
HYDROGRAPH CLEAN POWER INC.
MANAGEMENT DISCUSSION AND ANALYSIS
For the year ended September 30, 2025
(Expressed in United States Dollars)

**HYDROGRAPH CLEAN POWER INC.
Management Discussion and Analysis
For the year ended September 30, 2025**

DATE AND BASIS OF DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis ("MD&A") of HydroGraph Clean Power Inc. (the "Company" or "HydroGraph") 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 consolidated financial statements 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 January 27, 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 January 26, 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 "HGраф".

The Company has never generated profit or positive cash flows from operations. For the year ended September 30, 2025, the Company reported a net loss of \$8,149,292 (2024 – \$5,331,986) negative cash flow from operating activities of \$4,759,607 (2024 – \$4,074,997), and an accumulated deficit of \$23,329,046 (September 30, 2024 – \$15,179,754). These conditions indicate that a material uncertainty exists that may cast significant doubt about the Company's ability to continue as a going concern. The

HYDROGRAPH CLEAN POWER INC.
Management Discussion and Analysis
For the year ended September 30, 2025

Company's ability to continue its operations as intended are dependent on its ability to obtain necessary financing and raise capital sufficient to cover its development and operating costs.

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 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 550 kilograms of FGA-1 and 0.5 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 is in communication with the EPA to ensure risks are mitigated and expects EPA clearance in the first quarter of 2026 but cannot guarantee timing or quantify any potential financial impact of any EPA or other regulatory requirements. 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.

In March of 2024 the Company underwent a change in management by moving Stuart Jara, former CEO, to an advisory role and Kjirstin Breure to President and interim CEO. Kjirstin Breure's role as CEO was then formalized in November of 2024 and she became Chair of the Board in June 2025. 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

HYDROGRAPH CLEAN POWER INC.
Management Discussion and Analysis
For the year ended September 30, 2025

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 expects to complete the process within the first quarter of calendar 2026, allowing the Company to sell high volumes of their fractal graphene within the US.

Highlights and key developments during the year ended September 30, 2025 include:

- On October 2, 2024, the Company announced the appointment of Tom Eldridge to the role of Director of Business Development.
- On October 10, 2024, the Company announced that it was awarded the Business Innovation Award at the 2024 "To the Stars: Kansas Business Awards", hosted by the Kansas Department of Commerce.
- On October 30, 2024, the Company announced that the GEIC will be extending their research partnership with Hydrograph. This collaboration will continue to focus on a range of projects and novel research focused on nanomaterials. The partnership was first announced on September 19, 2023.
- On November 7, 2024, the Company announced that the global polyethylene terephthalate ("PET") packaging industry faces unprecedented regulatory pressure to reduce virgin plastic consumption, and HydroGraph discovered that its FGA-1 dramatically improves the performance and sustainability of PET bottles.
- On November 14, 2024, the Company announced the appointment of Kjirstin Breure as CEO. Breure has been an integral part of the Company's leadership, serving as a board director and president of the Company since January 2022, and as interim CEO since March 2024.
- On November 20, 2024, the Company announced that it had received a purchase order from a major global automotive company for research quantities of four additional graphene products.
- On November 21, 2024, the Company announced two new collaborations in battery materials with Volpack Energy and NEI Corporation.
- On December 13, 2024, the Company announced it had closed a financing raising gross proceeds of \$3,833,600 CAD (\$2,701,921). Net proceeds of the financing were used to further commercial activity for the Company's differentiated graphene products via application development at the GEIC and other direct customer relationships, production upscaling, business development and general working capital purposes.
- On January 7, 2024, the Company issued a letter to shareholders from the President & CEO, Kjirstin Breure.
- On January 22, 2025, the Company announced its second research study in partnership with Arizona State University (ASU) highlighting the advancements in extending the use of HydroGraph's Fractal Graphene™ into cement and concrete applications.
- On February 5, 2025, the Company announced that it has achieved ISO 9001:2015 certification. This certification reaffirms HydroGraph's commitment to consistently delivering one of the highest graphene products on the market. The ISO 9001 certification is one of the most recognized international standards for quality management. Earning this certification demonstrates that HydroGraph has established robust processes to implement, maintain, and continuously improve its quality management practices.
- On February 25, 2025, the Company announced a technical collaboration with one of the world's largest synthetic fiber manufacturers. The initiative aims to assess the potential of the graphene technology in high-performance fiber applications.
- On March 18, 2025, the Company announced the launch of NANOMYTE® FGA-1AD and NANOMYTE® FGA-1ND, a new line of advanced graphene dispersions. These innovative dispersions, a result of the companies' strategic collaboration, integrate seamlessly into existing electrode slurries, replacing or supplementing traditional conductive carbons to enhance electrode performance. The outcome is improved electrical conductivity, enabling the development of better electrodes and expanding possibilities for high-performance energy storage solutions.

HYDROGRAPH CLEAN POWER INC.
Management Discussion and Analysis
For the year ended September 30, 2025

- On March 26, 2025, the Company announced that it would participate in a webcasted fireside chat at the Lytham Partners 2025 Industrials & Basic Materials Investor Summit, present at the AI & Technology Virtual Investor Conference on April 3rd and participate in the Planet Microcap in Las Vegas from April 22nd to April 24th
- On April 9, 2025, the Company announced new testing results demonstrating the performance benefits of its Fractal Graphene™ (FGA-1) as an additive in polyurethane (PU) coatings. Conducted at the Graphene Engineering Innovation Centre (GEIC) in Manchester, England, the study validates how HydroGraph's graphene improves mechanical durability, UV resistance, and anti-corrosion properties – key factors in extending the lifespan of protective coatings used in harsh environments.
- On April 22, 2025, the Company announced that it had raised over \$2.2 million through the recent exercise of warrants. The warrants, priced at \$0.20 CAD and expiring on April 13, 2025, will support the Company's accelerated production scale-up efforts in response to growing commercial demand. The Company also announced its AGM results.
- On April 30, 2025, the Company announced two major growth milestones: a strategic relationship with a leading North American industrial gas supplier and the initiation of the first stages of planning for a new production facility in Texas which has been outlined in a letter of intent signed on April 24, 2025.
- On May 7, 2025, the Company announced two key events underscoring the Company's growing role in both the global policy and investment communities. HydroGraph's President and CEO, Kjirstin Breure, was formally invited to speak on May 12, 2025 at the 10th Annual Hemispheric Security Conference (HSC), hosted by Florida International University's Jack D. Gordon Institute for Public Policy. In addition, HydroGraph would host an Investor Roundtable on May 20, 2025, at the National Club in Toronto. Moderated by Paul Hurwitz, Portfolio Manager and Senior Financial Advisor at Raymond James Ltd., the event will provide a comprehensive update on HydroGraph's commercial progress, customer pipeline, and upcoming facility expansion.
- On June 6, 2025, the Company announced the appointment of Tom Wilkinson and Grant Duthie to the Board of Directors. Paul Cox and David Williams resigned as directors.
- On June 17, 2025, the Company appointed Kjirstin Breure as Board Chair.
- On July 8, 2025, the Company announced that it would present its Fractal Graphene™ and its capabilities at the 2025 Advanced Materials Show in Birmingham, U.K.
- On July 21, 2025, the Company announced the launch of its Compounding Partner Program aimed at accelerating the adoption of its high-performance Fractal Graphene™ in thermoplastics. The initiative establishes a qualified network of plastic compounders with demonstrated expertise in processing graphene-enhanced thermoplastic materials, with early partners already piloting new formulations across automotive and packaging sectors.
- On August 14, 2025, the Company announced its role in a new lung cancer screening product underpinning a collaboration between Hawkeye Bio (Torrance, California) and Ease Healthcare (Pasadena, California). Under a new commercialization agreement, Ease Healthcare will market the LEAP (Lung Enzyme Activity Profile) early detection test that incorporates HydroGraph's patented fractal graphene.
- On August 15, 2025, the Company announced the appointment of technology executive, military veteran and leadership coach Cordell Bennigson to its board of directors.
- On August 20, 2025, the Company announced that it had signed a lease on August 8, 2025 for a new 20,000-square-foot headquarters facility in Austin, Texas, which will replace its current space and represents an increase of nearly 100% in size. The new headquarters will serve as the Company's central hub for graphene production and commercialization in the United States. The expansion reflects the Company's plan to strengthen its presence in the U.S. manufacturing corridor, with considerations including access to talent and proximity to partners. The Austin headquarters will serve as the base for U.S. operations and customer collaborations in industries such as aerospace, defense, energy storage, and advanced materials.
- On September 3, 2025, the Company announced the publication of a peer-reviewed study that demonstrates the potential of using HydroGraph's graphene as a scalable solution for industrial wastewater treatment. The study, published in FlatChem (Elsevier), confirms that HydroGraph's graphene can remove 100% of six organic dyes from wastewater within 10 minutes.

HYDROGRAPH CLEAN POWER INC.
Management Discussion and Analysis
For the year ended September 30, 2025

- On September 16, 2025, the Company announced that a new peer-reviewed study shows that aerogel ink made with HydroGraph's graphene can increase the heat transfer coefficient (HTC) of copper by 152%. The study's results demonstrate the viability of using graphene for high-performance, scalable thermal management coatings in microelectronics.
- On September 17, 2025, the Company announced the appointment of nuclear industry expert and Hydrograph shareholder Kerry D. Landis to its board of directors. The Company also announced that David Morris resigned as a director effective September 5, 2025.
- On September 24, 2025, the Company and SEADAR Technologies, developers of the first subsea radar systems, announced that they have signed a letter of intent on September 19, 2025 to integrate HydroGraph's graphene materials and coating technologies into SEADAR's current and future undersea products.
- On September 29, 2025, the Company announced that its Board of Directors approved the adoption of a Shareholder Rights Plan. The Shareholder Rights Plan has been adopted to ensure, to the extent possible, that all shareholders of the Company are treated fairly in connection with any unsolicited take-over bid or other acquisition of control of the Company (including by way of a "creeping" take-over bid) and to provide the Board with the opportunity to identify, solicit, develop and negotiate value-enhancing alternatives to any unsolicited take-over bid.

Subsequent to September 30, 2025:

- 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 entitles 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. Bkaer 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.

HYDROGRAPH CLEAN POWER INC.
Management Discussion and Analysis
For the year ended September 30, 2025

SELECTED ANNUAL INFORMATION

The Company's fiscal year ends on September 30th. The following is a summary of certain selected audited consolidated financial information for the last three completed fiscal years:

	Year ended September 30, 2025	Year ended September 30, 2024	Year ended September 30, 2023
	\$	\$	\$
Sales	43,051	6,172	7,397
Gross profit	(5,676)	(51,691)	(19,081)
Operating expenses including non-cash items	(6,032,584)	(5,175,721)	(4,824,225)
Net loss	(8,149,292)	(5,331,986)	(4,959,831)
Weight average number of common shares outstanding	264,544,274	202,919,033	163,988,423
Loss per share	(0.03)	(0.03)	(0.03)
Cash	8,737,793	780,966	452,469
Working capital (deficiency)	6,007,704	405,630	(256,671)
Total assets	13,541,337	5,403,708	5,882,358
Shareholders' equity	10,479,914	4,672,635	4,869,723
Long-term financial liabilities	66,000	229,073	188,943
Dividends paid per share	-	-	-

RESULTS OF OPERATIONS

The discussion of operations relates to the Company's three months and years ended September 30, 2025 and 2024.

Overall

Operations during the three months and year ended September 30, 2025 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 office lease agreement for a facility in Texas.

Three months ended September 30, 2025

Sales

The Company had sales of \$757 (2024 – sales reversal of \$2,293).

Operating Expenses

The Company had a net loss of \$4,512,214 (2024 – \$1,636,135), comprised mostly of operating expenses totaling \$2,370,345 (2024 - \$1,749,852) and other expenses totaling \$2,114,789 (2024 – (\$156,288)). Operating expenses primarily consisted of salaries of \$808,436 (2024 - \$442,948), travel and promotion of \$264,152 (2024 - \$543,388), professional fees of \$435,500 (2024 - \$251,220), share-based compensation of \$445,843 (2024 - \$(45,468)), research costs of \$132,610 (2024 - \$237,264), and office and miscellaneous expenses of \$144,660 (2024 - \$47,431). Other expenses included accrued settlement expense of \$2,095,470 relating to the settlement of a commercial dispute which was settled by the issuance of 750,000 common shares on October 28, 2025.

HYDROGRAPH CLEAN POWER INC.
Management Discussion and Analysis
For the year ended September 30, 2025

Main changes in expenses are the following:

- Increase in stock-based compensation from a credit of \$45,468 in the three months ended September 30, 2024 to \$445,843 in the same period of 2025 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 \$442,948 in the three months ended September 30, 2024 to \$808,436 in the same period of 2025 is due to hiring of additional staff compared to prior year and increased compensation for Directors.
- Increase in professional fees from \$251,220 in the three months ended September 30, 2024 to \$435,500 in the same period of 2025 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 \$47,431 in the three months ended September 30, 2024 to \$144,660 in the same period of 2025 is due to the Company being more active and requiring additional supplies, software licenses and other office-related fees.
- Decrease in license maintenance expenses from \$161,517 in the three months ended September 30, 2024 to \$14,085 in the same period of 2025 is due to the timing of payment of the license fees.
- Decrease in travel and promotion expenses from \$543,388 in the three months ended September 30, 2024 to \$264,152 in the same period of 2025 is due to the timing of payment of the conferences the Company participated in 2024 compared to 2025.
- Change in foreign exchange gain of \$100,423 in the three months ended September 30, 2024 to a loss of \$2,197 in the same period of 2025 is due to the fluctuations of foreign exchange rates during the period.

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 September 30, 2025 and 2024 to produce an adjusted loss that forms a better basis for comparing the period over period operating results of the Company.

	2025 \$	2024 \$
Net loss as reported	(4,512,214)	(1,636,134)
Add (deduct):		
Depreciation	74,567	79,046
Lease accretion	1,516	3,976
Stock-based compensation	445,843	543,388
Settlement expense	2,095,470	-
<u>Adjusted loss for the period⁽¹⁾</u>	<u>(1,894,818)</u>	<u>(1,009,724)</u>

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

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

Year ended September 30, 2025

Sales

The Company had sales of \$43,051 (2024 - \$6,172).

HYDROGRAPH CLEAN POWER INC.
Management Discussion and Analysis
For the year ended September 30, 2025

Operating Expenses

The Company had a net loss of \$8,149,292 (2024 – \$5,331,986), comprised mostly of operating expenses totaling \$6,032,584 (2024 - \$5,175,721) and other expenses totaling \$2,111,032 (2024 – \$104,574). Operating expenses primarily consisted of salaries of \$2,067,206 (2024 - \$2,040,411), professional fees of \$969,871 (2024 - \$662,165), non-cash stock-based compensation of \$848,154 (2024 - \$396,788), travel and promotion of \$690,730 (2024 - \$726,035), office and miscellaneous expenses of \$328,293 (2024 - \$227,831), and research costs of \$362,290 (2024 - \$362,513). Other expenses included accrued settlement expense of \$2,095,470 relating to the settlement of a commercial dispute which was settled by the issuance of 750,000 common shares on October 28, 2025.

Main changes in expenses are the following:

- Increase in stock-based compensation from \$396,788 in the year ended September 30, 2024 to \$848,154 in the same period of 2025 is primarily due to additional options and RSUs being granted, which have higher values than the ones granted in the past years.
- Increase in professional fees from \$662,165 in the year ended September 30, 2024 to \$969,871 in the same period of 2025 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 \$227,831 in the year ended September 30, 2024 to \$328,293 in the same period of 2025 is due to the Company being more active and requiring additional supplies, software licenses and other office-related fees.
- Increase in license maintenance fees from \$248,878 in the year ended September 30, 2024 to \$299,616 in the same period of 2025 is due to the Company starting to pay a higher per license fee in accordance with the agreement, refer to the commitments note in the financial statements.
- Increase in salaries from \$2,040,411 in the year ended September 30, 2024 to \$2,067,206 in the same period of 2025 is due to bonuses accrued at the year end.
- Increase in other income of \$18,334 in the year ended September 30, 2024 to \$63,335 in the same period of 2025 is due to the Company having more cash earning interest in 2025.
- Decrease in write-down of equipment of \$102,857 in the year ended September 30, 2024 to \$52,082 in the same period of 2025 is due to the Company writing off certain equipment in 2024 and 2025.

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 years ended September 30, 2025 and 2024 to produce an adjusted loss that forms a better basis for comparing the period over period operating results of the Company.

	2025 \$	2024 \$
Net loss as reported	(8,149,292)	(5,331,986)
Add (deduct):		
Depreciation	293,944	291,047
Lease accretion	11,641	17,621
Stock-based compensation	848,154	396,788
Settlement expense	2,095,470	-
Adjusted loss for the year⁽¹⁾	(4,900,083)	(4,626,530)

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

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

HYDROGRAPH CLEAN POWER INC.
Management Discussion and Analysis
For the year ended September 30, 2025

SUMMARY OF QUARTERLY RESULTS

	30-Sep-25 \$	30-Jun-25 \$	31-Mar-25 \$	31-Dec-24 \$
Revenue	757	19,346	22,632	316
Net loss	(4,512,214)	(1,462,656)	(1,079,254)	(1,095,168)
Loss and comprehensive loss for period	(4,642,283)	(1,356,866)	(1,080,203)	(1,153,145)
Basic and diluted loss per share	(0.02)	(0.01)	(0.00)	(0.00)
Weighted average number of common shares outstanding	299,258,305	266,400,962	256,965,903	235,706,369
	30-Sep-24 \$	30-Jun-24 \$	31-Mar-24 \$	31-Dec-23 \$
Revenue	(2,293)	1,860	3,335	3,270
Net loss	(1,636,135)	(1,277,764)	(1,186,352)	(1,231,735)
Loss and comprehensive loss for period	(2,044,633)	(1,086,875)	(1,218,430)	(948,078)
Basic and diluted loss per share	(0.01)	(0.01)	(0.01)	(0.01)
Weighted average number of common shares outstanding	230,810,374	200,129,434	187,504,616	175,661,212

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, and September 30, 2025 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. Increase in loss in the period ended September 30, 2025, is 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.

FINANCING ACTIVITIES

Subsequent to September 30, 2025:

- Subsequent to September 30, 2025, the Company closed a LIFE Offering through issuance of 6,896,560 units at the price of CAD\$2.90 per unit for gross proceeds of CAD\$20,000,024.
- Subsequent to September 30, 2025, the Company issued 6,710,810 common shares on exercise of warrants at an average exercise price of CAD\$0.21 for gross proceeds of CAD\$1,439,103.
- Subsequent to September 30, 2025, the Company issued 925,000 common shares on exercise of stock options at an average exercise price of CAD\$0.20 for gross proceeds of CAD\$183,250.

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%,

HYDROGRAPH CLEAN POWER INC.
Management Discussion and Analysis
For the year ended September 30, 2025

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%.

- 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.

During the year ended September 30, 2024:

- On June 11, 2024, the Company completed a non-brokered private placement of 22,830,544 units at a price of \$0.116 (CAD\$0.16) per unit for gross proceeds of \$2,653,365 (CAD\$3,652,887). Each unit consists of one common share and one-half of one share purchase warrant. Each whole warrant entitles the holder thereof to purchase one common share at a price of CAD\$0.27 up to June 11, 2027.
- On April 5, 2024, the Company completed a non-brokered private placement of 11,825,000 units at a price of \$0.074 (CAD\$0.10) per unit for gross proceeds of \$869,613 (CAD\$1,182,500). Each unit consists of one common share and one-half of one share purchase warrant. Each whole warrant entitles the holder thereof to purchase one common share at a price of C\$0.18 per share up to April 5, 2026, subject to an acceleration right (the "Warrant Acceleration Right") exercisable by the Company, if on any ten consecutive trading days the daily volume weighted average trading price of the common shares on the Canadian Securities Exchange is CAD\$0.28 or greater per common share. If the Company exercises its Warrant Acceleration Right, the new expiry date of the warrants will be the 30th day following the notice of such exercise.
- On February 23, 2024, the Company completed a non-brokered private placement of 9,626,000 units at a price of \$0.074 (CAD\$0.10) per unit for gross proceeds of \$713,354 (CAD\$962,600). Each unit consists of one common share and one-half of one share purchase warrant. Each whole warrant entitles the holder thereof to purchase one common share at a price of CAD\$0.18 up to February 23, 2026, subject to an acceleration right (the "Warrant Acceleration Right") exercisable by the Company, if on any ten consecutive trading days the daily volume weighted average trading price of the common shares on the Canadian Securities Exchange is CAD\$0.28 or greater per common share. If the Company exercises its Warrant Acceleration Right, the new expiry date of the warrants will be the 30th day following the notice of such exercise.
- On December 1, 2023, the Company completed a non-brokered private placement of 10,260,856 units at a price of \$0.074 (CAD\$0.10) per unit for gross proceeds of \$755,475 (CAD\$1,026,086). Each unit consists of one common share and one-half of one share purchase warrant. Each whole warrant entitles the holder thereof to purchase one common share at a price of CAD\$0.18 up to December 1, 2025, subject to an acceleration right (the "Warrant Acceleration Right") exercisable by

HYDROGRAPH CLEAN POWER INC.
Management Discussion and Analysis
For the year ended September 30, 2025

the Company, if on any ten consecutive trading days the daily volume weighted average trading price of the common shares on the Canadian Securities Exchange is CAD\$0.18 or greater per common share. If the Company exercises its Warrant Acceleration Right, the new expiry date of the warrants will be the 30th day following the notice of such exercise.

Use of Proceeds

The Company has completed the following financings during the year ended September 30, 2025, with no variance between projected use of proceeds and actual use of proceeds.

Date	Financing	Securities Issued	Funding (Gross)	Use of Proceeds	Variance
December 12, 2024	Private placement	23,960,003 units	\$2,701,921	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.	None
November 4, 2025	LIFE	6,896,560 units	\$14,194,017	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.	None.

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.

HYDROGRAPH CLEAN POWER INC.
Management Discussion and Analysis
For the year ended September 30, 2025

As at September 30, 2025, the Company had cash on hand of \$8,737,793 (2024 – \$780,966). Subsequent to September 30, 2025, the Company raised CAD\$1,236,203 from the exercise of warrants and stock options and CAD\$20,000,024 from the LIFE financing.

During the year ended September 30, 2025, cash used in operating activities was \$4,759,607 (2024 – \$4,074,997), cash used in investing activities was \$448,723 (2024 – \$81,426) and cash provided by financing activities was \$13,114,044 (2024 – \$4,478,670). 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 included the following:

	September 30, 2025	September 30, 2024
	\$	\$
Short-term benefits - management and director compensation		
Kjirstin Breure, President, CEO and Director	208,616	155,185
Stuart Jara, former CEO and Director	-	91,229
Matthew Anderson, CFO ⁽¹⁾	81,009	5,512
Robert Wowk, former CFO	-	169,789
Mathew Lee, former CAO	-	95,534
David Williams, former Director	65,067	60,500
Paul Cox, former Director	32,000	33,375
Tom Wilkinson, Director	20,000	-
Grant Duthie, Director	20,000	-
David Morris, Director	23,000	1,470
Cordell Bennigson, Director	7,167	-
Kerry Landis, Director	2,333	-
Termination benefits		
Stuart Jara, former CEO and Director	-	90,000
Robert Wowk, former CFO	-	244,000
Share-based payments	538,688	214,530
Total	997,880	1,161,124

⁽¹⁾ Mr. Anderson is a Managing Director and shareholder of Malaspina Consultants Inc. ("Malaspina"), which provides accounting and other services to the Company. The Company paid Malaspina \$153,647, respectively, for CFO, accounting, corporate secretarial and administrative services during the year ended September 30, 2025.

HYDROGRAPH CLEAN POWER INC.
Management Discussion and Analysis
For the year ended September 30, 2025

As at September 30, 2025, \$65,418 (2024 – \$76,208) 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 September 30, 2025, \$66,000 (2024 - \$102,000) was due to Robert Wowk, former CFO, and has been included in other liabilities.

As at September 30, 2025, \$15,000 (2024 - \$nil) 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 September 30, 2025, 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.

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 September 30, 2025:

HYDROGRAPH CLEAN POWER INC.
Management Discussion and Analysis
For the year ended September 30, 2025

	US Dollars	Canadian Dollars	British Pounds
Cash	271,890	10,900,194	369,660

At September 30, 2025, 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 \$563,000.

(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 September 30, 2025, 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	2,932,979	-	-
Other liabilities	-	66,000	-
Lease obligation	62,444	-	-

OUTSTANDING SHARE DATA

Authorized: Unlimited number of common shares

Issued and outstanding: 340,175,464 common shares as at January 27, 2026.

Options and warrants outstanding as at January 27, 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	500,000	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	100,000	0.24	28-Apr-30
Stock Options	4,143,000	1.25	01-Aug-30
Stock Options	1,000,000	2.16	12-Aug-30
Stock Options	150,000	2.43	18-Aug-30

HYDROGRAPH CLEAN POWER INC.
Management Discussion and Analysis
For the year ended September 30, 2025

Stock Options	1,194,220	3.05	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	631,800	0.25	01-Nov-32
Stock Options	700,000	0.25	12-Jan-33
TOTAL	21,268,550		

Security	Number	Exercise Price (CAD\$)	Expiry Date
Share Purchase Warrants	125,000	0.18	5-Apr-26
Share Purchase Warrants	2,487,209	0.27	11-Jun-27
Share Purchase Warrants	2,406,763	0.24	12-Dec-27
Share Purchase Warrants	875	0.16	⁽¹⁾ 12-Dec-27
Share Purchase Warrants	3,850,074	0.35	4-Nov-27
TOTAL	8,869,921		

- (1) 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 January 27, 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
TOTAL	615,851	

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 consolidated financial statements for the year ended September 30, 2025 and this accompanying MD&A (together, the "Annual 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 refer to the Venture Issuer Basic Certificates filed by the Company with the Annual Filings on SEDAR at 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

**HYDROGRAPH CLEAN POWER INC.
Management Discussion and Analysis
For the year ended September 30, 2025**

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.

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.

HYDROGRAPH CLEAN POWER INC.
Management Discussion and Analysis
For the year ended September 30, 2025

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.

Going Concern and Financing Risks

The Company has limited financial resources, has no source of operating cash flow and has no assurance that additional funding will be available to it to sustain operations. Although the Company has been successful in the past in obtaining financing through the issuance of common shares, there can be no assurance that it will be able to obtain the necessary financing and raise capital sufficient to cover its operating costs.

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 values, 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.

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.

**HYDROGRAPH CLEAN POWER INC.
Management Discussion and Analysis
For the year ended September 30, 2025**

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.com and at the Company's website at <https://hydrograph.com>.