
HYDROGRAPH CLEAN POWER INC.
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the nine months ended June 30, 2024

(Unaudited - expressed in United States Dollars)

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a) released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the condensed consolidated interim financial statements for the nine months ended June 30, 2024.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by, and are the responsibility of, the Company's management.

HYDROGRAPH CLEAN POWER INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited - Expressed in United States Dollars)

	Notes	June 30, 2024	September 30, 2023
ASSETS			
CURRENT ASSETS			
Cash		\$ 1,952,218	\$ 452,469
Term deposit		11,519	57,963
Prepays		40,351	33,491
Inventory		12,888	1,293
Tax receivable		30,016	21,805
		2,046,992	567,021
NON-CURRENT ASSETS			
Deposits		506,781	506,781
Technology and development costs	3	3,178,078	3,178,078
Right-of-use asset	4	182,511	226,905
Fixed assets	5	1,165,688	1,403,573
		5,033,058	5,315,337
TOTAL ASSETS		\$ 7,080,050	\$ 5,882,358
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and accrued liabilities		\$ 258,469	\$ 615,843
Shares issuable	7	-	150,720
Lease liability - current	4	57,129	57,129
		315,598	823,692
NON-CURRENT LIABILITIES			
Lease liability - long term	4	146,523	188,943
TOTAL LIABILITIES		462,121	1,012,635
SHAREHOLDERS' EQUITY			
Share capital	7	14,949,372	11,600,057
Subscriptions receivable	7	(17,761)	-
Reserves	7	5,315,932	3,394,318
Accumulated other comprehensive loss		(85,994)	(276,884)
Deficit		(13,543,620)	(9,847,768)
TOTAL SHAREHOLDERS' EQUITY		6,617,929	4,869,723
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 7,080,050	\$ 5,882,358

Nature and continuance of operations	1
Commitments	8

Approved on Behalf of the Board of Directors

"David Williams"
David Williams, Director

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

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

HYDROGRAPH CLEAN POWER INC.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

(Unaudited - Expressed in United States dollars)

	Notes	Three months ended		Nine months ended	
		June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
		\$	\$	\$	\$
Sales		1,860	50	8,465	6,186
Cost of sales		(11,242)	(9,781)	(17,586)	(21,057)
Gross Profit		(9,382)	(9,731)	(9,121)	(14,871)
Expenses					
Depreciation	4,5	69,101	71,450	212,001	207,838
Exchange and filing fees		7,726	11,730	40,008	96,796
Finance costs		3,276	-	3,276	-
Insurance		28,773	108	50,801	12,240
Lease accretion	4	4,266	5,371	13,645	16,897
License maintenance fees		17,580	3,961	87,361	125,027
Office and miscellaneous		66,749	52,871	177,136	161,634
Professional fees		67,569	32,168	506,290	411,348
Rent and occupancy		68,950	10,984	83,081	25,755
Research		44,600	19,431	125,249	96,816
Salaries	6	521,549	542,944	1,502,118	1,299,149
Stock-based compensation	6,7	293,038	187,741	442,256	401,960
Travel and promotion		45,206	191,788	182,647	581,743
Total Expenses		1,238,383	1,130,547	3,425,869	3,437,203
Loss before other items		(1,247,765)	(1,140,278)	(3,434,990)	(3,452,074)
Foreign exchange gain (loss)		112,199	(205,560)	(120,474)	(398,106)
Write-down		(146,453)	-	(146,453)	-
Other income		4,254	7,582	6,065	16,905
Net loss		(1,277,765)	(1,338,256)	(3,695,852)	(3,833,275)
Other comprehensive loss					
Item that will not be reclassified to profit or loss					
Foreign exchange translation adjustment		190,890	157,975	190,890	296,525
Comprehensive loss	\$	(1,086,875)	(1,180,281)	(3,504,962)	(3,536,750)
Net loss per share, basic and diluted		(0.01)	(0.01)	(0.02)	(0.02)
Weighted average common shares outstanding		200,129,434	169,712,031	188,872,211	169,712,031

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

HYDROGRAPH CLEAN POWER INC.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Unaudited - Expressed in United States Dollars)

	Note	Shares Issued	Share Capital	Reserves	Subscriptions receivable	Other comprehensive loss	Accumulated Deficit	Total
			\$	\$	\$	\$	\$	\$
Balance, September 30, 2022		154,687,558	10,352,648	2,443,330	-	(421,654)	(4,887,937)	7,486,387
Private placement	7	20,087,666	1,826,087	-	-	-	-	1,826,087
Share issuance costs	7	-	(134,140)	40,662	-	-	-	(93,478)
Share-based payments	7	-	-	401,960	-	-	-	401,960
Foreign currency translation adjustment		-	-	-	-	296,525	-	296,525
Net loss		-	-	-	-	-	(3,833,275)	(3,833,275)
Balance, June 30, 2023		174,775,224	12,044,595	2,885,952	-	(125,129)	(8,721,212)	6,084,206
Balance, September 30, 2023		174,775,224	11,600,057	3,394,318	-	(276,884)	(9,847,768)	4,869,723
Private placement	7	54,542,400	3,682,645	1,349,817	(17,761)	-	-	5,014,701
Shares issued on exercise of warrants	7	1,492,750	55,236	-	-	-	-	55,236
Share issuance costs	7	-	(388,566)	129,541	-	-	-	(259,025)
Share-based payments	7	-	-	442,256	-	-	-	442,256
Foreign currency translation adjustment		-	-	-	-	190,890	-	190,890
Net loss		-	-	-	-	-	(3,695,852)	(3,695,852)
Balance, June 30, 2024		230,810,374	14,949,372	5,315,932	(17,761)	(85,994)	(13,543,620)	6,617,929

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

HYDROGRAPH CLEAN POWER INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASHFLOWS

(Unaudited - expressed in United States Dollars)

	Nine months ended	
	June 30, 2024	June 30, 2023
	\$	\$
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Net loss and comprehensive loss	(3,695,852)	(3,833,275)
Add back non-cash items:		
Stock-based compensation	442,256	401,960
Unrealized foreign exchange loss	190,890	296,525
Depreciation	212,001	207,838
Accrued interest	13,646	16,897
Write-down	114,640	-
Changes in non-cash working capital balances:		
Term deposit	46,444	(113,765)
Tax receivable	(8,211)	(44,903)
Inventory	(11,595)	(3,534)
Prepays	(6,860)	-
Accounts payable and accrued liabilities	(357,374)	134,579
Cash used in operating activities	(3,060,015)	(2,937,678)
INVESTING ACTIVITIES		
Acquisition of fixed assets	(44,362)	(530,741)
Cash used in investing activities	(44,362)	(530,741)
FINANCING ACTIVITIES		
Shares issued for cash, net	4,604,956	1,804,460
Proceeds received from exercise of warrants	55,236	-
Proceeds received from (repayment of) loan	-	(19,265)
Subscriptions received	-	-
Repayments of lease liability	(56,066)	(56,064)
Cash provided by financing activities	4,604,126	1,729,131
Foreign currency translation differences on cash	-	-
Decrease in cash	1,499,749	(1,739,288)
Cash, beginning	452,469	2,801,029
Cash, ending	1,952,218	1,061,741

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

HYDROGRAPH CLEAN POWER INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED JUNE 30, 2024
(Unaudited - expressed in United States Dollars unless otherwise stated)

1. NATURE AND CONTINUANCE OF OPERATIONS

HydroGraph Clean Power Inc. (the "Company") was incorporated under the Laws of the Province of British Columbia on June 26, 2017. The address of the Company's corporate office and its principal place of business is 1 King Street West, Suite 4800-118, Toronto, ON, Canada.

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

The Company has never generated profit or positive cash flows from operations. For the period ended June 30, 2024, the Company reported a net loss of \$3,695,852 (June 30, 2023 – \$3,833,275) negative cash flow from operating activities of \$3,060,015 (June 30, 2023 – \$2,937,678), and an accumulated deficit of \$13,543,620 (2023 – \$9,847,768). 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 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.

These condensed consolidated interim financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these condensed consolidated interim financial statements.

2. BASIS OF PRESENTATION

a) Statement of compliance

These condensed consolidated interim financial statements are prepared in compliance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"). Accordingly, certain information and footnote disclosure normally included in annual consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), have been omitted or condensed. These condensed consolidated interim financial statements should be read in conjunction with the Company's consolidated financial statements for the year ended September 30, 2023.

These condensed consolidated interim financial statements were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on August 28, 2024.

b) Measurement basis

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

HYDROGRAPH CLEAN POWER INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED JUNE 30, 2024
(Unaudited - expressed in United States Dollars unless otherwise stated)

2. BASIS OF PRESENTATION (continued)

c) Functional and presentation currency

Determination of functional currency may involve certain judgments to determine the primary economic environment. Management reconsiders the functional currency of our entities if there is a change in events and conditions which determine the primary economic environment. Effective July 1, 2022, the Company determined that the functional currency of its parent company had changed from the United States dollar (“USD”) to the Canadian dollar (“CAD”). The Company made the determination due to the incorporation of HydroGraph USA, Inc. which is expected to hold all USD sales contracts in the future and incur the majority of the United States dollar expenses. The change in functional currency is treated prospectively.

Transactions of the Company’s individual entities are recorded in their own functional currency based on the primary economic environment in which they operate. The functional currency and location of each entity is as follows:

Entity	Location	Functional Currency
HydroGraph Clean Power Inc.	Canada	Canada
HydroGraph USA, Inc.	United States	United States
Carbon-2D Graphene Corp. (dormant)	Canada	Canada
HydroGraph Clean Power Ontario Inc. (dormant)	Canada	Canada
Hydrograph UK Ltd.	United Kingdom	British Pound

These condensed consolidated interim financial statements are presented in United States dollars which is consistent with prior years presentation.

d) Basis of consolidation

These condensed consolidated interim financial statements include the accounts on the Company and its wholly owned subsidiaries, HydroGraph USA Inc., incorporated in the state of Delaware. Carbon-2D Graphene Corp., incorporated in the province of British Columbia, HydroGraph Clean Power Ontario Inc. incorporated in the province of Ontario, and Hydrograph UK Ltd., incorporated in the United Kingdom.

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power to govern the financial and operating policies of an entity to obtain benefits from its activities.

In assessing control, potential voting rights that are currently exercisable are taken into account. The financial statements of subsidiaries are included in the condensed consolidated interim financial statements from the date that control commences until the date that control ceases.

Inter-company transactions, balances and unrealized gains or losses with the subsidiaries are eliminated. The financial statements of the subsidiaries are prepared using consistent accounting policies with that of the Company.

HYDROGRAPH CLEAN POWER INC.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED JUNE 30, 2024****(Unaudited - expressed in United States Dollars unless otherwise stated)**

3. TECHNOLOGY AND DEVELOPMENT COSTS

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

The Company has incurred the following technology acquisition and development costs:

	\$
Balance, September 30, 2022 and September 30, 2023	3,178,078
Additions	-
Balance, June 30, 2024	3,178,078

Technology and development costs will not commence being amortized until the assets are put into production. Accordingly, the Company performs an impairment test on an annual basis, or whenever there are indicators of impairment. As of September 30, 2023, and June 30, 2024, no impairment was required.

4. LEASE LIABILITY AND RIGHT OF USE ASSET**(a) Right of use asset**

	June 30, 2024	September 30, 2023
	\$	\$
Balance, beginning of period	226,905	286,097
Depreciation charge for the period	(44,394)	(59,192)
Balance, end of period	182,511	226,905

(b) Lease liability

	June 30, 2024	September 30, 2023
	\$	\$
Balance, beginning of the period	246,072	298,823
Lease payments	(56,066)	(74,750)
Interest	13,646	21,999
Balance, end of period	203,652	246,072
Current portion	57,129	57,129
Balance, end of period, non-current portion	146,523	188,943

HYDROGRAPH CLEAN POWER INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED JUNE 30, 2024
(Unaudited - expressed in United States Dollars unless otherwise stated)

5. FIXED ASSETS

	Manufacturing Equipment	Leasehold Improvements	Furniture	Computer	Equipment in Process	Total
Cost	\$	\$	\$	\$	\$	\$
Balance, September 30, 2022	292,475	760,058	20,088	5,561	57,533	1,135,715
Additions	132,089	8,943	10,010	13,306	456,641	620,989
Balance, September 30, 2023	424,564	769,001	30,098	18,867	514,174	1,756,704
Additions	-	-	-	-	44,362	44,362
Write-down	(146,453)	-	-	(2,922)	-	(149,375)
Balance, June 30, 2024	278,111	769,001	30,098	15,945	558,536	1,651,691
Accumulated amortization						
Balance, September 30, 2022	46,275	82,989	3,308	463	-	133,035
Additions	68,764	143,229	4,984	3,119	-	220,096
Balance, September 30, 2023	115,039	226,218	8,292	3,582	-	353,131
Additions	54,500	107,761	2,637	2,709	-	167,607
Write-down	(34,735)	-	-	-	-	(34,735)
Balance, June 30, 2024	134,804	333,979	10,929	6,291	-	486,003
Net book value						
Balance, September 30, 2023	309,525	542,783	21,806	15,285	514,174	1,403,573
Balance, June 30, 2024	143,307	435,022	19,169	9,654	558,536	1,165,688

6. RELATED PARTY TRANSACTIONS AND BALANCES

Key management are those personnel having the authority and responsibility for planning, directing and controlling the Company and include the board of directors, the Chief Executive Officer, President, Chief Financial Officer, and Chief Accounting Officer. Key management compensation included the following:

	June 30, 2024	June 30, 2023
	\$	\$
Management and director compensation	609,417	462,257
Share-based payments	287,907	394,318
Total	897,324	856,575

As at June 30, 2024, \$Nil (2023 – \$15,091) was due to related parties of the Company and has been included in accounts payable and accrued liabilities on the condensed consolidated interim statement of financial position.

7. SHARE CAPITAL

HYDROGRAPH CLEAN POWER INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED JUNE 30, 2024
(Unaudited - expressed in United States Dollars unless otherwise stated)

(a) Authorized Share Capital

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

Nine months ended June 30, 2024

- (i) On December 1, 2023, the Company closed a non-brokered private placement through the issuance of 10,260,856 units for gross proceeds of CAD\$1,031,194. The units were offered in US dollars and Canadian dollars at the respective prices of US\$0.074 and CAD\$0.10. Each unit consist of one common share and one-half of one common share warrant of the Company. Each whole warrant is exercisable at CAD\$0.18 per warrant for a period of 24 months. The warrants were valued at \$152,886 using the Black-Scholes Option Pricing model. Accordingly, the Company allocated \$606,479 and \$152,886 to share capital and reserves, respectively.
- (ii) On December 27, 2023, the Company issued 1,156,750 shares on the exercise of 1,156,750 warrants for gross proceeds of \$42,803.
- (iii) On December 29, 2023, the Company issued 336,000 shares on the exercise of 336,000 warrants for gross proceeds of \$12,433.
- (iv) On February 23, 2024, the Company closed a non-brokered private placement through the issuance of 9,626,000 units for gross proceeds of CAD\$962,600. The units were offered in US dollars and Canadian dollars at the respective prices of US\$0.074 and CAD\$0.10. Each unit consist of one common share and one-half of one common share warrant of the Company. Each whole warrant is exercisable at CAD\$0.18 per warrant for a period of 24 months. The warrants were valued at \$129,271 using the Black-Scholes Option Pricing model. Accordingly, the Company allocated \$583,110 and \$129,271 to share capital and reserves, respectively.

In connection with the financing, the Company issued 607,320 broker warrants with an ascribed value of \$18,226 and incurred \$114,465 in cash finders' fees.

- (v) On April 5, 2024, the Company issued 11,825,000 units of the Company at an issue price of \$0.10 per unit for aggregate gross proceeds of CAD\$1,182,500. Each unit consists of one common share one-half of one common share warrant of the Company. Each warrant is exercisable at CAD\$0.18 per warrant for a period of 24 months. The warrants were valued at \$148,745 using the Black-Scholes Option Pricing model. Accordingly, the Company allocated \$726,376 and \$148,475 to share capital and reserves, respectively.

In connection with the financing, the Company issued 827,750 broker warrants with an ascribed value of \$33,329.

- (vi) On June 11, 2024, the Company issued 22,830,544 units of the Company at an issue price of \$0.16 per Unit for aggregate gross proceeds of CAD\$3,652,887. Each unit consists of one common share one-half of one common share warrant of the Company. Each warrant is exercisable at CAD\$0.27 per warrant for a period of 36 months. The warrants were valued at \$918,915 using the Black-Scholes Option Pricing model. Accordingly, the Company allocated \$1,766,679 and \$918,915 to share capital and reserves, respectively. Of the total, CAD\$24,000 has been allocated to subscriptions receivable.

In connection with the financing, the Company issued 950,679 broker warrants with an ascribed value of \$78,115 and incurred \$125,608 in cash finders' fees.

Year ended September 30, 2023

HYDROGRAPH CLEAN POWER INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED JUNE 30, 2024
(Unaudited - expressed in United States Dollars unless otherwise stated)

- (i) On April 14, 2023, the Company completed a non-brokered private placement (the "Offering"). Pursuant to the Offering, the Company issued an aggregate of 20,087,666 units of the Company (the "Units") at an issue price of CAD\$0.12 per Unit for aggregate gross proceeds of CAD\$2,410,520.

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 CAD\$0.20 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 CAD\$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 Warrants were valued at \$402,661 using the Black-Scholes Option Pricing model. Accordingly, the Company allocated \$1,378,229 and \$402,661 to share capital and reserves, respectively.

In connection with the financing, the Company issued 1,020,133 broker warrants with an ascribed value of \$40,590 and incurred \$90,230 in cash finders' fees.

(b) Stock Options

The Company has a stock option plan (the "Plan") under which it is authorized to grant options to its directors, officers, employees, management companies and consultants enabling them to acquire up to 15% of the issued and outstanding shares of the Company. Under the Plan, the exercise price of options granted is determined by the Board of Directors, provided that the exercise price is not less than the price permitted by an exchange or a quotation system on which the Company's shares may be listed or quoted for trading. The term of any options granted under the Plan is fixed by the Board of Directors and may not exceed ten years from the date of grant. Vesting, if any, and other terms and conditions relating to such options shall be determined by the Board of Directors of the Company. Any options granted pursuant to the Plan will terminate generally within ninety days of the option holder ceasing to act as a director, officer, employee, or consultant. All stock options which have been issued are equity settled.

During 2022, the Company granted a total of 7,880,000 stock options to employees and directors of the Company. 3,532,200 of these stock options vest at various dates between the date of issuance and 3 years after the grant date. The remaining 4,347,800 will vest based on the Company meeting certain performance conditions. The stock options will expire after 10 years from the date of grant and have an exercise price of CAD\$0.25.

During 2023, the Company granted a total of 5,460,000 stock options to employees and directors of the Company. 2,354,000 of these stock options vest at various dates between the date of issuance and 4 years after the grant date. The remaining 3,106,000 will vest based on the Company meeting certain performance conditions. The stock options will expire after 10 years from the date of grant and have an exercise price of CAD\$0.25.

During 2024, the Company granted a total of 7,600,000 stock options to employees and directors of the Company. These stock options vest at various dates between the date of issuance and 2 years after the grant date. The stock options will expire after 5 years from the date of grant and have an exercise price of CAD\$0.19.

The fair value of each option granted is estimated on the date of grant with the following assumptions:

HYDROGRAPH CLEAN POWER INC.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED JUNE 30, 2024****(Unaudited - expressed in United States Dollars unless otherwise stated)**

	For the nine months ended June 30, 2024	For the nine months ended June 30, 2023
Risk-free interest rate (%)	1.52- 4.50	1.52- 4.50
Expected life (years)	6	10
Expected volatility (%)	84-100	84-100
Forfeiture rate (%)	-	-
Expected dividends	-	-

The weighted average fair value at the grant date for the nine months ended June 30, 2024 was CAD\$0.23 per option and the total share-based compensation recognized during the period for stock options was \$442,256 (June 30, 2023 - \$401,960).

As at June 30, 2024, the following stock options are outstanding:

	Options	Weighted average exercise price (CAD)
		\$
Balance, September 30, 2022	11,380,000	0.25
Granted	5,460,000	0.25
Cancelled	(500,000)	0.25
Balance, September 30, 2023	16,340,000	0.25
Granted	7,600,000	0.19
Cancelled	(2,829,767)	0.25
Balance, June 30, 2024	21,110,233	0.23

Outstanding	Exercisable	Exercise Price (CAD)	Expiry Date	Weighted average remaining life (in years)
		\$		
2,250,233	2,250,233	0.25	16-Jan-26	1.55
1,000,000	1,000,000	0.25	14-Jun-26	1.96
2,000,000	2,000,000	0.25	30-Jun-26	2.00
7,600,000	2,275,000	0.19	21-Jun-29	4.98
1,500,000	1,500,000	0.25	28-Feb-32	7.67
1,300,000	479,167	0.25	20-Apr-32	7.81
4,010,000	1,153,000	0.25	01-Nov-32	8.35
700,000	-	0.25	12-Jan-33	8.54
750,000	375,000	0.25	06-Apr-33	8.77
21,110,233	11,032,400			

(c) Warrants

HYDROGRAPH CLEAN POWER INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED JUNE 30, 2024
(Unaudited - expressed in United States Dollars unless otherwise stated)

As at June 30, 2024, the following warrants are outstanding:

	Number of warrants	Weighted average exercise price (CAD)
		\$
Balance, September 30, 2022	50,555,616	0.51
Issued	11,063,966	0.20
Expired	(3,525,000)	0.75
Balance, September 30, 2023	58,094,582	0.43
Issued	29,634,949	0.21
Expired	(26,020,000)	0.75
Exercised	(1,492,750)	0.05
Balance, June 30, 2024	60,216,781	0.20

Outstanding	Exercise Price (CAD)	Expiry Date	Weighted average remaining life (in years)
	\$		
19,517,866	0.20	15-Sep-24	0.21
11,063,966	0.20	13-Apr-25	0.79
5,130,428	0.18	01-Dec-25	1.42
5,420,320	0.18	23-Feb-26	1.65
6,740,250	0.18	05-Apr-26	1.76
11,393,272	0.27	11-Jun-27	2.95
950,679	0.16	11-Jun-27	2.95
60,216,781			

(d) Shares held in escrow

As at June 30, 2024, the Company has 1,717,500 common shares held in escrow (2023 –5,152,500). These escrow shares are subject to escrow trading restrictions pursuant to the Escrow agreement and are released as follows: 17,425,678 six months after the Company's securities are listed on a Canadian exchange ("Listing"), 15,708,178 nine months after Listing, 17,425,678 twelve months after Listing, 19,635,223 fifteen months after Listing, 1,717,500 eighteen months after Listing, 1,717,500 twenty four months after Listing, 1,717,500 thirty months after Listing and 1,717,500 thirty six months after Listing.

8. COMMITMENTS

On July 27, 2022, the Company signed an Amendment to the KSURF License Agreement to extend the due date of annual maintenance fees due in the year 2022 as follows:

- i. \$10,000 per active patent family due March 31, 2023
 - ii. \$10,000 per active patent family for calendar years 2023 to 2024
 - iii. \$25,000 per active patent family for calendar year 2025
 - iv. \$35,000 per active patent family for calendar year 2026
 - v. \$50,000 per active patent family for calendar year 2027 and every subsequent year
- The annual license maintenance fees in a given year will be credited against any running royalty payments due.

On June 1, 2021, the Company signed an Amendment to the KSURF MOA for Sponsored Research to amend the statement of work milestone payments. The Company has the following remaining

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future funding requirements from this amendment:

Phase 3: \$1,517,376, due in 4 quarterly installments of \$600,000 due June 1, 2021, \$305,792 due September 1, 2021, \$305,792 due December 1, 2021, and \$305,792 due March 1, 2022, plus a success fee of \$300,000 due on achieving defined milestones. All payments have been made as of September 30, 2022.

The commitments of the Company related to the License Agreements with KSURF are as follows:
The 2017 licensing agreement as amended in July 2022

- (i) The Company will pay annual maintenance fees of:
 - vi. \$10,000 per calendar years 2020 to 2022
 - vii. \$25,000 per calendar year 2023
 - viii. \$35,000 per calendar year 2024
 - ix. \$25,000 per calendar year 2025 and every subsequent yearThe annual license maintenance fees in a given year will be credited against any running royalty payments due.
- (ii) the Company will pay a running royalty of 4% of net sales by the Company or its affiliates (the 4% royalty shall be reduced by ½ of royalties paid to third parties but shall not be less than 3.5%),
- (iii) the Company will pay 40% of any non-royalty payments received by the Company from sub-licensed products,
- (iv) the Company may purchase the 4% running royalty for \$12,000,000 in four annual 1% increments.

9. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern (see Note 1). The Company does not have any externally imposed capital requirements to which it is subject.

As at June 30, 2024, the Company had capital resources consisting of all components of shareholders' equity. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue common shares.

10. FINANCIAL INSTRUMENTS

Fair values

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

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

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

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

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

As at June 30, 2024, the Company's financial instruments consisted of cash, term deposit, tax receivable, and accounts payable and accrued liabilities. Cash is measured at fair value in accordance with Level 1. The fair value of tax receivable, and accounts payable and accrued liabilities approximate their carrying values because of the short-term nature of these instruments.

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Financial risk management objectives and policies

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

(i) *Currency risk*

The Company's expenses are denominated in United States Dollars. The Company's corporate office is based in Canada. At June 30, 2024, with other variables unchanged, a 1% movement in the US dollar against the Canadian dollar would not have a material impact on the net loss and comprehensive loss.

(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 and tax receivable. To minimize the credit risk on cash, 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 June 30, 2024, the contractual maturities of the Company's obligations are as follows:

	Carrying Amount	Contractual Cash Flows	Less than 1 Year	1-2 Years
	\$	\$	\$	\$
Accounts payable and accrued liabilities	258,469	258,469	258,469	-

11. PROMISSORY NOTE

During the period, the Company issued a promissory note amounting to \$74,420 to certain shareholders of the Company. The promissory note is due on demand after six months, and bears interest at 1% per month. The promissory note was repaid during the period.