

## **FIRST HYDROGEN CORP.**

Management's Discussion and Analysis  
For the Six Months Ended September 30, 2023

**Form 51-102F1**

The following discussion is management's discussion and analysis of the results of operations and financial conditions of First Hydrogen Corp. (the "Company") and should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements for the six months ended September 30, 2023, and audited consolidated financial statements for year ended March 31, 2023, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). These audited financial statements can be found on SEDAR at [www.sedar.com](http://www.sedar.com).

Additional information relating to the Company is available on SEDAR at [www.sedarplus.ca](http://www.sedarplus.ca).

All amounts are in Canadian dollars unless otherwise indicated.

The effective date of this MD&A is November 27, 2023.

### **Forward-Looking Statements**

This MD&A includes "forward-looking information", or "forward-looking statements" as defined by applicable securities laws. The purpose of including forward-looking statements is to provide information about the current expectations and plans of management, enabling investors and others to gain a better understanding of the Company's business plans, financial performance, and condition.

All statements in this MD&A, except for statements of historical fact, pertaining to the Company's strategy, future operations, financial position, prospects, plans, feasibility study, and management's objectives, are considered forward-looking statements. These statements are typically identified by words such as "plan," "expect," "estimate," "intend," "anticipate," "target", "believe," or variations thereof, as well as statements indicating that certain actions, events, or results "may," "could," "would," "might," or "will" be taken, occur, or be achieved. Specifically, this MD&A contains forward-looking statements related to the Company's intentions concerning its business and operations, its expectations regarding capital raising and business growth, its growth strategy and opportunities, anticipated industry trends and challenges, the perceived value and potential of the Company's rights, and other development study results, budgets, strategic plans, market acceptance and other timelines, as well as government regulations and relations.

Forward-looking information is based on certain assumptions and other important factors that, if untrue, could significantly impact the Company's actual results, performance, or achievements in comparison to future results, performance, or achievements expressed or implied by such information or statements. There is no guarantee that such information or statements will prove to be accurate. Key assumptions underlying the Company's forward-looking information include its ability to raise additional financing when needed and on reasonable terms, achieve current development, and other objectives regarding demand for hydrogen-fuel-cell-powered light vehicle and other products, obtain necessary licenses, permits, and governmental approvals, attract and retain key personnel, as well as general business and economic conditions, including competitive conditions in the Company's market.

Readers are cautioned that the above list does not cover all factors and assumptions that may have been utilized. Additionally, forward-looking statements are subject to various risks and uncertainties that could have a significant adverse effect on the Company's business, financial condition, results of operations, and growth prospects. Some of the risks and uncertainties that could cause actual results to differ materially from the expressed forward-looking statements include revenue generation and future capital requirements, short or medium-term profitability, risks related to hydro-fuel cell development, electrolysis technology, green hydrogen production and distribution, and operating costs, challenges in funding and construction the production plant, obtaining resources from governmental authorities, compliance with

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environmental and safety regulations, access to equipment, maintenance, reliance on key personnel and business relationships, growth strategy, obtaining insurance, occupational health and safety risks, adverse publicity, third-party risks, disruptions to business operations, reliance on technology and information systems, litigation risks, tax risks, unforeseen expenses, public health crises, climate change, general economic conditions, commodity prices and exchange rate risks, light commercial vehicle demand, share price volatility, public company obligations, competition risk, dividend policy, policies and legislation, force majeure, and technological changes.

While the Company believes that its expectations are based on reasonable assumptions and has made efforts to identify important factors that could cause actual actions, events, or results to differ materially from those described in forward-looking statements, there may be other factors that result in actions, events, or results not meeting the anticipated, estimated, or intended outcomes. Therefore, these risks should be carefully considered, although they are not exhaustive. If any of these risks or uncertainties materialize, actual results may vary materially from those anticipated in the forward-looking statements provided herein. Due to the inherent risks, uncertainties, and assumptions associated with forward-looking statements, readers should exercise caution and avoid undue reliance on them.

The forward-looking statements in this document are presented to assist investors in understanding the Company's expected financial and operational performance and results as of the periods covered in the Company's plans and objectives. They may not be suitable for other purposes. The assumptions mentioned above and described in greater detail in the "Risk and Uncertainties" section of this MD&A should be carefully considered by readers.

The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by applicable law. The Company qualifies all of its forward-looking statements with these cautionary statements.

### **Overview**

#### **Description of the Business**

First Hydrogen Corp. (the "Company") is a publicly listed company incorporated under the Business Corporations Act of British Columbia on June 20, 2007, as "Fitch Street Capital Corp". On June 13, 2008, the Company was classified and listed as a Capital Pool Company as defined by Policy 2.4 (the "CPC Policy") of the TSX Venture Exchange (the "Exchange"). On June 12, 2020, the Company changed its name to Pure Extraction Corp., and through its subsidiaries Pure Extraction Inc. and Pure Extraction Ltd., which are in the business of engineering, research & development, manufacturing and selling CO2 extraction equipment in the botanical oil industry.

On June 11, 2021, the Company entered into definitive agreements with AVL Powertrain UK Limited and Ballard Power Systems Inc. to assist in the design and development of a fuel-cell powered vehicle that the Company will own the commercial rights for the vehicle design. To better define the Company's zero-emission initiative, on October 7, 2021, the Company changed its name to First Hydrogen Corp. The Company's trading symbol is "FHYD" trading on the Exchange.

The global light commercial vehicle market is projected to reach USD 751.86 billion by 2030, increasing at a compound annual growth rate of 5.1% during the forecast period (2022-2030). As well as advances and investment in energy and automotive development from entrepreneurial forward-looking businesses such as First Hydrogen, growth will be fuelled by zero emission targets, government incentive schemes and infrastructure investment. First Hydrogen's strategy is to target the commercial van market and Light

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Commercial Vehicle (the "LCV") sector to support fleet transition to zero emission transport and to target green hydrogen production and distribution to support its LCV strategy.

### **Company Highlights from April 1, 2023 up to the November 27, 2023**

#### Automotive

The Company's hydrogen-fuel cell powered vehicles ("FCEV") performed better than predicted during commissioning. The FCEV accumulated 6,000 km on UK roads, including mileage around London's M25 motorway. The logged data supported vehicle range simulations, which exceed a 500 km range. The vehicle performed with excellent efficiency, during urban, extra-urban (which includes driving at higher speeds) and highway operations. The Company's FCEV fuel consumption figures seen in many driving scenarios were under 2kg/100km, and during mostly urban driving, consumption was 1.5kg/100km.

Award-winning fleet management provider, Rivus, was first company to trial the FCEV in May 2023. The trial lasted 4 weeks and covered over 700 miles (1,125 km) in real-world conditions. Subsequently, Rivus released their positive report ("First Hydrogen LCV Trial") on the Company's FCEV, comparing the FCEV to similar battery electric and diesel vehicles. The report's overall conclusion highlighted the Company's FCEV robustness over EVs in terms of vehicle efficiency over different load factors. The report goes on say the FCEV has an unbeatable range, and refuelling was quick, taking less than 5 minutes.

In late June 2023, UK utility SSE Plc ("SSE"), the largest low-carbon energy infrastructure company in UK, and the first utility to trial the FCEV. The trial was held at SSE's operational site at Aberdeen, Scotland and surrounding area, which features some of the UK's best hydrogen infrastructure. The Company's FCEV was received by SSE drivers for their day-to-day tasks around Aberdeen. Initial comments by SSE drivers praise the Company's FCEV for its range (500+ km), easy and smooth drivability.

During this trial, the Company's FCEV achieved a range of 630 km on a single refuelling. SSE drivers complemented the FCEV on its smooth and effortless drivability, quick refuelling times and automatic transmission.

On October 31, 2023, the Company hosted its first ever track day for major UK fleet managers showcasing its unique FCEV. The event provided an exclusive opportunity to test drive the Company's hydrogen-fuel cell powered light commercial vehicles on the track at HORIBA MIRA, UK. The invitation-only event targeted major UK LCV fleet operators including members of the UK Aggregated Hydrogen Freight Consortium (AHFC). The AHFC is a partnership of leading UK hydrogen industry and mobility companies which is led by Element Energy with input from global industrial members of UK H2Mobility. AHFC works with large fleet operators and the government to accelerate the commercial roll-out of FCEVs and hydrogen refuelling infrastructure to decarbonize high mileage and heavy-duty van and truck fleets.

The Company will seek to speed up FCEV trials with the remaining 14 UK fleet operators that have shown interest, including grocery, utility, delivery and health care, by holding track days with multiple fleet operators. Additionally, the Company will open up trials to North American companies. As well, the Company will be opening up fleet trials to additional commercial opportunities in response to growing interest from parcel delivery companies seeking First Hydrogen's FCEV for express deliveries.

In April 2023, the Company released its next generation concept zero emission vehicle – CAMPERVAN released as seen below:

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### **Campervan image**



### Energy

In June 2023, the Company finalized two land option agreements with the City of Shawinigan, where the Company plans to develop a 35-megawatt green hydrogen production facility and vehicle assembly factory.

The Company engaged Sacré-Davey for a feasibility study on the development of the two facilities. The purpose of the feasibility study is to establish the technical and markets analysis, engineering review, analysis of grid and water constraints, permitting requirements, environmental constraints and a review of distribution and operations. The overarching theme throughout the study is to recognize the combined aim to create a zero-emissions hydrogen ecosystem. The Company's planned fuel-cell-powered vehicles assembly factory will be designed for annual production of 25,000 vehicles per year when at full capacity and, will represent a major boost to green technology jobs in the region. The distribution of the Company's FCEV, throughout North America will be in combination with the Company's Hydrogen as a Service product offering.

Also in June 2023, the Company joined Hyundai, Toyota, HTEC, Air Liquide, Messer, Cummins, Harnois Énergies, and Groupe FILGO-SONIC, as a founding member of Hydrogène Québec (<https://www.hydrogene.quebec>). Partnering with a coalition of companies sharing the same vision increases the Company's footprint within the emerging Hydrogen industry in Quebec.

In May 2023, the Company signed a letter of intent (LOI) with the Université du Québec à Trois-Rivières (UQTR) – Hydrogen Research Institute (HRI) partnering to establish the sustainable energy transition development in the Province of Quebec. Under the LOI, the Company will provide one of its hybrid fuel cell power trains, including the fuel cell module, to HRI, allowing the institute to conduct comprehensive testing to collect valuable data and improve various components, mechanisms, and the design of the power train. Also, HRI will collaborate with the Company to develop a training program, tools, and protocols for engineers and technicians. This partnership aims to support the maintenance of hydrogen-powered vehicles once they are on the road, potentially resulting in a specific certification, the terms of which shall be further defined in a definitive agreement.

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### Corporate Activities

#### *Private Placements*

In May 2023, the Company completed the 1<sup>st</sup> tranche of a non-brokered private placement of units consisting of 1,225,300 units at \$2.85 per unit for gross proceeds of \$3,012,720. Each unit consisted of one common share and a non-transferrable common share purchase warrant. Each warrant is exercisable at \$2.85 into one common share, for a period of two years. In connection with the financing, the Company paid finder's fees to arm's length third parties consisting of \$241,017.60 cash, which is calculated at 8% of aggregate proceeds, and issued 100,424 finder's warrants. Each finder's warrant is exercisable at \$2.85 into one common share for a period of two years.

In June 2023, the Company completed the 2<sup>nd</sup> tranche of a non-brokered private placement of units consisting of 425,000 units at \$2.85 per unit for gross proceeds of \$1,020,000. Each unit consisted of one common share and a non-transferable common share purchase warrant. Each warrant is exercisable at \$2.85 into one common share for a period of two years. In connection with the financing, the Company paid finder's fees to arm's length third parties consisting of \$81,600 cash, which is calculated at 8% of aggregate proceeds, and issued 34,000 finder's warrants. Each finder's warrant is exercisable at \$2.85 into one common share for a period of two years.

In November 2023, the Company completed a private placement of convertible debenture units for gross proceeds of \$2,673,800. Each debenture unit consisted of \$1,000 in principal and is convertible into 689.65 common shares and 689.65 share purchase warrants, with each share purchase warrant exercisable to acquire one common share at an exercise of \$3.00 per warrant for a period of two years from the closing date of the offering.

The debentures will mature on the second anniversary of the date of issuance and bear interest at a rate of 9.00% per annum, commencing on the date of issuance. The debentures are unsecured. The Company intends to use the proceeds of the Offering for general corporate purposes. The debentures will not be listed or posted for trading on any stock exchange. All securities issued in connection with the offering will be subject to a statutory resale restriction for four months and one day from the closing date of the offering.

In connection with the offering, the Company paid Canaccord Genuity Corp. (the "Finder") a fee of \$213,904 and issued 147,520 warrants (the "Finder's Warrants"). Each Finder's Warrant provides that such Finder may acquire common shares of the Company (each a "Finder's Warrant Share") at a price of \$1.45 per Finder's Warrant Share until November 23, 2025.

#### *Early Warrant Exercise Program – Canaccord Genuity Corp*

The Company entered into several agreements with Canaccord Genuity Corp. ("CGC") for the Early Warrant Exercise Program to facilitate the exercise of the Company's outstanding share purchase warrants during the last fiscal year. Under the term of agreements, CGC will receive a cash fee equal to 5% of the total gross proceeds raised from the exercise of the share purchase warrants, as well as an agent's warrant that is exercisable at \$4.50 into one common share for a period of two years from issuance.

From April 1, 2023 and up to the date of this report, CGC assisted the Company in exercising a total of 1,715,350 share purchase warrants, resulting in gross proceeds of \$2,553,175. In accordance with the terms of agreement, the Company issued Agent's Warrants to CGC, which allows CGC to purchase 132,126 common shares at a price of \$4.50 per share for a period of two years from issuance and paid to CGC a cash fee of \$127,658 as compensation for their services in facilitating the exercise of warrants.

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Nicholas Wrigley resigned from the board of directors on June 30, 2023.

The Company entered into an agreement with New Era Publishing Inc. ("New Era"), to provide marketing services including content creation and distribution and market awareness and educational campaigns as featured on its channels including the CarbonCredits.com website. The agreement contemplates a three-month period, with New Era providing services commencing on July 31, 2023 through to October 31, 2023. The company will pay US\$250,000 to New Era for the services to be provided.

The Company entered into an agreement for marketing services with Apaton Finance GmbH ("Apaton"). The marketing services shall include educational articles, market monitoring, and the dissemination of news related to the Company. The engagement will begin in July or 2023 and will continue through to October 2023. The company has paid Apaton a fee of €25,500 for services.

### **Results of Operations for the Three Months ended September 30, 2023 and 2022**

The Company incurred a net loss of \$3,595,677 for the three-months period ended September 30, 2023, when compared to an operating loss of \$5,125,791 incurred during the same period in 2022.

Major expenses and their prior comparative period amount as follow:

- Advertising and marketing \$1,096,568 (2022 - \$646,569)
- Amortization \$25,823 (2022 - \$49,556)
- Consulting and management fees \$331,732 (2022 - \$285,545)
- General and administrative \$165,482 (2022 - \$202,824)
- Interest expense \$Nil (2022 - \$41,422)
- Research and development \$389,357 (2022 - \$2,544,476)
- Salaries and benefits \$1,300,408 (2022 - \$1,028,799)
- Stock-based compensation \$264,692 (2022 - \$236,467)
- Travel \$13,766 (2022 - \$54,350)

The Company's net loss for the three-month period ended September 30, 2023, has decreased by \$1,530,114 compared to the same period in 2022. This reduction is mainly attributed to a \$2,155,119 decrease in research & development costs. The reduction on net loss was partially offset by a \$449,999 increase in advertising and marketing expenditure, along with a \$271,609 rise in salaries.

### **Results of Operations for the Six Months ended September 30, 2023 and 2022**

The Company incurred a net loss of \$6,107,804 for the six-months period ended September 30, 2023, when compared to an operating loss of \$8,079,564 incurred during the same period in 2022.

Major expenses and their prior comparative period amount as follow:

- Accounting, audit and legal \$34,892 (2022 - \$97,946)
- Advertising and marketing \$1,614,303 (2022 - \$1,304,471)
- Amortization \$51,636 (2022 - \$49,556)
- Consulting and management fees \$759,094 (2022 - \$447,307)
- General and administrative \$290,800 (2022 - \$351,017)
- Research and development \$575,549 (2022 - \$3,614,913)
- Salaries and benefits \$2,256,374 (2022 - \$1,541,625)
- Stock-based compensation \$494,437 (2022 - \$438,402)
- Travel \$41,731 (2022 - \$94,858)

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The Company's net loss for the six-month period ended September 30, 2023, has decreased by \$1,968,567 compared to the same period in 2022. This reduction is mainly attributed to a \$3,039,364 decrease in research & development costs. The reduction on net loss was partially offset by a \$714,749 increase in salaries, and a \$309,832 rise in advertising and marketing cost.

**Liquidity**

As at September 30, 2023, the Company had working capital of \$556,321 (March 31, 2023 - \$188,813). The Company has a cash balance of \$526,881 (March 31, 2023 - \$394,816).

**Summary of Quarterly Results**

The following is a summary of the results from the eight previously completed financial quarters:

	Sep. 30, 2023	Jun. 30, 2023	Mar. 31, 2023	Dec. 31, 2022
Revenues	\$nil	\$nil	\$nil	\$nil
Net loss	(3,595,677)	(2,512,127)	(2,156,222)	(3,479,909)
Net comprehensive loss	(3,480,283)	(2,734,152)	(2,213,439)	(3,537,490)
Loss per share (basic and diluted)	(0.05)	(0.04)	(0.03)	(0.06)
Total assets	3,268,495	4,849,254	4,240,129	3,748,081
Equity	1,504,891	2,977,042	1,089,270	838,137

  

	Sep. 30, 2022	Jun. 30, 2022	Mar. 31, 2022	Dec. 31, 2021
Revenues	\$160,060	\$160,060	\$nil	\$nil
Net loss	(5,125,791)	(2,953,773)	(2,013,410)	(4,185,718)
Net comprehensive loss	(4,858,262)	(3,245,238)	(1,957,340)	(4,220,375)
Income (Loss) per share (basic and diluted)	(0.09)	(0.06)	(0.04)	(0.08)
Total assets	5,514,756	7,117,143	5,148,508	7,887,722
Equity	1,360,997	4,537,379	1,120,679	3,802,837

**Contractual Obligations**

On October 1, 2021. First Hydrogen Limited and AVL Powertrain Limited entered in an agreement to proceed with the development and build of two hydrogen fuel cell powered light commercial demonstrator vans at AVL's facilities in the UK. The development and build phase are payable over the completion of certain milestones.

**Outstanding Share Data**

The following tables summarize the Company's common share, warrants and stock option transactions for the six months ended September 30, 2023, and up to the date of this report:

**Common Shares:**

<b>Balance, March 31, 2022</b>	<b>55,337,855</b>
Convertible debenture conversion	3,750,000
Stock options exercised	250,000
Issued for cash through private placement	2,245,222
Warrants exercised	5,653,450
Finders' warrants exercised	289,638
<b>Balance, March 31, 2023</b>	<b>67,526,165</b>

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Warrants exercised	1,715,350
Issued for cash through private placement	1,680,300
<b>Balance, November 27, 2023</b>	<b>70,921,815</b>

Share Purchase Warrants:Warrant activities as below:

	Number of Warrants	Weighted Average Exercise Price	Years to Expiry
<b>Balance, at March 31, 2022</b>	<b>6,756,250</b>	<b>\$ 1.29</b>	<b>1.20</b>
Issued	1,875,000	0.90	0.08
Issued	2,245,222	3.70	1.08
Exercised	(5,427,250)	0.90	-
Exercised	(226,200)	2.00	-
<b>Balance, at March 31, 2023</b>	<b>5,223,022</b>	<b>\$ 2.56</b>	<b>0.65</b>
Issued	1,650,300	2.85	1.83
Exercised	(797,750)	0.90	-
Exercised	(917,600)	2.00	-
Expired	(1,262,450)	1.99	-
<b>Balance, at September 30, 2023</b>	<b>3,925,522</b>	<b>3.34</b>	<b>1.05</b>

As at date of this report, the following share purchase warrants were outstanding:

Number of Warrants	Exercise Price	Expiring
1,255,300	\$ 2.85	May 26, 2025
425,000	\$ 2.85	June 22, 2025
2,245,222	\$ 3.70	April 30, 2024
<b>3,925,522</b>		

Finder/Broker's warrants:

During the six months ended September 30, 2023, finder's warrants transactions were summarized as follows:

	Number of Finder's Warrants Outstanding	Weighted Average Price
Number outstanding at March 31, 2022	110,020	\$ 1.25
Issued	266,123	\$ 4.50
Issued	179,618	\$ 2.70
Exercised	(110,020)	\$ 1.25
Exercised	(179,618)	\$ 2.70
Number outstanding at March 31, 2023	266,123	\$ 4.50
Issued	134,424	\$ 2.85
Issued	266,550	\$ 4.50
Number outstanding at September 30, 2023	532,673	\$ 4.08
Issued	147,520	\$ 1.45
Number outstanding at November 27, 2023	680,193	\$ 3.51

As at the date of this report, the following finder's/broker's warrants were outstanding:

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Number of Broker's Warrants	Exercise Price	Expiry Date	Weighted Average Remaining Years
60,688	\$ 4.50	October 31, 2024	1.09
120,250	\$ 4.50	December 30, 2024	1.25
85,185	\$ 4.50	March 27, 2025	1.49
100,424	\$ 2.85	May 26, 2025	1.65
45,764	\$ 4.50	June 14, 2025	1.71
34,000	\$ 2.85	June 22, 2025	1.73
86,362	\$ 2.85	September 22, 2025	1.98
147,520	\$ 1.45	November 24, 2025	1.99
680,193			1.51

Long-Term Incentive Plan ("LTIP"):

The Company has a LTIP that provides for the issuance of restricted share units ("RSUs"), performance share units ("PSUs"), deferred share units ("DSUs") and stock options ("Options") (collectively the "Awards") to its directors, officers, employees and consultants. The aggregate maximum number of outstanding Awards is 10% of the issued and outstanding common shares at any point in time. The exercise price of each Award equals the market price of the Company's shares on the date of the grant. The fair value of each Award granted is estimated on the date of grant using the Black-Scholes option pricing model.

During the six months ended September 30, 2023, the Company did not issue any RSUs, PSUs or DSUs.

Stock option activities as follows:

	Number of Options	Weighted Average Exercise Price
<b>Balance at March 31, 2022</b>	3,465,000	\$ 1.144
Granted	250,000	3.018
Exercised	(250,000)	1.883
<b>Balance at March 31, 2023</b>	3,465,000	\$ 1.285
Granted	295,000	3.000
Cancelled	(130,000)	-
<b>Balance at September 30, 2023</b>	3,630,000	\$ 1.363

As at the date of this report, the following stock options were outstanding and exercisable:

Expiry Date	Weighted Average Exercise price	Number of Options outstanding	Number of Options Exercisable	Weighted Average Remaining Years
July 19, 2024	\$ 0.165	1,110,000	1,110,000	0.80
July 23, 2025	\$ 0.300	400,000	400,000	1.81
March 3, 2026	\$ 0.400	100,000	100,000	2.42
June 11, 2026	\$ 2.350	620,000 <sup>(1)</sup>	453,333	2.70
November 18, 2026	\$ 1.700	615,000 <sup>(2)</sup>	381,667	3.14
December 17, 2026	\$ 1.700	150,000 <sup>(3)</sup>	50,000	3.22
January 11, 2027	\$ 2.500	30,000 <sup>(3)</sup>	10,000	3.28
March 1, 2027	\$ 2.800	150,000 <sup>(3)</sup>	50,000	3.42
March 11, 2027	\$ 2.550	40,000 <sup>(3)</sup>	13,333	3.44
April 19, 2027	\$ 3.300	15,000 <sup>(3)</sup>	5,000	3.55
July 1, 2027	\$ 3.000	15,000 <sup>(3)</sup>	5,000	3.75
July 11, 2027	\$ 3.000	90,000 <sup>(3)</sup>	30,000	3.78
June 1, 2028	\$ 3.000	295,000 <sup>(3)</sup>	-	4.67
	\$ 1.363	3,630,000	2,608,333	2.35

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- (1) Granted a total 620,000 stock options, of which, 500,000 stock options vest over a three-year period and 120,000 stock options vesting immediately.
- (2) Granted a total 615,000 stock options, of which, 350,000 stock options vest over a three-year period and 265,000 stock options vesting immediately.
- (3) Stock options vest over a three-year period.

At the date of this report, the following were outstanding:

- 70,921,815 common shares
- 3,925,522 share purchase warrants
- 680,193 finder's warrants
- 3,630,000 stock options

At the date of this report, if the warrants, finders' warrants, and incentive stocks options were exercised, the Company would have 79,157,530 common shares outstanding.

#### Related Party Transactions

During the six months ended September 30, 2023, the Company incurred \$36,000 (2022 - \$36,000) in rent to a company owned by a director and senior officer. These transactions have been recorded at a fair value, which is the amount of consideration established and agreed to by the related parties.

During the six months ended September 30, 2023, the Company paid a total of \$18,000 in directors' fees (2022 - \$18,000).

The Company incurred the following fees and expenses charged by directors and officers of the Company or by entities controlled by them for the six months ended September 30, 2023, and 2022:

	September 30, 2023		September 30, 2022	
CEO	\$	240,000	\$	240,000
CFO		21,500		18,000
Directors' fees		18,000		18,000
Salaries		136,032		92,426
Rent		36,000		36,000
	\$	451,532	\$	404,426

These transactions have been recorded at the fair value which is the amount of consideration established and agreed to by the related parties.

#### Risk and Uncertainties

The Company is exposed to various risks that could materially and adversely affect its business, results of operations, financial condition, and trading prices of its common shares. These risks include, but are not limited to, those related to the development of the Company's LCV, green hydrogen production and distribution, and refueling stations, as well as competition, additional funding requirements, insurance, currency fluctuations, conflicts of interest, and share trading volatility. The occurrence of any of these risks could have a material adverse effect on the Company's business, operations or financial conditions.

#### Critical Accounting Estimates

The financial statements were prepared in accordance with IFRS which requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent

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Management's Discussion and Analysis  
For the Six Months Ended September 30, 2023

Form 51-102F1

assets and liabilities at the date of the financial statements and the reported amount of expenses during the year. Significant areas requiring the use of management estimates relate to determination of impairment of assets, exploration and evaluation assets' carrying values, useful lives for depreciation and amortization, and the value of deferred income tax assets and liabilities. Actual results could differ from these estimates.

**Off-Balance-Sheet Arrangements**

The Company does not have any off-balance sheet transactions.

**Financial Instruments and Related Risks**

All significant financial assets, financial liabilities and equity instruments of the Company are either recognized or disclosed in the financial statements together with other information relevant for making a reasonable assessment of future cash flows, interest rate risk and credit risk.

The Company's financial instruments include cash and cash equivalents, receivables, and accounts payable and accrued liabilities. The carrying values of these financial instruments approximate their fair value due to their short-term maturity. The fair value of cash and cash equivalents are measured based on level 1 input of the fair value hierarchy.

Management believes that the Company is not exposed to significant interest rate risk, currency risk and credit risk.

**APPROVAL**

The Board of Directors oversees management's responsibility for financial reporting and internal control systems through an Audit Committee. This Committee meets periodically with management and annually with the independent auditors to review the scope and results of the annual audit and to review the financial statements and related financial reporting and internal control matters before the financial statements are approved by the Board of Directors and submitted to the shareholders of the Company. The Board of Directors of the Company has approved the condensed consolidated interim financial statements and the disclosure contained in this MD&A.

**ADDITIONAL INFORMATION**

Additional information related to the Company can be found on SEDAR at [www.sedarplus.ca](http://www.sedarplus.ca).

**List of Directors and Officers**

Balraj Mann CEO, and Director  
Alicia Milne, Director  
Nancy Zhao, Director  
Edward Low, Interim CFO