

AUDREY CAPITAL CORPORATION

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NEWS RELEASE

AUDREY CAPITAL CORPORATION AND APPLIED GRAPHITE TECHNOLOGIES CORPORATION ANNOUNCE FILING OF FILING STATEMENT AND TECHNICAL REPORT

February 29, 2024 – Audrey Capital Corporation (TSXV: AUD.P) (the “**Corporation**” or “**Audrey**”), a capital pool company (“**CPC**”) listed on the TSX Venture Exchange (“**TSXV**”), is pleased to announce that further to its press release dated June 26, 2023 the Corporation has received conditional listing approval from the TSXV and has filed a filing statement (the “**Filing Statement**”) in connection with its proposed “qualifying transaction,” as defined under TSXV Policy 2.4 - *Capital Pool Companies* (“**Policy 2.4**”), respecting its previously announced transaction with Applied Graphite Technologies Corporation (“**AGT**”), which is available under Audrey’s SEDAR+ profile at www.sedarplus.ca.

On June 23, 2023, the Corporation entered into a qualifying transaction agreement (the “**Qualifying Transaction Agreement**”) with AGT, a private company incorporated under the *Business Corporations Act* (British Columbia), pursuant to which the Corporation will acquire all of the issued and outstanding securities of AGT by way of a three-cornered amalgamation with a wholly-owned subsidiary of the Corporation (“**Subco**”) such that upon completion of the transaction, AGT will be a wholly-owned subsidiary of the Corporation (the “**Transaction**”). Assuming all conditions for closing are satisfied, the Corporation expects closing of the Transaction to occur during the week of March 5, 2024.

For further information, please refer to the Filing Statement and the Technical Report (as defined below) as filed on SEDAR+ at www.sedarplus.ca, as well as the press release of the Corporation dated June 26, 2023. The Corporation will provide further updates respecting the Transaction in due course. Trading of the common shares of Audrey will remain halted in connection with the dissemination of this press release and will recommence at such time as the Exchange may determine, having regard to the completion of certain requirements pursuant to Exchange Policy 2.4.

Technical Report

Audrey has filed, along with the Filing Statement, a National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (“**NI 43-101**”) compliant Technical Report, commissioned by AGT in connection with the Qualifying Transaction Agreement, in respect of AGT’s Dodangaslanda graphite properties, entitled “*Technical Report on the Dodangaslanda (D1 And Q2) Exploration Licences, Democratic Socialist Republic Of Sri Lanka*”, by Christian Derosier P.Geo., M.Sc., D.Sc. and dated effective August 15, 2023 (the “**Technical Report**”) which is available at Audrey’s SEDAR+ profile at www.sedarplus.ca.

About Audrey

Audrey is a CPC governed by the policies of the TSXV. Audrey’s principal business is the identification and evaluation of assets or businesses with a view to complete a Qualifying Transaction. Investors are cautioned that trading in the securities of a CPC should be considered highly speculative.

About Applied Graphite Technologies Corporation

Applied Graphite Technologies Corporation is a private company which owns a 90% ownership interest in C-Tech Ceylon (Private) Limited, a corporation incorporated pursuant to the laws of Sri Lanka, which in turn will own a 100% ownership interest in the Dodangaslanda Graphite Properties in Sri Lanka. Applied Graphite Technologies Corporation was incorporated on July 12, 2019 under the laws of the Province of British Columbia.

The Dodangaslanda Properties are on private land in the heart of the vein graphite district, with historical workings and vein graphite outcrops. Vein graphite is naturally high grade (+95% carbon content in the ground) and does not require primary processing. Testing of vein graphite in lithium-ion battery anodes has shown very high capacities, performing better than synthetic graphite. Natural vein graphite has a far superior ESG footprint than synthetic, and is cheaper without compromising performance.

The technical information in this news release has been prepared by Don Baxter, P.Eng., a "qualified person" as defined in NI 43-101.

FOR FURTHER INFORMATION PLEASE CONTACT:

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Cautionary Note

As noted above, completion of the Transaction is subject to a number of conditions, including but not limited to, receipt of all requisite regulatory, stock exchange, court or governmental approvals, authorizations and consents and approval of the shareholders of the Corporation and AGT (as applicable). Where applicable, the Transaction cannot close until the required approvals have been obtained. There can be no assurance that the Transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the continuous disclosure document containing full, true and plain disclosure regarding the Transaction, required to be filed with the securities regulatory authorities having jurisdiction over the affairs of the Corporation, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon. The trading in the securities of the Corporation on the TSXV should be considered highly speculative.

Trading in the common shares of the Corporation is presently halted and is expected to remain halted pending closing of the Transaction. While halted, the common shares of the Corporation may only trade upon TSXV approval and the filing of required materials with the TSXV as contemplated by TSXV policy.

Forward-Looking Information

Although the Corporation believes, in light of the experience of its officers and directors, current conditions and expected future developments and other factors that have been considered appropriate that the expectations reflected in this forward-looking information are reasonable, undue reliance should not be placed on them because the Corporation can give no assurance that they will prove to be correct. When used in this press release, the words "estimate", "project", "belief", "anticipate", "intend", "expect", "plan", "predict", "may" or "should" and the negative of these words or such variations thereon or comparable terminology are intended to identify forward-looking statements and information. The forward-looking statements and information in this press release include information relating to: the business plans of the Corporation and AGT, the completion of the Transaction (including final TSXV approval of the Transaction), and the listing of Resulting Issuer Shares on the TSXV. Such statements and information reflect the current view of the Corporation and/or AGT, respectively. Risks and uncertainties that may cause actual results to differ materially from those contemplated in those forward-looking statements and information.

Forward-looking information in this news release are based on certain assumptions and expected future

events, namely: the Corporation and AGT's ability to continue as a going concern, continued approval of the Corporation's and AGT's activities by the relevant governmental and/or regulatory authorities, the continued growth of AGT, and the ability of the Corporation and AGT to fulfil the listing requirements of the TSXV.

By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause actual results, performance or achievements to differ materially from those expressed or implied by such statements, including but not limited to: the potential inability of the Corporation and AGT to continue as a going concerns, risks associated with potential governmental and/or regulatory action with respect to the Corporation's and AGT's operations, respectively, the potential unviability of the business plans of the Corporation and AGT, respectively, AGT's expectation on the growth and performance of its acquisitions may prove incorrect, failure to complete the Proposed Transaction (including the inability of the Corporation and AGT to obtain final TSXV approval of the Proposed Transaction), and the inability of the Resulting Issuer to list its shares on the TSXV. Such statements and information reflect the current view of the Corporation and/or AGT, respectively. Risks and uncertainties that may cause actual results to differ materially from those contemplated in those forward-looking statements and information. The forward-looking information contained in this press release represents the expectations of the Corporation as of the date of this press release and, accordingly, is subject to change after such date. Readers should not place undue importance on forward-looking information and should not rely upon this information as of any other date. The Corporation does not undertake to update this information at any particular time except as required in accordance with applicable laws.

This press release is not an offer of the securities for sale in the United States. The securities have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an exemption from registration. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful.

The TSXV has in no way passed upon the merits of the Transaction and has neither approved nor disapproved the contents of this press release.

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