

OFFERING DOCUMENT UNDER THE LISTED ISSUER FINANCING EXEMPTION

March 22, 2023



HYDROGRAPH

HYDROGRAPH CLEAN POWER INC.
("HydroGraph" or the "Company")

PART 1. SUMMARY OF OFFERING

What are we offering?

Securities Offered: Up to 41,666,666 units of the Company (the "**Units**") (the "**Offering**"). The Offering is being made to purchasers resident in all provinces of Canada (except Quebec) and in certain foreign jurisdictions.

Description of Securities Offered: Each Unit will consist of one common share in the capital of the Company (each, a "**Common Share**") and one-half of one Common Share purchase Warrant (each whole warrant, a "**Warrant**"). Each Warrant will entitle the holder thereof to purchase one Common Share (each, a "**Warrant Share**") at a price of \$0.20 per Warrant Share for a period of 24 months after the closing date of the Offering. The Warrants will be governed by the terms and conditions set forth in the certificates representing the Warrants.

Holders of Common Shares are entitled to: (i) receive notice of and to attend all meetings of shareholders of the Company, and to have one vote for each Common Share held at such time, except for meetings at which only holders of another specified class of shares of the Company are entitled to vote; (ii) receive dividends, if any, as and when declared by the Company's board of directors; and (iii) and to participate equally in any distribution of net assets upon dissolution.

Each Warrant will be 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 (the "**CSE**") is \$0.30 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.

Offering Price: \$0.12 per Unit.

Offering Amount: A minimum of 16,666,666 Units, for gross proceeds of \$2,000,000, and a maximum of 41,666,666 Units, for gross proceeds of up to \$5,000,000.

Closing Date: The Offering is expected to close on or about April 7, 2023, or in any other date or dates as the Company may determine, and, in any event, on or before a date not later than 45 days after the date of the filing of this Offering Document.

Exchange:	The Common Shares are listed and posted for trading on the CSE under the symbol “ HG ”.
Last Closing Price:	On March 21, 2023, the last trading day completed prior to the date of this Offering Document, the closing price of the Common Shares on the CSE was \$0.135.

All references in this Offering Document to “dollars”, “C\$” or “\$” are to Canadian dollars, unless otherwise stated.

No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this document. Any representation to the contrary is an offence. This offering may not be suitable for you and you should only invest in it if you are willing to risk the loss of your entire investment. In making this investment decision, you should seek the advice of a registered dealer.

The Company is conducting a listed issuer financing under section 5A.2 of National Instrument 45-106 *Prospectus Exemptions*. In connection with this Offering, the Company represents the following is true:

- The Company has active operations and its principal asset is not cash, cash equivalents or its listing on the CSE.
- The Company has filed all periodic and timely disclosure documents that it is required to have filed.
- The total dollar amount of this Offering, in combination with the dollar amount of all other offerings made under the listed issuer financing exemption in the 12 months immediately before the date of this Offering Document, will not exceed \$5,000,000.
- The Company will not close this Offering unless the issuer reasonably believes it has raised sufficient funds to meet its business objectives and liquidity requirements for a period of 12 months following the distribution.
- The Company will not allocate the available funds from this Offering to an acquisition that is a significant acquisition or restructuring transaction under securities law or to any other transaction for which the issuer seeks security holder approval.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Offering Document contains “forward-looking information” within the meaning of applicable securities laws. Forward-looking information is generally identifiable by use of the words “believes”, “may”, “plans”, “will”, “anticipates”, “intends”, “could”, “estimates”, “expects”, “forecasts”, “projects” and similar expressions, and the negative of such expressions.

Forward-looking information in this Offering Document includes, but is not limited to, statements that: HydroGraph’s expectations with respect to the use of proceeds and the use of the available funds following completion of the Offering; the payment of finder’s fees; and completion of the Offering and the date of such completion; HydroGraph’s future plans, objectives, strategies and goals relating to its business, technology and products; and HydroGraph’s belief that HydroGraph’s current cash and short-term investments together with anticipated cash flow from operations will be sufficient to meet HydroGraph’s working capital requirements and capital expenditure requirements for the foreseeable future.

Forward-looking statements or forward-looking information are subject to a variety of risks and uncertainties which could cause actual events or results to differ materially from those reflected in the forward-looking statements or forward-looking information, including, without limitation, risks and uncertainties relating to: HydroGraph’s ability to implement its business strategies; risks associated with

general economic conditions; adverse industry events; stakeholder engagement; marketing and transportation costs; the supply and demand for our products; acceptance of graphene products by the market; volatility of commodity prices; market competition in the hydrogen and graphene industries; inability to access sufficient capital from internal and external sources, and/or inability to access sufficient capital on favourable terms; reliance on key inputs, suppliers and skilled labor; reliance on the expertise and judgment of senior management of the Company; industry and government regulation; delays in obtaining or failure to obtain required regulatory approvals, such as from the U.S. Environmental Protection Agency; changes in legislation, income tax and regulatory matters; competition; currency and interest rate fluctuations; and other risks. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements or forward-looking information. Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that could cause results not to be as anticipated, estimated or intended. For more information on the Company and the risks and challenges of its business, investors should review the Company's annual filings that are available at www.sedar.com. The Company provides no assurance that forward-looking statements or forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements and information. Accordingly, readers should not place undue reliance on forward-looking statements and forward-looking information. Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, changing circumstances, or otherwise.

All forward-looking information in this Offering Document is qualified in its entirety by this cautionary statement and we disclaim any obligation to revise or update such forward-looking information to reflect future results, events or developments, except as required by law.

PART 2. SUMMARY DESCRIPTION OF BUSINESS

What is our business?

The Company is engaged in developing and commercializing processes of high-quality graphene to create customized graphene solutions for specific applications using detonation of hydrocarbon gases. The Hyperion System, a proprietary detonation method used by the Company to produce graphene, was discovered by Kansas State University ("**KSU**") and patented in 2016. Acetylene and oxygen in specific ratios are pumped into a chamber and detonated with a spark from electrodes to create consistent high quality graphene in gram amounts. The detonated graphene is considered synthetic graphene versus using conventional exfoliation of naturally occurring graphite to produce graphene.

The Company has received an exclusive multi-country license from KSU to commercialize their patented detonation process to produce graphene and hydrogen. The global market for graphene is expected to reach USD\$2.5 billion by 2028.

Recent developments

For 2023, the Company has continued to focus on transforming itself from an R&D oriented company to one concentrating on commercialization and product placement in the market. Important progress includes the near completion of a 10 tonnes/year low cost commercial scale graphene production unit, build out of the business development team and substantial engagement with targeted customers.

The Company went through an extensive product quality audit and earned the certification of Verified Graphene Producer by the independent industry organization, Graphene Council. The Company is the only graphene company in the Americas to achieve this certification.

Most recently, the company signed a Letter of Intent with Ceylon Graphene Technologies Pvt LTD for joint

development of the use of graphene in the +40 billion lead acid battery market based on testing indicating 47% improvement in charge acceptance.

Material facts

There are no material facts about the securities being distributed that have not been disclosed in this Offering Document or in any other document filed by the Company in the 12 months preceding the date of this Offering Document.

What are the business objectives that we expect to accomplish using the available funds?

The Company intends to primarily use the net Offering proceeds to further progress customer engagement and product acceptance. A portion of the funds will also be used to extend the Company's graphene product and application portfolio.

There are no significant events which must occur in order to accomplish these business objectives.

PART 3. USE OF AVAILABLE FUNDS

What will our available funds be upon the closing of the Offering?

		Assuming Minimum Offering Only	Assuming 100% of Offering
A	Amount to be raised by this Offering	2,000,000	5,000,000
B	Selling commissions and fees	98,000	245,000
C	Estimated offering costs (e.g., legal, accounting, audit)	75,000	75,000
D	Net proceeds of offering: $D = A - (B+C)$	1,827,000	4,680,000
E	Working capital as at most recent month end	766,000	766,000
F	Additional sources of funding	-	-
G	Total available funds: $G = D+E+F$	2,593,000	5,446,000

How will we use the available funds?

Description of intended use of available funds listed in order of priority ¹	Assuming Minimum Offering Only	Assuming 100% of Offering
Customer acquisition and business development	706,000	1,635,000
Licensing, regulatory, and corporate	761,000	1,141,500
Projects and manufacturing costs	521,000	1,246,000

R&D, applications development and compliance	463,000	1,125,000
General working capital	142,000	298,500
Total:	2,593,000	5,446,000

¹The available funds will not be paid to insiders, associates or affiliates of the Company, except for normal course salaries.

The above allocation represents the Company's current intentions with respect to its use of available funds based on management's current knowledge, planning and expectations. Actual use of funds may differ from the estimates above because there may be circumstances where for sound business reasons, the Company determines it should reallocate the use of funds; provided, that such uses will not include a significant acquisition, a restructuring transaction, or any transaction requiring approval of the Company's security holders.

How have we used the other funds we have raised in the past 12 months?

In September 2022, HydroGraph completed a non-brokered private placement of units of the company, under which the company issued 35,151,666 units at \$0.12 per unit for aggregate gross proceeds of \$4,218,200.

Previous Financing Activity	Disclosed Use of Funds	Actual Use of Funds to Date
Private Placement - September 2022	Increase commercial-scale production, continue to invest in business development teams, and develop and advance application partnerships.	To date, \$3,481,712 has been used in connection with the uses previously disclosed. No variance from disclosed uses.

PART 4. FEES AND COMMISSIONS

Who are the dealers or finders that we have engaged in connection with this Offering, if any, and what are their fees?

The Company has not engaged any dealers in connection with this Offering. The Company may compensate certain dealers in connection with the sale of Units to purchasers introduced to the Company.

PART 5. PURCHASERS' RIGHTS

Rights of Action in the Event of a Misrepresentation

If there is a misrepresentation in this Offering Document, you have a right

- a) **to rescind your purchase of these securities with the Company, or**
- b) **to damages against the Company and may, in certain jurisdictions, have a statutory right to damages from other persons.**

These rights are available to you whether or not you relied on the misrepresentation. However, there are various circumstances that limit your rights. In particular, your rights might be limited if you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in paragraph (a) or (b) above, you must do so within

strict time limitations.

You should refer to any applicable provisions of the securities legislation of your province or territory for the particulars of these rights or consult with a legal adviser.

PART 6. ADDITIONAL INFORMATION

Where you can find more information about us?

Security holders can access HydroGraph's continuous disclosure at www.sedar.com and may find additional information at our website www.hydrograph.com.

Purchasers should read this Offering Document and consult their own professional advisors to assess the income tax, legal, risk factors and other aspects of their investment of the Offered Shares.

PART 7. DATE AND CERTIFICATE OF THE COMPANY

This Offering Document, together with any document filed under Canadian securities legislation on or after March 22, 2022, contains disclosure of all material facts about the securities being distributed and does not contain a misrepresentation.

MARCH 22, 2023

"Stuart Jara"
Stuart Jara
Chief Executive Officer

"Robert Wowk"
Robert Wowk
Chief Financial Officer