HYDROGRAPH CLEAN POWER INC.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine months ended June 30, 2026 and 2025

(Expressed in United States Dollars)

(Unaudited)

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements have been prepared by and are the responsibility of the management.

The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

HYDROGRAPH CLEAN POWER INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT JUNE 30, 2026 AND SEPTEMBER 30, 2025
(Expressed in United States dollars)
(Unaudited)

	Note	June 30, 2026 $	September 30, 2025 $
ASSETS			
CURRENT ASSETS			
Cash		39,135,574	8,737,793
Prepaids	3	551,637	218,069
Accounts receivable		46,701	-
Tax receivable		61,742	47,265
		39,795,654	9,003,127
NON-CURRENT ASSETS			
Deposits	6	284,070	284,070
Technology and development costs	4	3,102,078	3,178,078
Right-of-use asset	6	1,239,872	47,068
Property, plant and equipment	5	3,339,819	1,028,994
		7,965,839	4,538,210
TOTAL ASSETS		47,761,493	13,541,337
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	7	1,814,793	2,932,979
Lease liability	6	324,685	62,444
		2,139,478	2,995,423
NON-CURRENT LIABILITIES			
Other liabilities	7	39,000	66,000
Lease liability	6	1,097,463	-
		1,136,463	66,000
TOTAL LIABILITIES		3,275,941	3,061,423
SHAREHOLDERS' EQUITY			
Share capital	8	60,181,022	31,335,485
Reserves	8	20,441,173	2,799,594
Accumulated other comprehensive loss		(1,374,338)	(326,119)
Deficit		(34,762,305)	(23,329,046)
TOTAL SHAREHOLDERS' EQUITY		44,485,552	10,479,914
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		47,761,493	13,541,337

Nature of operations	1
Commitments	9
Subsequent events	14

Approved on Behalf of the Board of Directors

"Kjirstin Breure"	*"Tom Wilkinson"*
Kjirstin Breure, CEO, President, Director	Tom Wilkinson, Director

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

HYDROGRAPH CLEAN POWER INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE THREE AND NINE MONTHS ENDED JUNE 30, 2026 AND 2025
(Expressed in United States dollars)
(Unaudited)

	Note	Three months ended June 30, 2026 $	Three months ended June 30, 2025 $	Nine months ended June 30, 2026 $	Nine months ended June 30, 2025 $
Sales		46,561	19,346	117,261	42,294
Cost of sales		(95,749)	(13,732)	(189,498)	(20,890)
Gross Profit		(49,188)	5,614	(72,237)	21,404
Expenses					
Amortization	4	57,000	-	76,000	-
Depreciation	5, 6	265,994	73,429	676,490	219,377
Exchange and filing fees		36,140	7,466	92,801	27,197
Insurance		99,130	23,868	174,129	64,118
Lease accretion	6	29,505	3,069	90,312	10,125
License maintenance fees		273,366	206,370	364,304	285,531
Office and miscellaneous		163,379	72,697	385,037	183,633
Professional fees	12	1,006,512	255,146	2,548,289	534,371
Rent and occupancy		24,473	7,480	80,657	20,548
Research		87,685	118,359	407,316	229,680
Salaries	7	1,251,903	443,424	3,090,544	1,258,770
Stock-based compensation	7, 8	1,078,937	65,427	3,156,728	402,311
Travel and promotion		219,524	193,318	629,079	426,578
Total Expenses		4,593,548	1,470,053	11,771,686	3,662,239
Loss before other income (expenses)		(4,642,736)	(1,464,439)	(11,843,923)	(3,640,835)
Foreign exchange loss		(13,366)	(9,486)	(45,983)	(24,615)
Other income		197,013	11,269	456,647	28,372
Net loss		(4,459,089)	(1,462,656)	(11,433,259)	(3,637,078)
Other comprehensive income Item that will not be reclassified to profit or loss					
Foreign exchange translation adjustment		(704,073)	105,790	(1,048,219)	46,864
Comprehensive loss		(5,163,162)	(1,356,866)	(12,481,478)	(3,590,214)
Net loss per share, basic and diluted		(0.01)	(0.01)	(0.03)	(0.01)
Weighted average common shares outstanding		350,066,673	266,400,962	342,036,876	252,964,472

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

HYDROGRAPH CLEAN POWER INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE NINE MONTHS ENDED JUNE 30, 2026 AND 2025
(Expressed in United States dollars)
(Unaudited)

	Note	Shares Issued #	Share Capital $	Reserves $	Accumulated Other Comprehensive Gain (Loss) $	Accumulated Deficit $	Total $
Balance, September 30, 2024		230,810,374	15,176,345	4,918,958	(242,914)	(15,179,754)	4,672,635
Private placement		23,960,003	2,033,669	668,252	-	-	2,701,921
Share issue costs		-	(219,787)	62,103	-	-	(157,684)
Shares issued for warrant exercise		11,968,346	2,082,472	(474,966)	-	-	1,607,506
Shares issued for option exercise		112,500	28,429	(8,858)	-	-	19,571
Stock-based compensation		-	-	402,311	-	-	402,311
Net loss and comprehensive loss		-	-	-	46,864	(3,637,078)	(3,590,214)
Balance, June 30, 2025		266,851,223	19,101,128	5,567,800	(196,050)	(18,816,832)	5,656,046
Balance, September 30, 2025		324,893,094	31,335,485	2,799,594	(326,119)	(23,329,046)	10,479,914
Private placement	8	12,778,908	18,534,563	17,594,070	-	-	36,128,633
Share issue costs	8	-	(4,760,407)	1,878,903	-	-	(2,881,504)
Shares issued for warrant exercise	8	10,929,396	12,565,734	(4,825,190)	-	-	7,740,544
Shares issued for option exercise	8	1,225,000	410,177	(162,932)	-	-	247,245
Shares issued for debt settlement	8	750,000	2,095,470	-	-	-	2,095,470
Stock-based compensation	8	-	-	3,156,728	-	-	3,156,728
Net loss and comprehensive loss		-	-	-	(1,048,219)	(11,433,259)	(12,481,478)
Balance, June 30, 2026		350,576,398	60,181,022	20,441,173	(1,374,338)	(34,762,305)	44,485,552

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

HYDROGRAPH CLEAN POWER INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED JUNE 30, 2026 AND 2025
(Expressed in United States dollars)
(Unaudited)

	Notes	2026 $	2025 $
CASH PROVIDED BY (USED IN):			
OPERATING ACTIVITIES			
Net loss		(11,433,259)	(3,637,078)
Add back non-cash items:			
Amortization	4	76,000	-
Depreciation	5, 6	676,490	219,377
Lease accretion	6	90,312	10,125
Stock-based compensation	7, 8	3,156,728	402,311
Unrealized foreign exchange gain (loss)		(68,653)	7,502
Changes in non-cash working capital balances:			
Prepaids		(333,568)	(181,776)
Accounts receivable		(46,701)	(746)
Tax receivable		(14,477)	(50,924)
Accounts payable and accrued liabilities		977,284	18,549
Customer deposits		-	(24,000)
Other liabilities		(27,000)	-
Cash used in operating activities		(6,946,844)	(3,236,660)
INVESTING ACTIVITY			
Acquisition of property, plant and equipment	5	(2,729,704)	(41,449)
Cash used in investing activity		(2,729,704)	(41,449)
FINANCING ACTIVITIES			
Shares issued for cash, net	8	33,247,129	2,544,237
Shares issued on warrant exercise	8	7,740,544	1,607,506
Shares issued on option exercise	8	247,245	19,571
Repayments of lease liability	6	(181,023)	(56,063)
Cash provided by financing activities		41,053,895	4,115,251
Foreign currency translation differences on cash		(979,566)	39,362
Increase in cash		30,397,781	876,504
Cash, beginning		8,737,793	780,966
Cash, ending		39,135,574	1,657,470

Supplemental cash flow information – Note 13

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

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 1100 – 1199 West Hastings Street, Vancouver, BC, 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 Securities Exchange (the "CSE") under the ticker symbol HG.

2. BASIS OF PRESENTATION

a) Basis of presentation and statement of compliance

These condensed interim consolidated financial statements are prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the IFRS Interpretations Committee ("IFRIC") applicable to the preparation of interim financial statements, including IAS 34 - Interim Financial Reporting. These condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended September 30, 2025, which have been prepared in accordance with IFRS as issued by the IASB.

In the preparation of these condensed interim consolidated financial statements, the Company has used the same accounting policies and methods of computation as in the annual consolidated financial statements for the year ended September 30, 2025, except as noted below. The preparation of condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

All amounts are expressed in United States Dollars ($) except where otherwise noted as Canadian Dollars (CAD$).

These condensed interim consolidated financial statements were approved and authorized for issue by the Board of Directors on August 27, 2026.

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

Determination of functional currency involves certain judgments to determine the primary economic environments in which the entities operate. Management reconsiders the functional currency of our entities if there are changes in events and conditions.

Determination of going concern involves certain judgments to determine that the Company has sufficient working capital to continue operations for at least twelve months. Management has determined that there is no material uncertainty related to going concern at this time.

b) Basis of consolidation

Transactions of the Company's individual entities are recorded in their own functional currency based. The functional currency and location of each entity is as follows:

Entity	**Location**	**Functional Currency**
HydroGraph Clean Power Inc.	Canada	Canadian dollars
HydroGraph USA, Inc.	United States	United States dollars
HydroGraph UK Ltd.	United Kingdom	British Pounds

These condensed interim consolidated financial statements are presented in United States dollars.

The condensed interim consolidated financial statements include the accounts of the Company and the entities controlled by the Company (its subsidiaries). The results of each subsidiary will continue to be included in the condensed interim consolidated financial statements of the Company until the date that the Company's control over the subsidiary ceases. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

Details of the subsidiaries are as follows:

		Percentage owned	
	Incorporated in	**June 30, 2026**	**September 30, 2025**
HydroGraph USA, Inc.	United States	100%	100%
HydroGraph UK Ltd.	United Kingdom	100%	100%
HydroGraph Clean Power Ontario Inc. (dormant)	Canada	0%	100%

On March 6, 2026, the Company dissolved HydroGraph Clean Power Ontario Inc.

c) Recent accounting pronouncements

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ending September 30, 2026, and have not been early adopted in preparing these consolidated financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements
In April 2024, the IASB issued IFRS 18 – Presentation and Disclosure in Financial Statements which will replace IAS 1, Presentation of Financial Statements. The key new concepts introduced in IFRS 18 relate to the structure of the statement of earnings (loss), required disclosures in the financial statements for certain earnings or loss performance measures that are reported outside an entity’s financial statements and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. IFRS 18 will apply for reporting periods beginning on or after January 1, 2027, and also applies to comparative information. The Company is still in the process of assessing the impact of this standard on its consolidated financial statements.

Amendments to the Classification and Measurement of Financial Instruments (“Amendments to IFRS 9 and IFRS 7”)
In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7 which clarify the date of recognition and derecognition of some financial assets and liabilities with a new exception for some financial liabilities settled through an electronic cash transfer system, clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest criterion, add new disclosures for certain instruments with contractual terms that can change cash flows such as instruments with features linked to the achievement of environment, social and governance targets; and update the disclosures for equity instruments designated as FVOCI. Amendments to IFRS 9 and IFRS 7 is effective for periods beginning on or after January 1, 2026, with early adoption permitted. The Company is still in the process of assessing the impact of this standard on its consolidated financial statements.

(Expressed in United States dollars)

d) Operating Segments

The Company has determined that it operates as a single reportable operating segment in accordance with IFRS 8 – Operating Segments. The Company's operations consist of the development and commercialization of graphene and hydrogen-related products and are conducted across Canada, the United States and the United Kingdom. Management reviews financial results on a consolidated basis for the purposes of allocating resources and assessing performance, and discrete financial information by activity or geography is not regularly reviewed. Accordingly, the Company has one reportable operating segment and all revenues, assets and liabilities are attributable to that segment.

3. PREPAIDS

As at June 30, 2026 and September 30, 2025 prepaids consisted of the following:

	June 30, 2026 $	September 30, 2025 $
Equipment deposits	-	13,181
Insurance	78,016	41,520
Memberships	195,403	29,639
Rent	-	41,000
Other	278,218	92,729
Total prepaids	551,637	218,069

4. 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.

During the nine months ended June 30, 2026, the Company determined that the intangible asset was available for use and accordingly, amortization commenced.

The technology and development costs are amortized on a straight-line basis over an estimated useful life of 13.8 years

The carrying amount of intangible assets is reviewed at each reporting date for indicators of impairment. Where indicators of impairment exist, the recoverable amount of the asset is estimated and compared to its carrying amount. An impairment loss is recognized when the carrying amount exceeds the recoverable amount.

(Expressed in United States dollars)

	Total $
Cost	
Balance, September 30, 2024, and 2025 and June 30, 2026	3,178,078
Accumulated amortization	
Balance, September 30, 2024 and 2025	-
Additions	76,000
Balance, June 30, 2026	76,000
Net book value	
Balance, September 30, 2025	3,178,078
Balance, June 30, 2026	3,102,078

The Company determined that there were no indicators of impairment at June 30, 2026.

(Expressed in United States dollars)

5. PROPERTY, PLANT AND EQUIPMENT

	Manufacturing Equipment $	Leasehold Improvements $	Furniture $	Computer $	Equipment in Process $	Total $
Cost						
Balance, September 30, 2024	304,413	769,001	24,105	18,867	563,617	1,680,003
Additions	9,900	25,250	7,050	-	122,453	164,653
Transfer	526,045	92,377	-	-	(618,422)	-
Write-down	-	-	-	-	(52,085)	(52,085)
Balance, September 30, 2025	840,358	886,628	31,155	18,867	15,563	1,792,571
Additions	558,479	1,403,180	276,292	45,991	528,406	2,812,348
Transfer	(4,443)	4,443	-	-	-	-
Write-down	-	(82,644)	-			(82,644)
Balance, June 30, 2026	1,394,394	2,211,607	307,447	64,858	543,969	4,522,275
Accumulated depreciation						
Balance, September 30, 2024	138,674	369,900	12,245	8,897	-	529,716
Additions	77,354	143,682	7,512	5,313	-	233,861
Balance, September 30, 2025	216,028	513,582	19,757	14,210	-	763,577
Additions	144,419	254,351	15,471	4,638	-	418,879
Balance, June 30, 2026	360,447	767,933	35,228	18,848	-	1,182,456
Net book value						
Balance, September 30, 2025	624,330	373,046	11,398	4,657	15,563	1,028,994
Balance, June 30, 2026	1,033,947	1,443,674	272,219	46,010	543,969	3,339,819

(Expressed in United States dollars)

6. LEASE LIABILITY AND RIGHT OF USE ASSET

The Company entered into a facility lease in Kansas on June 9, 2021 and recognized a lease obligation with respect to the lease expiring on June 30, 2023. The lease obligation included two extension options: one until June 30, 2025 and one until June 30, 2027, which were included in the calculation. On May 22, 2025, the Company extended the lease in Kansas to June 30, 2026 with an extension option to June 30, 2028. On June 30, 2026, the Company terminated the lease. Monthly payments of $9,350 include a fixed portion of $7,172 and a variable portion initially estimated at $2,178. The present value of the lease obligation was calculated using the rate of 8.0% per annum and the end date of June 30, 2026.

On August 8, 2025, the Company entered into a lease for a new 20,000-square-foot headquarters facility in Austin, Texas, which will replace its current space in Manhattan, Kansas. The lease commencement date for accounting purposes was determined to be October 2025. The term of the lease is 5 years and 2 months, with the Company having an option to renew the lease for 5 years at the then market rate. A security deposit of $284,070 was paid to the lessor and $102,775 of leasehold improvements allowance was provided to the Company. The total of estimated lease payments over the term of the lease is $1,817,953, excluding variable operating costs. The present value of the lease obligation was calculated using the rate of 8.0% per annum and the end date of November 30, 2030.

(a) Right of use asset

	June 30, 2026 $	September 30, 2025 $
Balance, beginning	47,068	167,713
Additions	1,450,415	-
Amortization charge	(257,611)	(60,083)
Lease remeasurement	-	(60,562)
Balance, ending	1,239,872	47,068

(b) Lease liability

	June 30, 2026 $	September 30, 2025 $
Balance, beginning	62,444	188,943
Additions	1,450,415	-
Lease payments	(181,023)	(77,578)
Lease accretion	90,312	11,641
Lease remeasurement	-	(60,562)
Balance, ending	1,422,148	62,444
Current portion	(324,685)	(62,444)
Balance, ending, non-current portion	1,097,463	-

(Expressed in United States dollars)

The following is a schedule of the Company's future minimum lease payments related to the office lease obligation:

	June 30, 2026 $	September 30, 2025 $
2026	87,360	64,544
2027	363,412	-
2028	378,006	-
2029	393,012	-
2030	408,839	-
2031	70,846	-
Total minimum lease payments	1,701,475	64,544
Less: imputed interest	(279,327)	(2,100)
Total present value of minimum lease payments	1,422,148	62,444
Less: current portion	(324,685)	(62,444)
Non-current portion	1,097,463	-

7. 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 current and former board of directors, the Chief Executive Officer, the current and former Chief Financial Officer and the former Chief Accounting Officer. Key management compensation during the three and nine months ended June 30, 2026 and 2025 included the following:

	Three months ended June 30,		Nine months ended June 30,	
	2026 $	2025 $	2026 $	2025 $
Short-term benefits - management and director compensation	308,175	113,773	828,526	363,681
Share-based payments	486,419	33,296	1,766,845	241,731
Total	794,594	147,069	2,595,371	605,412

As at June 30, 2026, $103,006 (September 30, 2025 – $65,418) 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 June 30, 2026, $39,000 (September 30, 2025 - $66,000) was due to former related parties of the Company and has been included in other liabilities.

As at June 30, 2026, $20,000 (September 30, 2025 - $15,000) is included in prepaid expenses in connection with Board fees advanced to directors.

8. SHARE CAPITAL

(a) Authorized Share Capital

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

Nine months ended June 30, 2026

(i) On November 4, 2025, the Company completed a private placement of 6,896,560 units at a price of \$2.06 (CAD\$2.90) per unit for gross proceeds of \$14,194,017 (CAD\$20,000,024).

Each unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder thereof to purchase one common share at a price of CAD\$3.50 up to November 4, 2028. The warrants were valued at \$6,328,525 using the Black-Scholes Option Pricing model with the following weighted-average assumptions: expected life – 3 years; volatility – 109.42%, risk-free rate – 2.43%, dividend yield – 0%. The Company allocated \$7,865,492 and \$6,328,525 to share capital and reserves, respectively.

In connection with the private placement, the Company issued 401,794 finders' warrants, incurred \$826,943 in cash finders' fees and \$350,590 in other issuance costs. Each finders' warrant is exercisable into one common share at a price of CAD\$3.50 up to November 4, 2028. The finders' warrants were valued at \$523,333 using the Black-Scholes Option Pricing model with the following weighted-average assumptions: expected life – 3 years; volatility – 109.42%, risk-free rate – 2.43%, dividend yield – 0%.

(ii) On March 5, 2026, the Company completed a private placement of 5,882,348 units at a price of \$3.73 (CAD\$5.10) per unit for gross proceeds of \$21,934,616 (CAD\$29,999,975).

Each unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder thereof to purchase one common share at a price of CAD\$6.10 up to March 5, 2029. The warrants were valued at \$11,265,545 using the Black-Scholes Option Pricing model with the following weighted-average assumptions: expected life – 3 years; volatility – 109.47%, risk-free rate – 2.65%, dividend yield – 0%. The Company allocated \$10,669,071 and \$11,265,545 to share capital and reserves, respectively.

In connection with the private placement, the Company issued 347,634 finders' warrants, incurred \$1,296,288 in cash finders' fees and \$407,683 in other issuance costs. Each finders' warrant is exercisable into one common share at a price of CAD\$5.63 up to March 5, 2029. The finders' warrants were valued at \$1,355,570 using the Black-Scholes Option Pricing model with the following weighted-average assumptions: expected life – 3 years; volatility – 109.47%, risk-free rate – 2.65%, dividend yield – 0%.

(iii) During the nine months ended June 30, 2026, the Company issued 1,225,000 common shares on option exercise at the weighted average exercise price of \$0.20 (CAD\$0.28) for gross proceeds of \$247,245. The Company transferred the fair value of \$162,932 from reserves to share capital in connection with the exercises.

(iv) During the nine months ended June 30, 2026, the Company issued 10,929,396 common shares on warrant exercise at the weighted average exercise price of \$0.71 (CAD\$0.97) for gross proceeds of \$7,740,544. The Company transferred the fair value of \$4,825,190 from reserves to share capital in connection with the exercises.

(v) On October 28, 2025, the Company issued 750,000 common shares at the fair value of CAD\$3.90 per share or CAD\$2,925,000 (\$2,095,470) in settlement of a commercial dispute. The settlement fee expense and accrued liability were recognized at September 30, 2025.

Nine months ended June 30, 2025

(i) 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%, 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. 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%.

(ii) On January 23, 2025, the Company issued 112,500 common shares on option exercise at the exercise price of $0.17 (CAD$0.25) for gross proceeds of $19,571. The Company transferred the fair value of $8,858 from contributed surplus to share capital in connection with the exercise.

(iii) During the nine months ended June 30, 2025, the Company issued 11,968,346 common shares on warrant exercise at the average exercise price of $0.13 (CAD $0.19) for gross proceeds of $1,607,506. The Company transferred the fair value of $474,966 from contributed surplus to share capital in connection with the exercises.

(b) Stock Options

The Company had a stock option plan. The stock option plan was amended effective August 1, 2025 to be a share compensation plan (the "Plan"), which includes Restricted Share Units, under which it can grant options or Restricted Share Units to directors, officers, employees and consultants. The Plan is a "rolling up to 15%" omnibus plan whereby the total number of common shares that are issuable pursuant to all stock options and restricted share units, in aggregate, is equal to up to a maximum of 15% of the issued and outstanding common shares of the Company. The maximum number of common shares reserved for issue to any one person under the Plan in any 12 month period cannot exceed 5% of the issued and outstanding number of common shares at the date of the grant and the maximum number of common shares reserved for issue to a consultant or a person engaged in investor relations activities in any 12 month period cannot exceed 2% of the issued and outstanding number of common shares at the date of the grant.

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 120 days of the option holder ceasing to act as a director, officer, employees, or consultant. All stock options which have been issued are equity settled.

During the nine months ended June 30, 2026, the Company granted a total of 2,749,218 stock options to directors, employees and officers of the Company. 1,044,220 options vest as follows:, one-fourth on each 12, 24, 36 and 48 months anniversary following the grant date of December 5, 2025, 938,538 stock options vest as follows: one-fourth on each 12, 24, 36 and 48 months anniversary following the grant date of February 20, 2026. 150,000 stock options vest as follows: one-fourth on on each 12, 24, 36 and 48 months anniversary following the grant date of April 9, 2026. 420,414 stock options vest as follows: one-fourth on each 12, 24, 36 and 48 months anniversary following the grant date of June 8, 2026. 46,046 stock options vest as follows: one-fourth on each 12, 24, 36 and 48 months anniversary following the grant date of June 12, 2026.

(Expressed in United States dollars)

The fair value of each stock option granted during the nine months ended June 30, 2026 and 2025 was estimated on the date of grant with the following weighted average assumptions:

	2026	2025
Risk-free interest rate (%)	2.74 - 3.46	2.67-3.04
Expected life (years)	5-10	5
Expected volatility (%)	105-106	83-84
Forfeiture rate (%)	-	-
Expected dividends	-	-

The weighted average fair value of stock options at the grant date for three and nine months ended June 30, 2026 was CAD$3.27 per option (2025 – CAD$0.16). The total share-based compensation expense recognized during the three and nine months ended June 30, 2026 for stock options was $926,598 and $2,794,634 (2025 - $65,427 and $402,311, respectively).

The changes in options during the nine months ended June 30, 2026 and the year ended September 30, 2025 are as follows:

	Options #	Weighted average exercise price (CAD$)
Balance, September 30, 2024	21,110,233	0.23
Granted	9,630,030	0.91
Exercised	(9,065,933)	0.24
Forfeited	(675,000)	0.22
Balance, September 30, 2025	20,999,330	0.54
Granted	2,749,218	4.35
Exercised	(1,225,000)	0.28
Forfeited	(1,620,338)	2.69
Balance, June 30, 2026	20,903,210	0.89

The weighted average share price on the date of option exercise during the nine months June 30, 2026 was CAD$3.20.

Details of the options outstanding and exercisable as at June 30, 2026 are as follows:

Outstanding #	Exercisable #	Exercise Price (CAD$)	Expiry Date	Weighted average remaining life (in years)
(1)1,000,000	1,000,000	0.25	29-Jul-26	0.08
5,312,500	4,125,000	0.19	21-Jun-29	2.98
250,000	187,500	0.19	18-Dec-29	3.47
200,000	100,000	0.31	27-Feb-30	3.67
100,000	50,000	0.33	07-Mar-30	3.69
3,437,030	-	0.26	16-Apr-30	3.80
50,000	50,000	0.24	28-Apr-30	3.83
4,143,000	-	1.25	01-Aug-30	4.09
950,000	-	2.16	12-Aug-30	4.12
150,000	-	2.43	18-Aug-30	4.14

(Expressed in United States dollars)

1,194,220	-	3.02	5-Dec-30	4.44
420,414	-	6.79	8-Jun-31	4.94
46,046	-	6.95	12-Jun-31	4.95
1,500,000	1,500,000	0.25	28-Feb-32	5.67
1,300,000	975,000	0.25	20-Apr-32	5.81
700,000	490,000	0.25	12-Jan-33	6.54
150,000	-	6.55	9-Apr-36	9.78
(2)20,903,210	8,477,500			3.94

(1) Subsequent to June 30, 2026, 1,000,000 of these options were exercised. A portion of the options were exercised via net exercise, resulting in a total of 734,678 shares being issued. The options expiry date was extended to July 29, 2026 due to a blackout period.

(2) Subsequent to June 30, 2026, 13,337 options were forfeited.

(c) Restricted Share Units (“RSUs”)

The Plan authorizes the grant of RSUs. The Plan is a “rolling up to 15%” omnibus plan whereby the total number of common shares that are issuable pursuant to all stock options and restricted share units, in aggregate, is equal to up to a maximum of 15% of the issued and outstanding common shares of the Company. For greater certainty, any RSUs that must be settled in cash shall not count towards the maximum of 15%. Vesting, if any, and other terms and conditions relating to such RSUs shall be determined by the Board of Directors of the Company, provided that no RSUs vest before the date that is one year following the date of the grant. Vested RSUs can be settled in cash, shares or a combination of cash and shares, at the Company’s discretion. Any RSUs granted pursuant to the Plan will terminate generally within 60 days of the holder ceasing to act as a director, officer, employees, or consultant.

During the nine months ended June 30, 2026, the Company granted 92,944 RSUs to directors, officers and a consultant of the Company. The fair value of RSUs granted was determined based on the market price of the Company’s common shares on the grant date. The weighted-average grant date fair value of RSUs granted during the nine months ended, June 30, 2026 was **$**3.27 per RSU (2025 - $nil). The 54,184 RSUs vest as follows: one-third on each 12, 24, 36 anniversary following the grant date of December 5, 2025. The 13,760 RSUs vest as follows: one-third on each 12, 24, 36 anniversary following the grant date of June 8, 2026. 25,000 RSUs vest as follows: 30 days after the RSU holder departs the Company.

Grant date	RSUs #
August 1, 2025	446,667
August 13, 2025	40,000
August 18, 2025	75,000
December 5, 2025	54,184
June 8, 2026	38,760
Balance, June 30, 2026	654,611

A summary of RSUs outstanding as at June 30, 2026 and September 30, 2025 and the changes for the periods then ended is presented below:

(Expressed in United States dollars)

	RSUs #
Balance, September 30, 2024	-
Granted	625,000
Forfeited	(63,333)
Balance outstanding, September 30, 2025	561,667
Granted	92,944
Balance outstanding, June 30, 2026	654,611
Balance outstanding and exercisable, June 30, 2026	-

The total share-based compensation expense recognized during the three and nine months ended June 30, 2026 for RSUs was $152,339 and $362,094 (2025 - $nil and $nil respectively).

(d) Warrants

The changes in warrants during the nine months ended June 30, 2026 and the year ended September 30, 2025 are as follows:

	Warrants #	Weighted average exercise price (CAD$)
Balance, September 30, 2024	58,296,750	0.20
Issued	15,352,527	0.23
Exercised	(61,056,787)	0.21
Expired	(861,832)	0.20
Balance, September 30, 2025	11,730,658	0.23
Issued	7,138,882	4.67
Exercised	(10,929,396)	0.97
Balance, June 30, 2026	7,940,144	3.21

The weighted average share price on the date of warrant exercise during the period ended June 30, 2026 was CAD$4.71 (2025 - CAD$0.22).

Details of the warrants outstanding as at June 30, 2026 are as follows:

Outstanding #	Exercise Price (CAD$)	Expiry Date	Weighted average remaining life (in years)
1,935,647	0.27	11-Jun-27	0.95
1,255,626	0.24	12-Dec-27	1.45
1,137	0.24	12-Dec-27	1.45
875	0.16	12-Dec-27	1.45
1,598,300	3.50	4-Nov-28	2.35
2,800,925	6.10	5-Mar-29	2.68
347,634	5.63	5-Mar-29	2.68
[(1)] 7,940,144			2.00

(1) Subsequent to June 30, 2026, an aggregate of 628,750 warrants were exercised for gross proceeds of CAD$200,563.

(Expressed in United States dollars)

9. COMMITMENTS

The commitments of the Company related to the License Agreements with KSURF are as follows:

The July 2017 licensing agreement as amended in July 2022. The Company has seven (7) licenses.

(i) The Company will pay annual maintenance fees of:
   i. $10,000 per calendar years 2020 to 2022 per license, for a total of $70,000 (paid)
   ii. $10,000 per calendar year 2023 per license, for a total of $70,000 (paid)
   iii. $10,000 per calendar year 2024 per license, for a total of $70,000 (paid)
   iv. $25,000 per calendar year 2025 per license, for a total of $175,000 (paid)
   v. $35,000 per calendar year 2026 per license, for a total of $245,000 (paid)
   vi. $50,000 per calendar year 2027 per license, for a total of $350,000, and every subsequent year. The 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 20% of any non-royalty payments received by the Company from sub-licensed products,

(iv) the Company may purchase the 4% running royalty on six (6) licenses for $12,000,000 in four equal 1% increments.

10. MANAGEMENT OF CAPITAL

The Company manages its capital with the objective of ensuring sufficient resources are available to fund its ongoing operations, research and development activities, and strategic growth initiatives. The Company is not subject to any externally imposed capital requirements.

The Company defines capital as all components of shareholders' equity. As at June 30, 2026 and September 30, 2025, the Company's capital was comprised of the following:

	June 30, 2026 $	September 30, 2025 $
Share Capital	60,181,022	31,335,485
Reserves	20,441,173	2,799,594
Accumulated Other Comprehensive Loss	(1,374,338)	(326,119)
Deficit	(34,762,305)	(23,329,046)
Total shareholders' equity	44,485,552	10,479,914

The Company manages the capital structure and adjusts 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 issue common shares, seek additional financing, or adjust expenditures. During the nine months ended June 30, 2026, the Company raised significant capital through two private placements totalling gross proceeds of approximately $36,128,633, warrant exercises of $7,740,544, and option exercises of $247,245.

11. 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).
Level 3 Inputs that are not based on observable market data.

As at June 30, 2026, 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 June 30, 2026:

	US Dollars	Canadian Dollars	British Pounds
Cash	843,387	53,829,929	310,886

At June 30, 2026, 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 $1,914,596.

(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.

(Expressed in United States dollars)

(iii) *Credit risk*

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts and financial institutions. This risk is managed by using major banks and financial institutions that are high credit quality financial institutions as determined by rating agencies. The Company's secondary exposure to risk is on its receivables. The risk is minimal as receivables consist primarily of refundable government taxes.

(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, 2026, 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	1,814,793	-	-
Other liabilities	-	39,000	-
Lease obligation	324,685	1,097,463	-

12. PROFESSIONAL FEES

During the three and nine months ended June 30, 2026 and 2025, the Company incurred the following professional fees:

	Three months ended June 30,		Nine months ended June 30,	
	2026 $	2025 $	2026 $	2025 $
Accounting and audit fees	207,702	67,571	439,516	154,278
Legal fees	422,915	123,916	1,185,676	159,778
Consulting fees	375,895	63,659	923,097	220,315
Professional fees	1,006,512	255,146	2,548,289	534,371

13. SUPPLEMENTAL CASH FLOW INFORMATION

	2026 $	2025 $
Supplemental cash flow information:		
Cash received for interest	456,647	28,372
Transfer of value from reserves on exercise of warrants	4,825,190	474,966
Transfer of value from reserves on exercise of options	162,932	8,858
Issue costs - warrants	1,878,903	62,103
Recognition of lease liability and ROU asset	1,450,415	-

14. SUBSEQUENT EVENTS

Exercise of warrants

Subsequent to June 30, 2026, the Company issued 628,750 common shares on exercise of warrants at an average exercise price of CAD$0.32 for gross proceeds of CAD$200,563.

Exercise of options

Subsequent to June 30, 2026, the Company issued 734,678 common shares on exercise of 1,000,000 options at an average exercise price of CAD$0.25 for gross proceeds of CAD$183,670.

Forfeiture of options

Subsequent to June 30, 2026, 13,337 options were forfeited.

Bought Deal Public Offering

On August 25, 2026, the Company completed a bought deal public offering of 10,350,000 units at a price of CAD$6.80 per unit for gross proceeds of CAD$70,380,000 ($50,856,588). This total includes the full exercise of the over-allotment option. Each unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder thereof to purchase one common share at a price of CAD$8.16 up to August 25, 2031.

The Company granted Canaccord Genuity Corp., as sole underwriter and bookrunner ("Canaccord" or the "Underwriter") an option to purchase up to an additional 1,350,000 units to cover over-allotments, if any, and for market stabilization purposes at the offering price of CAD$6.80 per unit for additional gross proceeds of up to CAD$9,180,000 (the "Over-Allotment Option"). The Over-Allotment Option was exercisable, in whole or in part, for a period of 30 days after and including the closing date of August 25, 2026. On August 25, 2026, Canaccord exercised the Over-Allotment Option.

The units were offered by way of a prospectus supplement to the Company's short form base shelf prospectus dated June 24, 2026.

In connection with the offering, the Company issued 310,500 finders' warrants and incurred $3,036,507 in cash finders' fees. Each finders' warrant is exercisable into one common share at price of CAD$8.16 up to August 25, 2029.