



FIRST HYDROGEN CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the Three and Six Months Ended September 30, 2025 and 2024

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

FIRST HYDROGEN CORP.

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**NOTICE OF NO AUDITOR REVIEW OF
INTERIM FINANCIAL STATEMENTS**

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 an auditor has not reviewed the financial statements.

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

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

FIRST HYDROGEN CORP.
Condensed Consolidated Interim Statements of Financial Position
As at September 30, 2025 and March 31, 2025
(Unaudited – Expressed in Canadian Dollars)

	Note	September 30, 2025	March 31, 2025
ASSETS			
Current Assets			
Cash		\$ 77,221	\$ 11,507
Other receivables	3	17,659	639,283
Prepaid expenses		118,504	127,436
Inventories	4	237,422	235,772
		450,806	1,013,998
Deposit on land purchase	5	100,000	100,000
Equipment	5	12,812	16,360
Acquired-in-progress Research & Development	7	644,232	693,789
TOTAL ASSETS		\$ 1,207,850	\$ 1,824,147
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)			
Current Liabilities			
Accounts payable & accrued liabilities	11, 19	3,232,941	3,681,043
Accrued interest		245,781	112,951
Current portion of convertible debentures	8	2,702,615	2,462,677
Income taxes payable		25,000	25,000
Short-term loans	11	886,550	720,750
		7,092,887	7,002,421
Non-current Liabilities			
CEBA loan	9	43,219	42,154
Convertible debentures	8	-	458,633
		7,136,106	7,503,208
Shareholders' Equity			
Share capital	10	32,768,822	31,713,892
Contributed surplus		5,348,987	5,086,959
Deficit		(44,046,065)	(42,479,912)
		(5,928,256)	(5,679,061)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 1,207,850	\$ 1,824,147

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

Nature of Operations and Ability to Continue as a Going Concern – Note 1
Subsequent Events – Note 17

APPROVED BY THE DIRECTORS:

<u>“Balraj Mann”</u> Balraj Mann	Director	<u>“Nancy Zhao”</u> Nancy Zhao	Director
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FIRST HYDROGEN CORP.
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
For the Three and Six Months Ended September 30, 2025 and 2024
(Unaudited – Expressed in Canadian Dollars)

	Note	Three Months Ended September 30,		Six Months Ended September 30,	
		2025	2024	2025	2024
Expenses					
Advertising and marketing		2,504	62,387	29,610	248,910
Amortization	5,17	26,487	29,289	53,105	58,628
Consulting and management fees	11	99,500	173,982	245,000	381,460
General and administrative	11,14	43,139	56,552	84,869	109,477
Insurance		679	6,504	10,726	16,259
Legal and accounting		47,399	27,500	103,957	77,500
Research and development		11,238	64,657	29,139	130,351
Salaries and benefits		10,515	250,702	91,252	943,340
Stock-based compensation	10	(194,581)	570,921	570,233	808,810
Travel		-	138	-	2,181
		46,880	1,242,632	1,217,891	2,776,916
Loss before other items		(46,880)	(1,242,632)	(1,217,891)	(2,776,916)
Other income (expense)					
Accretion	8	(87,292)	(76,797)	(180,530)	(139,025)
Foreign exchange		(934)	(11,211)	(4,275)	(9,951)
Interest expense		(63,328)	(69,916)	(132,830)	(130,077)
Interest income		-	19	20	41
		(151,554)	(157,905)	(317,615)	(279,012)
Net loss for the period		\$ (198,434)	\$ (1,400,537)	\$ (1,535,506)	\$ (3,055,928)
Net loss from discontinued operations	6	(18,880)	(44,642)	(30,647)	(78,733)
Net loss and comprehensive loss for the period		\$ (214,314)	\$ (1,445,179)	(1,566,153)	\$ (3,134,661)
Basic and diluted loss per share		\$ (0.00)	\$ (0.02)	\$ (0.02)	\$ (0.04)
Weighted average number of shares outstanding		75,134,107	72,431,815	74,389,369	72,368,427

The accompanying notes are an integral part of these audited consolidated financial statements

FIRST HYDROGEN CORP.
Condensed Consolidated Interim Statements of Cash Flows
For the Six Months Ended September 30, 2025
(Unaudited – Expressed in Canadian Dollars)

	For the Six months ended September 30,	
	2025	2024
Cash Flows Used in Operating Activities		
Net loss for the period	\$ (1,566,153)	\$ (3,134,661)
Items not affecting cash		
Stock-based compensation	570,233	808,810
Accretion	180,530	139,025
Accretion, discontinued operations	1,065	1,014
Amortization	53,105	58,934
Changes in non-cash working capital		
Items related to operations:		
Interest payable	132,830	130,077
Other receivables	621,624	35,360
Inventory	-	(31,350)
Prepaid expenses	8,932	189,866
Accounts payable and accrued liabilities	(449,752)	799,850
	(447,856)	(1,003,075)
Cash Flows Provided by Financing Activity		
Net proceeds, convertible debenture	-	496,800
Exercise of stock options	347,500	120,000
Short-term loans	165,800	365,000
	513,300	981,800
Increase (decrease) in cash during the period	65,714	(21,275)
Cash, beginning of the period	11,507	87,475
Cash, end of the period	\$ 77,221	\$ 66,200

The accompanying notes are an integral part of these audited consolidated financial statements

FIRST HYDROGEN CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF SHAREHOLDERS' EQUITY
For the Six Months Ended September 30, 2025
(Unaudited – Expressed in Canadian Dollars)

	Note	Number of Shares	Common Shares	Contributed Surplus	Deficit	Total Shareholders' Equity
Balance, March 31, 2025		73,679,895	\$ 31,713,892	\$ 5,086,959	\$ (42,479,912)	\$ (5,679,061)
Conversion of debentures	10 (f)	769,212	436,930	(37,705)	-	399,225
Stock options exercised	10 (d)	685,000	618,000	(270,500)	-	347,500
Stock-based compensation	10 (h)	-	-	570,233	-	570,233
Net loss for the period		-	-	-	(1,566,153)	(1,566,153)
Balance, September 30, 2025		75,134,107	\$ 32,768,822	\$ 5,348,987	\$ (44,046,065)	\$ (5,928,256)
Balance, March 31, 2024		72,031,815	\$ 30,883,383	\$ 4,397,863	\$ (37,413,096)	\$ (2,131,850)
Stock options exercised	10 (d)	400,000	276,000	(156,000)	-	120,000
Stock-based compensation	10 (h)	-	-	808,810	-	808,810
Convertible debentures – equity portion		-	-	57,515	-	57,515
Convertible debentures –broker warrants		-	-	18,739	-	18,739
Net loss for the period		-	-	-	(3,134,661)	(3,134,661)
Balance, September 30, 2024		72,431,815	\$ 31,159,383	\$ 5,126,927	\$ (40,547,757)	\$ (4,261,447)

The accompanying notes are an integral part of these audited consolidated financial statements

FIRST HYDROGEN CORP.
Notes to Condensed Consolidated Interim Financial Statements
For the Three and Six Months Ended September 30, 2025
(Unaudited – Expressed in Canadian Dollars)

Note 1 Nature of Operations

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 again on October 7, 2021, to First Hydrogen Corp. The Company’s trading symbol is “FHYD” trading on the Exchange. The address of the Company’s corporate office and principal place of business is Suite 1540 – 1100 Melville Street, Vancouver, British Columbia V6E 4A6.

The Company is a Vancouver Canada and London UK-based company focused on zero-emission vehicles, green hydrogen production, and distribution and supercritical carbon dioxide extractor systems in in UK, EU, and North America.

Going Concern

While the Company’s consolidated financial statements have been prepared using International Financial Reporting Standards (“IFRS”) applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due, certain conditions and events cast significant doubt on the validity of this assumption. For the six months ended September 30, 2025, the Company reported a net loss of \$1,566,153 (2024 - \$3,134,661) and as at that date had an accumulated deficit of \$44,046,065 (March 31, 2025 - \$42,479,912). As of September 30, 2025, the Company has a working capital deficit of \$6,642,081 (March 31, 2025 - \$5,988,423). The Company expects to incur further losses in the development of its business, all of which casts substantial doubt about the Company’s ability to continue as a going concern. The Company’s ability to continue as a going concern is dependent on its ability to generate future profitable operations and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they become due.

These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption deemed to be inappropriate. These adjustments could be material. The directors of the Company have approved these consolidated financial statements.

Note 2 Basis of Presentation

(a) Statement of Compliance

These condensed unaudited consolidated interim financial statements have been prepared in accordance with IAS 34 – Interim Financial Reporting as issued by the International Accounting Standards Board (“IASB”). Accordingly, certain disclosures included in the annual financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the IASB been condensed or omitted and these unaudited condensed interim financial statements should be read in conjunction with the Company’s consolidated audited financial statements for the year ended March 31, 2025.

(b) Basis of Measurement and Consolidation

These condensed consolidated interim financial statements have been prepared on a historical cost basis using the accrual basis accounting, except for cash flow information.

These consolidated financial statements include the accounts the Company and its wholly-owned and controlled subsidiaries, First Nuclear Corp. (formerly First Hydrogen Corp.), First Hydrogen Limited (a UK corporation), 1063136 BC Ltd. (formerly Pure Extraction Inc.), Pure Extraction Ltd., NetzeroH2 Inc., ZeronetH2 Inc. First Hydrogen Energy (USA) Inc., First Hydrogen Automotive (USA) Inc., both in the State of Delaware, USA, First Hydrogen (Quebec) Corp. in the province of Quebec, Canada and First Hydrogen GmbH (a German corporation).

FIRST HYDROGEN CORP.
Notes to Condensed Consolidated Interim Financial Statements
For the Three and Six Months Ended September 30, 2025
(Unaudited – Expressed in Canadian Dollars)

Note 2 Basis of Presentation *continued*)

(b) Basis of Measurement and Consolidation *(continued)*

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. The consolidated financial statements of the subsidiaries are including the consolidated financial statements from the date of the control commences until the date that control ceases. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

(c) Functional and presentation currency

The Company's functional currency is the Canadian Dollar ("CAD"). The condensed consolidated interim financial statements are presented in CAD which is the Company's presentation currency, unless otherwise noted.

All amounts in these condensed consolidated interim financial statements are round to the nearest dollar.

(d) Approval of financial statements

The condensed consolidated interim financial statements of the Company for the Six-month period ended September 30, 2025 were reviewed and approved by the Board of Directors on November 28, 2025.

(e) Critical Accounting Estimates, Judgments and Uncertainties

The Company makes estimates about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

Critical Accounting Estimates and Assumptions

Critical accounting estimates are estimates and assumptions made by management that may result in material adjustments to the carrying amount of assets and liabilities within the next financial year.

Critical Accounting Judgments

Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments.

Note 3 Other Receivables

	September 30, 2025		March 31, 2025	
HST/GST receivable	\$	15,486	\$	4,872
Value-Added Tax ("VAT")		2,173		11,725
R&D tax credit (a)		-		622,686
	\$	17,659	\$	639,283

Note 4 Inventories

The inventory consists of spare parts for the Company's hydrogen-powered-fuel-cell vehicles:

	September 30, 2025		March 31, 2025	
Parts inventory	\$	237,422	\$	235,772

FIRST HYDROGEN CORP.
Notes to Condensed Consolidated Interim Financial Statements
For the Three and Six Months Ended September 30, 2025
(Unaudited – Expressed in Canadian Dollars)

Note 5 Property and Equipment

	Equipment	
Cost		
Balance, March 31, 2025	\$	47,041
Additions (dispositions)		-
Balance, September 30, 2025		47,041
Accumulated amortization		
Balance, March 31, 2025		30,681
Amortization, current period	\$	3,548
Balance, September 30, 2025		34,229
Carrying amounts		
As at March 31, 2025	\$	16,360
As at September 30, 2025	\$	12,812

Deposit on land purchase

Pursuant to a Promise to Purchase dated May 25, 2023, the Company, through First Hydrogene (Québec) S.A., a wholly owned subsidiary, paid a non-refundable deposit of \$100,000 on two plots of land for a total purchase price of \$2,442,591 to the City of Shawinigan. The Company's plan is to produce up to 35MW of green hydrogen in a production facility and vehicle assembly factory on these two plots of land.

Note 6 Discontinued operations

On June 12, 2020, the Company completed its Qualifying Transaction (the "Transaction") with Pure Extraction Inc. and Pure Extraction Ltd. (collectively, "Pure Extraction"). The Company acquired all of the issued and outstanding Pure Extraction shares from the shareholders of Pure Extraction for the following consideration. During the year ended March 31, 2024, the Company decided to exit the CO₂ extraction equipment business and effectively closed the operation. No further write-downs were required.

Net loss from discontinued operations for the six months ended September 30, 2025 and 2024 is comprised of the following:

	2025		2024	
Expenses				
Advertising and marketing	\$	721	\$	682
Consulting and management fees		10,000		39,000
General and administrative		18,861		35,935
Research and development		-		2,102
		29,582		77,719
Other income (expense)				
Finance cost		(1,065)		(1,014)
		(1,065)		(1,014)
Net loss from discontinued operations	\$	30,647	\$	78,733

FIRST HYDROGEN CORP.
Notes to Condensed Consolidated Interim Financial Statements
For the Three and Six Months Ended September 30, 2025
(Unaudited – Expressed in Canadian Dollars)

Note 6 Discontinued operations (continued)

Net loss from discontinued operations for the six months ended September 30, 2025 and 2024 is comprised of the following:

	2025	2024
Cash used in operating activities	\$ (17,174)	\$ (12,021)
Cash used in discontinued operations	\$ -	\$ -

Note 7 Acquired-in-progress Research & Development

On June 11, 2021, the Company entered into definitive agreements with AVL Powertrain UK Limited and Ballard Power Systems Inc. The definitive agreements, with the Company's wholly owned subsidiaries 1300492 BC Ltd. and First Hydrogen Limited will assist in the design and development of a fuel-cell powered vehicle that the Company will own the commercial rights for the vehicle design. The Company currently does not own any patents.

The Company was assigned two non-binding letters of intent from Nova Light Capital Limited ("Nova Light"), an arm's length company, which have been ratified into the definitive agreements. Nova Light was issued 3,000,000 shares of the Company for the assignment of the two non-binding letters of intent. These shares are subject to a voluntary escrow and pooling agreement released over a 36-month period. Finder's fees of 249,590 shares of the Company were issued to an arm's length party.

The Company has recorded the fair value of the shares at a price of \$0.305 per share.

Cost		
Balance, March 31, 2024	\$	792,901
Depreciation		(99,112)
Balance, March 31, 2025	\$	693,789
Depreciation		(49,557)
Balance, September 30, 2025	\$	644,232

Note 8 Convertible Debentures

On July 9, 2024, the Company closed its private placement (the "Offering") of convertible debenture units (each a "Debenture") for gross proceeds of \$540,000 (the "Principal"). Each Debenture consists of \$1,000 in principal and is convertible into 1,851.85 common shares and 1,851.85 share purchase warrants, with each share purchase warrant exercisable to acquire one common share at an exercise of \$0.80 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 (July 9, 2026) and bear interest at a rate of 8.00% per annum, commencing on the date of issuance. The Debenture Units are unsecured. On initial recognition, the Company bifurcated \$57,515 to equity and \$482,485 to the carrying value of the debentures.

The Company incurred transaction costs of \$61,939. Transactions costs consisted of the following:

- broker's fees to arm's length third parties consisting of \$43,200 cash;
- issued 80,000 finder's warrants. Each finder's warrant is exercisable at \$0.54 into one common share for a period of two years. The finders' warrants are fair valued at \$18,739 based on Black-Scholes Option Pricing Model valuation using the following assumptions: 3.74% risk-free interest rate, expected life of 2 years, 121% annualized volatility and 0% dividend rate.

FIRST HYDROGEN CORP.
Notes to Condensed Consolidated Interim Financial Statements
For the Three and Six Months Ended September 30, 2025
(Unaudited – Expressed in Canadian Dollars)

Note 8 Convertible Debentures (continued)

	September 30, 2025	March 31, 2025
Opening balance	\$ 2,921,310	\$ 2,192,472
Additions from Principal amounts	-	540,000
Fair value of Finder’s Warrants (Note 10(i))	-	(18,739)
Equity component	-	(57,515)
Transaction costs	-	(43,200)
Conversions to shares	(399,225)	-
Accretion	180,530	308,292
	\$ 2,702,615	\$ 2,921,310
Current portion	\$ 2,702,615	\$ 2,462,677
Non-current portion	-	458,633
	\$ 2,702,615	\$ 2,921,310

Note 9 Loan Payable and Government Grants

On April 20, 2020, the Company’s subsidiary Pure Extraction Ltd. obtained a Canada Emergency Business Account (the “CEBA”) loan in the amount of \$40,000 (face value) from the TD Canada Trust bank guaranteed by the Canadian government. This loan was non-interest bearing until December 31, 2023.

After January 11, 2024, the full amount of original loan if not repaid is converted into a 3-year term loan at a fixed annual interest rate of 5% per annum with an interest payment frequency determined by the financial institution and the full principal amount is due on December 31, 2026.

For the six-month period ended September 30, 2025, the accretion expense of \$1,065 (2024 - \$9,304) was recorded on the loan and reported under discontinued operations. At September 30, 2025, the balance of the loan is \$43,219 (March 31, 2025 - \$42,154).

Note 10 Share Capital

a) Authorized, Issued and Outstanding

Unlimited number of common voting shares without par value.

A summary of changes in share capital is contained on the statement of changes in shareholders’ equity for the six months ended September 30, 2025 and 2024.

b) Share Issuance - Private Placement

Six Months Ended September 30, 2025

No shares were issued under a private placement.

Six Months Ended September 30, 2024

. No shares were issued under a private placement.

c) Share Issuance – Warrants exercised

Six Months Ended September 30, 2025

- No warrants were exercised.

Six Months Ended September 30, 2024

- No warrants were exercised.

FIRST HYDROGEN CORP.
Notes to Condensed Consolidated Interim Financial Statements
For the Three and Six Months Ended September 30, 2025
(Unaudited – Expressed in Canadian Dollars)

Note 10 Share Capital (continued)

d) Share Issuance – Stock Options exercised

Six Months Ended September 30, 2025

- 150,000 stock options were exercised at \$0.40 per share, for proceeds of \$60,000.
- 435,000 stock options were exercised at \$0.50 per share, for proceeds of \$217,500.
- 100,000 stock options were exercised at \$0.70 per share, for proceeds of \$70,000.

Six Months Ended September 30, 2024

- 400,000 stock options were exercised at \$0.30 per share, for proceeds of \$120,000.

e) Share Issuance - Finder's Warrants Exercised

Six Months Ended September 30, 2025

- No finder's warrants were exercised.

Six Months Ended September 30, 2024

- No finder's warrants were exercised.

f) Share Issuance – Convertible Debenture Conversion

Six Months Ended September 30, 2025

- \$415,374 in principal were converted into shares at a price of \$0.54 for 769,212 shares.

Six Months Ended September 30, 2024

No convertible debenture conversions.

g) Issuance - Share Purchase Warrants

Six Months Ended September 30, 2025

- No share purchase warrants were issued.
- Share purchase warrants expiring April 29, 2025 (2,245,222), May 26, 2025 (1,255,300), and September 22, 2025 (425,000) expired unexercised.

Six Months Ended September 30, 2024

- No share purchase warrants were issued.
- Share purchase warrants expiring April 29, 2024 were extended to April 29, 2025, and the exercise price of these shares warrants were lowered to \$1.10.

During the six months ended September 30, 2025, warrant transactions were summarized as follows:

	Number of Warrants	Weighted Average Exercise Price (\$)	Years to Expiry
Balance at March 31, 2024	3,925,522	3.34	0.55
Balance at March 31, 2025	3,925,522	1.85	0.12
Expired	(2,245,222)	1.10	-
Expired	(1,255,300)	2.85	-
Expired	(425,000)	2.85	-
Balance at September 30, 2025	-	-	-

As at September 30, 2025, there no share purchase warrants outstanding.

FIRST HYDROGEN CORP.
Notes to Condensed Consolidated Interim Financial Statements
For the Three and Six Months Ended September 30, 2025
(Unaudited – Expressed in Canadian Dollars)

Note 10 *Share Capital (continued)*

h) 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 maximum term of the stock options is ten years. The fair value of each Award granted is estimated on the date of grant using the Black-Scholes option pricing model. Stock options granted to consultants engaged in investor activities will vest in stages over a minimum period of twelve months. No RSUs, RSUs, PSUs or DSUs were outstanding at September 30, 2025 (March 31, 2025 – nil).

During the six months ended September 30, 2025, the Company:

- granted 900,000 incentive stock options with an exercise price of \$0.50 per share for a period of five years.
- granted 400,000 incentive stock options with an exercise price of \$0.70 per share for a period of five years.

During the six months ended September 30, 2024, the Company:

- granted 2,050,000 incentive stock options with an exercise price of \$0.40 per share for a period of five years.

During the six months ended September 30, 2025, the Company recorded the share-based compensation of \$570,233 (2024 - \$808,810) for stock options vested during the period. The fair value of each option granted during the current period was estimated using the Black-Scholes Option Pricing Model based on the assumptions in the table below.

	September 30, 2025	September 30, 2024
Risk-free interest rate	2.78% - 2.88%	2.75%
Expected life	5 years	5 years
Volatility	88% - 108%	95%
Expected dividend yield	Nil	Nil

For the six months ended September 30, 2025, the stock option transactions are summarized as below:

	Number of Options	Weighted Average Exercise Price (\$)
Balance at March 31, 2024	2,520,000	1.89
Granted	2,050,000	0.40
Cancelled	(1,605,000)	1.66
Exercised	(700,000)	0.34
Balance at March 31, 2025	2,265,000	0.69
Granted	1,300,000	0.56
Cancelled	(30,000)	3.00
Exercised	(685,000)	0.51
Balance at September 30, 2025	2,850,000	0.65

FIRST HYDROGEN CORP.
Notes to Condensed Consolidated Interim Financial Statements
For the Three and Six Months Ended September 30, 2025
(Unaudited – Expressed in Canadian Dollars)

Note 10 *Share Capital (continued)*

h) Long-term Incentive Plan (“LTIP”) (continued)

As at September 30, 2025, the following stock options were outstanding and exercisable:

Expiry Date	Weighted Average Exercise price	Number of options outstanding	Weighted Average Remaining Years
March 3, 2026	\$ 0.40	50,000	0.42
June 11, 2026	\$ 2.35	120,000	0.70
November 18, 2026	\$ 1.70	265,000	1.13
September 9, 2029	\$ 0.40	1,650,000	3.95
May 20, 2030	\$ 0.50	15,000	4.64
June 25, 2030	\$ 0.70	300,000	4.74
September 26, 2025	\$0.50	450,000	4.99
	\$ 2.14	2,850,000	3.74

i) Finder’s fee – cash and warrants

Six Months Ended September 30, 2025

- No finders’ fees were paid, and no finders’ share purchase warrants were issued.
- 100,424 finders’ share purchase warrants with an exercise price of \$2.85 expired, unexercised.
- 45,764 finders’ share purchase warrants with an exercise price of \$4.50 expired, unexercised.
- 34,000 finders’ share purchase warrants with an exercise price of \$2.85 expired, unexercised.
- 83,362 finders’ share purchase warrants with an exercise price of \$4.50 expired, unexercised.

Six Months Ended September 30, 2024

- The Company incurred a cash fee of \$43,200 and issued 80,000 finders’ warrants at an exercise price of \$0.54 relating to the convertible debentures issued on July 9, 2024 (Note 8).

During the six months ended September 30, 2025, finder’s warrants transactions were summarized as follows:

	Number of Finder’s warrants outstanding	Weighted Average Price
Number outstanding at March 31, 2024	680,193	\$ 3.51
Issued	80,000	\$ 0.54
Expired	(266,123)	\$4.50
Number outstanding at March 31, 2025	494,070	\$2.50
Expired	(266,550)	\$3.67
Number outstanding at September 30, 2025	227,520	\$1.13

As at September 30, 2025, the following stock finder’s warrants were outstanding and exercisable:

Expiry Date	Exercise Price	Number of Finder’s warrants outstanding	Weighted Average Remaining Years
November 23, 2025	\$ 1.45	147,520	0.40
July 9, 2026	\$ 0.54	80,000	1.02
		227,520	0.37

j) Escrow Shares

As at September 30, 2025, no common shares (March 31, 2025 – nil) were subject to a voluntary escrow and pooling agreement release over a 36-month period (see Note 7).

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Note 11 Related Party Transactions

During the six months ended September 30, 2025, the Company recorded \$36,000 (2024 - \$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.

As of September 30, 2025, the Company has \$693,050 (March 31, 2025 - \$513,050) owing to a company owned by a director and CEO of the Company for management fees and rent. The balance has no set terms of repayment and does not bear interest.

As of September 30, 2025, the Company has \$258,900 (March 31, 2025 - \$216,900) owing to company owned by an officer of the Company for management fees. The balance has no set terms of repayment and does not bear interest.

During the six months ended September 30, 2025, the Company incurred a total of \$6,000 in directors' fees (2024 – \$16,950). As at September 30, 2025, an amount of \$34,950 is due to directors (March 31, 2025 - \$28,950).

As at September 30, 2025, the Company has received, from the CEO and CFO, short-term loans totaling \$838,750 (March 31, 2025 – \$720,750). The balance has no set terms of repayment and does not bear interest.

Key management personnel are persons responsible for planning, directing and controlling the activities of an entity and include executive and non-executive directors. Key management personnel compensation disclosed above comprised the following:

Key Management Compensation

	September 30, 2025		September 30, 2024	
CEO	\$	180,000	\$	240,000
CFO		42,000		81,000
Director fees		6,000		18,000
Rent		36,000		36,000
Stock-based compensation		-		234,531
	\$	264,000	\$	652,031

Note 12 Financial Instruments and risk

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

a) Capital Risk

The Company's policy is, if permitted by market conditions, to ensure that there are adequate capital resources to support investor and creditor confidence and support future development of the business. The capital structure of the Company consists primarily of cash and equity, comprising share capital and reserves net of accumulated deficit. The Company is not subject to any externally imposed capital requirements.

b) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash is exposed to credit risk. The Company reduces its credit risk on cash by placing these instruments with institutions of high creditworthiness. As September 30, 2025, the Company is not exposed to any significant credit risk.

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Note 12 Financial Instruments and risk (continued)

c) Liquidity Risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. The Company may seek additional financing through equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all.

d) Market Risk

Market risk incorporates a range of risks. Movements in risk factors, such as market price risk and currency risk, affect the fair values of financial assets and liabilities.

i) Interest Rate Risk

The Company's interest rate risk mainly arises from changes in the interest rates on cash. Cash generates interest based on market interest rates. At September 30, 2025, the Company was not subject to significant interest rate risk.

ii) Foreign Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in its functional currency. The Company does not manage currency risk through hedging or other currency management tools.

As at September 30, 2025, the Company's exposure to foreign currency risk on its financial instruments is as follows:

	September 30, 2025	Canadian dollar equivalent
Cash	GBP 2,026	3,789
Other receivables	GBP 693	1,296
Accounts payable and accrued liabilities	GBP (474,703)	(887,742)
Net exposure	GBP (471,984)	(882,657)

A 10% change in the British Pound against the Canadian dollar at September 30, 2025, would impact the Company's net liabilities by approximately \$88,000.

iii) Price Risk

The Company is not exposed to price risk with respect to commodity pricing.

The Company provides information about financial instruments that are measured at fair value, grouped into Level 1 to 3 based on the degree to which the inputs used to determine the fair value are observable.

The three levels of the fair value hierarchy are:

- 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 or indirectly;
- and
- Level 3 – Inputs that are not based on observable market data

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Note 12 Financial Instruments and risk (continued)

iii) Price Risk (continued)

The following table presents the financial instruments recorded at fair value in the statement of financial position, classified using the fair value hierarchy:

	Level 1	Level 2	Level 3	Total – September 30, 2025
Financial Assets				
Cash	\$ 77,221	\$ -	\$ -	\$ 77,221
Receivables	-	17,659	-	17,659
Prepaid	-	118,504	-	118,504
Inventories	-	237,422	-	237,422
Deposit on land	100,000	-	-	100,000
Equipment	-	12,812	-	12,812
Intangible	-	644,232	-	644,232
Financial Liabilities				
Accounts pay.	\$ -	\$ 3,232,941	\$ -	\$ 3,232,941
Accrued int.	-	245,781	-	245,781
Current portion	-	2,702,615	-	2,702,615
Income taxes	-	25,000	-	25,000
Short -term loans	-	886,550	-	886,550

Note 13 Capital Risk Management

The Company's objectives when managing capital are: to safeguard the Company's ability to continue as a going concern; to maintain optimal capital structure, while ensuring the Company's strategic objectives are met and to provide an appropriate return to shareholders relative to the risk of the Company's underlying assets.

The capital structure of the Company consists of equity attributable to common shareholders, comprised of issued capital, stock options and deficit.

The Company maintains and adjusts its capital structure based on changes in economic conditions and the Company's planned requirements. The Company may adjust its capital structure by issuing new equity, selling and/or acquiring assets, and controlling its capital expenditures program.

Management reviews its capital management approach on an ongoing basis. The Company is not subject to any externally imposed capital requirements.

Note 14 General and administrative

	For the Three Months ended September 30,		For the Six Months ended September 30,	
	2025	2024	2025	2024
Office and administration	\$ 5,069	\$ 6,424	\$ 11,071	\$ 9,842
Computer and internet	5,308	12,198	9,850	29,616
Rent	20,701	18,030	42,083	38,361
Transfer agent and regulatory fees	12,061	19,900	21,865	31,658
	\$ 43,139	\$ 56,552	\$ 84,869	\$ 109,477

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Note 15 Segmented information

	Assets		Expenditures	
	As at September 30,		For the Six Months Ended	
	2025	2024	2025	2024
U.K.	\$ 280,343	\$ 917,195	\$ 167,483	\$ 1,277,810
Canada	927,507	961,266	1,398,670	1,856,851
	\$ 1,207,850	\$ 1,878,461	\$ 1,566,153	\$ 3,134,661

Note 16 Supplemental Cash Flow

	September 30, 2025	September 30, 2024
Share issued from convertible debenture conversion	\$ 415,374	\$ -

Note 17 Subsequent Events

- a) The Company issued 129,560 common shares to settle interest payments due in the amount of \$62,141
- b) The Company issued 100,000 common shares from the conversion of \$54,000 of debentures.
- c) The Company issued 100,000 common shares from the exercise of incentive stock options at a price of \$0.70 per share.
- d) The Company and certain debentures holders agreed to extend the maturity date of convertible debentures in the principal amount of \$2,204,425, from November 22, 2025 to November 22, 2028, subject to acceptance of the TSX Venture Exchange.
- e) The Company proposed to settle up to \$206,930.25 in accrued and owing interest (the "Settlement Amount") into 470,296 common shares (the "Shares") of the Company (the "Debt Settlement"). The Shares shall be issued at a deemed price of C\$0.44 per Share. The Settlement Amount is payable to debenture holders (the "Debenture Holders") referenced above and 9.0% unsecured convertible debentures of the Company, the full principal balance of which was converted into shares on September 24, 2025, and October 14, 2025, these debentures were issued to the Debenture Holders on November 22, 2023. The proposal is subject to TSX Venture Exchange approval.