



HydroGraph Provides Update Letter to Shareholders

Outlines Continued Progress and Key Initiatives

VANCOUVER, British Columbia, Oct. 22, 2025 -- HydroGraph Clean Power Inc. (CSE: HG) (OTCQB: HGRAF) (“HydroGraph” or the “Company”), a leading producer of ultra-pure graphene, today published a letter to shareholders from Chief Executive Officer Kjirstin Breure, addressing Company activity and plans as it enters Fiscal Year 2026.

To our Shareholders:

Fiscal 2025 has been an exciting year of progress for HydroGraph as we moved to advance our science, engineering, production and sales capabilities, all with one goal in mind – to commence commercial sales of our 99.8% pure carbon fractal graphene products. I am pleased to say that we have made considerable progress on all of these points and continue to build on these accomplishments as we begin Fiscal Year 2026.

Our commercial sales pipeline is robust and continues to expand, with more than 65 projects in various stages of development. These range from small but critical applications of graphene such as medical devices to very large and diverse end markets that could consume hundreds of tons at full scale, such as composites and coatings. We are working closely with multiple counterparties to commercialize these applications at scale, and this is our number one priority. We look forward to making announcements as these efforts reach final agreement.

To get to these commercial opportunities, we have also advanced our science and engineering capabilities, building what we believe might be one of the most comprehensive libraries of graphene applications in partnership with both our commercial counterparties and the GEIC (Graphene Engineering and Innovation Centre in Manchester, UK). HydroGraph and its partners have become well known as experts in how to actually deploy graphene into materials and innovative new applications – working through the chemistry and production intricacies needed to produce repeatable, effective and reliable outcomes. In doing so, we have also documented how purity and consistency play a critical role in success, further differentiating our batch consistent fractal aggregates.

Those efforts have yielded not just commercial knowledge but new innovations in graphene science. We were excited to recently announce the first of what we hope will become many graphene related patents that come entirely from HydroGraph’s innovation work. These patentable discoveries are in addition to the engineering and working knowledge specific to incorporating graphene into a growing number of applications.

To date, HydroGraph has produced approximately one ton of graphene, which took about six weeks to complete. To advance our readiness to provide commercial quantities, we have taken steps to expand our production capacity, both at our existing facilities and new sites. Currently, with one Hyperion Reactor and existing acetylene supply, we can produce about one ton per month. The primary limiting factor is access to acetylene, our key input. At our Manhattan, KS offices, we have upgraded our acetylene storage systems and have second and third Hyperion Reactor units in production, which will enhance our supply capability for initial engagements. With these additional reactors, we expect to scale to approximately 30 tons per year. We also announced the lease on a new Austin, TX facility, which will house operations, research and production capabilities, and the remote control of future production facilities with construction set to begin soon for an opening date Spring 2026. We expect this site will also facilitate up to two Hyperion units, similar to our Manhattan site.

Additionally, the Company has announced it is in the process of securing a final agreement for a new production facility to support rapid scale-up of manufacturing capacity and other strategic relationships to further its graphene application opportunities in large addressable markets. This site would be located in Texas and adjacent to an acetylene pipeline access point, providing higher volume, lower cost input material, a strategic move that will secure higher-volume, lower-cost input material and enable rapid scale-up aligned with customer demand. Upon completion of this lease and supply agreement, we intend to commence construction of an industrial building that can house a larger number of Hyperion units, which will scale with customer demand. We anticipate breaking ground in Q1 with the 70,000 square foot building operational by the end of 2026, housing 5 reactors and scaling with customer demand for a full capacity of 350+ tons annually.

Unlike traditional mined materials, our synthetic process offers exceptional scalability, enabling us to meet growing demand without resource constraints. While actual production capacity depends on infrastructure and input availability, we do not anticipate material limitations once our second facility with pipeline access comes online. Full industrial-scale validation is underway and will further reinforce our ability to scale aggressively. We have sold graphene to 60+ customers who are in the testing stage with us currently. The development cycle is an average of two years, so we expect many of these opportunities to close within 2026. We are carefully monitoring our pipeline and our ability to deliver higher volumes, which are only anticipated once our large-scale facility has opened. Most testing quantities are in the kilos, we have more than 500 kilos in inventory and are now running the reactor full time (at a rate of 1 ton per month expected production).

The scientific results and on-shore scalability of our graphene products is reaching not just commercial customers, but also federal interest in the United States, where increasing awareness of the need to shore up domestic supply of key resources is leading to proactive measures. We are engaged in a wide range of conversations with government and military contacts about

how graphene will play a role in national interests over the coming decades, including opportunities around research, development and domestic production.

As part of these conversations, we have discussed future plans as to whether further integrating in the U.S. or a potential NASDAQ listing would be in the best interests of the Company. While no application for listing has been submitted at this time, these initiatives remain under consideration as part of a broader strategic review aimed at positioning HydroGraph for long-term growth. Given that the Company's operations, research partnerships, and key market opportunities are primarily U.S.-based, management is strategically assessing options that could enhance access to capital, strengthen industry relationships, and support future development. No definitive decisions have been made, and the review process is ongoing.

We look forward to continuing to update on our progress around these and other new initiatives as they arise in the year ahead as we work to unlock the potential of graphene across many different applications.

Best regards for the year ahead,

Kjirstin Breure
Chairman and Chief Executive Officer

Settlement Agreement

The Company is pleased to announce that it has entered into a settlement agreement and obtained a full and final release in connection with the resolution of a commercial dispute. The settlement and release are conditional upon the issuance of 750,000 common shares of the Company (the "Shares"). The issuance of the Shares is expected to occur on October 28, 2025. It is anticipated that the Shares will not be subject to any hold period under applicable Canadian securities laws or the policies of the Canadian Securities Exchange.

About Hydrograph

HydroGraph is a leading producer of pristine graphene using an "explosion synthesis" process, which allows for exceptional purity, low energy use, and identical batches. The quality, performance, and consistency of HydroGraph's graphene follow the Graphene Council's Verified Graphene Producer® standards, of which very few graphene producers are able to meet. For more information or to learn about the HydroGraph story, visit: <https://hydrograph.com/>. For company updates, please follow HydroGraph on [LinkedIn](#) and [X](#).

Trademarks: HydroGraph™ and Fractal Graphene™

Forward-Looking Statements

This release contains certain "forward-looking statements" and certain "forward-looking information" as defined under applicable Canadian securities laws. Forward-looking statements and information can generally be identified by the use of forward-looking terminology such as "may", "will", "expect", "intend", "estimate", "upon", "anticipate", "believe", "continue", "plans" or similar terminology. Forward-looking statements in this press release include: the Company's plans and expectations regarding commercialization of its graphene products; anticipated growth of the sales pipeline; timing and scope of production capacity expansion, including construction and commissioning of new facilities; potential strategic initiatives such as a NASDAQ listing or re-domiciling to the United States; securing new agreements and partnerships; and the expected timing of share issuance under the settlement agreement.

Forward-looking statements and information are based on forecasts of future results, estimates of amounts not yet determinable, and assumptions that, while believed by management to be reasonable, are inherently subject to significant business, economic, and competitive uncertainties and contingencies. Forward-looking statements and information are subject to various known and unknown risks and uncertainties, many of which are beyond the ability of HydroGraph to control or predict, that may cause HydroGraph's actual results, performance or achievements to be materially different from those expressed or implied thereby, and are developed based on assumptions about such risks, uncertainties and other factors set out herein, including but not limited to: HydroGraph's ability to implement its business strategies; risks associated with general economic conditions; adverse industry events; stakeholder engagement; marketing and transportation costs; loss of markets; volatility of commodity prices; inability to access sufficient capital from internal and external sources, and/or inability to access sufficient capital on favorable terms; industry and government regulation; changes in legislation, income tax and regulatory matters; competition; currency and interest rate fluctuations; and other risks. HydroGraph does not undertake any obligation to update forward-looking information except as required by applicable law. Such forward-looking information represents management's best judgment based on information currently available.

No forward-looking statement can be guaranteed, and actual future results may vary materially. Accordingly, readers are advised not to place undue reliance on forward-looking statements.

Neither the Canadian Securities Exchange nor its Regulation Services Provider (as that term is defined in the policies of the Canadian Securities Exchange) accepts responsibility for the adequacy or accuracy of this press release.

CONTACTS:

Matt Kreps
Vice President, Investor Relations

matt.kreps@hydrograph.com

+1-214-597-8200

Len Fernandes
Firecracker PR for HydroGraph
len@firecrackerpr.com
888-317-4687