   |
| (1) 8,449,144    |                           |             | 3.05   |

(1) Subsequent to March 31, 2026, an aggregate of 109,000 warrants were exercised for gross proceeds of CAD\$182,225.

**9. COMMITMENTS**

The commitments of the Company related to the License Agreements with KSURF are as follows:

The July 2017 licensing agreement as amended in July 2022. The Company has seven (7) licenses.

- (i) The Company will pay annual maintenance fees of:
- i. \$10,000 per calendar years 2020 to 2022 per license, for a total of \$70,000 (paid)
  - ii. \$10,000 per calendar year 2023 per license, for a total of \$70,000 (paid)
  - iii. \$10,000 per calendar year 2024 per license, for a total of \$70,000 (paid)
  - iv. \$25,000 per calendar year 2025 per license, for a total of \$175,000 (paid)
  - v. \$35,000 per calendar year 2026 per license, for a total of \$245,000
  - vi. \$50,000 per calendar year 2027 per license, for a total of \$350,000, and every subsequent year. The annual license maintenance fees in a given year will be credited against any running royalty payments due.

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- (ii) the Company will pay a running royalty of 4% of net sales by the Company or its affiliates (the 4% royalty shall be reduced by ½ of royalties paid to third parties but shall not be less than 3.5%),
- (iii) the Company will pay 20% of any non-royalty payments received by the Company from sub-licensed products,
- (iv) the Company may purchase the 4% running royalty on six (6) licenses for \$12,000,000 in four equal 1% increments.

**10. MANAGEMENT OF CAPITAL**

The Company manages its capital with the objective of ensuring sufficient resources are available to fund its ongoing operations, research and development activities, and strategic growth initiatives. The Company is not subject to any externally imposed capital requirements.

The Company defines capital as all components of shareholders' equity. As at March 31, 2026 and September 30, 2025, the Company's capital was comprised of the following:

|                                      | March 31,<br>2026 | September 30,<br>2025 |
|--------------------------------------|-------------------|-----------------------|
|                                      | \$                | \$                    |
| Share Capital                        | 59,676,189        | 31,335,485            |
| Reserves                             | 19,553,732        | 2,799,594             |
| Accumulated Other Comprehensive Loss | (670,265)         | (326,119)             |
| Deficit                              | (30,303,216)      | (23,329,046)          |
| Total shareholders' equity           | 48,256,440        | 10,479,914            |

The Company manages the capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may issue common shares, seek additional financing, or adjust expenditures. During the six months ended March 31, 2026, the Company raised significant capital through two private placements totalling gross proceeds of approximately \$36,128,633, warrant exercises of \$7,541,749, and option exercises of \$132,703.

**11. FINANCIAL INSTRUMENTS****Fair values**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value, by reference to the reliability of the inputs used to estimate the fair values:

The Company classifies its fair value measurements in accordance with the three-level fair value hierarchy as follows:

- Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 Inputs other than quoted prices that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 Inputs that are not based on observable market data.

As at March 31, 2026, the Company's financial instruments consisted of cash, accounts receivable, tax receivable, accounts payable and accrued liabilities and other liabilities. Cash is measured at fair value in accordance with Level 1. The fair value of accounts receivable, tax receivable, accounts

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payable and accrued liabilities and other liabilities approximate their carrying values because of the short-term nature of these instruments.

**Financial risk management objectives and policies**

The risks associated with financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(i) *Currency risk*

The Company is exposed to currency risk by having balances and transactions in currencies that are different from its functional currencies. The Company has balances and transactions in United States Dollars, Canadian Dollars and British Pounds. The Company does not use derivative instruments to reduce upward and downward risk associated with foreign currency fluctuations. Cash balances were held in the following currencies at March 31, 2026:

|      | US Dollars | Canadian Dollars | British Pounds |
|------|------------|------------------|----------------|
| Cash | 225,888    | 58,762,693       | 302,098        |

At March 31, 2026, with other variables unchanged, a 5% movement in the US dollar against the Canadian Dollar and British Pound would change the Company's net loss and comprehensive loss by approximately \$2,127,800.

(ii) *Interest rate risk*

The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The fair value interest rate risk on bank deposits is insignificant as the deposits are short-term. The Company has not entered into any derivative instruments to manage interest rate fluctuations.

(iii) *Credit risk*

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts and financial institutions. This risk is managed by using major banks and financial institutions that are high credit quality financial institutions as determined by rating agencies. The Company's secondary exposure to risk is on its receivables. The risk is minimal as receivables consist primarily of refundable government taxes.

(iv) *Liquidity risk*

In the management of liquidity risk, the Company maintains a balance between continuity of funding and development activity. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations.

**HYDROGRAPH CLEAN POWER INC.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE AND SIX MONTHS ENDED MARCH 31, 2026 AND 2025**  
**(Expressed in United States dollars)**  
**(Unaudited)**

At March 31, 2026, the contractual maturities of the Company's obligations are as follows:

|  | Within one<br>year<br>\$ | Between one<br>and five<br>years<br>\$ | More than<br>five years<br>\$ |
|--|--------------------------|--|-------------------------------|
| Accounts payable and accrued liabilities | 1,033,518                | -                                      | -                             |
| Other liabilities                        | -                        | 48,000                                 | -                             |
| Lease obligation                         | 349,204                  | 1,152,312                              | -                             |

**12. PROFESSIONAL FEES**

During the three and six months ended March 31, 2026 and 2025, the Company incurred the following professional fees:

|                           | Three months ended<br>March 31, |         | Six months ended<br>March 31, |         |
|---------------------------|---------------------------------|---------|-------------------------------|---------|
|                           | 2026                            | 2025    | 2026                          | 2025    |
|                           | \$                              | \$      | \$                            | \$      |
| Accounting and audit fees | 152,861                         | 51,855  | 231,813                       | 86,706  |
| Legal fees                | 396,894                         | 28,479  | 762,761                       | 35,862  |
| Consulting fees           | 261,347                         | 60,897  | 547,203                       | 156,657 |
| Professional fees         | 811,102                         | 141,231 | 1,541,777                     | 279,225 |

**13. SUPPLEMENTAL CASH FLOW INFORMATION**

|   | 2026      | 2025    |
|---|-----------|---------|
|   | \$        | \$      |
| Supplemental cash flow information:                     |           |         |
| Cash received for interest                              | 259,634   | 17,103  |
| Transfer of value from reserves on exercise of warrants | 4,711,559 | 255,082 |
| Transfer of value from reserves on exercise of options  | 85,067    | 8,858   |
| Issue costs - warrants                                  | 1,878,903 | 62,103  |
| Recognition of lease liability and ROU asset            | 1,450,415 | -       |

**14. SUBSEQUENT EVENTS**

*Exercise of warrants*

Subsequent to March 31, 2026, the Company issued 109,000 common shares on exercise of warrants at an average exercise price of CAD\$1.67 for gross proceeds of CAD\$182,225.

Subsequent to March 31, 2026, the Company issued 300,000 common shares on exercise of options at an average exercise price of CAD\$0.52 for gross proceeds of CAD\$155,500.

Subsequent to March 31, 2026, 988,538 options at an exercise price of CAD\$4.47 were forfeited.

# SCHEDULE "C"

## HYDROGRAPH CLEAN POWER INC. MANAGEMENT DISCUSSION AND ANALYSIS

For the six months ended March 31, 2026

(Expressed in United States Dollars)

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**HYDROGRAPH CLEAN POWER INC.**  
**Management Discussion and Analysis**  
**For the six months ended March 31, 2026**

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**DATE AND BASIS OF DISCUSSION AND ANALYSIS**

This Management's Discussion and Analysis ("MD&A") of HydroGraph Clean Power Inc. (the "Company" or "HydroGraph" or "HG") is intended to help the reader understand the significant factors that have affected HydroGraph and its subsidiaries' performance, as well as factors that may affect its future performance.

The information in this MD&A should be read in conjunction with the condensed interim consolidated financial statements for the three and six months ended March 31, 2026 and consolidated financial statements and notes thereto for the years ended September 30, 2025 and 2024. The referenced financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standard Board ("IFRS"). All dollar amounts are expressed in US dollars ("US\$") unless otherwise indicated. Certain amounts are expressed in Canadian dollars ("CAD\$").

The MD&A is dated May 29, 2026.

**DISCLAIMER FOR FORWARD-LOOKING INFORMATION**

Certain statements in this report are forward-looking statements, which reflect our management's expectations regarding our future growth, results of operations, performance and business prospects and opportunities. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits we will obtain from them. These forward-looking statements reflect management's current views and are based on certain assumptions and speak only as of May 29, 2026. These assumptions, which include, management's current expectations, estimates and assumptions about the global economic environment may prove to be incorrect. A number of risks and uncertainties could cause our actual results to differ materially from those expressed or implied by the forward-looking statements, including: (1) a downturn in general economic conditions, (2) potential negative financial impact from regulatory investigations, claims, lawsuits and other legal proceedings and challenges, and (3) other factors beyond our control. There is a significant risk that such forward-looking statements will not prove to be accurate. Investors are cautioned not to place undue reliance on these forward-looking statements. Unless otherwise required by applicable securities laws, the Issuer disclaims any obligation to update any forward-looking statements, whether as a result of new events, circumstances and information, future events or results or otherwise. Additional information about these and other assumptions, risks and uncertainties are set out in the section entitled "Risk Factors" below.

**OVERALL PERFORMANCE**

**Nature of Business**

HydroGraph was incorporated under the Laws of the Province of British Columbia on June 26, 2017. The address of the Company's corporate office and principal place of business is 1100 - 1199 West Hastings Street, Vancouver, BC, Canada, and the Company's registered and records office address is 2700 - 1133 Melville Street, Vancouver, BC, Canada.

The Company's principal business activity is the research, development, marketing and commercialization of patented technology to produce pristine graphene, graphene derivatives and services. The Company is listed on the Canadian Stock Exchange (the "CSE") under the ticker symbol HG and the OTCQB under the ticker symbol "HGRAF".

**Description of Business**

The Company is engaged in developing and commercializing the production and sale of high-quality consistent pristine graphene for commercial applications using the detonation of hydrocarbon gases. The Hyperion System, a proprietary detonation method used by the Company to produce graphene has

**HYDROGRAPH CLEAN POWER INC.**  
**Management Discussion and Analysis**  
**For the six months ended March 31, 2026**

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tonnage annual capacity and is a scalable process. The detonated graphene is considered synthetic graphene versus using conventional exfoliation of naturally occurring graphite to produce graphene.

The Company has received an exclusive global license from Kansas State University where the invention was discovered to commercialize its patented detonation process to produce graphene. Using KSU intellectual property and associated licensing agreement, the Company commissioned its first commercial scale production unit (May 2023) that can produce a minimum of 10 tonnes of graphene per year.

**Business Development**

The Company's activities have focused on work to develop processes to manufacture pristine graphene, and in creating a robust application development data set for target customers.

The Company made significant progress in further customer application development including comprehensive testing that confirmed the benefits of the use of the Company's graphene in Electronic Magnetic Interference ("EMI") shielding, lubricants, cement/concrete, conductive resins, and bio sensors. On January 3, 2024, the Company announced the successful trial of Company's graphene in Hawkeye Bio's medical sensor aimed at the early detection of lung cancer.

The Company's Hyperion System ("Hyperion"), designed for scaled-up production of the Company's high-purity graphene, achieved a key milestone in 2023 whereby Hyperion was able to produce commercial scale quantities at an annualized rate of 10 metric tonnes per year using the readily available commodities, acetylene and oxygen. Management has confirmed the capex cost per metric ton of graphene produced will be one of the lowest in the industry.

As of the date of this MD&A, the Company has inventory of 279 kilograms of FGA-1 and 33 kilograms of RGA-COOH-1. All costs associated with the production of this inventory have been expensed for accounting purposes.

The US Environmental Protection Agency (the "EPA") requires all new chemicals to be reviewed and registered. There is special attention on chemicals that are nano size. The EPA reviews new chemicals and nano size chemicals to ensure there is no impact on people and the environment. This is a requirement for all producers in the USA and for all graphene products used in the USA regardless of where the product was produced. The Company received EPA approval in February 2026. In September 2023, the National Institute for Occupational Safety and Health (the "NIOSH") conducted an audit of operating facilities. Their final report indicated that HydroGraph's production is well within safe operating parameters.

During 2024, HydroGraph made changes to its commercial strategy by moving towards a business development team with advanced materials expertise as well as changes to its business model by moving away from an onsite production plan. These changes garnered significant interest from customers and investors and have resulted in a centralized production scale up plan targeting access to the Company's primary feedstock at a location within the US, and significant advancement with customers. In April 2025 the Company signed a letter of intent with a leading North American industrial gas supplier and initiated the first stages of planning for a new production facility in Texas. In August 2025, the Company enter into a lease for new headquarters in Austin, Texas. Through the Company's work at the Graphene Engineering and Innovation Center ("GEIC"), where the Company has an applications lab, HydroGraph has been involved with numerous customer projects and has moved into discussion with multiple customers through that process which they expect will generate both larger purchase orders and a long-term supply agreement within calendar 2025. The Company completed its EPA submission during 2024 and on February 24, 2026, the Company announced that EPA approval has been received, allowing the Company to sell high volumes of their fractal graphene within the US, subject to specified conditions.

**HYDROGRAPH CLEAN POWER INC.**  
**Management Discussion and Analysis**  
**For the six months ended March 31, 2026**

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Highlights and key developments during the six months ended March 31, 2026 include:

- On October 8, 2025, the Company announced that it has been granted U.S. Patent No. 12,378,948 for a novel actuator technology that uses electrically conductive porous carbon materials, including HydroGraph's proprietary Fractal Graphene™, to generate controlled mechanical force.
- On October 16, 2025, the Company announced that it has been added to the CSE25 Index, which is comprised of the 25 largest companies on the Canadian Securities Exchange.
- On October 22, 2025, the Company released an update letter to shareholders. Refer to the news release for details.
- On November 4, 2025, the Company completed a listed issuer financing exemption ("LIFE") private placement of 6,896,560 units at a price of CAD\$2.90 per unit for gross proceeds of CAD\$20,000,024 (\$14,194,017). Each unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant will entitle the holder thereof to purchase one common share at a price of CAD\$3.50 up to November 4, 2028.
- On December 9, 2025, the Company announced that James Baker has joined the Company's Technical Advisory Board. For the past 12 years, Mr. Baker led business activities related to graphene and 2D materials at the University of Manchester, including service as CEO of the globally recognized Graphene Engineering Innovation Centre.
- On January 6, 2026, the Company announced the expansion of its collaboration with the Graphene Engineering Innovation Centre at the University of Manchester, moving from a Tier 2 to a Tier 1 member.
- On January 27, 2026, the Company announced that it had commenced construction of two additional Hyperion graphene reactors, supporting the Company's planned scale-up of graphene production capacity. Each Hyperion reactor has an expected production capacity of approximately 10 metric tonnes per year of FGA-1 ultra-pure fractal graphene using the Company's proprietary exploration-synthesis process. These reactors will have the same physical footprint as HG's existing commercial unit, measuring approximately 6 feet by 6 feet by 18 feet. Initial commissioning will take place in Manhattan, Kansas, after which the units are ultimately expected to be relocated to HG's facilities in Austin, Texas, which are under construction now. As of the date of this MD&A, both reactors have been commissioned and are undergoing assembly and validation processes. Longer term, the Company intends to commence a broader manufacturing expansion strategy in south Texas, supporting a larger number of reactors and dedicated acetylene supply via pipeline. HG notes that commissioning the reactors prior to permanent installation allows for controlled validation, performance testing, and process optimization before integration into its Texas manufacturing operations.
- On February 10, 2026, the Company announced the addition of Hubron International to its Compounding Partner Program, a qualified network of plastics compounders supporting the commercial adoption of HG's Fractal Graphene™ in thermoplastics. Based in Fallsouth, Manchester, Hubron International is a global leader in black masterbatch and conductive polymer compounds, with more than 90 years of materials expertise and a worldwide distributor network exporting over 85% of its production. Hubron operates 24/7 manufacturing with multiple compounding technologies, including twin-screw extrusion, Buss kneaders, and specialized processing lines. Hubron also brings extensive experience working with carbon-based nanomaterials, including carbon black, carbon nanotubes, graphene, and carbon fiber. The company has published research on graphene-enabled performance improvements in polymer systems and demonstrated expertise in maintaining conductive pathways while preserving nanoscale filler integrity. Through Hubron's established distributor network, HG expects expanded access to key markets including automotive, construction, electronics, film, pipe, wire and cable,

**HYDROGRAPH CLEAN POWER INC.**  
**Management Discussion and Analysis**  
**For the six months ended March 31, 2026**

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and technical compounding. Hubron's contract manufacturing capabilities also support flexible partnership models, including toll compounding under customer brands.

- On February 23, 2026, the Company announced the appointment of John Neale as Chief Financial Officer, effective February 20, 2026. Matt Anderson, who previously served as CFO, will continue serving the Company in the role of Vice President of Finance.
- On February 24, 2026, the Company announced that the United States Environmental Protection Agency ("EPA") has issued a TSCA Section 5(e) Order under Premanufacture Notice (PMN) numbers P-24-0086-87 for HydroGraph's graphene materials described as graphene, turbostratic, 3-9 layers (P-24-0086) and graphene, turbostratic, ~32 layers (P-24-0087), authorizing manufacture, processing, distribution, use, and disposal in the United States subject to specified conditions.

The Company also announced that it has received confirmation of its UK REACH registration (CAS No. 1034343-98-0; EC No. 801-282-5) and EU REACH registration (EC No. 801-282-5) for graphene, enabling commercial manufacture and supply within Great Britain and the European Union, respectively.

UK REACH requires manufacturers and importers of chemical substances to submit detailed technical dossiers addressing substance identity, safety, and environmental considerations. HydroGraph's successful registration reflects completion of the required submission and review process, providing regulatory clarity for customers operating in the UK market. HydroGraph's registration, issued under the UK Registration, Evaluation, Authorization and Restriction of Chemicals (UK REACH) framework and confirmed by the Health and Safety Executive (HSE), is listed under registration number UK-01-8788107436-0-0006.

EU REACH registration similarly requires submission of comprehensive substance identity, safety, and environmental data under the European Chemicals Agency (ECHA) regulatory framework. Completion of this process provides HydroGraph with regulatory authorization to support customer scale-up activities across EU member states. HydroGraph's registration is listed under registration number 01-2120768618-38-0012.

In the United States, the EPA's issuance of the Section 5(e) Order establishes the regulatory framework governing commercial manufacture and use of the Company's graphene materials. The Order outlines specific conditions related to manufacturing, processing, workplace protections, distribution, environmental release controls, and record keeping requirements.

The Order is effective upon expiration of the applicable review period and enables HydroGraph to proceed toward commercial manufacture in the United States in accordance with its terms. The Company is working with its regulatory advisors and anticipates next procedural steps, including final administrative actions required prior to full commercial commencement.

Securing regulatory clearances in the United States, the United Kingdom, and the European Union represents three key milestones for HydroGraph that meaningfully expand the Company's commercial markets. With US EPA authorization and both UK and EU REACH registrations now in place, the Company can pursue expanded revenue-generating agreements and support customer scale-up for Fractal Graphene applications across North America and Europe.

- On February 24, 2026, the Company announced a listed issuer financing exemption ("LIFE") private placement of up to 5,882,348 units at a price of CAD\$5.10 per unit for gross proceeds of up to CAD\$30,000,000. Each unit will consist of one common share and one-half of one common share purchase warrant. Each whole warrant will entitle the holder thereof to purchase one common share at a price of CAD\$6.10 up to two years from closing. In connection with the offering, the Company intends to pay cash commissions equal to 6% of the gross proceeds and issue agents broker warrants equal to 6% of the unit issued.

**HYDROGRAPH CLEAN POWER INC.**  
**Management Discussion and Analysis**  
**For the six months ended March 31, 2026**

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- On March 5, 2026, the company announced the closing of the LIFE private placement for aggregate gross proceeds of CAD\$29,999,974.80. The offering consisted of 5,882,348 units at a price of CAD\$5.10 per unit. Each unit consists of one common share of the Company and one-half of one common share purchase warrant of the Company. Each whole warrant entitles the holder to purchase one common share at a price of CAD\$6.10 up to March 5, 2029. In connection with the offering, the Company intends to pay cash commissions equal to 6% of the gross proceeds (reduced to 3.0% of the gross proceeds for units issued to purchasers on the president's list) and issue agents broker warrants equal to 6% of the unit issued (reduced to 3.0% for units issued to purchasers on the president's list).
- On March 17, 2026, the Company announced that Broadway Colours Ltd. has earned certification as a qualified HydroGraph Compounding Partner following completion of HydroGraph's rigorous technical and commercial qualification process, further strengthening HydroGraph's commercial presence across the UK and European plastics markets and expanding the Company's ability to support large-scale commercial adoption of graphene-enhanced polymer materials.
- On March 24, 2026, the Company today announced that it has entered into a Letter of Intent ("LOI") dated March 23, 2026 with Sparc Technologies Limited. The LOI establishes a framework for joint testing, product development, and the potential commercial supply of graphene for ecosparc® additives. Subject to successful performance outcomes, the parties intend to negotiate a definitive commercial agreement within approximately 12 months, although such agreement is not guaranteed. The collaboration brings together Sparc's proprietary ecosparc® additive platform with HydroGraph's high-purity, low-carbon footprint Fractal Graphene™, produced through its proprietary explosion synthesis process. HydroGraph's materials are engineered for consistent structure and dispersion, supporting reliable performance in demanding industrial applications.

Subsequent to March 31, 2026:

- On April 14, 2026, the Company announced the opening of its new Austin headquarters, having received its certificate of occupancy in March 2026. The new facility centralizes key executive and operating functions, as well as expands the Company's research and production capabilities in support of continued growth activities. The Company is currently transitioning key equipment and resources from its Manhattan, KS facility to Austin, including scientific equipment, the detonation lab, Hyperion Reactors and other assets. The detonation lab and first new Hyperion unit, which was qualified in Manhattan prior to transport, have already arrived on site in Austin. The Company plans to commence a second phase of construction at its Austin facility to support integration of these and other assets plus new acetylene storage for its Hyperion units.
- On May 4, 2026, The Company announced the appointment of Matt Anderson, as Interim Chief Financial Officer and Corporate Secretary, effective immediately. Mr. Anderson previously served as HydroGraph's Chief Financial Officer from September 3, 2024 to February 20, 2026.

## **RESULTS OF OPERATIONS**

The discussion of operations relates to the Company's three and six months ended March 31, 2026 and 2025.

### Overall

Operations during the six months ended March 31, 2026 were primarily related to building out the production facility and production team, research, development, marketing and commercialization of patented technology to produce graphene, hydrogen, syngas, and other products and business opportunities as described above. In August 2025, the Company entered into a new lease agreement for a facility in Texas and leasehold improvements were in progress during the quarter.

**HYDROGRAPH CLEAN POWER INC.**  
**Management Discussion and Analysis**  
**For the six months ended March 31, 2026**

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Three months ended March 31, 2026

Sales

The Company had sales of \$51,015 (2025 – \$22,632).

The Company had a net loss of \$3,820,119 (2025 – \$1,079,254), comprised mostly of operating expenses totaling \$3,972,499 (2025 - \$1,103,667). Operating expenses primarily consisted of salaries of \$1,137,945 (2025 - \$385,580), travel and promotion of \$199,316 (2025 - \$152,526), professional fees of \$811,102 (2025 - \$141,231), share-based compensation of \$1,159,333 (2025 - \$127,731), research costs of \$146,685 (2025 - \$94,909) and office and miscellaneous expenses of \$84,353 (2025 - \$56,422).

Main changes in expenses are the following:

- Increase in stock-based compensation from \$127,731 in the three months ended March 31, 2025 to \$1,159,333 in the same period of 2026 is primarily due to additional options and RSUs being granted, which have higher values than the ones granted in the past years.
- Increase in salaries from \$385,580 in the three months ended March 31, 2025 to \$1,137,945 in the same period of 2026 is due to hiring of additional staff compared to prior period.
- Increase in professional fees from \$141,231 in the three months ended March 31, 2025 to \$811,102 in the same period of 2026 is due to the Company being more active and requiring additional professional services. Professional fees including legal, accounting, audit and consultants.
- Increase in office and miscellaneous expenses from \$56,422 in the three months ended March 31, 2025 to \$84,353 in the same period of 2026 is due to the Company being more active and requiring additional supplies, software licenses and other office-related fees.
- Increase in license maintenance expenses from \$11,228 in the three months ended March 31, 2025 to \$21,153 in the same period of 2026.
- Increase in travel and promotion expenses from \$152,526 in the three months ended March 31, 2025 to \$199,316 in the same period of 2026 is due to the increase in conferences the Company participated in 2026 compared to 2025 as well as an increase in general corporate travel.
- Increase in foreign exchange loss from \$4,544 in the three months ended March 31, 2025 to \$17,188 in the same period of 2026 is due to the fluctuations of foreign exchange rates during the period.
- Increase in amortization from \$nil in the three months ended March 31, 2025 to \$19,000 in the same period of 2026, due to the intangible asset being amortized as it became available for its intended use.

Overall Performance

The table below details certain non-cash or unusual transactions that for the purposes of this discussion have been adjusted out of the reported loss for the three months ended March 31, 2026 and 2025 to produce an adjusted loss that forms a better basis for comparing the period over period operating results of the Company.

|   | <b>2026</b> | <b>2025</b> |
|---|-------------|-------------|
|   | <b>\$</b>   | <b>\$</b>   |
| Net loss as reported                        | (3,820,119) | (1,079,254) |
| Add (deduct):                               |             |             |
| Amortization                                | 19,000      | -           |
| Depreciation                                | 230,125     | 73,357      |
| Lease accretion                             | 30,492      | 3,377       |
| Stock-based compensation                    | 1,159,333   | 127,731     |
| Adjusted loss for the period <sup>(1)</sup> | (2,381,169) | (874,789)   |

**HYDROGRAPH CLEAN POWER INC.**  
**Management Discussion and Analysis**  
**For the six months ended March 31, 2026**

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(1) Adjusted loss for the period is not a term recognized under IFRS.

Six months ended March 31, 2026

Sales

The Company had sales of \$70,700 (2025 – \$22,948).

Operating Expenses

The Company had a net loss of \$6,974,170 (2025 – \$2,174,422), comprised mostly of operating expenses totaling \$7,178,138 (2025 - \$2,192,186). Operating expenses primarily consisted of salaries of \$1,838,641 (2025 - \$815,346), travel and promotion of \$409,555 (2025 - \$233,260), professional fees of \$1,541,777 (2025 - \$279,225), share-based compensation of \$2,077,791 (2025 - \$336,884), research costs of \$319,631 (2025 - \$111,321) and office and miscellaneous expenses of \$221,658 (2025 - \$110,936).

Main changes in expenses are the following:

- Increase in stock-based compensation from \$336,884 in the six months ended March 31, 2025 to \$2,077,791 in the same period of 2026 is primarily due to additional options and RSUs being granted, which have higher values than the ones granted in the past years.
- Increase in salaries from \$815,346 in the six months ended March 31, 2025 to \$1,838,641 in the same period of 2026 is due to hiring of additional staff compared to prior period and increased compensation for Directors.
- Increase in professional fees from \$279,225 in the six months ended March 31, 2025 to \$1,541,777 in the same period of 2026 is due to the Company being more active and requiring additional professional services. Professional fees including legal, accounting, audit and consultants.
- Increase in office and miscellaneous expenses from \$110,936 in the six months ended March 31, 2025 to \$221,658 in the same period of 2026 is due to the Company being more active and requiring additional supplies, software licenses and other office-related fees.
- Increase in license maintenance expenses from \$79,161 in the six months ended March 31, 2025 to \$90,938 in the same period of 2026.
- Increase in travel and promotion expenses from \$233,260 in the six months ended March 31, 2025 to \$409,555 in the same period of 2026 is due to the increase in conferences the Company participated in 2026 compared to 2025 as well as an increase in general corporate travel.
- Increase in foreign exchange loss from \$15,129 in the six months ended March 31, 2025 to \$32,617 in the same period of 2026 is due to the fluctuations of foreign exchange rates during the period.
- Increase in amortization from \$nil in the six months ended March 31, 2025 to \$19,000 in the same period of 2026, due to the intangible asset being amortized as it became available for its intended use.

Overall Performance

The table below details certain non-cash or unusual transactions that for the purposes of this discussion have been adjusted out of the reported loss for the six months ended March 31, 2026 and 2025 to produce an adjusted loss that forms a better basis for comparing the period over period operating results of the Company.

|                      | <b>2026</b> | <b>2025</b> |
|----------------------|-------------|-------------|
|                      | <b>\$</b>   | <b>\$</b>   |
| Net loss as reported | (6,974,170) | (2,174,422) |
| Add (deduct):        |             |             |
| Amortization         | 19,000      | -           |
| Depreciation         | 410,496     | 145,948     |

**HYDROGRAPH CLEAN POWER INC.**  
**Management Discussion and Analysis**  
**For the six months ended March 31, 2026**

|   |             |             |
|---|-------------|-------------|
| Lease accretion                             | 60,807      | 7,056       |
| Stock-based compensation                    | 2,077,791   | 336,884     |
| Adjusted loss for the period <sup>(1)</sup> | (4,406,076) | (1,684,534) |

<sup>(1)</sup> Adjusted loss for the period is not a term recognized under IFRS.

Refer to the Operating Expenses section above for explanation of changes in expenses during the periods.

**SUMMARY OF QUARTERLY RESULTS**

|  | <b>31-Mar-26</b> | <b>31-Dec-25</b> | <b>30-Sep-25</b> | <b>30-Jun-25</b> |
|--|------------------|------------------|------------------|------------------|
|  | <b>\$</b>        | <b>\$</b>        | <b>\$</b>        | <b>\$</b>        |
| Revenue  | 51,015           | 19,685           | 757              | 19,346           |
| Net loss   | (3,820,119)      | (3,154,051)      | (4,512,214)      | (1,462,656)      |
| Loss and comprehensive loss for period               | (4,611,387)      | (2,706,929)      | (4,642,283)      | (1,356,866)      |
| Basic and diluted loss per share                     | (0.01)           | (0.01)           | (0.02)           | (0.01)           |
| Weighted average number of common shares outstanding | 342,756,195      | 333,299,308      | 299,258,305      | 266,400,962      |
|  | <b>31-Mar-25</b> | <b>31-Dec-24</b> | <b>30-Sep-24</b> | <b>30-Jun-24</b> |
|  | <b>\$</b>        | <b>\$</b>        | <b>\$</b>        | <b>\$</b>        |
| Revenue  | 22,632           | 316              | (2,293)          | 1,860            |
| Net loss   | (1,079,254)      | (1,095,168)      | (1,636,135)      | (1,277,764)      |
| Loss and comprehensive loss for period               | (1,080,203)      | (1,153,145)      | (2,044,633)      | (1,086,875)      |
| Basic and diluted loss per share                     | (0.00)           | (0.00)           | (0.01)           | (0.01)           |
| Weighted average number of common shares outstanding | 256,965,903      | 235,706,369      | 230,810,374      | 200,129,434      |

As described in the description of business above, the Company entered into a technology license letter of intent with Kansas State University in 2017. During each quarter, the Company continued to invest the majority of capital raised into its fixed assets, research activities and the development of the business. Revenues increased in the quarters ended March 31, June 30, December 31, 2025 and March 31, 2026 due to a partial completion of services under a new contract. Revenues and loss and comprehensive loss remained consistent in other periods, except for September 30, 2025 and December 31, 2025. Increase in loss in the period ended September 30, 2025, was primarily due to the accrued settlement expense, additional options and RSUs being granted as well as increased professional fees, Board compensation changes and hiring of new directors. The increase in loss during the periods ended March 31, 2026 and December 31, 2025 was due to an increase in professional fees, salaries and stock-based compensation as a result of increased development activities.

**FINANCING ACTIVITIES**

Subsequent to March 31, 2026:

- The Company issued 109,000 common shares on exercise of warrants at an average exercise price of CAD\$1.67 for gross proceeds of CAD\$182,225.
- The Company issued 300,000 common shares on exercise of options at an average exercise price of CAD\$0.52 for gross proceeds of CAD\$155,500.

**HYDROGRAPH CLEAN POWER INC.**  
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During the six months ended March 31, 2026:

- On November 4, 2025, the Company closed a LIFE Offering through issuance of 6,896,560 units at the price of \$2.06 (CAD\$2.90) per unit for gross proceeds of \$14,194,017 (CAD\$20,000,024). Each unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder thereof to purchase one common share at a price of CAD\$3.50 up to November 4, 2028.

In connection with the private placement, the Company issued 401,794 finders' warrants, incurred \$826,943 in cash finders' fees and \$350,590 in other issuance costs. Each finders' warrant is exercisable into one common share at a price of CAD\$3.50 up to November 4, 2028.

- On March 5, 2026, the Company completed a private placement of 5,882,348 units at a price of \$3.73 (CAD\$5.10) per unit for gross proceeds of \$21,934,616 (CAD\$29,999,975). Each unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder thereof to purchase one common share at a price of CAD\$6.10 up to March 5, 2029.

In connection with the private placement, the Company issued 347,634 finders' warrants, incurred \$1,296,288 in cash finders' fees and \$407,683 in other issuance costs. Each finders' warrant is exercisable into one common share at a price of CAD\$5.63 up to March 5, 2029.

- During the six months ended March 31, 2026, the Company issued 925,000 common shares on option exercise at the weighted average exercise price of \$0.14 (CAD\$0.20) for gross proceeds of \$132,703. The Company transferred the fair value of \$85,067 from reserves to share capital in connection with the exercises.
- During the six months ended March 31, 2026, the Company issued 10,420,396 common shares on warrant exercise at the weighted average exercise price of \$0.72 (CAD\$0.99) for gross proceeds of \$7,541,749. The Company transferred the fair value of \$4,711,559 from reserves to share capital in connection with the exercises.

During the year ended September 30, 2025:

- On December 12, 2024, the Company closed a private placement by issuing 23,960,003 units at a price of CAD\$0.16 per unit for gross proceeds of \$2,701,921 (CAD\$3,833,600).

Each unit consists of one common share and one-half of one common share purchase warrant. Each warrant entitles the holder thereof to purchase one common share at a price of CAD\$0.24 up to December 12, 2027. The warrants were valued at \$668,252 using the Black-Scholes Option Pricing model with the following weighted-average assumptions: expected life – 3 years; volatility – 82.84%, risk-free rate – 2.94%, dividend yield – 0%. The Company allocated \$2,033,669 and \$668,252 to share capital and reserves, respectively.

In connection with the private placement, the Company issued 1,113,350 finders' warrants and incurred \$125,550 in cash finders' fees and \$32,134 in other issuance costs. Each finders' warrant is exercisable into a finders' unit, consisting of one common share and one-half of one common share purchase warrant (the "Finder Unit Warrant"), at a price of CAD\$0.16 up to December 12, 2027. Each Finder Unit Warrant is exercisable into one common share at a price of CAD\$0.24 per common share up to December 12, 2027. The finders' warrants were valued at \$62,103 using the Black-Scholes Option Pricing model with the following weighted-average assumptions: expected life – 3 years; volatility – 82.84%, risk-free rate – 2.94%, dividend yield – 0%.

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- During the year ended September 30, 2025, the Company issued 9,065,933 common shares on option exercise at the exercise price of \$0.18 (CAD\$0.24) for gross proceeds of \$1,594,551. The Company transferred the fair value of \$916,356 from reserves to share capital in connection with the exercise.
- During the year ended September 30, 2025, the Company issued 61,056,784 common shares on warrant exercise at the average exercise price of \$0.15 (CAD\$0.20) for gross proceeds of \$9,058,263. The Company transferred the fair value of \$2,863,176 from reserves to share capital in connection with the exercises.

**Use of Proceeds**

The Company has completed the following financings during the six months ended March 31, 2026:

| <b>Financing</b>   | <b>Intended Use Per Prior Disclosure</b>  | <b>Variance and explanation</b>   |
|--|---|---|
| March 5, 2026 LIFE offering of 5,882,348 units for gross proceeds of \$21,934,616, less share issuance costs | The net proceeds from the offering will be used for establishing and staffing the company's new Texas headquarters, advancing the development of its second graphene production facility in Texas, expanding marketing and sales initiatives, supporting continuing research and development programs, strengthening the company's intellectual property portfolio and strategic partnerships, and financing general working capital needs. |   |
|  | - Completing the setup and staffing of the Company's new Austin headquarters - \$1,500,000  | The Company has used other sources of funding, including cash on hand and cash from the exercise of securities. During the six months ended March 31, 2026, \$1,075,225 of additions were made to leasehold improvements which substantially all relate to the new Austin headquarters. Additional costs have been incurred subsequent to March 31, 2026, primarily on leasehold improvements. At this time, there is no change in the estimated use of proceeds. |
|  | - Development of a second graphene manufacturing site in Texas to boost production capacity - \$3,600,000   | No change anticipated at this time.   |
|  | - Expansion of marketing initiatives and strengthening of sales operations - \$1,000,000  | No change anticipated at this time.   |

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|   |  |  |
|---|--|--|
|   | - Advancement of ongoing research and development programs.  | No change anticipated at this time.  |
|   | - Growth of the Company's intellectual property portfolio and formation of strategic partnerships.   | No change anticipated at this time.  |
| November 4, 2025 LIFE offering of 6,896,560 units for gross proceeds of \$14,194,017, less share issuance costs | The net proceeds from the LIFE financing will be allocated toward the development of production, research, and operating facilities at two locations in Texas, as well as for research and development initiatives and general working capital purposes. |  |
|   | - Setup and staffing of the Company's new Austin headquarters - \$700,000  | Incurred during the six months ended March 31, 2026. Refer to the March 5, 2026 LIFE offering above for additional details on use of proceeds.   |
|   | - Development of a second graphene manufacturing site in Texas to boost production capacity - \$3,600,000  | No change anticipated at this time.  |
|   | - General research and development expenses -- \$350,000   | The Company has used other sources of funding, including cash on hand and cash from the exercise of securities. During the six months ended March 31, 2026, the Company incurred \$319,631 of research costs. At this time, there is no change in the estimated use of proceeds. |
|   | - Unallocated working capital – Remainder  | The Company has used other sources of funding, including cash on hand and cash from the exercise of securities, and has not begun to use this unallocated working capital.   |

The Company completed the following financings during the year ended September 30, 2025:

| <b>Financing</b>   | <b>Intended Use Per Prior Disclosure</b>   | <b>Variance and explanation</b>                                     |
|--|--|---|
| December 12, 2024 private placement of 23,960,003 units for gross proceeds of \$2,701,921, less share issuance costs | Net proceeds used to further commercial activity for the Company's differentiated graphene products via application development at the GEIC (Graphene Engineering Innovation Center) and other direct customer relationships, production upscaling, business development and general working capital purposes. | The funds were used as intended by the quarter ended June 30, 2025. |

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**LIQUIDITY AND CAPITAL RESOURCES**

The Company is developing its licensed technology and new business opportunities and therefore has incurred losses and negative cash flows from operations. The Company's sole source of funding has been the issuance of common shares for cash, through private placement or the exercise of warrants and stock options. The Company's ability to raise cash depends on various capital market conditions. There is no assurance that the Company will be able to obtain any additional financing on terms acceptable to the Company. The quantity of funds to be raised and the terms of any equity financing that may be undertaken will be negotiated by management as opportunities to raise funds arise. Actual funding requirements may vary from those planned due to a number of factors, including timing on securing customer contracts.

There can be no certainty that the Company's existing cash balances or that the proceeds from the issuance of its common shares will provide sufficient funds for all of the Company's cash requirements. Should the need arise, the Company may pursue other financing options or rely on joint venture partners to supply some of the funds required to develop any opportunities. There is no assurance that the Company will be successful in obtaining the funds it may require to sustain operations or that the terms of any financing obtained will be acceptable.

As at March 31, 2026, the Company had cash on hand of \$42,781,891 (September 30, 2025 – \$8,737,793). Subsequent to March 31, 2026, the Company raised CAD\$182,225 from the exercise of warrants and CAD\$155,500 from the exercise of options.

During the six months ended March 31, 2026, cash used in operating activities was \$4,810,268 (2025 – \$1,964,718), cash used in investing activities was \$1,721,164 (2025 – \$29,291) and cash provided by financing activities was \$40,849,431 (2025– \$3,359,197). Cash used in operating activities increased due to additional operating expenses. The cash provided by financing activities is primarily related to shares issued for cash and subscriptions for private placements to fund operations and development of the licensed technology.

**OFF BALANCE SHEET ARRANGEMENTS**

There were no off-balance sheet arrangements to which the Company was committed.

**TRANSACTIONS WITH RELATED PARTIES**

Key management are those personnel having the authority and responsibility for planning, directing and controlling the Company and include the current and former board of directors, the Chief Executive Officer, President, the current and former Chief Financial Officer, and the former Chief Accounting Officer. Key management compensation during the three and six months ended March 31, 2026 and 2025 included the following:

|  | Three months ended |                   | Six months ended |                   |
|--|--------------------|-------------------|------------------|-------------------|
|  | 2026               | March 31,<br>2025 | 2026             | March 31,<br>2025 |
|  | \$                 | \$                | \$               | \$                |
| Short-term benefits - management and director compensation |                    |                   |                  |                   |
| Kjirstin Breure, President, CEO and Director               | 230,400            | 48,462            | 314,400          | 90,000            |
| John Neale, former CFO <sup>(1)</sup>                      | 40,192             | -                 | 40,192           | -                 |
| Matthew Anderson, CFO and former CFO <sup>(2)</sup>        | 17,463             | 41,340            | 45,759           | 69,148            |
| Tom Wilkinson, Director                                    | 15,000             | -                 | 30,000           | -                 |
| Grant Duthie, Director                                     | 15,000             | -                 | 30,000           | -                 |
| Cordell Bennigson, Director                                | 15,000             | -                 | 30,000           | -                 |
| Kerry Landis, Director                                     | 15,000             | -                 | 30,000           | -                 |
| David Williams, former Director                            | -                  | 24,000            | -                | 48,000            |

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|                               |                  |                |                  |                |
|-------------------------------|------------------|----------------|------------------|----------------|
| Paul Cox, former Director     | -                | 12,000         | -                | 24,000         |
| David Morris, former Director | -                | 1,000          | -                | 2,000          |
| Share-based payments          | 699,243          | 67,916         | 1,280,426        | 208,435        |
| <b>Total</b>                  | <b>1,047,298</b> | <b>194,718</b> | <b>1,800,777</b> | <b>441,583</b> |

- (1) Mr. Neale was appointed CFO on February 20, 2026. Mr. Neale was terminated in May 2026.
- (2) Mr. Anderson is a Managing Director and shareholder of Malaspina Consultants Inc. ("Malaspina"), which provides accounting and other services to the Company. During the three and six months ended March 31, 2026, the Company paid Malaspina \$17,463 and \$45,759 (2025 - \$41,340 and \$69,148 respectively), respectively, for CFO, accounting, corporate secretarial and administrative services. Mr. Anderson resigned as CFO on February 20, 2026 and was appointed as Vice President of Finance. On May 4, 2026, Mr. Anderson was appointed interim CFO.

As at March 31, 2026, \$67,676 (September 30, 2025 – \$65,418) was due to current and former related parties of the Company and has been included in accounts payable and accrued liabilities on the consolidated statement of financial position. As at March 31, 2026, \$48,000 (September 30, 2025 - \$66,000) was due to former related parties of the Company and has been included in other liabilities.

As at March 31, 2026, \$Nil (September 30, 2025 - \$15,000) is included in prepaid expenses in connection with Board fees advanced to directors.

#### **CRITICAL ACCOUNTING ESTIMATES**

The Company has outlined the basis of its critical accounting estimates in Note 3 of its annual audited consolidated financial statements for the year ended September 30, 2025.

#### **CHANGES IN ACCOUNTING POLICIES**

There were no new accounting policies adopted during the period.

#### **FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS**

##### Fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value, by reference to the reliability of the inputs used to estimate the fair values:

The Company classifies its fair value measurements in accordance with the three-level fair value hierarchy as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices), and

Level 3 – Inputs that are not based on observable market data.

As at March 31, 2026, the Company's financial instruments consisted of cash, accounts receivable, tax receivable, accounts payable and accrued liabilities and other liabilities. Cash is measured at fair value in accordance with Level 1. The fair value of accounts receivable, tax receivable, accounts payable and accrued liabilities and other liabilities approximate their carrying values because of the short-term nature of these instruments.

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Financial risk management objectives and policies

The risks associated with financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(i) *Currency risk*

The Company is exposed to currency risk by having balances and transactions in currencies that are different from its functional currencies. The Company has balances and transactions in United States Dollars, Canadian Dollars and British Pounds. The Company does not use derivative instruments to reduce upward and downward risk associated with foreign currency fluctuations. Cash balances were held in the following currencies at March 31, 2026:

|      | US Dollars | Canadian Dollars | British Pounds |
|------|------------|------------------|----------------|
| Cash | 225,888    | 58,762,693       | 302,098        |

At March 31, 2026, with other variables unchanged, a 5% movement in the US dollar against the Canadian Dollar and British Pound would change the Company's net loss and comprehensive loss by approximately \$2,127,800.

(ii) *Interest rate risk*

The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The fair value interest rate risk on bank deposits is insignificant as the deposits are short-term. The Company has not entered into any derivative instruments to manage interest rate fluctuations.

(iii) *Credit risk*

Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash, term deposit, and tax receivable. To minimize the credit risk on cash and its term deposit, the Company places the instrument with a chartered financial institution.

(iv) *Liquidity risk*

In the management of liquidity risk, the Company maintains a balance between continuity of funding and development activity. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations.

At March 31, 2026, the contractual maturities of the Company's obligations are as follows:

|  | Within one year | Between one and five years | More than five years |
|--|-----------------|----------------------------|----------------------|
|  | \$              | \$                         | \$                   |
| Accounts payable and accrued liabilities | 1,033,518       | -                          | -                    |
| Other liabilities                        | -               | 48,000                     | -                    |
| Lease obligation                         | 349,204         | 1,152,312                  | -                    |

**OUTSTANDING SHARE DATA**

Authorized: Unlimited number of common shares

Issued and outstanding: 350,176,398 common shares as at May 29, 2026

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Options and warrants outstanding as at May 29, 2026

| Security      | Number            | Exercise Price (CAD\$) | Expiry Date |
|---------------|-------------------|------------------------|-------------|
| Stock Options | 1,000,000         | 0.25                   | 14-Jun-26   |
| Stock Options | 5,312,500         | 0.19                   | 21-Jun-29   |
| Stock Options | 250,000           | 0.19                   | 18-Dec-29   |
| Stock Options | 200,000           | 0.31                   | 27-Feb-30   |
| Stock Options | 100,000           | 0.33                   | 07-Mar-30   |
| Stock Options | 3,437,030         | 0.26                   | 16-Apr-30   |
| Stock Options | 50,000            | 0.24                   | 28-Apr-30   |
| Stock Options | 4,143,000         | 1.25                   | 01-Aug-30   |
| Stock Options | 950,000           | 2.16                   | 12-Aug-30   |
| Stock Options | 150,000           | 2.43                   | 18-Aug-30   |
| Stock Options | 1,194,220         | 3.02                   | 05-Dec-30   |
| Stock Options | 1,500,000         | 0.25                   | 28-Feb-32   |
| Stock Options | 1,300,000         | 0.25                   | 20-Apr-32   |
| Stock Options | 700,000           | 0.25                   | 12-Jan-33   |
| <b>TOTAL</b>  | <b>20,286,750</b> |                        |             |

| Security                | Number           | Exercise Price (CAD\$) | Expiry Date              |
|-------------------------|------------------|------------------------|--------------------------|
| Share Purchase Warrants | 1,935,647        | 0.27                   | 11-Jun-27                |
| Share Purchase Warrants | 1,656,763        | 0.24                   | 12-Dec-27                |
| Share Purchase Warrants | 875              | 0.16                   | <sup>(1)</sup> 12-Dec-27 |
| Share Purchase Warrants | 1,598,300        | 3.50                   | 4-Nov-28                 |
| Share Purchase Warrants | 2,800,925        | 6.10                   | 5-Mar-29                 |
| Share Purchase Warrants | 347,634          | 5.63                   | 5-Mar-29                 |
| <b>TOTAL</b>            | <b>8,340,144</b> |                        |                          |

<sup>(1)</sup> Exercisable into a finders' unit, consisting of one common share and one-half of one common share purchase warrant, at a price of CAD\$0.16 up to December 12, 2027. Each warrant within the unit is exercisable into one common share at a price of CAD\$0.24 per common share up to December 12, 2027.

Restricted Share Units outstanding as at May 29, 2026:

| Security               | Number         | Grant Date |
|------------------------|----------------|------------|
| Restricted Share Units | 446,667        | 1-Aug-25   |
| Restricted Share Units | 40,000         | 13-Aug-25  |
| Restricted Share Units | 75,000         | 18-Aug-25  |
| Restricted Share Units | 54,184         | 05-Dec-25  |
| <b>TOTAL</b>           | <b>615,851</b> |            |

**DISCLOSURE CONTROLS AND PROCEDURES**

In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the condensed interim consolidated financial statements for the three and six months ended March 31, 2026 and this accompanying MD&A (together, the "Interim Filings").

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information the reader should

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refer to the Venture Issuer Basic Certificates filed by the Company with the Interim Filings on SEDAR at [www.sedarplus.ca](http://www.sedarplus.ca).

## **RISK FACTORS AND UNCERTAINTIES**

The Company is pursuing the opportunity to exploit patented technology to produce graphene, hydrogen, syngas, and other products and business opportunities. Due to the nature of the Company's business and the present stage of its activities, many risk factors will apply. The risks described below are not the only ones facing the Company. Additional risks not presently known to the Company may also impair the business operations.

An investment in the Company is speculative and involves a high degree of risk. Accordingly, prospective investors should carefully consider the specific risk factors set out below, in addition to the other information contained in this document, before making any decision to invest in the Company. The Directors consider the following risks and other factors to be the most significant for potential investors in the Company, but the risks listed do not necessarily comprise all those associated with an investment in the Company and are not set out in any particular order of priority. Additional risks and uncertainties not currently known to the Directors may also have an adverse effect on the Company's business.

If any of the following risks actually occur, the Company's business, financial condition, capital resources, results or future operations could be materially adversely affected. In such a case, the price of the Common Shares could decline, and investors may lose all or part of their investment.

### **How risk is related to return**

Generally, there is a strong relationship between the amount of risk associated with a particular investment, and that investment's long-term potential to increase in value.

Investments that have a lower risk also tend to have lower returns because factors that can affect the value of the investment, the risks, are well known or are well controlled and have already been worked into the price of the investment. On the other hand, investments that could have potentially higher returns if conditions for success are favorable also risk generating equally higher losses if conditions become unfavorable. This is because the factors affecting the value of such investments are unknown or difficult to control.

### **Dilution**

The financial risk of the Company's future activities will be borne to a significant degree by purchasers of the Common Shares. If the Company issues Common Shares from its treasury for financing purposes, control of the Company may change, and purchasers may suffer additional dilution.

### **Negative Cash Flow from Operating Activities**

The Company's activities have been focused on developing its technology and accordingly cash flow is negative, and the Company has been required to raise funds through equity financings.

### **Current Market Volatility**

The securities markets in the United States and Canada have recently experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any market for the Common Shares will be subject to market trends generally, notwithstanding any potential success of the Company. The value of the Common Shares distributed hereunder will be affected by such volatility.

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**Personnel**

The Company has a small management team and the loss of any key individual could affect the Company's business. Additionally, the Company will be required to secure other personnel to facilitate its development plans. Any inability to secure and/or retain appropriate personnel may have a materially adverse impact on the business and operations of the Company.

**Tax Issues**

Income tax consequences in relation to the securities offered will vary according to the circumstances of each purchaser. Prospective purchasers should seek independent advice from their own tax and legal advisers prior to purchasing the securities.

**Smaller Companies**

The share price of publicly traded smaller companies can be highly volatile. The value of the Common Shares may go down as well as up and, in particular, the share price may be subject to sudden and large falls in value given the restricted marketability of the Common Shares.

**Competition**

Graphene manufacturers include some larger companies with more financial resources than the Company. There is no assurance that the Company will be able to effectively compete in that environment.

**Licensed Technology**

The Company believes the licensed technology will be commercially scalable and the products can be profitably marketed. There can be no assurance that the Company will be able to develop the technology to the point that may be required to carry out its business plans, on reasonable terms, or at all. Delays, or a failure to develop such economically viable products or a failure to comply with the terms of the license could have a material adverse effect on the Company.

**General Economic Conditions**

The recent events in global financial markets have had a profound impact on the global economy. A continued or worsened slowdown in the financial markets or other economic conditions, including but not limited to, consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates, and tax rates may adversely affect the Company's growth and profitability. These factors could have a material adverse effect on the Company's financial condition and results of operations.

**Graphene Production Risk Factors**

**New Commercial Scale Production Technology**

The Company's production plan calls for being able to produce 10 MT/year from its production unit, the Hyperion System. The first Hyperion system is located in Manhattan, KS, which is also where the Hyperion System was developed. In May 2023, the company announced a major technical milestone of 10 MT/year annualized production from the Hyperion System. While reaching this milestone was a major success, the Company continues to optimize for reliability, availability and productivity. Further improvement of the Hyperion System will require the Company to ensure valves, igniters and electrodes are sufficiently robust for continuous operations. The Company cannot guarantee that it will be able to successfully achieve improved reliability, availability and productivity.

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**Graphene Market Acceptance**

While the Company believes the addressable market for various forms of graphene product could grow to \$2.5 billion by 2028, the market today for graphene is less than \$100 million due to lack of high-quality product and high costs. Additionally, some customization of graphene will be required depending on application and customer. As such it may take considerable time for customers to adopt graphene which could delay potential future revenue and/or profitability for the Company.

**Future Product Development**

The Company continues to invest resources in the next generation of products using core detonation technology. The Company has fully commercialized two of its main graphene products and will look to commercialize additional derivatives according to customer interest.

**General**

Although management believes that the above risks fairly and comprehensibly illustrate all material risks facing the Company, the risks noted above do not necessarily comprise all those potentially faced by the Company as it is impossible to foresee all possible risks.

Although the Directors will seek to minimize the impact of the risk factors, an investment in the Company should only be made by investors able to sustain a total loss of their investment. Investors are strongly recommended to consult a person who specializes in investments of this nature before making any decision to invest.

**OTHER INFORMATION**

Additional information related to the Company is available for viewing on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and at the Company's website at <https://hydrograph.com>.