

FORM 51-102F3

MATERIAL CHANGE REPORT

1. **Name and Address of Company**

HydroGraph Clean Power Inc. ("**HydroGraph**" or the "**Company**")
403 - 580 Hornby Street
Vancouver, BC
V6C 3B6

2. **Date of Material Change**

April 13, 2023 and April 24, 2023

3. **News Release**

A news release disclosing the material change was disseminated through various approved public media and filed on SEDAR on April 14, 2023.

4. **Summary of Material Change**

The Company has completed two tranches of its non-brokered private placement for aggregate gross proceeds of \$2.41 million (the "**Offering**").

5. **Full Description of Material Change**

5.1 Full Description of Material Change

The Company completed its previously announced non-brokered private placement. Pursuant to the Offering, in two tranches, the Company issued an aggregate of 20,087,666 units of the Company (the "**Units**") at an issue price of \$0.12 per Unit (the "**Offering Price**") for aggregate gross proceeds of approximately \$2.41 million.

Each Unit consists of one common share in the capital of the Company (each, a "**Common Share**") and one-half of one Common Share purchase warrant of the Company (each whole warrant, a "**Warrant**"). Each Warrant entitles the holder thereof to purchase one Common Share (each a "**Warrant Share**") at a price of \$0.12 per Warrant Share for a period of 24 months after the closing date of the Offering, 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 \$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.

The Company paid cash finders' fees to certain finders (the "**Finders**") equal to 7% of the gross proceeds raised by each Finder, and issued broker warrants (each, a "**Broker Warrant**") equal to 7% of the aggregate number of Units sold to purchasers introduced to the Company by each Finder. Each Broker Warrant entitles the holder thereof to acquire one broker unit (the "**Broker Units**") at a price of \$0.12 for a period of two years from the Closing Date, subject to acceleration in accordance with the Warrant Acceleration Right. Each Broker Unit will consist of one Common Share and one half of one common share purchase warrant (each whole warrant, a "**Broker Unit Warrant**"). Each Broker Unit Warrant will be exercisable to purchase an additional Common Share at a price of \$0.20 per Common Share for a period of two years from the closing date of the Offering.

HydroGraph intends to use the net proceeds from the Offering primarily 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.

The Offering was completed pursuant to the listed issuer financing exemption under Part 5A of National Instrument 45-106 - Prospectus Exemptions (the “**Listed Issuer Financing Exemption**”). The securities offered under the Listed Issuer Financing Exemption will not be subject to a hold period pursuant to applicable Canadian securities laws.

Certain insiders of the Company participated in the Offering and subscribed for a total of 2,275,000 Units. Each of the insiders is a related party of HydroGraph, and therefore the Offering is considered a “**related party transaction**” subject to Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions (“**MI 61-101**”). The Company is relying on exemptions from the formal valuation and minority shareholder approval requirements provided under subsections 5.5(a) and 5.7(1)(a) of MI 61-101 on the basis that participation in the Offering by insiders did not exceed 25% of the Company’s market capitalization. The Company did not file a material change report more than 21 days before the expected closing of the Offering as the details of the Offering and the participation therein by related parties were not settled until shortly prior to closing and the Company wished to close on an expedited basis for sound business reasons.

The following supplementary information is provided in accordance with Section 5.2 of MI 61-101.

- (a) a description of the transaction and its material terms:

See item 5.1 above, as well as the News Release, for a description of the transaction.

- (b) the purpose and business reasons for the transaction:

To raise funds to further progress customer engagement and product acceptance and to extend the Company’s graphene product and application portfolio.

- (c) the anticipated effect of the transaction on the issuer’s business and affairs:

See paragraph (b) above.

- (d) a description of:

- (i) the interests in the transaction of every interested party and of the related parties and associated entities of the interested parties;

In connection with the Offering, 100,000 Units were issued to Morris Group Investments Inc., a related party to David Morris, a director of the Company, at the Offering Price.

In connection with the Offering, 550,000 Units were issued to Stuart Jara, a director of the Company, at the Offering Price.

In connection with the Offering, 250,000 Units were issued to Richmond Bridge Capital Ltd., a related party to David Williams who is a Director of the Company, at the Offering Price.

In connection with the Offering, 250,000 Units were issued to Robert Wowk, a senior officer of the Company, at the Offering Price.

In connection with the Offering, 275,000 Units were issued to Paul Cox, a director of the Company, at the Offering Price.

In connection with the Offering, 500,000 Units were issued to Christopher Michael Sorensen, a senior officer of the Company, at the Offering Price.

In connection with the Offering, 350,000 Units were issued to Midnight Sun Holdings LLC, a related party to Stephen Corkill, who is a senior officer of the Company, at the Offering Price.

- (ii) the anticipated effect of the transaction on the percentage of securities of the issuer, or of an affiliated entity of the issuer, beneficially owned or controlled by each person referred to in subparagraph (i) for which there would be a material change in that percentage:

In connection with the Offering, 100,000 Units were issued to Morris Group Investments Inc.. Prior to the completion of the Offering, David Morris, directly or indirectly, held 1,100,000 Common Shares, 100,000 Warrants and 1,000,000 options. Upon closing of the Offering, Mr. Morris now holds an aggregate 1,200,000 Common Shares (representing less than 1.0% of the Common Shares issued and outstanding) and 150,000 Warrants (representing less than 1.0% of the total warrants issued and outstanding of the Company).

In connection with the Offering, 550,000 Units were issued to Mr. Jara. Prior to the completion of the Offering, Mr. Jara held, directly or indirectly, 700,000 Common Shares, 350,000 Warrants and 5,000,000 options. Upon closing of the Offering, Mr. Singleton now holds an aggregate of 1,250,000 Common Shares (representing less than 1.0% of the Common Shares issued and outstanding) and 625,000 Warrants (representing less than 2.26% of the total warrants issued and outstanding of the Company).

In connection with the Offering, 250,000 Units were issued to Richmond Bridge Capital Ltd. Prior to the completion of the Offering, David Williams held, directly or indirectly, 1,250,000 Common Shares, 1,000,000 options and 350,000 Warrants. Upon closing of the Offering, Mr. Williams now holds an aggregate of 1,500,000 Common Shares (representing less than 1.0% of the Common Shares issued and outstanding) and 475,000 Warrants (representing less than 1.72% of the total warrants issued and outstanding of the Company).

In connection with the Offering, 250,000 Units were issued to Mr. Wowk. Prior to the completion of the Offering, Mr. Wowk held, directly or indirectly, 750,000 Common Shares, 375,000 Warrants and 3,500,000 options. Upon closing of the Offering, Mr. Wowk now holds an aggregate of 1,000,000 Common Shares (representing less than 1.0% of the Common Shares issued and outstanding) and 500,000 Warrants (representing less than 1.81% of the total warrants issued and outstanding of the Company).

In connection with the Offering, 275,000 Units were issued to Mr. Cox. Mr. Cox held no securities of the Issuer prior to completion of the Offering. Upon completion of the Offering, Mr. Cox now holds an aggregate of 275,000 Common Shares (representing less than 1.0% of the Common Shares issued and outstanding) and 137,500 Warrants (representing less than 1.0% of the total warrants issued and outstanding of the Company).

In connection with the Offering, 500,000 Units were issued to Mr. Sorensen. Prior to completion of the Offering, Mr. Sorensen held 3,750,000 Common Shares and 2,750,000 Warrants. Upon completion of the Offering, Mr. Sorensen now holds an aggregate of 4,250,000 Common Shares (representing less than 2.43% of the Common Shares issued and outstanding) and 3,000,000 Warrants (representing less than 10.86% of the total warrants issued and outstanding of the Company).

In connection with the Offering, 250,000 Units were issued to Midnight Sun Holdings LLC. Prior to the completion of the Offering, Stephen Corkill held, directly or indirectly, 2,600,000 Common Shares, 2,175,000 Warrants. Upon closing of the Offering, Mr. Corkill now holds an aggregate of 2,850,000 Common Shares (representing less than 1.63% of the Common Shares issued and outstanding) and 127,175 Warrants (representing less than 1.0% of the total warrants issued and outstanding of the Company).

- (e) unless this information will be included in another disclosure document for the transaction, a discussion of the review and approval process adopted by the board of directors and the special committee, if any, of the issuer for the transaction, including a discussion of any materially contrary view or abstention by a director and any material disagreement between the board and the special committee:

The Offering has been approved by the Company's Board of Directors.

- (f) a summary, in accordance with section 6.5, of the formal valuation, if any, obtained for the transaction, unless the formal valuation is included in its entirety in the material change report or will be included in its entirety in another disclosure document for the transaction:

Not applicable.

- (g) disclosure, in accordance with section 6.8, of every prior valuation in respect of the issuer that relates to the subject matter of or is otherwise relevant to the transaction:

- (i) that has been made in the 24 months before the date of the material change report:
- (ii) the existence of which is known, after reasonable inquiry, to the issuer or to any director or senior officer of the issuer:

Not applicable.

- (h) the general nature and material terms of any agreement entered into by the issuer, or a related party of the issuer, with an interest party or a joint actor with an interested party, in connection with the transaction:

Other than subscription agreements for the Units, the Company did not enter into any agreement with an interested party or a joint actor with an interested party in connection with the Offering. To the Company's knowledge, no related party to the Company entered into any agreement with an interested party or a joint actor with an interested party, in connection with the Offering.

- (i) disclosure of the formal valuation and minority approval exemptions, if any, on which the issuer is relying under sections 5.5 and 5.7, respectively, and the facts supporting reliance on the exemptions:

The Company is relying on the exemptions from the valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(a) and 5.7(1)(a) of MI 61-101, given that neither (A) the fair market value of the subject matter of, nor (B) the fair market value of the consideration for, the transaction, insofar as it involves interested parties, exceeds 25% of the market capitalization of the Company, as determined in accordance with MI 61-101.

The Company did not file a material change report more than 21 days before the expected closing of the Offering as the details of the Offering and the participation therein by related

parties were not settled until shortly prior to closing and the Company wished to close on an expedited basis for sound business reasons.

5.2 Disclosure for Restructuring Transactions

Not Applicable.

6. Reliance on Section 7.1(2) or (3) of National Instrument 51-102

Not Applicable.

7. Omitted Information

None.

8. Executive Officer

For further information, contact Kjirstin Breure, President, kjirstin@hydrograph.com, (604-220-3120).

9. Date of Report

April 25, 2023.