

FORM 51-102F3
MATERIAL CHANGE REPORT

1. **Name and Address of Company**

HydroGraph Clean Power Inc. (the "**Company**" or "**HydroGraph**")
1 King Street West, Suite 4800-118
Toronto, ON M5C 1T4

2. **Date of Material Change**

June 11, 2024

3. **News Release**

A news release disclosing the material change was disseminated through various approved public media and filed on SEDAR+ on June 12, 2024.

4. **Summary of Material Change**

HydroGraph has closed its previously announced non-brokered private placement of units of the Company (the "**Units**"), pursuant to which the Company issued 22,830,544 Units at a price of \$0.16 (the "**Offering Price**"), for aggregate gross proceeds of \$3,652,887.04 (the "**Offering**").

5.1 **Full Description of Material Change**

HydroGraph has closed its Offering of Units, pursuant to which the Company issued a total of 22,830,544 Units at the Offering Price, for aggregate gross proceeds of \$3,652,877.04.

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 \$0.27 per Warrant Share for a period of 36 months after the closing date of the Final Tranche (the "**Closing Date**").

The Company paid cash finders' fees to certain finders (the "**Finders**") equal to 7% of the gross proceeds raised by each Finder, and issued finder warrants (each, a "**Finder Warrant**") equal to 7% of the aggregate number of Units sold to purchasers introduced to the Company by each Finder. Each Finder Warrant entitles the holder thereof to acquire one finder unit (the "**Finder Units**") at a price of \$0.16 for a period of 36 months from the Closing Date. Each Finder Unit will consist of one Common Share and one half of one common share purchase warrant (each whole warrant, a "**Finder Unit Warrant**"). Each Finder Unit Warrant will be exercisable to purchase an additional Common Share at a price of \$0.27 per Common Share for a period of 36 months from the Closing Date.

HydroGraph intends to use the net proceeds from the Offering for furthering application development at the GEIC (Graphene Engineering Innovation Center), production upscaling, business development and general working capital purposes.

Two insiders of the Company participated in the Offering and subscribed for a total of 1,350,000 Units for gross proceeds of \$216,000. The insiders are related parties 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.

All securities issued in connection with the Offering are subject to a hold period of four months and one day from June 11, 2024.

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 for a description of the transaction.

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

HydroGraph intends to use the net proceeds from the Offering for furthering application development at the GEIC (Graphene Engineering Innovation Center), production upscaling, business development and general working capital purposes.

- (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, 850,000 Units were issued to Robert Wowk, Chief Financial Officer of the Company, and 500,000 Units were issued to Paul Cox, a director 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, 850,000 Units were issued to Robert Wowk. Prior to the completion of the Offering, Mr. Wowk held, directly or indirectly, 1,675,000 Common Shares, 837,500 Warrants and 3,510,000 options. Upon closing of the Offering, Mr. Wowk now holds an aggregate of 2,525,000 Common Shares (representing less than 1.2% of the Common Shares issued and outstanding) and 1,262,500 Warrants (representing less than 2.2% of the total warrants issued and outstanding of the Company).

In connection with the Offering, 500,000 Units were issued to Paul Cox. Prior to the completion of the Offering, Mr. Cox held, directly or indirectly, 545,270 Common Shares, 205,068 Warrants and 750,000 options. Upon completion of the Offering, Mr. Cox now holds an aggregate of 1,045,270 Common Shares (representing less than 1.0% of the Common Shares issued and outstanding) and 455,068 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 subsection 7.1(2) of National Instrument 51-102

The report is not being filed on a confidential basis.

7. **Omitted Information**

No significant facts have been omitted from this Material Change Report.

8. **Executive Officer**

For further information, contact:

Kjirstin Breure, Interim Chief Executive Officer and President
kjirstin@hydrograph.com
(604-220-3120)

9. **Date of Report**

This report is dated June 14, 2024.